

MSPO CERTIFICATION SUMMARY REPORT

SEKONA COCOA SDN. BHD.

STAGE 2— CERTIFICATION AUDIT

Onsite Audit Date: 18/08/2020 - 19/08/2020

TUV NORD (Malaysia) Sdn Bhd No. 9F-1A, 9th Floor, Tower 2 @ PFCC Jalan Puteri ½, Bandar Puteri Puchong 47100 Puchong, Selangor. Phone: +603 8600 4031/4032 Fax: +603 8600 4550

Company Name: Sekona Cocoa Sdn. Bhd.
Certifying Unit: Sekona Cocoa Sdn. Bhd.

Client Number: 92-150

Audit Type: Stage 2 - Certification Audit

Mode of Audit: Onsite



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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

GAP Good Agricultural Practice
GPS Global Positioning System

ISCC International Sustainability & Carbon Certification

ISO International Standard Organisation

MSPO Malaysia Sustainable Palm Oil

NC Non Conformity

OSH Occupational Safety and Health

P&C Principle and Criteria

PK Palm Kernel

POME Palm Oil Mill Effluent

PPE Personal Protective Equipment
RSPO Roundtable Sustainable Palm Oil

RTE Rare, Threatened and Endangered Species

SA8000 Social Accountability 8000
SIA Social Impact Assessment
SOP Standard Operating Procedure
WHO World Health Organization
MPOB Malaysian Palm Oil Board

MPOCC Malaysia Palm Oil Certification Council

SDS Safety Data Sheet

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1. INTRODUCTION

Sekona Cocoa Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct stage 2 certification audit for its estates according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this certification audit is to assess the estates by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the group office.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

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 Organised Smallholders.

TUV NORD Malaysia 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 out of the guidelines applied was checked.

- 1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
- 2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team members

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

Qualification of the Lead Auditor: Mohamad Norhisham Bin Mohd Salleh

Requirement	Qualifications			
Post-secondary education, college or university diploma / degree in one of the following	Graduate in Applied Science (Major In Agrobiology).			
i) Agriculture;				
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);				
iii) Engineering, Process Technology;				
iv) Energy Management, Quality Management;				
v) Social Sciences and/or Anthropology;				

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Requirement	Qualifications
vi) Business Management; or	
vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	5 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530 series Lead Auditor training.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) mandays under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified and appointed as auditor for MSPO scheme.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	5 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	.5 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed ISO 45001:2018 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.
Good Milling Practices for example palm oil milling working experience or demonstrate equivalent.	Qualified and appointed as auditor for MSPO scheme.

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Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college	Chan Shi Lie	Graduate in Technology Media	Yes
or university diploma / degree in one of the following	Joseph Sim Siaw Seng	Graduate in Occupational Safety and Health Certificate	Yes
i) Agriculture;	(trainee)		
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);			
iii) Engineering, Process Technology;			
iv) Energy Management, Quality Management;			
v) Social Sciences and/or Anthropology;			
vi) Business Management; or			
vii) Other relevant related fields			
At least five (5) years of work experience in the oil palm sector or	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Joseph Sim Siaw Seng (trainee)	4 years of working experience in Health and Safety and 3 years of working experience in plantations.	Yes
Successfully completed MS 2530 series of standards training	Chan Shi Lie	Successfully completed MS2530 series of standards training.	Yes
	Joseph Sim Siaw Seng (trainee)	Successfully completed MS2530 series of standards training.	Yes
Conducted a minimum six (6) on- site audits for a total of at least 20	Chan Shi Lie	Qualified and appointed as auditor for MSPO scheme.	Yes
man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Joseph Sim Siaw Seng (trainee)	Auditor in training	Yes
A good knowledge in handling and evaluating sources of information	Chan Shi Lie	Able to communicate in Bahasa Malaysia, Mandarin and English.	Yes

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Requirement	Assessor	Qualification	Compliance
and data. Able to communicate in Bahasa Malaysia or any other local language.	Joseph Sim Siaw Seng (trainee)	Able to communicate in Bahasa Malaysia, Mandarin and English.	Yes
Field working experience in the palm oil sector, or demonstrable	Chan Shi Lie	Qualified and appointed as auditor for MSPO scheme.	Yes
equivalent	Joseph Sim Siaw Seng (trainee)	4 years of working experience in Health and Safety and 3 years of working experience in plantations.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management	Chan Shi Lie	Qualified and appointed as auditor for MSPO scheme.	Yes
(IPM), pesticide and fertilizer use	Joseph Sim Siaw Seng (trainee)		Yes
Health and safety auditing on the farm and in processing facilities, for	Chan Shi Lie	Successfully completed IMS ISO 45001:2018 Lead Auditor course.	Yes
example ISO 45001 or Occupational, Health & Safety Assurance System	Joseph Sim Siaw Seng (trainee)	Successfully completed IMS ISO 45001:2018 Lead Auditor course	
Worker welfare issues and social auditing experience, for example	Chan Shi Lie	Successfully completed Basic SA 8000 training.	Yes
with SA8000 or related social or ethical accountability codes	Joseph Sim Siaw Seng (trainee)	Successfully completed Basic SA 8000 training.	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Chan Shi Lie	Qualified and appointed as auditor for MSPO scheme.	Yes

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2. METHODOLOGY

The audit approach onsite audit 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, certification decision and issuance of certificate.

The certification audit is conducted in two stages in accordance to the certification procedure.

Stage 1 Audit:

Stage 1 audit is conducted on 17/12/2019 at the company office located at Lot 18, Utama Zone 3 Commercial, Jalan Dataran BU3, Bandar Utama, Batu 6, 90000 Sandakan office that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Policies
 - Estate(s) map(s)
 - Land titles
 - Land usage
 - Standard Operating Procedures
 - Work Flow Charts
 - Work Plans
 - Licenses and permits

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Training records

o Applicable Legislation Documents

Interviews of relevant operation personnel

Assessment reporting

Stage 2:

Stage 2 is conducted on 18/08/2020 to 19/08/2020 at Sekona Cocoa estates that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Group Operating Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures including Agricultural Manual
 - Work Flow Charts
 - Operating licenses and approvals
 - Operating records
 - Training records
 - o Applicable Legislation Documents
- Interviews of relevant operation personnel
- Assessment reporting

On-site Assessment

The audit of the estates is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For the certification audit, the selected estates based on the formula $S = 1.0\sqrt{n}$ where S = sample size and n = number of estates which is in accordance to MSPO certification procedure.

Based on the formula, the sample size for the estate $S = 1.0\sqrt{5} = <2.23$), therefore round up to the next integral of 3 estates. Thus, a total of 3 estates selected for the onsite assessment and inspection as listed in Table 2-1 below:



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Table 2-1: List of Estates Selected

Name of Estate	Coordinates
Agriculturist Inc. Sdn. Bhd. – Melangking Estate/ Ladang Ai	5.753544°N , 118.2348°E
Sekona Cocoa Sdn. Bhd Kota Estate	5.558817°N, 117.8965°E
Farming System Sdn. Bhd Untung Estate	5.558817°N, 118.0318°E

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

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3. ORGANISATION INFORMATION

The certified estates are owned by Sekona Cocoa Sdn. Bhd. located at Lot 18, Utama Zone 3 Commercial, Jalan Dataran BU 3, Bandar Utama Bt 6, 90000, Sandakan, Sabah.

The details of the five estates as below:

Name of Estate	Location	Coordinates	
Farming System Sdn. Bhd.	Sekong, Sandakan.	5.558817°N,118.0318°E	
Sekona Cocoa Sdn Bhd	Segaluid Lokan, Kinabatangan.	5.567378°N, 117.8965°E	
Palmrise Sdn. Bhd.	Melangking, Sandakan.	5.67606°N, 118.2407°E	
Gainside Sdn. Bhd	Melangking, Sandakan.	5.738829°N, 118.249°E	
Agriculturist Inc. Sdn. Bhd.	Melangking, Sandakan.	5.753544°N, 118.2348°E	

3.1. Production volume

	Area	a (Ha)	Projected FFB Production (mt)	
Name of Estate	Total*	Production**	(Aug 2020 to Dec 2020)	
Farming System Sdn. Bhd. – Ladang Untung	71.76	67.58	360.23 MT	
Sekona Cocoa Sdn Bhd Ladang Kota, Beruntung. Sekong, UM 1 and UM 5.	268.92	261.84	2,417.34 MT	
Palmrise Sdn. Bhd UMR 2	82.81	74.87	516.96 MT	
Gainside Sdn. Bhd UMR 3	55.22	54.31	642.05 MT	
Agriculturist Inc. Sdn. Bhd. Ladang Al	120.75	120.19	539.13 MT	
Total	599.46	578.79	4,475.00 MT	

^{*}includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

3.2. Planting Program for Each Estate

Year / estate	Farming System Sdn. Bhd. – Ladang Untung	Sekona Cocoa Sdn Bhd Ladang Kota	Palmrise Sdn. Bhd UMR 2	Gainside Sdn. Bhd UMR 3	Agriculturist Inc. Sdn. Bhd. Ladang Al
1995					88.19
1998		40.47			
2000		110.84			
2002		80.13			

