



MSPO MS 2530-3:2013 INITIAL CERTIFICATION PUBLIC SUMMARY REPORT [GROUP CERTIFICATION]

SEMERAH MAJUMAS SDN BHD [919178-K]
LOT 3, BATU NIAH BAZAAR, NIAH, 98200 MIRI, SARAWAK

GOLDEN UNIMAX SDN BHD [944800-D]
LOT 3, PASAR BATU NIAH, NIAH, 98200 MIRI, SARAWAK



BQAS Certification [M] Sdn Bhd

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Accreditation No: ACB MSPO CB15

**MSPO MS 2530-3:2013: INITIAL CERTIFICATION SUMMARY REPORT****SEMERAH MAJUMAS SDN BHD [919178-K]****BQAS CERTIFICATION [M] SDN BHD**

ACB MSPO 15

REF: BQAS/SMGU/029/05/21

02 06 2021

CERTIFIED ENTITY	SEMERAH MAJUMAS SDN BHD [919178-K]	
	GOLDEN UNIMAX SDN BHD [944800-D]	
MSPO Standards: MS2530-3:2013	General Principles for Palm Oil Plantations & Organized Smallholders	
Type of Certification:	<input checked="" type="checkbox"/> GROUP CERTIFICATION	
Project Ref No:	BQAS/SMGU/029/05/21	
MSPO Certificate No:	SEMERAH MAJUMAS SDN BHD [919178-K]	BQAS P3 029-1 0621
	GOLDEN UNIMAX SDN BHD [944800-D]	BQAS P3 029-2 0621
Validity:	01 06 2021 – 31 05 2026	
Main Office Address:	LOT 3, BATU NIAH BAZAAR, NIAH, 98200 MIRI, SARAWAK	
Site Address: Semerah Majumas Sdn Bhd	Lot NCR, Sungai Lembong, Rumah Meringai, Suai Niah, 98200, Miri, Sarawak.	
Site Address: Golden Unimax Sdn Bhd	Temuda Land, Sg Poh Area, Sg Reram, Suai Division, 98200, Miri, Sarawak	
Contact Person / Job Title	Mr Vincent Yong Shee Jack	Managing Director
Telephone / Mobile		013 845 8883
Contact Person / Job Title	Encik Bahrein bin Bahadin	Plantation Manager
Telephone / Mobile		014 6961 505
Email / Website	merdekamajumas@hotmail.com	

CERTIFICATION BODY	BQAS CERTIFICATION [M] SDN BHD [11179994-x]	
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	

Disclaimer:

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EXECUTIVE SUMMARY

This is an Initial Certification Audit & scope is Group Certification of [SMGU] Semerah Majumas Group of Estates under the Standards MSPO MS2530-3:2013 for Oil Palm Plantations & Organized Smallholders.

SMGU main office is located at LOT 3, BATU NIAH BAZAAR, NIAH, 98200 MIRI, SARAWAK.

Other key information on MKSB are as follows:

Site Address: Semerah Majumas Sdn Bhd	Lot NCR, Sungai Lembong, Rumah Meringai, Suai Niah, 98200, Miri, Sarawak.	
Site Address: Golden Unimax Sdn Bhd	Temuda Land, Sg Poh Area, Sg Reram, Suai Division, 98200, Miri, Sarawak	
Estate	Semerah Majumas Sdn Bhd	Golden Unimax Sdn Bhd
Location Geo Coordinates	3 ° 37' 52" N 113 ° 35' 00" E	3 ° 31" 24' N 113 ° 35" 48' E
Certified Area	375.13 hectares	80.00 hectares
No of Employees	6 employees	6 employees

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 / Niah and the Plantation/Site Office during both Stage 1 & Stage 2 Audits.

