



SIRIM QAS INTERNATIONAL SDN. BHD.
MANAGEMENT SYSTEM CERTIFICATION DEPARTMENT
SIRIM Complex, 1, Persiaran Dato' Menteri, Section 2,
40700 Shah Alam, Selangor Darul Ehsan, Malaysia

File ref : ES10260006

**PUBLIC SUMMARY REPORT
MALAYSIAN SUSTAINABLE PALM OIL (MSPO)
STAGE 2 INITIAL CERTIFICATION
GROUP CERTIFICATION**

Organization : SAWIT KINABALU SDN. BHD.
West Coast Region – Kota Marudu & Beaufort Complex
(Lumadan Palm Oil Mill & Langkon Palm Oil Mill)

Address : Jalan Kelapa Sawit, Off KM 4, Jalan Tuaran,
88300 Kota Kinabalu,
Sabah.

Audit date : 21st to 24th March 2019

Standard : Malaysian Sustainability Palm Oil

MS 2530-2:2013 General principles for independent smallholders

MS 2530-3:2013 General principles for oil palm plantations and organised smallholders

MS 2530-4:2013 General principles for palm oil mills

Scope of certification : Production of Sustainable Crude Palm Oil and Palm Kernel

Lead auditor : Dzulfiqar Azmi

Auditor Razman Salim
Hamsa Sulaiman
Yusof Khairan

Report by lead auditor

Name : Dzulfiqar Azmi

Signature :

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1.0. Introduction

1.1 Description of the organization

Sawit Kinabalu Sdn. Bhd. is government linked company of Sabah State Government. Sawit Kinabalu Sdn. Bhd. is mainly involved in the cultivation of oil palm and crude palm oil (CPO) processing industry. Sawit Kinabalu Sdn. Bhd. consist of 4 regions i.e. Tawau Region, Lahad Datu Region, Sandakan Region and West Coast Region.

The West Coast Region is divided into two complexes i.e Kota Marudu and Beaufort complexes respectively. Both complexes have a mill and estates. The Kota Marudu Complex consist of Langkon palm oil mill and Langkon, Pinawantai, Taritipan and Pitas estates and the Beaufort Complex consist of Lumadan palm oil mill and Lumadan, Mawau, Bongawan and Kimanis estates.

As required by MSPO scheme requirements, this report describes MSPO group certification comprising of the two mills in the West Coast Region of Sawit Kinabalu Sdn. Bhd. compliance against MS2530-4:2013 General principles for palm oil mills.

1.2 Location

The GPS locations of the Langkon Palm oil mill in the Kota Marudu Complex and the Lumadan Palm Oil Mill in the Beaufort Complex are as follows:

Mill	GPS Location		
	Latitude (N)	Longitude (E)	Location
Langkon Palm Oil Mill, Kota Marudu Complex	6° 34' 18.29"	116° 42' 29.58"	KM 16, Kudat – Kota Marudu Highway, P. O. Box 154 ,89108 Kota Marudu, Sabah
Lumadan Palm Oil Mill, Beaufort Complex	5° 15' 13.73"	115° 39' 15.05"	KM 16, Beaufort - Sipitang Highway P. O. Box 152,89807 Beaufort, Sabah.

1.3 Description of supply base (fruit sources)

The Fresh Fruit Bunches (FFBs) received by Langkon Palm Oil Mill are supplied wholly by the Langkon estate (in the Kota Marudu Complex and FFBs received by the Lumadan Palm Oil Mill are supplied by the estates (Lumadan, Mawau, Bongawan and Kimanis) in the Beaufort Complex..

1.4 Other certification held (ISO or other sustainability scheme)

Both Langkon and Lumadan Palm Oil Mills are certified to ISO 9001:2015 Quality Management Systems .

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1.5 Organizational information/contact person

The details of the contact persons for the Langkon Palm Oil Mill in Kota Marudu Complex and Lumadan Palm Oil Mill in Beaufort Complex are shown below:

Name : Mr Nazlan Mohamad
 Position : Sr. Manager Sustainability
 Address : Jalan Kelapa Sawit, Off KM 4, Jalan Tuaran, 88300 Kota Kinabalu, Sabah.
 Phone no. : 019-8428878
 Fax no. : 088-242379
 Email : nazlan@sawitkinabalu.com.my

1.6 Tonnage certified

Palm Oil Mill	Langkon	Lumadan
Production		
Actual CPO production for the reporting period of January to December 2018 (MT)	17,243.20	24,728.31
Estimated CPO production for the reporting period of January to December 2019 (MT)	18,433.59	26,323.58
Actual PK production for the reporting period of January to December 2018 (MT)	3,730.93	5,220.78
Estimated PK production for the reporting period of January to December 2019 (MT)	3,861.79	5,442.87

2.0 Audit process

2.1 Audit methodology

The MSPO initial certification audit of Langkon POM & Lumadan POM consisted of Stage 1 and Stage 2 audit. The Stage 1 audit was conducted on 13 – 14 February 2019, while the Stage 2 was conducted on 21 – 24 May 2019. The main objective of Stage 1 audit was to ensure relevant documentations were addressed as well as to review the field conditions and their surrounding areas. The Stage 2 audit focused mainly on the conformance of the organization against the requirements of certification standard i.e. MS 2530-4:2013 General principles for oil palm plantations and organized smallholders.