^{**}Immature + Mature Area

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Total	67.58	261.84	74.87	54.31	120.19
Total Immature	30.28	-	-	-	32.00
2020	-	-	-	-	32
2019	13.28	-	-	-	-
2018	17.00	-	-	-	-
Total Mature	37.3	261.84	74.87	54.31	88.19
2017	-	12.56	-	-	-
2016	13.3	-	-	-	-
2015	-	10.1	-	-	-
2014	24	-	-	-	-
2013	-	8.1	-	-	-
2004			11.80	54.31	
2003			63.07		

3.3. Replanting program for each estate

		Total area to				
Year of replanting	Farming System Sdn. Bhd. –Ladang Untung	Sekona Cocoa Sdn Bhd Ladang Kota	Palmrise Sdn. Bhd UMR 2	Gainside Sdn. Bhd UMR 3	Agriculturist Inc. Sdn. Bhd. Ladang Al	be replanted (ha)
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	32	32
2024	-	-	-	-	-	-
2025	-	-	-	-	28	28
TOTAL	-	-	-	-	60	60

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3.4. Maps of Estates

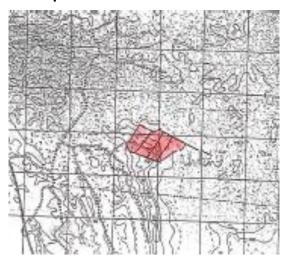


Figure 1: Farming System Sdn. Bhd. estate (Untung Division) map.

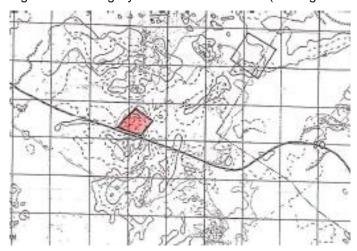


Figure 2: Sekona Cocoa Sdn. Bhd. estate (Kota Division) map.

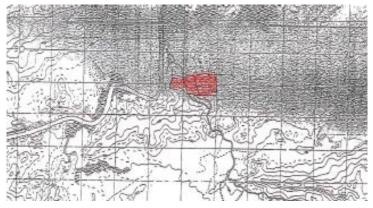


Figure 3: Sekona Cocoa Sdn. Bhd. estate (Beruntung Division) map.



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Figure 4: Sekona Cocoa Sdn. Bhd. estate (Sekong Division) map.

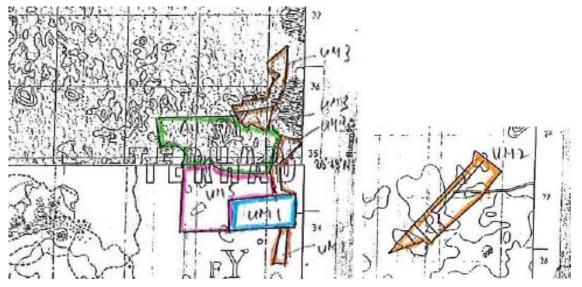


Figure 5: Sekona Cocoa Sdn. Bhd. estate (UM1 and UM5 divisions) Palmrise Sdn. Bhd. estate (UM2 division) and Gainside Div. Sdn. Bhd. estate (UM3 division) map.

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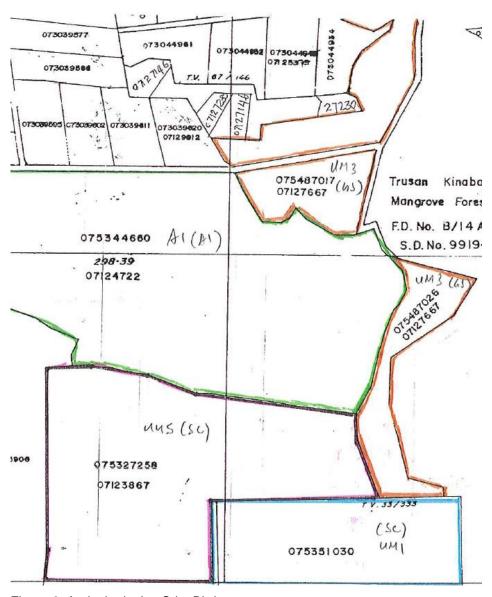


Figure 6: Agriculturist Inc Sdn. Bhd. estate map.

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4. CERTIFICATION ASSESSMENT

4.1. Certification Audit

The objective of the audit is to assess the activities of the estates are in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

4.1.1. Stage 1 Audit:

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 principles for Oil Palm Plantations and Organised 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 organization shall undergo both Stage I and II audit

Sekona Cocoa Sdn. Bhd does not have any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard.

The Stage I audit was conducted on 17/12/2019 at Lot 18, Utama Zone 3 Commercial, Jalan Dataran BU 3, Bandar Utama Bt 6, 90000, Sandakan, Sabah covering the following activities:

- Onsite interviews and inspections:
- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of findings found during Stage I audit;

4.1.2. Stage 2 Audit :

The Stage 2 audit is conducted on 18/08/2020 to 19/08/2020 covering 3 selected estates – Melangking Estate, Kota Estate and Untung Estate.

During the Stage 2 audit, there are 3 Majors, 2 Minors, 7 Opportunities for Improvement (OFI) raised. The Major non-conformances raised during the audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken. Action plan is submitted for Minor non-conformance with implementation to be verified during the next audit.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

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4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 13/07/2020 as to accommodate stakeholder's consultation meeting for Sekona Cocoa Sdn. Bhd. to provide comments. As at audit date on 18/08/2020 there are no comments received.

Invitation letters are sent on 13/07/2020 to invite relevant stakeholders to attend a local stakeholders' consultation on18/08/2020 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

- 1. Introduction of MSPO certification:
- 2. Development of oil palm plantations;
- 3. Community service and support provided;
- 4. Wildlife management and wildlife corridor;
- 5. Type of wildlife sighted at the plantations and wildlife corridor;
- 6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

- Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
 The stakeholders could confirm they have attended meetings with the company on MSPO certification.
- 2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint:
 - The stakeholders' mentioned they were informed that a logbook and form is available at the office to lodge any complaints or suggestions.
- 3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities:
 - The local communities could confirm the company has provide assistance and support to communities.
- 4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information:
 - The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

There are no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

Company Name: Sekona Cocoa Sdn. Bhd. Sekona Cocoa Sdn. Bhd.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholders confirmed they are informed of the MSPO audit through invitation letters and public announcement display at notice board the company.	Positive comments
2	Social issues	No communities and neighbouring estates attended. Therefore no input.	No further action required.
3	Type of land title – Country Leased, Provisional Leased, Native title, Customary Land	Participants are no local communities, therefore no input to confirm.	No further action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Participants commented with MSPO certification will improve livelihood of workers.	Positive comments
5	Does MSPO largely benefits the local community?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
6	Environmental understanding	Stakeholders are not local communities, therefore no comments on this topic	No further action required.
7	Awareness towards species, habitats, and high conservation values	Stakeholders are not local communities, therefore no comments on this topic	No further action required.
8	Are there any plantation management practices that affect you?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders commented there should be no conflict by the management topic.	Positive comments.
10	Do you have any suggestions for management?	There are no suggestion with positive notes by attended stakeholders.	No further action required

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4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as 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.

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	Sekona Cocoa Sdn Bhd establish MSPO Policy document. No.: SKG-PS dated 01/12/2019 signed by Managing Director.	Yes
	MPSO policy is publicly available at estate notice board.	
	MSPO policy briefing is conducted as follows:	
	Melangking, Kota and Untung estates on 20/12/2019.	
	External stakeholders on 22/02/2020.	
	Interviews with workers informed they understand on the MSPO policy.	
4.1.1.2	Sekona Cocoa Sdn Bhd establish MSPO policy document. No.: SKG-PS dated 01/12/2019 signed by Managing Director.	Yes
	The policy states Sekona Cocoa Sdn Bhd shall strive for continual improvement by harnessing its resources of people, process and technology in order to ensure the continuous production of oil palm products in sustainable manner and all the above plan subject to the financial standing and ability of compliance.	
4.1.2.1	Sekona Cocoa Sdn Bhd establish Internal audit SOP Doc. No: SKGOP-MP1 rev. 00 dated 01/12/2019. The procedure describes the frequency of internal audit will be once a year.	Yes
	The latest internal audit conducted as follows:	
	Documentation checked for Sekona Cocoa Sdn Bhd on 15/07/2020.	
	Site inspection conducted on 27/06/2020 for Kota and Untung estates. Melangking estate conducted on 16/05/2020.	
4.1.2.2	Sekona Cocoa Sdn Bhd establish Internal audit SOP Doc. No: SKGOP-MP1 rev. 00 dated 01/12/2019.	Yes
	The latest internal audit conducted as follows:	
	Documentation checked for Sekona Cocoa Sdn Bhd on 15/07/2020.	
	Site inspection conducted on 27/06/2020 for Kota and Untung estates. Melangking estate was conducted on 16/05/2020.	
	Example	
	Finding: MSPO policy was not display at estate notice board.	

