



# MSPO MS 2530-3:2013 INITIAL CERTIFICATION PUBLIC SUMMARY REPORT

## MEGA KINGDOM SDN BHD [735099-v]

LOT 2399, PIASAU BUSINESS PARK, JALAN BULATAN, 98000, MIRI, SARAWAK



### BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2<sup>nd</sup> Floor, Block A, King Center,  
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Accreditation No: ACB MSPO CB15



## MSPO MS 2530-3:2013: INITIAL CERTIFICATION PUBLIC SUMMARY REPORT

MEGA KINGDOM SDN BHD [735099-v]

BQAS CERTIFICATION [M] SDN BHD

ACB MSPO 15

REF: BQAS/MKSB/028/05/21

02 06 2021

| <b>CERTIFIED ENTITY</b>       | <b>MEGA KINGDOM SDN BHD [735099-V]</b>   |                           |
|-------------------------------|--|---------------------------|
| MSPO Standards: MS2530-3:2013 | General Principles for Palm Oil Plantations & Organized Smallholders                             |                           |
| Type of Certification:        | <input type="checkbox"/> Individual  |                           |
| Project Ref No:               | BQAS/MKSB/028/05/21  |                           |
| MSPO Certificate No:          | P3 028 0621  |                           |
| Validity:                     | 01 06 2021 – 31 05 2026  |                           |
| Main Office Address:          | LOT 2399, PIASAU BUSINESS PARK, JALAN BULATAN, 98000, MIRI, SARAWAK                              |                           |
| Site Address:                 | LOT 18, BLOCK 20 TERAJA LD, LOT 7 – 13 & 20 – 24, BLOCK 24, TERAJA LAND DISTRICT, 98050, SARAWAK |                           |
| Contact Person / Job Title    | Mr Ling Kie King   | Managing Director         |
| Telephone / Mobile            |  | 019 884 3773              |
| Email / Website               |  | megakingdomsb18@gmail.com |

| <b>CERTIFICATION BODY</b>  | <b>BQAS CERTIFICATION [M] SDN BHD [11179994-x]</b>  |                   |
|----------------------------|---|-------------------|
| Office Address:            | Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Centre, Simpang Tiga, 93350, Kuching Sarawak. |                   |
| Contact Person / Job Title | Wilfred S Landong   | Managing Director |
| Telephone / Mobile         | +6 082 572043   | +6 017 222 5555   |
| Email / Website            | bqassb@gmail.com  | www.bqas.com.my   |
| Lead Auditor               | Wilfred S Landong   |                   |
| Certifier                  | Maxwell S Landong   |                   |

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## EXECUTIVE SUMMARY

This is an Initial Certification Audit & scope is Individual Certification of [MKSB] Mega Kingdom Sdn Bhd Estate under the Standards MSPO MS2530-3:2013 for Oil Palm Plantations & Organized Smallholders.

MKSB main office is located at LOT 2399, PIASAU BUSINESS PARK, JALAN BULATAN, 98000, MIRI, SARAWAK.

Other key information on MKSB are as follows:

|                          |   |              |                |
|--------------------------|---|--------------|----------------|
| Site Address             | LOT 18, BLOCK 20 TERAJA LD, LOT 7 – 13 & 20 – 24, BLOCK 24, TERAJA LAND DISTRICT, 98050, SARAWAK [approximately 32 kilometers from Miri City] |              |                |
| Location Geo Coordinates | N4.24356596 E114.20610353   |              |                |
| Certified Area           | 260.6 hectares  | Planted Area | 260.6 hectares |
| No of Employees          | 2 locals, 4 foreign: 6  |              |                |

The assessment method used follows principles of **3P** (Paper, Practice & People).

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion. Information & data were systematically gathered & documented from interviews [with a cross section random sample of stakeholders], observations of process and activities, field audits & review of documentations and records.

Assessments were done at both the Head Office in Miri and the Plantation/Site Office during both Stage 1 & Stage 2 Audits.

Stage 1 Audit was conducted on March 18 08 2020 & Stage 2 on 28 – 29 12 2020 respectively. 5 Auditors were assigned to do the Assessments; clocking a total of 9 Mandays to complete the Audits.

