

NESUS CERTIFICATION SDN BHD



MSPO CERTIFICATION SUMMARY REPORT

FOR

GRAND MUTUAL SDN BHD (372769-V)

GRAND MUTUAL SAWAI ESTATES

Date: 02nd February 2024

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MSPO Certification Summary Report		
	Company Name:	Grand Mutual Sdn Bhd (372769-V)
	Certifying Unit:	Grand Mutual Sawai Estates
	Client Number:	NSC-46-10-21/MSPO
	Audit Type:	Individual / Re-certification Year 6 Audit

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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GMP	Good Milling Practices
GPS	Global Positioning System
GAP	Good Agriculture Practices
ISO	International Standard Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OFI	Opportunities For Improvement
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened and Endangered Species
SDS	Safety Data Sheet
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

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1. INTRODUCTION

Grand Mutual Sdn Bhd has commissioned Nesus Certification Sdn Bhd to conduct **Re-Certification** audit for its oil palm plantation, **Grand Mutual Sawai Estates**, according to MS 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organized Smallholders.

1.1. Objective

The objective of this **Re-Certification** audit was to assess the oil palm plantation by an independent certification body with the aim for compliance of the standards.

1.2. Scope

Any changes in scope Yes ☐ No ☒

The certification was based on the documentation established by **Grand Mutual Sawai Estates**. The supporting documents provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information were reviewed against the requirements and criteria based on MS 2530-3: 2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders. Nesus Certification Sdn Bhd had employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references were used as part of the assessment; the compliance of the requirements of the guidelines applied were checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles For Oil Palm Plantations And Organized Smallholders audit guidance;

1.3. Appointment and Qualification of team members

The audit team appointed consists of the team leader and team members. The team contributes to the review of documents, assessment of the project activity and preparation of this report.

Audit:	Date:	Audit Team	
Re-Certification Year 6	10th January 2024	Lead Auditor	Jeffrey Denis Ridu; Certified MSPO SCCS Auditor (SGS Malaysia), Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Plantation Management (UPM), BS Agbusiness (Iowa State University, USA), DPIM (ITM Perlis); 25 years working experience related to palm oil; Site & documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.
		Auditor 1	Jiram Sidu; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Science and Rural Resources and Environmental Policy (UK), BSc (Hons) Social Science (USM); More than 40 years experience in agriculture and environment management field; Site & documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.
		Auditor 2	Edward Agong Ajan; Certified Lead Auditor (DQS Certification), Certified ISO 14001:2015 and ISO9001:2015 Lead Auditor, BSc Forestry (UPM); 28

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			years working experience related to palm oil; Site & documentation audit and interview based on Principle 1 to 7 of MS 2530-3:2013.
		Auditor 3	Abdul Khalik Arbi ; MSPO Certified Lead Auditor, BSc. (Hons) Environmental Science, 18 years experiences working in Consultation (Environment, Safety and Health Aspect and Socio Aspect) in various industries such as Plantation, construction, master plan study.

Clients Review:	Mr Lau Kung Hieng	Date:	05 th February 2024
Peer Reviewer 1:		Date:	
Peer Reviewer 2:		Date:	
Certification Decision Panel:	Monica Mone Lubong	Date:	
Approved by CM:	Dickens Mambu	Date:	

5 Years Audit Programme

Planned month & year	S1 Date:	S2 Date:	SA1 Date:	SA2 Date:	SA3 Date: 15/4/22	S4 Date: 15/4/23	RA Date: 15/12/23
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stakeholder consultation / survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Use of logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Follow-up from previous audit finding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1 Management Commitment & Responsibility							
4.1.1 MSPO Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.2 Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.3 Management review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.4 Continual improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2 Transparency							
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.2 Transparent method of communication and consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements							
4.3.1 Regulatory requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4 Social responsibility, health, safety and employment condition							
4.4.1 Social impact assessment (SIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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4.4.6 Training and competency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment, natural resources, biodiversity							
4.5.1 Environmental management plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burninmg practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best practices							
4.6.1 Site management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting (not applicable)							
4.7.1 High biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Peat land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.4 Soil and topographic information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.6 Customary land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note:

Legend:

☒ - plan to cover & covered

S1 - Stage 1

SA - Surveillance assessment (not more than 12 months from certification decision date)

☐ - for uncover

S2 - Stage 2

RA - Reassessment (4 months before certificate expiry)

Audit Stage	S1	S2	SA1	SA2	SA3	SA4	RA
Year	1	1	2	3	4	5	6
Plan	-	-	-	-	15/4/2022	15/4/2023	15/12/2023
Actual	-	-	-	-	17/2/2022	14/3/2023	10/01/2024
Team Leader	-	-	-	-	Jiram Sidu	Jeffrey Denis Ridu	Jeffrey Denis Ridu
PR 1	-	-	-	-	George Akam	-	
PR 2	-	-	-	-	Rohana Parilla	-	

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2. METHODOLOGY


The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, interviews with operational personnel, stakeholders and its contractors through phone call; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review (if any)
- Address Peer Review Comments (if any)
- Certification Decision Panel (CDP)
- Final approval and issuance of certificate.

Re-Certification Audit:

Re-Certification audit was conducted on **10th January 2024**, which covers the following activities but not limited to below:

- On-site inspection, observations and review plantation documents for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Review revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and close out of non-conformance raised during **Surveillance 4** audit;
- Assessment reporting;

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On-site Assessment

The audit of the plantation was conducted according to the MS 2530-3:2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders.

The methodology for objective evidence collection was through documentation review, monitoring data and site assessment. The audit evidence obtained was based on a sample of the information; thereby introducing an element of uncertainty. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were taken into account in the assessment.

Non-conformance:


On the basis of the desk review, evidences presented during the audits, non-conformance (NC) Major, Minor and Opportunities For Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 90 days from closing date of audit. For minor non-conformance and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be reviewed and verified during the next audit.

Site Sampling

Sampling Methodology and Risk Determination
Not applicable.

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3. ORGANISATION INFORMATION

This report presents the results of the certification assessment at **Grand Mutual Sdn Bhd (GM Sawai Estates)** on **10th January 2024** by Nesus Certification Sdn Bhd. The purpose was to assess the operations of **Grand Mutual Sdn Bhd (GM Sawai Estates)** against the requirements of the Malaysian Sustainable Palm Oil (MSPO) certifications.

Grand Mutual Sdn Bhd (GM Sawai Estates) is an oil palm plantation with planted area of **3,270.57 hectares**, their first planting was in **1998**. **Grand Mutual Sawai Estates** will apply the certification of MS2530-3:2013 as the organization is committed to become a Sustainable Palm Oil producer.

Table 1: Information of Estate Being Audited

Name of Organisation	Location	Coordinates	
		Lat.:	Log.:
Grand Mutual Sdn Bhd (GM Sawai Estates)	Lot 5 Block 3, Jelalong Land District and Lot 72, Sawai Land District, Sarawak	3.5118	113.9314