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Principle	Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance	
	Location: Melangking estate		
	Strength: MSPO documentations was completed		
	Weakness: Lack of awareness training		
	Root cause: Due to MCO period, travelling to estate is limited, so MSPO policy was not display at time of internal audit conducted.		
	Action plan: To display the MSPO policy		
	Time frame: September 2020		
	During site visit at Melangking estate, it was observed the MSPO policy has been display at estate notice board.		
4.1.2.3	Sekona Cocoa Sdn Bhd establish Internal audit SOP document no: SKGOP-MP1 rev. 00 dated 01/12/2019 include flow chart describes that result of audit to be reported in management review.	Yes	
4.1.3.1	Sekona Cocoa Sdn Bhd establish SOP Management review document no: SKGOP-MP1 rev 00 dated 01/12/2019.	No	
	The SOP describes as follow:		
	Section 4.1 describe management review meeting will be conducted at least once a year.		
	Section 4.1 (iii) The agenda of meeting shall include the following:		
	Status of outstanding issues from		
	 Changes, improvement or modification of the sustainability management system. 		
	 Internal and external audit findings on Sustainability Management System 		
	However, management review meeting was not conducted to discuss on the results of internal audit.		
	Major Non-conformity 01:		
	Management review meeting was not available at time of audit. Internal audit was conducted on May and June 2020.		
4.1.4.1	Sekona Cocoa Sdn Bhd establish SOP Continual Improvement document no.: SKGSOP-MP1 dated 01/12/2019.	Yes	
	The SOP describes as follows:		
	 To identify the needs based on a consideration of social and environmental impacts, company practices and stakeholder needs. 		
	Sekona Cocoa Sdn. Bhd. established Continual Improvement Plan dated 01/01/2020 include topics for social, environment and safety & health.		
	Example:		

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Principle '	Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance	
	Environmental		
	Activity: General store construction		
	Location: Kota estate		
	Unit: 1		
	Time frame: 3 months		
	PIC: MSPO Coordinator		
	Date completion: 30/06/2020		
	Onsite visit at Kota estate observed the construction for general store has been completed.		
	Social		
	Activity: Construct new unit of labour quarters		
	Location: Untung estate		
	Unit: 1		
	Time frame: 3 month		
	PIC: MSPO coordinator		
	Date completion: 3 months		
	Status: Construction was delay due to instruction of movement control order from government.		
	Onsite visit at Untung estate observed the construction of labour quarters still in progress for completion.		
4.1.4.2	Sekona Cocoa Sdn. Bhd. established procedure and flow chart for New Information and Techniques, document no.: SKG-NIT-001 dated 01/12/2019.	Yes	
	The flowchart has covered the initial part of communication with new technology supplier or product until implementation and monitoring for further improvement.		
	The flowchart states that the management will involve workers on the implementation of new technology, information and technique; as well as training need once being implemented.		
4.1.4.3	Sekona Cocoa Sdn. Bhd. established procedure and flow chart for New Information and Techniques, document no.: SKG-NIT-001 dated 01/12/2019.	Yes	
	The SOP describes under implementation and control (1) to train the operators or the employees involved in the implementation of new information, techniques or technology equipment.		

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Principle 2	Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance	
4.2.1.1	Sekona Cocoa Sdn. Bhd established list of stakeholders. The list includes government agencies, neighboring estates and smallholders, suppliers and millers.	Yes	
	Stakeholder's consultation conducted on the 22/02/2020. Sighted meeting minutes for Melangking Estate.		
	The meeting agenda includes dissemination information on company's policies and procedures and feedback from stakeholders.		
4.2.1.2	Sekona Cocoa Sdn. Bhd. established list of publicly available documents for confidential and non-confidential.	Yes	
	Confidential:		
	Land titles, financial report.		
	Non-confidential:		
	MPOB license and trade license.		
	The list is presented during stakeholders meeting dated 22/02/2020.		
	External stakeholders meeting conducted on 22/02/200 include awareness on company's policies and procedures.		
4.2.2.1	Sekona Cocoa Sdn. Bhd established Consultation and Communication Procedure, Doc no SKG-CC, revision: 0, dated 01/12/2019. The procedure includes flow chart on handling request by stakeholders.	Yes	
	Interview with stakeholders confirmed they are aware on the procedure.		
4.2.2.2	Sekona Cocoa Sdn. Bhd established Communication Procedure, Doc no SKG-MP5, revision: 0, dated 01/12/2019.	Yes	
	Stated in clause 4.0 Responsibility;		
	It was the responsibility of administration department to communicate informations internally and externally.		
4.2.2.3	Sekona Cocoa Sdn. Bhd established list of stakeholders. The list includes government agencies, neighboring estates and smallholders, suppliers and millers.	Yes	
	Stakeholder's consultation meeting conducted on 22/02/2020.		
4.2.3.1	Sekona Cocoa Sdn. Bhd. established Traceability procedure, document no: SKG-SOP-MP 6, rev no: 0 dated 01/12/2019.	Yes	
	The procedure describe flow chart of traceability from FFB production on field until FFB transportation to collection center or mill		
	The list of traceability documents are:		
	Mill or Collection center weighbridge tickets.		
	2. FFB Log Book.		
	3. FFB dispatch note.		

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.2	Daily inspection and reporting via Sekona Cocoa WhatsApp group.	Yes
	Field mandore update the group every evening on status of FFB production until transportation to the collection center or mill.	
	The information will be keyed in on excel sheet at office for record purposes.	
	Internal audit conducted on 16/05/2020, 27/06/2020 includes assessment on traceability indicators.	
4.2.3.3	Sekona Cocoa Sdn. Bhd established Traceability procedure, document no: SKG-SOP-MP 6, rev no: 0 dated 01/12/2019.	Yes
	Stated in the procedure established, person in charge for traceability is Assistant manager.	
4.2.3.4	Sekona Cocoa Sdn. Bhd. established Traceability procedure, document number: SKG-traceability revision:0 dated 01/12/2019.	Yes
	The procedure describes retention period isfor 5 years.	
	Example:	
	1. FFB log book.	
	2. FFB weighbridge ticket.	
	Records such as harvesting chit to mill weighbridge tickets are available and were reviewed during the audit. Unique identification number for the delivery note is stated in mill weighbridge ticket.	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	Sekona Cocoa Sdn Bhd established list of permits and licenses dated 01/01/2020.	Yes
	Example:	
	MPOB license No.: 561753002000 validity from 01/06/2020 to 31/05/2021.	
	Trading license validity from 08/11/2019 to 31/12/2020.	
4.3.1.2	Sekona Cocoa Sdn Bhd established list of legal documents applicable to operations dated 01/01/2020 and updated on 13/07/2020.	Yes
	Example:	
	Prevention and control of Infectious Disease Act 1988 Regulation & Order 2020	
4.3.1.3	Sekona Cocoa Sdn Bhd established list of legal documents applicable to operations dated 01/01/2020 and updated on 13/07/2020.	Yes
	Exampel:	

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Prevention and control of Infectious Disease Act 1988 Regulation & Order 2020	
4.3.1.4	Sekona Cocoa Sdn Bhd established Mechanism for Implementation of Legal Requirements and System for Tracking Changes in The Law, document. No: SKG-Legal dated 01/12/2019.	Yes
	The mechanism states the General Manager is Person In Charge for tracking changes on laws and regulations.	
4.3.2.1	Sekona Cocoa Sdn Bhd established "List of Land Titles" dated 01/07/2020.	Yes
	Review on the Sekona Cocoa Sdn. Bhd land titles are Country Lease issued by the Sabah Land Authority.	
	The land use is for cultivation of oil palm or agriculture crop of economic value.	
	Therefore, will not diminish land use rights of other users.	
4.3.2.2	Sekona Cocoa Sdn Bhd land titles are Country Lease issued by the Sabah Land Authority with land tenure of 99 years and land use for cultivation of oil palm or agriculture crop of economic value.	Yes
4.3.2.3	Sekona Cocoa Sdn Bhd land titles includes map stating the total area and location with boundary stone number.	Yes
	During onsite visit to all sampled estates observed boundary markers is marked with boundary stones and wooden pegs.	
4.3.2.4	Sekona Cocoa Sdn Bhd land titles areissued by Sabah Land Authority.	Yes
	Therefore, no land disputes and FPIC is not required.	
4.3.3.1	Sekona Cocoa Sdn Bhd land titles are Country Lease issued by Sabah Land Authority with the land use for cultivation of oil palm or agriculture crop of economic value.	Yes
	Therefore, there are no native or customary sub-lease land in Sekona Cocoa Sdn Bhd land titles.	
4.3.3.2	Sekona Cocoa Sdn Bhd land titles are Country Lease issued by Sabah Land Authority.	Yes
	Therefore, there are no customary right land in Sekona Cocoa Sdn Bhd.	
4.3.3.3	Sekona Cocoa Sdn Bhd land titles are Country Lease issued by Sabah Land Authority.	Yes
	There are no native or customary sub-lease land in Sekona Cocoa Sdn Bhd.	
	Therefore, FPIC or negotiation documents are not required to establish.	