Stage 1 Audit was conducted on March 17 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 17 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 10 12 2020

In Stage 2 Audit there were 17 findings; 3 Major Non-conformity, 1 Minor Non Conformity, 13 OFI (opportunity for improvements) in areas of contactor, economic & financial viability plan, domestic waste, training and competency, employment conditions, natural water sources, customary rights, 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 SMGU 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 Semerah Majumas Group of Estates 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
	Semerah Majumas Sdn Bhd		375.13 hectares	375.00 hectares
	Golden Unimax Sdn Bhd		80.0 hectares	80.0 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 [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**Standard(s): MS 2530-1 MS 2530-2 MS 2530-3 MS 2530-4

Other Standard and/or Edition:

 GROUP [MULTI SITES] CERTIFICATION**A. SEMERAH MAJUMAS SDN BHD**

INFORMATION	CERTIFIED ENTITY
Company Name & Reg No:	SEMERAH MAJUMAS SDN BHD 919178K
Main Address:	Lot 3, Batu Niah Bazaar, Niah, 96200 Miri, Sarawak
Site Name:	Sg Lembong Plantation
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders
Site Address:	Lot NCR, Sg Lembong, Rh Meringai, Suai Niah, 98200 Miri, Sarawak
Management Contact Details	
1.	Name: Vincent Yong Shee Jack Managing Director Mobile: 013-8458883 Email: merdekamajumas@hotmail.com
2.	Name: Bahrein Bin Bahadin Plantation Manager Mobile: 014-6961505 Email:
Headcount:	Local: 3 General Workers: 3 Total: 6
MS 2530-3:2013 General Principles for Plantations & Organized Smallholders	
MPOB License No: 6054 5800 2000	Expiry Date: 31 - 12 - 2021
Scope of Activity: Planting, Harvesting	
Date of Establishment: 20 - 10 - 2010	Geo-Coordinates 3 ° 37' 52" N 113 ° 35' 00" E
Certified Area: 375.13 hectares	Planted Area: 375 hectares
FFB Production (actual) 2020: 2641.56 MT	FFB Production (estimate) 2021: 2773 MT
Sources of FFB: Own Estate	Main FFB purchaser: Alambumi Palm Mill SB
No of Planting Blocks: 5	No of Palm trees: 45,300
Palm Species: Felda	Age Range of Palm Trees: 5 - 8 years
Topography: undulating, slightly hilly terrain	Soil Type: Mineral Soil
Land Status: Ownership:	<input checked="" type="checkbox"/> Rented <input type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture
Validity/Date of Certification: 01 06 2021 – 31 05 2026	Other Sustainability Certification:

B. GOLDEN UNIMAX SDN BHD

INFORMATION	CERTIFIED ENTITY
Company Name & Reg No:	GOLDEN UNIMAX SDN BHD 944800-D
Main Address:	Lot 3, Batu Niah Bazaar, Niah, 96200 Miri, Sarawak
Site Name:	Sg Poh Plantation

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Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders		
Site Address:	Temuda Land, Sg Poh area Sg Reram, Suai, 98200 Miri, Sarawak		
Management Contact Details			
1.	Name: Vincent Yong Shee Jack	Job Title: Managing Director	
	Mobile: 013-8458883	Email: merdekamajumas@hotmail.com	
2.	Name: Bahrein Bin Bahadin	Job Title: Plantation Manager	
	Mobile: 014-6961505	Email:	
Headcount:	Local: 3	General Workers: 3	Total: 6
MS 2530-3:2013 General Principles for Plantations & Organized Smallholders			
MPOB License No: 6177 6010 2000	Expiry Date: 31 - 10 - 2021		
Scope of Activity: Planting, Harvesting			
Date of Establishment: 16 - 05 - 2011	Geo-Coordinates: 3 °31" 24' N 113 °35" 48' E		
Certified Area: 80 hectares	Planted Area: 80 hectares		
FFB Production (actual) 2020: 0000 MT	FFB Production (estimate) 2021: 0000MT		
Sources of FFB: own estate	Main FFB purchaser: N/A		
No of Planting Blocks: 1	No of Palm trees: 10,000		
Palm Species: Felda	Age Range of Palm Trees: 1 - 2 years		
Topography: undulating, slightly hilly terrain	Soil Type: Mineral Soil		
Land Status: Ownership:	<input checked="" type="checkbox"/> Rented	<input type="checkbox"/> Own Land	<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"> • Observation of process & activities • Review of documentations & records • Site visits • Field inspections
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> • Assessing past implementations from records, reports of the management system <p>Practice</p> <ul style="list-style-type: none"> • Assessing current implementation from observing current practices <p>People</p> <ul style="list-style-type: none"> • Assessing future maintenance from interviewing personnel on understanding & assessing competencies.



