

# MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

|                          |  |                               |        |
|--------------------------|--|-------------------------------|--------|
| CLIENT/COMPANY           | PUTEH AMAN PLANTATIONS (SABAH) SDN BHD                                 | AUDIT NO.                     | 591/19 |
| ADDRESS                  | No. 7, Lorong Datuk Sulaiman, Taman Tun Dr. Ismail, 6000 Kuala Lumpur. |                               |        |
| TYPE OF ASSESSMENT       | Main Audit   |                               |        |
| GROUP MANAGER            | Muhamad Azimulfadli Bin Mustaffa                                       |                               |        |
| EMAIL ADDRESS            | azimulfalfadli@gmail.com   |                               |        |
| WEB PAGE                 | -  |                               |        |
| AUDIT STANDARD(S)        | MS 2530-3:2013   |                               |        |
| AUDIT SCOPE              | Provision of <b>739.36 Ha</b> of Sustainable Oil Palm Plantation       |                               |        |
| AUDIT DATE               | 19 <sup>th</sup> December 2019   |                               |        |
| PREVIOUS AUDIT DATE      | 18 <sup>th</sup> December 2019 (Stage 1)                               |                               |        |
| NEXT AUDIT DATE          | 1 <sup>st</sup> Surveillance Audit tentatively plan on November 2020   |                               |        |
| OTHER CERTIFICATION HELD | Nil  |                               |        |
| CERTIFICATE VALIDITY     | 17/02/2020 to 16/02/2025   |                               |        |
| AUDITOR TEAM MEMBERS     | LEAD AUDITOR   | Edward Agong Ajan(EDW)        |        |
|                          | AUDITOR  | Wan Mohd Azlan Wan Ngah (WMA) |        |
|                          | AUDITOR  | Hanafi bin Shufaat @ Mohd     |        |

*These are your certification details.*

*Please inform us immediately if amendments are required*

## Audit Conclusion

Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel's during this **Stage 2 Audit**, we conclude that, **PUTEH AMAN PLANTATIONS (SABAH) SDN BHD**, has effectively implemented its Malaysian Sustainable Palm Oil Part 3 General principles oil palm plantations Management System in accordance to the **MS 2530-3:2013** requirements inline with the organization procedure & policy for the above mentioned scope.

## Recommendation

The audit team has agreed to **recommend** for **PUTEH AMAN PLANTATIONS (SABAH) SDN BHD** to be awarded with **MS 2530-3:2013 Certifications** based on existing scope on the conditions that the raised NCRs are satisfactorily closed within the stipulated time frames subject to review by Certification Approval Panel (CAP).

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|                     |                          |                  |  |             |            |
|---------------------|--------------------------|------------------|--|-------------|------------|
| <b>Lead Auditor</b> | <b>EDWARD AGONG AJAN</b> | <b>Signature</b> |  | <b>Date</b> | 19/12/2019 |
|---------------------|--------------------------|------------------|--|-------------|------------|

### AUDIT OBJECTIVE

To evaluate the implementation, including effectiveness of Puteh Aman Plantation (Sabah) on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) documentation. It shall include at least the following:

- a. Information and evidence about conformity to all requirements of the applicable management system standard or other normative document;
- b. Performance monitoring, measuring, reporting and reviewing against key performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document);
- c. Puteh Aman Plantation (Sabah) Sdn Bhd performance as regards to legal compliance;
- d. Operational control of Puteh Aman Plantation (Sabah) Sdn Bhd processes;
- e. Internal auditing and management review;
- f. Management responsibility for Puteh Aman Plantation (Sabah) Sdn Bhd policies
- g. Links between the normative requirements, policy, performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document), any applicable legal requirements, responsibilities, competence of personnel, operations, procedures, performance data and internal audit findings and conclusions.

### EXECUTIVE SUMMARY

A Stage 2 audit was conducted to assess the management system of **PUTEH AMAN PLANTATION (SABAH) SDN BHD** against MSPO standard requirement after completed Stage 1 audit a day before. The plantation is located in Keningau, Sabah about 2 hours from the town. The total area is 982.40ha, acquired through land title issued by the Land Survey Department. The audit was carried out by 2 auditors.

NIOASH Certification is a certification body accredited by Standards Malaysia which providing a comprehensive certification services system mainly for management system of occupational safety and health, environment, quality and MSPO for various industries.

