

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	UNITED PACIFIC REALTY SDN. BHD	AUDIT NO.	603/19
ADDRESS	BANDAR ESTATE, JALAN PUSARA 42700 BANTING SELANGOR		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Vinoth Arumugam		
EMAIL ADDRESS	vinothsharma@hotmail.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 291.32 Ha of Sustainable Oil Palm Plantation		
AUDIT DATE	23 rd December 2019		
PREVIOUS AUDIT DATE	23 rd November 2019		
NEXT AUDIT DATE	1 st 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	Mohd Syafiq bin Zawawi	
	AUDITOR	Aliff Abu Hurairah	
	AUDITOR	Norainie Awang Anak	

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 **Stage 2** Audit, we conclude that **UNITED PACIFIC REALTY SDN. BHD** has effectively implemented its Malaysian sustainable Palm Oil system in accordance to the **MS 2530-3:2013** requirements in line with the organization procedure & policy for the above mention scope

Recommendation

The audit team has agreed to **recommend UNITED PACIFIC REALTY SDN. BHD** to be awarded with **MS 2530-3:2013 Certifications** based on applied scope subject to review by Certification Approval Panel

Lead Auditor	Mohd Syafiq Zawawi	Signature		Date	23/12/2019
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AUDIT OBJECTIVE

The objectives of this audit are as follows:

To evaluate the implementation, including effectiveness of **UNITED PACIFIC REALTY 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 **UNITED PACIFIC REALTY SDN. BHD** MSPO and performance as regards legal compliance;
- d. Operational control of the **UNITED PACIFIC REALTY SDN. BHD** processes;
- e. Internal auditing and management review (if applicable);
- f. Management responsibility for the **UNITED PACIFIC REALTY 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 **UNITED PACIFIC REALTY SDN. BHD**. The management is a wholly own company of **UNITED PACIFIC REALTY SDN. BHD Estate** which located 30 minutes from Bandar Klang. The company has core business in Oil Palm Plantation and Property development. NIOSH 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.

During the Closing Meeting held on **23rd December 2019**, the overall results of the audit are as follow:

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

UNITED PACIFIC REALTY 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>Mr. Mohd Syafiq Zawawi</p> <p>He holds Diploma in Mechanical Engineering from Universiti Teknologi MARA, Diploma in Palm Oil Milling Management form IMPAC and currently undergraduate student in Bachelor's Degree Of Mechanical Engineering at Universiti Teknologi Malaysia. He successfully attended course Lead Auditor In Integrated Management System (IMS), Lead Auditor for Malaysia Sustainable Palm Oil (MSPO), and Lead Auditor MSPO Supply Chain Certification System. He has 10 years working experience palm oil industry including assist managing the palm oil mill, managing palm oil supply chain terminal at the same time ensuring the social, safety and health, environment as well as supply chain management system in place. He was previously practitioner sustainable certification (RSPO, RSPO SCC, ISCC, ISCC+), Quality Management System (ISO 9001:2008) and also HACCP for mills and supply chain at the same time experience in developing the sustainability experience. He is a competent person for Steam Engineer Grade II (DOSH), registered Authorized Gas Tester for Confine Space (AGT) and also Certified Environmental Professional in Schedule Waste Management (CePSWAM). Currently, he is appointed as Technical Expertise and Certification Panel Approval for MSPO Supply Chain Certification System.</p>
Auditor	<p>Mr. Aliff Abu Hurairah Abas</p> <p>Aliff Abu Hurairah Abas holds a Master of Science (Hons) Plantation Industry Management from Mara University of Technology (UiTM) Shah Alam. He has more than 7 over years of experience in oil palm industry in which, previously working with MPOB as Research Officer and UiTM Jengka, Pahang as a lecturer under Faculty of Plantation and Industry Management. Currently a freelance MSPO Lead Auditor/Auditor and a consultant. He has successfully obtained competency of Lead Auditor courses for Malaysian Sustainable Palm Oil (MSPO 2530:2013) and Auditor/Lead Auditor Integrated Management System (IMS) (ISO 9001:2015 & ISO 14001:2015) course. Furthermore, he also is a qualified MPOB Code of Practice (CoP) Lead Auditor.</p>
Auditor	<p>Mrs. Noorainie Awang Anak</p> <p>Noorainie Awang Anak is an independent consultant, involved in palm oil as MSPO auditor, familiar with the High Conservation Value (HCV), Forest Stewardship Council (FSC), Malaysian Timber Certification Scheme (MTCS), and Roundtable Sustainable Palm Oil (RSPO). Graduated from Middlesex University, in Communication Studies with Combined Studies (Environment). Previously working with NGOs like WWF-Malaysia and TRAFFIC Southeast Asia, PETRONAS and ERE Consulting Group Sdn Bhd, on conservation, environmental and biodiversity impact assessment and wildlife trade monitoring. Successfully obtained competency of Lead Auditor course for Malaysia Sustainable Palm oil (MSPO), ISO Intergrated Management system (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018) and MSPO SCCS auditor training in 2019 conducted by DQS (M) Sdn Bhd.</p>

AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving estates under UNITED PACIFIC REALTY 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 was cover documentation and records review, physical field observation covering all plantation processes, workshop, chemicals store, waste management, boundary & buffer zones, workers housing, stakeholder's consultation, interview with internal & external stakeholders, workers and contractors.

SUMMARY AUDIT FINDINGS

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

1. The management has given full support and cooperation during the audit process through documents provided that has facilitate the audit progress.
2. Arrangement of the site visit, transportation and also refreshment for the auditors.

During the audit closing meeting held on **23rd December 2019**, the overall results of the audit are as follows:

The overall results of the audit are as follows:

- a. NIL – Major Nonconformity Report (NCR)
- b. THREE (3) – Minor Nonconformity Report (NCR)
- c. THREE (3) – 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.

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COMPANY BACKGROUND

United Pacific Realty Sdn Bhd is a multi-business company which involves in agriculture, housing development and etc. The company complies with good agriculture practice in the plantation sector. Bandar Estate was under Good Hope Holdings until November 2016. United Pacific Realty Sdn Bhd officially took Bandar Estate over on December 2016. Since the takeover by United Pacific Realty Sdn Bhd, the management has striven to comply with all the rules and regulations gazette by the Malaysian Government for our business in the plantation sector

DETAILS OF PLANTATION UNIT (S)

NO	ESTATES NAME	ADDRESS OF ESTATE	GPS COORDINATE	TOTAL TITLE AREA (Ha)
1	BANDAR ESTATE	BANDAR ESTATE, JALAN PUSARA, 42700 BANTING, SELANGOR.	2.881667 101.458667	291.32
TOTAL				291.32

***Please tick the sampled estates during this audit**

MPOB LICENSE DETAILS

NO	ESTATES NAME	MPOB LICENSE	SCOPE OF ACTIVITY	EXPIRY DATE
1	BANDAR ESTATE	617275002000	OIL PALM PLANTATION	31/03/2020

AREA AND FFB PRODUCTION

		PLANTED AREAS			NON PLANTED AREA			TOTAL TITLE AREA (Ha)
N O	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	BANDAR ESTATE	0	230.64	230.64	0	60.68	60.68	291.32
	TOTAL	0	230.64	230.64	0	60.68	60.68	291.32

