



Assessment Report	10 <sup>th</sup> January
	2019

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**MSP0**

Company Name	CHANGKAT JERING PLANTATION SDN. BHD. (1197461-X)
Address	LAUDERDALE ESTATE, JALAN MATANG, 34750 MATANG, TAIPING, PERAK.
Report No.	MS18FM028
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	Mr. Edwin Loh
Alternate contacts	Mr. Nagaratnam A/L Sursamy
Management Representative contact no.	+60134900777
E-mail address	ldglauderdale@gmail.com
Fax Number	+6058471034
Phone Number	+6058471034

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	Not conducted yet
Internal audit Date	Not conducted yet

## Section B    Audit Note

### Summary of Area Audited

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

	<p>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	Y	Verified the MSPO policy established signed by Director (Mr Ch'ng Chiap Kang) dated 01/08/2018. The policy mention on the commitment on the implementation of MSPO to all employees, contractor, customer, visitor, and other stakeholder on requirement of all 7 <sup>th</sup> principle. The continual improvement clearly stated in the policy divided in each principle.
4.1.2 Internal Audit	Y	Verified the internal audit procedure #SOP-03 dated 01/12/2018. <b>NC: Audit plan unavailable, audit not conducted yet by consultant.</b>
4.1.3 Management Review	Y	<b>NC: no minute meeting of Management Review conducted yet.</b>
4.1.4 Continual Improvement	Y	Verified there are few continual improvement indentified by estate in safety & health, Environment, and social suggestion to improve their conditions, HIRARC, awareness training, compliance with the legal and etc. Verified with manager, there are no new technology as there only continues with current practise operation.
<b>4.2 Transparency</b>		
4.2.1 Transparency of information and documents relevant to MSPO requirement	Y	<p>4.2.1.1 <b>NC: Verified, there are no any request by stakeholder.</b> <b>The stakeholder meeting for communication such these information are not yet conducted, verified that there is no invitation letter for stakeholder for meeting.</b></p> <p>4.2.1.2 Verified there are few document display at notice board such policies and company info erect at the entrance of estate.</p>

System requirements	Y / N	Document reference if select “Y” or comments if select “N”
4.2.2 Transparent method of communication and consultation	Y	<p>4.2.2.1 Available procedure for Internal and External Communication #SOP-07 dated 01/12/2018.</p> <p>4.2.2.2 Verified the appointment letter to Mr Viswaraaj A/L Ramoo as responsible person for MSPO requirement such communication and consultation with relevant stakeholder for Lauderdale Estate. Date of appointment 01/08/2018.</p> <p>4.2.2.3 Verified the stakeholder list for internal and external. Need to list out the non-related such Jabatan Perhilitan.</p> <p style="color: red;"><b>NC: The stakeholder meeting for communication such these information are not yet conducted, verified there is no invitation letter for stakeholder.</b></p>
4.2.3 Traceability	Y	<p>4.2.3.1 Verified procedure for Traceability #SOP-08 dated 01/12/2018. Few detail on traceability flowchart are clearly indicate the records for FFB transaction from Fields until Mill. Records to be available (FFB Despatch Book, FFB delivery Advice and Weighbridge Ticket)</p> <p>4.2.3.2 Stated in the procedure, the regular inspection conducted in internal audit once a year.</p> <p>4.2.3.3 Verified the appointment letter to Mr. Viswaraaj A/L Ramoo as responsible person for MSPO requirement such maintaining the traceability system for Lauderdale Estate. Date of appointment 01/08/2018.</p> <p>4.2.3.4 Verified the record of delivery in Log book (Record of FFB despatch to mill, Delivery Advice and Weighbridge Ticket) and payment voucher for month December 2018 is available and maintained.</p>
<b>4.3 Compliance to legal requirements</b>		

