

## MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	KIONG CHUAN PLANTATION GROUP	AUDIT NO.	235/19
ADDRESS	No. 4154, Lorong Yapp, Man Siu 2, Batu 3, Jalan Kuhara, 91000 Tawau, Sabah.		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr Niel Tingzon		
EMAIL ADDRESS	janechinshuikwen@gmail.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 <b>212.73 Ha</b> of Sustainable Oil Palm Plantations.		
AUDIT DATE	9 <sup>th</sup> July 2019		
PREVIOUS AUDIT DATE	14 <sup>th</sup> June 2019		
NEXT AUDIT DATE	1 <sup>st</sup> Surveillance Audit tentatively plan on <b>June 2020</b>		
OTHERS CERTIFICATION	-		
CERTIFICATE VALIDITY	01/10/2019 to 30/09/2024		
CLIENT'S REFERENCE DOCUMENTS	Per clients document master list		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	En. Mohd Isa Hasim (ISA)	
	AUDITOR	En. Hamsah Sulaiman (HBS)	
	AUDITOR	En. Basran Ab Hamid (BAH)	

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

<b>Audit Conclusion</b>
Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel during this <b>Stage 2</b> Audit, we conclude that <b>KIONG CHUAN PLANTATION GROUP</b> has effectively implemented its Malaysian sustainable Palm Oil system in accordance to the <b>MS 2530-3:2013</b> requirements in line with the organization procedure & policy for the above mention scope
<b>Recommendation</b>
The audit team has agreed to recommend <b>KIONG CHUAN PLANTATION GROUP</b> to be awarded with <b>MS 2530-3:2013 Certifications</b> based on applied scope subject to review by Certification Approval Panel

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<b>Team Leader</b>	Mohd Isa Hasim	<b>Signature</b>		<b>Date</b>	10/7/2019
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### AUDIT OBJECTIVE

The objectives of this audit are as follows:

To evaluate the implementation, including effectiveness of **KIONG CHUAN PLANTATION GROUP** on MS 2530-3:2013 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 management system standard or other normative document;
- b. Performance monitoring, measuring, reporting and reviewing against key performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document);
- c. The **KIONG CHUAN PLANTATION GROUP** MSPO and performance as regards legal compliance;
- d. Operational control of the **KIONG CHUAN PLANTATION GROUP BHD** processes
- e. Internal auditing and management review (if applicable)
- f. Management responsibility for the **KIONG CHUAN PLANTATION GROUP** policies
- g. Links between the normative requirements, policy, performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document), any applicable legal requirements, responsibilities, competence of personnel, operations, procedures, performance data and internal audit findings and conclusions

### EXECUTIVE SUMMARY

The **Stage 2** audit was satisfactorily conducted to evaluate the MSPO implementation of **MSPO 2530 Part 3 (Plantation)**. The management is a wholly own company of **KIONG CHUAN PLANTATION GROUP BHD** which located & approximate 2 hours from **Tawau Town**. The company has various businesses and one of the core bussiness 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 has been satisfactorily conducted by NIOOSH Certification on **9 July 2019**. During the audit closing meeting held on **9<sup>th</sup> July 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) : FIVE (5)**
- c. **Opportunities For Improvement (OFI) : NONE (0)**

**KIONG CHUAN PLANTATION GROUP 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	<p><b>Mr. Mohd Isa Hasim</b></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.</p> <p>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><b>En. HamsahSulaiman</b></p> <p>He holds Master in Plantation Management &amp; 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 &amp;Logistics Management. He is experienced with RSPO, MSPO and ISCC requirements for certification from all these various organizations.</p> <p>He successfully completed the Lead Auditor course for ISO 9001, ISO 14001 &amp; ISO 45001 and Lead Auditor MSPO MS 2530:2013 &amp; 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><b>En Basran Ab Hamid</b></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 estates under **KIONG CHUAN PLANTATION GROUP**. 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 2** Audit assessment, the risk factor medium (1.5) is determined.

The **Stage 2** audit assessment has been conducted on sampling based on sampling size  $1.0\sqrt{1}$  calculation resulted of **1 sampled** estate. The assessment was 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

During the audit closing meeting held on 9 **July 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:

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

***\*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

The management is a wholly own company of **KIONG CHUAN PLANTATION GROUP** which located & approximate 2 hours from **Tawau Town**. The company has various businesses and one of the core business in Oil Palm plantation. The company has 212.73 ha planted with of oil palms

### DETAILS OF PLANTATION UNIT (S)

NO	ESTATES NAME	FULL ADDRESS	GPS COORDINATE	TOTAL TITLE AREA (Ha)
1*	KIONG CHUAN PLANTATION	TUN FUAD KUNAK	4.630258, 118.122635	80.53
2*	CEKALIBER PLANTATION	BRANTIAN TAWAU	4.522508, 117.569904	132.2
<b>TOTAL</b>				<b>212.73</b>

