

NESUS CERTIFICATION SDN BHD



MSPO CERTIFICATION SUMMARY REPORT

FOR

SRI KEDUA COMPANY (676/2002)

Date: 22nd May 2024

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MSPO Certification Summary Report		
	Company Name:	Sri Kedula Company (676/2002)
	Certifying Unit:	Sri Kedula estate
	Client Number:	NSC-26-06-21/MSPO (2)
	Audit Type:	Individual /Re-Certification Year 6 Audit

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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GMP	Good Milling Practices
GPS	Global Positioning System
GAP	Good Agriculture Practices
ISO	International Standard Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OFI	Opportunities For Improvement
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened and Endangered Species
SDS	Safety Data Sheet
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

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1. INTRODUCTION

Sri Kedua Company has commissioned Nesus Certification Sdn Bhd to conduct annual **Re-Certification(Cycle 2)** audit for its oil palm plantations according to MS 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organized Smallholders.

1.1. Objective

The objective of this **Re-Certification(Cycle 2)** audit is to assess the oil palm plantations by an independent certification body with the aim for compliance of the standards.

1.2. Scope

Any changes in scope Yes ☐ No ☒

The certification is based on the documentation established by **Sri Kedua Company**. The supporting documents provided to the audit team as well as information received by means of interviews, background investigation and site assessment.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3: 2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders. Nesus Certification Sdn Bhd has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements of the guidelines applied are checked.


1. Malaysian Sustainable Palm Oil Part 3: General Principles For Oil Palm Plantations And Organized Smallholders audit guidance;

1.3. Appointment and Qualification of team members

The audit team appointed consists of the team leader and team members. The team contributes to the review of documents, assessment of the project activity and preparation of this report.

Audit:	Date:	Audit Team	
Re-Certification (Cycle 2)	20th March 2024	Lead Auditor	Jeffrey Denis Ridu; Certified MSPO SCCS Auditor (SGS Malaysia), Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Plantation Management (UPM), BS Agbusiness (Iowa State University, USA), DPIM (ITM Perlis); 25 years working experience related to palm oil; Site & documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.
		Auditor 1	Jiram Sidu; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Science and Rural Resources and Environmental Policy (UK), BSc (Hons) Social Science (USM); More than 40 years experience in agriculture and environment management field; Site & documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.

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Clients Review:	Mr Vong Hon Kong	Date:	28 th May 2024
Peer Reviewer 1:	Mr. Ting Moi Ngie	Date:	-
Peer Reviewer 2:	Mr. George Akam	Date:	-
Certification Decision Panel:	Ms Monica Mone Lubong	Date:	30 th May 2024
Approved by CM:	Mr. Dickens Anak Mambu	Date:	04 th June 2024

5 Years Audit Programme

Planned month & year	S1 Date:	S2 Date:	SA1 Date:	SA2 Date: 12/07/21	SA3 Date: 12/07/22	S4 Date: 12/07/23	RA Date: 12/03/24
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stakeholder consultation / survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Use of logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Follow-up from previous audit finding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1 Management Commitment & Responsibility							
4.1.1 MSPO Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.2 Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.3 Management review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.4 Continual improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2 Transparency							
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.2 Transparent method of communication and consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements							
4.3.1 Regulatory requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4 Social responsibility, health, safety and employment condition							
4.4.1 Social impact assessment (SIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment, natural resources, biodiversity							
4.5.1 Environmental management plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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4.5.3 Waste management and disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best practices							
4.6.1 Site management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting (not applicable)							
4.7.1 High biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Peat land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.4 Soil and topographic information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.6 Customary land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note:

Legend:

☒ - plan to cover & covered

S1 - Stage 1


SA - Surveillance assessment (not more than 12 months from certification decision date)

☐ - for uncover

S2 - Stage 2

RA - Reassessment (4 months before certificate expiry)

Audit Stage	S1	S2	SA1	SA2	SA3	SA4	RA
Year	1	1	2	3	4	5	6
Plan	-	-	-	12/07/21	12/07/22	12/07/23	12/03/24
Actual	-	-	-	24/11/21	19/05/22	25/05/23	20/5 24
Team Leader	-	-	-	Dickens Mambu	Jiram Sidu	Jeffrey Denis Ridu	Jeffrey Denis Ridu
PR 1	-	-	-	George Akam	-	-	Rohana Parilla
PR 2	-	-	-	Ting Moi Ngie	-	-	George Akam

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2. METHODOLOGY


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, interviews with operational personnel, stakeholders and its contractors through phone call; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review (if any)
- Address Peer Review Comments (if any)
- Certification Decision Panel (CDP)
- Final approval and issuance of certificate.

