

## MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	SYARIKAT NAM HING SDN BHD	AUDIT NO.	251/19
ADDRESS	TB1444, MILE 2 ½, APAS ROAD, P.O.BOX NO. 130, 91007, TAWAU, SABAH.		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr. Chen NyukVui		
EMAIL ADDRESS	namhingsdnbhd@gmail.com		
WEB PAGE	-		
AUDIT STANDARD(S)	MS 2530-3:2013 - Malaysian Sustainable Palm Oil Part 3: General principles oil palm plantations		
AUDIT SCOPE	Provision of <b>532.09 Ha</b> of Sustainable Oil Palm Plantations.		
AUDIT DATE	30 <sup>th</sup> July – 2 <sup>nd</sup> August 2019		
PREVIOUS AUDIT DATE	27 <sup>th</sup> May 2019		
NEXT AUDIT DATE	1 <sup>st</sup> Surveillance Audit tentatively plan on <b>July 2019</b>		
OTHERS CERTIFICATION	-		
CLIENT'S REFERENCE DOCUMENTS	Per clients document master list		
CERTIFICATE VALIDITY	30/08/2019 to 29/08/2024		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	Mr. Mohd Isa Hasim (ISA)	
	AUDITOR	Mr.. Hamsah Sulaiman (HMS)	
	AUDITOR IN TRAINING		

***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 during this <b>Stage 2</b> Audit, we conclude that <b>SYARIKAT NAM HING SDN BHD</b> has effectively implemented its Malaysian sustainable Palm Oil system in accordance to the <b>MS 2530-3:2013</b> requirements in line with the organization procedure & policy for the above mention scope

Recommendation
The audit team has agreed to recommend <b>SYARIKAT NAM HING SDN BHD</b> to be awarded with <b>MS 2530-3:2013 Certifications</b> based on applied scope subject to review by Certification Approval Panel

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<b>Team Leader</b>	<b>Mohd Isa Hasim</b>	<b>Signature</b>		<b>Date</b>	2/8/2019
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### AUDIT OBJECTIVE

**The objectives of this audit are as follows:**

To evaluate the implementation, including effectiveness of **SYARIKAT NAM HING SDN BHD** 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. The **SYARIKAT NAM HING SDN BHD** MSPO and performance as regards legal compliance;
- d. Operational control of the **SYARIKAT NAM HING SDN BHD** processes
- e. Internal auditing and management review (if applicable)
- f. Management responsibility for the **SYARIKAT NAM HING 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

The **Stage 2** audit was satisfactorily conducted to evaluate the MSPO implementation of **MSPO 2530 Part 3 (Plantation)**. The management is a wholly own company of **SYARIKAT NAM HING SDN BHD** which located 2.0 hours from **Tawau Town**. The company has various businesses and one of the core business in Oil Palm plantation.

NIOOSH Certification is an 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. The **Stage 2** audit has been satisfactorily conducted by NIOOSH Certification on **31 July - 2 August 2019**. During the audit closing meeting held on **2 August 2019** at meeting room, the overall results of the audit are as follows:

- a. **Major Nonconformity Report (NCR) : NONE (0)**
- b. **Minor Nonconformity Report (NCR) : THREE(3)**
- c. **Opportunities for Improvement (OFI) : THREE (3)**

**SYARIKAT NAM HING 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.

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### ASSESSMENT TEAM MEMBER

Lead Auditor	<p><b>Mr. Mohd Isa Hasim</b></p> <p>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 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 Mill Engineer. 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><b>Mr. Hamsah Sulaiman</b></p> <p>He holds Master in Plantation Management &amp; bachelor's degree in Organization Management from University Science Malaysia (USM) in 2005. He has 15 years working experience of managing oil palm plantations with expertise in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM), Labour &amp; Logistics Management. He is experienced with RSPO, MSPO and ISCC requirements for certification from all these various organizations.</p> <p>He successfully completed the Lead Auditor course for ISO 9001, ISO 14001 &amp; ISO 45001 and Lead Auditor MSPO MS 2530:2013 &amp; MS SCCS. He had been involved in MSPO auditing since 2018 in various companies in Malaysia. Able to communicate in Bahasa Malaysia, Bahasa English and Local Language.</p>

#### **AUDIT METHODOLOGY & AUDIT PROGRAMME**

The assessment was conducted involving estates under **SYARIKAT NAM HING 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  $1.5\sqrt{4}$  calculation resulted of 2 sampled estates. 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 **1<sup>st</sup> August 2019** the overall results of the audit are as follows:

The following items represented positive observations by the audit team:

- 1. Commitment Internal MSPO Team**
- 2. Good understanding on the requirement of MSPO**
- 3. Good of filing system on MSPO Documentation**

The overall results of the audit are as follows:

- a. **Major Nonconformity Report (NCR) : NONE (0)**
- b. **Minor Nonconformity Report (NCR) : THREE(3)**
- c. **Opportunities for Improvement (OFI) : THREE (3)**