During the audit closing meeting held on 19<sup>th</sup> November 2019, the overall results of the audit were presented, with the following findings:

- a. NIL – Major Nonconformity Report (NCR)**
- b. THREE (3) – Minor Nonconformity Report (NCR)**
- c. SIX (6) – Opportunities for Improvement (OFI)**

**PUTEH AMAN PLANTATION (SABAH) SDN BHD** has prepared Corrective Action Plan as respond of raised NCR which date of implementation adequately accepted by Audit Team. The effectiveness of the corrective action for minor NCR will be reviewed on the next surveillance while major NCR satisfactorily reviewed closed.

## ASSESSMENT TEAM MEMBER

|              |  |
|--------------|--|
| Lead Auditor | <p><b>Mr. Edward Agong Ajan</b></p> <p>Holding a Bachelor of Science (Forestry), Edward Agong Ajan is currently a freelance auditor for MSPO and MSPO SCCS. He has than 25 years' experience in the plantation industry (oil palm and forestry). Beside auditing for MSPO he also conducts audit for ISCC covering both Malaysia and Indonesia.</p> <p>Edward is one of the pioneers forming the first batch of Lead Auditor for MSPO and is also a certified auditor for CoGAP, ISO9000 and ISO14001.</p>   |
| Auditor      | <p><b>Mr. Wan Mohd Azlan Wan Ngah</b></p> <p>His employment career in Oil Palm Plantation for 30 Years had made him gained knowledge of various activities in plantation sector including sustainability related matters. Completed MPOB Codes of Practice Lead Auditor Course in 2017. Participate in MSPO Lead Auditor Training in 2017 conducted by SIRIM. Attended ISO 9001-2015 Quality Management System Lead Auditor Training in 2018 and MSPO Supply Chain Certification Standard (SCCS) Auditor Training in 2019. A Post Graduate in Business Administration. Able to communicate in Bahasa Malaysia and English both oral and written. A member of NIOSH Certification MSPO Audit Team</p>   |
| Auditor      | <p><b>Mr. Hanafi bin Shufaat @ Mohd</b></p> <p>Hanafi bin Shufaat @ Mohd holds an Executive Master in Plantation Management from Asean E University and Diploma in Plantation Industry Management from Mara University of Technology. Has 17 years working experience at managerial level of oil palm in plantation industry in Malaysia and aboard. The last position was Senior Manager in Primula Gemilang Sdn Bhd, Sibul, Sarawak and responsible for 12,000 hectare of oil palm plantation. Has successfully obtained competency of, Quality Management system (ISO 9001:2015) and ISO Integrated Management system (ISO 9001:2015 and ISO 14001:2015) and MSPO SCCS auditor training in 2019 conducted by PSV Sdn Bhd. He has successfully obtained competency of Malaysia Sustainable Palm oil (MSPO) course for Malaysian Sustainable Palm Oil (MSPO), from Niosh.</p> |

### AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving estates under **PUTEH AMAN PLANTATION (SABAH) SDN BHD**. The minimum manday has been justified as per ABC-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO scheme). The audit covers documentation review, internal policies and procedures, management system as well as records review in compliance with the audit criteria requirements based on initial review self-questionnaire and Stage 1 Audit assessment, the risk factor medium (1.5) is determined.

The Stage 2 audit assessment has been conducted on sampling based on sampling size  $1.5\sqrt{1}$  calculation resulted of 1 sampled estate. The assessment were cover documentation and records review, physical field observation covering all plantation processes (harvesting, manuring, spraying activities), workshop, chemicals store, waste management, boundary & buffer zones, workers housing, stakeholders consultation, interview with internal & external stakeholders, workers and contractors.

### SUMMARY AUDIT FINDINGS

During the audit closing meeting held on 19<sup>th</sup> November 2019, the overall results of the audit were presented, with the following findings:

The following items represented **positive observations** by the audit team:

1. **Easy retrieval of information with the involvement of their consultant**
2. **Openness of site management toward observations.**

The overall results of the audit are as follows:

- a. **NIL (0) – Major Nonconformity Report (NCR)**
- b. **THREE (3) – Minor Nonconformity Report (NCR)**
- c. **SIX (6) – Opportunities for Improvement (OFI)**

*\*The grading of nonconformity (Major / Minor) is based on ISO/IEC 17021:2015 guidelines.*

The audit team has satisfactorily verified the corrective action plan provided by the client. The effectiveness on the action plan for the corrective action will be reviewed by NIOSH Certification's auditors during the next surveillance audit.