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During stage 2 audit, the audit team had visited the work station such as boiler, sterilizer, CPO tank, weighbridge, FFB ramp, also facilities such as linesite, workshop, chemical stores, waste collection areas and other surrounding facilities such as clinic, surau and canteen to verify the implementation of the MSPO MS2530-4. Interviews were also conducted with the team management, employees, contractors and other relevant stakeholders. Apart from the above, records as well as other related documentation were also evaluated.

It is important to note that the findings from this audit are based on samples taken from the organization activities, procedures, records and interview. Statistically, there is always a possibility that one or more issues/areas will remain unidentified during the course of this audit. The absence of non-compliance in any area or activity does not necessarily imply that there are no lapses or non-compliance exist.

2.2 Date of next surveillance visit

If the Langkon and Lumadan Palm oil Mills in the Kota Marudu and Beaufort Complexes are approved for MSPO certification to MS 2530-4: 2013 standard; the next surveillance audit will be conducted within 12 months from the decision date.

2.3 Qualification of audit team

Member of the Audit Team	Role/area of MSPO requirements	Qualifications
Dzulfiqar Azmi	Tr. Lead Auditor, Safety & Environmental	Holds a B. Sc. (Hons) in Plantation Technology and Management from UiTM on 2012. Has worked for more than 6 years in the oil palm plantation sector. Has completed the Lead Auditor Course Integrated Management Systems (IMS) ISO 9001, ISO 14001 & *OHSAS 18001/ISO 45001 and Endorsed RSPO P&C Lead Auditor Course in 2018. Is a qualified auditor for MSPO, RSPO and ISO 140001 since Oct. 2018.
Razman Salim	Auditor Social issues & Biodiversity	Possessed B. Sc. Forestry (Hons) from University Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology. Experienced in auditing on OHSAS 18001 & RSPO.
Hamsah Sulaiman	Auditor GAP & Safety	Holds Master in Plantation Management & bachelor's degree in Organization Management from University Science Malaysia (USM). Has 15 years working experience of managing oil palm plantations with expertise in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Has successfully completed the Lead Auditor course for ISO 9001, ISO 14001 & ISO 45001 and Lead Auditor MSPO MS 2530:2013 & MS SCCS. Has been involved in MSPO auditing since 2018 in various companies in Malaysia.

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Yusof Khairan Nizar	Auditor Mill Practices, Occupational Health and Safety	Holds a Certificate of Safety and Health Officer-Malaysian Insurance Institute (2003). Bachelor of Corporate Administration (Hons)-MARA University of Technology, Malaysia (2003), Master of Science in Occupational Safety and Health Management-Northern University of Malaysia (2011). Experience in managing, consulting, training and auditing Quality, Environmental, Occupational Safety and Health Management Systems such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018/OHSAS 18001:2007/MS1722:2011 since 1996. Contract Trainer of OSH & Environmental Legal & Other Requirements Lead Auditors course for SIRIM Training Services Sdn Bhd & NIOSH Certification Sdn Bhd. Contract Auditor for Quality, Environmental, Occupational Safety and Health Management System and Malaysia Sustainable Palm Oil (MSPO). OSH, Legal and Environmental Auditor for TUV Rheinland Malaysia RSPO Principles & Criteria. Contract Sirim QAS International Auditor (2006). Department of Occupational Safety and Health Malaysia (DOSH) Registered Safety and Health Officer (2003-2006). Approved Human Resources Development Fund (HRDF) Trainer (since 2011). Also appointed as Assessor for Prime Minister's Hibiscus Award involving assessment for oil and gas companies, plantations industries, manufacturing, utilities, cleaning and transportations services (since 2003). MPOCC Registered Peer Reviewer.
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2.4 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to MSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International has obtained accreditation from Standards Malaysia for its MSPO certification scheme on 25 July 2017.

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2.5 Stakeholder Consultation

Stakeholder consultation was initiated with the announcement in the SIRIM QAS International's website on 5th March 2019. This was then followed by sending letters to relevant stakeholders requesting for input (if any) regarding the company – Sawit Kinabalu West Coast Region mills and estates. There were no comments received during this process. Among the stakeholders consulted included Department of Environment (Kota Marudu & Beaufort), Department of Occupational and Safety Health, (Kota Marudu & Beaufort), Kota Marudu & Beaufort Police Station, Kota Marudu & Beaufort Fire Department, Department of Labour Kota Marudu & Beaufort, SOCSO Lahad Datu, Sabah Environmental Protection Association, Kota Kinabalu, Environmental Protection Department, Kota Kinabalu. During the Stage 2 audit, the audit team had also consulted the workers' representative and field workers.

