

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	ANDAMY PROPERTIES SDN BHD	AUDIT NO.	044/20
ADDRESS	ANDAMY PROPERTIES SDN BHD, Lot 9 & 10, Level 1 & 2, Block 40, Bandar Indah, 90000 Sandakan, SABAH.		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr Hiew Yun Hien		
EMAIL ADDRESS	-		
WEB PAGE	-		
AUDIT STANDARD(S)	MS 2530-3:2013 - Malaysian Sustainable Palm Oil Part 3: General principles oil palm plantations		
AUDIT SCOPE	Production of Sustainable Fresh Fruit Bunches from : 1,426.95 ha total oil palm planted area 1,610.16 ha total certified area		
GROUP MEMBERS	-		
STAGE 1 AUDIT DATE	06 th JANUARY 2020		
STAGE 2 AUDIT DATE	15 th JANUARY 2020		
NEXT AUDIT DATE	Surveillance 1 tentatively plan on January 2021		
OTHER CERTIFICATION HELD	Nil		
CERTIFICATE VALIDITY	02/03/2020 to 01/03/2025		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	En. Basran Ab Hamid (BAH)	
	AUDITOR	En. Suriansyah Nanang (SBN)	
	AUDITOR	En. Hendricks Richard (HR)	

***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 ANDAMY PROPERTIES 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 ANDAMY PROPERTIES 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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Lead Auditor	Basran Ab Hamid	Signature		Date	22.01.2020
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AUDIT OBJECTIVE

The objectives of this audit are as follows:

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

Stage 2 audit was satisfactorily conducted to evaluate MSPO implementation at **ANDAMY PROPERTIES SDN BHD**. Organisation area covering Estate with the size of 1,610.16 Ha which estate located proximate 2 hours from Sandakan Town. The company has various businesses and one of the core business in Oil Palm plantation. Stage 2 of MSPO certification was satisfactorily conducted by

NIOASH Certification on 09-10 December 2019. 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 Closing Meeting held on 10 December 2019, the overall results of the audit are as follow:

- a. NIL – Major Nonconformity Report (NCR)**
- b. TWO (2) – Minor Nonconformity Report (NCR)**
- c. THREE (3) – Opportunities for Improvement (OFI)**

ANDAMY PROPERTIES 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 Basran Ab Hamid</p> <p>As per OPMC Requirements :</p> <ul style="list-style-type: none"> - Hold a Degree From University Malaysia Sabah in International Business - More than 5 years working experience in plantation company - Completed and certified MSPO Auditor Course in January 2019 and Integrated Management System (IMS) in December 2018. - Auditing experience since February 2019 -
Auditor	<p>Mr.Hendricks Richard</p> <p>He holds a Degree with Honour in Biotechnology from University of Malaysia Sabah (UMS), with more than 9 years working experience in plantation company and skills in Good Agricultural Practices (GAP) and involved in Safety and Health Plantation programme. He is experience with the implementation of all aspects of RSPO, MSPO and ISCC requirements for certification. He has successfully completed the Lead Auditor course Integrated Management System (IMS) for ISO 9001 & ISO 14001 attended on December 2018 and had passed the Auditor MSPO MS2530 on January 2019. He able to speak and understand Bahasa Malaysia, English and Local Language.</p>
Auditor	<p>Mr.Suriansyah Nanang</p> <p>He has more than 8 years working experience in oil palm plantation with had experience 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 and Auditor MSPO MS2530 course and had attended MSPO Supply Chain Certification Standard (SCCS) Auditor Course. Able to communicate in Bahasa Malaysia, English and Local Language.</p>

AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving estates under **ANDAMY PROPERTIES SDN BHD**. The minimum manday has been justified as per ACB-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 for individual certification. The assessment were cover documentation and records review, physical field observation covering all plantation processes, workshop, chemicals store, waste management, boundary & buffer zones, workers housing, stakeholders consultation, interview with internal & external stakeholders, workers and contractors.

SUMMARY OF AUDIT FINDINGS

During the audit closing meeting held on 15 January 2020, the overall results of the audit are as follows:

The following items represented positive observations by the audit team:

- a) Good commitment & support from management
- b) Good of filing system on MSPO Documentation
- c) Good implementation requirement for facilities

The overall results of the audit are as follows:

- a. **NONE** – Major Nonconformity Report (NCR);
- b. **TWO (2)** – Minor Nonconformity Report (NCR); and
- 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 NIOOSH Certification's auditors during the next surveillance audit.

