MALAYSIAN SUSTAINABLE PALM OIL
PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	**ALIHA JAYA SDN. BHD.**	**AUDIT NO.**	**574/19**
ADDRESS	1st Floor, Lot 4, Block 4, Bandar Sibuga Jaya, 90009, Sandakan, Sabah		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr. William Koo		
EMAIL ADDRESS	koowilliam@yahoo.com / sribadas_mspo@yahoo.com		
WEB PAGE	-		
AUDIT STANDARD(S)	MS 2530-3:2013 - Malaysian Sustainable Palm Oil Part 3: General principles oil palm plantations		
AUDIT SCOPE	Provision of **1580.62 Ha** of Sustainable Oil Palm Plantation		
AUDIT DATE	11th and 12th December 2019.		
PREVIOUS AUDIT DATE	6th December 2019		
NEXT AUDIT DATE	1st Surveillance Audit tentatively plan on **November 2020**		
OTHER CERTIFICATION HELD	Nil		
CERTIFICATE VALIDITY	03/02/2020 to 02/02/2025		
AUDITOR TEAM MEMBERS	**LEAD AUDITOR**	Mr. Mohamad Padil Mat Saman	
	AUDITOR	1. Mr. Khairul Faris Syamsurial 2. Mr. Willton Bichin 3. Mr. Suriansyah Nanang	
	AUDITOR IN TRAINING	-	

These are your certification details.
Please inform us immediately if amendments are required.

Audit Conclusion
Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel's during this Stage 2 Audit, we conclude that, **ALIHA JAYA SDN. BHD.**has effectively implemented its Malaysian Sustainable Palm Oil system in accordance to the MS 2530-3:2013 requirements inline with the organization procedure & policy for the above mentioned scope despite of nonconformances raised.

Recommendation
The audit team has agreed **to recommend for ALIHA JAYA SDN. BHD**.to be awarded with MS 2530-3:2013 Certifications based on existing scope on the conditions that the raised NCRs are satisfactorily closed within the stipulated time frame subject to review by Certification Approval Panel (CAP).

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Lead Auditor	Mohamad Padil Bin Mat Saman	**Signature**		**Date**	12/12/2019

AUDIT OBJECTIVE

To evaluate the implementation, including effectiveness of ALIHA JAYA SDN. BHD. on MS 2530-3:2013 and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) documentation. It shall include at least the following:

a. Information and evidence about conformity to all requirements of the applicable
b. management system standard or other normative document;
c. Performance monitoring, measuring, reporting and reviewing against key performance
d. objectives and targets (consistent with the expectations in the applicable management
e. system standard or other normative document);
f. The ALIHA JAYA SDN. BHD. MSPO and performance as regards legal compliance;
g. Operational control of the ALIHA JAYA SDN. BHD. processes;
h. Internal auditing and management review (if applicable);
i. Management responsibility for the ALIHA JAYA SDN. BHD. policies

EXECUTIVE SUMMARY

The Stage 2 audit was satisfactorily conducted to evaluate the MSPO implementation of ALIHA JAYA SDN. BHD. NIOSH Certification is an accredited certification body by Standards Malaysia which providing a comprehensive certification and inspection services mainly for management system of occupational safety & health, environmental, quality and MSPO for various industries.

During the Closing Meeting held on 12th **December 2019**, the overall results of the audit are as follow:

a. **NIL – Major Nonconformity Report (NCR)**
b. **ONE (1) – Minor Nonconformity Report (NCR)**
c. **FOUR (4) – Opportunities for Improvement (OFI)**

ALIHA JAYA SDN. BHD has prepared Corrective Action Plan as respond of raised NCR which date of implementation adequately accepted by Audit Team. The effectiveness of the corrective action for minor NCR will be reviewed on the next surveillance while major NCR satisfactorily reviewed closed.