Surveillance Audit:

Re-Certification(Cycle 2) audit was conducted on **20th March 2024** which covers the following activities but not limited to below:

- On-site inspection, observations and review plantation documents for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during **Surveillance 4** audit;
- Assessment reporting;

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On-site Assessment

The audit of the plantation was conducted according to the MS 2530-3:2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders.

The methodology for objective evidence collection was through documentation review, monitoring data and site assessment. The audit evidence obtained was based on a sample of the information; thereby introducing an element of uncertainty. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were taken into account in the assessment.

Non-conformance:


On the basis of the desk review, evidences presented during the audits, non-conformance (NC) Major, Minor and Observation may be raised during the audit.

Major non-conformance shall be addressed and responded within 90 days from closing date of audit. For minor non-conformance, an action plan need to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be reviewed and verified during the next audit.

Site Sampling

Sampling Methodology and Risk Determination
Not applicable.

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3. ORGANIZATION INFORMATION

This report presents the results of the certification assessment at **Sri Kedua Company** on **20th March 2024** by Nesus Certification Sdn Bhd. The purpose was to assess the operations of **Sri Kedua Company** against the requirements of the Malaysian Sustainable Palm Oil (MSPO) certifications.

Sri Kedua Company started planting in year **1999**. **Sri Kedua Company** is an oil palm plantation with an area of **46.77 hectares**. **Sri Kedua Company** will apply the certification of MS2530-3:2013 as the organization is committed to become a Sustainable Palm Oil producer.

Table 1: Information of Estate Being Audited

Name of Organization	Location	Coordinates	
		Lat.:	Log.:
Sri Kedua Company	Ladang Bukit Jumbo, Sibuti Land District, 98000 Miri, Sarawak	4.124193	113.902302


Table 2: Supply Base Area Statement

Area Statement (Ha)				
Estate	Titled & Certified Area (Ha)	Planted (Ha)	Conservation / HCV (Ha)	Others (Ha)
Sri Kedua Company	46.77	46.77	0	0

Table 3: FFB Production

Estate	FFB Production (Mt)	
	Year 2023 (Actual)	Year 2024 (Projection***)
Sri Kedua Company	1,044.65	1,008.85

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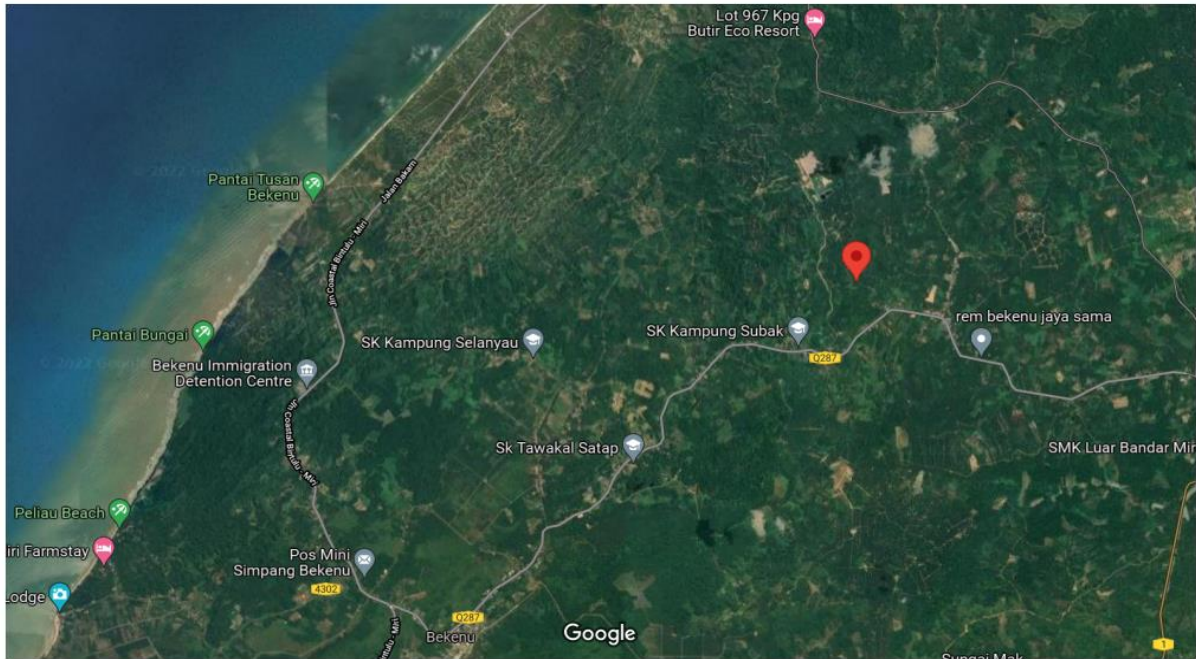
	Company Name:	Sri Kedua Company (676/2002)
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Location Map of the Production Unit**Sri Kedua Company**