Table 2: Supply Base Area Statement

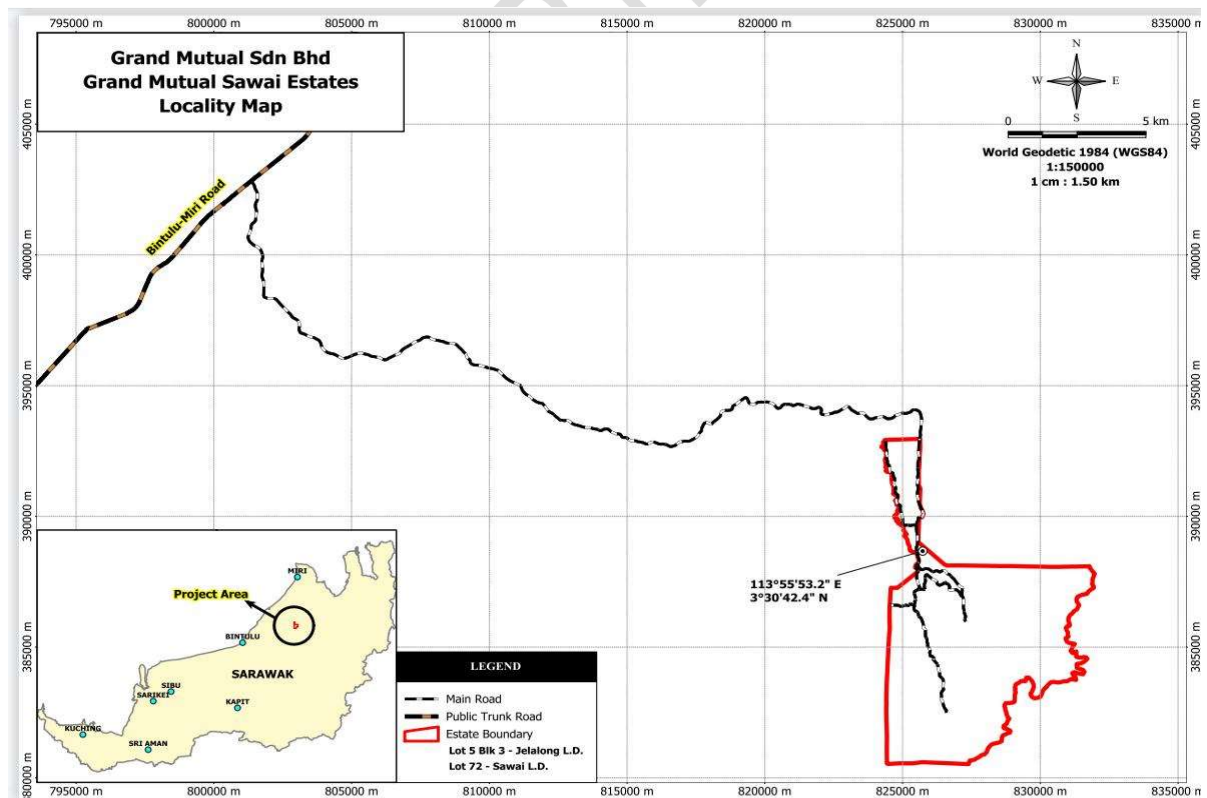
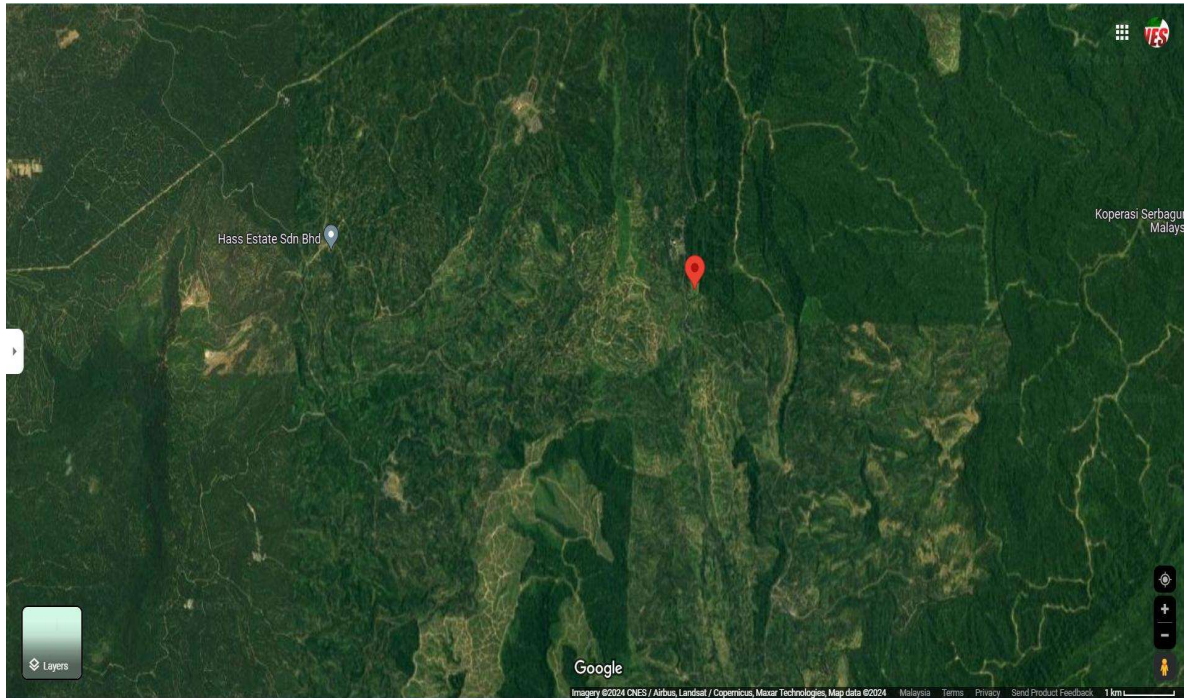
Area Statement (Ha)				
Estate	Certified Area (Ha)	Planted (Ha)	Conservation / HCV (Ha)	Others (Ha)
Grand Mutual Sawai Estates	4, 853.6	3, 270.57	0	1, 583.03

