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## Audit Team Details:

Audit:	Date:	Audit Team	
Stage II Audit	28th & 29th January 2019	Lead Auditor	<b>Fiano Laka Anak Pakun</b> ; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), BSc (Hons) Plantation Technology & Management (UiTM Shah Alam), DPIM (UiTM K Samarahan); 4 years working experience related to palm oil; Site, documentation audit and interview based on Principles 1 to 6 of MS 2530-3:2013.
		Audit Member	<b>Siti Baizurah Abdul Aziz</b> ; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), BSc (Hons) Plantation Technology & Management (UiTM Shah Alam), DPIM (UiTM Kota Samarahan); 5 years working experience related to palm oil; Site, documentation audit and interview based on Principles 1 to 6 of MS 2530-3:2013.

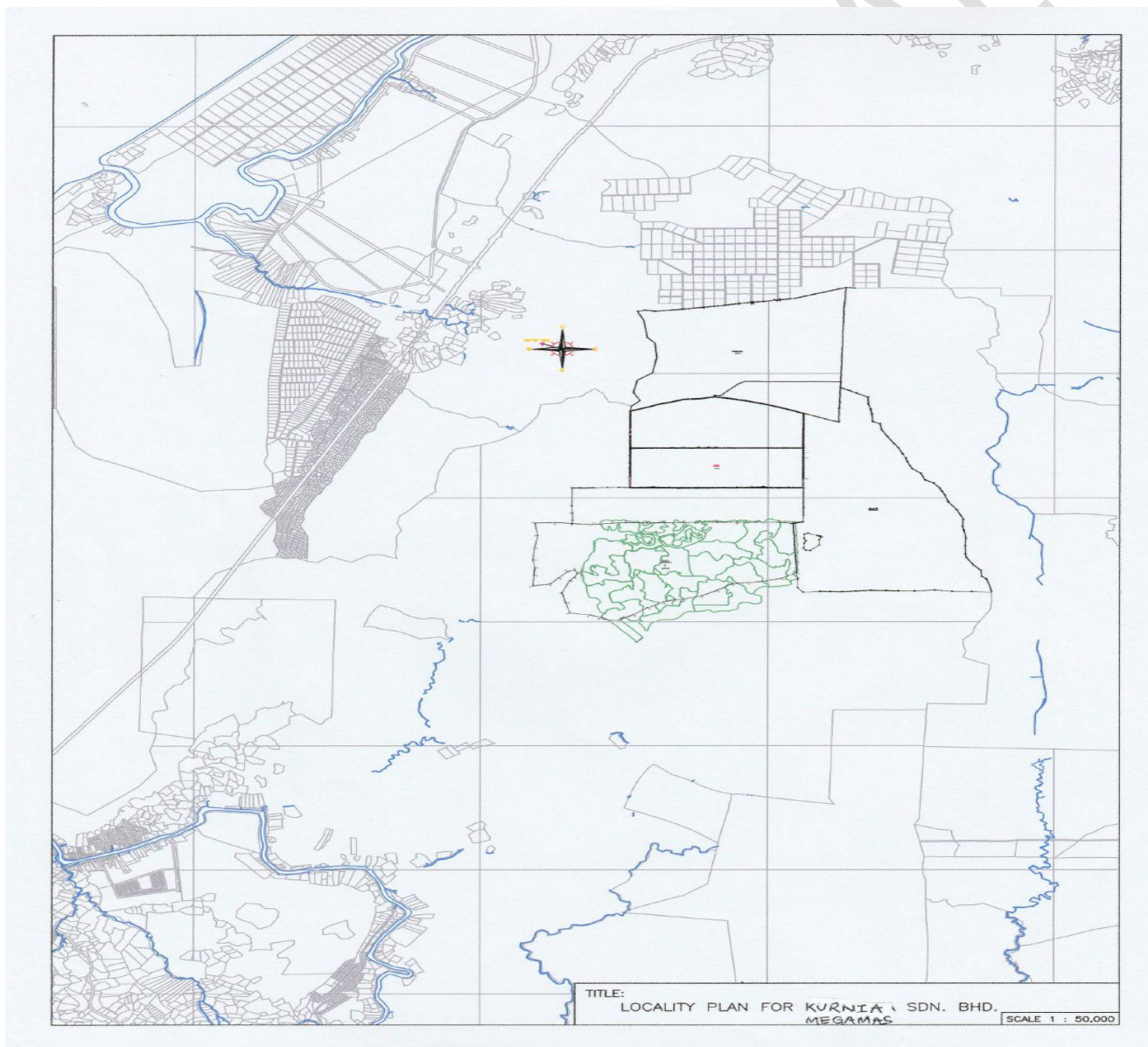
## Reviewed by:

<b>Clients Review:</b>	Mr. James Yong Manager;	<b>Date:</b>	30 June 2019
<b>Peer Reviewer 1:</b>	Name: George Anak Akam Field of expertise: Sustainability, Best Practices and plantation management Contact: 0198837130	<b>Date:</b>	15 July 2019
<b>Peer Reviewer 2:</b>	Name: Rohana Parilla Bt Abdul Salam Field of expertise: Sustainability, wildlife management, occupational health & safety	<b>Date:</b>	15 July 2019

**Introduction**

This report presents the results of the certification assessment at Kurnia Megamas Sdn Bhd which is located at Kelulut, Miri, Sarawak on 08/05/2019 by DIMA Certification Sdn Bhd. The purpose of MSPO Audit Stage 2 was to assess the operations of Kurnia Megamas Sdn Bhd against the requirements of the Malaysia Sustainable Palm Oil (MSPO) certifications.

Kurnia Megamas Sdn Bhd was established in 2007 with an area of 429.25 ha. Kurnia Megamas Sdn. Bhd. applies the certification of MS2530-3 as the organisation was committed toward sustainable Palm Oil production.

**Location Map of the Production Unit**

**Audit Objectives**

The objectives of this audit were:

- to confirm that the management system conforms with all the requirements of the MSPO standard;
- to confirm that the organization has effectively implemented the planned MSPO management system;
- to confirm that the management system can achieve the organization's policy objectives.

**Audit Criteria**

The criteria of this audit were based on the MPOCC scheme requirements and **MS2530-3:2013 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**

**Table 1: Estate Locality**

Estate	Location Address	Geo-Coordinate (GPS)	
		Long.:	Lat.:
Kurnia Megamas Sdn. Bhd	Block 5, Lot 3, Kelulut, Niah Land District Sdn. Bhd	N 3.92138	E 113.79318

**Table 2: Area Statement**

Area Statement (Ha)				
Estate	Titled Area (Ha)	Planted (Ha)	Conservation / HCV (Ha)	Others (Ha)
Kurnia Megamas Sdn Bhd	429.25	415.20	0.00	0.00
<b>TOTAL</b>	429.25	415.20		

**Company's Details**

<b>COMPANY NAME:</b>	Kurnia Megamas Sdn. Bhd		
<b>COMPANY REGISTRATION NO.:</b>	787090-V		
<b>MPOB LICENCE NO:</b>	Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun bermula dari 01/04/2019 hingga 31/03/2020		
<b>CLIENT REF.NO:</b>	<b>0003/01/2019</b>		
<b>CONTACT DETAILS</b>	<b>NAME:</b>	Mr. James Yong	<b>DESIGNATION:</b> Estate Manager
<b>NO. OF MILL:</b>	<b>NIL</b>	<b>NO. OF ESTATE(S):</b>	1
<b>MILL CAPACITY:</b>		<b>TOTAL CERTIFIED AREA:</b>	429.45 Ha.

<b>TYPE OF CERTIFICATION:</b>	SINGLE	<b>TOTAL PLANTED AREA:</b>	415.20 Ha
<b>ADDRESS:</b>	<u>Headquarters</u> Lot 624, 1 <sup>st</sup> Floor, Jalan Sim Chieng Kay, 98000 Miri, Sarawak	<b>TEL: 085-430624</b> <b>Fax: 085-414624</b>	-
	<u>Estate Address:</u> Blok 5, Lot 3, Niah Land District, 98000, Miri Sarawak	<b>E-MAIL:</b> kurniamegamas@gmail.com <b>Website:-</b>	-