There were 18 Findings in Stage 1 Audit classified as Unacceptable & AWF (acceptable with findings noted); in areas of management system readiness, policy/policies documentation, & procedures. The corrective action report (CAR) raised for these findings were closed out on 22 12 2020

In Stage 2 Audit there were 8 findings; 3 Major Non-conformity, 1 Minor Non Conformity, 4 OFI (opportunity for improvements) in areas of site management, zero burning practice, natural water sources, waste management, environmental management plan & employee safety & health. The corrective action report (CAR) for these findings were closed out on 15 04 2021; upon comprehensive review and assessments.

In both Audit Stages, dialogues and interviews were conducted with stakeholders [workers, local communities, landowner & other land users] to gauge understanding of MSPO principles, applications & its importance and relevance to sustainable growth and production of palm oil products. Also assessed were their opinion & working relationship with Mega Kingdom Sdn Bhd staff & management and this was found to be meeting requirements. Local communities were also allowed access and use of roads within the plantation.



Plantation workers are remunerated in accordance with minimum wage order requirements; and living conditions in the Estate meet the bare minimum requirements of health & safety regulations.

Generally, it is noted by the Auditors that Estate management and workers needed more commitment, further training and knowledge to be more effective in implementing and managing its management system in compliance with MSPO 2530-3:2013 Standards.

The Audit team has conducted a rigorous assessment of Mega Kingdom Sdn Bhd and it is noted that it has made improvements between Stage 1 and Stage 2 Assessment to comply & conform to MSPO2530-3:2013 Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore, recommended that upon conclusion and closure of findings of Stage 2 Rimbunga Raya Sdn Bhd be certified under MSPO Standards MS2530-3:2013.

## 1. INFORMATION: CERTIFICATION ASSESSMENT

|      |                                  |                                     |   |                      |
|------|----------------------------------|-------------------------------------|---|----------------------|
| 1.1. | Type of Certification Assessment | <input checked="" type="checkbox"/> | Initial Certification / Main Audit                |                      |
|      |                                  | <input type="checkbox"/>            | Annual Surveillance Audit [Year 1]                |                      |
|      |                                  | <input type="checkbox"/>            | Re-certification Audit                            |                      |
| 1.2. | Scope of MSPO Certification      | <input checked="" type="checkbox"/> | Production of Sustainable Fresh fruit Bunch from: |                      |
|      |                                  |                                     | Total Planted Area                                | Total Certified Area |
|      |                                  |                                     | 260.6 hectares                                    | 260.6 hectares       |
| 1.3. | MSPO Standards                   | <input checked="" type="checkbox"/> | PART 3: MS2530-3:2013                             |                      |
|      |                                  | <input type="checkbox"/>            | PART 4: MS2530-4:2013                             |                      |
| 1.4. | Maps<br>[Refer Attachments]      | <input checked="" type="checkbox"/> | Google Location                                   |                      |
|      |                                  | <input type="checkbox"/>            | Boundary / Block Map                              |                      |
|      |                                  | <input type="checkbox"/>            | Topography  |                      |
|      |                                  | <input type="checkbox"/>            | Soil  |                      |

## 2. INFORMATION: CERTIFIED ENTITY

|                                 |  |                          |      |
|---------------------------------|--|--------------------------|------|
| Company Name & Registration No: | <b>Mega Kingdom Sdn. Bhd. (735099-V)</b>   |                          |      |
| Main Address:                   | Lot 2399, Piasau Business Park, Jalan Bulatan, 98000, Miri, Sarawak  |                          |      |
| Site Name:                      | Lot 18 Block 20 Teraja LD, Lot 7-13 & 20-24 Block 24, Teraja LD, 98050, Miri, Sarawak                                |                          |      |
| Primary Function:               | <input checked="" type="checkbox"/> <b>Plantation</b> /Organized Smallholders  | <input type="checkbox"/> | Mill |
| Site Address:                   | Lot 18 Block 20 Teraja LD, Lot 7-13 & 20-24 Block 24, Teraja LD, 98050, Miri, Sarawak [distance 42km from Miri City] |                          |      |