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DETAILS OF PLANTATION UNIT (S)

NO	ESTATES NAME	ESTATE ADDRESS	GPS COORDINATE	TOTAL CERTIFIED AREA (Ha)
1	Andamy Estate	Jalan Sapi Nangoh, Mile 69, Beluran	5.82388889° 117.33361111°	1,610.16
TOTAL				1,610.16

**The sampled Estates during this Audit*

MPOB LICENSE DETAILS

NO	ESTATES NAME	MPOB LICENSE	SCOPE OF ACTIVITY	EXPIRY DATE
1	Andamy Properties SdnBhd	502912302000	Selling and transfer fresh fruit bunch	31/07/2020

AREA AND FFB PRODUCTION

		PLANTED AREAS			NON PLANTED AREA			TOTAL CERTIFIED 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, NURSERY, ETC.) Ha	TOTAL UNPLANTE D AREA (Ha)	
1	Andamy Estate	-	1,426.95	1,426.95	178.32	4.89	183.21	1,610.16
	TOTAL	-	1,426.95	1,426.95	178.32	4.89	183.21	1,610.16

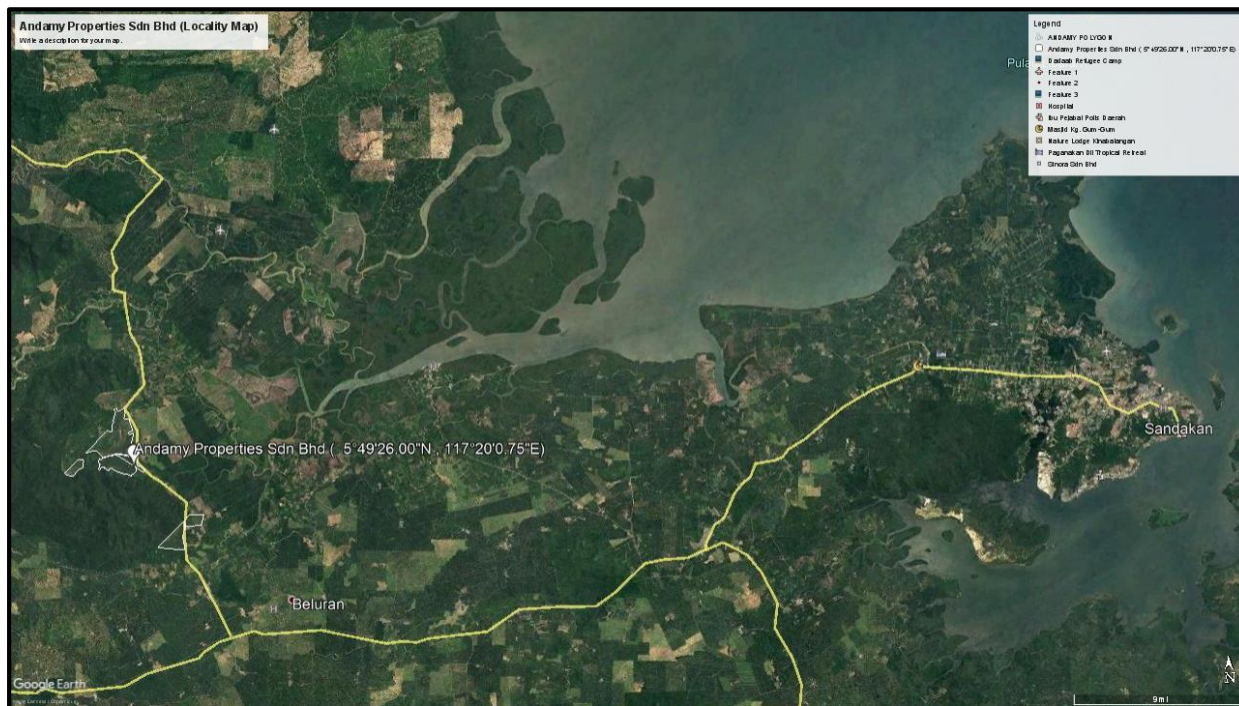
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PRODUCTION VOLUME

