

MSPO2530-3:2013

CERTIFICATION SUMMARY REPORT

INITIAL CERTIFICATION

SURVEILLANCE YEAR 01

SURVEILLANCE YEAR 02

SURVEILLANCE YEAR 03

SURVEILLANCE YEAR 04

RECERTIFICATION

LADANG MERAKAI SDN BHD [970007-A]

Main Office Address:

CP203, Batu Kawa New Township, Jalan Batu Kawa 93250 Kuching Sarawak

Site Address:

Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak

Certification Body:



KEBAL Resources Sdn Bhd

Sublot 7, No. 387, Lot 17821, 2nd Floor, Star Point Angle

Commercial Centre, Jalan Stutong, 93350, Kuching, Sarawak

Tel: 082 287 288

Mobile: 017 713 8188

Email: kebalresource@gmail.com

Website: www.kebalresources.com.my

**CERTIFICATION AUDIT SUMMARY REPORT****CERTIFIED ENTITY: INFORMATION**

| | | | |
|------------------------|---|---|--|
| Company Name: | LADANG MERAKAI SDN BHD [970007 - A] | | |
| Main Address: | CP203, Batu Kawa New Township, Jalan Batu Kawa 93250 Kuching Sarawak | | |
| Site Address: | Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak | | |
| Registration No: | [070007 - A] | Report Ref No: | KRMC29/12/23 |
| MPOB License No: | 5911 1200 2000 | Expiry Date: | 30 11 2024 |
| Scope of Activity: | <input checked="" type="checkbox"/> Menjual | <input checked="" type="checkbox"/> Mengalih | <input type="checkbox"/> Mengilang |
| No of Estates: | 1 | No of Mill: | NA |
| Total Certified Area: | 121.41 HA | Mill Production Capacity: | NA |
| Total Planted Area: | 114.75 Hectares | | |
| Type of Certification: | <input checked="" type="checkbox"/> Individual | <input type="checkbox"/> Group | |
| Audit Scope: | Provisions of Oil Palm Plantation including planting, harvesting and delivery of fresh fruit bunches (FFB) from 121.24 Hectares of certified area | | |
| Audit Stage: | <input type="checkbox"/> Initial Certification | <input checked="" type="checkbox"/> Surveillance 04 | <input type="checkbox"/> Recertification |
| Certificate No: | KRMC291223 | Issue | 3 |
| Date of Issue: | 25 12 2023 | Date of Expiry: | 24 12 2024 |
| Standards: | <input type="checkbox"/> MS2530-2:2013 Part 2: General principles for independent Smallholders | | |
| | <input checked="" type="checkbox"/> MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders | | |

Report Updated on:

20 12 2023

MALAYSIAN SUSTAINABLE PALM OIL [MSPO CERTIFICATION]**AUDIT PROGRAMME**

| | | | |
|--------------------------------|--|-----------|----------------------|
| Name of Client: | LADANG MERAKAI SDN BHD | | |
| Client ID No: | KRMC29 | | |
| Address: | CP203, Batu Kawa New Township, Jalan Batu Kawa 93250 Kuching Sarawak | | |
| Contact Person: | Capt (Rtd) Narayanan Kanan | Position: | Managing Director |
| Telephone No: | 013-5684449 | Email: | harina.edu@gmail.com |
| Date of Initial Certification: | 25 12 2019 | | |
| Validity Period: | From: 25 12 2019 | To: | 24 12 2024 |

**1. SURVEILLANCE 4****Not more than 12 months after Surveillance 3**

| | | | |
|----------------------|--|-------------------|-----------------|
| Certification Stage: | Surveillance 4 | | |
| Plan Audit Date: | November, 2023 | Actual Audit Date | 16 & 18 12 2023 |
| Proposed Area: | Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak | | |
| Name of Estate: | LADANG MERAKAI SDN BHD | | |