| Management Contact Details  |                      |  |                                  |
|---|----------------------|--|----------------------------------|
| 1.  | Name: Ling Kie King  | Managing Director  |                                  |
|   | Mobile: 019 884 3773 | Tel:   | Email: megakingdomsb18@gmail.com |
| 2.  | Name: Adwin Bong     | Secretary  |                                  |
|   | Mobile: 0168073054   | Tel:   | Email: megakingdomsb18@gmail.com |
| Headcount: 6  |                      | Local: 2   | General Workers: 4               |
| Total: 6  |                      |  |                                  |
| <b>MS 2530-3:2013 General Principles for Plantations &amp; Organized Smallholders</b> |                      |  |                                  |
| MPOB License No: 6185 2800 2000   |                      | Expiry Date: 30.06.2021  |                                  |
| Scope of Activity: Menjual dan mengalih FFB   |                      |  |                                  |
| Date of Establishment: 24 05 2006   |                      | Geo-Coordinates: N4.24356596 E114.20610353   |                                  |
| Certified Area: 260.6 Ha  |                      | Planted Area: 260.6 Ha   |                                  |
| FFB Production (actual) 2019: 232.13 MT   |                      | FFB Production (estimate) 2020: 350.0 MT   |                                  |
| Sources of FFB: Own Plantation  |                      | Main FFB purchaser: SOP Mill, Lambir   |                                  |
| No of Planting Blocks: 19   |                      | No of Palm trees: 23,788   |                                  |
| Palm Species: kinabalu, Sime Darby  |                      | Age Range of Palm Trees: 3 - 7 years   |                                  |
| Topography: hilly slope & undulating terrain  |                      | Soil Type: sandy loam, Alluvial & hill Soils   |                                  |
| Land Status: Ownership: Mega Kingdom Sdn Bhd  |                      | <input type="checkbox"/> Rented <input checked="" type="checkbox"/> <b>Own Land</b> <input type="checkbox"/> Joint Venture |                                  |
| Validity/Date of Certification: 01 06 2021 – 31 05 2026                               |                      | Other Sustainability Certification: Nil  |                                  |

### 3. ASSESSMENT METHODOLOGY

This certification assessment is a SAMPLING process where management systems effectiveness & efficiency are confirmed via an audit trail that the Auditor established to make an accurate conclusion

|                       |  |
|-----------------------|--|
| Information gathering | Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders  |
| Data collection from  | <ul style="list-style-type: none"> <li>• Observation of process &amp; activities</li> <li>• Review of documentations &amp; records</li> <li>• Site visits</li> <li>• Field inspections</li> </ul>  |
| Assessment method     | <p>Paper</p> <ul style="list-style-type: none"> <li>• Assessing past implementations from records, reports of the management system</li> </ul> <p>Practice</p> <ul style="list-style-type: none"> <li>• Assessing current implementation from observing current practices</li> </ul> <p>People</p> <ul style="list-style-type: none"> <li>• Assessing future maintenance from interviewing personnel on understanding &amp; assessing competencies.</li> </ul> |



| Stage 1                        |   | Audit Findings Classification |  |
|--------------------------------|---|-------------------------------|--|
| Term                           | Meaning / Description   |                               |  |
| Acceptable                     | <ul style="list-style-type: none"> <li>Fulfilled requirement of audited standard</li> </ul>   |                               |  |
| Acceptable with findings noted | <ul style="list-style-type: none"> <li>Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization</li> </ul> |                               |  |
| Not acceptable                 | <ul style="list-style-type: none"> <li>Demonstrate absence or total breakdown of system to meet standard requirement</li> </ul>                                     |                               |  |

| Stage 2       |                              | Audit Findings Classification  |  |
|---------------|------------------------------|--|--|
| Term          | Meaning                      | Description  |  |
| YES           | Compliance                   | <ul style="list-style-type: none"> <li>Fulfilled requirement of audited standard</li> </ul>  |  |
| O/I           | Opportunity for improvements | <ul style="list-style-type: none"> <li>Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization</li> </ul>  |  |
| NO (minor NC) | Minor non conformity         | <ul style="list-style-type: none"> <li>Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system</li> </ul>  |  |
| NO (major NC) | Major non conformity         | <ul style="list-style-type: none"> <li>Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.</li> </ul> |  |