Stage 1		Audit Findings Classification	
Term	Meaning / Description		
Acceptable		•	Fulfilled requirement of audited standard
Acceptable with findings noted		•	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
Not acceptable		•	Demonstrate absence or total breakdown of system to meet standard requirement

Stage 2		Audit Findings Classification	
Term	Meaning	Description	
YES	Compliance	•	Fulfilled requirement of audited standard
OFI	Opportunity for improvements	•	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	•	Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	•	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.

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: 17 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: 29 - 30 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 Stage 2 Audit	<ul style="list-style-type: none">• <u>Estate site Assessment & field Audits</u>• Participants: Audit Team & Auditee Management <u>Stakeholders Consultation / Field & Site Audits</u> <ul style="list-style-type: none">• Stakeholders' interviews• MSPO knowledge of Estate staffs• Checks & verifications on Boundary, Buffer Zone, Riparian Zone, Waste/scheduled waste management, Water management, Water courses, Harvesting• Staff/workers housing & amenities,• Use of PPE, Stores, Workshop
	↓	
4	Audit Day 2	<u>Opening Meeting</u> <u>Review of Stage 1 Audit Report</u> <u>Documentation Review</u> <ul style="list-style-type: none">• Management Systems, Policies, Procedures, MSPO Principles 1 to 6 documents etc. <u>Closing meeting</u> <ul style="list-style-type: none">• Participants: Audit Team & Auditee Management• Agenda: Review Stakeholders feedbacks Presentation of Report / Checklists. Review, discuss & decide corrective & forward action to be taken by Auditee

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

There is a total of 17 findings in Stage 2 Assessment

Table:

Principles	P1	P2	P3	P4	P5	P6	Total
No of NC: Major	0	0	1	1	1	0	3
No of NC: Minor	0	0	0	1	0	0	1
No of OFI: Opportunity for Improvement	0	1	2	5	3	2	13
Total	0	1	3	7	4	2	17

Finding No 1**PRINCIPLE 2 TRANSPARENCY**

Criterion 4.2.1: Transparency of information and documents relevant to MSPO requirements

Indicator	Requirement	Compliance	Findings
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The policies were written in dual languages, English and Bahasa Malaysia which are displayed at the wall of the workers quarters including Endanger wild life posters. Complaints and suggestion box and relevant form was also can be seen installed at on the wall. However, the auditor didn't see any SOP manuals and Safety reminders at the appropriate place at both plantations. As example posters of Use Google and Aprons in the chemical store.

Findings No 2 - 4**PRINCIPLE 3 COMPLIANCE TO LEGAL REQUIREMENTS**

Criterion 4.3.1: Regulatory requirements

Indicator	Requirement	Compliance	Findings
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Compliance are monitored and evaluated by the estate office for the various MSPO policies:



			<p>1. corporate mission and vision statements - not available or sighted.</p> <p>2. List of staff - verified and sighted.</p> <p>3. Posters from Sarawak Forest Department on protected species - available and sighted.</p> <p>4. Circulars and memos are not available for public viewing on the office noticeboard both inside and outside.</p> <p>5. Daily production figures are also not available updated on a whiteboard inside the office.</p>
Criterion 4.3.2: Land use rights			
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The legal perimeter boundary marker available in place but sites are not maintained and overgrown by bushes. Choice of paint and material use will enhance and improve visibility.
Criterion 4.3.3: Customary rights			
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input checked="" type="checkbox"/> NC - Major	No appropriate scale map showing the extent of recognized customary rights available.