2. RECERTIFICATION / REASSESSMENT**[Within] 4 Months before Certificate Expiry Date**

| | | | |
|----------------------|--|-------------------|------------|
| Certification Stage: | Recertification / Reassessment | | |
| Plan Audit Date: | October, 2024 | Actual Audit Date | 00 00 0000 |
| Proposed Area: | Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak | | |
| Name of Estate: | LADANG MERAKAI SDN BHD | | |

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**AUDIT INFORMATION**

| SURVEILLANCE AUDIT YEAR 04 | | No of Audit Man-days: 3 [three] |
|-----------------------------------|---|--|
| Date of Audit: | 16 & 18 12 2023 | |
| Audit Role: | Lead Auditor | |
| Name: | Maxwell S Landong | |
| Qualifications: | <ul style="list-style-type: none"> • Graduated with BSc (Hons) Resource Economics 1989) & Master of Science in Human Resources Development (1998) (UPM) • Successfully completed the Lead Auditor Integrated Management System (IMS) ISO 9001, ISO 14001 & ISO 45001 and passed the examination in conjunction with the course in 2020 • Successfully completed the MSPO Lead Auditor Course and passed the examination in conjunction with the course in 2017 • Attended the MPOB Training Course for Peer Reviewer on Oil Palm Management Certification in 2017 • Successfully completed HRDF "Train the Trainer" training programme and passed all the assessment requirement in 2018 | |
| MSPO Auditing Experience: | <ul style="list-style-type: none"> • Has clocked more than 100 man-days as Trainee Auditor, Auditor and Lead Auditor • Has performed as an Auditor auditing onsite (plantations and Mills)/remote audit at various stages (initial Certification – Stage 1 & 2) and SVA 1, 2, 3 & 4 • Technical Reviewer for seventeen (17) Audit Certification Reports – Plantations and Palm Oil Mills) • Has more than 30 years of experience in Oil Palm Plantation Management environment. • Initiate, plan and implement briefing and training program for SALCRA and its' Subsidiary companies' staff in preparation towards MSPO Certification – SALCRA Estates and Palm Oil Mills | |
| Audit Role: | Auditor 1 | |
| Name: | Martin Kusong | |
| Qualifications: | <ul style="list-style-type: none"> • Bachelor of Science [Hons] Degree UPM, Masters of Business Administration UNIMAS • Successfully completed MSPO Lead Auditor Course 2017 • Qualified Peer Reviewer – registered with MPOCC 2019 | |



| | |
|---------------------------|---|
| | <ul style="list-style-type: none"> Successfully completed the Lead Auditor Integrated Management System (IMS) ISO 9001, ISO 14001 & ISO 45001 and passed the examination in conjunction with the course in 2020 Successfully completed HRDF "Train the Trainer" training programme and passed all the assessment requirement in 2018 |
| MSP0 Auditing Experience: | <ul style="list-style-type: none"> Has clocked more than 50 man-days as Trainee Auditor, Auditor Conversant [spoken / written] in BM & English and local Sarawak dialects Qualified Agronomist more than 30 years of experience in oil palm industry as Estate Manager, Agronomist, Sustainability Manager [both in private sector & Government [Public] Statutory Body [SALCRA] etc. |

REPORT REVIEW:**CERTIFICATION DECISION PANEL**

Dated: 22 12 2023

Name: Wilfred S Landong

CERTIFICATE ISSUANCE

Dated: 25 12 2023

By: Executive Chairman

SUMMARY REPORT

| | |
|-----------|---|
| 1. | INTRODUCTION |
| | This report presents the results of the Certification Assessment carried out by Kebal Resources Sdn Bhd as per below: |
| | Company Name: LADANG MERAKEI SDN BHD |
| | Estate Name: LADANG MERAKEI SDN BHD |
| | Location: Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak |
| | Audit Dates: 16 & 18 12 2023 |
| | Purpose: The purpose was to assess the operations of LADANG MERAKEI SDN BHD, SARIKEI against the requirements of the Malaysia Sustainable Palm Oil (MSPO) certification under the Standard MS2530-3:2013. |

**ORGANIZATIONAL BRIEF**

This is Surveillance Year 04 Certification Audit and the Scope is Individual Certification of LADANG MERAKAI SDN BHD, SERIAN under the standards MSPO-3:2013 General Principles for Oil Palm Plantation and Organized smallholders.

