

Malaysian Sustainable Palm Oil (MSPO)

PUBLIC SUMMARY REPORT

Melewar Palm Oil Mill (Melewar Palm Oil Mill)

BR No	50450565			
Company Address	CL 095310400, Km 46, Jalan Sandakan-Lahad Datu, Kinabatangan, Sabah, Malaysia			
Audit Date	Start	3 March, 2025	End	5 March, 2025
Standard	MS 2530-4-1: 2022 General Principles for Palm Oil Mill including Supply Chain Requirements			
Type of Certification	Individual Certification			
Type of Assessment	Recertification Audit			

Report prepared by: Edward Agong Ajan

Peer Reviewer by: Remi Rasidi

Certification decision by: S. RIDZUAN

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SECTION 1.0 PUBLIC SUMMARY REPORT

1.0 Details of Certification Assessment

1.1. Assessment information

Audit Date	3/3/2025 To 5/3/2025
Type of Certification	Individual Certification
Scope of Certification	<i>Sustainable management of a palm oil with a processing capacity of 70 MT/hour, including the receiving of Fresh Fruit Bunches (FFB), milling, storage and dispatch of Crude Palm Oil (CPO) and Palm Kernel (PK), applying the Mass Balance Supply Chain Model</i>
Type of Assessment	Recertification Audit
Method of Audit	Onsite Audit
MSPO Standards	MS 2530-4-1: 2022 General Principles for Palm Oil Mill including Supply Chain Requirements

2.0 Details of Palm Oil Mill

2.1 Site Information

a. Management Representative	
Ang Jen Ken – Mill Manager	
b. Contact Information	
Telephone	016-3934201
Email	melewar_mgr@jcc.com.my
Website	www.carotino.com

b. Details of MPOB License				
License No	Scope of Activity		Processing capacity (mt/hour)	Expiry Date
500106704000	No Aktiviti Berlesen 1 Menjual dan Mengalih 2 Membeli dan Mengalih 3 Menyimpan 4 Mengilang	Keluaran Kelapa Sawit FFB, PK, CPO, SPO# FFB, PK, CPO# PK, CPO, SPO# FFB #	70	30/11/2025
c. Geographical Location				
GPS Coordinate				
E 118°03'12.0" N 5°16'19.0"				
d. FFB Processed (MT)				
Previous Year Actual(mt) Period : Jul 2023 – June 2024	Previous Year Budget (mt) Period : Jul 2023 – June 2024	Annual budget (mt) Period: July 2024 – June 2025		
181,008.12	181,164.90	182,491.00		
e. Crude Palm Oil Production (MT)				
Previous Year Actual(mt) Period : Jul 2023 – June 2024	Previous Year Budget (mt) Period : Jul 2023 – June 2024	Annual budget (mt) Period: July 2024 – June 2025		
37,918.91	36,316.96	37,190.59		
f. Palm Kernel Production (MT)				
Previous Year Actual(mt) Period : Jul 2023 – June 2024	Previous Year Budget (mt) Period : Jul 2023 – June 2024	Annual budget (mt) Period: July 2024 – June 2025		
7,130.03	9,232.91	9,332.83		

