



# PLATINUM SHAUFFMANTZ VERITAS

Reliable And Practical Certification

## PUBLIC SUMMARY REPORT

MS 2530-3 : 2013

Malaysian Sustainable Palm Oil (MSPO)

Part 3: General Principles For Oil Palm Plantations And Organised Smallholders

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**NAME OF CLIENT** : **GUAN AIK PLANTATION SDN BHD**  
**STANDARD** : **MS 2530 – 3 : 2013**  
**DATE OF -**  
**INITIAL AUDIT STAGE 1** : **10 & 11 OCTOBER 2019**  
**INITIAL AUDIT STAGE 2** : **14 & 15 NOVEMBER 2019**  
**STANDARD** :

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**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3 :2013

File No.:  
MASMPO101112

Client:  
GUAN AIK PLANTATION SDN  
BHD:

Page  
1

<b>Table of Contents</b>	<b>Page</b>
<b>1.0 Audit Process</b>	
1.1 Objectives	2
1.2 Scope	2
1.3 Appointment of team members and reviewers	2
1.4 Audit Plan	2
<b>2.0 Methodology</b>	
2.1 Description of the certification unit	3
2.2 Description of the supply base (including planting profile)	3
<b>3.0 Organisation Information</b>	
3.1 Organisation Information / Contact Person(s)	3
3.2 Production volume	3
3.3 Planting Program for each estate	3
3.4 Replanting program for each estate	4
3.5 Maps of Company Location, Plantations and Organised Smallholders	4
<b>4.0 Certification Assessment</b>	
4.1 Stage 1 Audit	5
4.1.1 Stage 2 – Certification audit:	5
4.1.2 Status of Non-Conformities Previously Identified	5
4.2 Stakeholders' Consultation	6
4.3 Status of Non-Conformities Previously Identified	6
<b>5.0 Conclusion</b>	
5.1 Detail List of Audit Findings	7
<b>6.0 Recommendations</b>	7
<b>7.0 References (List of Attachments)</b>	
<b>8.0 Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities</b>	



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3: 2013

File No.:  
MASMPO101112

GUAN AIK PLANTATION SDN  
BHD

Page  
2

### 1.0 Audit Process

#### 1.1 Objective

The objectives of this audit are:

- To confirm that the management system conforms with all the requirements of the audit standards
- To confirm that the organisation has effectively implemented the planned management system
- To confirm that the management system is capable of achieving the organisation's policy and objectives.

#### 1.2 Scope of Certification

- Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches

#### 1.3 Appointment of team members and reviewer (Qualification of audit team)

No.	Member of Audit Team	Role / area of MSPO Requirements	Qualification
1.	Esnan Ab. Ghani	Lead Auditor	MSPO,IMS
2.	Nor Azman Daud	Co- Auditor	MSPO,IMS

#### 1.4 Audit Plan

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessments, inspections, interviews with operational personnel, stakeholders and its contractors; reviews of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review comments (if any)
- Final approval and issuance of certificate



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3: 2013

File No.:  
MASMPO101112

GUAN AIK PLANTATION SDN  
BHD

Page  
3

## 2.0 Methodology (Scope of Certification Audit)

### 2.1 Description of the certification unit

Reference for Audit Criteria:

Part 3: General principles for oil palm plantations and organized smallholders

Assessing past implementation from quality records that are required by the standard. (PAPER)

Assessing current implementation from observing current practices. (PRACTICE)

Assessing future maintenance from interviewing personnel on understanding and assessing competencies. (PEOPLE)

### 2.2 Description of the supply base

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)
Kuala Paku Division	392.78	335.11
Kuala Nal Division	104.23	36.80
<b>TOTAL</b>	497.01	371.91

## 3.0 Organisation Information

Guan Aik Plantation Sdn Bhd was established in 7th October 1967. It is a family-owned plantation. The plantation had two main divisions. They are Kuala Paku division in Tanah Merah and Kuala Nal in Kuala Krai in the state of Kelantan. The Kuala Paku division has a total of 392.78 ha land, out of which 335.11 ha are planted with palm oil. Kuala Nal covers 104.234 ha land, out of which 36.795 ha are planted with palm oil. The current board of Directors are:

1. Lee Eyu Lian
2. Lee Boon Tin
3. Lee Boon Siong
4. Lee Boon Hwi
5. Lee Boon Swee

### 3.1 Description of the certification unit



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3: 2013

File No.:  
MASMPO101112

GUAN AIK PLANTATION SDN  
BHD

Page  
4

**3.2 Description of the supply base (including planting profile)**

Name of Supply Base	Coordinate	
	Latitude (N)	Longitude (E)
Kuala Paku Division	5.742787	102.106647
Kuala Nal Division	5.571016	102.162401

**3.3 Production volume**

Name of Estate	2018		FFB Budget 2019 Mt/Ha
	Total FFB (Mt)	FFB Production (Mt/Ha)	
Kuala Paku	4538.23/335.11	13.54	4968.94
Kuala Nal	512.39/24.281	21.10	737.42



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3: 2013

File No.:  
MASMPO101112

GUAN AIK PLANTATION SDN  
BHD

Page  
5

**3.4 Planting year details for each estate**

DIVISION	Field Name	Acreage	Planted year	Total Planted (ac)	Replanting Program
Kuala Paku	2459	8.38,	1996	79	Started Dec. 2019 (Ongoing)
	2461	91.01			
	2465	99.98	1997	105.5	2021
	4615	38.8	1998	38.1	2022
	2472	99.93	2011	126	2037
	2476	100.08	2017	51	New Field
	2480	100.02	2000	37.1	2025
			2001	11.6	2026
			2002	60	2027
	2486	101.21	2003	93.9	2028
	2494	101.19	2004	28.6	2029
			2005	81.8	2030
	4611	118.39	2000	227.3	2025
	4612	28.04			
	4613	37.31			
4614	30.29				
4616	15.93	Nil		Zone for housing	
	Sub-Total	970.56		949.9	
Kuala Nal	1151	100	1999	63	2024
			2016/17	23	
	1156	55	2018	53	
	1158	75	Current Rubber		2022
	1152	27.56	Current Rubber		2021
	Sub-Total	257.56		139	
		<b>Grand Total</b>		<b>1,088.9 acres (440.67 HA)</b>	



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
 MS 2530-3: 2013

File No.:  
 MASMP0101112

GUAN AIK PLANTATION SDN  
 BHD

Page  
 6

**3.5 Replanting programme for each estate (AS PER TABLE 3.4)**

Field Name	Planted area (ha) in each estate										Total area to replanted (h
	2029	2030	2031	2032	2033		2037	2038	2039	2040	

**3.6. Maps of Company Location, Plantations and Organised Smallholders**

KUALA PAKU DIVISION







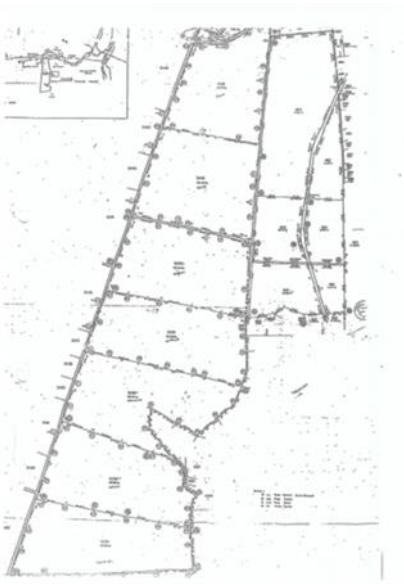
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**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3: 2013