## COMPANY BACKGROUND

Puteh Aman Plantation (Sabah) Sdn Bhd is a company that acquired the land under title - a country lease, which was first issued to Gemamas Sdn Bhd for an area of 982.4ha dated 30/11/1988. It then was transferred to Puteh Aman Power Sdn Bhd on 20/9/2011 before it changed ownership to Puteh Aman Plantation (Sabah) Sdn Bhd on 7/9/2012. Only about 739.36ha is planted with oil palm and is seeking to be certified with MSPO.

| DETAILS OF PLANTATION UNIT (S) |                                       |   |                        |                       |
|--------------------------------|---------------------------------------|---|------------------------|-----------------------|
| NO                             | ESTATES NAME                          | FULL ADDRESS  | GPS COORDINATE         | TOTAL TITLE AREA (Ha) |
| 1                              | PUTEH AMAN PLANTATION (SABAH) SDN BHD | PUTEH AMAN PLANTATION (SABAH) SDN BHD, JALAN 22 KIM LOONG, 89009 SOOK KENINGAU. | 4.995130<br>116.265724 | 739.36                |

## MPOB LICENSE DETAILS

| NO | ESTATES NAME                          | MPOB LICENSE | SCOPE OF ACTIVITY    | EXPIRY DATE |
|----|---------------------------------------|--------------|----------------------|-------------|
| 1  | PUTEH AMAN PLANTATION (SABAH) SDN BHD | 552967002000 | Menjual dan mengalih | 31/08/2020  |

## AREA AND FFB PRODUCTION

|    |   | PLANTED AREAS              |                         |                          | NON PLANTED AREA                             |  |                           | TOTAL TITLE AREA (Ha) |
|----|---|----------------------------|-------------------------|--------------------------|--|--|---------------------------|-----------------------|
| NO | ESTATES NAME                            | IMMATURE AREA (Ha) 0-3 YRS | MATURE AREA (Ha) >3 YRS | TOTAL PLANTED AREAS (Ha) | CONSERVATION AREA (HBV, Steep Land, etc.) Ha | OTHERS (BUILDING, LINE SITES, ETC.) Ha | TOTAL UNPLANTED AREA (Ha) |                       |
| 1  | Puteh Aman Plantation (Sabah) Sdn. Bhd. | 50                         | 200                     | 250                      | 100  | 50                                     | 339.36                    | 739.36                |

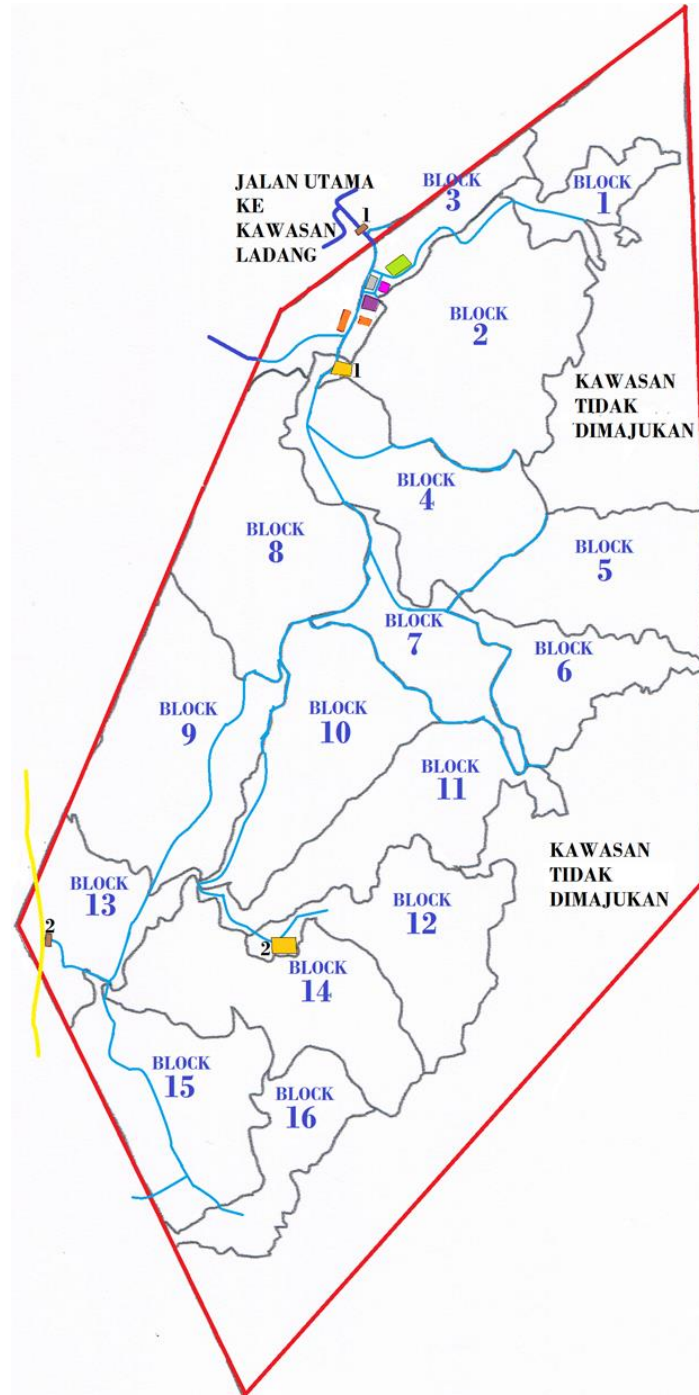
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## **PRODUCTION VOLUME**

