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CONFIDENTIAL

Audit Team Details:

Audit:	Date:	Audit Team	
Stage II Audit	28th & 29th January 2019	Lead Auditor	Fiano Laka Anak Pakun ; 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	Siti Baizurah Abdul Aziz ; 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:

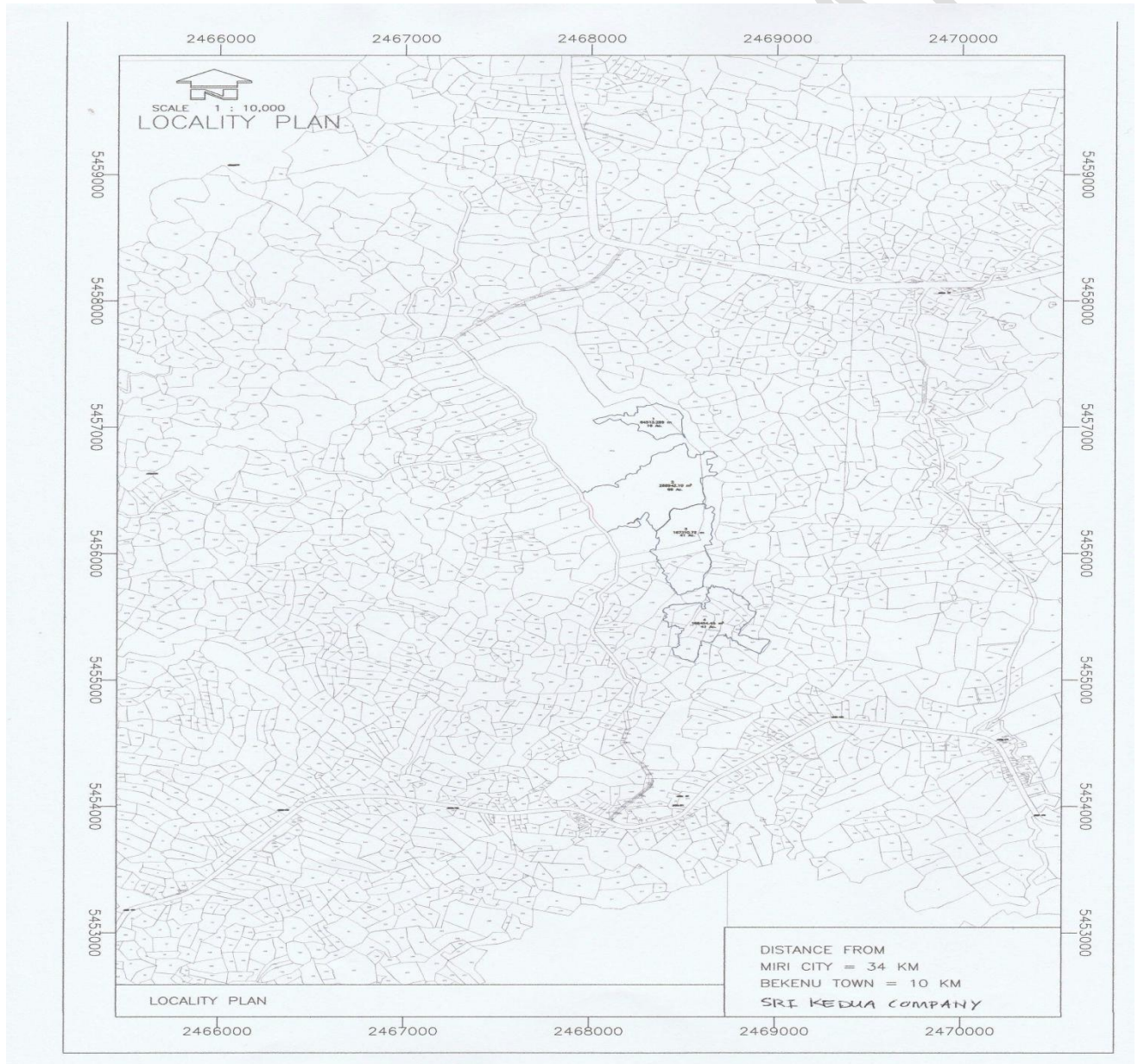
Clients Review:	Mr. James Yong Manager;	Date:	30 June 2019
Peer Reviewer 1:	Name: George Anak Akam Field of expertise: Sustainability, Best Practices and plantation management Contact: 0198837130	Date:	15 July 2019
Peer Reviewer 2:	Name: Rohana Parilla Bt Abdul Salam Field of expertise: Sustainability,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