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.3.1 Regulatory requirements	Y	<p>4.3.1.1 Verified the licenses and permit available such below: i) MPOB - Menjual dan Mengalih FFB #617185002000, Valid till 28/02/2019 for 332.29 Ha.</p> <p>4.3.1.2 Legal register checklist for Lauderdale Estate available, there are 15 act identified. Verified the listed act such OSHA 1994, FMA 1967, Pesticied Act 1974, Protection of Wild Life Act 1972, &amp; etc.</p> <p>4.3.1.3 Stated in Procedure of Compliance to Regulatory Requirement #SOP-06 dated 01/12/2018, "4.1.3 Both records shall be reviewed and updated at least once a year"</p> <p>4.3.1.4 Verified the appointment letter to Mr. Viswaraaj A/L Ramoo as responsible person for MSPO such to monitor compliance to regulatory requirement for Lauderdale Estate. Date of appointment 01/12/2018. However, the responsible for tracking and updating the changes in regulatory requirement are mention in the appoinment letter or in procedure.</p>
4.3.2 Land use rights	Y	<p>4.3.2.1 Verified the land title available: 1) Lot 286 - 1.2039Ha 2) Lot 294 - 1.453Ha 3) Lot 409 - 0.5387Ha 4) Lot 622- 0.6728Ha 5) Lot 645 - 1.0652 Ha 6) Lot 646 - 1.4616 Ha 7) Lot 883 - 0.2776 Ha 8) Lot 1602 - 2.0533 Ha 9) Lot 1603 - 1.1722 Ha 10) Lot 1610 - 0.7042 Ha 11) Lot 1618 - 0.2338 Ha 12) Lot 1635 - 0.0493 Ha 13) Lot 1636 - 0.3245 Ha 14) Lot 2027 - 0.8436 ha 15) Lot 2029 - 0.3621 ha 16) Lot 2030 - 0.5937ha</p>

System requirements	Y / N	Document reference if select “Y” or comments if select “N”
		<p>17) Lot 2197 - 144.5Ha                      18) Lot882 - 0.1744 ha                      19) Lot 1594 - 1.124 ha                      20) Lot 1612 - 76.5583 ha                      21) Lot 1613 - 47.8073 ha                      22) Lot 2025 - 53.86 ha</p> <p>Verified all the land title available. Current land owner name Changkat Jering Plantation Sdn. Bhd. from 16.03.2018.</p> <p><b>OBS: But 5 land titles out of 22 land titles still not yet change the status "Tanaman Dusun &amp; Meragut Kambing" to "Palm Oil".</b></p> <p>4.3.2.2 Verified the land title as above.</p> <p>4.3.2.3 As per boundary stone and border drain- will verified during 2nd Stage.</p> <p>4.3.2.4 Verified with manager, there is no land disputed for now.</p>
4.3.3 Customary rights	Y	Not Applicable
<b>4.4 Social responsibility, health, safety and employment condition</b>		
4.4.1 Social impact assessment (SIA)	Y	4.4.1.1 <b>NC: Social Impact Assessment was not conducted.</b>
4.4.2 Complaints and grievances	Y	4.4.2.1 As per Procedure Internal & External Communication. Doc. No: SOP-07. Dated 01/12/2018.  4.4.2.2 Will be verified during 2nd Stage  4.4.2.3 As per Grievance Form Doc. no: RC-04 of SOP-07. Will verified during 2nd stage.  4.4.2.4 <b>NC: The complaint procedure not yet inform/brief to employee.</b>

System requirements	Y / N	Document reference if select “Y” or comments if select “N”
		4.4.2.5 No complaint received until this time of review.
4.4.3 Commitment to contribute to local sustainable development	Y	4.4.3.1 Sighted contribution has been made as verified the record kept in file but the contribution was done for temple.
4.4.4 Employees safety and health	Y	4.4.4.1 As per Occupational Safety & Health Policy. Dated 01/12/2018 signed by Director, Mr. Ch'ng Chiap Kong. <b>NC: Sighted no Training was conducted related on safety &amp; health.</b>  4.4.4.2- Safety plan a) Safety & Health policy has been communicated to employee from 01/12/2018. b) As per HIRARC date on 10/12/2018, conducted by Viswaraaj A/L Ramoo; supervisor of Lauderdale Estate, d) Provide workers with appropriate PPE based on HIRARC performed. - CH 02/1B & CH 01/18
4.4.5 Employment conditions	Y	4.4.5.1 -Polisi Sustainability, dated 01/12/2018 signed by Director, Mr. Mr. Ch'ng Chiap Kang.  4.4.5.2 refer Polisi at 4.4.5.1  4.4.5.3 Refer to no employment card and agreement contract, this estate had no MAPA/NUPW agreement applied in the estate.  4.4.5.4 Refer to checkroll printed for Employees Pay Summary for November, verified that the wages for month November 2018 are as per legal and industry minimum standard. sample as below: i) Gopalan A/L Mathavalan RM752.05 out of basic RM961.25. Sighted advance payment deduction RM200.00. ii) Kumar A/L Pachappan RM668.23 out of basic RM961.25. Sighted advance payment deduction RM200.00.

