

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	TOP PHASE PLANTATION SDN BHD	Audit No.	295/19
ADDRESS	Tb 12203 1st Floor, Lorong Megah Jaya 10/6, Taman Mega Jaya, 91000 Tawau, Sabah.		
AUDIT TYPE	Ms 2530-3:2013		
GROUP MANAGER	Mr. Leong Thai Chung		
EMAIL ADDRESS	-		
WEB PAGE	-		
AUDIT STANDARD(S)	Ms 2530-3:2013 - General Principles For Oil Palm Plantation		
AUDIT SCOPE	Provision Of 161.80 ha Of Sustainable Oil Palm Plantations.		
AUDIT DATE	09 th September 2019		
PREVIOUS AUDIT DATE	1 st August 2019		
NEXT AUDIT DATE	1 st Surveillance Audit Tentatively Plan On August 2019		
OTHERS CERTIFICATION	Nil		
CLIENT'S REFERENCE DOCUMENTS	Per Clients Document Master List		
CERTIFICATE VALIDITY	01/10/2019 to 30/09/2024		
AUDITOR TEAM MEMBERS	Lead Auditor	Mr. Mohd Isa Hasim (ISA)	
	Auditor	Mr. Hamsah sulaiman (HBS)	
	Auditor In Training	Mr. Mohamad Faidullah Abu Bakar (MFA)	

*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 TOP PHASE PLANTATION 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 TOP PHASE PLANTATION SDN BHD to be awarded with MS 2530-3:2013 Certifications based on applied scope subject to review by Certification Approval Panel

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Team Leader	Mohd Isa Hasim	Signature		Date	9/9/2019
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AUDIT OBJECTIVE

The objectives of this audit are as follows:

To evaluate the implementation, including effectiveness of **TOP PHASE PLANTATION 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 **TOP PHASE PLANTATION SDN BHD** MSPO and performance as regards legal compliance;
- d. Operational control of the **TOP PHASE PLANTATION SDN BHD** processes
- e. Internal auditing and management review (if applicable)
- f. Management responsibility for the **TOP PHASE PLANTATION 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 1** audit was satisfactorily conducted to evaluate the MSPO implementation of **MSPO 2530 Part 3 (Plantation)**. The management is a wholly own company of **TOP PHASE PLANTATION SDN BHD** which is located estate approximate 2.0 hours from **Tawau Town**. The company has various businesses and one of the core business in Oil Palm plantation. 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. The **Stage 2** audit have been satisfactorily conducted by NIOSH Certification on **9 September 2019**. During the audit closing meeting held on **9 September 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) : ONE(1)**
- c. **Opportunities for Improvement (OFI) : THREE (3)**

TOP PHASE PLANTATION 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>Mr. Mohd Isa Hasim</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 aMSPO 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. 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>Mr. HamsahSulaiman</p> <p>He holds Master in Plantation Management & 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 &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 & ISO 45001 and Lead Auditor MSPO MS 2530:2013 & 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 **TOP PHASE PLANTATION 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 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 **9th September 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) : ONE(1)**
- 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 **TOP PHASE PLANTATION 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 **161.80Ha**

DETAILS OF PLANTATION UNIT (S)

NO	ESTATES NAME	ADDRESS OF ESTATE	GPS COORDINATE	TOTAL TITLE AREA (Ha)
1	CL 105527240	Kalabakan , 91000 Tawau, Sabah	E4.396973 117.381143	80.95
2	CL 105527259	Kalabakan , 91000 Tawau, Sabah	E4. 396973 117. 381143	80.85
TOTAL				161.80

MPOB LICENSE DETAILS

NO	ESTATES NAME	MPOB LICENSE	SCOPE OF ACTIVITY	EXPIRY DATE
1	CL105527259 & CL105527240	525215-002000	Keluaran KelapaSawit	30/11/2019