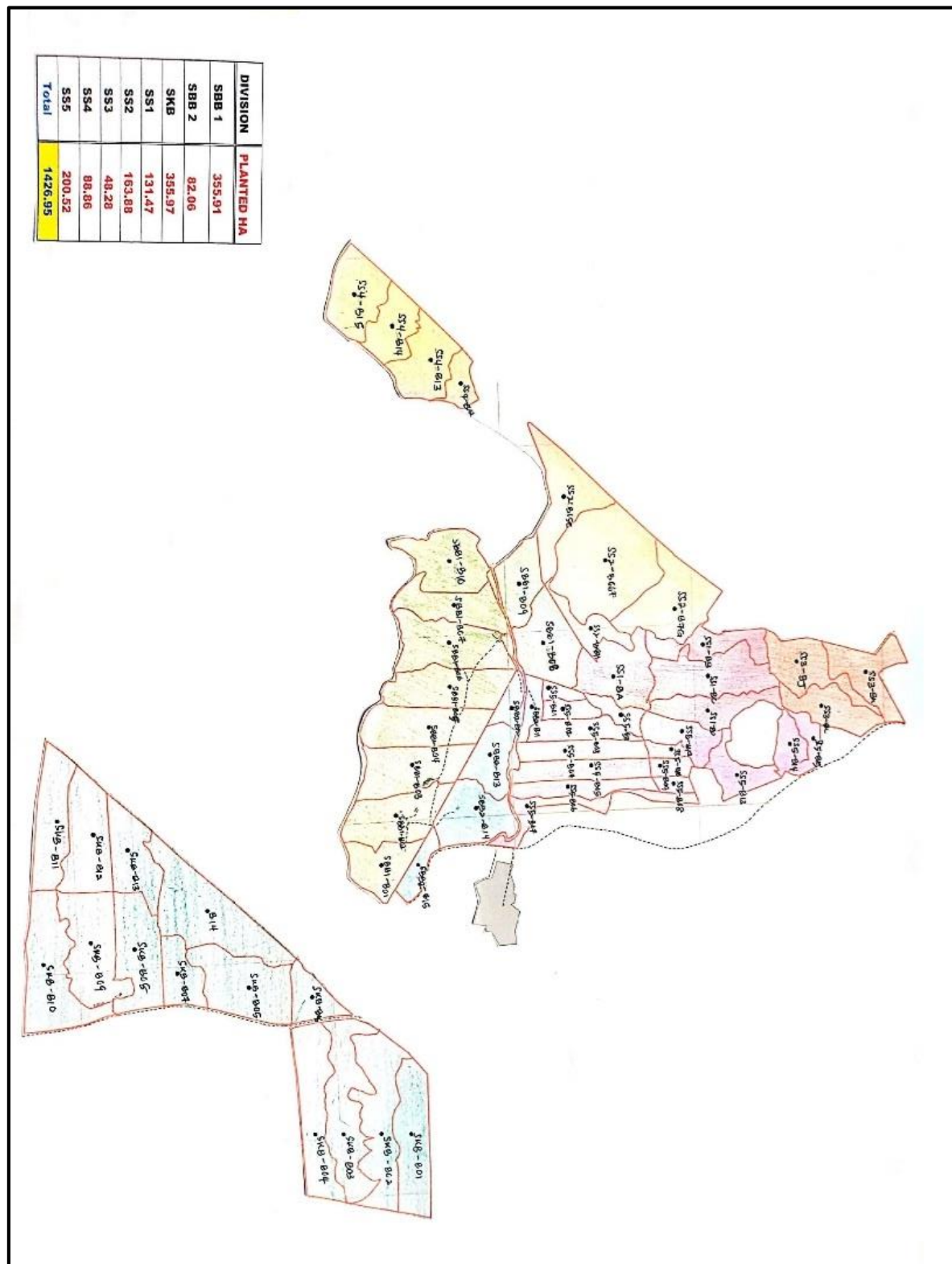
NO	ESTATES NAME	TOTAL CERTIFIED AREA (Ha)	FFB PRODUCTION Actual Previous Year (2018) (MT)	FFB PRODUCTION Estimate Current Year (2019) (MT)
1	Andamy Estate	1,610.16	14,951.70	9,717.16
TOTAL		1610.16	14,951.70	9,717.16
OER%			20.05%	20.58%

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 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 **ANDAMY PROPERTIES 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:

- a) Contractor (External Stakeholder)
- b) Supplier (External Stakeholder)
- c) Harvester (Internal Stakeholder)

All positive and negative inputs from stakeholders has been discussed with management of **ANDAMY PROPERTIES SDN BHD** 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.

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 -