System requirements	Y / N	Document reference if select “Y” or comments if select “N”
		<p>iii. Sandanasamy A/L E.Kanniah RM829.16 out of basic RM985.03. Sighted advance payment deduction RM200.00.</p> <p><b>OBS: Sighted during documentation review, the employee's wages were not paid as per industrial minimum standards.</b></p> <p>The record and detail of employee has been stated in the Original Labour Card which it keep by Headquarter.</p>
4.4.6 Training and competency	Y	<p>4.4.6.1 Verified no training record available</p> <p>4.4.6.3 Training program year 2018 is available.</p>
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>		
4.5.1 Environmental management plan	Y	<p>4.5.1.1 -Polisi Alam Sekitar dated 01/12/2018 signed by Director, Mr. Ch'ng Chiap Kang. -Verified Waste Management Plan, dated 01/06/2018. Type of waste; domestic waste, recycle waste, schedule waste etc.</p> <p>-4.5.1.2 - Aspect impact of environment has been identified in Environment Aspects and Impacts Assessment, dated 01/06/2018.</p> <p>-4.5.1.3 as per 4.5.1.1</p> <p>-4.5.1.4 refer to Continual Improvement Plan 2018, Log No: CE 02/18 - Recycle used empty pesticides containers to reduce land contamination. Started date 10/12/2018.</p>
4.5.2 Efficiency of energy use and use of renewable energy	Y	<p>4.5.2.1 -Consumption of non-renewable energy record was not started yet since the estate just started business with new company.</p> <p>4.5.2.2 as per 4.5.2.1 4.5.2.3 as per 4.5.2.1</p>
4.5.3 Waste management and disposal	Y	<p>4.5.3.1 Verified in the Environment Aspect and Impact Assessment the estate has the chemical waste.</p>



System requirements	Y / N	Document reference if select “Y” or comments if select “N”
		<p>To be verified as visual inspection during 2nd stage audit.</p> <p>Sighted the location map for rubbish pits.</p> <p>To be verified the landfill during 2nd stage audit.</p> <p>Procedure of Schedule Wastes Management sighted in Doc. No: SOP-20, dated 01/12/2018 verified to handling SW.</p> <p>4.5.3.2 as per 4.5.3.1</p> <p>4.5.3.3 as per 4.5.3.1</p> <p>4.5.3.4 as per 4.5.3.1</p> <p>4.5.3.5 as per 4.5.3.1</p>
4.5.4 Reduction of pollution and emission	Y	<p>4.5.4.1 as per 4.5.1.2</p> <p>4.5.4.2</p> <p>-No replanting for last 6 years until this time of review. Will be verified during 2nd stage audit.</p>
4.5.5 Natural water resource	Y	<p>4.5.5.1</p> <p>The estate had two water stream, and had sent for water sampling and waiting for result.</p> <p>The estate using rain water for spraying activities.</p> <p>4.5.5.2 to be verified during 2nd stage.</p> <p>4.5.5.3 to be verified during 2nd stage.</p>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value	Y	<p>4.5.6.1</p> <p>The estate does had establish the Biodiversity Assessment report.</p> <p>To be verified during 2nd stage audit.</p> <p>4.5.6.2 as per 4.5.6.1</p>
4.5.7 Zero burning practices	Y	<p>No burning is allowed as mention by management, refer in Doc. Title: Zero burning practices &amp; procedures dated 01/12/2018.</p> <p>Will be verified during 2nd stage audit.</p>
<b>4.6 Best Practices</b>		
4.6.1 Site management	Y	<p>4.6.1.1</p> <p>Governing Standard Operating Procedure for MSPO (SOP-23) Best Practise had identified the SOP for best practise in estate such as Unloading FFB onto loading platform, Field chemical premixing, Using power sprayer for ground, knapsack spraying, chemical storage and etc.</p> <p>4.6.1.2</p> <p>-Visual inspection will be verified during 2nd stage audit.</p>
4.6.2 Economic and financial viability plan	Y	4.6.2.1