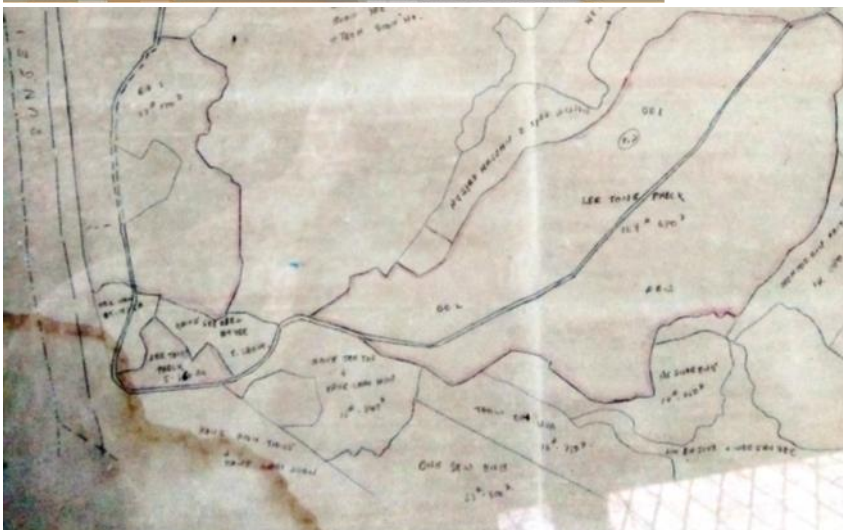
File No.:  
MASMPO101112

GUAN AIK PLANTATION SDN  
BHD

Page  
7



**KUALA NAL DIVISION**







**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3: 2013

File No.:  
MASMPO101112

GUAN AIK PLANTATION SDN  
BHD

Page  
8

#### 4.0 Certification Assessment

##### 4.1 Stage 1 Audit

- The Stage 1 audit was conducted on 10<sup>th</sup> & 11<sup>th</sup> October 2019.
- The objective of the Stage 1 is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders)
- According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which do not have any certification or those having management system certification e.g. ISO, COP.
- These organizations shall undergo both Stage 1 and Stage 2 audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage 1 audit was conducted on 10<sup>th</sup> & 11<sup>th</sup> October 2019 at Guan Aik Plantation covering the following activities:
- Onsite interviews and inspections;
- Review of documentation for compliance to relevant P & C requirements for plantation

##### 4.2 Stage 2 Audit

- The Stage 2 audit was conducted on 14<sup>th</sup> – 15<sup>th</sup> November 2019.
- The objective of the Stage 1 is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders)
- According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which do not have any certification or those having management system certification e.g. ISO, COP.
- These organizations shall undergo both Stage 1 and Stage 2 audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage 2 audit was conducted on 14<sup>th</sup> – 15<sup>th</sup> November 2019 and covering the following activities:
- Onsite interviews and inspections;
- Review of documentation for compliance to relevant P & C requirements for plantation

Reporting of issues concern during Stage 2 audit

##### 4.3 Stakeholders' Consultation

4.2.1 A stakeholders' consultation was carried out through standard feedback form on 11 and 12<sup>th</sup> Nov 2019 to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

The topics of discussion are as below:

- a. Introduction
- b. Development of oil palm plantations
- c. Community service and support provided wildlife management and wildlife corridor
- d. Type of wildlife sighted.
- e. Local communities' development.



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
 MS 2530-3: 2013

File No.:  
 MASMPO101112

GUAN AIK PLANTATION SDN  
 BHD

Page  
 9

4.2.2 The following relevant Principles & Criteria of the applied standard have discussed during the stakeholders' consultation

Items	Subject discussed	Audit team findings	Company responses and proposed actions to be taken
1.	MSPO	No issue, all issues found in order	The management has always been committed to settle all the complaints amicably.
2	SAFETY & HEALTH	No issue, all issues found in order	
3	COMPLAINT & GRIEVANCES	No issue, all issues found in order Both workers and contractor are satisfied with the treatment given by their employer as such no grievances was noticed	
4	CSR AND ENVIRONMENT	No issue, all issues found in order	

**4.3. Status of Non-Conformities Previously Identified:**

Kindly tick (/) to the related information / non-conformance

/	The Stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrections and corrective actions had been implemented to address identified audit findings.
/	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions had been implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions had been implemented effectively. Non-conformity will be re-raised.
	Not applicable. No non-conformity raised in previous audit.

*Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major nonconformity.*

*Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.*



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
 MS 2530-3: 2013

File No.:  
 MASMP0101112

GUAN AIK PLANTATION SDN  
 BHD

Page  
 10

**5.0 Conclusion**

Detail of Audit Findings Identified During This Audit

Audit Outcome	
Major NCR	1
Minor NCR	11
Area of Concern (AOC)	
Opportunity for Improvement (OFI)	
Observation (OBS)	

**6.0 Recommendation**

- The audit team conducted a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used were interviews, observations, sampling of activities and review of documentation and records.
- The structure of the audit was in accordance with the audit plan included in to this summary report.
- The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policy and objectives. Therefore, the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be :

	No NCR recorded. Recommended to continue certification
	Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit
/	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.
	Recommended to continue certification
	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s) ..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

*esnan*

Prepared by:

**Esnan Ab. Ghani**

Lead Auditor

**1<sup>st</sup> December 2019**

Date