Table 3: FFB Production


Estate	FFB Production (Mt)	
	Year 2023 (Actual)	Year 2024 (Projection***)
Grand Mutual Sawai Estates	33,835.30	34,900.00

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1.1 Location Map of the Production Unit**Grand Mutual Sawai estates**

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4. AUDIT ASSESSMENT**4.1. Re-Certification**

The objective of the audit is to assess whether the activities of the plantation are in compliance with MS 2530-3:2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders.

4.1.1. Re-Certification

The **Re-Certification** audit was conducted on **10th January 2024**.

During the **Re-Certification** audit, there were **0 Major, 0 Minor and 2 OFI findings** being raised. The non-conformance raised during the audit were closed out by means of documents review that were established, revised and implemented appropriately and preventive actions taken by the estate.

During this audit, the minor non-compliance raised in the previous annual surveillance audit has been reviewed by the audit team by means of inspection of estate activities by photos provided, conducted interviews, reviewed and verified documents that were established, corrected and implemented appropriately by the estate team. The corrective measures implemented were verified as appropriate.

For details of the assessment, refer to the summary of assessment for each indicator in section 4.4 of this report.

4.2. Stakeholders' Consultation

Nesus Certification Sdn Bhd, has notified the stakeholder as to accommodate stakeholder's consultation and communication for **Grand Mutual Sawai Estate** to provide comments. As at audit date on **10th January 2024**, there were no adverse comments received.

Table 5: Stakeholder Consultation for Grand Mutual Sawai Estate

Stakeholders Categories	Stakeholder's Input / Comments	Clients Feedback / Response
Buyer: Sawai Palm Oil Mill	Have a good business relationship and committed with MSPO implementation. No issues arise.	Maintain the good business relationship.
Government Agency: MPOB	No adverse issues raised so far. Estate maintained two ways communication.	Maintain the good relationship.
Local Community: Niamas Istimewa Sdn Bhd	Have good relationship with the estate. There is a two-way communication where discussion on issues can be amicably done.	Maintain the good rapport with surrounding local communities.
Service Provider: KTS Trading Sdn Bhd	The company faces no problem dealing with the estate.	Maintain the good business relationship.
Employee: Bilong Ajeng	Happy with the working environment and remuneration.	Always looking after the welfare and well-being of all employees.

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4.3. SUMMARY OF FINDINGS**Principle and Criteria Assessment Summary**

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits where all criterion will be assessed. Evidences are sought for conformity with the MSPO 2530-3:2013. The summary of the assessment can be seen below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below.

4.4 COMMENT ON COMPLIANCE STATUS, POSITIVE OBSERVATION & OPPORTUNITIES FOR IMPROVEMENT

Principle	Description	Comment	Conformity
Principle 1	Management Commitment & Responsibility	<p><u>Policy on Implementation of MSPO</u> The General Operation Manager of Grand Mutual Sdn Bhd, signed the company's MSPO policy on 1st July 2018. The policy is communicated in various ways, including posting it on the main signboard at their worker's quarters. The policy was briefed to general workers and estate staff. It is also communicated to the employees during muster call. The policy emphasizes the company's commitment to long-term growth and continuous improvement in plantation operations.</p> <p><u>Internal Audit</u> Internal audits are to be conducted at least once a year, which was conducted on November 2023 for the estate. This requirement was clearly stated in the newly developed Internal Audit Procedure. An internal audit report should be prepared and presented to management for review at the end of the audit.</p> <p><u>Management Review</u> Management Review is scheduled to be conducted once a year after internal audit has been conducted, discussing impacts mitigation and continuous improvement plan for operations with company's decision makers. The management review done by the estate was on December 2023.</p> <p><u>Continual Improvement</u> The company has identified Continual Improvement Plan for several criteria such as environmental, social, safety and health. The progress of each identified improvement plan is being monitored closely by the management.</p>	Complied.