LADANG MERAKAI SDN BHD [LMSB] main office is located at CP203, Batu Kawa New Township, Jalan Batu Kawa 93250 Kuching Sarawak while the plantation site is located at Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak [Geo-coordinates **N1.164094, E110.725429**]; approximately 60km from Kuching City; accessible by land; about one(1) hour driving journey Tar-sealed road and gravel road from Gedong Mill junction until the estate site. The plantation is established in **2011** and currently the total Certified Area is **121.41** hectares while total Planted Area is **114.75** hectares; with **06** planting blocks and **17,700** palm stand count. The land topography is lowland with soil type peat soil.

The main activities of **LMSB** are to produce, transport and sale of sustainable fresh fruit bunches [FFB]. At the site **LMSB** currently employ 19 people (comprising one(1) staff and eighteen(18)workers). The estate village comprise the Estate office, staff and worker's quarters.

The assessment method used in this audit follows the principle of three (3) Ps (paper, practice and people).

This certification assessment is a sampling process where management systems effectiveness and efficiency are confirmed via Audit Trail that the Auditor established to make an accurate conclusion. Information and data were systematically gathered and documented from interviews (with a cross section random sample of stakeholders), observations of process and activities, field audit and review of documentations and records. Assessments were done at the Plantation Office and field sites.

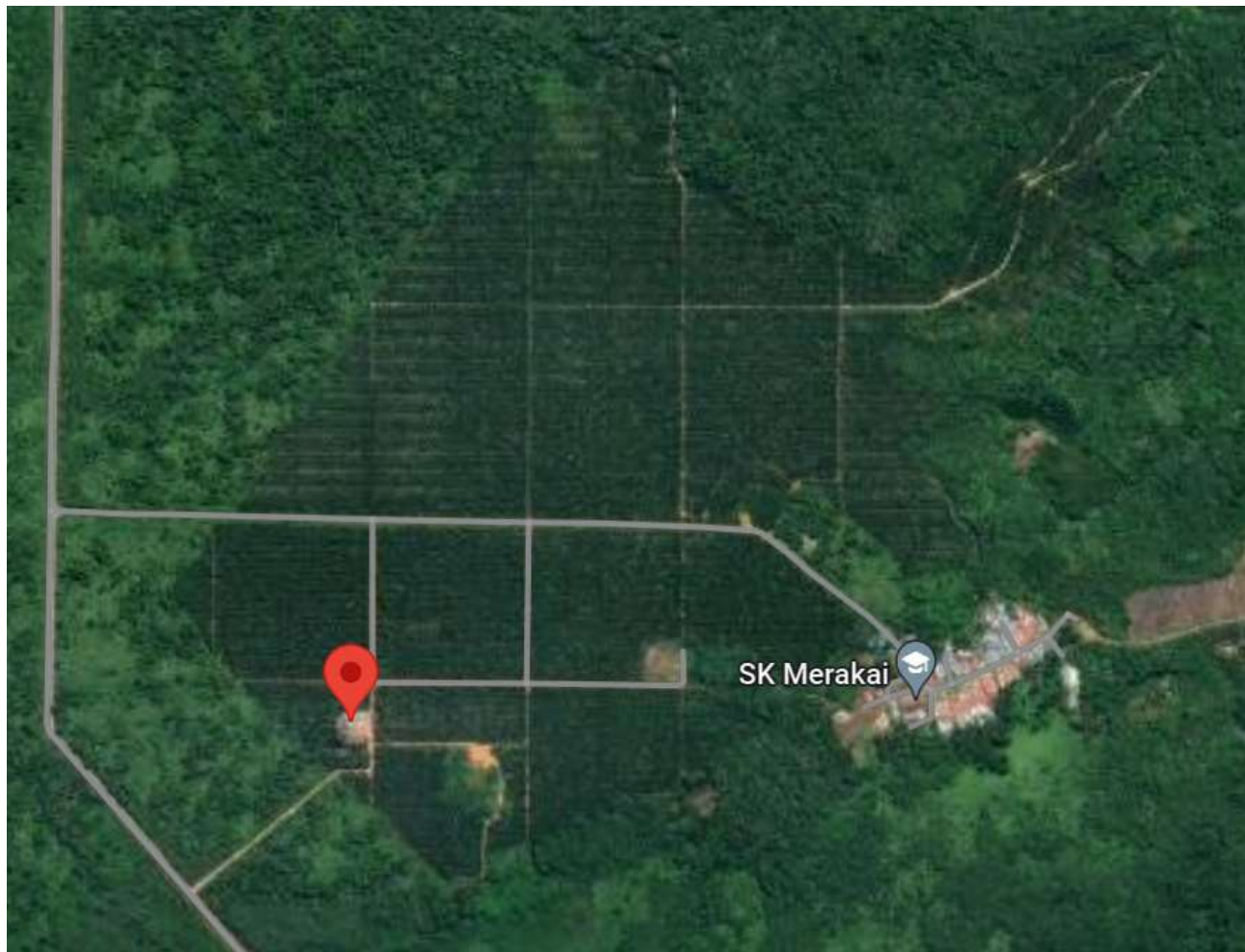
During the Audit, interviews were conducted with stakeholders comprising staff, workers and surrounding local community to find out their understanding of MSPO principles, its' importance to sustainable growth and production of oil palm products.

