



MSPO CERTIFICATION SUMMARY REPORT

NINJA ENTERPRISE SDN BHD

STAGE 2 – CERTIFICATION AUDIT

Date: 20/09/2019

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MSPO Certification Summary Report

Company Name: Ninja Enterprise Sdn Bhd

Certifying Unit: Ninja Enterprise

Client Number: 92-115

Audit Type: Stage 2 - Certification Audit



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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agricultural Practice
GPS	Global Positioning System
ISCC	International Sustainability & Carbon Certification
ISO	International Standard Organisation
MSPO	Malaysia Sustainable Palm Oil
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
SOP	Standard Operating Procedure
WHO	World Health Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
SDS	Safety Data Sheet
NESB	Ninja Enterprise Sdn Bhd

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1. INTRODUCTION

Ninja Enterprise Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct an initial certification audit for oil palm estates according to MS 2530-3:2013 Part 3 General principles for Plantations and Organised Smallholders.

1.1. Objective

The objective of this Stage 2 certification audit is to assess the estates by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the group office and estates.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MSPO 2530-3:2013 Part 3 General principles for Plantation and Organised Smallholders.

TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Plantation and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and 2 team members. The audit team members contributed to the review of documents, the assessment of the project activity and to the preparation of this report.

Qualification of the Trainee Lead Auditor: Sheron Pui Ling Wui

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Bachelor in Medical Science.

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Requirement	Qualifications
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Lead Auditor (trainee) in training, 3 audit as trainee LA.. 1.5 years of audit experience for MSPO schemes.
Successfully completed MS 2530 series of standards training	Successfully complete MS 2530 series LA training course.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) mandays under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Lead auditor in training and total 5 mandays of trainee LA has completed under supervision of a qualified Lead auditor.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Able to communicate in English, Chinese and Bahasa Malaysia.
Field working experience in the palm oil sector, or demonstrable equivalent	Qualified MSPO auditor. Have been conducting audit for both MSPO and RSPO
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Qualified as auditor for MSPO and RSPO scheme.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 18001 or Occupational, Health & Safety Assurance System	Successfully completed ISO 45001:2018 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training. Qualified as auditor for MSPO scheme.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.

Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following	Zul Hairi Bin Abu Hassan	Graduate in Diploma in Plantation Industry Management.	Yes
i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life	Ariff Bin Lokman	Graduate in Plantation industry management.	Yes

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Requirement	Assessor	Qualification	Compliance
Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields			
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
Successfully completed MS 2530 series of standards training	Zul Hairi Bin Abu Hassan	Successfully completed MS2530 series training.	Yes
	Ariff Bin Lokman	Successfully completed MS2530 series training.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Zul Hairi Bin Abu Hassan	Qualified as auditor base on audit log.	Yes
	Ariff Bin Lokman	Qualified as auditor base on audit log.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi Bin Abu Hassan	Able to communicate in Bahasa Malaysia and English.	Yes
	Ariff Bin Lokman	Able to communicate in Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes

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Requirement	Assessor	Qualification	Compliance
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Zul Hairi Bin Abu Hassan	Auditor for RSPO and MSPO scheme.	Yes
	Ariff Bin Lokman	Qualified as auditor for MSPO scheme.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi Bin Abu Hassan	Successfully completed SA 8000 Basic training	Yes
	Ariff Bin Lokman	Successfully completed SA 8000 Basic training	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Zul Hairi Bin Abu Hassan	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.	Yes
	Ariff Bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 LA course	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

Stage 1 audit :

Stage 1 audit is conducted on 15/05/2019 at Ninja Enterprise estate that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Group Operating Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures including Agricultural Manual
 - Work Flow Charts
 - Operating licenses and approvals
 - Operating records
 - Training records
 - Applicable Legislation Documents
- Interviews of relevant operation personnel
- Assessment reporting

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Stage 2:

Stage 2 Certification audit was conducted on to 10/07/2019 – 11/07/2019 covers the following activities but not limited to below:

- Onsite visit, 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 raised during stage 1 audit;
- Assessment reporting;

For list of all stakeholder refer to chapter 7, Table 7-1.

On-site Assessment

The audit of the estates is conducted according to the MS 2530-3:2013 Part 3 for Plantation and Organised Smallholders.

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 were also taken into account in the assessment.

For the Stage 2 Certification audit, since there is only one estate. A total of 1 estates selected for the onsite assessment and inspection as listed in Table 2-1 below:

Table 2-1: List of Estates Selected

Name of Estate	Coordinates
Ninja Enterprise Sdn Bhd	N 6° 0'18. 903" E 117° 59' 35. 085"

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

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3. ORGANISATION INFORMATION

Ninja Enterprise is a subsidiary of Ninja Enterprise Sdn Bhd

The certified estate are owned by Ninja Enterprise Sdn Bhd located at the Sungai Balang, Sandakan, Sabah.

The details of the estates as below:

Name of Estate	Location	Coordinates
Ninja Enterprise Div 1	Sungai Balang, 90739 Sandakan, Sabah	N 6° 0'18 E 117° 59' 35
Amed Enterprise Div 2	Jalan Biluran, Sandakan, Sabah	N 5°50'58 E 117° 40'41

3.1. Production volume

Name of Estate	Area (Ha)		Production Jan – Jun 19	Projected FFB Production (mt) (July 2019 to December 2019)
	Total*	planted		
Ninja Enterprise Div 1	340.50	320.23	4837.91	4200.00
Amed Enterprise Div 2	81.90	81.65	1196.03	1080.00
Total	422.40	401.88	6033.94	5280.00

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate

Year / estate	Ninja Enterprise div 1	Amed enterprise div 2	Remark
1991, 1995, 1996, 1997	79.38	-	First replanting 1991
1997	-	72.45	First replanting
2006-2008	163.01	-	Replanting
2005	79.55	-	Replanting
2008	-	4.20	Replanting
Total Mature (ha)	319.94	76.65	
Total Immature	NA	NA	