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ASSESSMENT TEAM MEMBER

Lead Auditor	**En. Mohamad Padil Mat Saman** Mohamad Padil Mat Saman holds a Diploma from MARA University of Technology in Plantation Management with more than 10 years working experience in various plantations company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM) and Structured Safety and Health Plantation Programme. Fully trained in similar agriculture certification programs such as EUROGAP, RSPO, ISCC, MSPO, OHSAS and etc. Qualified as Lead Auditor/Auditor for MSPO and CoP under MPOB. Involved in MSPO assessment since 2015. Involved in audits conducted in for many different companies in Malaysia. Completed and certified MSPO Auditor course in 2015 (1st Batch) and attended Integrated Management System (IMS) course.
Auditor	**En. Khairul Faris Syamsurial** Mr. Khairul Faris holds a Bachelor of Engineering (Hons) Chemical from MARA University of Technology, Malaysia and registered with Board of Engineers Malaysia as Grad. Eng. He has successfully obtained competency of Lead Auditor course for Malaysian Sustainable Palm Oil (MSPO), Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Safety & Health Management System (OHSAS 18001:2007 & MS 1722:2011). Also attended the Quality & Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodied Providing Audit and Certification (ISO/IEC 17021:2015) collaboration with Institute of Quality Malaysia, ISO/IEC 17021 Competence for Auditing by Standards Malaysia, Hazard Identification Risk Assessment and Environmental Aspect Impact comprehensive course. He is a practitioner and experienced auditor since 2014 for the mentioned MSPO, Quality, Environmental and OSH schemes with various of auditing experience in relevant areas of palm oil plantation & mill, manufacturing industries, governmental agencies, oil & gas, construction, telecommunication and petrochemical industries
Auditor	**En. Willton Bin Bichin** He has 6 years working experience in oil palm plantation with had experience with RSPO, MSPO and ISCC requirements for certification from all these various organizations.He successfully completed Auditor course for MSPO MS2530, SCCS and Integrated Management System course for ISO 9001 and ISO 14001 . He's able to communicate in Bahasa Malaysia, English and Local Language.
Auditor	**En. Suriansyah Nanang** He has 8 years working experience in oil palm plantation with had experience with RSPO, MSPO and ISCC requirements for certification from all these various organizations. He successfully completed the Lead Auditor course for ISO 9001, ISO 14001 and Auditor MSPO MS2530 course and had attended MSPO Supply Chain Certification Standard (SCCS) Auditor Course. Able to communicate in Bahasa Malaysia, English and Local Language.

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AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving estates under Organisation. The minimum manday has been justified as per ABC-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO scheme). The audit covers documentation review, internal policies and procedures, management system as well as records review in compliance with the audit criteria requirements based on initial review self-questionnaire and Stage 1 Audit assessment, the risk factor medium (1.5) is determined.

The Stage 2 audit assessment has been conducted on sampling based on sampling size 1.5√4 calculation resulted of 3 sampled estates. The assessment were cover documentation and records review, physical field observation covering all plantation processes, workshop, chemicals store, waste management,boundary & buffer zones, workers housing, stakeholders consultation, interview with internal & external stakeholders, workers and contractors.

SUMMARY AUDIT FINDINGS

The following items represented **positive observations** by the audit team:

1. Good Commitment by the team.
2. Appropriate documentation (Policy, SOP & Manual).
3. Better understanding on the requirement of MSPO
4. Good preparation for audit process.

During the audit closing meeting held on **12th December 2019**, the overall results of the audit are as follows:

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a. **NIL** – Major Nonconformity Report (NCR)
b. **ONE (1)** – Minor Nonconformity Report (NCR
c. **FOUR (4)** – Opportunities for Improvement (OFI)

The grading of nonconformity (Major / Minor) is based on ISO/IEC 17021:2015 guidelines.

The audit team has satisfactorily verified the corrective action plan provided by the client. The effectiveness on the action plan for the corrective action will be reviewed by NIOSH Certification's auditors during the next surveillance audit.

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COMPANY BACKGROUND

ALIHA JAYA SDN. BHD. is a local enterprise company located at Segaliud, Kinabatangan and Telupid area, with the main office at Sandakan, Sabah. The company started its oil palm plantations operation. Since then few other subsidiary company was established, known as **Company Sri Badas Sdn Bhd has been established since 1984 & Syarikat Aliha Jaya Sdn Bhd established since 1972**.

