

MSPO SUMMARY AUDIT REPORT

**MS 2530-3: 2013 GENERAL PRINCIPLES FOR PLANTATIONS
AND ORGANIZED SMALLHOLDERS**

COMPANY NAME: NILAI HASIL SDN BHD

TYPE OF AUDIT: RECERTIFICATION

DATE: 07-08/09/2024

UNITED GLOBAL GREEN SDN. BHD.

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|  | MSPO Certification Summary Report | |
| | Company Name | Nilai Hasil Sdn. Bhd. |
| | Certifying Unit | Nilai Hasil Sdn. Bhd. |
| | Client Number | NHSB |
| | Audit Type | Annual Surveillance Audit 04 |
| | Status of Report | Final Report |

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1 INTRODUCTION

Nilai Hasil Sdn. Bhd (NHSB) was manage 286.96 Ha oil plam estate which is located at Kg Silabukan, Lahad Datu, Sabah. Previously NHSB was certified as individual certification under NIOSH Certification Sdn Bhd, however this year, NHSB transfer the certification under UGGSB since June 2023. UGGSB proceeded to conduct ASA 04 for NHSB according to MS 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organized Smallholders.

1.1 Audit Objective


The objective of this Recertification Audit is to assess Nilai Hasil Sdn. Bhd estates by an independent certification body with the aim for compliance of the standard as follows: MS 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organized Smallholders.

- a. To verify effectiveness and implementation of all correction and corrective actions for non-conformances raised in the previous audit (if any);
- b. To verify and collate Information and evidence about conformity to all requirements of the applicable MSPO standard or relevant normative documents;
- c. To evaluate performance monitoring, measuring, reporting and reviewing against key performance objectives and targets (consistent with the expectations in the applicable MSPO standard or relevant normative documents);
- d. To verify the certificate holder's performance with regards to legal compliance
- e. To verify and evaluate the certificate holder's operational control of processes
- f. To verify and evaluate the adequacy of Internal auditing and management review done;
- g. To evaluate and verify the management's responsibility towards the endorsed policies;
- h. To identify and evaluate links between the normative requirements, policies, procedures, performance objectives and targets (consistent with the expectations in the applicable MSPO standard or relevant normative documents), any applicable legal requirements, responsibilities, competence of personnel, operations, procedures performance data and internal audit findings and conclusion
- i. To identify and verify external service providers such as contractors whom are operating in the concession of the certificate holder are complying with the respective MSPO standard and relevant normative documents
- j. To verify and ensure that if there is MSPO logo usage, then it shall be in accordance with MSPOLGP04 1 Oct 2019.

1.2 Audit Scope and Audit Criteria

The certification is based on the effective implementation and documentation of the sustainability management system developed by the organization. The supporting documents are provided to the audit team as well as information received by means of interviews and on-site field observations.

The documents and information are reviewed against the requirements and criteria based on MSPO 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organized

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Smallholders. UGGSB Malaysia has used a risk-based methodology to assess the compliance of the assessment and subsequent reporting.

Scope of Certification

| | |
|---|-----------|
| Total Certified Area of Sustainable Oil Palm Plantations | 286.98 Ha |
| Total Planted Area of Sustainable Oil Palm Plantations | 286.11 Ha |


List of Estate(s) selected

| Name of Estate | Coordinates |
|-----------------------|----------------------------|
| Nilai Hasil Sdn. Bhd. | 5°02'22.2"N, 118°30'15.2"E |

| | | |
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1.3 Appointment and Qualification of Auditors

| NO | NAME | ROLE OF AUDITOR | DETAILS OF QUALIFICATION |
|----|-----------------------------|-----------------|---|
| 1 | Mohamad Zulkefli bin Md Isa | LA | <ul style="list-style-type: none"> - -Bac Sc (Resource Economics), UPM. - -Master's Degree in OSH Management, UTM. - -More than 25 years since 1997, working experience in various sectors. - -Experienced with the implementation, auditing, and training aspects of ISO, MSPO, RSPO, ISCC and SCCS for various CBs. - -Possesses the Lead Auditor MSPO MS 2530:2013 by SIRIM in 2017. - -International Certification and is currently a Lead Auditor for ISO 9001, ISO 14001, ISO 45001, MSPO among others. - -Able to communicate in English and Bahasa Malaysia, among others. |
| 2 | Govindasamy a/l Munusamy | Auditor | <ul style="list-style-type: none"> -AISP Diploma, Certificate in Human Resource Management, and master's in management. -Experienced as an Estate Manager, General Manager and Plantation Advisor in Oil Palm, Rubber, Coconut and Cocoa cultivation for 40 years. -Worked in East, West Malaysia and Indonesia. -Well versed in replanting and new planting. -President of Association of Agricultural Executives – Sabah since 1998. -Member of MSPO Technical Committee and Working Committee. -Able to communicate in English, Bahasa Malaysia, Indonesia, and Tamil. |

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2 AUDIT METHODOLOGY


This **Recertification Audit** covers the following activities but not limited to the activities described below:

- On-site visits, observations and inspections of estate facilities and field activities.
- Interview operation personnel and field workers for understanding for the work assigned.
- Reviewed revised and updated documentation established and implemented.
- Operating records.
- Training records.
- Reports established.
- Work plans established.
- Stakeholders' consultation meeting.
- Review and closed out of non-conformance raise during stage 1 audit.
- Assessment reporting.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are considered in the assessment.

For this audit selected estates were based on the formula $S = 0.8\sqrt{n}$ where S = sample size and n = number of estates which is in accordance with MSPO certification procedure. However, sampling of estates is not applicable for this audit as it is not a multi-site audit.

Based on the audit findings AOC (Area of Concern), Non-Conformance (NC) Major/Minor and Opportunity for Improvement (OFI) may be raised during the audit. Major Non-Conformances shall be addressed and responded within 90 days from closing date of audit. Implementation of Minor NC shall be reviewed and verified in the next surveillance audit, OFI shall be reviewed in the next audit.

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3 ORGANIZATION INFORMATION

3.1 Total Area Description

The certified estates are owned by Nilai Hasil Sdn. Bhd. located at Kampung Silabukan KM 18 Jalan Lahad Datu Tungku 91100 Lahad Datu, Sabah

Scope of Audit Provision


| | |
|---|-----------|
| Total Certified Area of Sustainable Oil Palm Plantations | 286.98 Ha |
| Total Planted Area of Sustainable Oil Palm Plantations | 286.11 Ha |

Address and Location Details of the Estate(s)

| Name of Estate | Location | Coordinates |
|---------------------|---|------------------------|
| Nilai Hasil Sdn Bhd | Kampung Silabukan KM 18 Jalan Lahad Datu Tungku 91100 Lahad Datu, Sabah | 5.039500 118.504222 |

3.2 Production Data Description

| Name of Estate | Area (Ha) | | Projected FFB Production Jan 2022 to Dec 2022 (mt) |
|-----------------------|---------------|-------------------------|---|
| | Total | Production 2022 (mt) | |
| Nilai Hasil Sdn. Bhd. | 286.98 | 4743.02 | 4,800 |
| Total FFB | 286.98 | 4743.02 | 4,800 |

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4 CLIENT ORGANIZATION AND STAKEHOLDERS' DETAILS

4.1 Client Organization


| AUDITED ORGANIZATION DETAILS | |
|---|--|
| Organization Name | Nilai Hasil Sdn Bhd |
| Organization HQ/ Admin Office Location | MDLD 3519, 2nd Floor, Lot 32, Block E, Jalan Bunga Raya, Bandar Wilayah Jasa, 91100 Lahad Datu, SABAH. |
| Organization Estate Location | Kampung Silabukan KM 18 Jalan Lahad Datu Tungku 91100 Lahad Datu, Sabah |
| Scope of the Organization | Provisions of 286.98 Ha of Sustainable Oil Palm Plantations. |

4.2 Stakeholders' Consultation and List of Interviewed Persons

As per the requirement of ACB-OPMC4 Clause 5.6, United Global Green Sdn. Bhd. (UGGSB) is required to inform the stakeholder groups at least 30 days before the start date of the initial stage 2 or recertification audit. In addition, stakeholder consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. Therefore, stakeholder's consultation was carried out during this recertification audit as there were no comments received from the stakeholders.

5 STATUS OF NON-CONFORMITIES/AOCS PREVIOUSLY IDENTIFIED

| | |
|---|---|
| | The stage 1 audit findings have been reviewed, to assure appropriate corrective actions implemented to address the identified AOCs. |
| / | The last audit results of this system have been reviewed, to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified. |
| | The last audit results of this system have been reviewed, to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised. |
| | Not applicable. No non-conformity raised in previous audit. |

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6 DETAIL OF AUDIT FINDINGS

| AUDIT RESULTS SUMMARY | | | | | | |
|---------------------------------|--|---------------------------|-----|----------|----------|-----|
| NA | AOC (Area of Concern) | | | | | |
| 0 | MAJOR Non-Conformities | | | | | |
| 1 | MINOR Non-Conformities | | | | | |
| 0 | OFI (Opportunity for Improvement) | | | | | |
| DESCRIPTION OF THE FINDINGS/AOC | | | | | | |
| No | Description | Standard Clause Reference | AOC | Major NC | Minor NC | OFI |
| 1 | CAR 1 Review the Masterlist Of Legal dated 16/03/2024 and sighted all legal applicable was listed however sighted no updated for the new amendment regulation for OSHA 1994 (Amendment 2022). | 4.3.1.2 | | | / | |


7 CONCLUSION

Javana Kapital Sdn. Bhd. has commissioned United Global Green Sdn. Bhd. (UGGSB) to conduct ASA 02 audit for its estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organized Smallholders.

There are **0 Major NC, 1 Minor NCs and 0 OFIs** were raised. All non-conformances action plans are submitted and accepted. The implementation of Minor NC(s) will be review and verify during the next audit.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided UGG Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented, and continued to improve in managing the estates are in line with the clauses of the applied standards of MS 2530-Part 3:2013.

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8 RECOMMENDATION


The audit team conduct a process-based audit focusing on significant aspects/risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

The audit team concludes that the organization has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organization's policies and objectives.

Therefore, the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be:

| | |
|---|--|
| | Recommended for Certification |
| / | Recommended for Continuity of Certification |
| | Recommended for Suspension of Certification |

| | |
|--------------------|---|
| | Prepared by |
| Signature |  |
| Name | Mohamad Zulkefli bin Md Isa |
| Role in Assessment | Lead Auditor |
| Date | 06/10/2023 |

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|-------------|-----------------------------|--|
| | Acceptance by client | |
| Signature | | |
| Name | | |
| Designation | | |
| Date | | |


9 ATTACHMENTS

ATTACHMENT DESCRIPTION

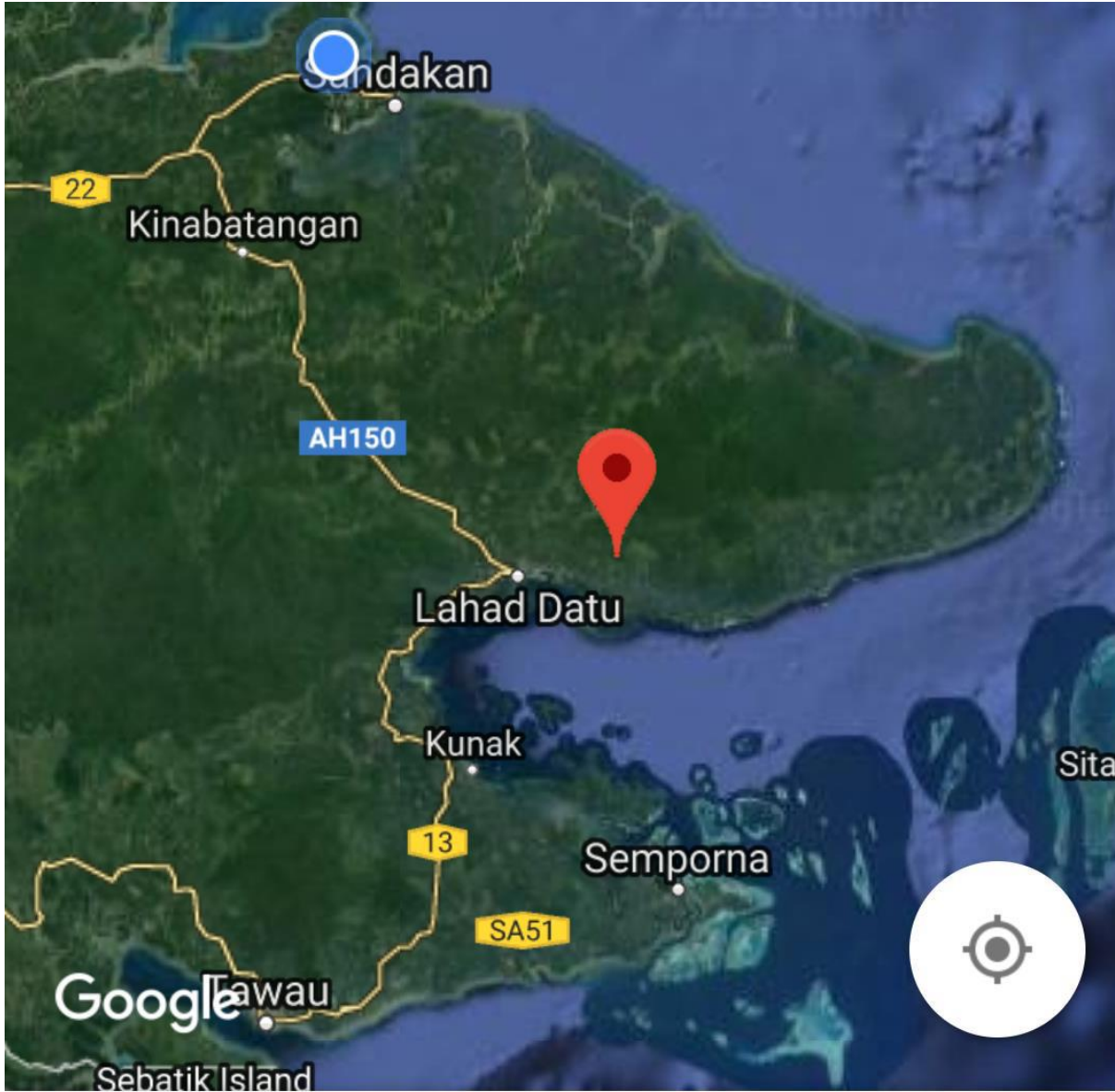
- 10.2 Location Map
- 10.3 Estate Map
- 10.4 List of Abbreviations

Statement of Confidentiality


This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organization. All documents related to the audit are treated confidentially by the Certification Body, UGGSB as well as the appointed auditors.

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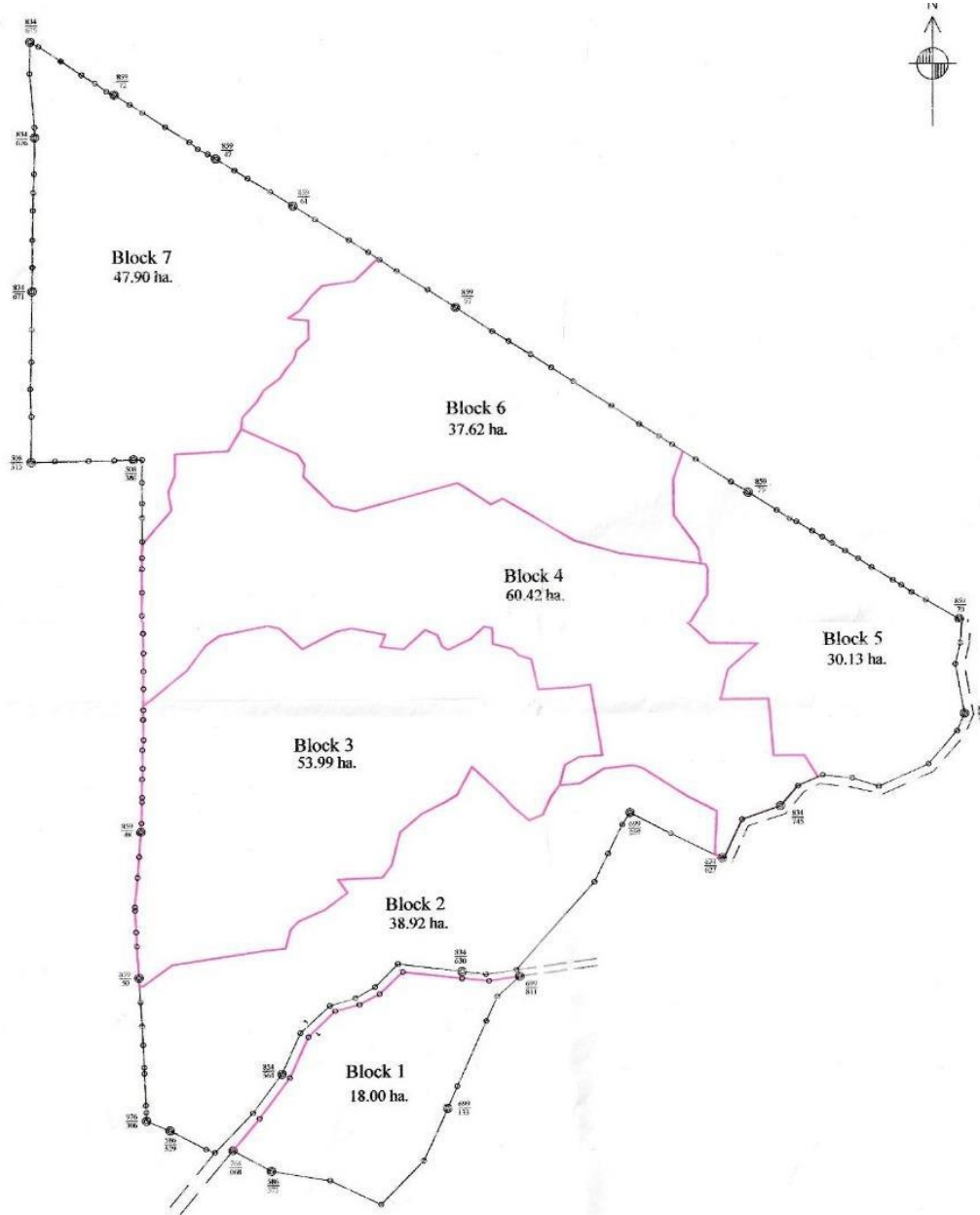
9.1 Location Map




Location map for Nilai Hasil Sdn Bhd

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9.2 Estate map



Estate map for Nilai Hasil Sdn Bhd

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10.3 List of Abbreviation

| | |
|----------------|---|
| UGGSB | United Global Green Sdn. Bhd. |
| WHO | World Health Organization |
| MPOB | Malaysian Palm Oil Board |
| MPOCC | Malaysia Palm Oil Certification Council |
| GAP | Good Agricultural Practice |
| GPS | Global Positioning System |
| ISCC | International Sustainability & Carbon Certification |
| ISO | International Standard Organization |
| MSPO | Malaysia Sustainable Palm Oil |
| DOE | Department of Environment |
| SOP | Standard Operating Procedure |
| CHRA | Chemical Health Risk Assessment |
| CPO | Crude Palm Oil |
| CSR | Corporate Social Responsibility |
| EFB | Empty Fruit Bunch |
| EIA | Environment Impact Assessment |
| FFB | Fresh Fruit Bunch |
| NC | Non-Conformity |
| OSH | Occupational Safety and Health |
| P&C | Principle and Criteria |
| PK | Palm Kernel |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RSPO | Roundtable Sustainable Palm Oil |
| RTE | Rare, Threatened and Endangered Species |
| SA8000 | Social Accountability 8000 |
| SIA | Social Impact Assessment |
| SDS | Safety Data Sheet |