Other notable findings during the audit are the following:

- a) There is a good working relationship between the management, staff and workers;
- b) Staff and Workers are provided with habitable housing & living conditions with adequate facilities and amenities. The accommodation, water supply and electricity are provided free of charge.
- c) The estate has installed telecommunication Broadband Booster to improve connectivity in the estate. Public telecommunication coverage is available in the area but the line is not very stable.
- d) Use of solar panels to electricity power supply for lighting at estate office & workers quarters. Electricity is also supplied with SESCO grid
- e) Staff and workers are remunerated above minimum Wage Order 2022.

| | |
|--|--|
| | <p>f) Other benefits include medical and annual bonus (when the estate make profit) and paid home leave for TKI. Medical treatment [for normal ailment] is provided free by LMSB.</p> <p>g) There is no evidence that the estate is processing non-sustainable FFB</p> <p>The Audit team has conducted a rigorous assessment of VRSB through Field Audit Checklist, Audit Report Checklist, documents review and Stakeholder's Consultation. It is evidenced that VRSB has complied and conformed to MSPO2530-3:2013 Certification Standards, conditions and requirements.</p> |
|--|--|

| | | |
|-------------|---|---------------------------------------|
| 1.1. | LOCATION MAP OF THE PRODUCTION UNIT [LADANG MERAKAI SDN BHD, SERIAN] | |
| | [Location, Plantation Areas, Division/Sub-Division] | |
| | Geo-coordinates: N1.164094, E110.725429 | |
| | Google Location Map [Estate Office] | Google Location Map [Estate Location] |
| | | |





| | |
|-------------|--|
| 1.2. | AUDIT OBJECTIVES |
| | <ul style="list-style-type: none"> a. To confirm that the management system conforms with all the requirements of the MSPO standard. b. To confirm that the organization has effectively implemented the planned MSPO management system. c. To confirm that the management system is capable of achieving the organization's policy objectives. |

| | |
|-------------|--|
| 1.3. | AUDIT CRITERIA |
| | The criteria of this audit were based on the MPOCC scheme requirements and Standards: |
| | <input type="checkbox"/> MS2530-2 <input checked="" type="checkbox"/> MS2530-3 <input type="checkbox"/> MS2530-4 |

