

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	KWANTAS CORPORATION BERHAD (KWANTAS OIL SDN BHD)		AUDIT NO.	401/19
ADDRESS	K-63-3rd Floor, Signature Office, KK Times Square, Off Coastal Highway, 88100 Kota Kinabalu, Sabah.			
MILL UNIT(S)	MEWAH PALM OIL MILL : 60 MT/HR			
TYPE OF ASSESSMENT	Main Audit			
GROUP MANAGER	Mr. Badrul Bin Mohd. Nizam			
EMAIL ADDRESS	mohd.badrul@kwantas.com.my			
WEB PAGE	www.kwantas.com.my			
AUDIT STANDARD(S)	MS 2530-4:2013 - General principles for Palm Oil Mills			
AUDIT SCOPE	Provision of 60 mt/hr of Sustainable Palm Oil Mill			
AUDIT DATE	17 th – 18 th October 2019			
PREVIOUS AUDIT DATE	20 th - 21 st May 2019			
NEXT AUDIT DATE	1 st Surveillance tentatively plan on September 2019			
OTHER CERTIFICATION HELD	ISO 9001 : 2015			
CERTIFICATE VALIDITY	06/11/2019 to 05/11/2024			
AUDITOR TEAM MEMBERS	LEAD AUDITOR	En. Mohd Isa Hasim (ISA)		
	AUDITOR	En. Basran Ab. Hamid (BAH)		
	AUDITOR IN TRAINING	En. Hamsah Sulaiman (HMS)		

***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 during this Stage 2 Audit, we conclude that KWANTAS CORPORATION BERHAD (KWANTAS OIL SDN BHD) has effectively implemented its Malaysian sustainable Palm Oil system in accordance to the MS 2530-4:2013 requirements in line with the organization procedure & policy for the above mention scope

Recommendation
The audit team has agreed to recommend KWANTAS CORPORATION BERHAD (KWANTAS OIL SDN BHD) to be awarded with MS 2530-4:2013 Certifications based on applied scope subject to review by Certification Approval Panel

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

Lead Auditor	Mohd Isa Hasim	Signature		Date	18/10/2019
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EXECUTIVE SUMMARY

The **Stage 2** audit was satisfactorily conducted to evaluate the MSPO implementation of **MSPO 2530 Part 4 (Palm Oil Mill)**. The management is a wholly own company of **KWANTAS CORPORATION BERHAD (KWANTAS OIL SDN BHD)** which located **1.5 hours from Lahad Datu**. The company has various businesses and one of the core business in Oil Palm plantation.

NIOOSH 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. The **Stage 2** audit have been satisfactorily conducted by NIOOSH Certification on **17th – 18th October 2019**.

During the audit closing meeting held on **18th October 2019** at meeting room, the overall results of the audit are as follows:

- a. **Major Nonconformity Report (NCR) : NONE (0)**
- b. **Minor Nonconformity Report (NCR) : NONE (0)**
- c. **Opportunities for Improvement (OFI) : FIVE (5)**

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

ASSESSMENT TEAM MEMBER

Lead Auditor	<p>Mr. Mohd Isa Hasim</p> <p>As a holding professional certificated 1st grade Steam Engineer, Lead Auditor MSPO MS2530, Lead Auditor ISO 9001:2015, Safety Officer (SHO) NIOSH, Authorized Entry Standby Person (AESP) NIOSH, Competent Person Schedule Waste (CePSWaM) DOE. Currently join a team between Certification Body as aMSPO Auditor since 2015 until now 2018. Current achievement he had got certification for Train The Trainer (TTT) from NIOSH and also (TTT) from HRDF. He has experience working in plantation industry which is background in palm oil mill as an Mill Engineer. Expertise in palm oil mill processing, implementation good mill practice in mill organization and maintain on legal compliance for safety, health and environment. He shows a good communicate between his cooperate team members during develop the documentation on Roundtable Sustainable Palm Oil (RSPO). Lastly, he has demonstrated leadership skill within palm oil mill organization with lead a team until successful achieving the certification of RSPO.</p>
Auditor	<p>En. HamsahSulaiman</p> <p>He holds Master in Plantation Management & bachelor's degree in Organization Management from University Science Malaysia (USM) in 2005. He has 15 years working experience of managing oil palm plantations with expertise in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM), Labour & Logistics Management. He is experienced 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 & ISO 45001 and Lead Auditor MSPO MS 2530:2013 & MS SCCS. He had been involved in MSPO auditing since 2018 in various companies in Malaysia. Able to communicate in Bahasa Malaysia, Bahasa English and Local Language.</p>
Auditor	<p>En. Basran Ab Hamid</p> <p>Basran Ab Hamid hold a Degree From University Malaysia Sabah in International Business with more than 5 years working experience in plantation company and skills in Good Agricultural Practices (GAP) and involved in Safety and Health Plantation programme. Fully trained in similar agriculture certification programs such as MSPO. Completed and certified MSPO Auditor Course in January 2019 held by Niosh Certification. He attended Integrated Management System (IMS) conducted by Platinum Shauffman Veritas (PSV) Certification in December 2018. He able to speak and understand Bahasa Malaysia and English</p>

AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving palm oil mill under Kwantas Mewah POM. 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 were cover documentation and records review, physical mill observation covering all processes, workshop, chemicals store, effluent ponds, stakeholders consultation, interview with internal & external stakeholders, mill workers and contractors.

SUMMARY AUDIT FINDINGS

During the audit closing meeting held on **18 October 2019**, the overall results of the audit are as follows:

The following items represented positive observations by the audit team:

- 1. Commitment Internal MSPO Team**
- 2. Good understanding on the requirement of MSPO**
- 3. Good of filing system on MSPO Documentation**

The overall results of the audit are as follows:

- d. **Major Nonconformity Report (NCR) : NONE (0)**
- e. **Minor Nonconformity Report (NCR) : NONE (0)**
- f. **Opportunities for Improvement (OFI) : FIVE (5)**

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

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

COMPANY BACKGROUND

Mewah Palm Oil Mill is located about 100KM from Lahad Datu. It was commissioned on the 15th of May 2000, with designed capacity at 60MT FFB/Hour. Apart from receiving crop from Mewah 1 Estate & Mewah 2 Estate, MPOM is also purchasing vicinity smallholder FFB. Since its commissioning, the mill has been producing good quality CPO and Palm Kernel that conforming to commercial specification. It is with the aspiration for consistent excellence of our products that our team strives to achieve MSPO for the Mewah Palm Oil Mill. The mill operates in line with the policies and views of KWANTAS OIL SDN BHD. The mill manager has been empowered to manage the overall mill operations and shall act as top management on MSPO requirement.

DETAILS OF MILL UNIT (S)

NO	NAME	ADDRESS OF MILL	MILL CAPACITY	GPS COORDINATE	TOTAL MILL AREA (HA)
1	Mewah Palm Oil Mill	Mewah Palm Oil Mill, KM 70 Tabung Tentera Junction Jalan Lahad Datu-Sandakan, Sg.Koyah 91120 Lahad Datu, Sabah	60mt/hr	5.254414 117.960058	2439 HA

MPOB LICENSE DETAILS

NO	MILL NAME	MPOB LICENSE NO.	SCOPE OF ACTIVITY	EXPIRY DATE
1	Mewah Palm Oil Mill	500301904000	Menjual dan Mengalih FFB,PK,CPO,SPO Membeli dan Mengalih FFB Menyimpan PK,CPO,SPO Mengilang FFB Mengalih PPO,CPKO,PPKO	31/07/2019

MILL PROCESSING DATA

Supply Base	Mill Processing and Production Data Actual Previous Year (2018)			Mill Processing and Production Data Forecast Current Year (2019)		
	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)
Supply Base a. Own Supply b. Other Supply	139,490.51	28,507.69	6,810.06	26,263.05	5226.00	1310.78
TOTAL	139,490.51	28,507.69	6,810.06	26,263.05	5226.00	1310.78
Conversion Rate		OER:20.44%	KER:4.88%		OER:19.90%	KER:4.99%