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Principle 4	rinciple 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
4.4.1.1	Sekona Cocoa Sdn. Bhd. established Social Impact Assessment, document number: SKG-SOP-MP9, revision number: 00, dated 01/12/2019.	No	
	The SIA includes:		
	Identification of social impact		
	2. Impact and aspect analysis		
	Example:		
	Activity:		
	Sport amenities		
	Positive impact:		
	Increase health awareness among residents.		
	Action plan:		
	Management to provide more sports facilities.		
	Activity:		
	Housing maintenance.		
	Negative impact:		
	Limited budget.		
	Action plan:		
	Housing repair will be conducted gradually.		
	Minor Non-Conformity 04:		
	Social Impact Assessment was conducted 01/12/2019. The assessment conducted does include feedback from internal and external stakeholders.		
4.4.2.1	Sekona Cocoa Sdn. Bhd. established complaint and grievance procedure, document number: SKGPOM-MP 4, dated 01/12/2019.	Yes	
	The procedure describes:		
	Person in charge is Human Resources Department.		
	2. Timeline on addressing the complaint was within 14 days.		
	Complaint are to be recorded on complaint record book.		
	Field visit to estates indicates complaint and grievance form was available and displayed at estate notice board.		
	Interviewed workers informed they are aware and understand complaint and grievance procedure.		
4.4.2.2	Sekona Cocoa Sdn. Bhd. established complaint and grievance procedure, document number: SKGPOM-MP 4, dated 01/12/2019.	Yes	

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Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance		
	The procedure state complaint and grievance shall be address within 14 days.			
	Review on records and interview workers informed no complaints are made at present.			
4.4.2.3	Complaint and grievance form are available at site.	Yes		
	Interview with workers confirmed they understand and aware on complaint procedure and complaint form.			
4.4.2.4	Complaint and grievance form are available at site.	Yes		
	Complaint and grievance awareness conducted to workers during morning muster.			
	External stakeholders meeting conducted on 22/02/2020 includes awareness on complain and grievance procedure.			
	Interview with workers informed they understand and aware on complaint procedure.			
4.4.2.5	Complaint form is available at estate office and notice board.	Yes		
	Review on record book indicates there are no complaints raised.			
	Interviewed workers informed they understand and aware on complaints and grievance procedure.			
4.4.3.1	Sekona Cocoa Sdn. Bhd. provides job opportunity to local communities for estate operation and office admin work.	Yes		
	Interview with workers and staff confirmed several of them are from local communities.			
4.4.4.1	Sekona Cocoa Sdn. Bhd. established Safety & Health Policy dated 01/12/2019 signed by Managing Director.	Yes		
	The policy states that "SCSB to ensure, so far as is practicable, the safety, health, and welfare at work of all employees and other parties which involved with the activities of the company".			
	Sekona Cocoa Sdn. Bhd. has established Operation Safety & Health Plan dated 01/02/2020 and signed by General Manager.			
	OSH Policy briefing and OSH plan dated 21/12/2019 conducted by Estate Manager for Ladang AI / Melangking and Ladang Sekong.			
4.4.4.2	a The safety & health policy is available at estate notice boards. Estate workers are briefed on the policy on 21/12/2019 for Ladang AI / Melangking and Ladang Sekong.	Yes		
	b Sekona Cocoa Sdn. Bhd established the Identification of risks for all operations dated 01/02/2020 by field staff.	Yes		
	HIRARC consists of activity, hazard, potential risk, risk analysis, risk control and person in charge.			

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Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions				
Indicator	Sumn	Summary of Assessment			
		Example:			
		Activity: FFB Loading			
		Hazard: Dropped Bunches			
		Potential risk: Hand or feet injury			
		Existing Control: Properly stack the bunches			
		Risk rating before control: C2, L3, Risk score 6 Medium			
		Control risk proposal: Refresher safety briefing			
		Risk rating after control: C2, L2, Risk score 4 Low			
		PIC: Manager, Supervisor and Mandore			
	ci	Records of training on Emergency Response Procedure and HIRARC conducted on 21/12/2019 for Ladang AI / Melangking & Ladang Sekong workers.	Yes		
		SOP training for sprayer and chemical mixing dated 23/12/2019 and OSH policy briefing dated 21/12/2019 were carried out for workers and contractors and conducted by Estate Manager.			
		OSH Policy briefing and OSH plan dated 21/12/2019 conducted by Estate Manager for Ladang AI / Melangking and Ladang Sekong.			
	c ii	SDS is available at chemical, fertilizer and diesel stores.	Yes		
		Example:			
		Chemical Petronas Hydraulic 46 (mineral or synthetic oil) revision date 10/03/2017.			
		SDS are available in dual languages which are English and Bahasa Malaysia.			
		Chemical store is in good condition and locked. Liquid chemical placed in tray below and powder chemical placed on top.			
	d	Sekona Cocoa Sdn. Bhd. established records of PPEs issuance and review on the records are maintained and updated.	Yes		
		Type of PPE for activity in accordance to HIRARC and CHRA assessment is identified.			
		Example: Store Operator			
		PPE: Nitrile Glove, Goggles, Apron, N95 respirator, rubber boots.			
		During site visit, all workers are provided with PPEs for the assigned task according to HIRARC and CHRA.			
		PPE medical face mask are issued to all estate workers for prevention of COVID-19.			

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Indicator Summary of Assessment e Sekona Cocoa Sdn Bhd. established "Li handling and storage of chemical. The list includes: 1. SOP for Chemical handling and storage SKGSOP-BHNKIMIA dated 01/12/	orage document ref.:	Compliance Yes
handling and storage of chemical. The list includes: 1. SOP for Chemical handling and storage of chemical.	orage document ref.:	Yes
SOP for Chemical handling and sto		
2. SOP for Safe handling of chemical fertilizer document ref.: SKGSOP-01/12/2019;		
 SOP for Chemical store document dated 01/12/2019; 	t ref.: SKGSOP-OP12	
4. SOP for Chemical premixing documents of the control of the cont	ment ref.: SKGSOP-	
CHRA conducted on date 16/07/2020 and v	valid for 5 years.	
All chemicals have original labelling and in	original packaging.	
f Sekona Cocoa Sdn. Bhd appoints General the health and safety aspects of all 5 estate	•	Yes
g Sekona Cocoa Sdn. Bhd conducted OSH rattended by workers and managements.	meeting on 20/12/2019	No
Major Non-Conformity 02:		
Document review indicates no Safety conducted from January until August 20 Operational Safety and Health Plan, docume PAR dated 01/02/2020, stated frequency meeting is twice a year.	020. It is against the lent number: SKGSOP-	
h Sekona Cocoa Sdn. Bhd established Acc Response Plan document ref.: SKGSOP-MI		Yes
Emergency evacuation layout plans and con estate office and housing notice boards a Ladang Kota		
Prevention of COVID-19 guideline and proce on 13/04/2020. Interview with workers infor the prevention of COVID-19 guideline and p	med they are aware of	
i First aid training will be conduct on October the Continuous Improvement Plan for safety	•	Yes
First aid kit available in housing compound a as harvesting, chemical and fertilizer store.	and field activities such	
j Records of accidents and injuries is estable SHC meeting minutes.	lished and reported in	Yes

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Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
	Sekona Cocoa Sdn. Bhd. registered with DOSH on 29/07/2020 ref.no: SB/20/04/156045.		
4.4.5.1	Sekona Cocoa Sdn. Bhd. established Social Policy, dated 01/12/2019 signed by Managing Director.	Yes	
	The policy states respect and protect the fundamental of Human Rights as stated in Universal Declaration of Human Rights of the United Nations.		
	Company policies training attended by estate workers are conducted on 20/12/2019. Interviewed workers confirmed they understand and aware on company policies.		
4.4.5.2	Sekona Cocoa Sdn. Bhd. established Social Policy, dated 01/12/2019 sign by Managing Director.	Yes	
	The policy states respect and protect the fundamental of Human Rights as stated in Universal Declaration of Human Rights of the United Nations.		
	The policy states on company does not engage in or support discriminatory practices and provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing Company polices are available and display at estates notice board. Interview workers informed they understand and aware on company policies.		
4.4.5.3	Sekona Cocoa Sdn. Bhd. established contract agreement for workers in accordance to Sabah Labour Ordinance.	Yes	
	The contract agreement states the pay rate of RM 5.29 per hour or RM 42.31 per day, in accordance to the Minimum Wage Order 2018. Working on rest day will be paid double if workers work more than half of normal day work. The working contracts are signed by workers and management.		
	For piece rate workers, they are paid according to type of works to). Memo on revised piece rate, dated 01/02/2020 are cross checked with workers' payslips.		
	The check roll and pay slip review indicate the worker pay is in line with Minimum Wage Order 2018.		
4.4.5.4	Sekona Cocoa Sdn. Bhd. did not engage any contractors, therefore, no contractor worker payslips were available for review.	Yes	
4.4.5.5	Sekona Cocoa Sdn. Bhd established list of workers dated 01/07/2019. The information includes name, gender, date of birth, date joined, job description and others.	Yes	
4.4.5.6	Sekona Cocoa Sdn. Bhd. established employment contract for every worker recruited.	Yes	
	The management provide fair contract that has been signed by both parties.		