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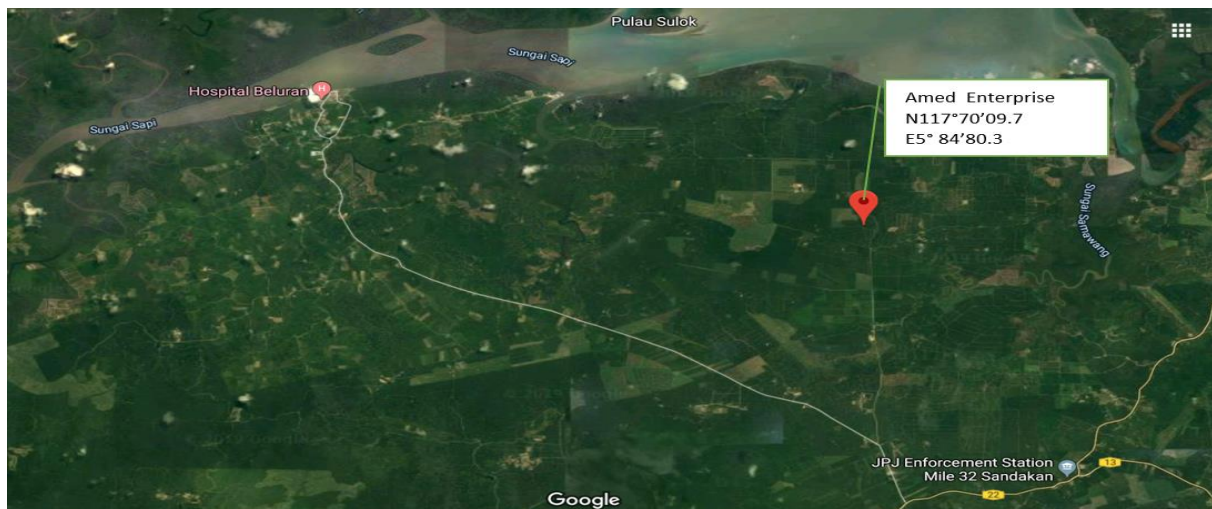
The first replanting for Ninja Division 1 is year 1991 and 1997 for Amed Division..

3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in each estate		Total area to be replanted (ha)
	Ninja div 1	Amed div 2	
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	20	23	43
TOTAL	20	23	43

3.4. Maps of Company Location and Plantations

Figure 1: Amed Division



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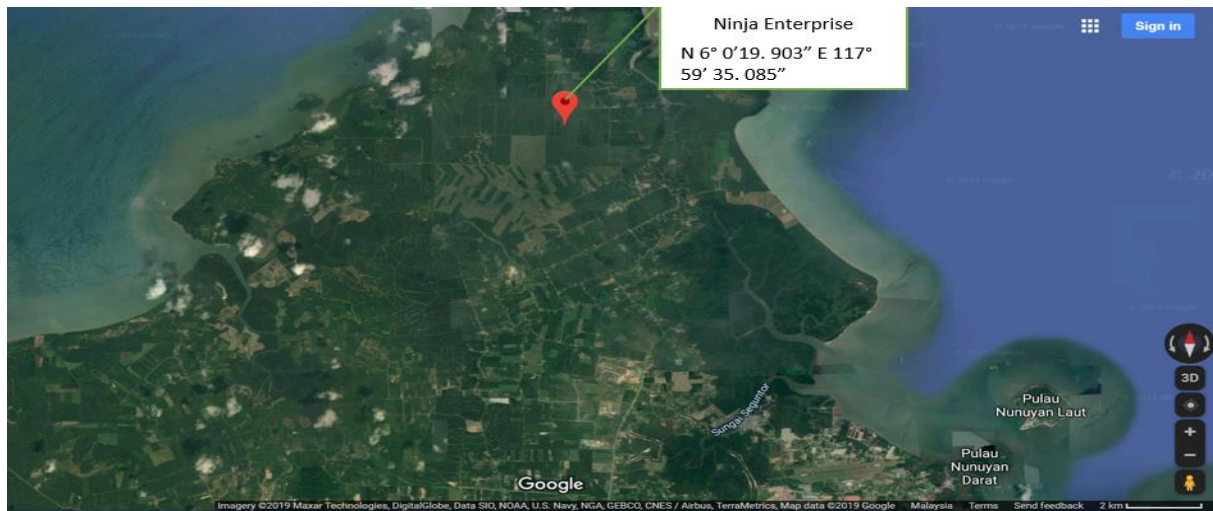
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Figure 2: Ninja Division



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4. CERTIFICATION ASSESSMENT

4.1. Stage 2 Certification Audit

The objective of the audit is to assess the activities of the estates are in compliance with MS 2530-3:2013 Part 3 General principles for Plantations and Organised Smallholders.

4.1.1. Stage 1 Audit:

The objective of the Stage 1 audit is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 General principles for Plantations and Organised Smallholders.

According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which

- do not have any certification or
- those having management system certification e.g. ISO, COP.

These organization shall undergo both Stage I and II audit

Ninja Enterprise Sdn Bhd does not has any certification, therefore, has to undergo Stage I audit

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard.

The Stage I audit is conducted on 15/05/2019 at Ninja Enterprise Estate covering the following activities:

- Onsite interviews and inspections;
- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of issues raise during Stage I audit;

4.1.2. Stage II Certification audit:

The Stage II Certification audit is conducted on 10/07/2019 to 11/07/2019 covering estates – Ninja Enterprise estate.

During the Stage II Certification audit, there are 1 Major, 0 Minor, 2 Opportunities for Improvement (OFI) are raised. The Major non-conformances raise during the audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken. Action plan is submitted for Minor non-conformance with implementation review during the next audit.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.5 of this report.

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4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 10/06/2019 for stakeholder's consultation meeting of Ninja Enterprise Sdn Bhd to provide comments. As at audit date on 10/07/2019 – 11/07/2019 there are no comments received.

