



Assessment Report	3 rd August - 3 rd August
	2018

[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	Atlas Group of Companies - Atlas Batang Melaka Estate - Atlas Paloh Rubber Estate - Atlas Pagoh Muar Estate - Serkam Estate - Gading Estate
Address	HQ address : 12, Jalan Bukit Gedong, 75050 Melaka.
Report No.	MS18FM0023
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	Edwin Tan Keng Kum
Alternate contacts	Chee Teng Heng
Management Representative contact no.	+6012 780 4818
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Scope of Certification	
Scope of certification in English	Provision of Planting & Harvesting of Fresh Fruits Bunches
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	Will be review in the 2 nd stage Audit (in progress)
Internal audit Date	Will be review in the 2 nd stage Audit (in progress)

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>Closing Meeting</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"
4.1 Management Commitment & Responsibility		
4.1.1 MSPO Policy	Y	<p>4.1.1.1 MSPO Policy signed and verified. Signed by Director However the is not date stated (OFI)</p> <ul style="list-style-type: none"> • 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. • Interview of personnel and stakeholders whether they are aware of the MSPO Policy and its implementation at the site. - Will verified during stage 2. <p>4.1.1.2 Continues improvement statement sighted in the MSPO Policy. The implementation will verify during stage 2.</p>
4.1.2 Internal Audit	Y	<p>4.1.2.1 Internal Audit Procedure</p> <ul style="list-style-type: none"> - The company not yet conduct the Internal Audit at this time of review. (OBS). - Will verify during stage 2.
4.1.3 Management Review	Y	<p>4.1.3.1</p> <ul style="list-style-type: none"> - Sighted there is no Management Review Meeting was conducted at this time of review. (OBS)
4.1.4 Continual Improvement	Y	<p>4.1.4.1</p> <ul style="list-style-type: none"> - Sighted the training record at OSH file. - Sighted there is no training plan document for this year 2018 (OBS). - Evaluation on effectiveness of training programme will be verified during 2nd stage audit. i)Social Impact Assessment was schedule middle of September 2018. Sighted the HIRARC register, dated on May 2018. <p>4.1.4.2 To be verified during 2nd stage audit.</p> <p>4.1.4.3 To be verified during 2nd stage audit.</p>
4.2 Transparency		