## 4. ASSESSMENT PROCESS

### 4.1. AUDIT TEAM

| Assessment Stage | Name            | Role         |
|------------------|-----------------|--------------|
| Stage 1          | Wilfred Landong | Lead Auditor |
|                  | Douglas Alau    | Auditor      |
|                  | Patrick Sibat   | Auditor      |
| Stage 2          | Wilfred Landong | Lead Auditor |
|                  | Robert Tella    | Auditor      |
|                  | Duke Ladin      | Auditor      |

### 4.2. AUDIT PLAN

#### 4.2.1. AUDIT OBJECTIVES

#### Initial Certification Audit



- Evaluate the implementation, including effectiveness, of the management system
- Information and evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives and targets
- Performance as regards legal compliance
- Operational control of the client's processes
- Internal auditing and management review
- Management responsibility for policies
- Links between the normative requirements, policy, performance objectives and targets
- Competence of personnel
- Customer specific requirements

#### 4.2.2. ASSESSMENT SITES/PROGRAMS/PARAMETERS

**MS2530-3:2013****General Principles for Palm Oil Plantation & Organized Smallholders**

##### Assessment Sites

Assessments were performed at:

- Main Office & Estate Office – documentations & records
- Estate – FFB evacuation, processes, stores, waste & water management, workshop and related facilities etc.
- Staff facilities – housing, amenities etc.

##### Stage 1

##### Audit Program

Date: 18 08 2020

No of Auditors: 3

No of Mandays: 3

- Site Audit
- Estate site Assessment & field Audits  
Inspection/observation of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment, Harvesting etc. Stakeholders' dialogues/interviews (contractors, FFB suppliers, local community representatives, adjacent landowners)
- Opening Meeting at Main Office
- Documentation Audit
- Review Stage 1 Audit Report

##### Stage 2

##### Main Assessment Program





Date: 28 - 29 12 2020

No of Auditors: 3

No of Mandays: 6

Day 1

- Site Audit @ Estate
- Estate site Assessment & field Audits  
Inspection/observation of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment, Harvesting etc. Stakeholders' dialogues/interviews (contractors, FFB suppliers, local community representatives, adjacent landowners)

Day 2

- Opening Meeting at Main Office
- Review Stage 1 Audit Report  
Documentation Audit of MSPO MS2530:3:2013; Principle 1 to 6  
Presentation of Audit Checklist / Report

### Assessment Parameters

- Evaluate implementation, including effectiveness of the management system
- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies
- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements
- Traceability of FFB
- Use of PPE / Safety & Health training program
- Assess other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers' quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management plan
- Stakeholders & workers interview



### 4.3. THE AUDIT PROCESS

The Audit Process for Stage 2 Assessments was conducted as follows:

| NO | PROCESS                      | DESCRIPTION/ACTIVITIES   |
|----|------------------------------|--|
| 1  | Public Notification          | Written notice to inform public on MSPO Audit is posted at Estate Office 1 month before Audit dates  |
|    | ↓                            |  |
| 2  | Audit Plan                   | Auditee received 1 month before Audit dates  |
|    | ↓                            |  |
| 3  | Audit Day 1<br>Stage 2 Audit | <ul style="list-style-type: none"><li>• <u>Estate site Assessment &amp; field Audits</u></li><li>• Participants:<br/>Audit Team &amp; Auditee Management</li></ul> <u>Stakeholders Consultation / Field &amp; Site Audits</u> <ul style="list-style-type: none"><li>• Stakeholders' interviews</li><li>• MSPO knowledge of Estate staffs</li><li>• Checks &amp; verifications on Boundary, Buffer Zone, Riparian Zone, Waste/scheduled waste management, Water management, Water courses, Harvesting</li><li>• Staff/workers housing &amp; amenities,</li><li>• Use of PPE, Stores, Workshop</li></ul> |
|    | ↓                            |  |
| 4  | Audit Day 2                  | <u>Opening Meeting</u><br><u>Review of Stage 1 Audit Report</u><br><u>Documentation Review</u> <ul style="list-style-type: none"><li>• Management Systems, Policies, Procedures, MSPO Principles 1 to 6 documents etc.</li></ul> <u>Closing meeting</u> <ul style="list-style-type: none"><li>• Participants:<br/>Audit Team &amp; Auditee Management</li><li>• Agenda:<br/>Review Stakeholders feedbacks</li></ul> Presentation of Report / Checklists. Review, discuss & decide corrective & forward action to be taken by Auditee   |

