

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	LEEKA HOLDINGS SDN BHD	AUDIT NO.	101/19
ADDRESS	LEEKA HOLDINGS SDN BHD, 3268/3269, Fook On Garden, Mile 2 1/2, Sin On Road, P. O. Box No. 61195, 91021 Tawau. Sabah.		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr. Yee Chun Ming		
EMAIL ADDRESS	leekaholdings@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 244.69 Ha of Sustainable Oil Palm Plantation.		
STAGE 2 AUDIT DATE	21 st & 22 nd April 2019		
STAGE 1 AUDIT DATE	28 th & 29 th March 2019		
NEXT AUDIT DATE	Surveillance 1 tentatively plan on April 2020		
OTHERS CERTIFICATION	Nil		
CERTIFICATE VALIDITY	10/05/2019 to 09/05/2024		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	Mohd Isa Hasim (ISA)	
	AUDITOR	Hamsah Sulaiman (HMS)	
	AUDITOR IN TRAINING	Suriansyah Nanang (SBN)	

*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 LEEKA HOLDINGS SDN BHD has effectively implemented its Malaysian sustainable Palm Oil system in accordance to the MS 2530-3:2013 requirements in line with the organization procedure & policy for the above mention scope

Recommendation
The audit team has agreed to recommend LEEKA HOLDINGS SDN BHD to be awarded with MS 2530-3:2013 Certifications based on applied scope subject to review by Certification Approval Panel.

Note: The findings of this report will be subjected to further verification of implementation during Stage 2 audit.

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

Team Leader	Mohd Isa Hasim	Signature		Date	21/4/2019
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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.</p> <p>He has experience working in plantation industry which is background in palm oil mill as an Mill Engineer at Sime Darby Plantation. 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. Hamsah Sulaiman</p> <p>He holds Master in Plantation Management & Bachelor 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.</p> <p>He successfully completed the Lead Auditor course for ISO 9001, ISO 14001 & ISO 45001 and Lead Auditor MSPO MS 2530. & MS SCCS He had been involved in MSPO auditing since 2018 in various companies in Malaysia.</p>
Auditor in Training	<p>En. Suriansyah Nanang</p> <p>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.</p> <p>He successfully completed the Lead Auditor course for ISO 9001, ISO 14001 and Lead Auditor MSPO MS2530. Able to communicate in Bahasa Malaysia, English and Local Language.</p>

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 **Leeka Holdings SdnBhd** which located 1 hours from **Tawau Town**. The company has various businesses and one of the core business in Oil Palm plantation.

NIOASH 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 NIOASH Certification on **21st&22nd April 2019**. During the audit closing meeting held on **22nd April 2019** at meeting room.

During the Closing Meeting held on **22nd April 2019**, the overall results of the audit are as follow:

- a. NIL – Major Nonconformity Report (NCR)
- b. FIVE (5) – Minor Nonconformity Report (NCR)
- c. NIL (0) – Opportunities for Improvement (OFI)

COMPANY BACKGROUND

LEEKA HOLDINGS SDN. BHD., a Malaysian Company incorporated on 15th May 1973, having its Head Quarters in Tawau, Sabah, is a parent company of four subsidiaries, namely:

- 1. Onika Quarry SdnBhd
- 2. Uf Engineers SdnBhd
- 3. Goldcrete SdnBhd
- 4. Unika Housing SdnBhd

The Leeka Group of Companies' activities centre on agricultural plantations management, quarry stone production, asphaltic concrete production, civil & structural engineering constructions, transportation, ready-mix concrete production, property investment and development.

Being a customer oriented organisation, the Leeka Group of Companies strive to ensure quality and efficiency amongst its ranks, providing innovative solutions and quality services to meet the end-user' needs and thereby maximising their productivity, profitability and satisfaction. To achieve our goals of highquality products with reliable and proven reputable services, our organisation endeavours to apply its established network and expertise to provide solutions through selective and environmentally friendly techniques.

AUDIT METHODOLOGY & AUDIT PROGRAMME

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 $1.5\sqrt{2}$ calculation resulted of 2 sampled estates. The assessment were cover documentation and records review, physical field observation covering all plantation processes (harvesting, manuring, spraying activities), 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 Closing Meeting held on **22nd April 2019**, the overall results of the audit are as follow:

- a. NIL – Major Nonconformity Report (NCR)
- b. FIVE (5) – Minor Nonconformity Report (NCR)
- c. NIL (0) – 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.

