



ECCO CERTIFIED SDN BHD

03-02 Galleria Cyberjaya,
Jalan Teknokrat 6, Cyber 5,
63000 Cyberjaya, Selangor

PUBLIC SUMMARY REPORT

MALAYSIAN SUSTAINABLE PALM OIL

MSPO

Sungei Kahang Palm Oil Mill Sdn Bhd Organization
Sungei Kahang Palm Oil Mill Sdn Bhd Certified Unit
(Refer Executive Summary) Certified Unit
Address
MSPO (MS2530-4:2013) - Part 4: General Principles for Palm Oil Mills Standard Reference
Annual Surveillance Audit - Year 2 (ASA-2) Certification Audit
Individual (Palm Oil Mill) Certification Type
Sustainable production of Crude Palm Oil (CPO) and Palm Kernel (PK) in compliance to the MSPO Certification Standard MS2530-4:2013 - Part 4 Audit Scope
19 September 2021 Audit Date

MSPO Certificate

ECCO-MS2530-C0095 Certificate No.
26 July 2019 till 25 July 2024 - Validity Period
Issue 3: Annual Surveillance Audit - Year 2 (ASA-2) Current Issue
24 May 2022 -

Audit Team

Edwell James Ghani Lead Auditor
Amirul Arif Ab Aziz Auditor
Muhamad Nazran Nazarno Auditor

Full Report:

ECCO-RP-03_0098_Sungei Kahang Palm Oil Mill Sdn Bhd - MSPO Annual Surveillance Audit - Year 2 (ASA-2) Report
Written by **Edwell James**

EXECUTIVE SUMMARY

ORGANIZATION INFORMATION

Organization	Sungei Kahang Palm Oil Mill Sdn Bhd
Estate Name	Sungei Kahang Palm Oil Mill Sdn Bhd
Address	Head Office Address 171 A, Jalan Sri Pelangi Taman Pelangi, 80400 Johor Bahru, Johor Estate Address Lot 402 Mukim Kahang, Batu 22, Jalan Mersing, Kahang, 86700 Kluang, Johor

MSPO Standard Reference	MSPO (MS2530-4:2013) - Part 4: General Principles for Palm Oil Mills	Accreditation Body	Department of Standard Malaysia (DSM)
Organization Representative(s)	Mr. Isaac Lee Xing Wei Group General Manager E-mail : skposb@gmail.com Mobile : +607 – 788 1118		
Certification Audit	MSPO Annual Certification Audit Year 2 (ASA-2)	Audit Date	19 September 2021
Audit Team	Lead Auditor : Mr. Edwell James Ghani Auditor : Mr. Amirul Arif Ab Aziz Auditor : Mr. Muhamad Nazran Bin Nazarno		
Audit Scope	Sustainable production of Crude Palm Oil (CPO) and Palm Kernel (PK) in compliance to the MSPO Certification Standard MS2530-4:2013 - Part 4		
Certification Type	Individual (Palm Oil Mill)		
Mill Capacity	120 MT/hr		
MSPO Certificate	Certificate No : ECCO-MS2530-0095 Validity : 26 July 2019 till 25 July 2024 Issue 1 : Initial Certification Audit – 26 July 2019 (SIRIM) Issue 2 : Annual Surveillance Audit Year 1 – (SIRIM) Issue 2 : Annual Surveillance Audit Year 2 – 24 May 2022		
Other Current Certification	Sungei Kahang Palm Oil Mill Sdn Bhd is also certified under MSPO Supply Chain Certification Standard (SCCS)		

DETAILS OF CERTIFIED UNIT

Background

Sungei Kahang Palm Oil Sdn. Bhd. is a subsidiary company wholly owned by Bunga Group. Sungei Kahang Palm Oil Sdn. Bhd. were located in Lot 402 Mukim Kahang, Batu 22, Jalan Mersing, Kahang, Kluang, Johor. The mill processing capacity is 120mt FFB per hour

This surveillance audit was conducted to ensure the company is still meeting the key elements of the MSPO standards requirement and to verify that all non-conformities (NC) issued in the previous audit has been closed and all corrective actions have been implemented effectively.

Certified Unit Name and Address

Certified Unit	Estate Address
Sungei Kahang Palm Oil Mill	Lot 402 Mukim Kahang, Batu 22, Jalan Mersing, Kahang, 86700 Kluang, Johor

Location of the Certified Unit

Certified Unit	Locality	GPS Coordinate
Sungei Kahang Palm Oil Mill	Kahang, Johor	2.229151 N, 103.527153 E



Figure 1: Location **Sungei Kahang Palm Oil Mill Sdn Bhd** in Google Map based on its GPS coordinate

Supply based and annual CPO & PK production

Year	FFB (MT)	CPO (MT)	OER	PK (MT)	KER
2019					
2020					
Projected 2021					

AUDIT TEAM AND ASSESSMENT PROCESS

CERTIFICATION BODY

ECCO is a homegrown company providing certification for forward-looking business owners in the agriculture industry. Founded in 2018, **ECCO** conducts independent sustainable palm oil audits for palm oil industry players in Malaysia to MSPO 2530 series standards.

Our work environment is one in which people are committed to excellence and are working together to accomplish common goals with high ethical standards. Each **ECCO** employee is a stakeholder in the success of our company, and we are all dedicated to enhancing the success of our clients through the service we provide. **ECCO** has been providing audit services in twelve (12) states across Malaysia.

ECCO is headquartered at Cyberjaya, Selangor and is accredited by the Department of Standards (DSM) Malaysia and is also listed in the Malaysian Palm Oil Certification Council (MPOCC).