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Principle	4: Social Responsibility, hea	lth, safety and employment	conditions	
Indicator	Summary of Assessment			Compliance
	The worker is briefed on the working contract terms and conditions, wage, position and copy is provided.			
	During site interview with workers confirmed they are briefed on the contract terms and conditions and received a copy after signed.			
4.4.5.7	Sekona Cocoa Sdn. Bhd. established Working hour's procedure, document number: SK/G/SOP-27 dated 01/12/2019.			Yes
	Working time	7:00 am – 12:00 pm		
	Rest time	12:00pm – 2:00pm		
	Working time (continue)	2:00pm – 5:00pm		
	Workers attendance are reco	orded on check roll during mo	rning muster.	
4.4.5.8	Sekona Cocoa Sdn. Bhd document number: SK/G/SO	. established Working hou P-27 dated 01/12/2019.	ur's procedure,	Yes
	Interview with workers and c offered to workers.	ross check with payslip indica	ates no overtime	
	During field visit workers feedback informed that they understand the working hours, resting time and overtime time rate			
	Worker confirmed the wage paid is in line with legal requirements.			
4.4.5.9	Pay records are reviewed to crosscheck the wage paid is in line with legal regulations and working contracts. The wages records from June and Aug 2020 sighted are according to the Minimum Wage Order 2018.			Yes
	rated work, dated 01/02/202 harvesting and FFB loading	established updated paymen 0. Piece rated works such as are included in the memo. Oper hour of RM 42.31 per day	s tractor driving, Other works are	
		n estates they understood the rmed they are given copy of p		
4.4.5.10	Sekona Cocoa Sdn. Bhd. provide social benefits to workers such as medical care and SOCSO,		Yes	
4.4.5.11	Sekona Cocoa Sdn. Bhd. add	opts industry best practice for	labour quarters.	Yes
	Site observation on workers as water, electricity, toilet an	housing provided with basic d kitchen.	amenities such	
4.4.5.12	Sekona Cocoa Sdn. Bhd. sign by Managing Director.	established Social Policy, da	ated 01/12/2019	Yes
	The policy states to prever women workers and other co	nt sexual harassment and vormmunity.	riolence against	

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Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
	During the Interview sessions with workers, they informed that they understand and are aware about thesocial policy.		
	Company Policies training attended by estate workers conducted on 20/12/2019.		
4.4.5.13	Sekona Cocoa Sdn. Bhd.established Social Policy, dated 01/12/2019 signed by Managing Director.	Yes	
	The policy states respecting workers right to form or join trade union.		
	Policy training attended by estates workers conducted on 20/12/2019.		
	During the Interview sessions with workers, they informed understand and a aware of the social policy.		
	There is no trade union established by estate workers.		
4.4.5.14	Sekona Cocoa Sdn. Bhd established Human Right Policy, dated 01/12/2019 signed by Managing Director.	Yes	
	The policy states to promote the wellbeing of children, and safeguard them from any form of illtreatment or exploitation, including child sex tourism, child trafficking, child labour and child pornography.		
	Onsite observation and review of employment records confirms no child labour or young person employed by estates. All workers are above 18 years prior joining the estates.		
4.4.6.1	Sekona Cocoa Sdn. Bhd established training plan 2020 dated January 2020.	No	
	Trainings are provided to staff and workers.		
	Example of training conducted:		
	Policies briefing conducted on 20/12/2019.		
	Major Non-Conformity 03:		
	Training plan for the year 2020 established. There are no training records available for environmental, safety and health.		
4.4.6.2	Sekona Cocoa Sdn. Bhd. established training based on job task.	Yes	
	Training matrix is establish for individual worker to identify training need for each worker.		
4.4.6.3	Sekona Cocoa Sdn. Bhd. established continuous training programme for environment, social, safety and health for year2020.Example of programme planned:	Yes	
	Safety and Health training on May 2020		
	2. Estates SOPs training on February 2020.		

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Principle :	Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
4.5.1.1	Sekona Cocoa Sdn. Bhd. established Environmental policy dated 01/12/2019 signed by Managing Director.	Yes		
	The policy states that the company is committed minimizing the environmental impact of its operations and understand the importance of conserving natural resources.			
	The policy is made available at estate notice boards.			
	Briefing on policy conducted on 20/12/2019 for Kota, Untung and Melangking estates.			
	Interview sessions with workers confirmed that they are aware about the policy.			
	SCSB established EAIA and Environmental Management Plan, document no.: SKG – EAIA/EMP dated 01/12/2019 includes activities, environmental aspects, environment impacts, mitigation & improvement plan, monitoring plan and responsibility.			
4.5.1.2	a Sekona Cocoa Sdn Bhd established Environmental policy dated 01/12/2019 and the objective is strive to promote environmental improvements wherever practical that will ensure a sustainable future.	Yes		
	b Sekona Cocoa Sdn Bhd established EAIA and Environmental Management Plan, document no.: SKG – EAIA/EMP dated 01/12/2019 has includes all field operations.	Yes		
	Example of field operations:			
	Fertilizer application			
	Weeds control			
	Pest control			
	Example of environmental aspects and impacts:			
	Activity: Fertilizer applications			
	Aspects: Potential of fertilizer spillage			
	Impacts: Pollution to water source			
4.5.1.3	Sekona Cocoa Sdn Bhd established EAIA and Environmental Management Plan, document no.: SKG – EAIA/EMP dated 01/12/2019 include negative impacts ad promote the positive impacts.			
	Activity: Pruned Oil Palm Fronds			
	Negative Impact: Heap of pruned fronds can provide hiding and breeding ground for rats and required more chemical for control.			
	Positive impact: Enhance soil nutrients, pruned oil palm fronds can retain the soil moisture.			
	Action Plan: To implement correct method for fronds stacking, stake thin layer close to the ground.			

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Principle :	Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
	Improvement Plan: Proper pruning and fronds stacking training need to provide to harvesters.			
4.5.1.4	Sekona Cocoa Sdn Bhd established EAIA and Environmental Management Plan, document no.: SKG – EAIA/EMP dated 01/12/2019 include program to promote the positive impacts.	Yes		
	Example:			
	Activity: Fertilizer applications			
	Positive impact: Enhance soil nutrients, pruned oil palm fronds can retain the soil moisture.			
	Action Plan and monitoring: To ensure the timing for fertilizer application			
	Improvement: To continuous conduct fertilizer training			
	PIC: Estate Manager			
4.5.1.5	Sekona Cocoa Sdn Bhd established Training programme dated 01/01/2020 include environmental policy, zero burning, waste management and protection of wildlife.	Yes		
	Sekona Cocoa Sdn Bhd conduct Environmental policy briefing on 20/12/2019 and 22/12/2019.			
	Briefing on Zero burning, waste management, and wildlife protection was conducted on 22/12/2019 for Kota, Untung and Melangking estates.			
4.5.1.6	Sekona Cocoa Sdn Bhd conducted environmental meeting on yearly basis and latest meeting was carried out on 20/12/2019 with agenda as follows:	Yes		
	Signage for no hunting			
	Environment related training updates			
	Any other business related to environmental matters.			
	The environment meeting was involved management and workers representative.			
4.5.2.1	Sekona Cocoa Sdn Bhd established baseline for diesel consumption records form year 2017 to 2019 dated 01/12/2019.	Yes		
	Review on the diesel consumption record as of July 2020 are lower than the same month in year 2019.			
	Sekona Cocoa Sdn Bhd is using genset for electric supply.			
	For Kota estate, electric supply to housing complex is from Sabah Electricity Sdn Bhd (SESB).			
	Monthly SESB bills is well maintain and kept in office to monitor the monthly electricity usage.			
4.5.2.2	Sekona Cocoa Sdn Bhd established budget for diesel consumption for year 2020.	Yes		

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Certifying Unit: Sekona Cocoa Sdn. Bhd.