In terms of regulatory compliance regarding its operational and social responsibility, AJSB plantation activities are legalized based on their permit obtained from government regulatory body which is the Malaysian Palm Oil Board (MPOB) and labour department (JTK).

DETAILS OF PLANTATION UNIT (S)

NO	ESTATES NAME	ADDRESS OF ESTATE	GPS COORDINATE	TOTAL TITLE AREA (Ha)
1	*Sri Badas Telupid Estate	Mile 72, Jalan Telupid Sandakan	5.574586 117.337323	700.01
2	*Sri Badas Koyah	Koyah Estate, Kinabatanagan	5.3493311 118.0232	487.37
3	Sri Badas Melangking	Melangking Estate, Sukau	5.705366 118.298832	311.10
2	*Aliha Jaya Estate	Mile 32, Jalan Sandakan to Lahad Datu	5.774823 117.784254	82.14
TOTAL				**1580.62**

***Please tick the sampled estates during this audit**

MPOB LICENSE DETAILS

NO	ESTATES NAME	MPOB LICENSE	SCOPE OF ACTIVITY	EXPIRY DATE
1	Sri Badas 1.Telupid 2.Koyah 3.Melangking	502934402000	Menjual dan mengalih FFB	30/09/20
2	Aliha Jaya Estate	502128902000	Menjual dan mengalih FFB	30/06/20

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AREA AND FFB PRODUCTION

		PLANTED AREAS			NON PLANTED AREA			TOTAL TITLE AREA (Ha)
NO	ESTATES NAME	IMMATURE AREA (Ha) 0-3 YRS	MATURE AREA (Ha) >3 YRS	TOTAL PLANTED AREAS (Ha)	CONSERVATION AREA (HBV, Steep Land, etc.) Ha	OTHERS (BUILDING, LINE SITES, ETC.) Ha	TOTAL UNPLANTED AREA (Ha)	
		a	b	**A**=a+b	c	d	**B**=c+d	**A+B**
1	Sri Badas Telupid		699.67	699.67	N/A	0.34		700.01
2	Sri Badas Koyah		487.37	487.37				487.37
3	Sri Badas Melangking		311.10	311.10				311.10
4	Aliha Jaya Estate		82.14	82.14		0.34		82.14
	TOTAL		**1580.28**	**1580.28**		**0.34**		**1580.62**

PRODUCTION VOLUME

NO	ESTATES NAME	TITLE AREA (Ha)	FFB PRODUCTION PREVIOUS Y2018 (MT)	FFB PRODUCTION FORECAST Y2019 (MT)
1	Sri Badas -Telupid 72	700.01	13544.13	14488.51
2	Sri Badas - Koyah	487.37	9931.78	8768.32
3	Sri Badas - Melangking	311.10	6093.72	6058.97
4	Aliha Jaya Estate	82.14	1858.89	1640.95
TOTAL		**1580.62**	**31 428.52**	**30 956.75**
OER%			**19.725**	**19.925**

