

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	NPC RESOURCES BERHAD	AUDIT NO.	114/18
ADDRESS	WDT 514, 90009 Sandakan, Sabah		
MILL UNIT(S)	Berkat Setia Palm Oil Mill		
TYPE OF ASSESTMENT	Main Audit		
GROUP MANAGER	Mr. Sin Fu Siong		
EMAIL ADDRESS	info@npc.com.my		
WEB PAGE	www.npc.com.my		
AUDIT STANDARD(S)	MS 2530-4:2013 - Malaysian Sustainable Palm Oil Part 4: General principles Palm Oil Mill		
AUDIT SCOPE	Provision of 75 MT/Hr Sustainable Palm Oil Mill.		
STAGE 2 AUDIT DATE	7 th & 8 th November 2018		
STAGE 1 AUDIT DATE	-		
NEXT AUDIT DATE	1 st Surveillance Audit tentatively plan on October 2019		
OTHER CERTIFICATION HELD	Nil		
CERTIFICATE VALIDITY	07/01/2019 to 06/01/2024		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	Yusof Khairan Nizar (YKN)	
	AUDITOR	1. Mohd Isa Hasim (ISA) 2. Aisa Haris Pang (AHP)	
	AUDITOR IN TRAINING	Chen Sieng Yin (CSY)	

*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, BERKAT SETIA PALM OIL MILL , has effectively implemented its Malaysian Sustainable Palm Oil system in accordance to the MS 2530-4:2013 requirements in line with the organization procedure & policy for the above mentioned scope.
Recommendation
The audit team has agreed to recommend for BERKAT SETIA PALM OIL MILL , to be awarded with MS 2530-4:2013 Certifications based on existing scope on the conditions that the raised NCRs & OFIs are satisfactorily closed within the stipulated time frame subject to review by Certification Approval Panel (CAP).

Team Leader	Yusof Khairan Nizar Ahmad Tarmizi	Signature		Date	24 December 2018
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EXECUTIVE SUMMARY

NPC RESOURCES BERHAD is principally an investment holding company while its subsidiaries are involved in investment holding, provision of management services, operation of oil palm plantations and palm oil mills, trading of fresh fruit bunches ("FFB"), provision of transportation services, property letting and operation of hotel. The Company was listed on the Main Board of the Kuala Lumpur Stock Exchange on 7 May 2002.

The Stage 2 audit was satisfactorily conducted to evaluate the MSPO implementation for Berkat Setia Palm Oil Mill.

Stage 2 of certification audit has been satisfactorily conducted by NIOSH Certification Sdn. Bhd. on 7 - 8 November 2018. NIOSH Certification is a Malaysian accredited certification body by Standards Malaysia which providing a comprehensive certification and inspection services mainly for management system of occupational safety & health, environmental, quality and MSPO for various industries. During the audit closing meeting held on 8th November 2018, the overall results of the audit are as follows:

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

- a. Good commitment and support from management of Management and Staff of Berkat Setia Palm Oil Mill during audit process.
- b. Documents requested were easily retrieved and available upon request.

The overall results of the audit are as follows:

- a. **NONE** – Major Nonconformity Report (NCR);
- b. **FOUR (4)** – Minor Nonconformity Report (NCR); and
- c. **ONE (1)** – Opportunity For Improvement (OFI)

