



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

NAME OF CLIENT	:	KENSO TIMUR SDN BHD (KENSO GROUP OF PLANTATIONS)
STANDARD	:	MS 2530-3:2013
DATE OF -		
INITIAL AUDIT STAGE 1	:	25 to 27 February 2019
INITIAL AUDIT STAGE 2	:	18 to 20 March 2019



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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 standard
- 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 Abd Ghani	Lead Auditor	MSPO, IMS
2.	Che Wahab Che Mat	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 assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review 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



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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)
Sri Manis Estate & M12	3,168.28 ha	2,578.97 ha
Sapang Estate & M11	1,268.25 ha	1,215.31 ha
Bukit Tajam Estate	971.26 ha	866.17 ha
Tanduk Estate	384.74 ha	368.53 ha
Kerjaya Estate	1,109.59 ha	1,109.59 ha
Kenburk Estate	2,423.71 ha	1,489.42 ha
Nilai Megah Estate (Nilai Megah, Agrotrans and Tangkak)	794.20 ha	732.73 ha
Tamin and Baoh Estate	3,431.40 ha	2,731.86 ha

3.0 Organisation Information

3.1 Description of the certification unit

Kenso Group Of Plantations through Kenso Timur Sdn Bhd has managed 8 estates with combination of total 13 small estates to establish the MSPO uniform system. It comprises all subsidiaries of Kenso Group namely as;

1. Kemabong Sdn Bhd has owned Sri Manis Estate, Sapang Estate, Bukit Tajam Estate and Tanduk Estate
2. Kerjaya Enterprise Sdn Bhd has owned Kerjaya Estate
3. Kemajuan Pantai Timur Sdn Bhd has owned Kenburk Estate
4. Kenso Timur Sdn Bhd has owned Mile 11 and Mile 12 Estate (Division)
5. Nilai Megah Sdn Bhd has owned Nilai Megah Estate
6. Agrotrans Sdn Bhd has owned Agrotrans Estate (Division)
7. Angsana Plantation Sdn Bhd has owned Tangkak Estate (Division)
8. Kenso Pelita-Tamin Sdn Bhd has owned Tamin Estate and Baoh Estate

3.2 Description of the supply base (including planting profile)

- The certified estate is owned by **Kenso Timur Sdn Bhd**

- The details of estates:



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Estate	Division	Latitude (N)	Longitude (E)
Sri Manis Estate	Sri Manis	117.8032	5.5469
	Mile 12 Estate	117.9712	5.8919
Kerjaya Estate		117.5813	5.6765
Kenburk Estate		117.1066	6.0711
Sapang Estate	Sapang Estate	118.3228	4.5821
	Mile 11 Estate	118.0212	4.2614
Bukit Tajam Estate		118.1133	4.5628
Tanduk Estate		118.1515	4.6287
Nilai Megah Estate	Nilai Megah Estate	103.429544	1.985912
	Agrotrans Estate	102.075779	3.357342
	Tangkak Estate	102.6007	2.2272
Tamin Estate	Tamin Estate	526.8007	2.280917
	Baoh Estate	527.9183	2.271836

3.3 Production Volume

Name of Estate	Area (Ha)		Projected Production / Budget (For the Year 2019) (MTs)
	Total*	Production** as @ February 2019 (MTs)	
Sri Manis Estate & M12	2,578.97 ha	(10°18-02'19) 22,122.80	53,135
Sapang Estate & M11	1,215.31 ha	11,117.99	21,350
Bukit Tajam Estate	866.17 ha	7,196.22	14,300
Tanduk Estate	368.53 ha	3,981.38	6,800
Kerjaya Estate	1,109.59 ha	7,273.94	21,000
Kenburk Estate	1,489.42 ha	3,573.23	10,000
Nilai Megah Estate (Nilai Megah, Agrotrans and Tangkak)	732.73 ha	(07°18-06'19) 9,390.37	15,470
Tamin and Baoh Estate	2,731.86 ha	(01°19-02'19) 995.77	19,300



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3.4 Planting Program for each estate :

