


**PUBLIC SUMMARY OF FINAL MSPO AUDIT REPORT FOR
KESUMAJU ESTATE SDN BHD&GROUP MANAGEMENT CERTIFICATION**

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Audit Team Details:

Audit:	Date:	Audit Team	
Stage II Audit	01 ST - 02 ND JULY 2019	Lead Auditor	Martina Su ; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), BSc (Hons) Finance (University Malaysia Sarawak); 3 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	June Gerald Austin ; Attended Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (OHS ISIS), BSc (Hons) Fisheries (University Putra Malaysia); 2 years working experience related to palm oil; Site, documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.

Review by:

Clients Review:	Mr. Herman Khoo Thau Yaw	Date:	17 Sept 2019
Peer Reviewer 1:	Name: George Anak Akam Field of expertise: Sustainability, Best Practices and plantation management Contact: 0198837130	Date:	19 Sept 2019
Peer Reviewer 2:	Name: Rohana Parilla Bt Abdul Salam Field of expertise: Sustainability, wildlife management, occupational health & safety Contact: +6012 583 7275	Date:	19 Sept 2019
Certification Decision Panel:	Fiano Laka Pakun	Date:	23 Sept 2019
Report approved by CM:	Monica MoneLubong	Date:	24 Sept 2019

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Introduction

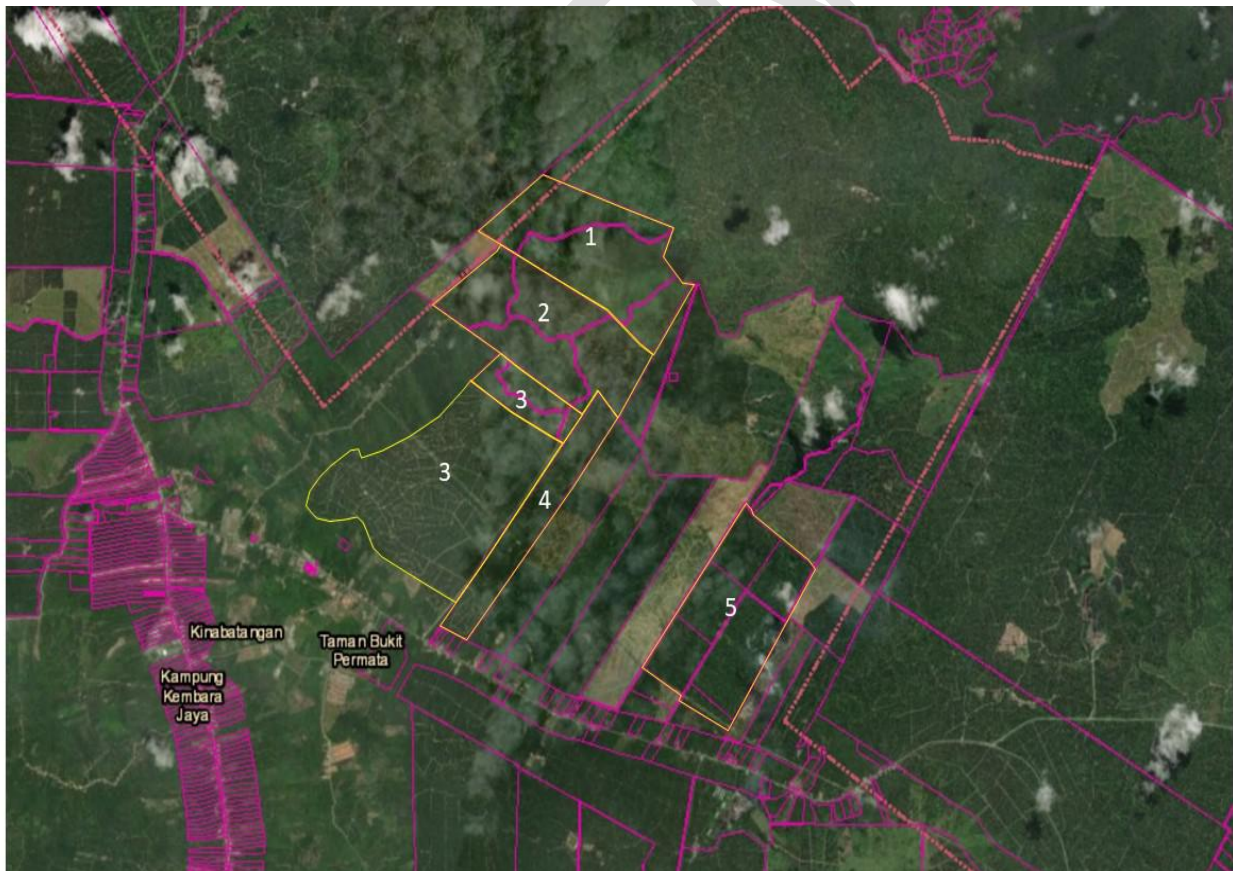
This report presents the results of the certification assessment at Kesumaju Estate Sdn Bhd and Group, Sandakan, Sabah on 01/07/2019 - 02/07/2019 by DIMA Certification Sdn Bhd through its office in Kota Kinabalu, managed by DIMA Certification (Sabah) Sdn Bhd. The purpose was to assess the operations of Kesumaju Estate Sdn Bhd and Group (5 companies which include Kesumaju Estate Sdn Bhd, Sri Tambuna Sdn Bhd, Ladang Armah Sdn Bhd, Sri Singa Estate Sdn Bhd and Kamijadi Sdn. Bhd.) against the requirements of the Malaysia Sustainable Palm Oil (MSPO) certifications.