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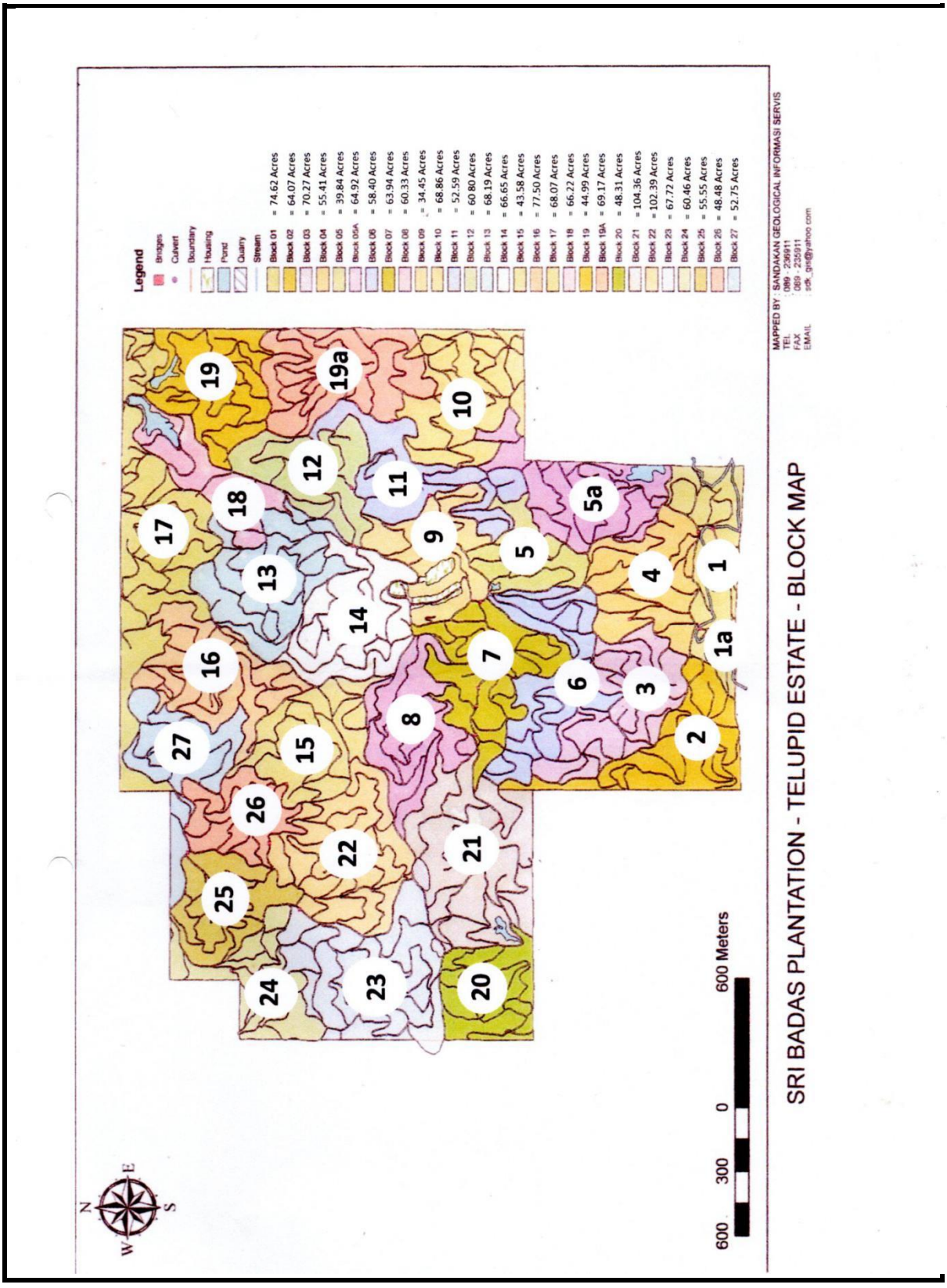
LOCATION AND MAP