Year / Estate (tahun ditanam)	Sri Manis Estate & M12	Sapang Estate & M11	Bukit Tajam Estate	Tanduk Estate	Kerjaya Estate	Kenburk Estate	Nilai Megah Estate (Nilai Megah, Agrotrans and Tangkak)	Tamin and Baoh Estate
Younger	1999	2018	2017	2015	1997	2009	2011	2017
Older	1994	2003	1995	2002	1992	2007	1994	2012

3.5. Replanting program for each estate:

Year of replanting	Planted area (ha) in each estate								Total area to be replanted (ha)
	2018	2019	2020	2021	2022	2023	2024	2025	
Sri Manis Estate & M12					500	500	500	500	2,500
Sapang Estate & M11									
Bukit Tajam Estate				150	250				350
Tanduk Estate									
Kerjaya Estate			500	500	100				1,100
Kenburk Estate			200	200	200				600
Nilai Megah Estate (Nilai Megah, Agrotrans and Tangkak)				300	150				450
Tamin and Baoh Estate									

3.6. Maps of Company Location, Plantations and Organised Smallholders



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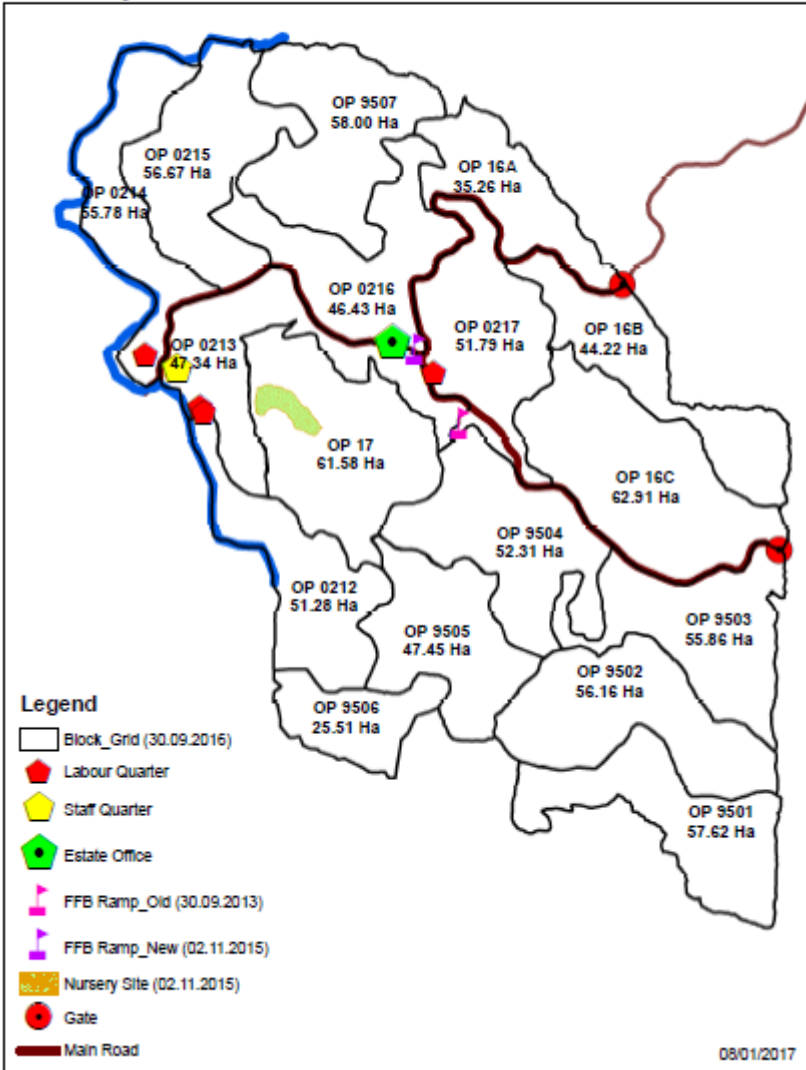
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Kenso Plantations