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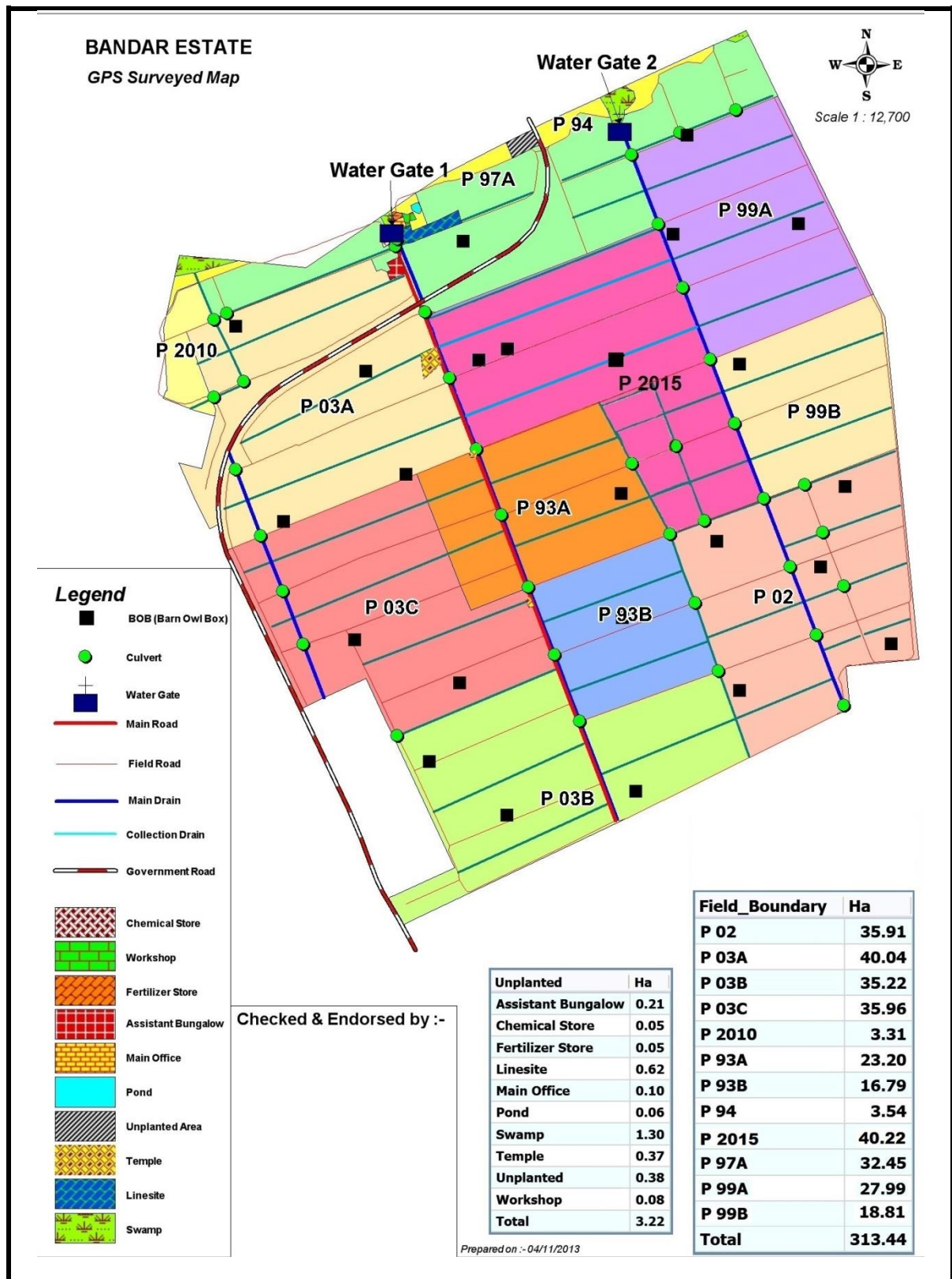
*the management representative unable to provide explanation on the total planted area exceed that title area. Refer to requirement 4.3.2.3