Google Maps

4°06'50.9"N 113°54'23.0"E

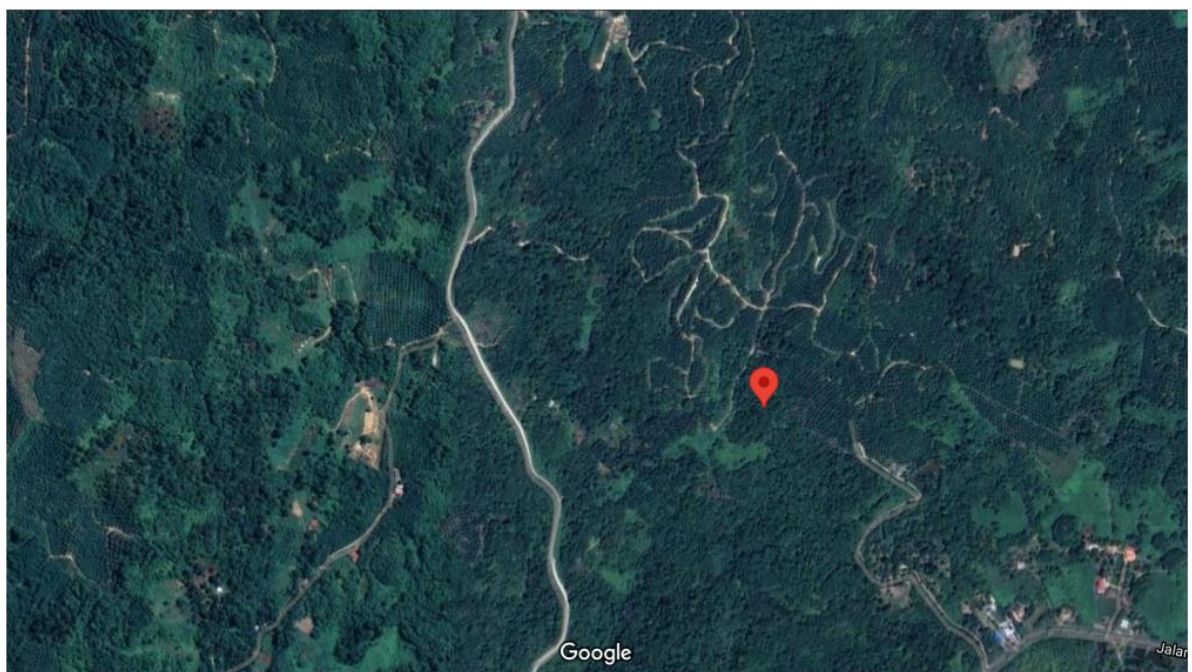
Sri Kedua Company (4.11414, 113.90638)