**5.0. SUMMARY OF ASSESSMENT RESULTS [STAGE 2]****5.1. KEY FINDINGS**

| Principles                             | P1 | P2 | P3 | P4 | P5 | P6 | Total |
|--|----|----|----|----|----|----|-------|
| No of NC: Major                        | 0  | 0  | 0  | 1  | 2  | 0  | 3     |
| No of NC: Minor                        | 0  | 0  | 0  | 1  | 0  | 0  | 1     |
| No of OFI: Opportunity for Improvement | 0  | 0  | 0  | 0  | 3  | 1  | 4     |
| Total                                  | 0  | 0  | 0  | 2  | 5  | 1  | 8     |

**PRINCIPLE 4 SOCIAL RESPONSIBILITY, HEALTH, SAFETY & EMPLOYMENT CONDITIONS****Findings 1 & 2.**

## Criterion 4.4.4: Employees' safety and health

|         |   |   |  |
|---------|---|---|--|
| 4.4.4.2 | The occupational safety and health plan shall cover the following:  |   |  |
| D       | The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).                              | <input type="checkbox"/> Compliance<br><input type="checkbox"/> OFI<br><input type="checkbox"/> NC - Minor<br><input checked="" type="checkbox"/> <b>NC - Major</b> | During Audit use of PPE were not seen to be used by estate staff. Also as prescribed by Covid 19 SOP estate staff were not using face mask.    |
| G       | The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded | <input type="checkbox"/> Compliance<br><input type="checkbox"/> OFI<br><input checked="" type="checkbox"/> <b>NC - Minor</b><br><input type="checkbox"/> NC - Major | Currently 2-way communication is practiced but not documented. No evidence or written records of any safety and health meeting being conducted |

**PRINCIPLE 5 ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES****Findings No 3 - 7**

## Criterion 4.5.1: Environmental management plan



| Indicator   | Requirement   | Compliance  | Findings   |
|---|---|---|--|
| 4.5.1.6   | Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.   | <input type="checkbox"/> Compliance<br><input checked="" type="checkbox"/> <b>OFI</b><br><input type="checkbox"/> NC - Minor<br><input type="checkbox"/> NC - Major | For 2020, meeting was held only once on 05 02 2020.<br>Frequency of meeting should be increased to a more regular basis.   |
| <b>Criterion 4.5.3: Waste management and disposal</b> |   |   |  |
| 4.5.3.4   | Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national program on recycling of used HDPE pesticide containers. | <input type="checkbox"/> Compliance<br><input checked="" type="checkbox"/> <b>OFI</b><br><input type="checkbox"/> NC - Minor<br><input type="checkbox"/> NC - Major | At the time of site Audit the scheduled waste store is not available. It is also noted that there are no empty pesticide containers in any other stores in the estate.   |
| 4.5.3.5   | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.  | <input type="checkbox"/> Compliance<br><input type="checkbox"/> OFI<br><input type="checkbox"/> NC - Minor<br><input checked="" type="checkbox"/> <b>NC - Major</b> | During site audit it is observed that domestic wastes and non-biodegradable [plastics, tin plates] were dumped 10 meters away from the workers quarters; other domestics wastes were also disposed of indiscriminately behind the quarters clogging the drains and creating breeding places for mosquitoes |
| <b>Criterion 4.5.5: Natural water resources</b>       |   |   |  |
| 4.5.5.1.  | The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:   |   | Water Management Plan is documented dated 22 01 2020.  |
| A   | Assessment of water usage and sources of supply.  | <input type="checkbox"/> Compliance<br><input checked="" type="checkbox"/> <b>OFI</b><br><input type="checkbox"/> NC - Minor<br><input type="checkbox"/> NC - Major | Principal source of water supply for the estate is rainwater. During the audit there is no available record of water usage being compiled by the estate  |
| <b>Criterion 4.5.7: Zero burning practices</b>        |   |   |  |
| 4.5.7.1   | Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in   | <input type="checkbox"/> Compliance<br><input type="checkbox"/> OFI   | Open burning of domestic wastes is noted behind the workers quarters during the audit.   |



|   |  |
|---|--|
| specific situations, as identified in regional best practice. | <input type="checkbox"/> NC - Minor<br><input checked="" type="checkbox"/> <b>NC - Major</b> |
|---|--|