Findings No 5 - 11

PRINCIPLE 4 SOCIAL RESPONSIBILITY, HEALTH, SAFETY & EMPLOYMENT CONDITIONS

Criterion 4.4.2: Complaints and grievances			
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There are no complaints and grievances have been recorded at the date of the audit.
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The plantations provide jobs opportunities to the local communities and additional income for the land owners mostly as contract workforce for manuring, weeding, harvesting and loose fruits picker. According to Mr lkid Anak Ujit, the



			company did help in village road maintenance and occasional gifts during festive seasons. However, the CSR activities were not properly recorded or documented.
Criterion 4.4.4: Employee safety and health			
4.4.4.2	The occupational safety and health plan shall cover the following:		
A.	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 <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There is documented minutes on stake holders meeting held on 25 th February 2020 in which among the agenda was the workers safety, health and welfare. There was no other record of minutes of meeting can be found in discussing the mentioned agenda.
B.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There are no records of accidents can be found documented in the files or Incident / Accident Investigation Report to be used as recording form as mentioned in the SOP-MP11-EMERGENCY. Also, the plantations have not applied for any JKKP 6,7 or 8
Criterion 4.4.5: Employment conditions			
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input checked="" type="checkbox"/> NC - Major	Samples of salary voucher of Boniface anak Jalang (890528-13-6043) for the month of May - July 2020 and Stephen Undi anak Ansi (870602-52-6245) for the same months indicated that the plantation pay meet the legal or industry minimum standards. However, there is no indication that the plantation provides the deduction of EPF and SOCSO contribution to the local workers which are statutory requirement (EPF Act, 1991)
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training program (appropriate to the	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	The training schedule for 2020 indicated that workers were appropriately trained in accordance to worker's training need



	scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	<input type="checkbox"/> NC - Major	analysis established on 5 th January 2020. Nevertheless, the record of training is lacking, in which it needed some form of evidences that the training had occurred.
4.4.6.3	A continuous training program should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The continuous training plan is said to be still under preview at the time of the audit.

Findings No 12 - 15

PRINCIPLE 5 ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES

Criterion 4.5.1: Environmental management plan

Indicator	Requirement	Compliance	Findings
4.5.1.4	A program to promote the positive impacts should be included in the continual improvement plan.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There programs for Continuous Improvement Plan and Environment Improvement Plan that are endorse by the Directing Manager Mr. Vincent Yong. However there no program/plan developed to promote positive impacts that can be accepted as promoting positive impacts.
4.5.1.5	An awareness and training program shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Training Matrix and Training analysis for year 2020 prepared on 03/01/2020 and 05/01/2020 the Estate which includes training on such environmental subjects as: 1. First Aid Course. 2. Weeding. 3. Wearing of PPE. 4. Harvesting. 5. Machineries work. 6. Manuring. 7. ERT. 8. P&D spraying. 9. Pruning. Vehicles drivers/operators. However, there are no evidence of implementation such as: 1. Photos of training/activities. 2. Attendance list. 3. Training reports

Criterion 4.5.3: Waste management and disposal



4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:		
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 <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input checked="" type="checkbox"/> NC - Major	<p>Domestic waste from the Estate (generated by the housing quarters and the estate workers) are disposed off into the estate dump pit/landfills which was open in year 01/01/2020 and are half full.</p> <p>However, it is found that the waste also contained schedule waste such as rubber bladders from vehicles, fertilizers bags, pieces of metal and plastics bottles.</p> <p>The mixed waste disposed was not segregated.</p>

Criterion 4.5.5: Natural water resources

D	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along natural waterways within the estate.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The Estate shares a common boundary with the with the local community and other smallholders. A field visit indicated that a buffer of wild grass and some tall trees are maintained on either bank. No weirs or dams are constructed across Sg. Tatak</p> <p>OFI: However, the riparian buffer zones are too narrow as the last rows of planted palms are less than 10 meters from the bank of natural water ways of Sg. Tatak.</p>
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Findings No 16 - 17

PRINCIPLE 6 BEST PRACTICES

Indicator	Requirement	Compliance	Findings
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.3	The business or management plan may contain:		
E	Financial indicators: cost benefit, discounted cash flow, return on investment.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The business plan did not include the cost benefit analysis, discounted cash flow and ROI.
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The current contractor hired is aware of MSPO Sighted: Training Report dated 25/02/2020 of Briefing on policies for workers and contractor personnel.