Invitation letters are sent on 10/06/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 10/07/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of MSPO certification.
2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
The stakeholders could confirm they have attended meetings with the company on MSPO certification.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint
The stakeholders' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.
The local communities could confirm the company has provide assistance and support to communities.
4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information
The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

There are no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholders confirmed that they received the information from company in regards to MSPO audit. Stakeholders are aware of Ninja Enterprise is in process for MSPO certification.	Positive comments towards Ninja Enterprise Sdn Bhd.
2	Social issues	Stakeholders confirmed there is no social issue or concern during stakeholders meeting.	Positive comments towards Ninja Enterprise Sdn Bhd.
3	Type of land title – Country Leased, Provisional Leased, Native title	Stakeholders feedback no issue on Ninja Enterprise land title since it is country leased.	Positive comments towards Ninja Enterprise Sdn Bhd.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders feedback the company has increase the livelihood of community and provide job opportunities to local community.	Positive comments towards Ninja Enterprise Sdn Bhd.
5	Does MSPO largely benefits the local community?	Stakeholders informed there is the benefits from MSPO to local community such as jobs opportunity and improvement in income.	Positive comments towards Ninja Enterprise Sdn Bhd.
6	Environmental understanding	Stakeholders aware on environment protection as knowledge exchange during stakeholders meeting.	Positive comments towards Ninja Enterprise Sdn Bhd.
7	Awareness towards species, habitats, and high conservation values	Stakeholders are aware on RTEs. However they confirmed there is no HCV area near to Ninja estates.	Positive comments towards Ninja Enterprise Sdn Bhd.
8	Are there any plantation management practices that affect you?	Stakeholders attended meeting confirmed they do not encounter any negative impact on the estates operation.	Positive comments towards Ninja Enterprise Sdn Bhd.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders confirmed no breach of MSPO principle and criteria. They comment Ninja Enterprise management committed to the MSPO certification.	Positive comments towards Ninja Enterprise Sdn Bhd.
10	Do you have any suggestions for management?	No suggestion made by any stakeholders.	Positive comments towards Ninja Enterprise Sdn Bhd.

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4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below