LOCATION AND MAP

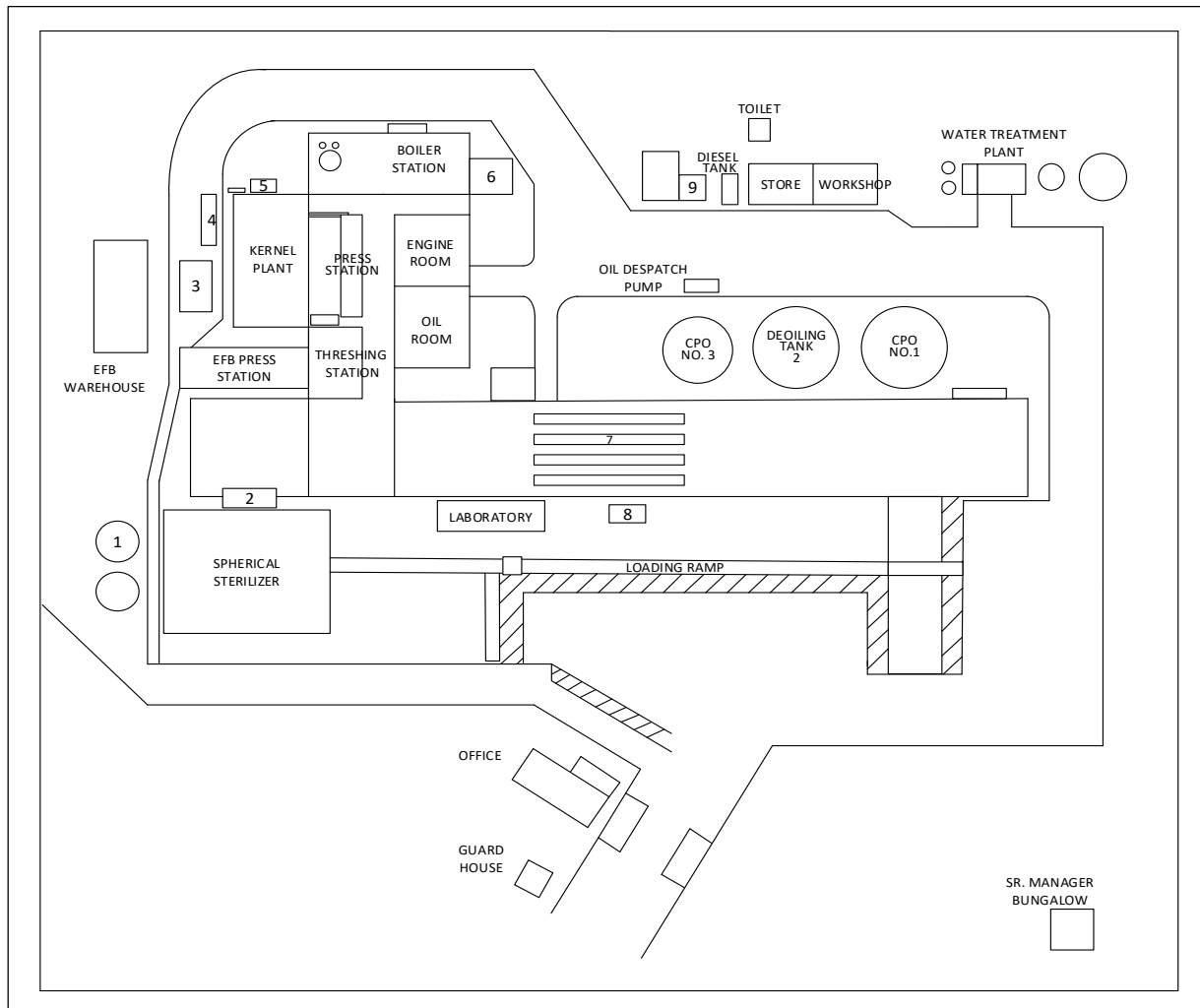


FIGURE : MILL LAYOUT

LOCATION AND MAP

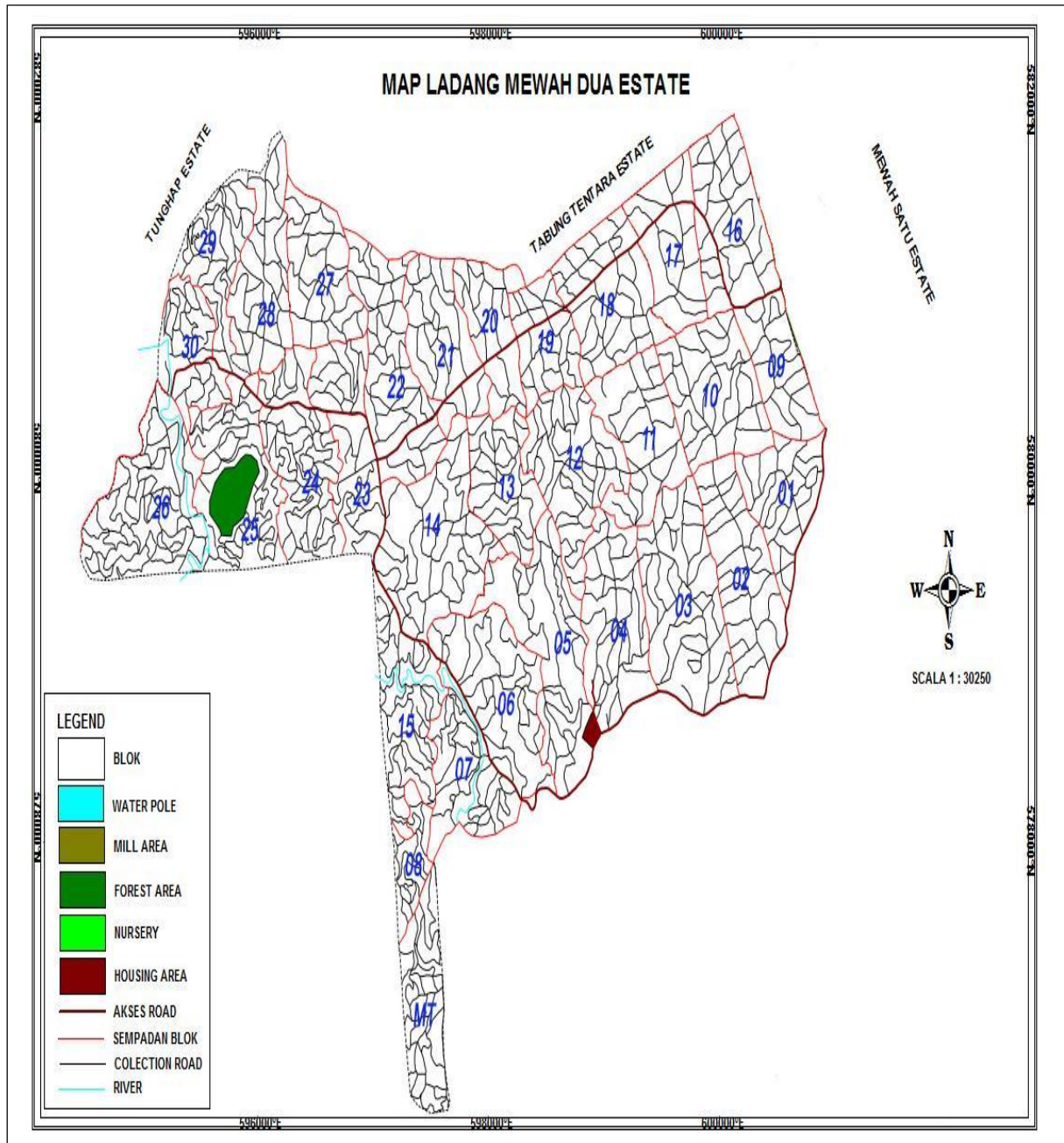


FIGURE : MILL LOCATION

Review and follow-up on previous audit findings

All Areas of Concern raised during the previous audit found has been addressed adequately.

Stakeholders Consultation Session

Stakeholder consultation began with notification 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 estate and mill management. Among stakeholders contacted included external & internal :

- Government agency / Smallholder / Supplier / Contractor / Internal Stakeholder

The agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. There is no issue been raised up during stakeholder consultation. However, good finding and request recorded as following below:

External Stakeholder

- Good relationship stakeholder between estate management
- Good communication and cooperation between estate management
- Good understanding from stakeholder regarding of implementation MSPO

Name & Category Stakeholder

No	Name	Organisation	Stakeholder
1	Mr. Isnaidy Syarifuddin	CPO Transporter	External
2	Mr. Hasanuddin	Smallholder	External
3	Mr. Bahar	Smallholder	External
4	Mr. Arripuddin	Smallholder	External
5	Ms. Juraidah Hairin	Klinik Kesihatan	External
6	Ms. Kamaria Karim	Klinik Kesihatan	External

All positive and negative inputs from stakeholders has been discussed with management of **KWANTAS MEWAH POM** with proper justification and adequate action plan by the management team to address the issue.



MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

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.

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- End of Audit Report -