| | | |
|-------------------------------|---|-------------------------------|
| TABLE 1: | ESTATE INFORMATION | |
| ESTATE | LOCATION ADDRESS | GEO-COORDINATES [GPS] |
| LADANG MERAKAI SDN BND | Tanah NCR Kampung Merakai, Jalan Gedong Serian 94700 Samarahan Sarawak | N1.164094, E110.725429 |

| | | | | |
|-------------------------------|--|-------------------|-----------------------|-------------|
| TABLE 2: | SUPPLY BASE AREA STATEMENT [HA] | | | |
| Estate | Certified Area [HA] | Planted Area [HA] | Conservation/HCV [HA] | Others [HA] |
| LADANG MERAKAI SDN BND | 121.41Hectares | 114.75 Hectares | Not Applicable [NA] | Nil |

| | | | |
|--------------------|-------------------------------|-------|--|
| TABLE 3: | PRODUCTION VOLUME (MT) | | |
| Year | 2022 | 2023 | |
| Projection (MT) | | 1,700 | |
| Actual Volume (MT) | 1328.98 | | |
| Yield per Ha [MT] | 11.58 | 14.81 | |

| | |
|-----------|---|
| 2. | SCOPE OF CERTIFICATION |
| | The scope of this assessment is the following operations of LADANG MERAKAI SDN BHD in Tanah NCR Kampung Merakai, Jalan Gedong - Serian 94700 Samarahan Sarawak |
| | SCOPE |
| | Provisions of Oil Palm Plantation activities including [planting, harvesting, spraying, upkeep, maintenance and delivery of fresh fruit bunches (FFB)] from 121.41 Hectares of certified area. |
| | PROPOSED AMENDED SCOPE [if applicable] |
| | No change. |

| | |
|-----------|---|
| 3. | EXISTING CERTIFICATION [if applicable] |
| | This is Transferred Certification . |



| | | | |
|---|------------------------------------|------------------------------------|------------------------------------|
| <p>Previous Certification Body is UNICERT Sdn Bhd.</p> <p>Ladang Merakai Sdn Bhd had been MSPO Certified under MSPO2530:2013 Part 3 since 25 12 2019.</p> <p>Transfer of Certification is conducted according to KRSB-QP M18 Procedure [Transfer of Accredited Certification of Management Systems]</p> <p>Kebal Resources Sdn Bhd was appointed as Certification Body to conduct Surveillance Audit Year 04.</p> | | | |
| Current Certification (<i>Please tick the certification under the Standards below if any</i>) | | | |
| <input type="checkbox"/> ISO 9001 | <input type="checkbox"/> EMS 14001 | <input type="checkbox"/> ISO 45001 | <input type="checkbox"/> ISO 22001 |
| <input type="checkbox"/> HACCP | <input type="checkbox"/> RSPO | <input type="checkbox"/> ISCC | <input type="checkbox"/> OTHERS: |

| | | | |
|-----------|--|--------------------------------|--|
| 4. | AUDIT METHOD AND PROGRAMME | | |
| | <p>The Surveillance Audit Year 04 was conducted in 3 [three] audit mandays days and involving 1 [one] estate of LADANG MERAKAI SDN BHD, SARIKEI. The audit covers documentation review for internal policies, procedures, management system, site management, field inspections as well as identification of any significant issues for both environment or social issues and also the peer reviewer process as per ACB-OPMC-3; stakeholders' consultation was also conducted.</p> <p>The audit evidence obtained was based on a sample of the information observed and made available during the Audits; thereby introducing an element of uncertainty. The methodology for objective evidence collection included physical site inspections, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.</p> <p>Data collected are compiled and reported vide Audit Report Checklist & Field Audit Checklist.</p> | | |
| | SITE SAMPLING (for group certification, outsourcing) | | |
| | Not applicable as this is a single site | | |
| | Sampling Methodology and Risk Determination | | |
| | Not applicable | | |
| | <input checked="" type="checkbox"/> Single Site | LADANG MERAKAI SDN BHD, SERIAN | |