ASSESSMENT TEAM MEMBER

Lead Auditor	<p>Yusof Khairan Nizar Ahmad Tarmizi Has educational background Certificate of Safety and Health Officer-Malaysian Insurance Institute (2003). Bachelor of Corporate Administration (Hons)-MARA University of Technology, Malaysia (2003), Master of Science in Occupational Safety and Health Management-Northern University of Malaysia (2011). Successfully attended course ISO 9001:2000 IRCA/IATC A Lead Auditor Training-International Management & Technology Limited (Kuala Lumpur), ISO 14001:2004 IEMA Approved EMS Advanced Lead Auditor Training Course-Aspects Moody Certification Ltd (UK). OH&SMS IRCA Certified Lead Auditor Training Course-Moody International (KL). MS 1722 Lead Auditor Training-Niosh Certification (KL) and RSPO – TUV Rheinland (Indonesia). MSPO Auditing – SGS (Malaysia).</p> <p>Experience in managing, consulting, training and auditing quality, environmental, occupational safety and health management systems such as ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, MS1722:2011/ISO 45001:2018 from 1996-Current. Contract Trainer of OSH & Environmental Legal & Other Requirements Lead Auditors course for SIRIM Training Services Sdn Bhd & NIOSH Certification Sdn Bhd. Contract Auditor for Quality, Environmental, Occupational Safety and Health Management System and Malaysia Sustainable Palm Oil (MSPO). OSH, Legal and Environmental Auditor for TUV Rheinland Malaysia RSPO Principles & Criteria. Contract Sirim QAS International Auditor (2006). Department of Occupational Safety and Health Malaysia (DOSH) Registered Safety and Health Officer (2003-2006). Approved Human Resources Development Fund (HRDF) Trainer (since 2011).</p> <p>Also appointed as Assessor for Prime Minister's Hibiscus Award involving assessment for oil and gas companies, plantations industries, manufacturing, utilities, cleaning and transportations services (since 2003).</p>
Auditor	<p>Mohd Isa Hasim As a holding professional certificated 1st grade Steam Engineer, Lead Auditor MSPO MS2530, Lead Auditor ISO 9001:2015, Safety Officer (SHO) NIOSH, Authorized Entry Standby Person (AESP) NIOSH, Competent Person Schedule Waste (CePSWaM) DOE. Currently join a team between Certification Body as a MSPO Auditor since 2015 until now 2018. Current achievement he had got certification for Train The Trainer (TTT) from NIOSH and also (TTT) from HRDF.</p> <p>He has experience working in plantation industry which is background in palm oil mill as an Mill Engineer at Sime Darby Plantation. Expertise in palm oil mill processing, implementation good mill practice in mill organization and maintain on legal compliance for safety, health and environment. He shows a good communicate between his cooperate team members during develop the documentation on Roundtable Sustainable Palm Oil (RSPO). Lastly, he has demonstrated leadership skill within palm oil mill organization with lead a team until successful achieving the certification of RSPO.</p>
Auditor	<p>Aisa Haris Pang Holds a Bachelor of Agricultural Science, Universiti Malaysia Sabah (UMS) and successfully attended Lead Auditor course for Occupational Safety & Health Management System (OHSAS 18001:2007 & MS 1722:2011) , Awareness for Internal Auditor of Quality & Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodied Providing Audit and Certification (ISO/IEC 17021:2015) and Transition course on ISO 45001:2018.</p> <p>She was previously practitioner sustainable certification (RSPO, MSPO and ISCC)</p>

	for estates and mills and experience in implementation of sustainability development. Also has experience in auditing as Sustainability Audit Officer for conducting audits in covering good agricultural practices, social and environmental matters as well as occupational safety and health aspects for palm oil mills and estates. She is competent person for Certified Environmental Professional in Scheduled Waste Management (CePWSaM) and also a Committee Member for NIOSH Certification MSPO Auditor and ISO 45001 Lead Auditor Training Module Development.
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AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving Berkat Setia Mill which is under NPC Resources Sdn Bhd. The minimum mandays has been justified as per ACB-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO Scheme). The audit covers physical observation in the field, documentation review, internal policies and procedures, management system as well as records review in compliance with the audit criteria requirements.

SUMMARY AUDIT FINDINGS

Stage 2 audit for NPC Resources Sdn Bhd have been satisfactorily conducted by NIOSH Certification Sdn. Bhd. on 7th & 8th November 2018. During the audit closing meeting held on 8th November 2018, the overall results of the audit are as follows:

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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.