| NO | ESTATES NAME                               | TITLE AREA<br>(Ha) | FFB PRODUCTION<br>PREVIOUS Y2018<br>(MT) | FFB PRODUCTION<br>FORECAST Y2019<br>(MT) |
|----|--|--------------------|--|--|
| 1  | Puteh Aman Plantation (Sabah)<br>Sdn. Bhd. | 739.36             | 4360.41                                  | 3960                                     |

## LOCATION AND MAP

Figure 1: Locations Map



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## STAKEHOLDER LIST

| Kategori             | Pihak Berkepentingan               | Kehendak & Jangkaan   | Pelan Tindakan  | No. Telefon | Status Komunikasi & Perundingan |
|----------------------|------------------------------------|---|---|-------------|---------------------------------|
| Ladang bersebelahan  | Kim Loong Peringkat 1 (DOSB North) | <ul style="list-style-type: none"> <li>• Kebenaran untuk menggunakan jalan</li> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul> | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        |             | E-mel,Sosial Media,Surat        |
|                      | Erat Bangsa Sdn. Bhd.              | <ul style="list-style-type: none"> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul>  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        | 013-8519888 | E-mel,Sosial Media,Surat        |
|                      | Mut Len Seng Sdn. Bhd.             | <ul style="list-style-type: none"> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul>  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        | 016-6806643 | E-mel,Sosial Media,Surat        |
| Kilang Kelapa Sawit  | Kim Loong Palm Oil Mill            | <ul style="list-style-type: none"> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul>  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        | 017-8360759 | E-mel,Sosial Media,Surat        |
| Kampung Bersebelahan | Kampung Lianday                    | <ul style="list-style-type: none"> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul>  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        |             | E-mel,Sosial Media,Surat        |
|                      | Kampung Matur                      | <ul style="list-style-type: none"> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul>  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        |             | E-mel,Sosial Media,Surat        |
|                      | Kampung Katalirus                  | <ul style="list-style-type: none"> <li>• Kerjasama dalam pelaksanaan MSPO</li> </ul>  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik sesama ladang</li> </ul>                        |             | E-mel,Sosial Media,Surat        |
| Pihak Kerajaan       | Polis                              | <ul style="list-style-type: none"> <li>• Keselamatan</li> </ul>   | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik</li> </ul>                                      |             | E-mel,Sosial Media,Surat        |
|                      | Jabatan Imigresen                  | <ul style="list-style-type: none"> <li>• Pematuhan terhadap akta imigresen (Dokumen pekerja yang sah)</li> </ul>                  | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik</li> <li>• Membuat langkah pemutihan</li> </ul> |             | E-mel,Sosial Media,Surat        |
|                      | Jabatan Tenaga Kerja               | <ul style="list-style-type: none"> <li>• Memohon permit kerja, permit menggaji pekerja</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Mengadakan kerjasama yang baik</li> </ul>                                      |             | E-mel,Sosial Media,Surat        |