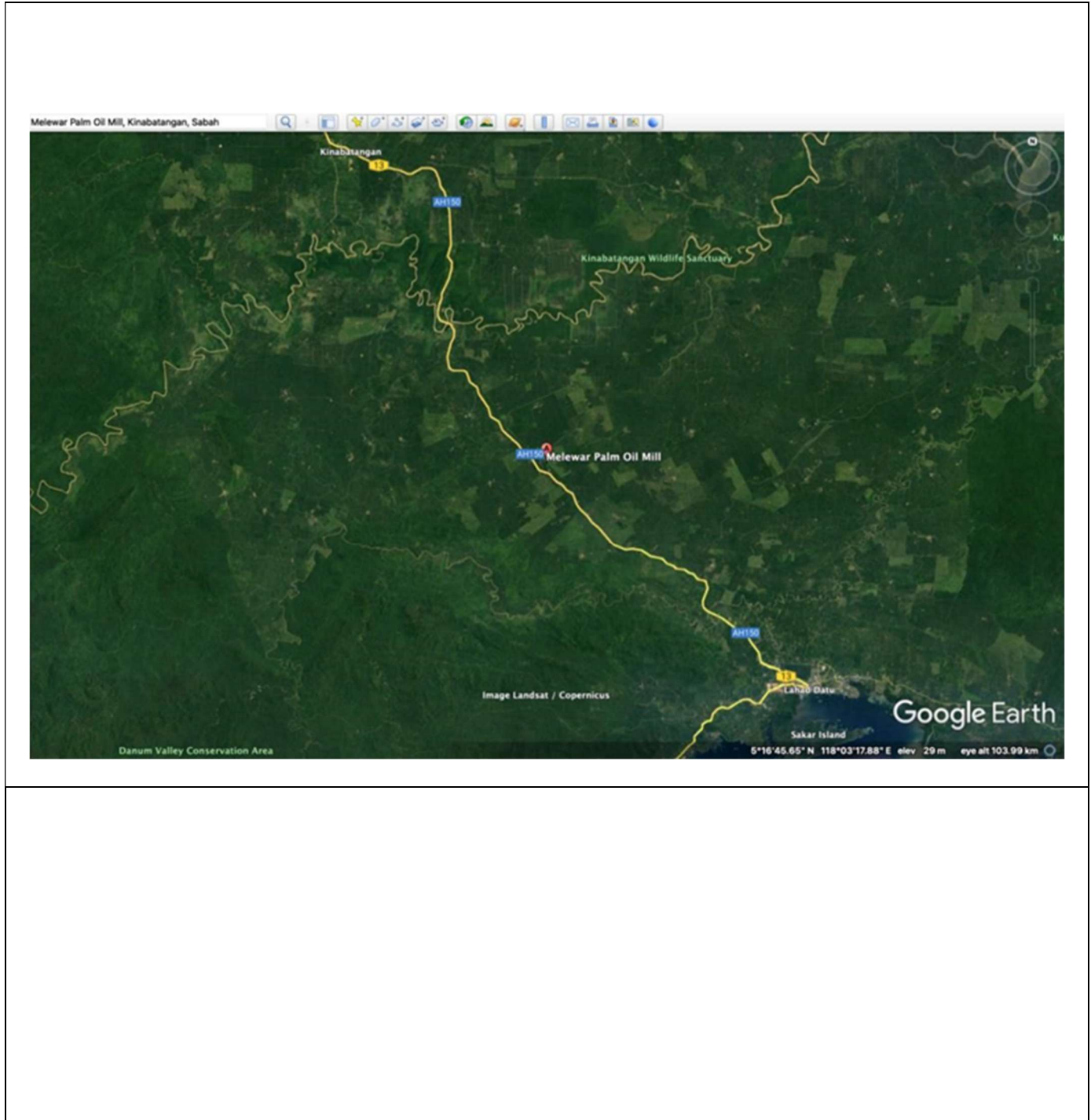
2.2 Certification Information

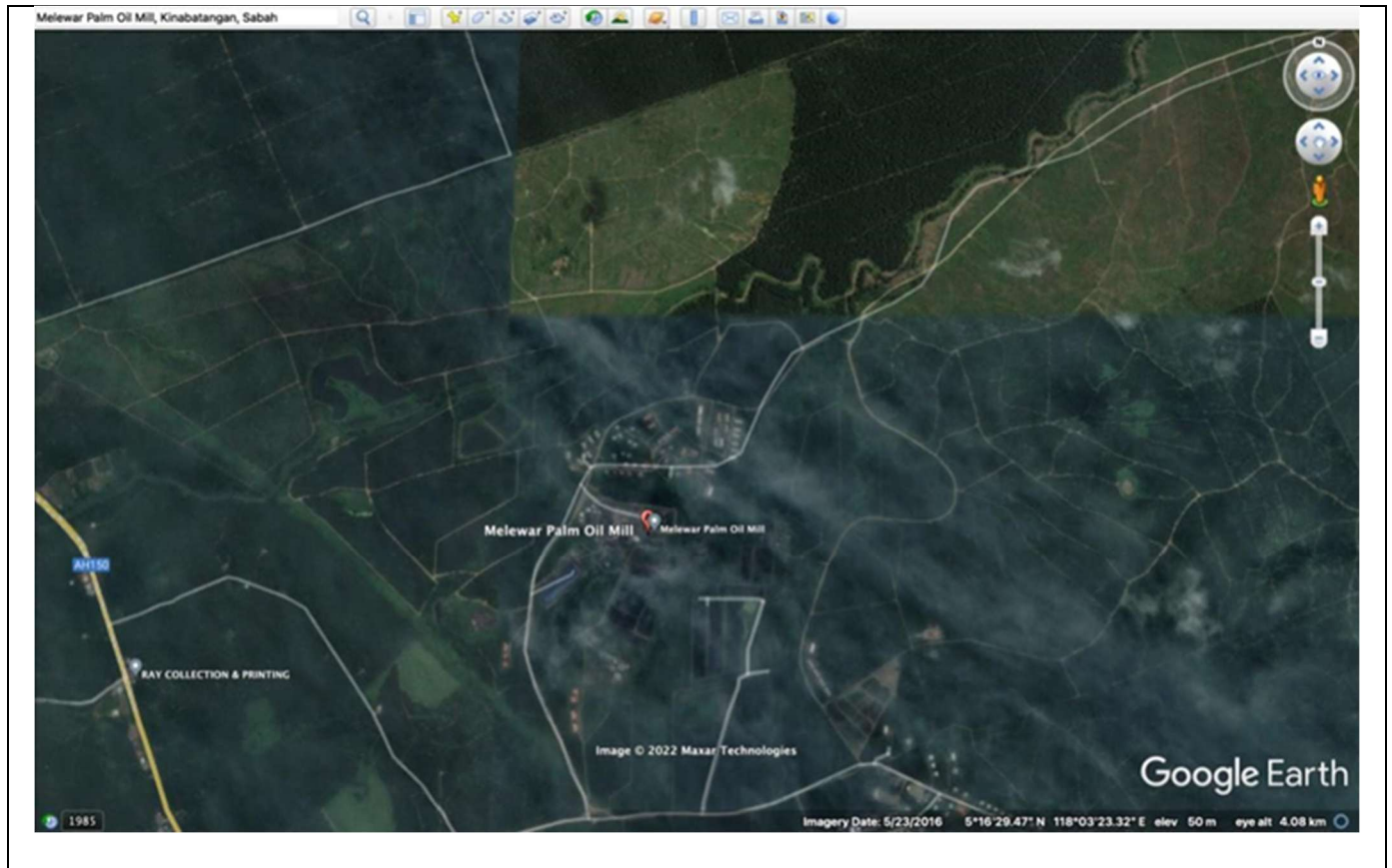
MSPO Certificate	<p>Certificate No: 50450565 MSPO4 Date of Certification: 10/07/2025</p> <p>Date of Expiry: 09/07/2030</p>
Other Sustainability Certification	<p>Name of Certification: RSPO Certificate No: RSPO 651276</p> <p>Date of Certification: 24/03/2024</p> <p>Date of Expiry: 6/2/2029</p>
Other Sustainability Certification	<p>Name of Certification: MSPO SCCS Certificate No: 50450565 MSPO SCCS</p> <p>Date of Certification: 10/07/2020</p> <p>Date of Expiry: 9/7/2025</p>
Other Sustainability Certification	<p>Name of Certification: ISCC EU Certificate No: EU-OSCC-Cert-MY275-20243406</p> <p>Date of Certification: 02/05/2024</p> <p>Date of Expiry: 2/5/2025</p>

2.1 Location Map

Map showing geographical location, with close-up of the certified entity (mill) with geographical coordinate map of appropriate scale, showing the location and external boundary of the certified area.

Mill: Melewar Palm Oil Mill (Melewar Palm Oil Mill)
GPS Coordinate : E 118°03'12.0" N 5°16'19.0"





Mill GPS Coordinates - E 118°03'12.0" N 5°16'19.0"

3.0 Assessment Process

3.1 Certification Body

3.1.1 Audit Team Members

The qualification and competency criteria for the audit team members for this assessment as described below.