Bukit Tajam-866.17 Ha





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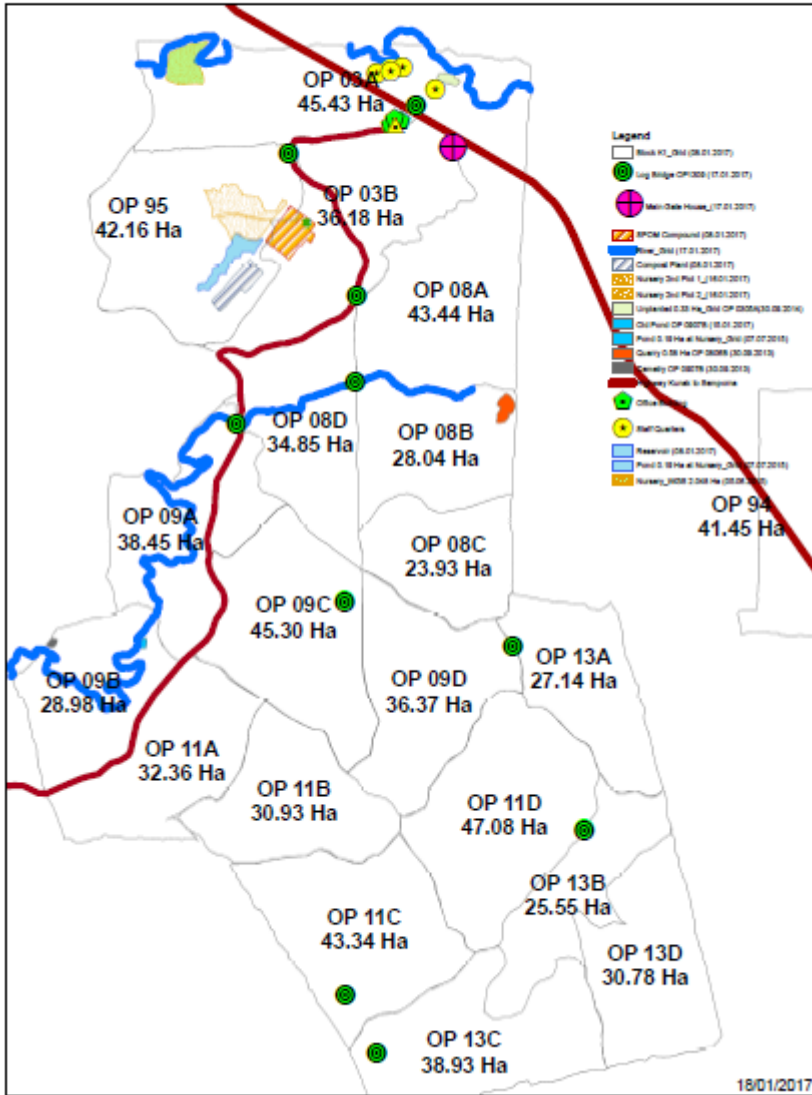
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Sapang K1 Estate

Block Map-K1

Planted Ha : 720.69 Ha





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4.0 Certification Assessment

4.1 Stage 1 Audit

- The Stage 1 audit was conducted on **25 – 27 February 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 I and II audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage I audit was conducted on on **25 – 27 February 2019** at **Kenso Timur Sdn Bhd** 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 I audit

4.1.1. Stage 2 – Certification audit:

- The Stage 2 audit was conducted on **18 – 20 March 2019**
- The objective of the Stage 2 is to assess 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 has done Audit Stage1 and 2 audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage I audit was conducted on **25 – 27 February 2019** and. covering the following activities:
 - On site interviews and inspections;
 - Review of documentation for compliance to relevant P & C requirements for plantation
 - Reporting of issues concern during Stage 2 audit



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4.2 Stakeholders' Consultation

4.2.1 A stakeholders' consultation meeting was conducted on **Date** 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.

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 response and proposed action to be taken
1.	MSPO	In order, No issue	Estate to continuous improvement on all related MSPO issue
2.	Safety & Health	In order, No issue	
3.	Grievances & Complaint	In order, No issue	
4.	CSR	In order, No issue	
5.	Others	In order, No issue	

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 correction and corrective action has been implemented to address identified audit findings.
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action has 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.



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5.0 Conclusion

Detail of Audit Findings Identified During This Audit

Audit Outcome	
Major NCR	-
Minor NCR	-
Area of Concern (AOC)	-
Opportunity for Improvement (OFI)	2
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 :

x	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.

Prepared by:

Lead Auditor

8th April 2019

Date