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Verified 1 Years Cost Projection been established by Estate Manager (years 2019)</p> <p>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</p>
4.6.3 Transparent and fair price dealing	Y	<p>4.6.3.1 Purchase of FFB from Lauderdale Estate rate is established in the FFB purchase agreement. The rate for CPO refer from Northern Malaysian MPOB Monthly Average Price and PK refer from Peninsular Malaysia MPOB Monthly average price.</p> <p>4.6.3.2 Sighted and verified the FFB transport agreement between estate and contractor (Krishnan). The agreement is form 1st January until 31st December 2018.</p>
4.6.4 Contractor	Y	<p>Verified that Changkat Jering Plantation Sdn. Bhd. had made outline agreement with MEB Enterprise to engage for harvesting and transporting FFB from Lauderdale Estate to Palm Mills. The agreement started from 1<sup>st</sup> February 2018 with one (1) year period of terms.</p> <p>Harvesting Rate as per below:</p> <ul style="list-style-type: none"> <li>i) OP 1982 (B) - RM60/mt</li> <li>ii) OP 1989/09 - RM55/mt</li> <li>iii) OP 2000 (A) - RM35/mt</li> <li>iv) OP 2000 (B) - RM35/mt</li> <li>v) OP 2008/09 - RM35/mt</li> <li>vi) OP 2010 - RM35/mt</li> <li>v) OP 2012 - RM45/mt</li> </ul> <p>Transportation Rate as per below:</p> <ul style="list-style-type: none"> <li>i) Lauderdale Estate to Central POM - RM30/mt</li> <li>ii) Lauderdale Estate to Kamunting POM - RM40/mt</li> </ul>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
<b>4.7 Development of new planting</b>		
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
MH	1) 4.1.2 - <b>NC: audit plan unavailable, audit not conducted yet by consultant</b> 2) 4.1.3 - <b>NC: no minute meeting of Management Review conducted yet.</b> 3) 4.2.2.1 - <b>NC: Verified, there are no any request by stakeholder. The stakeholder meeting for communication such these information are not yet conducted, verified that there is no invitation letter for stakeholder for meeting.</b>
BH	4) 4.2.2.3 - <b>NC: The stakeholder meeting for communication such these information are not yet conducted, verified there is no invitation letter for stakeholder</b> 5) 4.3.2.1 - <b>OBS: But 5 land titles out of 22 land titles still not yet change the status "Tanaman Dusun &amp; Meragut Kambing" to "Palm Oil".</b> 6) 4.4.1.1 - <b>NC: Social Impact Assessment was not conducted.</b> 7) 4.4.2.4 - <b>NC: The complaint procedure not yet inform/brief to employee.</b> 8) 4.4.4.1 - <b>NC: Sighted no Training was conducted related on safety &amp; health.</b> 9) 4.4.5.4 - <b>NC: Sighted during documentation review, the employee's wages were not paid as per industrial minimum standards.</b>

During the assessment 8 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 Nur Amin Mohd Halim		
Team member		
NIL		
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 Nur Amin Mohd Halim	
Date	10/1/2019	
E-mail	nuraminhalim@cciglobal.com	
Fax No	03-8073 2688	

**Section C Conclusion**

**Document Review Conclusion**

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- (Please proceed to follow up section)

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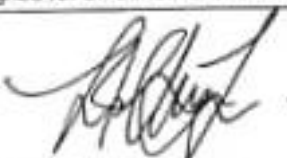
**Number of Employees (covered by scope of registration)**

CCI Assessors	Attendance during opening and closing meeting	
	Name	Designation
Team leader		
Mohd Nur Amin Mohd Halim	1) Mr. Nagarathnam	Estate Manager
Team member	2) Mr. Viswaraaj	Field Supervisor
NIL	3) Ms. Amarjit	Clerk
Trainee auditor	4) Ms. Karen Lee	Consultant
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 Nur Amin Mohd Halim	Karen Lee
Date	10/1/2019	10/1/2019
E-mail	nuraminhalim@cciglobal.com	karenlee.osh@gmail.com
Fax No	03-8073 2688	012-525 0066 (mobile)

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	
4					
	Auditor comment				
	Status	close		open	
5					
	Auditor comment				
	Status	close		open	
6					
	Auditor comment				
	Status	close		open	
7					
	Auditor comment				
	Status	close		open	
8					
	Auditor comment				
	Status	close		open	

Stage 1 audit conclusion:

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

Signatory of auditor	
Date	