PRODUCTION VOLUME

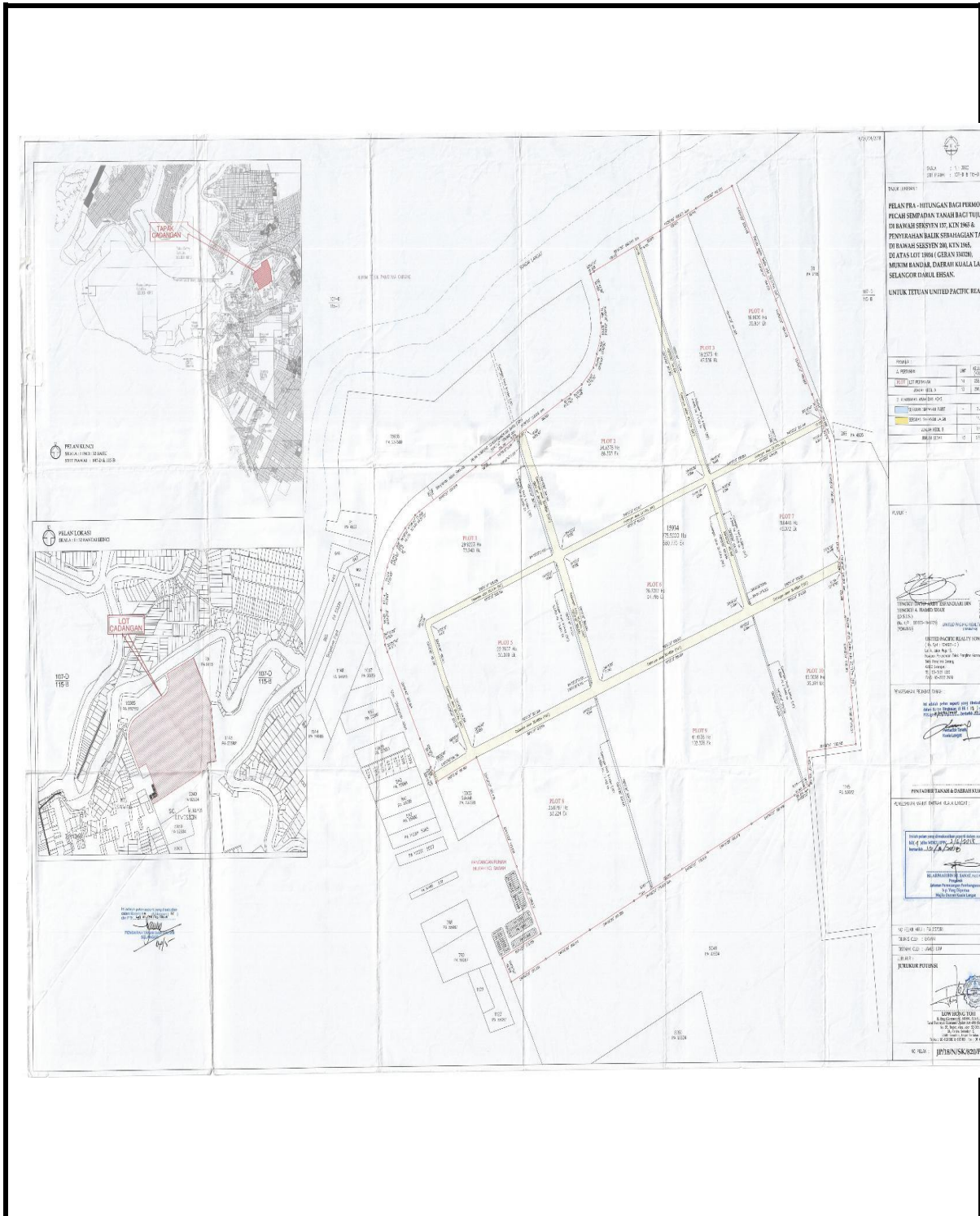
NO	ESTATES NAME	TITLE AREA (Ha)	FFB PRODUCTION PREVIOUS Y2018 (MT)	FFB PRODUCTION FORECAST Y2019 (MT)
1	BANDAR ESTATE	291.32	6917.26	5916.27 (as of October 2019)
TOTAL		291.32	6917.26	5916.27
OER%			19.25	19.25

LOCATION AND MAP

1. LOCALITY MAP



2. ESTATE 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 23rd November 2019 to identify 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 Organisation. 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 been visited and interview consultation included:

- a. Contractor Dura Guard Force
- b. Pegawai Jabatan Perparitan & Saliran
- c. Assistant Engineer Kilang Kelapa Sawit Eng Hong
- d. Chairman of Persatuan Penganut Sri Maha Karumariamman Ladang Bandar

All of the stakeholder has stated the UNITED PACIFIC REALTY SDN. BHD team has maintained a good term with them. Interviewed with the contractor has summarize that, the contractor has been brief by the management regarding the MSPO implementation. Query made to the contractor and based from the discussion, the contractor is aware regarding the regulatory requirements safety and health practice, awareness of environmental issue and also social conditions of contractor employee.

All positive and negative inputs from stakeholders has been discussed with management of **UNITED PACIFIC REALTY 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.

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- End of Audit Report -