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Audit Type: Stage 2 - Certification Audit



Principle 5	5: E	nvironment, natural resources, biodiversity and ecosystem services	•
Indicator	Su	Compliance	
		kona Cocoa Sdn Bhd established fuel usage record to monitor actual esel consumption on monthly basis.	
		kona Cocoa Sdn Bhd monitor usage of electricity supply from Sabah ectricity Sdn. Bhd. by using the monthly electricity bill.	
4.5.2.3	Se	kona Cocoa Sdn Bhd does not use any renewable energy in the estates.	Yes
4.5.3.1	SC	Yes	
	Ex	ample:	
	Ту	pe of waste: Solid waste	
	Wa	aste product: Empty chemical container	
	So	urce: Field operation - Chemical application activity	
4.5.3.2	а	Sekona Cocoa Sdn Bhd established Waste Management Plan dated 01/12/2019 has include waste identification, waste product and source.	Yes
		Example:	
		Type of waste: Solid waste	
		Waste product: Empty chemical container	
		Source: Field operation - Chemical application activity	
		Plan: Reused for chemical premixing	
	b	Sekona Cocoa Sdn Bhd established wastes identification, environment impacts, mitigations plan and continuous improvement plans, document no.: SKG-WM dated 01/12/2019 has include wastes identification, environment impacts, mitigations plan and continuous improvement plans.	Yes
		The management plan contains activity, impact, mitigation, improvement plan.	
		Example:	
		Activity: Empty chemical containers	
		Positive: Empty chemical container can be recycled	
		Plan or monitoring: All issued chemical must be recorded. All empty chemical containers must be triple rinsedbefore disposal or keep.	
		Disposal method: Reused for chemical spraying or to be collected by authorized contractor after the empty chemical containers was triple rinsed and punctured	
		Plan: Triple rinsing training, recycling program	
4.5.3.3		kona Cocoa Sdn Bhd established SOP Scheduled Waste, document .: SKGSOP-OP20 dated 01/12/2019.	Yes
	Th	e procedure describes as follows:	

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Principle :	Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
	Handling of the generated scheduled waste must be in accordance with Environment Quality Regulations (Scheduled Waste) 2005.			
	All scheduled waste shall be labeled and stored at designated store.			
	All scheduled waste to be disposed by authorized 3 rd party.			
	Sekona Cocoa Sdn Bhd established monitoring record for scheduled waste, review of records confirm that records are well maintained and updated.			
4.5.3.4	Sekona Cocoa Sdn Bhd established SOP for Empty chemical containers disposal, document no.: SKGSOP-OP16 dated 01/12/2019.	No		
	The procedure describes as follows:			
	Empty chemical containers shall not be left at field after work and to be kept at designated store.			
	 Empty chemical containers shall be tripled rinsed and punctured for disposal except to be reused for chemical spraying activity. 			
	 Punctured empty chemical containers to be disposed by authorized contractor. 			
	Site visit to Kota and Untung estates found that empty chemical containers were scattered around the housing and field areas.			
	Major Non-Conformity 04:			
	During site visit at Kota and Untung Estates, it was observed that the empty chemical containers are found scattered at housing area and field. The empty chemical containers were not labelled and punctured.			
4.5.3.5	Sekona Cocoa Sdn Bhd manage their domestic waste by disposing it into the nearby landfill.	Yes		
	Site visit observed landfill area is fenced and marked with opening and closing date.			
4.5.4.1	Sekona Cocoa Sdn Bhd established Waste Management Plan dated 01/12/2019 include source of waste, waste identification and waste products.	Yes		
	Example:			
	Type of waste: Solid			
	Source: Fertilizer application			
	Waste product: Fertilizer bags			
	Disposal method: To be recycle as rubbish bag			
	List of GHG source of pollution had been sighted.			
	Example:			
	Type of waste: Gas			

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Principle :	nciple 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Sun	Compliance		
	Type of gaseous waste: Carbon Monoxide and Nitrogen Oxides			
	Sou	rce: Farm Tractors and FFB trucks		
4.5.4.2	Sekona Cocoa Sdn Bhd established Waste Management Plan (WMP) dated 01/12/2019 describes in section Waste management include action plans for significant pollutants and emissions.		Yes	
	Exa	mple:		
	Was	ste product: Fertilizer bags		
	Action plan: To be reuse for loose fruit collection activity and recycle as rubbish bag			
	Waste product: Empty chemical containers			
	Action	on plan: To be reuse for chemical premixing and spraying		
4.5.5.1	а	Sekona Cocoa Sdn Bhd established Water Management Plan established dated 01/01/2020 described the source and usage as follows:	Yes	
		Source of water: Ponds, rain water and Jabatan Air Negeri Sabah		
		Usage of water: Field operation – Ponds and rain water		
		Usage of water: Domestic – Rain water and Jabatan Air Negeri Sabah.		
	b	Sekona Cocoa Sdn Bhd estates maps are reviewed and there are no streams, rivers or waterways within the estates.	Yes	
		During site visit, no streams, rivers or waterways observed within the estates.		
		Therefore, no monitoring established for outgoing water.		
	С	Sekona Cocoa Sdn Bhd established Water Management Plan dated 01/01/2020 include estimation of water requirements for domestic and field operations usage and water optimization plan.	Yes	
		Triple rinse water from empty chemical containers are reused for premix activities.		
		Ponds are constructed to store water for field application during drought season.		
	d	Field observation and review of estate maps confirm there are no rivers or streams within the audited estates. Therefore, no buffer zone or riparian required to be established.	Yes	
	е	Field observation and review of estate maps confirmed there are no rivers or streams within the audited estates	Yes	
	f	During site visit at housing areas, there are no bore wells used for water supply.	Yes	

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Principle :	5: E	nvironment, natural resources, biodiversity and ecosystem services	3		
Indicator	Su	Compliance			
4.5.5.2		During field inspection sighted no waterways in the estate. Therefore, not applicable.			
4.5.5.3	Rain harvesting is practiced at Sekona Cocoa Sdn Bhd estates for operations and domestic usage.		Yes		
	Dι	g ponds are used to capture rainwater for field operations.			
4.5.6.1	а	Sekona Cocoa Sdn. Bhd. established "Senarai Haiwan Dilindungi Sepenuh" doc no: SKG-HWD dated 01/12/2019 to identify the rare, threathened and endanger (RTE) species surrounding the estates.	Yes		
		Proper wildlife signage installed to create awareness and educate workers.			
		Site interview with workers confirmed feedback is provided to management regarding wildlife sightings. are			
	b	The list of wildlife sighted in the estate and nearby forest reserve is establish in accordance to Sabah Wildlife Enactment.	Yes		
		There is no wildlife sighted within the estate during field visit.			
4.5.6.2	а	Sekona Cocoa Sdn. Bhd. established management plan to protect wildlife and RTE dated 01/12/2019.	Yes		
		Wildlife knowledge and management briefing conducted during the muster call on legal protection and prohibition based on Sabah Wildlife Enactment 1997 on 22/12/2019.			
		Proper signage installed in the field and interviewed inform workers aware of wildlife conservation and no hunting activities.			
	b	Appropriate signage installed as information to workers to discourage any illegal or inappropriate hunting, fishing or collecting activities.	Yes		
		Workers interview confirmed workers are aware of no hunting, fishing and capturing activities within the vicinity of the estates			
4.5.6.3	Sekona Cocoa Sdn. Bhd established monitoring checklist of biodiversity system to monitor any illegal or inappropriate hunting, fishing or collecting activities and type of wildlife within the estate which includes date, time, name of animal spotted and photo.		Yes		
4.5.7.1	Se 01	Yes			
	Th				
	"Sind ge wr				
		o open burning sighted during the site verification visit at fields, housing mpound and landfill.			

Company Name: Sekona Cocoa Sdn. Bhd.

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Principle 5: Environment, natural resources, biodiversity and ecosystem services						
Indicator	Summary of Assessment	Compliance				
4.5.7.2	Secona Cocoa Sdn. Bhd. established the SOP Zero Burning Practices, ref.: SKGSOP-ZBP, dated 01/12/2019 stated:	Yes				
	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.					
	There are no serious palm diseases sighted during the field visits that require burning.					
4.5.7.3	There are no serious palm diseases sighted during the field visits that require burning. Therefore, no application documents sighted for controlled burning.					
4.5.7.4	Sekona Cocoa Sdn. Bhd. established SOP Zero Burning Practices, ref no.: SKGSOP-ZBP, dated 01/12/2019 state:	Yes				
	Previous crop should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.					
	Replanting activity is on-going at Ladang Al during audit date.					
	During site verification at replanted area, no burning sign observed. All palms are felling, chipping and shredded.					
	No new planting or replanting activity sighted during field visit at Ladang Kota and Ladang Untung. No sign of open burning observed at the field.					

Principle 6	Principle 6: Best Practices					
Indicator	Summary of Assessment	Compliance				
4.6.1.1	Sekona Cocoa Sdn. Bhd established SOP for its estates activities, examples:	Yes				
	 SOP harvesting, SOP number SKGSOP-OP1, revision number 0 dated 01/12/2019. 					
	SOP lorry drivers. SOP number SKGSOP-OP20 revision number 0, dated 01/12/2019					
	3. SOP Chemical storage. SOP number: SKGSOP-BHN Kimia, revision 0, dated 01/12/2019.					
	SOP training conducted on 23/12/2019 for Melangking Estate.					
4.6.1.2	Sekona Cocoa Sdn. Bhd. established SOP Oil Palm Planting, document number: SKGSOP-MP 12 revision 0 dated 01/12/2019.	Yes				
	Stated on clause 3.0 Procedure details:					
	1. No planting on slope 25 degree and above.					
	2. Terracing at slopes ranging from 6 degree to 25 degree					
	3Construction of parameter drains.					