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Principle 2	Transparency	<p><u>Transparency of documents relevant to MSPO requirements</u> No request from the public for any information so far. The public may access their website for any relevant information – www.bldpb.com.my</p> <p>Information accessible to the public are listed as: -MSPO Policy -Whistle Blower Policy -Complaint & Grievance Procedure -Sustainable Palm Oil Policy -Anti-Bribery & Corruption Policy -Complain and Grievances Procedure</p> <p><u>Transparent method of communication and consultation</u> Procedure on consultation and communication is established through a document – Transparent Method, ref GM-03-TM03REV1. It is shown as a flowchart, with related document and officer in charge.</p> <p>A Social Liaison Officer is appointed to be responsible for communicate with stakeholders through a letter dated 30th November 2022 by the General Operation Manager. He is also the Senior Estate Manager.</p> <p>List of stakeholders (date revised 20th December 2023) includes: -Government agencies -Service provider -Buyer -Neighbour -Employee Representative</p> <p>Records of consultation and communication are available, shown as letters and minutes of meeting with stakeholders.</p> <p>Minute of meeting dated 11th August 2023 attended by 37 people and on 20th October 2023 by 33 people which was held in BLD Miri Office.</p> <p><u>Traceability</u> Traceability procedure ref GM02-03-TM04REV2 is available, shown as a flowchart with listing of related documents and officer in charge.</p> <p>The process involves FFB harvested – evacuation – transit ramp and delivery to the mill.</p> <p>Inspection to the established traceability system is shown through a Traceability System Inspection form.</p> <p>The Estate manager is appointed as Traceability Officer vide letter dated 30th</p>	Complied.
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		November 2022 signed by the General Operation Manager. The job description for the position is available.	
Principle 3	Compliance to legal requirements	<p><u>Regulatory requirements</u> The estate is operating in compliance with local, state, national, and ratified international laws and regulations. The estate's appointed legal officer is in charge of monitoring compliance. If there are any changes, estates management will be notified so that appropriate adjustments can be made.</p> <p>Grand Mutual Sdn Bhd (GM Sawai Estates) Example : MPOB license : Reg : 503788602000 Hectare: 4,853.60 Validity : 01st December 2023 - 30th November 2024</p> <p>A legal officer was appointed with appointment dated 30th November 2022 to monitor the compliance and to track changes in regulatory requirements.</p> <p><u>Legal land use rights</u> The estate assessed was able to present the provisional lease of state land for the respective areas for 60 years. All legality and ownership documentation was updated and well maintained. The extent of the estate's area has been depicted on maps. It was discovered that the existing estates map corresponds to the boundary of the other nearby landowners.</p> <p><u>Customary rights</u> The land where the estate is operating are not encumbered by customary rights.</p>	Complied.
Principle 4	Social responsibility, health, safety and employment condition	<p><u>Social Impact Assessment</u> SIA had been conducted internally by the estate management. The assessment was conducted in December 2023. A set of questionnaire was distributed to stakeholders to identify the positive and negative impacts to be incorporated in the SIA Report.</p> <p><u>Complaints and grievances</u> Sighted Complaints & Grievances Procedure Doc Ref GM-03-SR02REV0 dated 08th November 2023 to cater communication method between the estate and its stakeholders and deals with the complaints & grievances. A revision dated 08th November 2023 and approved 09th November 2023 with new ref: GM-03-SR02REV1. During audit in Year 2024, sighted revised version dated 08th November 2023 and approved 09th November 2023 with new ref: GM-03-SR02REV1.</p> <p>The system was able to resolve disputes in an</p>	Opportunity For Improvement (OFI) has been raised.