Principle 1: Management Commitment & responsibility

Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Ninja Enterprise Sdn Bhd (NESB) established the Sustainable Policy dated 19/02/2019 signed by Director.</p> <p>The policy states NESB commitment to continual improvement in sustainability practices.</p> <p>Policy is in Bahasa Malaysia language and displayed at estate office notice board.</p> <p>Stakeholders' consultation confirmed they are aware of the policy.</p> <p>Interview with workers they are aware of the policy.</p>	Yes
4.1.1.2	<p>NESB established Sustainable Policy dated 19/02/2019.</p> <p>The policy has a statement :</p> <ul style="list-style-type: none"> Commitment to all laws, regulations and MSPO requirement for continual improvement. 	Yes
4.1.2.1	<p>NESB established Internal Audit flow chart dated 29/04/2019.</p> <p>The flow chart show the flow of internal audit and stated to be conducted once a year.</p> <p>The internal audit results identify the weakness and action plan is establish with the findings closed before 19/06/2019.</p>	Yes
4.1.2.2	<p>Internal audit flow chart established dated 29/04/2019.</p> <p>The latest internal audit conducted on 15/06/2019 has identified the weak point for improvement. 13 findings raised during internal audit.</p> <p>Action plan is established after management review dated 17/06/2019.</p> <p>Internal audit findings are closed on 29/05/2019 – 19/06/2019.</p>	Yes
4.1.2.3	<p>Internal audit report dated 15/06/2019 is presented at management review meeting conducted on 10/06/2019.</p> <p>The management has responded on the internal audit findings found. All findings are closed on 29/05/2019 – 19/06/2019.</p>	Yes
4.1.3.1	<p>The internal audit flow chart dated 29/04/2019 stated management review will be conducted once per year after internal audit.</p> <p>Management review meeting conducted on 10/06/2019.</p> <p>Example agenda of management review:</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> 1. Internal audit result 2. CIP 3. Training 	
4.1.4.1	<p>NESB established CIP that include social and environmental impact dated 28/04/2019.</p> <p>Example of topics included in CIP:</p> <ol style="list-style-type: none"> 1. Pesticide 2. Environment 3. Social impacts 4. Health and safety <p>The CIP includes improvement action, time frame, review and monitoring and person in charge for follow up purposes.</p>	Yes
4.1.4.2	<p>NESB established SOP on New Information, techniques, equipment dated 24/04/2019.</p> <p>The SOP states on implementation and control, Point 1 'To train the operators or the employees involved in implementation of new information, techniques, and equipment.'</p> <p>No new techniques or new technology implemented as at audit date.</p>	Yes
4.1.4.3	<p>The SOP for New Information, techniques and equipment dated 24/04/2019 describe 'To train the operators or the employees involved in implementation of new information, techniques, and equipment.'</p> <p>There is no new technology implement in NESB as confirm by the management.</p> <p>Interview workers they are aware of the SOP for New Information, techniques, and equipment.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>NESB has established stakeholders list dated 21/05/2019 that include surrounding estates, government authorities, supplier, collecting center and NGOs.</p> <p>Latest stakeholder meeting conducted on 20/06/2019 include topics such as MSPO certification, procedure, company policies and others.</p> <p>The meeting is to inform stakeholders regarding any information.</p> <p>During site interview, workers are aware on company policies, and information displayed at notice boards.</p> <p>The estate manager confirmed information will be shared upon request and information disseminating through stakeholders meeting and display at notice board.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Stakeholders request and response record book indicate no request as at audit date.	
4.2.1.2	<p>NESB has established 'List of Transparency and Information Documents' dated 19/06/2019.</p> <p>The list is available in English language and categorized into follows:</p> <ol style="list-style-type: none"> 1. Transparency documents (e.g. procedure, land title) 2. Confidential documents (e.g. bank statement, financial report) <p>The field staff is responsible for transparency documents and the Director is responsible for confidential documents.</p> <p>Interview with workers indicate they understand the list of transparency and information documents. Training g on 04/03/2019 in language understood by the workers.</p> <p>Stakeholders meeting conducted 20/06/2019 include briefing on the list.</p>	Yes
4.2.2.1	<p>NESB has established flow chart for consultation and communication dated 16/03/2019 and display at estate notice board.</p> <p>This procedure describes request and response, consultation meeting and compliance & grievances handling process for stakeholders.</p> <p>During stakeholders consultation, stakeholders are aware on this procedure.</p> <p>Interview with workers they are aware of this flow chart.</p>	Yes
4.2.2.2	NESB organisation chart dated 12/04/2019 indicate the Estate Manager appointed as the responsible person for MSPO including communication with stakeholders.	Yes
4.2.2.3	<p>NESB established list of stakeholders dated 21/05/2019 that includes neighbouring estates, government agencies, FFB collecting centre, NGOs, and suppliers.</p> <p>The stakeholders meeting minutes dated 20/06/2019 with positive comments of NESB.</p> <p>Review of stakeholders request and response book, no request found as at audit date.</p>	Yes
4.2.3.1	<p>NESB has established the SOP for Traceability dated 20/04/2019. The flow chart describe traceability from field until the collecting centre.</p> <p>Example of documents are FFB delivery chit, weighbridge ticket, and record FFB sales book.</p>	Yes
4.2.3.2	<p>Internal audit conducted on 29/05/2019 has no finding for traceability.</p> <p>The estate clerk conducts inspection of the traceability documents on monthly basis.</p>	Yes
4.2.3.3	NESB organisation chart dated 12/04/2019 states the estate clerk is person in charge and responsible on implementing and maintain the traceability system.	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.4	<p>The SOP Traceability dated 20/04/2019 stated that the traceability records will be kept for at least 5 years.</p> <p>Traceability records:</p> <ol style="list-style-type: none"> 1. FFB Delivery chit 2. Mill weighbridge ticket 3. FFB sales record book. <p>The traceability records reviewed confirmed all records are well maintained.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>NESB established legal register dated 18/06/2019. The list includes relevant laws, regulations and licenses.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Malaysia Palm Oil Board act 1998. 2. Minimum Wage Order 2018. 3. Sabah Labour Ordinance Cap 67. 4. MPOB license validity period 01/09/2018 – 31/08/2019. 5. Land title, country leased. 6. Business license validity period 09/02/2019 – 31/12/2019. <p>The licenses are reviewed confirmed the document is up to date and within the validity period.</p>	Yes
4.3.1.2	<p>NESB established Legal register dated 18/06/2019. The list includes the relevant acts and regulations applicable for oil palm operations.</p> <p>The applicable laws and regulations kept as soft copies and hard copies.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Malaysia Palm Oil Board act 1998. 2. Minimum Wage Order 2018. 3. Sabah Labour Ordinance Cap 67. 	Yes