Google Maps


4°06'50.9"N 113°54'23.0"E

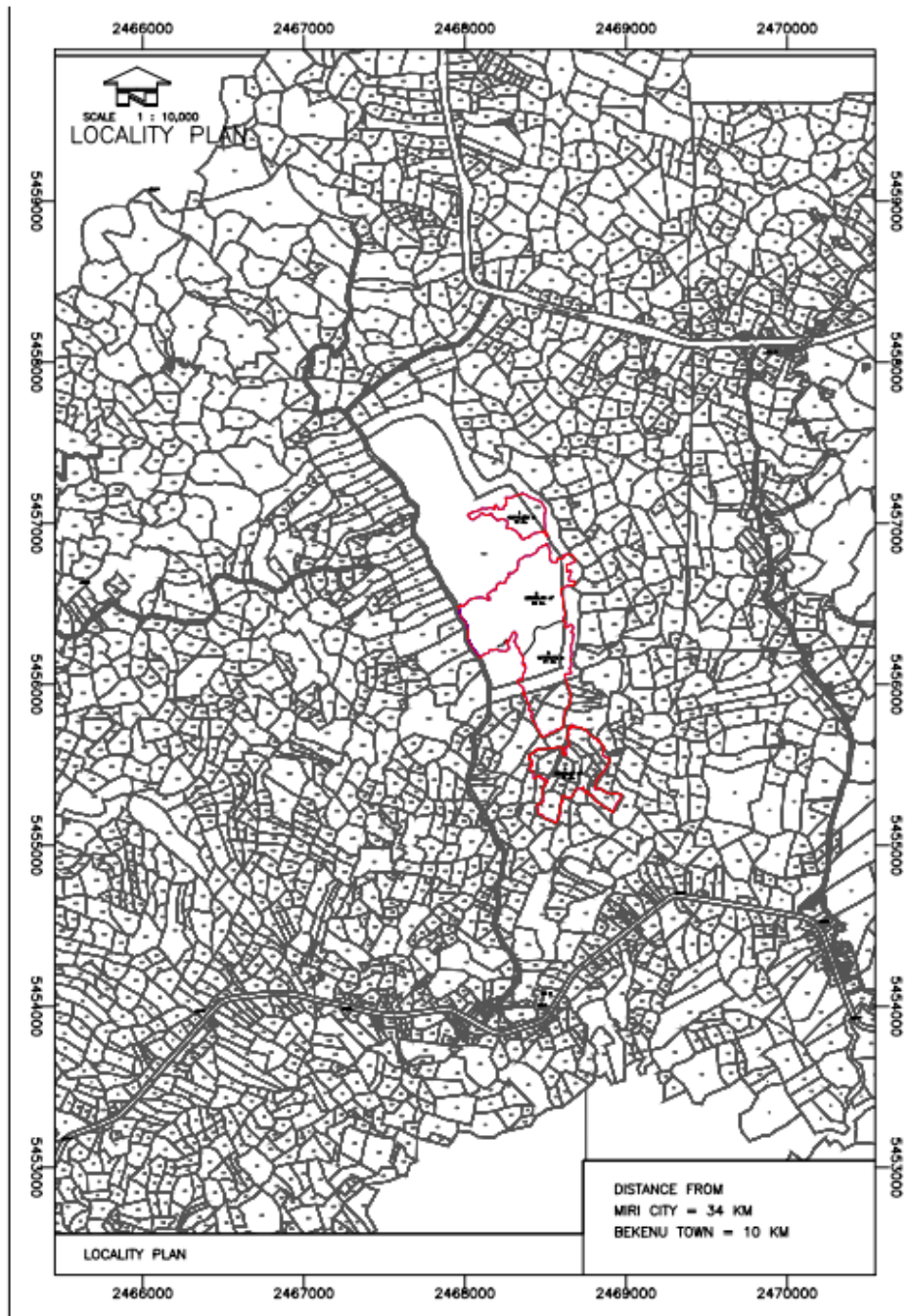
Sri Kedua Company (4.11414, 113.90638)




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4. AUDIT ASSESSMENT

4.1 Surveillance Audit

The objective of the audit is to assess the activities of the plantation are in compliance with MS 2530-3:2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders.

4.1.1 Re-Certification(Cycle 2)

The **Re-Certification(Cycle 2)** audit was conducted on **20th March 2024**.

During the **Re-Certification(Cycle 2)** audit, there were **0 Major, 1 Minor** being raised. The non-conformances raised during the audit were closed out by means of documents review that were established, revised and implemented appropriately and preventive actions taken by the estate.

During this audit, the minor non-compliance raised in the previous annual surveillance audit has been reviewed by the audit team by means of inspection of estate activities, conducted interviews, reviewed and verified documents that were established, corrected and implemented appropriately by the estate team. The corrective measures implemented were verified as appropriate.