Review and follow-up on previous audit findings

There was FIVE (5) Area of Concern (AOC) raised during Stage 1 Audit by the previous audit team. The auditee has made a preparation to further improve the management system and operations of smallholders of **LEEKA HOLDINGS SDN BHD** based on comment and verbal findings.

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 management.

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::

- Government agency
- Smallholder
- Supplier

- Contractor
- Identified 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 contractor between estate management
- Good communication contractor to between estate management easy to work
- The management give opportunity developed career in estate

Internal Stakeholder

- The worker aware about safety requirement during harvesting work
- The worker aware about environment which is no open burning at housing area
- The worker aware about the recycle waste at housing area

Name & Category Stakeholder

- Mr. Chong : Contractor
- Mr. Steve Lee : Estate. Manager
- Sprayer : Estate Worker
- Harvester : Estate Worker
- Mandore: Estate Worker

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

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

DETAILS OF PLANTATION UNIT (S)

	Name	Address Of Estate	GPS Coordinates	Total Title Area (ha)
1	LEEKA HOLDING ESTATE	SEMPORNA	4°27'00.0"N 118°21'03.6"E	81.63
2	LEEKA HOLDING ESTATE	TAWAU	4°15'50.4"N 118°0'58.8"E	163.06
TOTAL				244.69

Area and FFB production from estates

	Name	Planted Area			Conservation / HCV Area (ha)	Others (Building, line sites, river etc.)	Total Title Area (ha)	Annual FFB Production (MT)
		Immature Area (ha) 0 – 3 yrs	Young Mature Area (ha) >3 – 6 yrs	Mature Area (ha) >6 yrs				
1	SEMPORNA EST	54.58		26.37		Labour Quarters, Chemical Stor, lubricant store, fertilizer store,	81.63 Ha	512.44 MT
2	TAWAU EST	14.94		144.80		Labour Quarters, Chemical Store, fertilizer store,	163.06 Ha	4408.90 MT
Total							244.69 Ha	4921.34 mt

Age Planting Profile

No	Estate	Age Planting Profile (Ha)					
		<3 Yr	>3-7 Yr	>7 – 15 Yr	>15 – 20 Yr	>20 – 25 Yr	>25 (Due for Replanting)
1	SEMPORNA EST	54.58	-	26.37	-	-	-
2	TAWAU EST	14.94	-	144.80	-	-	-