4.3.1.3	<p>List of Legal Register established dated 18/06/2019 include relevant acts and regulations applicable for oil plam operations.</p> <p>The Legal Register flow chart dated 18/06/2019 states the legal register will be update once per year or when is necessary by the estate manager.</p> <p>Interview with estate manager confirmed any update of any relevant law will be updated to the legal register..</p>	Yes
4.3.1.4	<p>Flow chart for Legal register dated 18/06/2019 includes the flow chart of updating legal register.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	The flow chart mentioned the estate manager is responsible in updating and tracking changes in laws.	
4.3.2.1	NESB land titles are country leased issue by Sabah Land Authority with tenure of 99 years therefore, do not diminish the land user rights of others. Land used rights for agricultural. There is no land issue raised during stakeholders meeting conducted on 20/06/2019 and no grievance reported	Yes
4.3.2.2	NESB land titles are country leased with land right use for agricultural. The tenure is 99 years.	Yes
4.3.2.3	NESB land titles include map with boundary markers. Wooden pegs are sighted during field observation at boundary area.	Yes
4.3.2.4	NESB land titles are country leased issue by Sabah state land authority. Thus, no FPIC or negotiations process. No disputes reported during stakeholders consultation and no grievance reported	Yes
4.3.3.1	NESB land titles are country leased and not customary land.	Yes
4.3.3.2	There is no customary right land leased or owned by NESB. Therefore, no maps established.	Yes
4.3.3.3	NESB land titles are country leased issue by Sabah state land authority. Thus, no FPIC or negotiations record available. There is no issue of land use rights raised during stakeholders meeting and no grievance reported	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	NESB has established Social Impact Assessment (SIA) dated 24/06/2019 that cover applicable issues. The SIA include information from survey of internal and external stakeholders. The SIA include both positive and negative impacts and time frame to monitor for completion. The action and implementation is the responsible of the estate manager and field staff. Sighted list of stakeholders invited for SIA conducted on 28/05/2019 that includes neighboring estates, smallholders, worker representatives, etc. Management and field staff interview indicate SIA will be reviewed once a year.	Yes
4.4.2.1	NESB has established compliant and grievance flow chart dated 04/04/2019. The flow chart describes:	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Complaints & grievances of employee/non-employee related to all things. The complaints reporting to the manager within 10 days using complaint & grievances form. Discuss, investigate & inform complainant the decision / resolution within 30 working days. The complaint is satisfied (Yes/no) If No, the complaint reporting to the director within 10 days using complain form. Director investigate & inform complaint the decision within 30 working days. <p>The SOP is displayed at office notice board.</p> <p>Interview workers they understand and ware of complaint or grievance process and can be make when required.</p>	
4.4.2.2	<p>NESB has established complaint and grievance record book.</p> <p>Stated in the SOP the timeline to resolve complaints within 30 working days.</p> <p>Review on the complaint record book confirmed that no complaints lodged as at audit date.</p>	Yes
4.4.2.3	<p>Complaint forms, record book and box available at office area.</p> <p>Timeline to solve the complaints within 30 working days</p> <p>No complaints lodged as at audit date.</p>	Yes
4.4.2.4	<p>NESB has conduct MSPO training dated 04/03/2019. The training includes complaint and grievances process.</p> <p>Review on briefing book, complaint and grievance briefing was conducted on 22/04/2019 for all workers.</p> <p>Interview with harvester understand the complaint procedure and how to lodge complaint.</p>	Yes
4.4.2.5	<p>Review on the complaint record book no complaints lodged as at audit date.</p>	Yes
4.4.3.1	<p>NESB has provided work opportunities by hiring locals for estate operations such as, driver, office admin and field supervisor.</p>	Yes
4.4.4.1	<p>Safety and Health policy established dated 19/02/2019 signed by Director.</p> <p>The safety and health committee established consists of representatives from employees and employer.</p> <p>The safety & health policy and emergency plan map is displayed at the notice board.</p> <p>MSPO training dated 04/03/2019 includes safety and health policy</p> <p>NESB has established SOP for the emergency plan date 25/03/2019. The flow chart describe in the event of emergency occur, all workers must go to the assembly point.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Site interview with workers confirmed that they understand the safety and health policy and safety plan exit.	
4.4.4.2	<p>a) Safety and Health policy has established dated 19/02/2019 signed by Director.</p> <p>The policy is display at the notice board in both Bahasa Malaysia and English at workers compound and working areas.</p> <p>Interview with worker confirmed that they understand the safety policy</p> <p>MSPO training dated 04/03/2019 includes safety and health policy</p> <p>b) NESB has established the Identification of risks for all operations dated 01/05/2019.</p> <p>HIRARC consists of activity, hazard, potential risk, risk analysis, risk control and person in charge.</p> <p>Non-conformity: Major</p> <p>HIRARC has established dated 01/05/2019 includes FFB evacuation. Accident records dated 15/04/2019 indicate tractor accident happened during FFB evacuation. However, preventive and monitoring action is not implemented after accident happened.</p> <p>During site observation, workers are not following the SOP Transportation and found two cases where workers sitting beside the tractor driver and stand on trailer bar while tractor is moving to the field.</p> <p>c) Training program established for year 2019 date 05/01/2019 include SOP and safety policy.</p> <p>Training SOP sprayer and mixing conducted date 19/05/2019. All pesticide workers attend for the training.</p> <p>Estate established the individual training matrix easy to trace training conducted to workers.</p> <p>SDS available at point of use example chemical store, fertilizer store, lubricant store and review in English and Bahas Malaysia language.</p> <p>Store arrangement was in good condition following the best practise. The store was locked and only person in charge is allowed to enter. Proper fertilizer and chemical placement and labelling sighted. Signage of awareness warning and hazard are in place.</p> <p>d) Workers are provided with appropriate PPEs for the work activities.</p> <p>Sighted PPE issuance records dated 21/04/2019 for all worker.</p> <p>Hazard identification, risk assessment and determining control (HIRARC) has established dated 01/05/2019 by field staff. HIRARC control include the PPE awareness and type to the workers. Site verification during spraying, all workers are proper PPE google, mask, apron and rubber boot.</p> <p>e) NESB has established the flow chart 'Cara Pengendalian Bahan Kimia'.</p>	No