| | | |
|-------------|--|----------------------------|
| 5. | ASSESSMENT FINDINGS | |
| 5.1. | Surveillance Audit 04 | 16 & 18 12 2023 |
| | <p>The specific processes, activities and functions reviewed are detailed in the Surveillance Audit Plan (Appendix A).</p> <p>a. Details of collected evidence and audit trail of this audit are presented in the separate MSPO checklist (Appendix B – Surveillance Audit Report Checklist). As outlined, objective evidence was obtained separately for each of the MSPO requirements (Indicators)</p> | |



| | |
|--|---|
| | <p>b. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the indicators in order to support the findings of the assessment team.</p> <p>There is no Audit Finding in this Surveillance Audit 04</p> |
|--|---|

| | |
|--|------------------------------------|
| | Audit Findings |
| | There is finding during this Audit |

SURVEILLANCE AUDIT YEAR 03: SUMMARY OF FINDINGS by Principles & Requirements MS2530-3:2013

| Principles | Requirements | Compliance | |
|------------|--|-------------------------------------|--------------------------|
| | | Yes | No |
| 1 | Management commitment & responsibilities | | |
| 1.1 | Malaysian Sustainable Palm Oil (MSPO) Policy | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 1.2 | Internal audit | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 1.3 | Management review | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 1.4 | Continual Improvement | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2 | Transparency | | |
| 2.1 | Transparency of information and documents relevant to MSPO requirements | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2.2 | Transparent method of communication and consultation | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2.3 | Traceability | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3 | Compliance to legal requirements | | |
| 3.1 | Regulatory requirements | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3.2 | Land use rights | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3.3 | Customary land rights | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4 | Social responsibility, health, safety and employment condition | | |
| 4.1 | Social Impact Assessment (SIA) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.2 | Complaints and grievances | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.3 | Commitment to contribute to local sustainable development | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.4 | Employees safety and health | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.5 | Employment conditions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.6 | Training and competency | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5 | Environment, natural resources, biodiversity and ecosystem services | | |



| | | | |
|----------|--|-------------------------------------|--------------------------|
| 5.1 | Environmental management plan | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.2 | Efficiency of energy use and use of renewable energy | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.3 | Waste management and disposal | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.4 | Reduction of pollution and emission | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.5 | Natural water resources | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.6 | Status of rare, threatened, or endangered species and high biodiversity value area | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.7 | Zero burning practices | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6 | Best Practices | | |
| 6.1 | Site Management | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6.2 | Economic and financial viability plan | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6.3 | Transparent and fair price dealing | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6.4 | Contractor | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| | |
|--|---|
| 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. | √ |

6. PREVIOUS AUDIT FINDINGS [if applicable]

Previous Audit Findings for Surveillance Audit Year 03 had been closed out by previous Certification Body.

7. STAKEHOLDERS CONSULTATION REPORT

NOT APPLICABLE IN THIS SURVEILLANCE AUDIT 04

8. AUDIT SUMMARY AND RECOMMENDATION

The audit team concludes that the organization fulfil 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.



It is to be noted that site management of the Estate is well managed and generally well conformed and complied with requirements of the MSPO Standards.

The audit team recommends that, MSPO Certification be: **GRANTED**, to **LADANG MERAKAI SDN BHD**

Maxwell S Landong

Lead Auditor

9.**CERTIFICATION DECISION PANEL**

The Audit Package Review was done and completed on 22 12 2023

Based on the review made above, CDP supports the certification of **LADANG MERAKAI SDN BHD** under Malaysian Sustainable Palm Oil **[MSPO] MS 2530-3:2013** be **GRANTED**.

10.**MSPO CERTIFICATE ISSUANCE**

MSPO Certificate No **KRMC291223** for **LADANG MERAKAI SDN BHD** under Malaysian Sustainable Palm Oil **[MSPO] MS 2530-3:2013, Issue 3** will be issued on **25 12 2023** with validity period from **25 12 2019 to 24 12 2024**.

-END OF REPORT-