LOCATION AND MAP

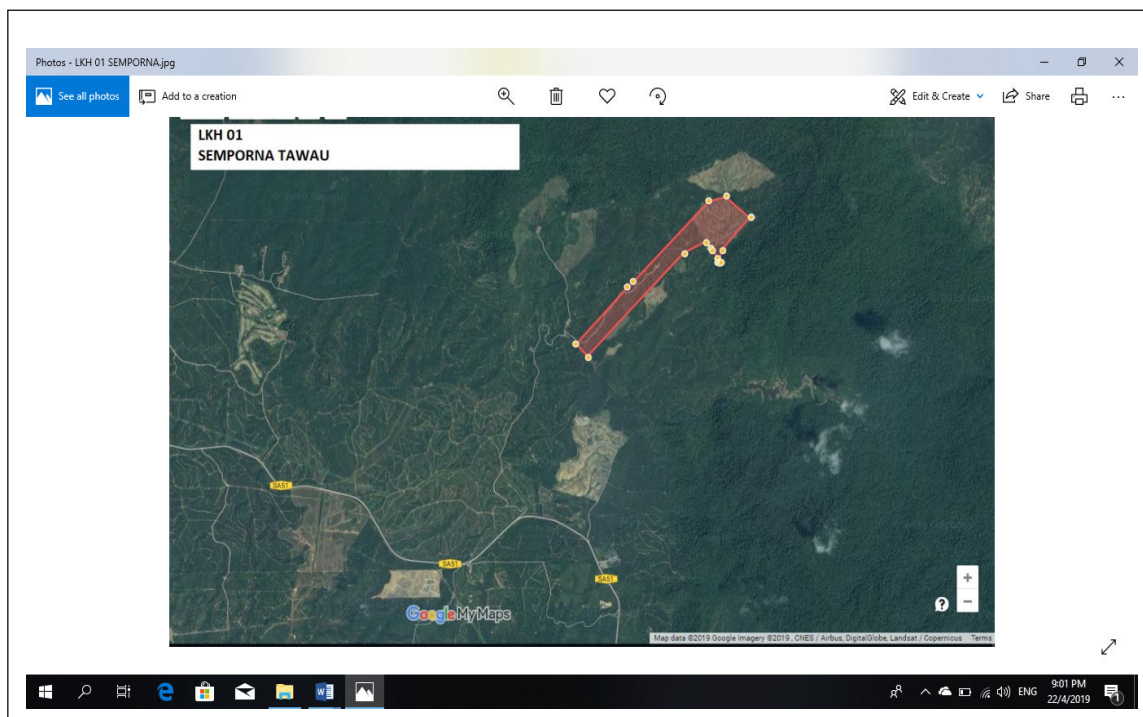
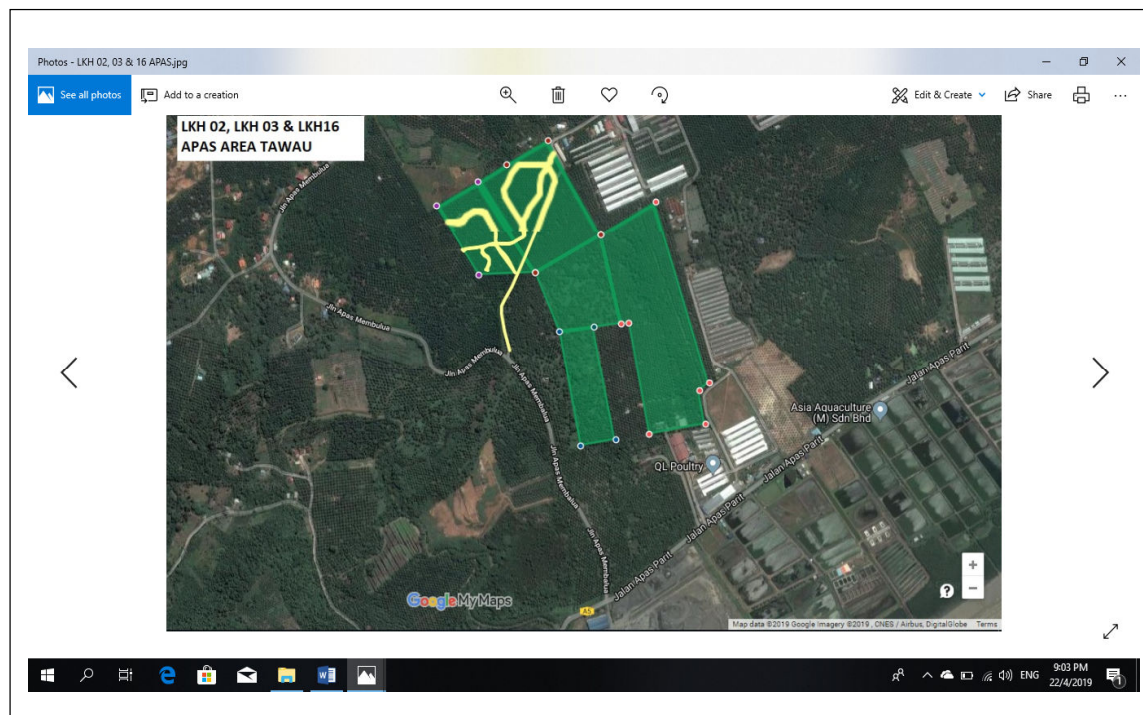