## PRINCIPLE 6 BEST PRACTICES

### Finding No 8

#### Criterion 4.6.1: Site management

| Indicator | Requirement   | Compliance  | Findings  |
|-----------|---|---|---|
| 4.6.1.2   | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. | <input type="checkbox"/> Compliance<br><input checked="" type="checkbox"/> <b>OFI</b><br><input type="checkbox"/> NC - Minor<br><input type="checkbox"/> NC - Major | It is observed that in some part of the estate, soil erosion had occurred in hilly slopes affecting parts of planted areas. Recovery and preventive measures and management actions may have to be undertaken to address this occurrence. |

## 5.2 STAKEHOLDERS CONSULTATION

2 representatives from 2 groups of stakeholders were consulted during this Stage 2 Audit. They represent:

- Local communities
- Foreign workers

| No | Name             | Identity No [if available] | Relationship to Auditee  |
|----|------------------|----------------------------|--|
| 1  | Bayang ak Kelint | 670818 13 5685             | Local community leader & adjacent NCR landowner from Rh Sayun, Sg Arang, Marudi. |
| 2  | Abdul Gani       |                            | Estate Mandore and Head of Foreign workers from Lombok, Indonesia                |

### A. Consultation Technique:

Consultation Technique:

(Can select more than one)

Meeting (to submit list of participants if available)

Phone interview

Written views and comments (mail, email etc. based on pre-determined questions)

### B. Questionnaires

| No | Criteria | Result | Remarks |
|----|----------|--------|---------|
|----|----------|--------|---------|



- |    |  |  |   |
|----|--|--|---|
| 1. | <i>Is/Are this stakeholder registered in the organization's stakeholder list?</i>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No                                 |   |
| 2. | <i>Based on input received, is/are transparency of information between organization and stakeholder justified? (clause 4.2.1 &amp; 4.2.2)</i>                                      | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No                                 | <i>The foreign workers group have low understanding on requirements of MSP0. Estate management is advised to conduct more training and briefing on compliance requirements as during Audit most of the findings are related to workers safety and health.</i> |
| 3. | <i>Any feedback, complaint or grievances raised by this/these stakeholder before? (If Yes, please briefly explain the nature of the feedback/ complaint/ grievance in Remarks)</i> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No                                 | <i>No. official complaint or grievances are recorded; but this could be due to poor understanding and appreciation of MSP0 requirements and workers rights.</i>   |
| 4. | <i>If (3) above is Yes, does the organization handle the feedback/ complaint/ grievance appropriately?</i>   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> N/A |   |
| 5. | <i>Any land issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)</i>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No                                 | <i>The estate land is leased from the state of Sarawak. The boudaries with local communities owned NCR lands are clearly demarcated with signages</i>   |
| 6. | <i>Any social issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)</i>                                       | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No                                 | <i>The local community rep confirm that estate workers got along well with them with no incident happening up to present time.</i>  |
| 7. | <i>Any environmental issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)</i>                                | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No                                 | <i>The buffer zones are well conserved by secondary forest vegetation. However, soil erosions found by Auditors during audit may affect soil stability and ecosytem of the buffer zones.</i>  |
| 8. | <i>Is the issue stated above being brought to the audit?</i>   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> N/A | <i>The auditors have recorded the soil erosions as an OFI findings.</i>   |

**C. Auditor Summary Statement**


**[Remarks, Comments & Opportunity for Improvements]**

Bayang ak Kelint, the local community representative has adequate understanding of MSP0 requirements; he also own a smallholding [oil palm] which has been certified under SPOC [2530-2:2013] in 2020. He also informed that there is regular interactions with estate management and workers; and confirmed that the estate management had helped local communities built kampong roads, provide financial aids etc as and when requested. Abdul Gani the Estate Mandore had been employed by the



Estate for 6 years. He commented that the living conditions in the estate had improved since efforts on Certification started. New living quarters and stores had been built and solar panel installed to provide electricity to workers quarters.