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>CHRA has established by Ninja Enterprise and Amed Enterprise (ref:HQ/11/ASS/00/298-2019/089) conducted of assessment 18/04/2019, date of completion report on 06/05/2019.</p> <p>Summary executive stated, risk is moderate or low and inadequate control measure and to improve as per recommended by Doctor for each activities.</p> <p>f) The organization chart identify the appointed person in-charge of safety and health is the estate manager.</p> <p>g) Records of safety briefing and dialogue with workers conducted during morning muster, example date 15/05/2019 brief on safety issue and PPE usage.</p> <p>Training on safety and PPE usage conducted on 04/03/2019 to all workers.</p> <p>OSHA meeting conducted quarterly per year. Latest meeting conducted on 15/06/2019. Stated in meeting PPE used, health issue at housing area and injury records.</p> <p>h) Accident and emergency SOP has established dated 25/03/2019. SOP stated accident reported to management and take action on recommendation.</p> <p>The emergency contact of person or organization and telephone numbers is displayed at notice board.</p> <p>Interview with workers at both estates confirms their understanding of the accident and emergency procedure</p> <p>i) The estate in-charge and two workers are trained in first aid training on 02/03/2019 conducted by Hospital Lahad Datu.</p> <p>First aid kits available at key activities for operation, office and housing. Any major injury will proceed to government clinic and General Hospital.</p> <p>j) Records of accidents and injuries is established, records review one accident occurred on 05/04/2019 tractor break not functioning and no injuries reported.</p>	
4.4.5.1	<p>NESB has established Ethics and Human Rights Policy, dated 19/02/2019, sign by Director and display at office notice board..</p> <p>The policy states "Respect and protect human rights in accordance to United Nations human rights declaration as well as the individual dignity working at all levels of operations including contracted third parties</p> <p>Training Human Right policy conducted on 22/06/2019</p>	Yes
4.4.5.2	<p>NESB has established Ethics and Human Rights Policy dated 19/02/2019, signed by Director display at notice board and available in English and Bahasa Malaysia.</p> <ul style="list-style-type: none"> Respect and protect human rights in accordance to United Nations human rights declaration as well as the individual dignity working at all levels of operations Provide fair and equitable employment opportunities for all employees. 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Interview with Estate manager confirmed equal opportunity is provided to all the workers.</p> <p>During the site interview, workers feedback there is no discrimination practice in the work place and treated fairly.</p>	
4.4.5.3	<p>NESB established contract agreement with workers in accordance to Sabah Labour Ordinance and Minimum Wages Order (revised) 2018.</p> <p>Contract agreement duly signed by both management and employees.</p> <p>NESB payment of wages according to Minimum Wage Order 2018.</p>	Yes
4.4.5.4	NESB does not engage contractors for estate operations	Yes
4.4.5.5	NESB has established workers record consist of name, gender, date of birth, date of entry, job task, wage and period of employment.	Yes
4.4.5.6	<p>NESB established Contract agreement f duly signed by both management and employees.</p> <p>The contract agreement is available in Bahasa Malaysia for better understanding by employees.</p> <p>During on site interview with workers confirmed they keep copy of contract agreement and understand the content.</p>	Yes
4.4.5.7	<p>NESB has established 'check roll' as time recording system for working hours and overtime.</p> <p>Working hours display at muster ground in front the office.</p> <p>Working overtime when required will be paid according to Sabah Labour Ordinance requirements of 1.5 times for normal working days</p> <p>Interview with harvesters morning briefing conducted for working hours.</p>	Yes
4.4.5.8	<p>NESB has established working hours.</p> <p>5.30 am – 10.00 am</p> <p>10.00 am – 11.00 am (break)</p> <p>11.00 am – 2.00 pm</p> <p>The working hour is displayed at office notice board.</p> <p>Interviews with workers they understand and aware of the working hours and confirmed they are paid according to legal requirement.</p>	Yes
4.4.5.9	<p>NESB has established wage payment voucher to workers either daily paid or piece rate based on type of work.</p> <p>Overtime paid will be according to Sabah Labour Ordinance if any occur.</p> <p>Wages for 2019 sighted and payment according to the Minimum Wage Order 2018 of RM1,100.00 or daily wage of RM42.31.</p> <p>Check roll and pay slip reviewed, the payment of overtime in accordance to minimum wage order 2018 and Sabah Labour Ordinance.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.10	NESB provides housing, sufficient water, electricity, medical, annual leave, sick leave, SOCSO and public holidays. Worker contract sighted states the benefits provided.	Yes
4.4.5.11	NESB follow the industry best practice for employees housing with free electricity and sufficient water supply. Site observation the living quarters has basic amenities and sufficient space for the family or those unmarried.	Yes
4.4.5.12	NESB has established Sexual Harassment Policy dated 19/02/2019, signed by Director and display at notice board. The policy states the company is committed to providing a work environment that is conducive, safe and free from sexual harassment Complaint and grievance records reviewed and confirmed no complaints made on sexual harassment or violence. Interview with female workers indicate there is no sexual harassment case reported	Yes
4.4.5.13	NESB has established Ethics & Human Rights Policy, dated 19/02/2019 sign by Director display in notice board with a statement Respect the right of freedom of association. . There is no union establish in NESB. NESB management conduct JCC meeting once a year as a platform for two way communication to obtain information and suggestions from workers representative. The latest meeting was conducted on 20/06/2019. Sighted minutes of meeting and attendance list.	Yes
4.4.5.14	NESB has established Social Policy dated 19/02/2019, signed by Director and display at notice board. The policy states: <ul style="list-style-type: none"> ensure that NO child or young person who has not attained the age of 18 years shall be or permitted to be, engaged in any employment other than those allowed by the law. Review on workers master list and contract agreement confirmed no child and young labour working at the estate. During site observation confirmed that all employees are above age of 18 years.	Yes
4.4.6.1	Training program established for year 2019 date 05/01/2019. Training program include policy, safety, environmental and biodiversity. Training need analysis is established for monitoring the training for each worker.	Yes
4.4.6.2	Training matrix is established for individual to provide the specific skill and competency on job	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Example: Harvesting SOP training on 01/07/2019.	
4.4.6.3	Training Program for 2019 established for continual improvement program for all workers dated 05/05/2019.	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>NESB has established policy Environmental Policy dated 19/02/2019 signed by Director and display at notice board.</p> <p>The objective of policy is to minimize the environmental impact caused by its operations and to understand the importance of preserving nature.</p> <p>Environmental management plan established dated 13//06/2019. The plans includes</p> <ul style="list-style-type: none"> • Environmental quality act 1974 • Scheduled waste • Environmental protection 2002 <p>EMP include the environmental aspects and impacts assessment.</p>	Yes
4.5.1.2	<p>NESB has established Environmental Policy, dated 19/02/2019 signed by Director.</p> <p>The policy objective is to minimize the environmental impact caused by its operations and to understand the importance of preserving nature.</p> <p>Environmental management plan established dated 13/06/2019 describes environmental aspects and impacts assessment analysis for fields operations.</p>	Yes
4.5.1.3	<p>Environmental Management Plan (EMP) dated 13/06/2019 includes improvement plan to mitigate the negative and promote positive.</p> <p>Example:</p> <p>Empty fertilizer bag</p> <p>Negative impacts: improper disposal of fertilizer bag</p> <p>Action plan, monitoring and CIP: triple wash and keep in the store</p> <p>Positive impact: fertilizer bags to be reused: collect loose fruits, domestic wastes. Records of inventory sighted</p>	Yes
4.5.1.4	<p>EMP states the program to promote positive impacts in the CIP.</p> <p>Example:</p> <p>Activities: empty fertilizer bag</p> <p>Environmental aspect: positive impacts fertilizer bag to be reused.</p> <p>Action plan, monitoring and CIP: reuse for loose fruit collection</p> <p>PIC: field staff</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.5	<p>Training for the environmental policy was conducted at both Ninja and Amed divisions on 04/03/2019.</p> <p>Site interview with workers confirmed that they understand environmental no chemical spray at riparian area.</p>	Yes
4.5.1.6	NESB conducted environmental meeting dated 05/06/2019 with discussion of environmental issues such as oil spillage in workshop area must monitor regularly.	Yes
4.5.2.1	<p>Diesel consumption records for year 2016, 2017 and 2018 is established as baseline consumption to monitor non-renewable energy usage</p> <p>Records for Jan to May 2019 is review with diesel consumed did not exceed the baseline.</p>	Yes
4.5.2.2	NESB has established diesel records for year 2019 and update monthly. Sighted estimated diesel used and actual for comparison in the financial budget.	Yes
4.5.2.3	NESB installed solar panel as renewable energy for estate office use.	Yes
4.5.3.1	Waste management and disposal plan established, doc no: 4.5.3.1 dated 28/05/2019 describes sources of wastes solid, liquid and gaseous.	Yes
4.5.3.2	<p>a. Waste management plan describes the identification and sources of wastes generated to reduce pollution.</p> <p>Liquid waste: Used engine oil collected by contractor for servicing the tractor.</p>	Yes
	b. NESB re-cycle empty chemical containers as waste bins, fronds as soil conditioner and improve soil nutrients..	
4.5.3.3	<p>NESB has established SOP Control of Chemical Usage, dated 25/04/2019.</p> <p>All empty chemical containers are properly marked and re-used for pre-mixed</p>	Yes
4.5.3.4	<p>Environmental management plan established dated 13/06/2019 states</p> <p>Empty chemical containers marked in red colour and reuse for the pre-mix chemical. Site visit confirmed empty chemical containers are re-used and marked with red colour at chemical store.</p>	Yes
4.5.3.5	No landfill established in the estate. All domestic wastes are collected and disposed at collection area f by Sandakan City Council.	Yes
4.5.4.1	<p>Environmental management plan established dated 13/06/2019 describes environment aspects and impacts and waste management of solids, liquid and gas.</p> <p>Example:</p> <p>Solid waste: Empty chemical containers used as recycle bin.</p> <p>Domestic waste collected and disposed at 'Majlis Perbandaran Sandakan designated area'</p> <p>Liquid waste: Used engine oil collected by oil supplier.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Indicator	Summary of Assessment	Compliance		
	Gas: Schedule maintenance of tractors			
4.5.4.2	<p>Environmental management plan established dated 13/06/2019 describes action plan to reduce pollutions and emissions</p> <p>Example:</p> <p>Activities: farm tractor</p> <p>Environmental aspect: smoke emission</p> <p>Action plan: service regularly, keep maintenance records of vehicle.</p>	Yes		
4.5.5.1	<p>a) Water management plan established dated 17/05/2019.</p> <p>Water sources identified</p> <ul style="list-style-type: none"> • Water pond used for washing and chemical pre-mix • Water from government for domestic usage 	Yes		
	<p>b) NESB has established water collection sump to collect rinsing water to reuse for chemical pre-mixed. Oil trap at workshop area to prevent oil flowing to the waterways</p>			
	<p>c) NESB has monitoring and control plan for checking water pipe once a month.</p>			
	<p>d) Signage installed at riparian areas and palms are marked with red and white colour band that no chemical and fertilizer activities with the 20 meter zone from the river.</p> <p>Training conducted on environmental pollution and maintaining riparian zone.</p> <p>Meeting on environmental issues conducted on 15/06/2019 includes discussion on protection of riparian zones and water environmental impact.</p>			
	<p>e) There are no natural vegetation removed from riparian area as observed during field verification.</p> <p>Signage are installed that no chemical and fertiliser application in these zones.</p>			
	<p>f) No bore well established at Ninja and Amed divisions sighted during site verification.</p>			
4.5.5.2	No bunds constructed at river in the estate. This is confirmed by field verification.	Yes		
4.5.5.3	Water harvesting is implemented at housing, workshop, chemical mixing location.	Yes		
4.5.6.1	<table border="1"> <tr> <td>a</td> <td>NESB established management plan of rare threatened or endangered species conservation area, had been identified with reference to checklist protected wildlife species in Sabah dated 22/05/2019. Stated in the management plan list of wildlife sighted.</td> </tr> </table>	a	NESB established management plan of rare threatened or endangered species conservation area, had been identified with reference to checklist protected wildlife species in Sabah dated 22/05/2019. Stated in the management plan list of wildlife sighted.	Yes
a	NESB established management plan of rare threatened or endangered species conservation area, had been identified with reference to checklist protected wildlife species in Sabah dated 22/05/2019. Stated in the management plan list of wildlife sighted.			