AUDIT TEAM MEMBERS - ROLE AND QUALIFICATION

Edwell James Ghani Role: Lead Auditor Assessed Principle 3 & 5	• Certified RSPO and MSPO Lead Auditor • Certified OSH Management System ISO 45001:2018 Auditor • BEng (Hons) Chemical Engineering (HSE) from UTP • 3 years with Petronas Corporate HSE as Regional Industrial Hygiene Assessor • 5 years with Wild Asia Sdn Bhd as Program Coordinator (Sabah Region) for RSPO Certification
Amirul Arif Ab Aziz Role: Auditor Assessed Principle 1 & 6	• Certified MSPO Lead Auditor • Certified EMS ISO 14001:2015 Auditor • BSc (Hons) Plantation and Agro Technology Management (UiTM) • Worked with FIMA Corporation Berhad as MSPO Coordinator
Muhamad Nazran Nazarno Role: Auditor Assessed Principle 2 & 4	• Certified MSPO MS2530:2013 Lead Auditor • BEng (Hons) Chemical Bioprocess (UiTM) • Worked with Boustead Estates Agency Sdn Bhd as Assistant Mill Manager

AUDIT METHODOLOGY	
Audit Objectives	- To confirm the client's management system conformation with the audit standard requirement and its implementation - To verify the effectiveness of Corrective Action implemented to close any Non-Conformity (NC) raised during the previous audit (Annual Surveillance Audit Year 1) in 2020 - To make appropriate recommendations based on the audit findings
Certification Standard	MSPO (MS2530-4:2013) - Part 4: General Principles for Palm Oil Mills
Certification Type	Individual (Palm Oil Mill)
Audit Methodology	Due to movement restriction on the Covid-19 pandemic, the audit was done remotely as per MPOCC Remote Audit Allocation MS2530:2013 Part 3 issued on 24 April 2020. - Remote audit shall be conducted by means accepted interactive communication tools with the auditee using Google Meet/ WhatsApp video call, telephone and videos; - Documents review, verification and records sampling shall be shared in Google Drive; - Interview sessions are done online. All members of the audit team have declared to the certification body and auditee in writing that they will keep confidential all information which becomes known to them during the course of the audit and that no inappropriate conflict of interest exists.
Calculation of Sample Size	The sample size is determined by the following formula: $S = r \sqrt{vn}$; Whereby S = sample size r = risk factor n = number of members. r is selected as per below: - Low risk: risk factor 1.0 - Medium risk: risk factor 1.5 - High risk: risk factor 2 The lowest possible sample size number is one. Calculation method for sampling size is not applicable for individual certification audit.
Audit Date	10 October 2021
Participants	Refer to Appendix E: Participants Attendance List
Deviation from Audit Plan	None
Issues affecting the Audit Program	None
Changes to Management System since last audit	None
Unresolved issues	None

AUDIT FINDINGS SUMMARY AND RECOMMENDATION

AUDIT FINDINGS SUMMARY

Major Non-Conformities (NC)	-
Minor Non-Conformities (NC)	2
Observation for Improvement (OFI)	1

Refer to **APPENDIX B: Details of Non-Conformities (NC) and Corrective Actions**

PREVIOUS AUDIT RESULT (IF APPLICABLE)

No. of Non-Conformity (NC) raised from the previous audit	<u>MSPO Annual Surveillance Audit (Year 1)</u> 2 Majors & 1 Minor
The audit team has reviewed the result from the previous audit (MSPO Initial Certification Audit) and verified the effectiveness of the closing of any Non-Conformity (NC) raised. As a conclusion:	
☒	All Non-Conformities raised during the previous audit has been corrected and Corrective Action or Corrective Action Plan has been carried out and implemented effectively
☐	The management system has not adequately addressed Non-Conformity (NC) raised during the previous audit and the specific issue has been re-defined in this report.

STAKEHOLDER CONSULTATION

Issues raised by Stakeholders	Refer to APPENDIX E: Stakeholders Consultation Findings
Summary	All positive comments

AUDIT CONCLUSION AND RECOMMENDATION

The audit objectives have been achieved and the certificate scope remains appropriate. Based on the audit findings the audit team concluded that:

- The management system documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of the management system
- The management system is in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policies and objectives.
- All Non-Conformities raised during the previous audit has been corrected and Corrective Action or Corrective Action Plan has been carried out and implemented effectively
- There was no complaint received during the field assessment and during interview with the external stakeholders.
- Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard.

Therefore, the audit team recommends that, based on the results of this audit and the organization commitment towards complying with **MSPO (MS2530-4:2013) - Part 4: General Principles for Palm Oil Mills**, management system certification be continued for **Sungei Kahang Palm Oil Mill Sdn Bhd**.

AUDIT PROGRAM

Item	Description	Man-days	Tentative Date
Initial Certification Audit	Site Audit - Stage 1	2	-
	Site Audit - Stage 2	2	28 & 29 January 2019
Annual Surveillance Audit – Year 1	Site Audit	2	27 & 28 August 2020
Annual Surveillance Audit – Year 2	Remote	2	19 October 2021
Annual Surveillance Audit – Year 3	Site Audit	2	-
Annual Surveillance Audit – Year 4	Site Audit	2	-

Refer to **APPENDIX D: Details of Audit Plan** for the Annual Surveillance Audit - Year 2 (ASA-2)

Note: The actual date of the next annual surveillance audit will be discussed and decided 3 months prior to the month of planned audit.

OFFICIAL SIGNOFF

On behalf of:
ECCO Certified Sdn Bhd



Name: Nur Izzaty Iqlima Norazman
Position: Programme Manager
Date:

On behalf of:
Sungei Kahang Palm Oil Mill Sdn Bhd

Name: Mr. Isaac Lee Xing Wei
Position: Group General Manager
Date: