



Assessment Report	17 OCT - 17 OCT
	2017

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the Malaysian Sustainable Palm Oil (MSPO) MS 2530-2:2013 General Principles For Independent Smallholder and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances. ]

## MSPO

Company Name	UNITED MALACCA BHD- MERIDIAN PALM OIL MILL
Address	LADANG PAITAN 90000 LABUK/SUGUT, SABAH
Report No.	MS17FM004
Status of Audit	First Assessment Audit (Document Review)

## Section A    General Information

General	
Standard Assessed	MSPO MS 2530-4:2013
Audit objectives	To verify the document established to met the requirement of the standard and ready for the stage 2 assessment
Integrate Assessment	No

Contact Details	
Management Representative	Muguthan a/l Mariappan
Alternate contacts	Hushaini Fikri bin Hashim
Management Representative contact no.	013-663 5831
E-mail address	hushaini_93@yahoo.com
Fax Number	-
Phone Number	089- 278104

Scope of Certification	
Scope of certification in English	Production of Fresh Fruits Bunch
Applicable clause of the MS 2530-2:2013	Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7
Changes from Previous registration	No
Extension/changes of scope date	NA

System Documentation Information	
Quality Manual Document Identification	NA
Last Management System revision date	NA
Previous Management System date	NA
Management Review Date	Plan conducted by January 2018
Internal audit Date	Plan conducted by January 2018

## Section B    Audit Note

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY
Opening Meeting and Closing Meeting	<p>Opening Meeting</p> <ul style="list-style-type: none"> <li>a) introduction of the participants, including an outline of their roles;</li> <li>b) confirmation of the scope of certification;</li> <li>c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management;</li> <li>d) confirmation of formal communication channels between the audit team and the client;</li> <li>e) confirmation that the resources and facilities needed by the audit team are available;</li> <li>f) confirmation of matters relating to confidentiality;</li> <li>g) confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>h) confirmation of the availability, roles and identities of any guides and observers;</li> <li>i) the method of reporting, including any grading of audit findings;</li> <li>j) information about the conditions under which the audit may be premature terminated;</li> <li>k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails;</li> <li>l) confirmation of the status of findings of the previous review or audit, if applicable;</li> <li>m) methods and procedures to be used to conduct the audit based on sampling;</li> <li>n) confirmation of the language to be used during the audit;</li> <li>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</li> <li>p) opportunity for the client to ask questions.</li> </ul> <p>Closing Meeting</p> <ul style="list-style-type: none"> <li>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</li> </ul>

	<p>b) the method and timeframe of reporting, including any grading of audit findings;</p> <p>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</p> <p>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</p> <p>e) the certification body's post audit activities;</p> <p>f) information about the complaint handling and appeal processes.</p> <p>g) Any diverging opinion that are not resolved.</p> <p>h) opportunity for the client to ask questions.</p>
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System requirements	Y / N	Document reference if select "Y" or comments if select "N"
<b>4.1 Management Commitment &amp; Responsibility</b>		
4.1.1 MSPO Policy	<b>YES</b>	<p>4.1.1.1 MSPO Policy date on 1 July 2015. Sign by Peter Benjamin. in Policy document consist Zero Burning Policy, Policy for Buffer zone and River, Personal Protective Policy, Safety and Health Policy, Food Safety, Environmental policy, Quality Policy, Equal Policy, Sexual Harrasesment policy, Local communitie and Human rights.</p> <ul style="list-style-type: none"> <li>• A written policy statement on the commitment towards sustainable production of palm oil. This policy shall be communicated to all levels of the workforce and stakeholders. Will verified during stage 2.</li> <li>• Interview of personnel and stakeholders whether they are aware of the MSPO Policy and its implementation at the site. Will verified during stage</li> </ul> <p>4.1.1.2 Continues improvement plan-There are no significant related assesment of continues improvement and also budget that has been presented. example-Budget for Muslim Mosque there are no significant assesment has been done. will verified during stage 2.</p>
4.1.2 Internal Audit	<b>YES</b>	<p>4.1.2.1 Internal audit plan- Internal audit plan 2017 to 2018.</p> <p>4.1.2.2 Internal audit finding- Gap analysis on Malaysia Sutaianble Palm oil for United Malacca.</p> <p>4.1.2.3 Internal audit fining and report are Gap Anaiysys on Malaysia Sustainable Palm oil for United Malacca.</p> <p>4.1.2.2-Internal audit procedure-Sustainable Quality system-Procedure Internal audit available. However there are no clear mechanism to follow up Non Confirmty has been raise.</p> <p>4.1.2.3-Internal audit report for management review- GAP Analysis on MSPO United Malacca.</p>
4.1.3 Management Review	<b>YES</b>	4.1.3-Management review -Every 3 month. Will verified stage 2.
4.1.4 Continual Improvement	<b>YES</b>	4.1.4-Continues improvement plan-There are no significant related assesment of continues improvement plan also budget that has been

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		presentated-Eg Budget for Muslim mosque there are no significant assement has been conduted.
<b>4.2 Transparency</b>		
4.2.1 Transparency of information and documents relevant to MSPO requirement	<b>YES</b>	4.2.1.1-Request and respond information-There are procedure according the complaint and grevience procedure. For Government agency has been separate DOSH,DOE,MPOB
4.2.2 Transparent method of communication and consultation	<b>YES</b>	4.2.1.2-Publicly available document aailable in Website.Annual report.  4.2.2.1-Procedure commuciation and Consultation - Procedure aduan and greviences date 19.09.2017 Complaint form avaialbe with Complainer date action has been taken.there are no clear CC has been establisht  .4.2.2.2-Nominated management-Appointment letter there are no date  4.2.2.3-List of stakeholder -List of stakeholder Estate and mill.
4.2.3 Traceability	<b>YES</b>	4.2.3.1-Traceability procedure SOP are available in SOP for tracebility date on 07.08.2017.
<b>4.3 Compliance to legal requirements</b>		
4.3.1 Regulatory requirements	<b>YES</b>	4.3.1.1 Applicable license such as DOE License, Permit Barang Kawalan Berjadual, MPOB License, DOSH Permit etc.  4.3.1.2 Refer to Legal Requirement Register (LRR)  4.3.1.3 Refer to Legal Requirement Register (LRR)  4.3.1.4 Appointment letter for Francis Gangkangon for period of 2017/2018
4.3.2 Land use rights	<b>YES</b>	4.3.2.1 Land Title with 7 land ownership with as below: a) NT 083133251- Malanah bt Omar b) NT 083133260- Hamidah c) NT 08313279- Yunus b Abd Rahman d) NT 083133288- Ismail b Buntar  4.3.2.2 Agreement between Land Owner and UMB Verified during 2 <sup>nd</sup> Stage  4.3.2.3 Agreement between Land Owner and UMB Verified during 2 <sup>nd</sup> Stage  4.2.3.4 Verified during 2 <sup>nd</sup> Stage
4.3.3 Customary rights	<b>YES</b>	4.3.3.1 Agreement between Land Owner and UMB Verified during 2 <sup>nd</sup> Stage  4.3.3.2 No official map  4.3.3.3 No land dispute issue
<b>4.4 Social responsibility, health, safety and employment condition</b>		

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.4.1 Social impact assessment (SIA)	<b>YES</b>	4.4.1.1 No social impact assessment has been carried out. only management plan based on the stakeholder consultation
4.4.2 Complaints and grievances	<b>YES</b>	4.4.2.1 Communication and Consultation procedure date on 19.09.2017.  4.4.2.2 Communication and Consultation procedure date on 19.09.2017  4.4.2.3 Complaint form  4.4.2.4 Stakeholder meeting has been mention.  4.4.2.5 Complaint form.
4.4.3 Commitment to contribute to local sustainable development	<b>YES</b>	4.4.3.1 CSR Activities file.
4.4.4 Employees safety and health	<b>YES</b>	4.4.4.1 Safety and Health plan has been establish date on 1 July 2015. Safety and health plan. 4.4.4.2 HIRARC date on 18.08.2017. - Safe working procedure file according to work station. - License and Permit are in Place - Training records Laboratory. - CHRA Date on October 2016 - Appointment letter safety Officer. - Minute of meeting safety that has been held monthly - Emergency procedure are not yet in place. - First aid training are available. - First aid kits, emergency equipment, personal protective equipment (PPE), Emergency shower and eye wash to be provided at the lab. • Danger/warning signages, safety instructions, MSDS/CSDS, emergency actions • Availability of PPE storage facility. Will Verified in Stage 2
4.4.5 Employment conditions	<b>YES</b>	4.4.5.1 Policy date on 1 July 2015  4.4.5.2 Will verified in stage 2.  4.4.5.3 Offer letter for Employee date on 1 October 2013.  4.4.5.4 Contractor salary slip date on JULY 2017. Salary 1120 according to the minimum wages.  4.4.5.5 Attendance record date 2 October 2017.  4.4.5.6 Offer letter for Employee date on 1 October 2017  4.4.5.9 Salary slips in place and comply with requirement  4.4.5.10 Salary slips payment for overtime and production more than target.  4.4.5.11 Will verified in Stage 2  4.4.5.12 Will verified in stage 2

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.4.5.13-Policy to form union date on 1 July 2015  4.4.5.14-List of workers name complete with Age are available complete.
4.4.6 Training and competency	<b>YES</b>	4.4.6.1 As per Training Needs Analysis dated 10/10/2017, Employee Training Profile & Post Evaluation and Monthly Tentative Schedule.  4.4.6.2 As per Training Needs Analysis dated 10/10/2017 and Training Attendance Records.  4.4.6.3 As per Training Matrix and Monthly Tentative Schedule and Safety Training Programme 2017.
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>		
4.5.1 Environmental management plan	<b>YES</b>	4.5.1.1, a) Environmental Policy dated July 2015 b) Environmental Aspect & Impact Identification dated 01/09/2017 c) Environment training programme as per Monthly Tentative Schedule.  4.5.1.2 Verified during 2 <sup>nd</sup> Stage 4.5.1.3 Verified during 2 <sup>nd</sup> Stage 4.5.1.4 Verified during 2 <sup>nd</sup> Stage 4.5.1.5 Verified during 2 <sup>nd</sup> Stage 4.5.1.6 Verified during 2 <sup>nd</sup> Stage
4.5.2 Efficiency of energy use and use of renewable energy	<b>YES</b>	4.5.2.1 As per Summary of Diesel Usage & Received for 3 years from 2014-2016  4.5.2.2 As per Summary of Diesel Usage & Received for 3 years from 2014-2016  4.5.2.3 Not Applicable due to no renewable energy use for operation
4.5.3 Waste management and disposal	<b>YES</b>	4.5.3.1 Inventory Of Schedule Waste (Fifth Schedule) updated 04/10/2017 listed SW305, SW 306, SW410.  4.5.3.2 As per Waste Management Plan with issue date 07/08/2017  4.5.3.3 As per Prosedur Kerja Standard: Pengendalian Bahan Buangan Berjadual (Schedule Waste) effective date 01/05/2017  4.5.3.4 As per Prosedur Kerja Standard: Pengendalian Bahan Buangan Domestik effective date 01/05/2017
4.5.4 Reduction of pollution and emission	<b>YES</b>	4.5.4.1 As per Waste Management Plan with issue date 07/08/2017  4.5.4.2 As per Waste Management Plan with issue date 07/08/2017

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.5.4.3 Valid DOE License for period of 01/07/2017 to 30/06/2018 and water sampling result.
4.5.5 Natural water resource	<b>YES</b>	4.5.5.1 As per Water Management Plan and Record of CPO, PK, PKS, Fiber, POME Production and Water Consumption.  4.5.5.2 As per Waste Management Plan issue date 07/08/2017
<b>4.6 Best Practices</b>		
4.6.1 Mill management	<b>YES</b>	4.6.1.1 As per Meridian Palm Oil Mill Standard Operation Procedure with effective date on 01/06/2012  4.6.1.2 As per Code of Good Practice Assessment Report by MPOB dated 16/05/2017, Operation Internal Audit dated 04/09/2017
4.6.2 Economic and financial viability plan	<b>YES</b>	4.6.2.1 As per Budget Overall Fiscal Year 2018 for capital expenditure, general charges, mill processing cost, machinery maintenance and upkeep .
4.6.3 Transparent and fair price dealing	<b>YES</b>	4.6.3.1 As per Internal Memo- FFB Price dated 12/10/2017, payment voucher to FFB supplier.  4.6.3.2 Verify during the 2 <sup>nd</sup> Stage
4.6.4 Contractor	<b>YES</b>	4.6.4.1 As per Contract Agreement, Internal Memo and Job Contract. Letter of Acceptance issued by UMB to contractor dated 28/04/2017.  4.6.4.2 Varified during the 2 <sup>nd</sup> Stage

### Observation for Improvement

Auditor	Observation
ZU	<p>4.3.3.2 To identified the mill land ownership by produce an offical map</p> <p>4.5.1.1 To establish the method of environmental impact analysis, mitigation and monitoring plan and records of implementation and timeline.</p> <p>4.3.1.4 To appoint the Legal Officer from an Executive level and ensure the authority of the Legal Officer on ensuring the legal compliance at mill.</p> <p>Site Visit</p> <p>a) To construct an oil trap at the SW Store and mill drain before water flow to the recreational pond.</p> <p>b) To display safety signage at the hazardous area/ work place inside the mill.</p>
RI	<p>4.1.4-There no signifcant assesment has been done to verified on the continues improvement plan.Example on the budget there allocation for Small mosque howerver there are no signifcant with assesment for CIP.</p> <p>4.1.2.2-Internal audit procedure there are no clear mechanism to respon of the any finding the has been raise in the Internal audit.</p> <p>4.2.2.3-There are no clear procedure on comunication and consultation.</p> <p>4.4.2 Emergency procedure are not yet in place</p> <p>4.4.1.1No social impact assesmnet has been carried out.only management plan based on the stakeholder consultation</p> <p>Comment during site Visit</p> <p>a) There are moving part machine are not in proper guard.</p> <p>b) There are found electrical cable in near strilizer has been damage and workers us it and spray</p> <p>c) water.</p> <p>d) There are found that tippler area,are not properly guard,have potential hazard,Workers station are work near to the hot cage.</p>

During the assessment 0 nonconformities were identified. (refer to attachment)

<b>Section C</b>	<b>Conclusion</b>
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**Document Review Conclusion**

- The documentation is acceptable and complete, there is no finding/issue at this time and progress has been established towards next stage of audit/MAV.*
  - The documentation is generally acceptable, however there are a numbers of finding/issued which the company needs to address before proceeding to stage 2/MAV.*
- (Please proceed to follow up section)*

**Note :** The assessment was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party

**Number of Employees (covered by scope of registration) 89**

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohd Rizal Kassim	1) Low Fook Sin	Sr Manager
Team member	2) Sharma Hazrizal	Executive
Mohamad Zulkefli bin Md. Isa	3) Hushaini Fitri	Cadet Engineer
Trainee auditor	4) Nurul Nabila Mohd Azman	Executive
NIL	5) James Joe Joseph	Safety Officer
Observer	6) Stella Mosimbi	Chief Clerk
NIL		

Company Information if different from above

Invoicing address if different from above	Same as above
Alternate contact (if applicable)	Same as above

**Acknowledge receipt of this report:**

	Signed for on behalf of CCI	Signed for on behalf of the client
Signed		
Name	Mohd Rizal Kassim	
Date	17/10/2017	
E-mail	admin@cciglobe.com	



Fax No	03-8073 2688	
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**FOLLOW – UP:**

**Area of Concern status:**

No	Description				
1					
	Auditor comment				
	Status	close		open	
2					
	Auditor comment				
	Status	close		open	
3					
	Auditor comment				
	Status	close		open	

**Stage 1 audit conclusion:**

Corrective action completed, site is now ready for stage 2 audit.

Signatory of auditor	
Date	