DETAILS OF MILL UNIT (S)

	Name	Address Of Mill	GPS Coordinates	Mill Capacity	Annual CPO Produced Jan – Oct 2018 (MT)
1	Berkat Setia Palm Oil Mill	KM 46, Sandakan – Telupid, Kota Kinabalu Highway, District of Labuk – Sugut, Sabah.	Longitude: 117.620270 Latitude: 5.710843	75 MT/Hr	1239.212

MILL LOCATION

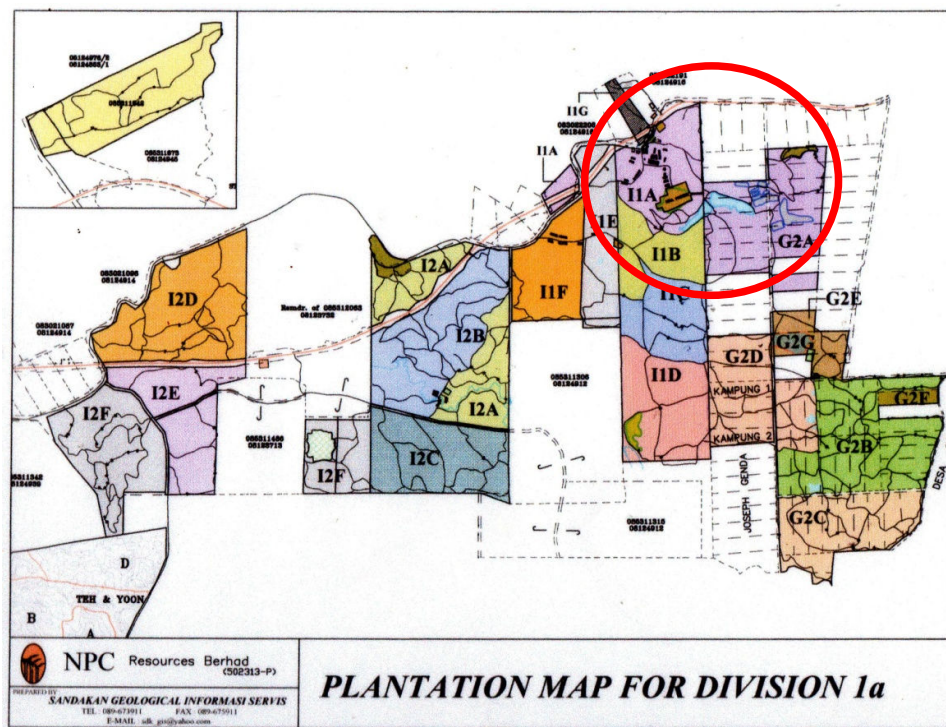


Figure 1: Mill Location Map (red circled)

Stakeholders Consultation Session

Stakeholder consultation began with notification of upcoming assessment by official letter 5 Oct 2018 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 NPC Resources Berhad. Among attendees were:

- Ho Kok Vui, Borhill Estate
- Ica Juni, Sprayer of Division 4
- Abdul Haris, Staff of Division 4
- Sahida Binti Abd Rahman, Kedai Kopi Forest
- Surdiapsi Abd Kadir, Restaurant Sinar Mulia
- Aminah Bt Harris, Norman Trading
- Fatimah Hj Karim, Canteen of Berkat Setia Mill
- Nurwati, staff of Division 1
- Darna, Manurer of Division 2
- Maria Nelia Alfavo, Mandor of Maintenance & Pesticides Spraying for Division 3
- Ica Juni, Mandore for Fertilize Manuring of Division 3
- Pudding Lassa, Low Seow Keong, Contractor for Chipping of Division 2
- Tan Sau Swee, Dat Soon, Contract for NPC Collection Centre
- Chin Chee Keong, North Enterprise, Collection Centre belongs to NPC
- Johari Mohamad, BSM
- Ab Sain Nalhakim, IOI Group

It was started with a slide presentation by NIOSH Certification 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. All positive and negative inputs from stakeholders has been discussed with management of NPC Resources Berhad with proper justification and adequate action plan by the management team to address the issue.



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Others

NIL

Disclaimer

NIOSH 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.

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- End of Audit Report -