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		<p>effective, timely and appropriate manner that is accepted by all parties. Evidence sighted for respective complaint Form year 2023.</p> <p>Employees & surrounding communities have been made aware on the complaints & grievance procedures and that complaints or suggestions can be made at any time.</p> <p><u>Commitment to contribute to local sustainable developments</u></p> <p>There were some corporate social responsibilities done by the estate towards internal as well as external local communities. Evidence sighted as follows:</p> <ol style="list-style-type: none"> 1) Pra-Gawai Celebration – Grand Mutual Estate, conducted on 19th May 2023. 2) Annual activities welfare committee telematch, dated on 15th September 2023. 3) Perkeso Health Screening Programme (Staff > 40 years old), dated on 14th November 2023. <p><u>Employees safety and health</u></p> <p>Grand Mutual Sdn Bhd has an Occupational Safety & Health Policy which declare to give and maintain a high priority to the safety & health of all employees at work, including visitors and the public, to avoid the risk exposure to their safety & health. It is their aim that the same high standards of safety & health awareness will be reflected in their operation. The policy was signed by Haji Wan Abdillah Hamid, Director on 01/10/2020. It was documented, communicated via display at the notice board and implemented at this estate. It was observed the safety policy was displayed at the site office, workshop and chemical store.</p> <p>HIRARC Assessment has been done covering for various activities from operational and non-operational activities. The assessment was conducted on 03rd January 2024 by Mr. Alexander Rabu and approved by Mr. Hamzali Sisa. The HIRARC was reviewed on 03rd January 2024. By that, previous nc with regard to this issue was closed accordingly.</p> <p>Annual training programme on safety and health for Year 2024 was made available, yet to be conducted. Based on the training record, it was observed that the Safety Operation was conducted in the estate which focused on workers' operation.</p> <p>PPE issuance records were available during the audit.</p> <p>Chemical Handling Procedure established dated 08/11/2023, Doc Ref GMS-03-SH06REV2. The policy explains on Chemical procurement, Chemical storage, Transporting chemical, Chemical Handling</p>	
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		<p>and Chemical Spillage.</p> <p>CHRA Report HQ/17/ASS/00/00013-2023/005 dated 27th October 2023 was sighted. Performed by assessor HQ/17/ASS/00/00013.</p> <p>Medical surveillance performed for the sprayers, sampled Herman Lamatta the employee attended the medical surveillance on 26th September 2023, employee was found fit to work. Medical Surveillance was performed by DOSH JKKPIH 127/171-1(324).</p> <p>Safety and Health Committee Organization Chart was sighted, approved on 26th December 2023. Appointment letters for Occupational safety and Health Committee were sighted.</p> <p>It is observed that management has conducted OSHE meeting on:</p> <ol style="list-style-type: none"> 1)30th March 2023 (1st quarter 2023) 2)28th June 2023 (2nd quarter 2023) 3)30th October 2023 (3rd quarter 2023) 4)22nd December 2023 (4th Quarter 2023) <p>Accident and emergency response procedures. It was observed the SOP for Emergency Preparedness & Response was available with document ref. GM2-03-SH05REV0. Last update on 01st July 2018. Emergency procedure was communicated to visitors. Sighted fire extinguisher and spill kit at various locations on site, for example SW store, diesel tank, workshop and office.</p> <p>JKKP8 was sighted for the site, there was no accidents at the site.</p> <p><u>Opportunity For Improvement (OFI)</u> (Principle 4.4.4.2) Estate has yet to conduct Identification of Excessive Noise as required in Occupational Safety & Health (Noise Exposure) Regulations 2019. Sighted Management Plan was updated on 10th January 2024 to conduct Noise Risk Assessment (NRA) by December 2024.</p> <p><u>Employment conditions</u> The employment policy on good social practices regarding human rights in respect of industrial harmony was incorporated in MSPO Policy which consist of Safety & Health, Good Social Practices, Harassment & Violence Prevention and Environment.</p> <p>Based on observation and interview session, it was noted that there are no discriminatory practices in the estate.</p> <p>All employees are paid a basic salary that meets the state's legal requirement. Estate</p>	
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		<p>also ensures that workers are paid based on the hours they work based on their checkroll.</p> <p>Among other social benefits that were provided by the employer to employees, their families, or the community, are commission, bonus, medical care, and health provisions. The management also provides free housing, sport recreational facilities, a blue tank for storing treated water and electricity.</p> <p>Estate established women's welfare committee as a platform for women to voice out any issue related to sexual harassment.</p> <p>The estate management has no objection to the workers joining or forming some collective agreement forum as long as within the legal requirements.</p> <p>As stated in the estate's Policy on No Child Labour, there are no underage workers employed by the estate.</p> <p><u>Training and competency</u> Training program 2024 is available, with 26 topics covering safety, technical, MSPO awareness, legal, social, complaint and grievances, and environmental subjects.</p> <p>Training matrix is available, showing the level of training needs.</p>	
Principle 5	Environment, natural resources, biodiversity and ecosystem services	<p><u>Environmental management programme</u> The Estate's Environmental and Biodiversity Policy, and Sustainability Policy was signed by General Operations Manager on 1st July 2018. The General Operations Manager also signed the appointment letter of the estate's Environmental Officer on 02nd October 2023. The Environmental Officer shall ensure the implementation of the environmental & biodiversity and Sustainability Policy.</p> <p><u>Efficiency of energy use and use of renewable energy</u> An energy management plan is envisioned in which energy consumption is identified, recorded, monitored, and assessed for efficiency, after which necessary action is taken for continuous improvement.</p> <p>Nonrenewable energy consumption is closely monitored through the establishment of baseline values and trends in day-to-day usage. A consumption forecast for the coming years was also developed to aid in the long-term assessment of energy usage and energy efficiency. Records of diesel consumption are monitored yearly since 2016, showing a reduction trend, which, according to the estate management is due to</p>	Opportunity For Improvement (OFI) has been raised.

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		<p>less activities caused by less workers over the years.</p> <p>Solar panels are installed in the office and workshop as secondary power source at night.</p> <p>Waste management and disposal The "Waste Management Plan" identifies and documents all waste products and pollution sources. The wastes identified were mostly general and scheduled wastes. It detailed the waste product, pollution sources, mitigation measures, target, and person in charge. Domestic waste from households, as well as empty chemical containers, were identified as wastes.</p> <p>The estate's Standard Operating Procedure (SOP) for chemical handling covers hazardous chemicals as well as scheduled wastes.</p> <p>A guideline for the triple rinse method is also available to assist with the management of used chemical containers prior to collection by a registered collector or to repurpose the containers, the containers will be marked X. Unused empty containers will be punctured and collected by registered collector.</p> <p>Dumping pit for disposal of domestic waste is available and is adequately distanced from living quarters and water source.</p> <p>Reduction of pollution and emission The polluting activities assessment is done through Environment Management Plan and appropriate pollution-reduction action is formulated in Environment Management Plan to mitigate the pollutants.</p> <p>Natural water resources To ensure the quality and availability of natural water resources, the estate developed and implemented a Water Management Plan. Water quality monitoring is carried out through laboratory testing on a regular basis as part of the quarterly EMR.</p> <p>Rain water harvesting is practised in the estate. The rain water is utilized for non-consumable activities.</p> <p>Riparian zones along streams/rivers are maintained to prevent water pollution.</p> <p><u>Opportunity For Improvement (OFI)</u> <u>(Principle 4.5.5.1)</u> The Standard Operating Procedures (SOP) for the water treatment plant should be properly developed and made available at the water treatment itself. It would be useful for the water quality sampling and analysis to be done at the water intake point. This is not</p>	
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		<p>only to ensure uninterrupted operation of the plant but also the safety of the treated water.</p> <p>Status of rare, threatened or endangered species and high biodiversity value area The estate underwent a Biodiversity Monitoring Report which is conducted twice a year by a group of external party and the presence of wildlife, particularly RTE species, is constantly monitored. The estate sets up signage on prohibiting hunting and fishing at strategic areas.</p> <p>Zero burning practices The estate adopts zero burning policy in the estate. The SOP for planting and replanting was available and practiced on site.</p>	
Principle 6	Best practices	<p>Implementation of standard best practices / Site management Referred as Technical Basic Policy Guideline. The file listed and contains the followings guidelines:</p> <ul style="list-style-type: none"> - P&D - Weeding - LCC - Water Management Peat - Subsidence Pole - Foliar Sampling - Fertiliser Sampling - Manuring - Pruning - BCR / BBC / Ablation - Harvesting <p>Noted proper signage on prohibition of entrance to the area being placed, with empty pesticide containers labelled 'X' containing pre-mixed chemical.</p> <p>Verified the issuance of pesticides and fertiliser and found them appropriately documented, shown through Store Issue Form dated 09th January 2023.</p> <p>The harvesting interval for the sampled block 3A (Division 2) was 24 days against the standard of 10-12 days. The variance is due to shortage of harvesters in the division with only 7 from the ideal number of 14.</p> <p>The estate is undulating to hilly, with the ground sufficiently planted with cover crops and acceptable ground weeds. No areas are noted with incident of erosions. Cut fronds are stacked appropriately on the tips of terraces.</p> <p>Field blocks are shown with visual identification, as signages showing the block number, hectareage, and year of planting. There is another additional signages shown</p>	Complied.

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		<p>on the task numbering to manage harvesting operational areas.</p> <p>Economic and financial viability plan A business / Management Plan is available for the estate, from 2022 – 2026, shown as forecast and actual for 2022 and 2023.</p> <p>Replanting programme is yet to be established. The first-year planting is in 1998, which is about 25 years now.</p> <p>Monthly monitoring reports are shown for field operations showing the achievement of work done against budgets. These reports were prepared by respective staff and reviewed and approved by the Senior Area Manager.</p> <p>Transparent and fair pricing dealing Pricing of FFB are stated in a Contract Agreement for Sale and Purchase of FFB dated 1st January 2018 between Bintulu Lumber Development Sdn Bhd and Grand Mutual Sdn Bhd, specifying the parameter of extraction rates based on Grade (Grade 1,2,3), ABW, OER and KER.</p> <p>Payments were made to Grand Mutual Sdn Bhd according to the agreed contract.</p> <p>Sample of contract shows that agreed payments were made timely and according to the terms of the contract.</p> <p>Contractor A canteen operator – Sentral Taman Tungku signed an agreement with Grand Mutual Sdn Bhd dated 12th December 2023 and has started operating, to be included in the training programme for MSPO awareness.</p> <p>Another sample contractor – Tower Logistic Sdn Bhd, contractor for removing of soil and install / repair bridge has signed a document dated 26th January 2023 to indicate their acceptance and understanding of MSPO requirement.</p> <p>A Work Completion Certificate (WCC) shows the work of the contractor are verified sufficiently. Signatures of the staff and manager are shown.</p>	
Principle 7	Development of new plantings	<p>Not Applicable</p> <p>Note: the whole Principle 7 is not applicable for this audit as there is no new planting in the plantation areas.</p>	Not Applicable

Based on the audit, it was apparent that:

The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system	√
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The management review process is adequate and effective.	✓
The organization has met its objectives and targets and monitored progress towards their achievement.	✓
The management system documentation confirms with the requirements of the MSPO audit standard.	✓

4.5 PREVIOUS AUDIT FINDINGS – IF APPLICABLE

Nonconformity identified during previous audits has been corrected and the corrective action continues to be effective	✓
Not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.	

4.6 EXISTING CERTIFICATION


Currently are being certified to other certification schemes as below

Current Certification <i>(Please tick the certification you are currently certified)</i>			
	ISO 9001		HACCP
	EMS 14001		RSPO
	OHSAS 18001/ISO 45001		ISCC
	ISO 22001	x	Others: MSPO2530-3
	None		

4.7 AUDIT SUMMARY AND RECOMMENDATION

The audit team concludes that the organization fulfill the requirements of the MS 2530-3:2013 standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

The audit team recommends that, MSPO certificate to be maintained by submission and accept the corrective action plan and evidence of NCRs within the stipulated time frame to **Grand Mutual Sdn Bhd (Grand Mutual Sawai Estates)**.

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Signed for and on behalf of
Nesus Certification Sdn Bhd



.....
(Jeffrey Denis Ridu)
Lead Auditor
Date: 02/02/2024

ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY AND CONFIRMATION OF AUDIT FINDINGS

This is to acknowledge and confirm the remote audit described in this report and the acceptance of the contents and findings in this audit report.

Signed for and on behalf of
Grand Mutual Sdn Bhd (GM Sawai Estates)



.....
(Lau Kung Hieng)
General Operation Manager
Date: 05/02/2024




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APPENDIX A: AUDIT FINDINGS

Refer to the Attachment (Appendix A)

APPENDIX B: CORRECTIVE ACTION PLAN & EVIDENCE

Refer to the Attachment (Appendix B)

APPENDIX C: AUDIT PLAN

Refer to the Attachment (Appendix C)

End of Report