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Type of flora and fauna found such as different insect species, birds and animals.	
	<p>b Sighted at block C3 at the Buffer zone area oil palm is well marked. Palms marked with "red paint" to ensure there is no application of fertilizer and chemical in area gazetted as a buffer zone.</p> <p>Signage of prohibition on above activity was observed</p> <p>Based on site verification at block C2, there is no wildlife presence along the estate boundaries.</p>	
4.5.6.2	<p>a NESB established management plan to monitor any wildlife sighted in and around the estates dated 22/05/2019.</p> <p>Morning briefing conducted on legal protection and prohibition of wildlife based on Sabah Wildlife Enactment 1997.</p> <p>The workers are informed of the list of rare, threatened and endangered species on 20/06/2019.</p>	Yes
	<p>b Signage are installed at Buffer zone with no illegal hunting. Interviewed workers that they are able to explain their understanding for illegal or inappropriate hunting, fishing or collecting activities.</p>	
4.5.6.3	The wild life monitoring plan is established to monitor the respective area in weekly basis by employees.	Yes
4.5.7.1	<p>NESB has established No burning policy dated 19/02/2019 sign by Director.</p> <p>During on site verification at field operation, buffer zone and labor quarters no open burning activities found.</p> <p>Morning briefing on Zero Burning practices conducted on 23/05/2019.</p>	Yes
4.5.7.2	<p>NESB adopt the field handbook, vol. 2, as a guideline to treat crop with diseases. NESB practices fell, chipping method when there is disease occur.</p> <p>Onsite observation no burning activities practice</p>	Yes
4.5.7.3	Onsite observation and workers interview there are no burning activities being practice.	Yes
4.5.7.4	NESB adopt field handbook for immature oil palm, volume 2 series number: ISBN 981-04-1433-1 as a guideline for new planting and replanting practices. The guideline stated that for replanting, felling and chipping method is used.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>NESB adopted The field handbook oil palm series document no ISBN 981-04-1334-3 as SOP for best practices to manage field operations. .</p> <p>Training program established for year 2019 date 05/01/2019</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Example training conducted: Harvesting SOP on 01/07/2019.	
4.6.1.2	NESB adopt field hand book series doc no ISBN 981-04-1433-2 and 1 to manage planting on slopes, Field observation indicates that no planting on slope found in NESB estate.	Yes
4.6.1.3	Block marking is established, visible, well maintained and include year of planting, size and planting material.	Yes
4.6.2.1	Financial and budget 2019 is established and updated on 11/06/2019 with two year projection budget for year 2019 and 2020. Budget include: <ul style="list-style-type: none"> • FFB production • FFB price • Expenses • CIP 	Yes
4.6.2.2	Replanting program has been established dated 26/04/2019 with next replanting starts in year 2023	Yes
4.6.2.3	Financial and budget 2019 as follows: <ul style="list-style-type: none"> • FFB projection for 2019 and 2020 • Cost of production per/mt FFB. • Price forecast. 	Yes
4.6.2.4	NESB monitor the monthly financial for profit and loss and compared against budget. Sighted June 2019 financial statement.	Yes
4.6.3.1	NESB established purchase order for purchase of products and services. Example: Purchase order for chemicals dated 01/06/2019.	Yes
4.6.3.2	Purchase order is issue based on quotation from supplier. Payment is made according to terms and conditions stated in purchase order.	Yes
4.6.4.1	NESB does not engaged contractors for operation services. Therefore, there is no contract document for contract work establish MSPO for review.	Yes
4.6.4.2	NESB does not engage contractors. Therefore, no contract agreements available for review.	Yes
4.6.4.3	NESB does not engage contractors. Therefore, the indicator is not applicable.	Yes
4.6.4.4	NESB does not engage contractors. Therefore, the indicator is not applicable.	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.1.1	The planting statement and maps is reviewed indicate that there are no new planting occurs in both the divisions First replanting in 1991 for Ninja division and 1995 for Amed division. Therefore no assessment conducted since there is no new planting.	Yes
4.7.1.2	There are no new planting in NESB. Replanting program planned on 2023 for Ninja Division and Amed division . Therefore, no PMM is established.	Yes
4.7.2.1	Planting statement, land title and maps are reviewed. There are no peat land in both Ninja division and Amed division. Therefore not applicable.	Yes
4.7.3.1	Review on planting statement and from field observations confirmed there are no new planting in NESB. The 1 st replanting in 1991 for Ninja division and 1995 for Amed Division . Therefore, no SEIA establish.	Yes
4.7.3.2	Review on planting statement and from field observations confirmed there are no new planting in both Ninja and Amed divisions. The 1 st replanting in 1991 for Ninja division and 1995 for Amed Division 2008Therefore, no SEIA establish.	Yes
4.7.3.3	Review on planting statement and from field observations confirmed there are no new planting in NESB. The 1 st replanting in 1991 for Ninja division and 1995 for Amed Division Therefore, no SEIA establish.	Yes
4.7.3.4	There are no scheme smallholders' involved in NESB estate certification. Therefore not applicable.	Yes
4.7.4.1	Review on planting statement and from field observations confirmed there are no new planting in NESB. The 1 st replanting in 1991 for Ninja division and 1995 for Amed Division Therefore, no soil maps establish.	Yes
4.7.4.2	The planting statement, estates maps and land titles were reviewed. There are no new planting. Therefore, no topographic information establish.	Yes
4.7.5.1	The planting statement, estates maps and land titles were reviewed. There is no new planting, therefore not applicable.	Yes
4.7.5.2	The planting statement, estates maps and land titles are reviewed. There is no new planting, therefore no plans established.	Yes
4.7.5.3	The planting statement, estates maps and land titles are reviewed. There are no new planting, therefore no plans established.	Yes
4.7.6.1	Planting statement, estate maps and land titles are reviewed. There is no new plantings, therefore no FPIC conducted.	Yes
4.7.6.2	Planting statement, estate maps and land titles are reviewed. There is no new plantings, therefore no management plan establish to maintain scared sites.	Yes
4.7.6.3	Planting statement, estate maps and land titles are reviewed.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	There is no new plantings, therefore, no documentary proof of the transfer of rights and of payment or provision of agreed compensation establish.	
4.7.6.4	Planting statement, estate maps and land titles are reviewed. There is no new plantings, therefore, no compensation land acquisitions and relinquishment of rights establish.	Yes
4.7.6.5	Planting statement, estate maps and land titles are reviewed. There is no new planting, therefore, no assessment of legal and recognized customary rights establish.	Yes
4.7.6.6	Planting statement, estate maps and land titles are reviewed. There is no new plantings, therefore, no system for identifying people entitled to compensation and for calculating and distributing fair compensation establish.	Yes
4.7.6.7	Planting statement, estate maps and land titles are reviewed. There is no new plantings, therefore, no compensation claims documented and made publicly available.	Yes
4.7.6.8	Planting statement, estate maps and land titles reviewed and there is no new planting. Therefore, no impact to local communities.	Yes