For details of the assessment, refer to the summary of assessment for each indicator in section 4.4 of this report.

4.2 Stakeholders' Consultation

Nesus Certification Sdn Bhd, has notified the stakeholder as to accommodate stakeholder's consultation and communication for **Sri Kedu Company** to provide comments. As at audit date on **20th March 2024**, there were no adverse comments received.

Table 5: Stakeholder Consultation for Sri Kedu Company

Stakeholders Categories	Stakeholder's Input / Comments	Clients Feedback / Response
Buyer: MJM Kejapil 019-9998763	The contractor face no problems dealing with Sri Kedu Sdn Bhd.	Maintain the good relationship.
Local Community: Ketua Kampung Asap	Estate keeps a constant two-way communication with nearby community and provide beneficial facilities.	Village gained benefits from the presence of the company.
Employee: Mohd Iasa Rudi Hermilan	Workplace and remuneration are both satisfactory.	Always looking after the welfare and well-being of all employees.

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4.3 SUMMARY OF FINDINGS


Principle and Criteria Assessment Summary

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits where all criterion will be assessed. Evidences are sought for conformity with the MSPO 2530-3:2013. However, Sri Kedu Company was in the transaction period to comply with a new MSPO Scheme document and expected to be audit under new MSPO 2530-3:2022 requirements during the surveillance audit 1 (Cycle 2) in year 2025. The summary of the assessment can be seen below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below.


4.4 COMMENT ON COMPLIANCE STATUS, POSITIVE OBSERVATION & OPPORTUNITIES FOR IMPROVEMENT

Principle	Description	Comment	Conformity
Principle 1	Management Commitment & Responsibility	<p>Policy on Implementation of MSPO Director of Sri Kedu Company , signed the company's MSPO policy on 3rd January 2019. The policy is communicated in various ways, including posting it on the main signboard at their worker's quarters. It is also communicated to the employees during muster call. The policy emphasizes the company's commitment to long-term growth and continuous improvement in plantation operations.</p> <p>Internal Audit Internal audits were to be conducted at least once a year which was already conducted for year 2024. This requirement was clearly stated in the newly developed Internal Audit Procedure. An internal audit report should be prepared and presented to management for review at the end of the audit.</p> <p>Management Review Management Review is scheduled to be conducted once a year after Internal Audit was conducted for Sri Kedu Company, discussing impacts mitigation and continuous improvement plan for operations with company's decision makers.</p> <p>Agenda for Management review meeting included: i. Review of previous management review minutes ii. Discussion on MSPO requirement for 2024 in term of continual improvement etc.</p>	Complied.

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		iii. Budget 2024 discussion iv. Operational best practices <u>Continual Improvement</u> The company has identified Continual Improvement Plan for several criteria such as environmental, social, safety and health. The progress of each identified improvement plan is being monitored closely by the management. Currently there is no new technology introduce or implemented at Sri Kedu Company.	
Principle 2	Transparency	<u>Transparency of documents relevant to MSPO requirements</u> A communication method had been established to ensure appropriate and clear communication between two or more parties when resolving concerns or issues or relating new information. Estate management must keep a communication logbook to record every request made by stakeholders. It should be noted that the previously mentioned communication logbook is kept up to date. Stakeholder requests have been addressed in appropriate language and format. All publicly available documents was made available upon request. Mechanism on Information request by stakeholder's procedure was available. <u>Transparent method of communication and consultation</u> A procedure for consultation and communication had been established. A Social Liaison Officer, which is the estate manager, has been appointed to handle any stakeholder consultation and communication. All relevant stakeholders have been identified and are included in the Stakeholder List. <u>MINOR NO.1; (Principle 4.2.2.3)</u> <u>Records of all consultation & Communication with stakeholder were not properly maintained.</u> <u>Traceability</u> Traceability is one of the components included in the company's Standard Operating Procedures. A procedure is established to suit the conditions of each operating unit in order to achieve an effective traceability system. The procedure was created to demonstrate actual implementation, thereby reducing the need for frequent	Minor has been raised.