The audit had also interviewed contractor, Chan Pang from Pemborong Pang, Liew Heng Yen & Sasaran Sejahtera Sdn Bhd and had found that all these stakeholders were aware on the complaints and grievances procedures and how to make complaints. As verified during the interview, there was no complaints/grievances made by these stakeholders.

3.0 Summary of Audit Results

3.1 Non conformity report (NCR) raised

Total no. of major NCR(s)	: Nil	Indicator	:
Total no. of minor NCR(s)	: 3	Indicator	: 4.3.1.1, 4.4.1.1 & 4.4.4.2 d)

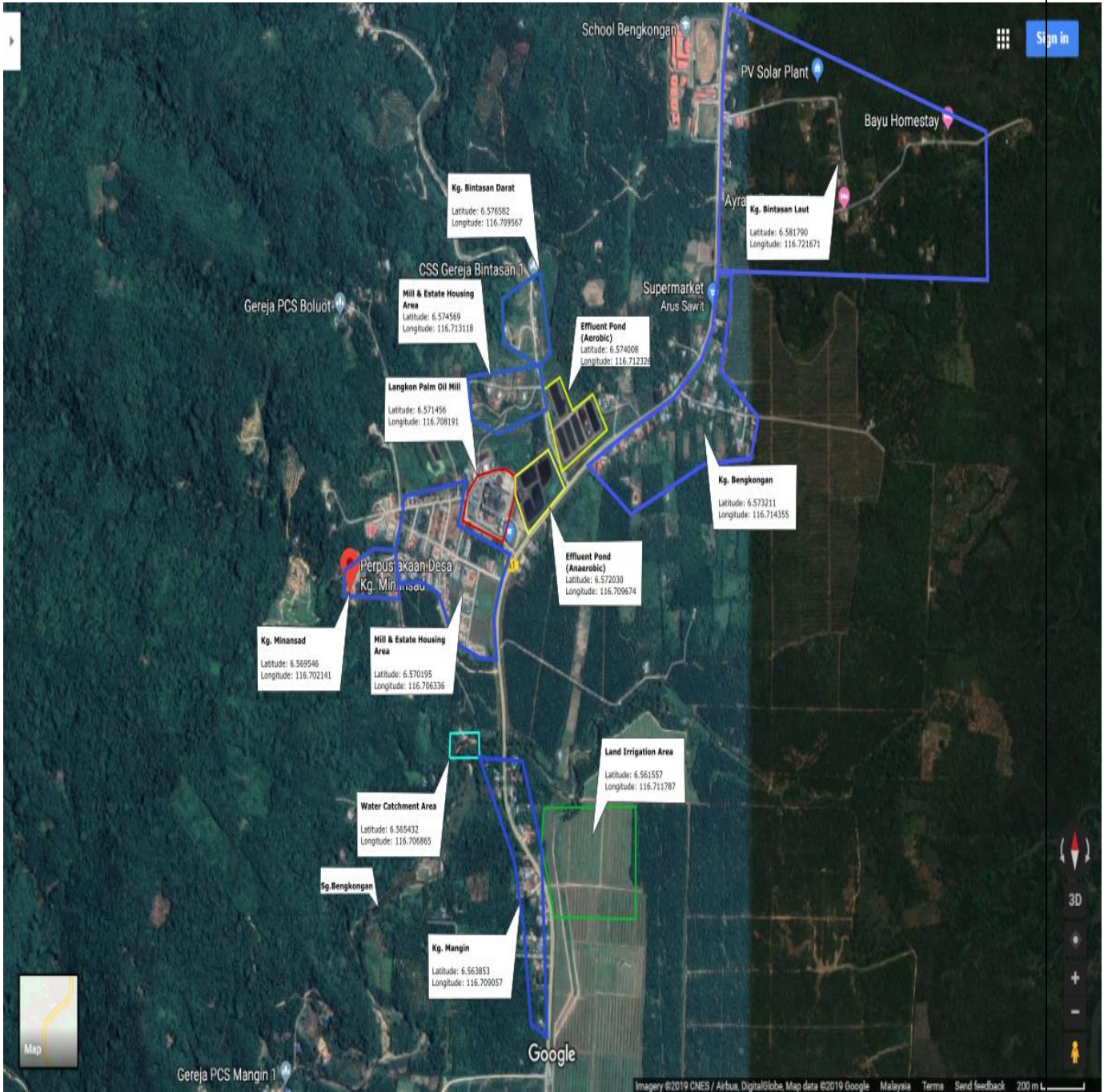
3.2 Audit conclusion

The audit team concludes that the organization has established and implemented the requirements of the MS 2530-4:2013 General principles for palm oil mills. Based on the results of this audit, the audit team , therefore recommends :

- No NCR recorded. Recommended for 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 for certification
- Recommended to continue certification

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Map of Langkon Palm Oil Mill



Map of Lumadan POM