1. LOCALITY MAP TELUPID



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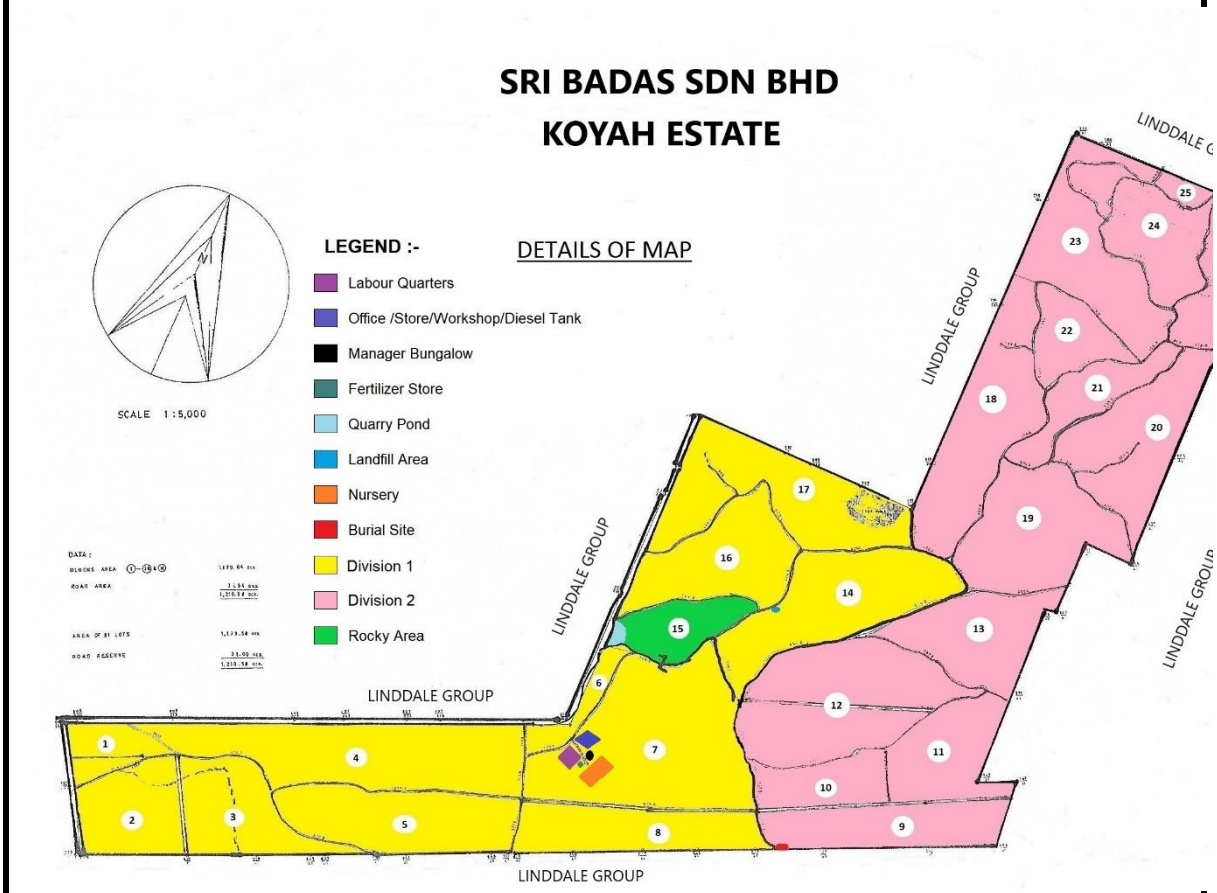
LOCATION AND MAP