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		<p>inspection. Nonetheless, a point person, the field mandore, has been designated to ensure that the system is consistently implemented. The procedure requires that all traceability records and documents be kept.</p> <p>Normally, Delivery Order (DO) will be issued by the estate for every dispatch of FFB to MJM POM. Detailed contents of the delivery order and weighbridge tickets are as per samples below:</p>	
Principle 3	Compliance to legal requirements	<p><u>Regulatory requirements</u></p> <p>The estate is run in accordance with local, state, national, and ratified international laws and regulations. The estate's appointed legal officer, the estate manager, is in charge of monitoring compliance. If there are any changes, estates management will be notified so that appropriate adjustments can be made.</p> <p>Sri Kedua Company Example : MPOB license : Reg : 504132802000 Hectare: 46.77 Expired : 01/04/2024- 31/03/2025 Trade license – A1050105; Oil Palm Plantation; validity: 23/09/2023 – 09/10/2024</p> <p><u>Legal land use rights</u></p> <p>The estate assessed was able to present the deed of agreement for the respective areas. All legality and ownership documentation was updated and well maintained. The extent of the estate's area has been depicted on maps. It was discovered that the existing map corresponds to the landowner's agreement.</p> <p>The deed of agreement with landowners are available dated 26th December 2008.</p> <p><u>Customary rights</u></p> <p>Native customary right of the surrounding community are not diminished or reduced from the estate's activities.</p>	Complied.
Principle 4	Social responsibility, health, safety and employment condition	<p><u>Social Impact Assessment</u></p> <p>An internal SIA was conducted and it was carried out in order to identify the implications for the community, both positive and negative. The estate</p>	Minor non conformity has been raised.

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		<p>management team documents and responds to all feedback. The assessment was carried out by management, and it included determining the social impact on migrant workers and workers living in worker housing.</p> <p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones but was not clearly stated.</p> <p><u>Complaints and grievances</u></p> <p>A Complaints & Grievances Procedure for Sri Kedula Company can be seen as per Doc ref: Ref No.: P4-CG-01. The procedure includes a process flow for complaints and grievances that specifies how long it should take to resolve any complaint received. The complaints and grievance mechanism has been made known to all relevant stakeholders.</p> <p><u>Commitment to contribute to local sustainable developments</u></p> <p>The estate management has been actively assisting and contributing to the surrounding communities. The estate continuously provide training programs that caters to the workers needs. Stakeholders' meeting was also conducted to discuss concerns raised. The estate was found to have kept all CSR records correctly. In terms of job opportunities, the local community was prioritized.</p> <p><u>Employees safety and health</u></p> <p>Sri Kedula Company has an Occupational Safety and Health Policy signed by Plantation Director, on 3rd January 2019. The policy is posted in the Estate Office and the Headquarters Office. MSPO Awareness Training was used to communicate the policy to all employees.</p> <p>HIRARC has been established covering all activities and operations in the estate such as harvesting, spraying, manuring etc.</p> <p>Employees of job scope involving around pesticides exposure will receive training. The training was carried out as planned, according to a sampled training record. Interviewees admitted</p>	
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		<p>to receiving relevant training on safe working procedures during a phone interview, which was further assessed.</p> <p>According to the training records and PPE issuance records, it was noted that workers were adequately outfitted with PPE. The management provided them with the necessary personal protective equipment (PPE), and replace broken or unfit PPE for free if the old or broken PPE is returned.</p> <p>SOP for Chemical Handling Procedure has been established with document references P4-CH-01. The manual covers various activities including operational and non-operational activities. It is also pertains safety procedure for Chemical Storage, Chemical Transporting, Chemical Handling and Chemical Spillage.</p> <p>The management had formed an Employee Consultative Committee to oversee worker safety and health, and appointment letters had been sighted. The meeting on 18th April 2019 focused on MSPO safety issues on the estate. The committee was chaired by the Manager, who was assisted by a secretary.</p> <p>A chart for emergency preparedness and response has been created. The chart depicts control of the situation as well as the process of dealing with the situation and provides information. The names and phone numbers of the emergency response team are available.</p> <p>There was no accident recorded in the estate.</p> <p><u>Employment conditions</u> Human Rights Policy, Sexual Harassment Policy, and No Child Labor Policy were spotted and displayed on the notice board at the estate offices. Plantation Director, signed all policies dated 3rd January 2019.</p> <p>Based on observation and interview session, it was noted that there are no discriminatory practices in the estate.</p> <p>All employees are paid a basic salary that meets the state's legal requirement. Estate also ensures that workers are paid based on the hours they work based on their checkroll.</p>	
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		<p>The management also provides free housing with free water and electricity. Other types of social benefits provided by the employer to employees, their families, or the community, such as incentives for good work performance, bonus payments, and professional development, were documented in the "Letter of Appointment."</p> <p>There is no indication of sexual harassment happening in the estate. The estate has implemented a Sexual Harassment Policy and is committed to creating a work environment that is conducive, safe, and free of sexual harassment. Plantation Director of Sri Kedu Company signed the policy on 3rd January 2019. The policy is posted on office bulletin boards and communicated to employees through muster, meetings, and briefings.</p> <p>There is no labour union established on site. Interview with workers showed no obstruction from the management for workers who would like to join the union.</p> <p>As stated in the estate's Policy on No Child Labour, there are no underage workers employed by the estate.</p> <p><u>Training and competency</u> The training schedule for the year 2022 has been set. Before developing training program, the training needs of each worker are analyzed using a training matrix to assess their level of understanding and competency. This ensures that the training plans meet the needs of the workers. It is discovered that the estate has identified the applicability of each training type against the available job functions.</p>	
Principle 5	Environment, natural resources, biodiversity and ecosystem services	<p><u>Environmental management programme</u> The Estate's Environmental and Biodiversity Policy was signed by Plantation Director on 3rd January 2019. The Environmental and Biodiversity policies were combined into a single policy, with a commitment to achieving Sustainable Development Goals through regular performance monitoring and measurement, implementation of Best Practices, conservation of biodiversity, and compliance with legal requirements.</p>	Minor Non-Conformity has been raised.