Kesumaju Estate Sdn Bhd and Group was started in year 1995. Their registered oil palm estates located in Kinabatangan, Mile 50, Jalan SDK-LDU, Segaliud Lokan, MK, Segaliud Lokan, with planted area of 1,507.28 hectares. Kesumaju Estate Sdn Bhd and Group apply the certification of MS2530-3 as the organisation committed become a sustainable Palm Oil producer.

The reason for certification application is to become a Sustainable Palm Oil Producer.

Location Map of the Production Unit

1. Sri Singa Estate Sdn Bhd, 2. Sri Tambunan Sdn Bhd, 3. Ladang Armah Sdn. Bhd. 4. Kesumaju Estate Sdn. Bhd. 5. Kamijadi Sdn Bhd.



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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 is capable of achieving the organization's policy objectives.

Audit Criteria

The criteria of this audit were based on the MPOCC scheme requirements and MS 2530-3.

Company Details

COMPANY NAME:	Kesumaju Estate Sdn Bhd and Group			
	<ul style="list-style-type: none"> ✓ Kesumaju Estate Sdn Bhd ✓ Kamijadi Sdn Bhd ✓ Sri Tambunan Sdn Bhd ✓ Sri Sing Estate Sdn Bhd ✓ Ladang Armah Sdn Bhd 			
COMPANY REGISTRATION NO.:	<ul style="list-style-type: none"> ✓ Kesumaju Estate Sdn Bhd (361222-U) ✓ Kamijadi Sdn Bhd (145789-V) ✓ Sri Tambunan Sdn Bhd (142046-w) ✓ Sri Sing Estate Sdn Bhd (140163-H) ✓ Ladang Armah Sdn Bhd (154727-T) 			
MPOB LICENCE NO:	Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun 1. Kesumaju Estate Sdn Bhd - No Lesen 503179902000 sah sehingga 31/05/2020 2. Kamijadi Sdn Bhd - No Lesen 502432602000 sah sehingga 31/07/2019 3. Sri Tambunan Sdn Bhd - No Lesen 502273102000 sah sehingga 31/11/2019 4. Sri Singa Estate Sdn Bhd - No Lesen 502289702000 sah sehingga 31/11/2019 5. Ladang Armah Sdn Bhd - No Lesen 502390702000 sah sehingga 31/03/2020			
CLIENT REF.NO:	DMCS/2019/002			
CONTACT DETAILS	NAME:	Mr. Herman Khoo Thau Yaw	DESIGNATION:	Managing Director
	PHONE:	+6012-818 0085	EMAIL:	thauyawkhoo@gmail.com
NO. OF MILL:	-	NO. OF ESTATE(S):	5	
MILL CAPACITY:	-	TOTAL CERTIFIED AREA:	1,507.28 Ha	
TYPE OF CERTIFICATION:	GROUP	TOTAL PLANTED AREA:	1,359.52 Ha	
ADDRESS:	<u>Headquarters</u> 2 ND Floor, Lot 7, Block C, Bandar Fajar, Jalan Leila, 90000 Sandakan,		TEL:	+6089-273060
			Fax: 089-273060	
			E-MAIL:	

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	Sabah.	Website:-	-
	<u>Estate Address:</u> <ul style="list-style-type: none"> • Kinabatangan; • Mile 50, Jalan SDK-LDU, Segaliud Lokan • MK, Segaliud Lokan. 		

Audit Details


STANDARD(S):	
	MS2530-2:2013 Part 2: General principles for independent Smallholders
x	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		SURVEILLANCE 4		REASSESSMENT (4 MONTHS BEFORE CERTIFICATE EXPIRY)	
PLAN MONTH	June 2020	PLAN MONTH	June 2021	PLAN MONTH	June 2022	PLAN MONTH	June 2023	PLAN MONTH	April 2024
PROPOSED AREA	Sri Tambunan Sdn Bhd, Sri Sing Estate Sdn Bhd and Ladang Armah Sdn Bhd	PROPOSED AREA	Kesumaju Estate Sdn Bhd, Kamijadi Sdn Bhd	PROPOSED AREA	Sri Tambunan Sdn Bhd, Sri Sing Estate Sdn Bhd and Ladang Armah Sdn Bhd	PROPOSED AREA	Kesumaju Estate Sdn Bhd, Kamijadi Sdn Bhd	PROPOSED AREA	Sri Tambunan Sdn Bhd, Sri Sing Estate Sdn Bhd and Ladang Armah Sdn Bhd

Audit Scope

Production of Fresh Fruit Bunches (FFB) including Palm Oil Operations (Planting, manuring, spraying, weeding, harvesting) and management activities

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Existing Certification

Currently Kesumaju Estate Group are are **not** being certified under any 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 in 2 days, involving 3 estates of Kesumaju Estate 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.

There are 5 (4 Major NC; 1 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. Compliance 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 30days of the assessment and has been reviewed and accepted by the audit team.

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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 Kesumaju Estate Sdn. Bhd. and Group.**

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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	No issues.	There is a two-way communication available.
NGO	No issues.	Maintain the good relationship.
Contractors/Suppliers	No issues.	Maintain the good relationship.
Indigenous people/ Local communities	No issues.	Maintain the good relationship.
Labour organization/Workers union	No issues.	Always looking after the welfare and well-being of all employees.

End Of Report