Name & Audit Role	Criteria	Description
Edward Agong Ajan Lead Auditor	Education <input checked="" type="checkbox"/> Tertiary <input type="checkbox"/> Post - Secondary	B. Sc (Forestry) UPM Serdang 1985
	Work Experience	More than 30 years' working experience in the plantation (oil palm and forestry), with various positions: Administrative Executive, Plantation Executive, Migrant Worker Coordinator, Environmental Quality Coordinator, Senior Instructor, Training Coordinator, Senior Assistant Manager, Plantation Manager, Plantation Development Manager, Public Relation Manager, Regional Manager. Last employment was in Papua New Guinea (2014). Now self employed as a freelancer. Used to be an EIA Consultant registered with Sarawak Natural Resources and Environmental Board (NREB).
	Training	Holds certificates as Auditor for ISCC-EU and PLUS (2017), MS2530:2013 (2015,2017), MS2530:2022 (2024), MSPO SCCS (2021), IMS ISO9001 and 14001 (2019), SA8001 (2022), SA8000 SAI (2024), IMS - ISO14001 and ISO45001 (2024), MPOB CoP (2017), and MTCC FMC (Natural Forests and Planted Forests) 2020. Attended MPOCC Training for MSPO Peer Reviewer (2017), Workshop on SIA Methodology and Practices (2024). A certified HRDCorp Trainer (2022) A certified trainer for MSPO new standard MS2530-2022 Attended online training on GHG ISO 14064-3 (2022) by DQS
	Auditing Experience	Among the first batch (pioneer) of MSPO Lead Auditors (2015) in Malaysia, conducted audits covering Malaysia,

		Indonesia and Papua New Guinea with more than 700 audit days.
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3.2 Audit Plan

Audit plan / Auditplan	
	Version (date) 04/02/2024 Ref. no. 50450565
Company name	Melewar Palm Oil Mill
Site(s)	Melewar Palm Oil Mill CL 095310400, Jalan Sandakan – Lahad Datu, Kinabatangan, Sabah, Malaysia
Standard(s)	MS 2530-4-1:2022: General Principles for Palm Oil Mill
Type of audit	Recertification Audit
Type of certification	Individual Certification
Audit team	Edward Agong Ajan (EDW)
Audit scope	<i>Sustainable management of a palm oil with a processing capacity of 70 MT/hour, including the receiving of Fresh Fruit Bunches (FFB), milling, storage and dispatch of Crude Palm Oil (CPO) and Palm Kernel (PK), applying the Mass Balance Supply Chain Model</i>
Audit language	English
Audit date	3/3/2025 to 5/3/2025
Audit criteria	See below
	<ul style="list-style-type: none"> – Requirements of the above-mentioned standard(s) – Relevant statutory, regulatory and contractual requirements for the management system / – Process documentation of the management system developed by the client / – DQS Audit and certification regulations

Audit objectives:

Recertification audit

- Evaluation of the performance of the management system over the period of certification /
- Review of previous surveillance audit reports /
- Review of effectiveness of measures arising from the previous audit (if applicable) /

AUDIT REPORT_MS2530 PART 4.1_MELEWAR POM_RA_2025_REVISIED30052025-14

Suite 56-4 Setia Avenue, Jalan Setia Prima S U13/S, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor, Malaysia

All aspects of the audit are considered confidential

- Evaluation of effectiveness of the management system in its entirety in the light of internal and external changes /
- Evaluation of demonstrated commitment to maintain the effectiveness and improvement of the management system /
- Evaluation of achievement of the organization's policy and objective /
- Customer specific requirements /
- Others / :
-