Introduction

This report presents the results of the certification assessment at Sri Kedua Company which is located at Sibuti, Land District, 98000 Miri, Sarawak on by DIMA Certification Sdn Bhd. The purpose of this stage 2 audit was to assess the operations of Sri Kedua Company against the requirements of the Malaysia Sustainable Palm Oil (MSPO) certifications.

Sri Kedua Company was established in 2004. It is an oil palm plantation with size of area 429.25 ha. The reason for certification application is to become a Sustainable Oil Palm Producer.

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.:
Sri Kedua Company	Ladang Bukit Jumbo, Sibuti Land District, 98000, Miri	N4.11414	E113.90638

Table 2: Area Statement

Area Statement (Ha)				
Estate	Titled Area (Ha)	Planted (Ha)	Conservation / HCV (Ha)	Others (Ha)
Sri Kedua Company	46.77 Ha	43.77Ha	0.00	3.00 Ha
TOTAL	46.77	43.77	0.00	3.00 Ha

Company's Details

COMPANY NAME:	Sri Kedua Company			
COMPANY REGISTRATION NO.:	676/2002			
MPOB LICENCE NO:	Menjual dan mengalih FFB-504132802000 Bagi tempoh Satu (01) tahun bermula dari 01/04/2019 hingga 31/03/2020			
CLIENT REF.NO:	0020/01/2019			
CONTACT DETAILS	NAME:	Mr. James Yong	DESIGNATION:	Estate Manager
NO. OF MILL:	NIL		NO. OF ESTATE(S):	1

MILL CAPACITY:	NIL	TOTAL CERTIFIED AREA:	46.77ha
TYPE OF CERTIFICATION:	Individual	TOTAL PLANTED AREA:	43.77ha
ADDRESS:	Headquarters Lot 624,1 st Floor, Jalan Sim Chieng Kay,98000Miri, Sarawak	TEL: 085-430624 Fax:085-414624	-
	Estate Address: Ladang Bukit Jambo,,Sibuti Land District,98000, Miri Sarawak	E-MAIL: srikeduacompany@gmail.com Website:-	-

Audit Details:

AUDIT STAGE:	2 (Main Audit)		
CERTIFICATE NO:	DMC MSPO 002		
DATE OF ISSUE:	17 July 2019	DATE OF EXPIRY:	12 July 2024
STANDARD(S):			
	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

SURVEILLANCE 1 NOT MORE THAN 12 MONTHS FROM CERTIFIED DATE		SURVEILLANCE 2		SURVEILLANCE 3	
Plan Month	March 2020	Plan Month	March 2021	Plan Month	March 2022
Proposed Area	Sri Kedua Company	Proposed Area	Sri Kedua Company	Proposed Area	Sri Kedua Company
SURVEILLANCE 4			REASSESSMENT (4 MONTHS BEFORE CERTIFICATE EXPIRY)		
Plan Month	March 2023	Plan Month	Feb 2024		
Proposed Area	Sri Kedua Company	Proposed Area	Sri Kedua Company		

Audit Scope

SCOPE
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

Current Certification (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 Sri Kedu Company. 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 **Sri Kedua Company**.

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

Stakeholders Categories	Stakeholder's Input / Comments	Clients Feedback / Response
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.