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		<p>The environmental management plan was created using the results of aspect and impact analysis, mitigation and monitoring plans, and implementation and timeline records. It can be obtained from the Aspect and Impact Study on Waste Management, as well as the Aspect and Impact Study on Estate Operational Activities. It is also observed that the proponent had taken the necessary steps to improve the environmental management plan in mitigating the possible negative impacts.</p> <p>An awareness and training programme 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. Based on its training record, the latest training on environmental aspects for its employees was on 23/02/2024.</p> <p><u>Efficiency of energy use and use of renewal energy</u></p> <p>An energy management plan is envisioned in which energy consumption is identified, recorded, monitored, and assessed for efficiency, after which necessary action is taken for continuous improvement.</p> <p>Nonrenewable energy consumption is closely monitored through the establishment of baseline values and trends in day-to-day usage. A consumption forecast for the coming years was also developed to aid in the long-term assessment of energy usage and energy efficiency.</p> <p>The estate has planned for installation of solar panels to reduce consumption of non-renewable energy.</p> <p><u>Waste management and disposal</u></p> <p>All waste products and pollution sources were identified and documented properly. A waste management plan was developed, which included the identification and monitoring of waste sources. The estate has determined the best methods for ensuring that all waste generated on the estate is properly managed for each designated waste source.</p>	
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		<p>A relevant Standard Operating Procedure for the Handling of Used Chemicals was established, which covered the issues of handling, labeling, storing, and disposal to ensure they met the standards of the local authorities.</p> <p>The estate is committed to reduce waste by re-purposing/recycling pesticide mixture chemical containers and utilize them for other operation. By properly labelling the discarded HDPE pesticide containers, the recycling procedure adhered to national guidelines.</p> <p>A guideline for the triple rinse method is also available to assist with the management of used chemical containers prior to collection by a registered collector or to repurpose the containers, in effort of reducing waste.</p> <p>Dumping pit for disposal of domestic waste is available and is adequately distanced.</p> <p><u>Reduction of pollution and emission</u></p> <p>The polluting activities assessment is done through Environment Management Plan and appropriate pollution-reduction action is formulated to mitigate the pollutants. Solar power system was installed in 2018 for office and worker's qtrs. and street lights to reduce cost for diesel.</p> <p><u>Natural water resources</u></p> <p>A water management plan is established to address management of water resources, and all water resources aspects including mitigation action of issues regarding natural water resources.</p> <p>Rain water harvesting is practised in Sri Kedula Company and it's the estate's major supply of clean water. Appropriate action was observed to minimize this water source, such as management's provision of a collection tank.</p> <p>Riparian buffer zones have been demarcated, and awareness signage and tree markings have been installed.</p>	
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		<p><u>Status of rare, threatened or endangered species and high biodiversity value area</u></p> <p>The estate has a biodiversity assessment document, and conservation posters and signage have been installed as part of their action plans and monitoring. A staff and worker awareness campaign, as well as ongoing communication with relevant government entities about biodiversity and conservation, are part of their continuous improvement plan for biodiversity protection and management. Despite the fact that no RTE species were discovered and reported in the biodiversity assessment report, it was suggested that an awareness campaign and RTE species posters be installed. No hunting signage are available on both estates</p> <p><u>Zero burning practices</u></p> <p>Plantation Director signed a Zero Burning policy on 3rd January 2019, committing the company to zero burning practices in all operational areas as part of a plan to reduce air pollution.</p>	
Principle 6	Best practices	<p><u>Implementation of standard best practices / Site management</u></p> <p>The Plantation Manual and Good Actual Practices (GAP) established on 3 January 2019 include Standard Operating Procedures (SOP) or Good Agricultural Practices (GAP) that outline the best management practices. A Plantation Manual example is the Harvesting Oil Palm SOP, Block Design SOP, which was prepared in January 2019. Termite Control on Oil Palm Planted on Peat, IPM- Beneficial Plants are examples of (GAP).</p> <p>The estate's palms are all planted on flat ground. The soil ground is shielded by a dense growth of <i>nephrolipsis</i>. The estate's main roads are protected from erosion by the growth of grasses and the planting of rows of beneficial plants. Integrated Pest Management (IPM), both estates used beneficial plant planting in the above management.</p> <p><u>Economic and financial viability plan</u></p> <p>The yearly budgets for both estates allocates activities for operating expenditure, such as upkeep,</p>	Complied