LOCALITY MAP KOYAH ESTATE



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LOCATION AND MAP

1. ESTATE MAP SRI BADAS MELANGKING

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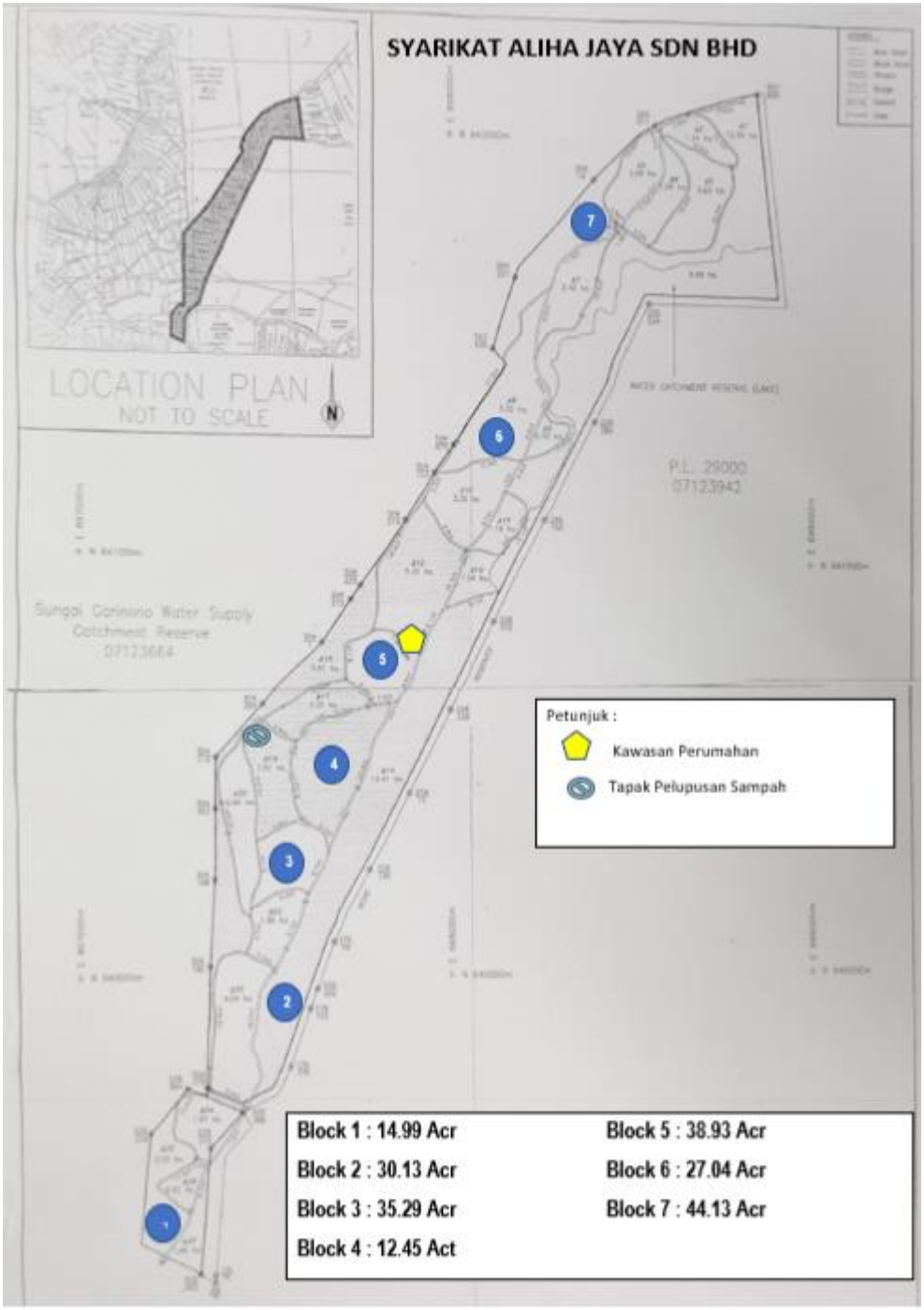
LOCATION AND MAP

ESTATE MAP ALIHA JAYA



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Review and follow-up on previous audit findings
All findings raised during the previous audit found has been addressed adequately. All NCR has been verified accordingly.

Stakeholders Consultation Session
Stakeholder consultation began with notification of **a month prior of** upcoming assessment by official letter to identified stakeholders. Emails, phone call and official letter were sent to applicable interested stakeholders. Audit team then visited some stakeholders to obtain positive / negative information or any issues in connection with **ALIHA JAYA SDN. BHD.** It was started with a slide presentation by NIOSH Certification Sdn. Bhd. explaining about the objectives of the MSPO certification scheme and purpose of stakeholder consultation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No major adverse issue been raised as consulted during the audit: Among stakeholders attended the session: **a. Neighbouring estate - FGV Estate Manager Telupid Area** b. **Internal stakeholder (Harvester - 3 persons and Weeders - 3 person at Sri Badas Telupid estate)** **c. Neighbouring estate - Sime Darby Plantation (Segaliud Estate)** All positive and negative inputs from stakeholders has been discussed with management of **ALIHA JAYA SDN. BHD.** with proper justification and adequate action plan by the management team to address the issue.

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Others
Nil

Disclaimer

NIOSH Certification provides services which are designed to determine whether the referenced Management System of the client:

a) complies with the relevant (mentioned) Standard; and
b) has been properly implemented and maintained.

Audits are based on random sampling techniques and non conformances may exist which did not become apparent during the audit.

NIOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOSH Certification, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

- End of Audit Report -

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