***\*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.

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### COMPANY BACKGROUND

The management is a wholly own company of **SYARIKAT NAM HING SDN BHD** which is located estate approximate 2 hours from **Tawau Town**. The company has various businesses and one of the core business in Oil Palm plantation. The management has been planted Oil Palms with **500.04 Ha**

### DETAILS OF PLANTATION UNIT (S)

NO	ESTATES NAME	FULL ADDRESS	GPS COORDINATE	TOTAL TITLE AREA (Ha)
1*	SYARIKAT NAM HING SDN BHD	TB1444, MILE 2 ½, APAS ROAD, P.O.BOX NO. 130, 91007, TAWAU, SABAH.	4.468333 118.554444	410.4
2*	SL KOKO SDN BHD	TB1444, MILE 2 ½, APAS ROAD, P.O.BOX NO. 130, 91007, TAWAU, SABAH.	4.468333 118.554444	42.04
3	FANTASTIC FORTUNE SDN BHD	TB1444, MILE 2 ½, APAS ROAD, P.O.BOX NO. 130, 91007, TAWAU, SABAH.	4.468333 118.554444	27.85
4	MAY JOU SDN BHD	TB1444, MILE 2 ½, APAS ROAD, P.O.BOX NO. 130, 91007, TAWAU, SABAH.	4.468333 118.554444	51.80
<b>TOTAL</b>				<b>532.09</b>

### MPOB LICENSE DETAILS

NO	ESTATES NAME	MPOB LICENSE	SCOPE OF ACTIVITY	EXPIRY DATE
1	SYARIKAT NAM HING SDN BHD	502504702000	MENJUAL DAN MENGALIH FFB	31/03/2020
2	SL KOKO SDN BHD	277173-901000	MENJUAL DAN MENGALIH FFB	31/03/2021
3	FANTASTIC FORTUNE SDN BHD	426313-601000	MENJUAL DAN MENGALIH FFB	31/08/2023
4	MAY JOU SDN BHD	589844002000	MENJUAL DAN MENGALIH FFB	30/09/2019

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## AREA AND FFB PRODUCTION FROM ESTATES

		PLANTED AREAS			NON PLANTED AREA			TOTAL TITLE AREA (Ha)
NO	ESTATES NAME	IMMATU RE AREA (Ha) 0-3 YRS	MATUR E AREA (Ha) >3 YRS	TOTAL PLANTE D AREAS (Ha)	CONSERV ATION AREA (HBV, Steep Land, etc.)  Ha	OTHERS (BUILDING , LINE SITES, ETC.)  Ha	TOTAL UNPLANTE D AREA (Ha)	
1	SYARIKAT NAM HING SDN BHD	0	396.57	396.57	1.9991	11.8289	13.828	410.4
2	SL KOKO SDN BHD	0	39.21	39.21	0.0971	2.7276	2.825	42.04
3	FANTASTIC FORTUNE SDN BHD	0	23.82	23.82	0.4047	3.622	4.0267	27.85
4	MAY JOU SDN BHD	0	51.80	51.80	0	0	0	51.80
	<b>TOTAL</b>	<b>0</b>	<b>511.4</b>	<b>511.4</b>	<b>2.5009</b>	<b>18.1785</b>	<b>20.6797</b>	<b>532.09</b>

## PRODUCTION VOLUME

NO	ESTATES NAME	TITLE AREA (Ha)	FFB PRODUCTION PREVIOUS Y2018 (MT)	FFB PRODUCTION FORECAST Y2019 (MT)
1	SYARIKAT NAM HING SDN BHD	410.4	11,040.61	9,000.00
2	SL KOKO SDN BHD	42.04	717.37	1,100.00
3	FANTASTIC FORTUNE SDN BHD	27.85	1,214.00	600.00
4	MAY JOU SDN BHD	51.80	1360.67	1000.00
	<b>TOTAL</b>	532.09	14,332.65	11,700.00
	<b>OER%</b>		20.94	21.99

**LOCATION AND MAP**



## 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 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 estate and mill management. Among stakeholders contacted included external & internal :

- Government agency / Smallholder / Supplier / Contractor / Internal Stakeholder

The agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. There is no issue been raised up during stakeholder consultation. However, good finding and request recorded as following below:

### External Stakeholder

- Good relationship stakeholder between estate management
- Good communication and cooperation between estate management
- Worker has demonstrated best practise on the field during field visit

### Name & Category Stakeholder

No	Organisation	Stakeholder
1	JTK Semporna	External
2	Humana School	External
3	Teck Guan Estate	External
4	Estate Manager	Internal
5	Estate Manager	External
6	Contractor	External

All positive and negative inputs from stakeholders has been discussed with management of **SYARIKAT NAM HING SDN BHD** with proper justification and adequate action plan by the management team to address the issue.



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### 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 nonconformances may exist which did not become apparent during the audit.

NIOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOSH 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 -*