



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 : LAKAYA SDN BHD
STANDARD : MS 2530-3:2013
DATE OF -
INITIAL AUDIT STAGE 1 : 26-27th MAY 2019
INITIAL AUDIT STAGE 2 : 20th-21st JUNE 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.	Badrul Hisham Hj Baharin	Lead Auditor	MSPO, MSPO SCCS, 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

No	Name of Estate(s)	Planted Area (Ha)	Total Area (Ha)
1	Bagahak	58.22	116.69
2	Telupid	58.47	116.69

3.0 Organisation Information

3.1 Description of the certification unit

Sandakan formerly known at various times as Elopura, is the capital of the Sandakan District in Sabah, Malaysia. It is the second largest town in Sabah after Kota Kinabalu. It is located on the Sandakan Peninsula and east coast of the state in the administrative centre of Sandakan Division and was the former capital of British North Borneo. The town has an estimated population of 157,330 while the surrounding municipal area has a total population of 396,290.

Ladang Lakaya is located about 55km from Tawau Town. The estate topography was flat to undulating. The size of this estate is only about 116.69 hectares. 10 employees including staff working in this estate.



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3.2 Description of the supply base (including planting profile)

Name of Supply Base	Coordinate	
	Latitude (N)	Longitude (E)
Bagahak	5.079	118.720
Telupid	5.576	117.366

3.3 Production volume

Name of Estate	2018		FFB Budget 2019 Mt/Ha
	Total FFB (Mt)	FFB Production (mt/ha)	
Bagahak	1,116.00	19.17	20.00
Telupid	68.25	1.17	2.00

3.4 Planting year details for each estate

Year / Estate (Planted Year)	2010	2012	Grand Total (Ha)
Bagahak	58.22		58.22
Telupid		58.47	58.47
Total			116.69

3.5 Replanting programme 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	
Bagahak	Not applicable								
Telupid	Not applicable								



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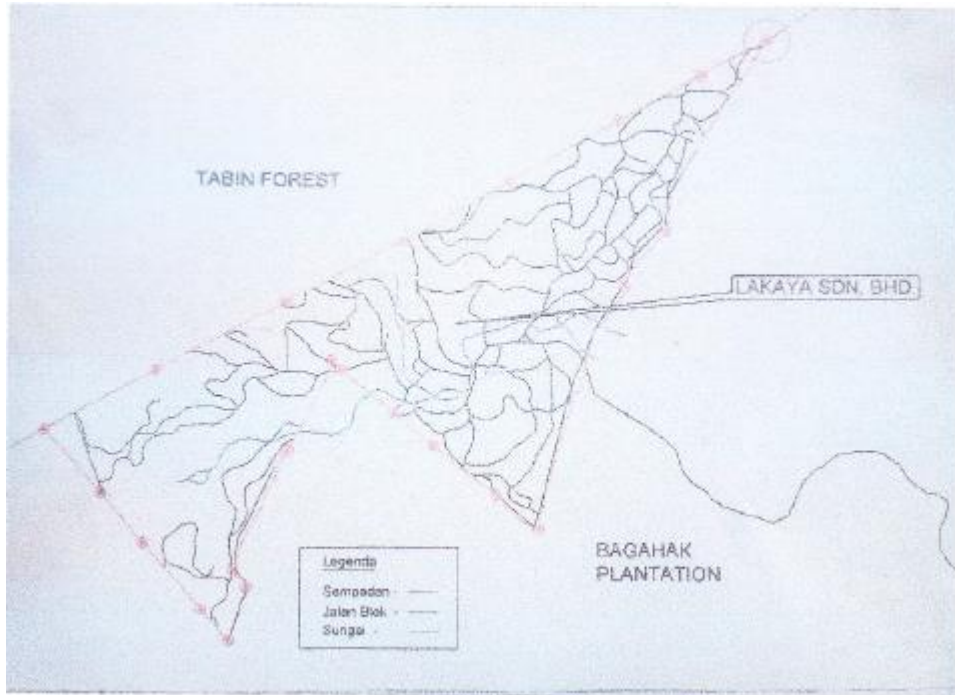
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3.6. Maps of Company Location, Plantations and Organised Smallholders

Ladang Lakaya





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4.0 Certification Assessment

4.1 Stage 1 Audit

- The Stage 1 audit was conducted on 26th – 27th May 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 26th – 27th May 2019 at Lakaya 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 1 audit

4.1.1. Stage 2 – Certification audit:

- The Stage 2 audit was conducted on 20th -21st June 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.
- This organization has done Audit Stage1 and stage 2.
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage 2 audit was conducted on 20th -21st June 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 20th June 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.

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
2.	Security post	Reactive back the security post	Action is taken and implemented with the supervision of assistant manager and all actions are recorded in the CAR form and closed with evidence of action taken
3.	Pest & Disease	Slow action taken to overcome the rat attack.	
5.	Housing	Request for repairing the roof for workers quarters.	
6.	FFB Quality	Delayed on FFB collection (2-3 days) due heavy downpour (rainfall). Road repair matters.	



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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	4
Area of Concern (AOC)	-
Opportunity for Improvement (OFI)	3
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.

Prepared by:

Badrul Hisham Hj Baharin

Lead Auditor

21st June 2019

Date

Accepted by
client:

Name :
Designation :

21st June 2019