Time	Subject; process Process names as defined by client / <i>Prozessbezeichnungen des Kunden</i>	Reference	Unit; department	Participants	Auditor(s)	R*
Day 1					EDW	
0800-0830	Opening Meeting		Mill and Sustainability	Management representative Auditors	/	
0830 - 1200	DOCUMENT REVIEW: Principle 1 – Management Commitment & Responsibility	MS 2530:2022 Part 4-1				
	Malaysian Sustainable Palm Oil (MSPO) policy	4.1.1		PIC Principle 1	/	
	<i>New establishment</i>	4.1.2		PIC Principle 1	/	
	Existing site management	4.1.3		PIC Principle 1	/	
	Training and competency	4.1.4		PIC Principle 1	/	
	Economic and financial viability plan	4.1.5		PIC Principle 1	/	
	Commitment to contribute to local sustainable development	4.1.6		PIC Principle 1	/	
	Complaints and grievances handling	4.1.7		PIC Principle 1	/	
	Internal audit	4.1.8		PIC Principle 1	/	
	Management review	4.1.9		PIC Principle 1	/	
1200-1300	Lunch Break					
1300-1700	Document review – Principle 2 – Transparency	MS 2530:2022 Part 4-1		PIC Principle 1 Social Liaison Officer	/	

	4.2.1 – Communication and consultation 4.2.2 – Traceability 4.2.3 – Transparent and fair price dealing 4.2.4 – Ethical conduct			Traceability in-charge HR officer			
1700	End of Day 1						

Time	Subject; process Process names as defined by client / <i>Prozessbezeichnungen des Kunden</i>	Reference	Unit; depa rtme nt	Participants	Auditor(s)		R*
Day 2					EDW		No
0800-1030	Site Visit – weighbridge, reception, operation, waste management, ponds, WTP, workshop, tanks, mill area boundary, conditions and management of housing, creche, schools, canteen, stores, clinic, facilities Interviewing - employees / contractors / service providers / villagers		Estate	Mill Manager / Engineer	/		
1030-1200	Document review – Principle 3 – Compliance to legal and other requirements 4.3.1 – Regulatory requirements 4.3.2 – Rights to use land 4.3.3 – Native customary rights	MS 2530:2022 Part 4-1		PIC Principle 3 Legal Officer	/		
1200-1300	Lunch Break						
1300-1700	DOCUMENT REVIEW Principle 4: Responsibility to social, health, safety and employment conditions 4.4.1: Social Impact Assessment (SIA)	MS 2530:2022 Part 4-1		PIC Principle 4	/		
1700	End of Day 2						

Time	Subject; process Process names as defined by client / <i>Prozessbezeichnungen des Kunden</i>	Reference	Unit; departm ent	Participants	Auditor(s)		R*
Day 3					EDW		
0800-1200	DOCUMENT REVIEW (Cont) Principle 4: Responsibility to social, health, safety and employment conditions 4.4.2: Employee's safety and health 4.4.3: Employment conditions 4.4.4: Living conditions	MS 2530:2022 Part 4-1		PIC Principle 4	/		
1200-1300	Lunch Break						
1300-1600	Principle 5: Environment, natural resources, biodiversity and ecosystem services 4.5.1 Environmental management 4.5.2: Efficiency of energy use and use of renewable energy 4.5.3: Waste management and disposal 4.5.4: GHG emissions 4.5.5: Water Resources 4.5.6: Environmental conservation and protection 4.5.7: Zero burning practices	MS 2530:2022 Part 4-1		PIC Principle 5	/		

1600-1630	Preparation for closing meeting				/		
1630-1700	Audit Closing Meeting			All	/		
1700	End of Audit						

R* - Remote auditing by using ICT: ~~yes, blended~~ or no.

In the case of a remote audit, a risk analysis (CF33/CF34) was carried out in advance. The ICT used did not influence or hinder the effectiveness and the integrity of the auditing and the achievement of the audit objectives. The following ICT was used for the marked sessions:

3.3 Assessment Programme

3.3.1 Assessment Programme

Mill	STAGE 2 / RA	AA1	AA2	AA3	AA4
	2025	INSERT YEAR	INSERT YEAR	INSERT YEAR	INSERT YEAR
Melewar Palm Oil Mill (Melewar Palm Oil Mill)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.3.2 Previous Assessment

Type of assessment	Date of audit
Initial audit Stage 2	Nil (2 nd cycle of certification)
Surveillance Audit 1	08/03/2021 and 12/03/2021
Surveillance Audit 2	14-17/03/2022
Surveillance Audit 3	03-06/04/2023
Surveillance Audit 4	22-24/04/2024
Recertification Audit	03-05/03/2025

3.3.3 Next assessment

Date of certification	5/7/2020
Date of expiry	4/7/2025
Proposed next certification	2/3/2026

Next certification type	Surveillance Audit 1
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3.3.4 Information on management units to be audited in five years cycle.