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.2.1 Transparency of information and documents relevant to MSPO requirement	Y	<p>4.2.1.1 The company don't have any home page.</p> <p>4.2.1.2 Record of request and response will be verified during stage 2 audit due to no request from outsiders at this time of review.</p> <p>No issue of land title.</p> <p>Sighted the Environment Aspect & Impact & Evaluation Review</p> <p>Complaint & grievances procedure sighted. There is no complaint at this time of review. Will be verified during 2nd stage audit.</p> <p>Continue Improvement Plan to be verifid during 2nd stage audit.</p>
4.2.2 Transparent method of communication and consultation	Y	<p>4.2.2.1</p> <ul style="list-style-type: none"> - Sighted the Standard Operation Procedures (SOP) - Sighted the Communication and Consultation procedures. <p>4.2.2.2</p> <ul style="list-style-type: none"> - Sighted the appointment letter responsible for MSPO matters. - Records of request and responses. - Sighted the list of stakeholders - Internal & external.
4.2.3 Traceability	Y	<p>4.2.3.1</p> <ul style="list-style-type: none"> - Sighted the Standard Operating Procedure (SOP) - Visual inspection on traceability will be verified during 2nd stage audit. <p>4.2.3.2</p> <ul style="list-style-type: none"> - To be verified during 2nd stage audit. <p>4.2.3.3</p> <ul style="list-style-type: none"> - Sighted the appointment letter for responsible person for traceability. <p>4.2.3.3</p> <ul style="list-style-type: none"> - Sighted the records of sales and delivery FFB
4.3 Compliance to legal requirements		
4.3.1 Regulatory requirements	Y	<p>4.3.1.1</p> <p>Licenses and permit been listed and monitored in List of Licenses and Permits. The listed license as per sample below :</p> <ul style="list-style-type: none"> i. MPOB license - Atlas batang Melaka Estate (license no : 501887302000) valid until 1/8/2018-31/7/2019. ii. Perakuan penentuan Timbang dan Sukat - Akta Timbang Sukat 1972 dated on 17/7/2018 (Siries no : A 16220435 Weighcom SE5R 40,000 x 10kg). <p>The date of validity been identified in the list as well. Will verified in 2nd stage of audit for the other estate (Atlas Paloh Rubber Estate, Atlas Pagoh Muar estate, Serkam Estate, Gading Estate).</p> <p>4.3.1.2</p> <p>As per Master List of Standard, Legislation, and Other Requirements in MSPO manual. verified the assessment of legal register is in the midst of progress and will be verified during 2nd stage audit.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Obs- sighted inside the legal register assessment had been done however some of the legal which is not applicable can be remove etc FMA 1987 (steam boiler regulation 3) seen it been tick in the assessment</p> <p>Obs- Sighted no record as evidence for weekly inspection for worker quarters.</p> <p>4.3.1.3 Tracking and updating the changes in regulatory requirements are been listed as function of regulatory officer appointed.</p> <p>4.3.1.4 Mr Edwin Tan Keng Kum (Assistant Manager) been nominated as Legal Requirement Register Officer to monitor compliance of regulatory requirement, track and update the changes in regulatory requirement, perform any further function that may be required by employer to enable the implementation of MSPO. The functions are listed in one nomination letter dated on /01/2018 and signed by CEO.</p>
4.3.2 Land use rights	Y	<p>4.3.2.1 As per land grant (Geran Tanah). Sighted Grant for Atlas Batang Melaka Estate with total grant of 13. Below are the sample taken :</p> <p>i. No hakmilik : 61632 , lot no: 3813 , luas lot : 4.0291 Ha, land title : "Pertanian"</p> <p>ii. No hakmilik : 61637 , lot no : 3818 , luas lot : 3.5865 Ha, land title : " Pertanian"</p> <p>iii. No hakmilik : 61636 , lot no : 3817, luas lot :3.7762 Ha, land title : "Pertanian".</p> <p>4.3.2.2 The land title were verified for 13 grant for Atlas Batang Melaka Estate is "Pertanian"/ Agriculture.</p> <p>4.3.2.3 As per trenches, boundry stone- will verified during 2nd Stage.</p>
4.3.3 Customary rights	Y	Not Applicable
4.4 Social responsibility, health, safety and employment condition		
4.4.1 Social impact assessment (SIA)	Y	<p>4.4.1.1 - Social Impact assessment still in progress. (OBS)</p>
4.4.2 Complaints and grievances	Y	<p>4.4.2.1 - Sighted the Complaint & Grievances procedure.</p> <p>4.4.2.2 - Sighted the Complaint & Grievances form.</p> <p>4.4.2.3 - Sighted the complaint & Grievances form.</p> <p>4.4.2.4 - The company will conduct Stakeholders Consultation meeting somewhere in September 2018. - To be verified during 2nd stage audit.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.4.2.5 - Will verified during 2nd Stage
4.4.3 Commitment to contribute to local sustainable development	Y	4.4.3.1 - There is no CSR activities was recorded for this year 2018 (OBS).
4.4.4 Employees safety and health	Y	<p>4.4.4.1 - To be verified during 2nd stage audit.</p> <ul style="list-style-type: none"> - Sighted the Safety & Health Policy - Sighted the Safety & Risk assessment - Sighted the Training Record for OSH for the year 2018. - Sighted the PPE record for year 2018. - Sighted the Accident and Emergency response procedures. - Sighted the 'Pelan Tindakan Kecemasan'. <p>4.4.4.2 - Sighted the accident and investigation records. - Person In-charge for OSH is Mr. Perter Santhiago, however there is no letter of appointment (OBS).</p> <ul style="list-style-type: none"> a) Sighted the OSH Policy b) Verified the HIRARC c) Verified the training plan d) Sighted the PPE issuance record e) Sighted SOP on chemical handling f) Accident and emergency procedures i) First Aider not ready yet (OBS) j) Sighted the accident record book for year 2018.
4.4.5 Employment conditions	Y	<p>4.4.5.1 -Social Policy -Sexual Harrassment Policy</p> <p>4.4.5.1 -Human Resouce & Social Policy -Guidelines on prevention of sexual harassment at the workplace not ready yet (OBS)</p> <p>4.4.5.3 -Employment contract for workers. -Records of registration of workers (comply with minimum age)</p> <p>4.4.5.4 -Minimum Wages Circular -Payslip (minimum wages)</p> <p>4.4.5.5 - Employee registration - To be verified during 2nd stage audit</p> <p>4.4.5.6 - Sighted employee contract agreement - To be verified during 2nd stage audit for working housing and amenities.</p> <p>4.4.5.7 - Sighted check-roll book - Sighted - display of working hours at general hours at general notice board.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.4.5.8 - ILO Convention 87 - Leave entitle for employee was recorded 4.4.5.9 - Contract agreement 4.4.5.10 - Social benefit for employee 4.4.5.11 - Workers quarters - To be verified during 2nd stage audit 4.4.5.12 - National guidelines on sexual harassment in the workplace 4.4.5.13 - Legal law on foreign workers. 4.4.5.14 - Employment act
4.4.6 Training and competency	Y	4.4.6.1 - Training record for 2018. - Senarai Semak Penilaian Pekerja Penyembur Racun/Baja - to verify during site assessment on 2nd stage audit. 4.4.6.2 as per 4.4.6.1 4.4.6.3 as per 4.4.6.1
4.5 Environment, natural resources, biodiversity and ecosystem services		
4.5.1 Environmental management plan	Y	4.5.1.1 -Environment, Natural Resources, Biodiversity, And Ecosystem Policy signed by Chairman.(Obs- Sighted the policy there is establishment date stated.) - Environmental plan is still in progress will be verified during stage 2 nd audit. (OBS) -4.5.1.2 - Aspect impact of environment , the assessment is still in the midst of progress will be verified during 2 nd stage audit.(OBS) -4.5.1.3 as per 4.5.1.1 -4.5.1.4, 4.5.1.5 and 4.5.1.6 - this clause will be verified during 2 nd stage audit due to the company is not yet completed the Impact Aspect assesment and EMP.
4.5.2 Efficiency of energy use and use of renewable energy	Y	4.5.2.1 -Consumption of non-renewable energy record 2018 sighted. Form of Monitoring of Diesel Consumption; a) Diesel usage were record in the Diesel usage book consumption. (Obs - notice that the diesel usgae record not been properly maintain) 4.5.2.2 as per 4.5.2.1 4.5.2.3 as per 4.5.2.1

