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CONFIDENTIAL

Audit Team Details:

Audit:	Date:	Audit Team	
STAGE II AUDIT	24 th and 25 th October 2019	Lead Auditor	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 K Samarahan); 5 years working experience related to palm oil; Conduct site documentation and audit based on Principles 1 to 7 of MS 2530-3:2013.
		Auditor 1	Jeffrey Denis Ridu ; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Plantation Management (UPM), BS Agbusiness (Iowa State University, USA), DPIM (ITM Perlis); 21 years working experience related to palm oil; Site and documentation audit based on Principles 1 to 6 of MS 2530-4:2013.
		Auditor 2	Jiram Anak Sidu ; Certified Lead Auditor QEHS & Certified MSPO Auditor (Dima Certification Body Sdn Bhd.) Certified Auditor in Environmental Compliance Audit (GMP Environmental Consultant Sdn Bhd); MSc in Rural Resources & Environmental Policy, University of London, UK; Bachelor of Social Science (Hons)(Sociology), USM Penang; 3 years' experience in Plantation & Commodities monitoring & development (while in Ministry of Modernisation of Agric, Native Land & Regional Devt Sarawak); 16 years' experience in Environmental Management (while working with the Natural Resources & Environment Board Sarawak and as its Deputy Controller for 5 yrs); 18 years' experience in Agriculture Planning & Development (while working with the then Ministry of Agriculture & Community Devt Sarawak)

Reviewed by:

Clients Review:	Mr.Shahrolnizam Bin Ohsen	Date:	07 November 2019
Peer Reviewer 1:	Name: George Anak Akam Field of expertise: Sustainability, Best Practices and plantation management Contact: 0198837130	Date:	26 November 2019
Peer Reviewer 2:	Name: Rohana Parilla Bt Abdul Salam Field of expertise: Sustainability, wildlife management, occupational health & safety	Date:	08 November 2019

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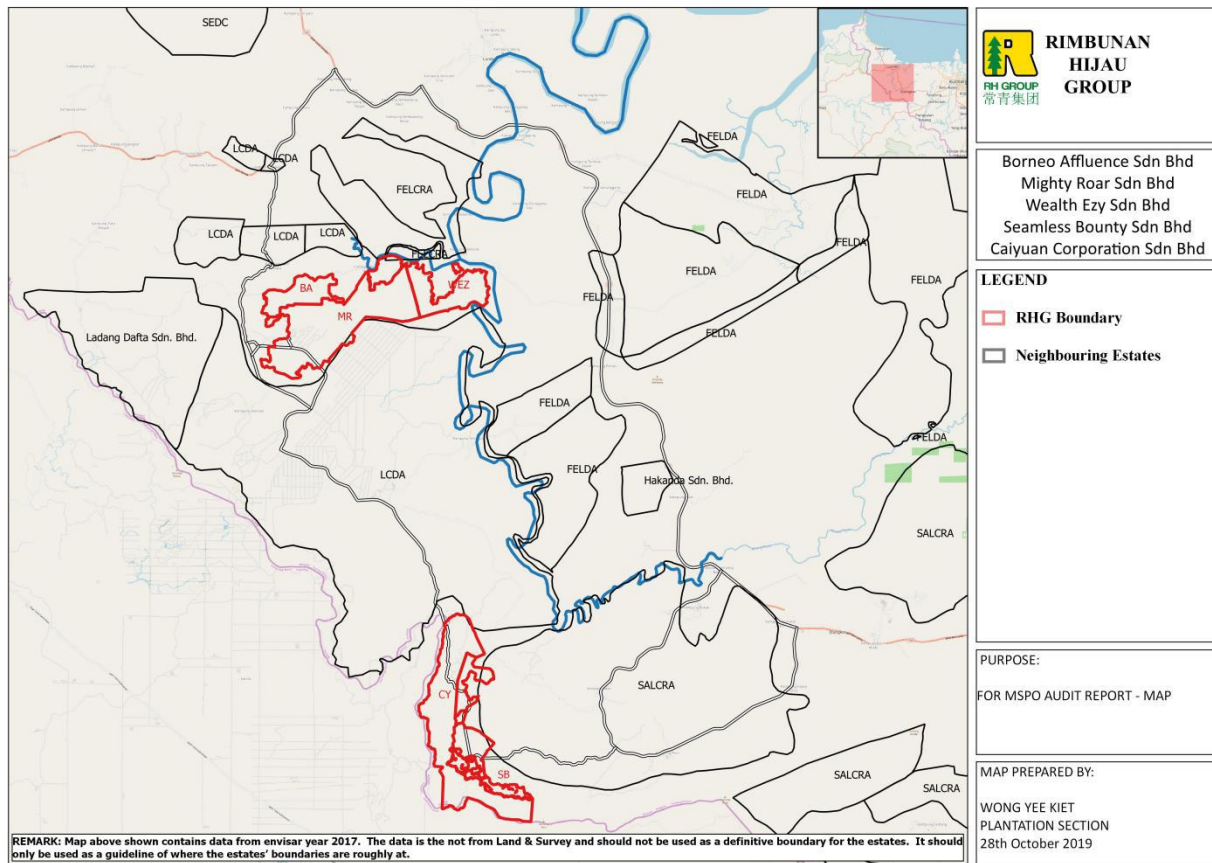
	Contact: +6012 583 7275	
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1. INTRODUCTION