AREA AND FFB PRODUCTION FROM ESTATES

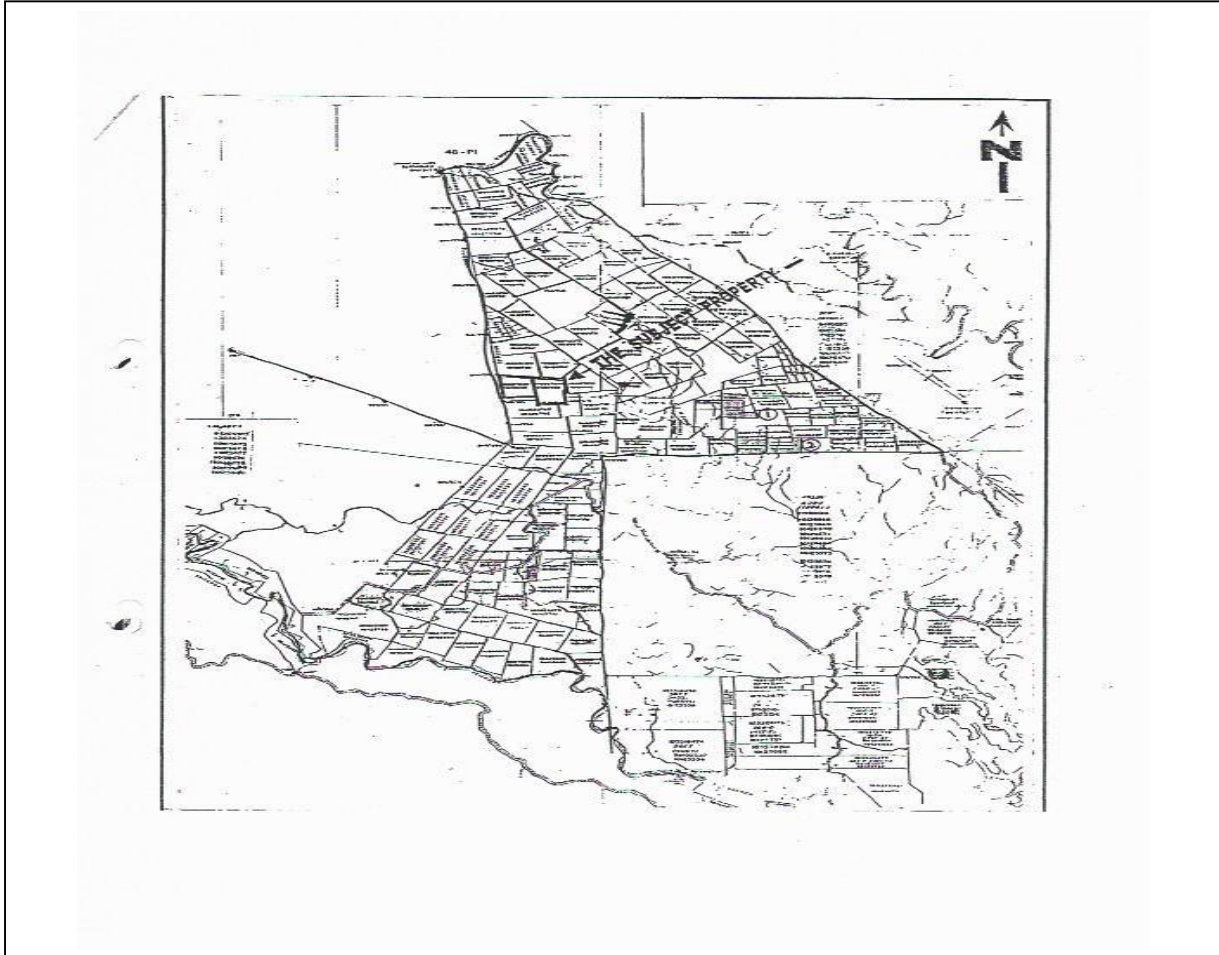
		PLANTED AREAS			NON PLANTED AREA			TOTAL TITLE AREA (Ha)
NO	ESTATES NAME	IMMATURE AREA (Ha) 0-3 YRS	MATURE AREA (Ha) >3 YRS	TOTAL PLANTED AREAS (Ha)	CONSERVATION AREA (HBV, Steep Land, etc.) Ha	OTHERS (BUILDING, LINE SITES, ETC.) Ha	TOTAL UNPLANTED AREA (Ha)	
1	Top Phase Plantation SdnBhd	0	161.80	161.80	0	2	0	161.80
	TOTAL	0	161.80	161.80	0	2	0	161.80

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PRODUCTION VOLUME

NO	ESTATES NAME	TITLE AREA (Ha)	FFB PRODUCTION PREVIOUS Y2018 (MT)	FFB PRODUCTION FORECAST Y2019 (MT)
1	Top Phase Plantation Sdn Bhd	161.80	3071	2752
TOTAL		161.80	3071	2752
OER%			20.50%	21.50%

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

Name & Category Stakeholder

No	Organisation	Stakeholder
1	Impian Tepat Estate	External
2	Kampung Kalabakan	External
3	Usahawan Borneo	External
4	POLIS Kalabakan	External
5	SMK Kalabakan	External
6	Perhutanan Kalabakan	External

All positive and negative inputs from stakeholders has been discussed with management of **TOP PHASE PLANTATION 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.

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- End of Audit Report -