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.5.3 Waste management and disposal	Y	4.5.3.1 - As per Waste management plan dated on 1/6/2018. -Prosedur of Schedule Wastes Handling sighted dated 1/06/2017 verified to handling SW. 4.5.3.2 as per 4.5.3.1 4.5.3.3 as per 4.5.3.1 4.5.3.4 as per 4.5.3.1 4.5.3.5 as per 4.5.3.1
4.5.4 Reduction of pollution and emission	Y	4.5.4.1 as per Environment Aspect and Impacts Assessment - Status still in progress will be verified during 2 nd stage audit. 4.5.4.2 -Sighted the waste management plan dated on 1/6/2018 and the status of mitigation plan will be verified during 2 nd stage audit..Verified that any pollution were identified in the EIA.
4.5.5 Natural water resource	Y	4.5.5.1 - Sighted and been notify by the auditee the usage of water from water cathcment just for cleaning and wash not for drinking. 4.5.5.2 to be verifeid during 2 nd stage. 4.5.5.3 to be verified during 2 nd stage.
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value	Y	4.5.6.1 OBS-Biodiversity Assessment is in progress , will be verified during 2 nd stage. 4.5.6.2 as per 4.5.6.1
4.5.7 Zero burning pracrices	Y	-No burning is allowed as mention by management, refer in : Zero burning policy. -Will be verified during 2 nd stage audit.
4.6 Best Practices		
4.6.1 Site management	Y	4.6.1.1 Sighted during this period of review currently the estate practices were as per MPOB guideline for best practice. 4.6.1.2 -Visual inspection block marking will be verified during 2 nd stage audit.
4.6.2 Economic and financial viability plan	Y	4.6.2.1 - Sighted the managemnt currently in progress for creating business management plan / budget plan for operational cost - Verified the cycle budget plan will be from september until october next year - evidence budget plan year 2018/19 . Will be verified during 2 nd stage audit. - Refer to auditee, there is replant for the period next 3 years for Ladang Serkam . 4.6.2.2 as per 4.6.2.1 4.6.2.3 as per 4.6.2.1 4.6.2.3 as per 4.6.2.1
4.6.3 Transparent and fair price dealing	Y	4.6.3.1 - Pricing mechanism for contractor work been agreed in contract agreement. Will be verified during 2 nd stage. 4.6.3.2 Sighted the transparency of price dealing were verified through evidence of sign checking by the contractor on the supporting document for the