4.4. Status of Non-Conformities Previously Identified

X	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address the identified audit findings..
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular 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.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.</i></p> <p><i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i></p>	

4.5. Detail of Audit Findings in last audit

4.6. Stage1 audit findings have been addressed accordingly and documents are review for the corrections made Detail of Audit Findings Identified During This Audit

This section gives an overview of the non-conformities raised during this audit.

AUDIT OUTCOME		
During this audit,	1	MAJOR Non-Conformities

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	0	MINOR Non-Conformities
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Non Conformity Number < >			
Indicator # and Description	4.4.4.2 The occupational safety and health plan shall cover the following: b) The risks of all operations shall be assessed and documented		
Location:	Ninja Enterprise Sdn Bhd		
Description of Finding / Objective Evidence:			
HIRARC established dated 01/05/2019 includes FFB evacuation. Accident records dated 15/04/2019 indicate tractor accident happened during FFB evacuation. However, preventive and monitoring action is not implemented after accident happened.			
During site observation, workers are not following the SOP Transportation and found two cases workers sitting beside the tractor driver and stand on trailer bar while tractor is moving to the field.			
Classification	<input checked="" type="checkbox"/> Major		<input type="checkbox"/> Minor
Raise by:	Zul Hairi Bin Abu Hassan	Date Raise:	11/07/2019
Deadline for implementation	12/09/2019		
Root Cause Analysis (by company):			
New workers, still lack of SOP training.			
Correction (by company):			
Conducted meeting and SOP training to the drivers on 12 July 2019.			
Corrective / Preventive Action (by company)			
Monitoring by staff & mandore / Provide SOP training twice (2) a month/ Provide checklist & checking on tractor before start working.			
Review of Correction & Corrective / Preventive Action			
Review training on transportation SOP conducted on 12/07/2019. Training program established dated 12/07/2019 states training will be conducted twice a month. Tractor checklist records submitted confirmed that tractor inspection has been conducted on 30/07/2019.			
The effective implementation will be review during the next audit.			
Closed:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor:	Zul Hairi Bin Abu Hassan		Date of Closure: 25/08/2019
Review of Implementation			
.			
Name of Lead Auditor / Auditor:			Date of Review:

Nr.	Indicator	Location	Opportunity for Improvement
1	4.1.4.1	Ninja Enterprise	Management could consider to improve CIP document with appropriate subject and person prepared.

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Nr.	Indicator	Location	Opportunity for Improvement
2	4.5.6.3	Ninja Enterprise	Management could consider to improve on wild life monitoring record.

5. CONCLUSION

Ninja Enterprise Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct stage 2 Certification audit for its Ninja enterprise estates according to MSPO 2530-3:2013 Part 3 General principles for Plantations and Organised Smallholders.

There is 1 Major NC raise and closed out successfully. No minor NC raise during this 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 TUV NORD 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 Principles & Criteria of the applied standards of MS 2530-3::2013 Part 3.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that:

Total certified number of estates:	1	Estates
Total certified production area:	401.88	Ha
Certified FFBs January to June 2019:	6,033.94	Mt
Projected FFB production July to December 2019:	5,280.00	Mt

6. RECOMMENDATION

The audit team conduct a process-based audit focussing 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 structure of the audit is in accordance with the audit plan included in this summary report as annex.

The audit team concludes that the organisation 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 organisation'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

<input checked="" type="checkbox"/>	Recommended for Certification
<input type="checkbox"/>	Recommended for Continuity of Certification
<input type="checkbox"/>	Recommended for Suspension of Certification

Puchong, 20/09/2019



Sheron Pui Ling Wui
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 20/09/2019



Nur Amanina Zahir
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

7. LIST OF INTERVIEWEES

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation / Function
1	Chin Seong Choy	Wirajayamas Sdn Bhd
2	Fatimah Binti Popong	Kampung Sungai Daling
3	Ujinani Binti Popong	Kampung Sungai Daling
4	Wong Chi Way	EMPA
5	Sangkala Kasing	EMPA

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities or weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- P&C Audit Report / Checklists
- Audit Plan
- Additional annexes, number