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Principle (6: Best Practices	
Indicator	Summary of Assessment	Compliance
	Field observation observed oil palm are planted on terrace at slope area and according to SOP.	
4.6.1.3	Sekona Cocoa Sdn. Bhd. group established permanent block markers for each block that include block number, block size, date of planting and planting material.	Yes
4.6.2.1	Sekona Cocoa Sdn. Bhd. established financial and budget for 4 years from 2020 to 2024.	Yes
	The content of financial plan includes;	
	1. FFB Projection.	
	2. Long Term Management Plans.	
	3. Oil Palm Mature – Budget & Projection Operation Cost.	
	4. Replanting programme.	
4.6.2.2	Sekona Cocoa Sdn. Bhd. established Replanting programme for year 2020 to 2025.	Yes
	Example:	
	Replanting for Ladang Ai is schedule in year 2023 and 2025 with total hectare of 32 ha and 28 ha respectively.	
4.6.2.3	Sekona Cocoa Sdn. Bhd. established business management plan 2021 until 2024. The plan includes cost and expenses for estate maintenance.	Yes
	The content of financial plan includes;	
	1. FFB Projection	
	2. Long Term Management Plans	
	3. Oil Palm Mature – Budget & Projection Operation Cost	
	4. Replanting programme.	
4.6.2.4	The business plan with the goals and objectives are monitored regularly for the profit and loss.	Yes
	The business plan is monitored through profit and loss statement every year.	
4.6.3.1	Sekona Cocoa Sdn. Bhd. purchase fertilizer using a quotation and purchase order system.	Yes
	Sekona Cocoa Sdn. Bhd. issued purchase order to supplier according to quotation.	
4.6.3.2	Sekona Cocoa Sdn. Bhd. documented records of purchase order includes information on unit price, amount and address of seller.	Yes
	Payments are made according to the invoices.	
	Sighted payment made according to quotation terms and conditions.	

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Principle 6: Best Practices				
Indicator	Summary of Assessment	Compliance		
4.6.4.1	Sekona Cocoa Sdn Bhd. are using their own facilities for all estate activities and does not engage contractors. Therefore, no documents established.	Yes		
4.6.4.2	Sekona Cocoa Sdn Bhd. are using their own facilities for all estate activities and does not engage contractors. Therefore, no documents established.	Yes		
4.6.4.3	Sekona Cocoa Sdn Bhd.are using their own facilities for all estate activities and does not engage contractors. Therefore, no documents established.	Yes		
4.6.4.4	Sekona Cocoa Sdn Bhd. are using their own facilities for all estate activities and does not engage contractors. Therefore, no documents established.	Yes		

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Principle 7	7: Development of new planting	
Indicator	Summary of Assessment	Compliance
4.7.1.1	The planting statement dated 01/07/2020 is reviewed and there is no new planting at Sekona Cocoa Sdn Bhd.	Yes
	Details of 1st planting as follows:	
	Year 1993: Farming System Sdn Bhd – Untung estateYear 1900: Sekona Cocoa Sdn Bhd – Kota estate	
	Year 2003: Palmrise Sdn Bhd – UMR 2	
	Year 2004: Gainside Sdn Bhd – UMR 3	
	Year 1995: Agriculturist Inc. Sdn Bhd. – Al estate	
	Review on replanting plan 2019 – 2028 dated 01/07/2020, latest replanting is in year 2020 for Melangking Division.	
	Therefore, no biodiversity assessment required.	
4.7.1.2	The planting statement and replanting plan is reviewed and there is no new planting at Sekona Cocoa Sdn Bhd.	Yes
	Total area to be replant in Year 2020 for Agriculturist Inc. Sdn Bhd. – Al estate is 32 Ha and it is below the requirement of 500 ha for EIA assessment or 100 to 500 ha for PMM assessment. Therefore, no PMM required.	
4.7.2.1	Sekona Cocoa Sdn Bhd planting statement and estate map is review. There is no peat land within the estate and observed during field inspection.	Yes
4.7.3.1	The planting statement is reviewed and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.2	The planting statement is reviewed and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.3	The planting statement is reviewed and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no smallholder's scheme in Sekona Cocoa Sdn Bhd certification. Therefore, not applicable.	Yes
4.7.4.1	The planting statements is reviewed and there is no new planting. Therefore, no soil map established.	Yes
4.7.4.2	The planting statements is review and there is no new planting. Therefore, no topography map established.	Yes
4.7.5.1	The planting statement is reviewed and there is no new planting. Therefore, no topography map established and no permits available.	Yes
4.7.5.2	The planting statement is reviewed and there is no new planting. Therefore, no plan established.	Yes
4.7.5.3	The planting statement is reviewed and there is no new planting. Therefore no soil map established.	Yes

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Certifying Unit: Sekona Cocoa Sdn. Bhd.

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Mode of Audit: Onsite



4.7.6.1	The planting statement is review and there is no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	The planting statement is review and there is no new planting. There are no sacred sites within the estates, therefore, no management plan established.	Yes
4.7.6.3	The planting statement is review and there is no new planting. Therefore, no SOP established.	Yes
4.7.6.4	The planting statement is review and there is no new planting. Therefore, no compensation and agreement established.	Yes
4.7.6.5	The planting statement s review and there is no new planting. Therefore, no assessment established.	Yes
4.7.6.6	The planting statement is review and there is no new planting. Therefore, no system established for calculating the compensation for distribution.	Yes
4.7.6.7	The planting statement is review and there is no new planting. Therefore, no compensation plan established.	Yes
4.7.6.8	The planting statement is review and there is no new planting. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

Х	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.		
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.		
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The 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 non-conformity.

Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.

4.5. Detail of Audit Findings in last audit

Stage 1 audit findings corrective actions are reviewed during the stage 2 certification audit process.

4.6. Detail of Audit Findings Identified During This Audit

This section gives an overview of the non-conformities raised during this audit.

AUDIT OUTCOME				
During this audit,	4	MAJOR Non-Conformities		
	1	MINOR Non-Conformities		

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Non Conformity Number < 01 >						
Indicator # and Description:	4.1.3.1 The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification					
	(MAJOR)					
Location:	Sekona Cocoa office					
Description of F	Finding / Objective Evidence:					
Management revand June 2020.	riew meeting was not available at ti	me c	of audit. Interna	l audit was conducted on May		
Classification	⊠ Major		☐ Minor			
Raise by: Cha	ın Shi Lie		Date Raise:	19/08/2020		
Deadline for im	plementation		18/10/2020			
Root Cause Ana	alysis (<i>by company</i>):					
	Sdn. Bhd. has conducted internal lack of understand on the process		ıdit. However,	management review are not		
Correction (by	company):					
Management revault and o	riew is conducted on 28/08/2020. Moother matters.	eetin	g conducted ind	cludes agenda such as internal		
Corrective / Pre	ventive Action (by company)					
Establishment of for each of estate	programme 2021 that include planres.	ned c	date for internal	audit and management review		
Review of Corre	ection & Corrective / Preventive A	ction	n			
Sekona Cocoa Sdn. Bhd, Management review conducted on 28/08/2020 and attended by Managing Director and staffs. The agenda of meeting includes review on internal audit and other related matters. Management review are schedule to be conducted on July 2021. Based on the evidences provided, the major non-conformity is consider closed and implementation will						
be verify in next surveillance audit.						
	Closed: ☑ Yes ☐ No Site verification : ☐ Yes ☑ No					
	Name of Auditor: Date of Closure:					
Chan Shi Lie 12/10/2020						
Review of Implementation						
Name of Lead A	auditor / Auditor:	Date	Name of Lead Auditor / Auditor: Date of Review:			

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Non Conformity Number < 02 >						
Indicator # and	4.4.4.2 The occupational safety and health plan shall cover the following:					
Description:	g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly.					
Location:	Sekona Cocoa Office					
Description of F	Finding / Objective Evidence:					
is against the Op	v indicates no Safety and Health me erational Safety and Health Plan, do for safety and health meeting is twi	cum	ent number: SKC			
Classification			Minor			
Raise by: Mor	namad Norhisham Bin Mohd Salleh		Date Raise:	19/08/2020		
Deadline for im	plementation		18/10/2020			
Root Cause And	alysis (<i>by company</i>):					
There are no me the SOP.	eeting conducted due to estate has r	niss	out the safety an	nd health meeting as stated in		
Correction (by	company):					
	th meeting conducted on 25/08/20. ise and welcome any suggestion an					
Corrective / Pre	eventive Action (by company)					
	as revised its SOP, Operational Saf meeting to once a year. Estate Pro					
Review of Corre	ection & Corrective / Preventive A	ctio	1			
	ty and health conducted 25/08/2020 and improvements.) incl	udes discussion	on safety and health matters		
	and health SOP, dated 26/08/2020 for 2021 states OSH meeting will b					
Based on the evidences provided, the major non-conformity is consider as closed. Reviewed on implementation will be conducted on next surveillance audit.						
Closed: ⊠ Yes	Closed: ☑ Yes ☐ No Site verification : ☐ Yes ☑ No					
Name of Lead A	Name of Lead Auditor: Date of Closure:					
Mohamad Norhisham Bin Mohd Salleh 12/10/2020						
Review of Implementation						
Name of Lead A	Auditor / Auditor:	Date	e of Review:			