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		<p>cultivation, harvesting, and evacuation, welfare, as well as capital expenditure, MSPO compliance, and so on in their budget list. Crop projection, cost of production, cost per tonne, and cost per hectare indicators were used to monitor the performance of each operating unit. Each year, the cost of production was reviewed and compared to expenditure, with projections for future years in place.</p> <p>Transparent and fair pricing dealing All pricing mechanism arrangements are handled at the Head Office level. Contracts are primarily for FFB transportation, loading, harvesting, weeding, P&D control, Pruning, Manuring, and other related services. The contractor was informed of the pricing mechanism.</p> <p>Contractor To date there is no contractor engaged by Sri Kedua Company estate operation.</p>	
Principle 7	Development of new plantings	<p>Not Applicable</p> <p>Note: the whole Principle 7 is not applicable for this audit as there is no new planting in the plantation areas.</p>	Not Applicable

Based on the audit, it was apparent that:

The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system	✓
The management review process is adequate and effective.	✓
The organization has met its objectives and targets and monitored progress towards their achievement.	✓
The management system documentation confirms with the requirements of the MSPO audit standard.	✓

4.5 PREVIOUS AUDIT FINDINGS – IF APPLICABLE

Nonconformity identified during previous audits has been corrected and the corrective action continues to be effective	✓
Not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.	Nil

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4.6 EXISTING CERTIFICATION

Currently are being certified to other certification schemes as below

Current Certification <i>(Please tick the certification you are currently certified)</i>			
	ISO 9001		HACCP
	EMS 14001		RSPO
	OHSAS 18001/ISO 45001		ISCC
	ISO 22001	x	Others: MSPO2530-3
	None		

4.7 AUDIT SUMMARY AND RECOMMENDATION

The audit team concludes that the organization fulfill the requirements of the MS 2530-3:2013 standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

The audit team recommends that, MSPO certificate to be continued by submission and accept the corrective action plan and evidence of NCRs within the stipulated time frame to **Sri Kedu Company**.

Signed for and on behalf of
Nesus Certification Sdn Bhd




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(Jeffrey Denis Ridu)

Lead Auditor

Date: 22/05/2024

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APPENDIX A: AUDIT FINDINGS

Refer to the Attachment (Appendix A)

APPENDIX B: CORRECTIVE ACTION PLAN & EVIDENCE

Refer to the Attachment (Appendix B)

APPENDIX C: AUDIT PLAN

Refer to the Attachment (Appendix C)

End of Report

NESUS CERTIFICATION