FIGURE : LEEKA HOLDINGS SDN BHD



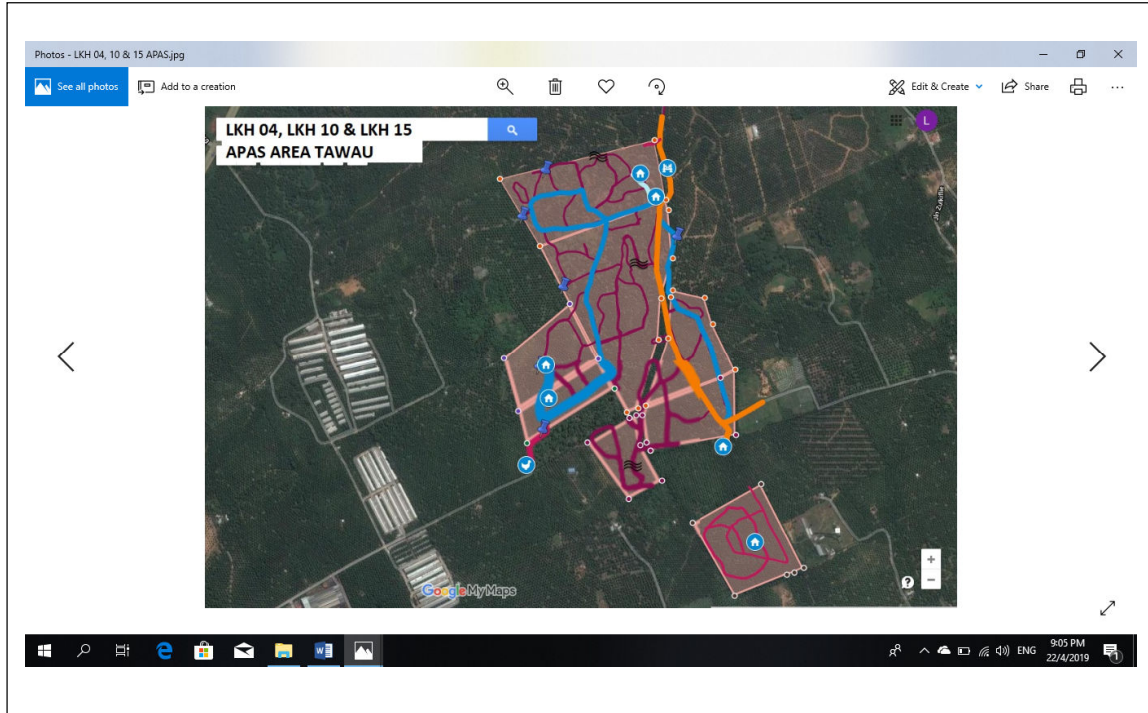
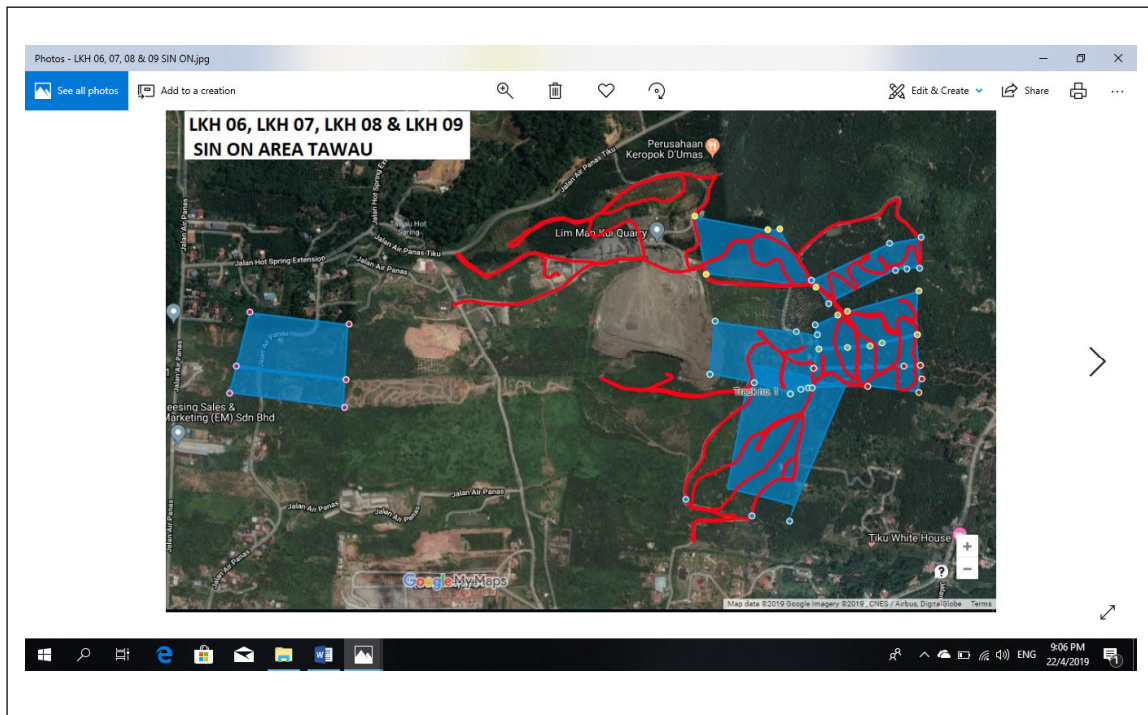


FIGURE : LEEKA HOLDINGS SDN BHD





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 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 -