This report presents the results of the certification assessment at Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd Sarawak on 24th and 25th October 2019 by DIMA Certification Sdn Bhd, through its office in Kuching, managed by DIMA Certification Sdn Bhd. The purpose was to assess the operations of Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd against the requirements of the Malaysia Sustainable Palm Oil (MSPO) certifications.

Seamless Bounty Sdn Bhd was established in 2007, Caiyuan Corporation Sdn Bhd started in 2003, Mighty Roar Sdn Bhd was established in year 2005, Borneo Affluence Sdn Bhd established in 1999 and Wealth Ezy Sdn Bhd was started in year 2007. It is an oil palm plantation with area of SBSB - 120.86 ha, CCSB - 634.62 ha, MRSB - 925.58 ha, BASB - 225.55 ha and WESB - 385 ha. The estates apply the certification of MS2530-3 as the organisation committed to become a sustainable Palm Oil producer.

1.1 Location Map of the Production Unit



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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 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.:
Seamless Bounty Sdn Bhd,	Kampung Raso 1 & 2, Lundu,	109°50.546"E	1°28.096"N
Caiyuan Corporation Sdn Bhd	Rasau, Stungkor, Lundu,	109°50.340"E	1°27.580"N
Mighty Roar Sdn Bhd	Bukit Batu, Jalan Biawak Lundu,	109°47.531"E	1°35.099"N
Borneo Affluence Sdn Bhd	Kampung Pasir Hilir, Sg. Ledang, Lundu	109°47.500"E	1°35.500"N
Wealth Ezy Sdn Bhd	Kampung Sebandi Hilir, Lundu,	109°48.270"E	1°35.425"N

Table 2: Area Statement

Area Statement (Ha)				
Estate	Titled Area (Ha)	Planted (Ha)	Conservation / HCV (Ha)	Others (Ha)
Seamless Bounty Sdn Bhd	128.77	120.86	-	7.91
TOTAL	128.77	120.86	-	7.91
Caiyuan Corporation Sdn Bhd	708.88	634.62	-	74.26
TOTAL	708.88	634.62	-	74.26
Mighty Roar Sdn Bhd	927.97	925.58	-	2.39
TOTAL	927.97	925.58	-	2.39
Borneo Affluence Sdn Bhd	225.55	225.55	-	-
TOTAL	225.55	225.55	-	-
Wealth Ezy Sdn Bhd	396.88	385	-	11.88
TOTAL	396.88	385	-	11.88