### 5.3. SUMMARY STATEMENT OF LEAD AUDITOR


|  |  |  |
|--|--|--|
|  | <p>The purpose of this Stage 2 Audit is to evaluate the implementation, including effectiveness, of Mega Kingdom Sdn Bhd management systems and that the requirement of the Standards MS2530-3:2013 is fulfilled.</p> <p>8 findings were recorded during this Assessment.</p> <p>MKSB preparation for Certification had improved progressively from Stage 1 to Stage 2. This include the completed construction of estate office, workers quarters, stores etc. Boundary markers and signages had been installed. MSKB had demonstrated that it had generally satisfied the requirement of certification under this MSPO Standards.</p> <p>It is therefore recommended that conditional to closure of all OFI &amp; NC and approval of the Final Audit Report, Mega Kingdom Sdn Bhd be certified under MSPO MS2530-3:2013.</p> | <br>Wilfred S Landong<br>Date: 29 12 2020 |
|--|--|--|

### 5.4. STAGE 2 – CORRECTIVE ACTION REPORTS

The corrective action reports of Stage 2 were effectively closed out on 15 04 2021

### 6.0. OFFICIAL SIGN OFF

#### 6.1. ACKNOWLEDGEMENT BY CERTIFIED ENTITY

|  | Acknowledgement by Auditee   | Management Representative | Signature  |
|--|--|---------------------------|--|
|  | This is to acknowledge and confirm the Audit Visits/Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report. |                           | <br>Cephas Yong<br>Date: 16 04 21 |

**6.2. ASSESSMENT RECOMMENDATION BY LEAD AUDITOR**

Based on the Findings/Action taken by Auditee/Closures above, Mega Kingdom Sdn Bhd had been able to demonstrate generally its compliance to and with requirements of the Standard MSPO MS2530-3:2013 under General Principles for Oil Palm Plantations & Organized Smallholders. Therefore, it is recommended that the Initial Certification of MKSB be approved.

Wilfred S Landong

Lead Auditor

20 4 2021

**6.3. ASSESSMENT REVIEW BY CERTIFIER****CERTIFIER: STATEMENT & CERTIFICATION CONFIRMATION**

I/the undersigned, being the Certifier, confirm that I have examined thoroughly all contents of the Report in its' entirety. I would conclude that:

- The Audit report has the necessary contents to act as the foundation for the award of a Certificate
- The Audit team has carried out an objective and professional audit of the management unit for certification against the requirements of the MSPO MS2530-3:2013 series.
- The Audit team has investigated adequate and relevant data sources and avenues of the enquiry
- The Audit team has arrived at an appropriate conclusion and recommendation based on the evidence presented to it.
- The Audit team has prepared a concise and comprehensive report to the requirements of the standards

I confirm that, to the best of my knowledge the information and conclusions included in this report have been prepared in compliance with the Standards requirements; and done in good faith and that the Lead Auditor recommendations had been based upon this information. I, hereby confirm that, MKSB can be granted Certification under the Standard MSPO2530-0:2013 [Part 3]: General Principles for Oil Palm Plantations & Organized Smallholders

Date: 10 05 2021

Maxwell S Landong  
Certifier





## 7. CONCLUSION

### 7.1. CERTIFICATION: BQAS MANAGEMENT

In reference to MS 2530-3:2013, the BQAS Management hereby approved of:

- Issuance of the certificate.
- Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
- Maintenance of the certificate.
- Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.

### 7.2. NEXT SURVEILLANCE ASSESSMENT PLAN

The next surveillance assessment should be on or before June 2022

## 8.0. APPENDICES

Boundary Map



4.3.3.2 Map.pdf

### FOOTNOTES

*All audit findings are based on a sampling process, targeted towards reliable evidence for effective implementation and compliance of the management system. Where applicable findings and required corrective action were or will be agreed upon with the responsible managers or management representatives, steps have been or will be defined to resolve such non-conformity. Further business aspects may exist, positive or negative, which have not been reviewed by the audit team. It is the organization's responsibility to investigate and evaluate the potential impact and scope of findings, thus continuously ensuring full compliance to the applied standard[s]*



Google Location Maps – Mega Kingdom Sdn Bhd - Estate