Melewar Palm Oil Mill is a palm oil milling company of Melewar Properties Sdn. Bhd.. It was commissioned in October 1989, located at GPS N 5°16'19.0" E 118°03'12.0", about 45 minutes drive from Lahad Datu, Sabah. The mill is certified with MS2530-4:2013 and MSPO SCCS, with FFB processing capacity of 70 mt/hr. It has undergone a full cycle of 5-years MSPO certification, and now moving ahead to be recertification the second time but under the revised MSPO standard. FFB are supplied by their estates and surrounding smallholders.

4.0 Summary of Audit Results

This audit was conducted using a sampling process to assess the effectiveness and efficiency of the management system, based on the audit trail established by the assessor. The conclusion of the audit is as follows:

- 1) Nil (0) Major Non-Conformity
- 2) One (1) Minor Non-Conformities
- 3) One (1) Opportunities for Improvement (OFI)

All findings have been acknowledged by management, and a detailed summary is provided in this report.

4.1. Overview of non-conformities

Non-Conformity 1	NCR Ref. No	1-0565-RA-25	Issuance Date	5/3/2025
MSPO clause	<p>4.4.1.1 - A Social Impact Assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable.</p> <p>4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed periodic intervals</p> <p>4.4.1.3 - The SIA conducted shall be reviewed at least five years interval or if there are any changes which could affects the social conditions and the environment.</p>			

Statement of non-conformity	<p><i>SIA was found not prepared according to scheme owner guideline.</i></p> <p>A Social & Environmental Impact Assessment including a Preliminary Management Review was shown, dated 13/7/2011 reported by Wild Asia (Malaysia) which is not following the scheme owners' guidelines.</p>
Classification	<input checked="" type="checkbox"/> Minor <input type="checkbox"/> Major
	<p>For Major issuance, repetitive issue on the specific objective evidence was found</p> <input type="checkbox"/> Yes, immediate suspension <input checked="" type="checkbox"/> No
Root Cause Analysis, Correction(s) and Corrective action(s) <i>(to be completed by company)</i>	<p><u>Root Cause Analysis</u></p> <p>There is no trained person available in the group to conduct the SIA. In fact, that since the guideline was released, no action has been taken by the management to engage a third-party Assessor to conduct such assessment, due to the responsible team which ICT are looking into for the available SIA course to be attended, with intention that the SIA will be conducted internally.</p> <p><u>Correction(s)</u></p> <p>Management has immediately contacted a few endorsed SIA Assessors to get the quotation to conduct SIA for the whole group. Upon obtaining at least 3 quotations, ICT will forward the quotations to the group sustainability manager for selection. The appointed Assessor will conduct the SIA assessment as soon as possible.</p> <p><u>Corrective Action(s)</u></p> <p>In the event that there is a new revision or established standards and guidelines which are required by MSPO in future, prompt action will be taken by the management to implement whatsoever is necessary to be in line with the requirement from time to time.</p>
Evidence of effectiveness <i>(to be completed by auditor)</i>	<p>Evidence was shown for the Requisition for Quotation for SIA via email dated 4/7/25 2:55 PM. Quotation was given by Wild Asia Ref: P1999604454-2025.04.28 Re: Proposal for Social Impact Assessment for JC Chang's 3 Production Units in Sabah, Malaysia dated 11/4/2025.</p>
Conclusion	Choose an item.

Status	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Upgrade to Major NC <input type="checkbox"/> Suspension, on Click or tap to enter a date. <input type="checkbox"/> Withdrawal, on Click or tap to enter a date. Remark:
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4.1.2 Summary and status of audit findings on previous year

The following non-conformities were identified during this audit

Category	NCR Ref. No	Previous year's status	Implementation of agreed corrective action
-		N/A	<input type="checkbox"/> Effective <input type="checkbox"/> Not effective <input checked="" type="checkbox"/> Not applicable

4.1.3 Review and follow up on previous open audit findings

There are no open non conformities from the previous year's audit

4.2 Overview of Opportunity for Improvement (OFI)

The following Opportunity for Improvement (OFI) were identified during this audit

No	MSPO Clause	Statement
1	4.2.4.1	Based on document review and interviewing the management, a policy on Corruption Prevention was shown, signed on 4/9/2015 by the Mill Director. It would be an improvement to comprehensively include elements of ethical conduct in the policy.