### MPOB LICENSE DETAILS

NO	ESTATES NAME	MPOB LICENSE	SCOPE OF ACTIVITY	EXPIRY DATE
1	KIONG CHUAN PLANTATION	5033741032000	MENJUAL & MENGALIH FFB	31.08.2019
2	CEKALIBER PLANTATION	504612502000	MENJUAL & MENGALIH FFB	30.11.2019

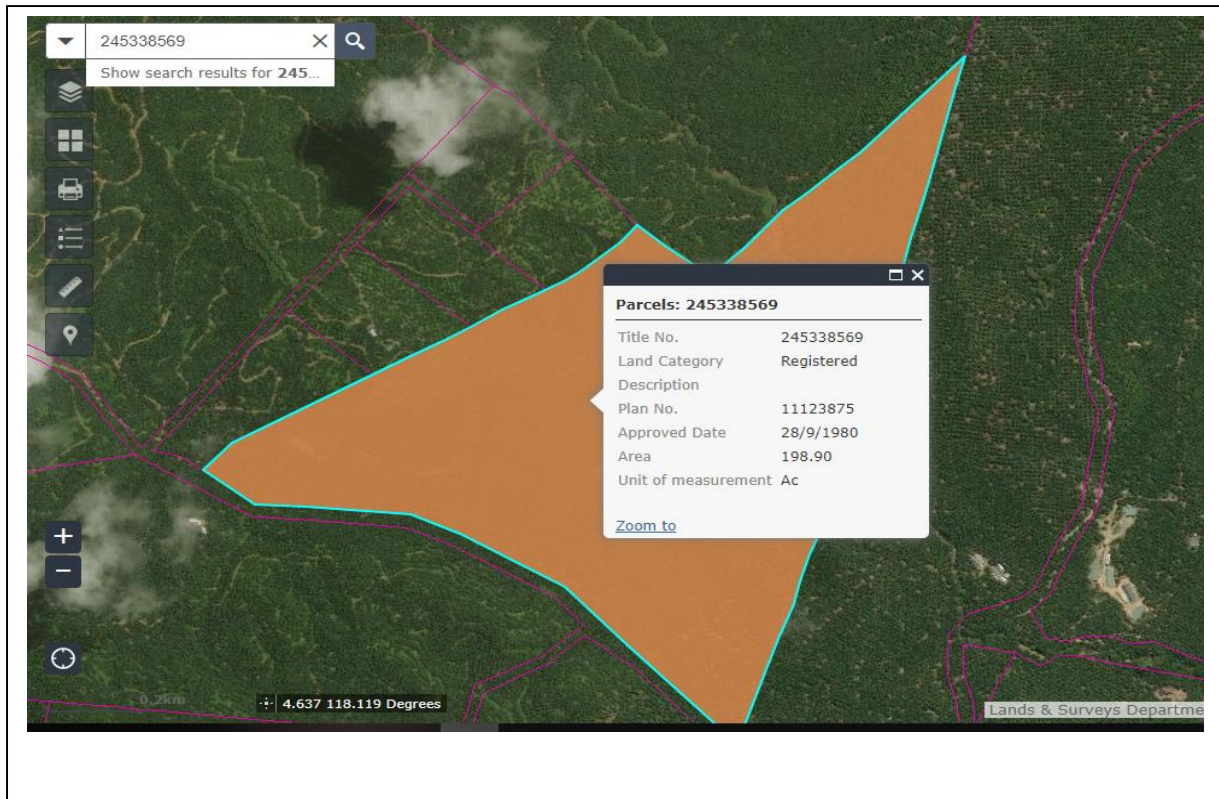
### AREA AND FFB PRODUCTION FROM ESTATES

		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)	
1	KiongChuan Plantation	-	78.53	<b>78.53</b>	-	2.0	<b>2.0</b>	<b>80.53</b>
2	Cekaliber Plantation		130.2	130.2	-	2.0	2.0	130.20
	<b>TOTAL</b>			<b>208.73</b>			<b>4.0</b>	<b>212.73</b>

**PRODUCTION VOLUME**

NO	ESTATES NAME	TITLE AREA (Ha)	FFB PRODUCTION PREVIOUS Y2018 (MT)	FFB PRODUCTION FORECAST Y2019 (MT)
1	KIONG CHUAN PLANTATION	80.53		
2	CEKALIBER PLANTATION	132.2		
<b>TOTAL</b>		<b>212.73</b>		
<b>OER%</b>			20.00	20.00

## LOCATION AND MAP



## 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 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 upduring 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 implementation of mspo awareness to local community & company

All positive and negative inputs from stakeholders has been discussed with management of **KIONG CHUAN SDN BHD** with proper justification and adequate action plan by the management team to address the issue.



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### 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 nonconformances 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 -*