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|  |   |  |   |  |                          |
|--|---|--|---|--|--------------------------|
|  | Jabatan Kesihatan & Keselamatan Pekerja | <ul style="list-style-type: none"> <li>Pematuhan terhadap keselamatan dan kesihatan pekerja (OSH)</li> </ul>   | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul>  |  | E-mel,Sosial Media,Surat |
|  | MPOB Cawangan Keningau                  | <ul style="list-style-type: none"> <li>Permohonan lesen jual buah tandan segar</li> </ul>  | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul>  |  | E-mel,Sosial Media,Surat |
|  | KPDNKK                                  | <ul style="list-style-type: none"> <li>Permohonan permit diesel</li> </ul>   | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> <li>Membuat permohonan permit diesel</li> </ul>            |  | E-mel,Sosial Media,Surat |
|  | Jabatan Tanah & Ukur                    | <ul style="list-style-type: none"> <li>Pembayaran cukai tanah</li> <li>Boundary marking</li> </ul>   | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> <li>Membuat permohonan untuk boundary marking</li> </ul>   |  | E-mel,Sosial Media,Surat |
|  | Klinik Sook                             | <ul style="list-style-type: none"> <li>Kemudahan kesihatan pekerja</li> </ul>  | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul>  |  | E-mel,Sosial Media,Surat |
|  | Jabatan Hidupan Liar                    | <ul style="list-style-type: none"> <li>Pemantauan hidupan liar di kawasan ladang</li> <li>Pemantauan pemburuan di kawasan sempadan ladang</li> </ul> | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul>  |  | E-mel,Sosial Media,Surat |
|  | KWSP                                    | <ul style="list-style-type: none"> <li>SOCISO &amp; EPF</li> </ul>   | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul>  |  | E-mel,Sosial Media,Surat |
|  | Suruhanjaya Tenaga                      | <ul style="list-style-type: none"> <li>Permohonan lesen untuk penggunaan generator</li> </ul>  | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul>  |  | E-mel,Sosial Media,Surat |
|  | MPOCC                                   | <ul style="list-style-type: none"> <li>Permohonan persijilan MSPO</li> </ul>   | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> <li>Pematuhan terhadap kehendak yang ditetapkan</li> </ul> |  | E-mel,Sosial Media,Surat |
|  | Badan persijilan (NIOOSH, SIRIM etc.)   | <ul style="list-style-type: none"> <li>Mengadakan audit</li> </ul>   | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> <li>Pematuhan terhadap kehendak yang ditetapkan</li> </ul> |  | E-mel,Sosial Media,Surat |

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|          |                     |   |  |  |                          |
|----------|---------------------|---|--|--|--------------------------|
| Pembekal | Brilliant Sdn. Bhd. | <ul style="list-style-type: none"> <li>Pembekal racun</li> </ul>            | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul> |  | E-mel,Sosial Media,Surat |
| Bank     | MayBank             | <ul style="list-style-type: none"> <li>Urusan penggajian pekerja</li> </ul> | <ul style="list-style-type: none"> <li>Mengadakan kerjasama yang baik</li> </ul> |  | E-mel,Sosial Media,Surat |

### Review and follow-up on previous audit findings

All findings raised during the previous audit found has been addressed adequately. All NCR has been verified accordingly.

### Stakeholders Consultation Session

Stakeholder consultation began with notification of **a month prior of** upcoming assessment by official letter to identified stakeholders. Emails, phone call and official letter were sent to applicable interested stakeholders. Audit team then visited some stakeholders to obtain positive / negative information or any issues in connection with **PUTEH AMAN PLANTATION (SABAH) SDN BHD**. It was started with a slide presentation by NIOSH Certification Sdn. Bhd. explaining about the objectives of the MSPO certification scheme and purpose of stakeholder consultation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No major adverse issue been raised as consulted during the audit. Among stakeholders attended the session:

Stakeholder's consultation session was conducted on 19/11/2019 with 4 persons consulted (refer to Attendance List) through phone calls. They were among groups of stakeholders identified to be invited for the session which was called by the management to attend the session. They are villagers, representative from nearby estates. The stakeholders acknowledged to have been briefed by the management on MSPO and are happy with the way the company relates to them. There was no social issue brought up during the sessions.

All positive and negative inputs from stakeholders has been discussed with management of **PUTEH AMAN PLANTATION (SABAH) SDN BHD** with proper justification and adequate action plan by the management team to address the issue.



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### Others

Nil

### Disclaimer

NIOOSH Certification provides services which are designed to determine whether the referenced Management System of the client:

- a) complies with the relevant (mentioned) Standard; and
- b) has been properly implemented and maintained.

Audits are based on random sampling techniques and non-conformances may exist which did not become apparent during the audit.

NIOOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOOSH Certification, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

*- End of Audit Report -*