4.3 Stakeholders Consultation

Stakeholder consultation process was conducted by taking samples from the list of stakeholders established by Melewar Palm Oil Mill (Melewar Palm Oil Mill) to capture the view, opinion, and expectation of interested parties as a result of operation run by the organization.

1	Contacted stakeholders	FFB supplier (Smallholder)
	Response	Face to face communication. Attended briefing organized by the mill and is aware of MSPO implementation. He has a farm of about 6 ha planted with oil palm. Satisfied with the pricing and grading of his fruits.
2	Contacted stakeholders	Transporter – Pengangkutan DTSB
	Response	Phone call. The interviewee is well aware of MSPO requirements related to communication and consultation with the mill. No complaint and grievance. Payments are timely. No negative issue raised.
3	Contacted stakeholders	Police Kinabatangan –
	Response	Phone call. The Lance Corporal confirmed of no incident related to security occurred in the mill. No negative issue raised.
4	Contacted stakeholders	Jabatan Alam Sekitar, Sandakan
	Response	The last visit to the mill was on 15 th August 2024 with a report filled up in their field citation. Issues raised were considered normal, and no serious implication.
5	Contacted stakeholders	Community leader – Ketua JKKK Kg Paris 3
	Response	Phone call. The head of Kampung Paris 3 Development Committee praises the mill for their assistance – provision of water when needed (2 – 3 times a year). No negative issue raised.
6	Contacted stakeholders	Security Mill
	Response	Face to face. 15 years in service. No incident related to security occurred in the mill. He have requested for the management to provide baton for his squad, pending approval. No negative issue raised.
7	Contacted stakeholders	Employee – Water Treatment Plant

	Response	Face to face. Aware of MSPO compliance. He has never raised any complaints. Contended with wages and living conditions. No negative issue raised.
8	Contacted stakeholders	FFB Supplier (Outside Estate) - Tye Yang Estate
	Response	Face to face. Estate Manager. Same group of companies. Understood the importance of MSPO compliance. Is involved in group management review meeting. No negative issue raised.
9	Contacted stakeholders	Employee - Engine Operator
	Response	Face to face. Aware of MSPO compliance. He has no grievance nor complaint. He is satisfied with his employment condition. No negative issue raised.
	Management feedback	The mill management took cognizance to the compilation of responses gathered from stakeholders, including issues that would require coordination and request from employees.
	Auditor comments	The responses from stakeholders were presented to the mill management during the closing meeting and are well accepted. Any potential issues are to be addressed appropriately.

4.4 Audit Summary and Recommendation for Certification

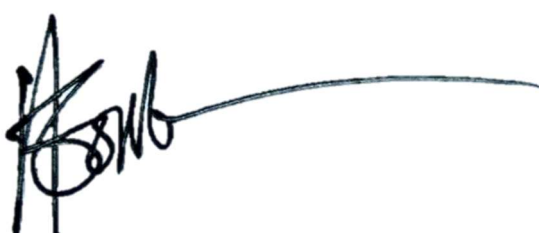

This report details the audit results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success.

In reference to MS 2530:4-1:2022, the audit team recommends to DQS:

- Issuance of the certificate
- Issuance of the certificate as soon as implementation of corrective actions has been demonstrated
- Maintenance of the certificate
- Maintenance of the certificate as soon as implementation of corrective actions has been demonstrated
- Not applicable, due to extraordinary type of report

Please remember to notify DQS about any significant change to your management system at your earliest convenience. Together we will then coordinate appropriate measures to maintain your current certification

5.0 Official Acknowledgement of the Assessment Findings

	
Lead Auditor: EDWARD AGONG AJAN	Management Representative: Edwerd Berian @ Florian
Date: 5/3/2025	Date: 06/03/2025