OFl: To improve recording of induction and briefing carried out on the contractor and his work personnel. requirement.

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	Bahrein Bin Baharin	810513-13-5651	Estate Manager
2	Ikit anak Bujit	800909-13-5931	Worker/subcontractor

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.	Is/Are this stakeholder registered in the organization's stakeholder list?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Mr Bahrein bin Baharin is the manager for both plantations for the past 8 years.
2.	Based on input received, is/are transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Most of the time, the upper management trust the estate manager Mr Baharin to handle all workers and contractors work activities, and their complaints and grievances.
3.	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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	The plantations had not received any major complaints and grievances to be recorded.
4.	If (3) above is Yes, does the organization handle the feedback/ complaint/ grievance appropriately?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
5.	Any land issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Land issue was solved before the planting began.



- 6. Any social issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?) Yes No No issue raised by interviewee Mr Ikit anak Bujit.
- 7. Any environmental issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?) Yes No Although Sg Tatak a tributaries of Sg Lembong run through the estate, it does not concern the surrounding communities since their water source come from elsewhere.
- 8. Is the issue stated above being brought to the audit? Yes No N/A

C.

Auditor Summary Statement


[Remarks, Comments & Opportunity for Improvements]


Mr Bahrain Bin Baharin, originally came from Sarikei but had work at Semerah Majumas Sdn Bhd (Sg Lembong) and Golden Unimax Sdn Bhd (Sg Poh) for 8 years. Nowadays, he made his residence at Miri City. Mr Ikit anak Bujit is the local from Rumah Ansi, a long house 10 minutes from the Sg Lembong Plantation. Sg Lembong and Sg Poh share the same manager and workers to work at the plantations. Mr Ikit had worked and also the sub-contractor for both plantation for the past 8 months. He is also a landowner with about 5 acres of land being rented at Sg Lembong. He had no prior experienced working at a large organized oil palm plantation except for working with some small holders nearby. Mr Ikit lived at the workers quarters located at Sg Lembong with 2 others and occasionally Mr Bahrain. He only goes back to the longhouse on weekend. Mr Ikit did reveal that before him, the plantations had about 15 Indonesian workers in which during covid-19, voluntarily went back to their country. So, the management now had to rely on the locals to work at the plantations.

So far, at the time of the stage 2 audit, there are not many issues in regards to the rental of the NCR lands, payment to the landowners and the company contributions to the surrounding communities. The only issue was raised by the manager, Mr Bahrain in which he lamented the productivity of the local workers/subcontractors which is very lacking compared to the hired foreign workers.



5.3.	SUMMARY STATEMENT OF LEAD AUDITOR – Stage 2
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	Summary Statement of Lead Auditor	Signature
	<p>The purpose of this Stage Audit is to evaluate the implementation, including effectiveness, of Semerah Majumas Group of Estates management systems and that the requirement of the Standards MS2530-3:2013 is fulfilled.</p> <p>17 findings were recorded during this Assessment.</p> <p>SMG 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. SMG had demonstrated that it had generally satisfied the minimum requirement of certification under this MSPO Standards.</p> <p>It is therefore recommended that conditional to closure of all OFI & NC and approval of the Final Audit Report, Semerah Majumas Group of Estates be certified under MSPO MS2530-3:2013.</p>	 Wilfred S Landong Date: 29 12 2020


	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.		 Cephas Yong Date: 29 12 2020

5.4.	STAGE 2 – CORRECTIVE ACTION REPORTS
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The corrective action reports of Stage 2 were effectively closed out on 15 04 2021

6.0.	OFFICIAL SIGN OFF
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6.1.	ACKNOWLEDGEMENT BY CERTIFIED ENTITY
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	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.		 Cephas Yong 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 Semerah Majumas Group of Estates be approved.

Wilfred S Landong
Lead Auditor
20 04 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, Semerah Majumas Group of Estates 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

Google Maps

Boundary Maps



4.3.3.2 Golden Unimax map.pdf



4.3.3.2 Semerah Majumas 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]