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Company's Details

COMPANY NAME:	Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd		
COMPANY REGISTRATION NO.:	Seamless Bounty Sdn Bhd - 796631-U Caiyuan Corporation Sdn Bhd - 624984-W Mighty Roar Sdn Bhd - 677320-V Borneo Affluence Sdn Bhd - 497834- K Wealth Ezy Sdn Bhd - 761438 - W		
MPOB LICENCE NO:	Seamless Bounty Sdn Bhd Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun License: 596322002000 (Valid until 31/03/2020) Caiyuan Corporation Sdn Bhd Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun License: 576744002000 (Valid until 30/09/2020) Mighty Roar Sdn Bhd Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun License: 542591002000 (Valid until 30/09/2020) Borneo Affluence Sdn Bhd Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun License: 545726002000 (Valid until 31/01/2020) Wealth Ezy Sdn Bhd Menjual dan mengalih FFB Bagi tempoh Satu (01) tahun License: 560301002000 (Valid until 31/01/2020)		
CLIENT REF.NO:	0003/11/2018		
CONTACT DETAILS	NAME:	Mr Shahrolnizam Bin Ohsen	DESIGNATION: Estate Manager
	PHONE:	019-8199525	EMAIL: -
NO. OF MILL:	-	NO. OF ESTATE(S):	5
MILL CAPACITY:	-	TOTAL CERTIFIED AREA:	SBSB - 128.77 ha CCSB -708.88 ha MRSB - 927.97 ha BASB - 225.55 ha WESB - 396.88 ha
TYPE OF CERTIFICATION:	Group	TOTAL PLANTED AREA:	SBSB - 120.86 ha CCSB -634.62 ha MRSB - 925.58 ha BASB - 225.55 ha

			WESB - 385 ha
ADDRESS:	<u>Headquarters</u> No.101, Menara Rimbunan Hijau, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak	TEL:	084-216155
	<u>Estate Address:</u> Bukit Batu Jalan Biawak Lundu, 94500 Lundu, Sarawak	Fax:	084-213366
		E-MAIL:	http://rhg.com.my
		Website:-	

Audit Details:

AUDIT STAGE:	Stage 2		
CERTIFICATE NO:	DMC MSPO 004		
DATE OF ISSUE:	28 November 2019	DATE OF EXPIRY:	27 November 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		SURVEILLANCE 4		REASSESSMENT (4 MONTHS BEFORE CERTIFICATE EXPIRY)	
PLAN MONTH	September 2020	PLAN MONTH	September 2021	PLAN MONTH	September 2022	PLAN MONTH	September 2023	PLAN MONTH	August 2024
PROPOSED AREA	Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd	PROPOSED AREA	Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd	PROPOSED AREA	Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd	PROPOSED AREA	Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd	PROPOSED AREA	Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy Sdn Bhd

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 in 1 day, involving 5 estates of Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy 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.

Risk Determination- Medium

Assessment Findings

The specific processes, activities and functions reviewed are detailed in the **Audit Plan (Appendix D)**. Details of collected evidence and audit trail of this audit are presented in the separate MSPO checklist (**Appendix E**). As outlined, objective evidence was obtained separately for each of the MSPO requirements (Indicators) for the 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 3 (2 Major NC; 1 Minor NC and 0 Observation) been raised on the MSPO checklist Part 3. Details for each **Audit Findings** are given in **Appendix B**.

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. Details for each **Corrective Action Plan & Evidence** are given in **Appendix C**.

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 **Seamless Bounty Sdn Bhd, Caiyuan Corporation Sdn Bhd, Mighty Roar Sdn Bhd, Borneo Affluence Sdn Bhd and Wealth Ezy 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

Stakeholders Categories	Stakeholder's Input / Comments	Clients Feedback / Response
Government (External)	No Issues	No Issue
WWF Malaysia	No issues.	No Issue
Workers (Internal) Name: Luwin Ak Jim (Field Conductor)	Happy with working condition and facilities. No issues with estate.	Continue to maintain good relationship
Supplier (External) Hap Seng Fertilizers Sdn Bhd Name:Goh Haw Seng	No issue with the estate	Continue to maintain good relationship
Local Communities (External) Kampung Stunggang Melayu Name: Pemanca Hj Ibrahim	No Issue with the estate	Continue to maintain good relationship