



Assessment Report	20 OCT - 20 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 1) MILLIAN LABAU PLANTATION 1 2) MILIAN LABAU PLANTATION 2 3) MILLIAN LABAU PLANTATION 3 4) MILLIAN LABAU PLANTATION 4 5) MILLIAN LABAU PLANTATION 5
Address	BARU 38, JALAN NABAWAN, P/S 2927 89008 KENINGAU, SABAH.
Report No.	MS17FM006
Status of Audit	First Assessment Audit (Document Review)

## Section A General Information

General	
Standard Assessed	MSPO MS 2530-3:2013
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	Zullazaine bin Aleakhber
Alternate contacts	Euriz Mal Balarute
Management Representative contact no.	012 855 2931
E-mail address	eruzmel@gmail.com
Fax Number	-
Phone Number	087 307 168

Scope of Certification	
Scope of certification in English	Production of FFB
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 Jan 2018
Internal audit Date	Plan conducted by Jan 2018

## Section B Audit Note

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY
Opening Meeting and Closing Meeting	Opening Meeting a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; 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; d) confirmation of formal communication channels between the audit team and the client; e) confirmation that the resources and facilities needed by the audit team are available; f) confirmation of matters relating to confidentiality; g) confirmation of relevant work safety, emergency and security procedures for the audit team; h) confirmation of the availability, roles and identities of any guides and observers; i) the method of reporting, including any grading of audit findings; j) information about the conditions under which the audit may be premature terminated; 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; l) confirmation of the status of findings of the previous review or audit, if applicable;

	<p>m) methods and procedures to be used to conduct the audit based on sampling;</p> <p>n) confirmation of the language to be used during the audit;</p> <p>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</p> <p>p) opportunity for the client to ask questions.</p> <p><b>Closing Meeting</b></p> <p>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</p> <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 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 2.</li> </ul> <p>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 verifed stage 2.
4.1.4 Continual Improvement	<b>YES</b>	4.1.4-Continues improvement plan available. However there no assesment has been

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		carried out from the outcome of the Continues improvement plan. There are not related to enviromental social and safety only based on CAPEX.
<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. document Visiting Log book.
4.2.2 Transparent method of communication and consultation	<b>YES</b>	4.2.1.2-Publicly available document available in Website.Annual report. 4.2.2.1-Procedure commuciation and Consultation -Procedure only for Whislte Blower .4.2.2.2-Nominated management-Appointment letter there are date 14.10.2017 4.2.2.3-List of stakeholder -List of stakeholder There are missing Dosh and DOE.
4.2.3 Traceability	<b>YES</b>	Sustainability manual-Tracebilty system -Estate Tracebilty for Payment harvester are available.Marking are clear.and Harverter are understand.
<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 as Law Officers for Maimunah Yasin (Clerk) for year of 2017
4.3.2 Land use rights	<b>YES</b>	4.3.2.1 Land Title document as below: a) Shedule VIII (Section 48 and 57) Form Of Lease: Title No: Country Lease 095332862 b) Resit of Quit Rent payment to Majlis Daerah Kinabatangan c) Estate map d) Booundary stone and marking  4.3.2.2 Verified during 2nd Stage  4.3.2.3 Agreement between Land Owner and UMB Verified during 2nd Stage  4.2.3.4 Verified during 2nd Stage
4.3.3 Customary rights	<b>YES</b>	4.3.3.1 Land Title document as below: a) Land owner list b) Memorandum of Transfer- Land Ordinand, CAP 68, Section 104, Schedule XIII c) Memorandum Of Sub-Lease- Land Ordinand, Cap 68, Section 104, Schedule XVI  4.3.3.2 Verified during 2nd Stage  4.3.3.3 Verified during 2nd Stage
<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 Clear social impact assesment has been carried out.
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 log book. 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 CSR Activity is only related to estate activity-there are no assesment has been carried out what is local communities needs.
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 available safety and health training.Working procedure training. -CHRA Date on 09.March 2017 -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 for sexual harrasment,Good social Policy, 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 06.10.2017 2017.Salary RM920(RM35.38) according to the minimun 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 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>	Training record-Complete with picture and attendance Training needs analisis available.
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>		