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		contract work etc harvesting, transport. Will be verified the contract agreement during 2 nd stage.
4.6.4 Contractor	Y	<p>4.6.3.1 Contractor been given the awareness information on MSPO requirement. The briefing had been scheduled during stakeholder meeting . Will be verified during 2nd stage audit.</p> <p>4.6.4.2 The attendance list of briefing are recorded as evidence the contractor has been understand and agreed with the MSPO. The acknowledgement letter from contractor as evidence of their agreed on compliance with MSPO standard are available for all contractor. Verified the letter included the responsible of MSPO compliance by contractor and acceptance estate and MSPO auditor (CB) to verify the through assessment on physical inspection.</p>
4.7.1 High biodiversity value		NA
4.7.2 Peat land		NA
4.7.3 Social and Environmental Impact assessment (SEIA)		NA
4.7.4 Soil and topographic information		NA
4.7.5 Planting on steep terrain, marginal and fragile soils		NA
4.7.6 Customary land		NA

Observation for Improvement

Auditor	Observation
HF	<p>4.3.1.2 - Sighted inside the legal register assessment had been done however some of the legal which is not applicable can be remove etc FMA 1987 (steam boiler regulation 3) seen it been tick in the assessment</p> <p>- Sighted no record as evidence for weekly inspection for worker quarters.</p> <p>4.5.2.1 - notice that the diesel usage record not been properly maintain</p> <p>4.5.1.1 - environmental management plan and Impact Aspect assessment is still in progress - to be ready before 2nd stage audit.</p>
BH	<p>4.1.1.1 MSPO Policy signed and verified. Signed by CEO. However the is not date stated (OFI)</p> <p>4.1.2 The company not yet conduct the Internal Audit at this time of review (OBS).</p> <p>4.1.3.1 Sighted there is no Management Review Meeting was conducted at this time of review. (OBS)</p> <p>4.1.4.1 Sighted there is no training plan document for this year 2018 (OBS).</p> <p>4.4.1.1 Social Impact assessment still in progress. (OBS)</p> <p>4.4.3.1 There is no CSR activities was recorded for this year 2018 (OBS).</p> <p>4.4.4.2 Person In-charge for OSH is Mr. Perter Santhiago, however there is no letter of appointment (OBS).</p> <p>4.4.4.2 (i) First Aider not ready yet (OBS)</p>

	4.4.5.1 Guidelines on prevention of sexual harassment at the workplace not ready yet (OBS)
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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
Badrul Hisham Hj Baharin (BH)	Mr Teng Cheng Wee	Manager
Team member	Mr Peter Santhiago	Assistant Manager
Mohammad Hafizuddin Bin Rossley	Mr Maran S/O Subramaniam	Junior Field Conductor Cum Office Clerk
Trainee auditor	Mr. Edwin Tan Keng Kum	Management Project Representative MSPO
Observer	Mr Joseph Ong	Director
NIL	Mr Anthony Chee	Plantation Coordinator
	Mr Anthony A/L Rayappan	Field Conductor (Gading Estate)
	Mr Devan	Field Conductor (Serkam Estate)

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
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Signed		
Name	Badrul Hisham Hj Baharin	Mr Edwin Tan Keng Kum
Date	03/09/2018	03/09/2018
E-mail	badrul.hisham@cciglobal.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	