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	Non Conformity I	Num	nber < 03 >	
Indicator # and Description:	4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including record of training shall be kept.			
	(MAJOR)			
Location:	Sekona Cocoa Office			
Description of F	Finding / Objective Evidence:			
	the year 2020 established. There and as until audit date.	re no	o training record	s available for environmental,
Classification			☐ Minor	
Raise by: Moh	namad Norhisham Bin Mohd Salleh		Date Raise:	19/08/2020
Deadline for imp	plementation		18/10/2020	
Root Cause Ana	alysis (<i>by company</i>):			
	ety, first aid and environmental traini conducted as per planned due to res ing training.			
Correction (by o	company):			
of lower level. The	anager, Safety and Health, environn	func	ctional availability	whenever the needs arise.
	2020 has been conducted. Attached	d are	e the report dated	d 26/09/2020 and 28/09/2020.
Corrective / Pre	ventive Action (by company)			
Training task to b	pe seconded to other suitable persor	nnel	instead of deper	ndent on Estate Manager.
Training will be c	conducted to workers.			
Review of Corre	ection & Corrective / Preventive Ad	ction	n	
Sekona Cocoa established list of trainings for year 2020. Sample training records conducted on 26/08/2020 and 28/08/2020 involved workers. Balance of trainings scheduled conducted on year 2020 will be implemented on December 2020.				
Training to be conducted on 2021 are included in MSPO programme for year 2021.				
Based on the evidences provided, the major non-conformity are closed.				
Implementation will be verify during next surveillance audit.				
Closed: ☑ Yes ☐ No Site verification : ☐ Yes ☒ No				
Name of Lead Auditor : Date of Closure:				
Mohamad Norhis	sham Bin Mohd Salleh	16/0	09/2020	
Review of Implementation				
·				

Company Name: Sekona Cocoa Sdn. Bhd.
Certifying Unit: Sekona Cocoa Sdn. Bhd.

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Non Conformity Number < 03 >			
Name of Lead Auditor / Auditor:		Dat	e of Review:
	Non Conformity	Nun	nber < 04 >
A.5.3.4 Empty pesticide containers shall be punctured and disposed in a environmentally and socially responsible way, such that there is no risk contamination of water sources or to human health. The disposal instructions of manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.			
Location:	(MAJOR) Kota and Untung Estates		
	nding / Objective Evidence:		
During site visit at	Kota and Untung Estates, it was		erved that the empty chemical containers are y chemical containers was not labelled and
Classification			Minor
Raise by: Chan	Shi Lie		Date Raise: 19/08/2020
Deadline for impl	ementation		18/10/2020
Root Cause Analy	ysis (<i>by company</i>):		
Workers are not av	ware to collect the empty containe	rs.	
Correction (by co	ompany):		
Scheduled waste training conducted on 28/08/2020. Schedule waste register includes total number of waste collected for the month of August 2020.			
Corrective / Preventive Action (by company)			
Estate programme for year 2021 includes waste management training, Social Impact Assessment Complaint procedure, Safety & Health Plan, Emergency Response Plan and Wildlife Management.			
Review of Correc	tion & Corrective / Preventive A	ctio	n
Pictures evidence of all empty chemical containers collected, marked and punctured, dated 28/08/2020			
Training on scheduled waste is conducted on 28/08/2020. The training emphasized on managing and storing of scheduled waste. Updated list of scheduled waste dated August 2020 reviewed.			
Based one evidend	ces provided, the major non-confo	rmity	y is considered closed
Implementation will be verify in the next surveillance audit.			
Closed: ⊠ Yes [No	Site verification : Yes No	
Name of Auditor:		Date of Closure:	
Chan Shi Lie		12/1	10/2020
Review of Implem	nentation		

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Non Conformity Number < 04 >				
Name of Lead Auditor / Auditor:		Dat	te of Review:	
	Non Conformity	Num	mber < 05 >	
Indicator # and Description:	negative impacts and promote the		ified and plans are implemented to mitigate tl itive ones.	
	(MINOR)			
Location:	Sekona Cocoa Office			
Description of F	Finding / Objective Evidence:			
	ssessment was conducted 01/12/20 ternal and external stakeholders.)19.	The assessment conducted does not include	
Classification	☐ Major			
Raise by: Moh	namad Norhisham Bin Mohd Salleh		Date Raise: 19/08/2020	
Deadline for imp	plementation		19/09/2020	
Root Cause Ana	alysis (<i>by company</i>):			
	uency of workers turnover in some ex at would prioritize estate operation n		es, the Management has neglected this asper alcy and stability as foremost.	
Correction (by o	·		•	
Appointment of MSPO coordinator to facilitate and expedite this short coming				
Corrective / Preventive Action (by company)				
List of action planned by estate management;				
Appointment of MSPO coordinator to facilitate and expedite this short coming.				
To incorporate workers dialogue session during worker MSPO training/ refresher brief.				
Stakeholder meeting for next year because RMCO already extended till 31/12/2020.				
Review of Correction & Corrective / Preventive Action				
Action plan for closure of minor-non conformity accepted on 11/09/2020.				
Social Impact Assessment will include input from external and internal stakeholders and schedule to be conducted on June 2021.				
Base on evidences received, the minor-non conformity is closed.				
Implementation will be verify on next surveillance audit.				
Closed: ⊠ Yes	☐ No	Site	e verification : 🗌 Yes 🔀 No	
Name of Lead A	auditor:	Dat	te of Closure:	
Mohamad Norhis	sham Rin Mohd Salleh	11/0	(09/2020	

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Non Conformity Number < 05 >		
Review of Implementation		
Name of Lead Auditor / Auditor:	Date of Review:	

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.4.2	The occupational safety and health plan shall cover the following:	All estates	Sekona Cocoa group may improve on HIRARC assesement on activities in the workplace.
		b) The risks of all operations shall be assessed and documented		
		(MAJOR)		
2.	4.4.4.2	The occupational safety and health plan shall cover the following	All estates	Sekona Cocoa group may improve first aid management.
		i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.		
3.	4.4.4.2	The occupational safety and health plan shall cover the following	Office	Sekona Cocoa group may improve in monitoring on accident records.
		j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals		
		(Major)		
4.	4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Office	Sekona Cocoa group may improve on topics of discussion in environmental meeting.
		(MAJOR)		
5.	4.5.3.5	Domestic waste should be disposed as such to	Melangking Estate	Sekona Cocoa group may improve on domestic waste management.

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Nr.	Indicator	Description	Location	Opportunity for Improvement
		minimize the risk of contamination of the environment and watercourses. (MINOR)		
6.	4.5.6.3	A management plan to comply with Indicator shall be established and effectively implemented, if required. (MAJOR)	All estates	Sekona Cocoa group could consider improve on wildlife monitoring records.

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5. CONCLUSION

Sekona Cocoa Sdn. Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its five estates according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There are 4 Major non-conformities raise and closed out successfully. Minor non-conformity action plans are submitted and accepted. The implementation of Minor NC will be review and verify during the next audit.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 32013 General Principles for Oil Palm Plantations and Organized Smallholders.

Any audit is based on sampling within an organization's management system and therefore is not a quarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that:

Total certified number of estates: 5

Total certified production area: 578.79 Ha

Certified FFBs January to July 2020: 6,824.29 Mt

Project FFBs August to December 2020: 4,475.71 Mt

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6. RECOMMENDATION

The audit team conduct a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

The structure of the audit is in accordance with the audit plan included in this summary report as annex.

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 policies 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

X	Recommended for Certification
	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 04/11/2020

Puchong, 04/11/2020

Cheong, Chun Yuen (Robert)

TUV NORD (Malaysia) Sdn Bhd

Mohamad Norhisham Bin Mohd Salleh TUV NORD (Malaysia) Sdn Bhd

Audit Team Leader Certifier / Approver

Company Name: Sekona Cocoa Sdn. Bhd.

Certifying Unit: Sekona Cocoa Sdn. Bhd.

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7. LIST OF STAKEHOLDERS

Table 7-1: List of Interviewed Stakeholders

No.	Organisation
1.	Jabatan Hutan dan Taman Negara Sabah.
2.	Jabatan Hidupan Liar Sabah.

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures		
Annex / corresponding audit documentation		