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
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 11/10/2017 c) Environment training programme as per Awareness Training For Environmental FY 2017/2018  4.5.1.2 Verified during 2nd Stage 4.5.1.3 Verified during 2nd Stage 4.5.1.4 Verified during 2nd Stage 4.5.1.5 Verified during 2nd Stage  4.5.1.6 As per OSH Committee Minute Meeting, Management Review Minute Meeting etc.
4.5.2 Efficiency of energy use and use of renewable energy	<b>YES</b>	4.5.2.1 As per Diesel Consumption Record MLP 1  4.5.2.2 As per Milian Labau Plantation 1 Budget Vehicle Expenditure For Fiscal Year 2018 under the Vehicle Expenditure.  4.5.2.3 Will verified during 2 <sup>nd</sup> Stage Audit
4.5.3 Waste management and disposal	<b>YES</b>	4.5.3.1 As per Inventory Buangan Jadual Ladang Milian Labau 1 listed SW such as SW1, SW102, SW305, SW306 etc.  4.5.3.2 As per Milian Labau Plantation 1 Waste Management Plan  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 Prosedure Kerja Standard: Pengendalian Bahan Buangan Domestik efective date 01/05/2017
4.5.4 Reduction of pollution and emission	<b>YES</b>	4.5.4.1 As per Estate Waste Management Plan  4.5.4.2 As per Estate Waste Management Plan
4.5.5 Natural water resource	<b>YES</b>	4.5.5.1 a) As per Action Plan To Reduce Fresh Water Usage b) Water quality Treated Water Sample Test Results dated 22/10/2016 bt Phoenix Engineering b) Ripirian buffer zone area with proper management with signage, marking and briefing.  4.5.5.2 Will verified during the 2 <sup>nd</sup> Stage  4.5.5.3 Will verified during the 2 <sup>nd</sup> Stage.
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value	<b>YES</b>	4.5.6.1 Briefing on the MSPO Principle 5 dated 12/10/2017  4.5.6.2

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		a) Site visit sighted an appropriate signage such as "No Hunting" and "No Fishing" at the buffer zone area.  4.5.6.3 Will verified during 2 <sup>nd</sup> Stage  4.5.6.3 Will verified during 2 <sup>nd</sup> Stage.
4.5.7 Zero burning practices	<b>YES</b>	4.5.7.1 As per Zero Burning Policy  4.5.7.2 No zero burning practices by estate  4.5.7.3 No zero burning practices by estate  4.5.7.4 As per Oil Palm Agriculture Policy version 9/2016
<b>4.6 Best Practices</b>		
4.6.1 Site management	<b>YES</b>	4.6.1.1 As per Oil Palm Agriculture Policy version 9/2016  4.6.1.2 As per Oil Palm Agriculture Policy version 9/2016  4.6.1.3 As per Oil Palm Agriculture Policy version 09/2016
4.6.2 Economic and financial viability plan	<b>YES</b>	4.6.2.1 As per 20 Years Business Master Plan. Crop Projection For Next 20 Years.  4.6.2.2 As per Crop Projection For Next 20 Years  4.6.2.3 As per Crop Projection For Next 20 Years  4.6.2.4 As per Estates & Mill Management Meeting minutes conducted quarterly.
4.6.3 Transparent and fair price dealing	<b>YES</b>	4.6.3.1 Will verified during 2 <sup>nd</sup> Stage  4.6.3.2 Will verified during 2 <sup>nd</sup> Stage
4.6.4 Contractor	<b>YES</b>	4.6.4.1 As per contractor Letter Of Acceptance  4.6.4.2 Will verified during 2 <sup>nd</sup> Stage  4.6.4.3 Will verified during 2 <sup>nd</sup> Stage  4.6.4.4 Will verified during 2 <sup>nd</sup> Stage
<b>4.7 Development of new planting</b>		
4.7.1 High biodiversity value	<b>NA</b>	NA
4.7.2 Peat land	<b>NA</b>	NA
4.7.3 Social and Environmental Impact assessment (SEIA)	<b>NA</b>	NA
4.7.4 Soil and topographic information	<b>NA</b>	NA
4.7.5 Planting on steep terrain, marginal and fragile soils	<b>NA</b>	NA

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.7.6 Customary land	NA	NA

### Observation for Improvement

Auditor	Observation
ZU	1) 4.3.1.4 Advise management to appoint the Low Officer from the Executive level and above 2) 4.5.3.1 a) To revise the SW list with a correct SW Code as per Fisrt Schedule (Regulation 2). b) To keep an evidence of Clinical Waste disposal by appointed visitor Doctor. 3) 4.5.5.1 To perform the water quality monitoring with water sampling collected from in let point and out let point. 4) 4.5.6.3 To establish the Management plan for conservation of wildlife species from the result of the assessments. 5) 4.6.4.1 Contract agreements shall include special clause on MSPO compliance where applicable to them
MR	6) 4.1.2.2 Internal audit procedure are avaiable however there are no mchanism in place to response for the Internal audit findings. 7) 4.1.4 Continues improvement plan avalailable. However there no assesment has been carried out from the outcome of the Continues imprvovement plan. There are not related to enviromental social and safety only based on CAPEX. 8) 4.2.2.3-List of stakeholder -List of stakeholder There are missing Dosh and DOE. 9) 4.4.3.1-CSR Activity is only related to estate activity-there are no assesment has been carried out what is local communities needs. 10) 4.2 Procedure communication and consultation are not available. 11) 4-Social impact assesment has not been conduted.

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

## Section C Conclusion

### 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)

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohd Rizal Kassim	Low Fook Sin	Sr Manager



Team member	Sharma Hasrizal And other estate representatives	Executive
Mohamad Zulkefli bin Md. Isa		
Trainee auditor		
NIL		
Observer		
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	20/10/2017	
E-mail	admin@cciglobe.com	
Fax No	03-8073 2688	

**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	