**Audit Details:**

<b>AUDIT STAGE:</b>	2 (Main Audit)		
<b>CERTIFICATE NO:</b>	DMC MSPO 002		
<b>DATE OF ISSUE:</b>	17 July 2019	<b>DATE OF EXPIRY:</b>	12 July 2024
<b>STANDARD(S):</b>			
	MS2530-2:2013 Part 2: General Principles for Independent Smallholders		
√	MS2530-3:2013 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
	MS2530-4:2013 Part 4: General Principles for Palm Oil Mills		

**5 Years Audit Programme**

<b>SURVEILLANCE 1</b> NOT MORE THAN 12 MONTHS FROM CERTIFIED DATE		<b>SURVEILLANCE 2</b>		<b>SURVEILLANCE 3</b>	
Plan Month	March 2020	Plan Month	March 2021	Plan Month	March 2022
Proposed Area	Kurnia Megamas Sdn. Bhd.	Proposed Area	Kurnia Megamas Sdn. Bhd.	Proposed Area	Kurnia Megamas Sdn. Bhd.
<b>SURVEILLANCE 4</b>			<b>REASSESSMENT</b> (4 MONTHS BEFORE CERTIFICATE EXPIRY)		
Plan Month	March 2023	Plan Month	Feb 2024		
Proposed Area	Kurnia Megamas Sdn. Bhd	Proposed Area	Kurnia Megamas Sdn. Bhd		

**Audit Scope**

<b>SCOPE</b>
Production of Fresh Fruit Bunches (FFB) including Palm Oil Operations (Planting, manuring, spraying, weeding, harvesting) and management activities.

**Existing Certification**

Currently are being certified to other certification schemes as below

<b>Current Certification</b> (Please tick x in the applicable boxes)			
	ISO 9001		HACCP
	EMS 14001		RSPO
	OHSAS 18001/ISO 45001		ISCC
	ISO 22001		Others:
X	None in the Above		

**Audit Method and Plan**

The audit was conducted for Stage 2 for 2 audit days and involving 1 estate of Kurnia Megamas Sdn Bhd. The audit covers documentation review for internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues and also the peer reviewer process as per ACB-OPMC-3. The 30 days of stakeholder consultation prior to the audit date as required by ACB-OPMC -4.

The audit evidence obtained was based on a sample of the information; thereby introducing an element of uncertainty. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

Site Sampling Methodology- Not Applicable.

Risk Determination- Medium

**Assessment Findings**

The specific processes, activities and functions reviewed are detailed in the Audit Plan. Details of collected evidence and audit trail of this audit are presented in the separate MSPO checklist. As outlined, objective evidence was obtained separately for each of the MSPO requirements (Indicators) for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the indicators in order to support the findings of the assessment team. The audit was conducted based on the sampling basis.

There are 4 (1 Major NC; 3 Minor NC and 0 Observation) been raised on the MSPO checklist Part 3.

Major NCs have been closed within the period of 90 days after the Main assessment. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the Report approval of Main Assessment. Corrective Action

Plan (CAP) is required to be submitted for all finding within 30 days of the assessment and has been reviewed and accepted by the audit team.

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	√
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.	√

#### Previous Audit Findings – If Applicable

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

#### Audit Conclusion and Recommendation

The audit team concludes that the organization fulfill the requirements of the MS 2530-3 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 certification be: Granted to Estate of **Kurnia Megamas Sdn Bhd.**

#### Stakeholders Consultation

Please see **Appendix A** for the list of stakeholders based on categories which was contacted during the commencement of this audit.

**Appendix A: Stakeholders Contacted**

<b>Stakeholders Categories</b>	<b>Stakeholder's Input / Comments</b>	<b>Clients Feedback / Response</b>
Government (External)	No issues so far. Any issues brought up will be discussed through proper channel provided.	There is a two-way communication available.
NGO (External)	No issues.	Maintain the good relationship.
Contractors/Suppliers (External)	Happy with the business dealings and have no issues.	Maintain the good relationship.
Indigenous people/ Local communities (External)	The company has brought good impact to the landowners.	Maintain the good relationship.
General Workers (Internal)	Happy with work condition and pay.	Always looking after the welfare and well-being of all employees.

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