



# Assessment Report

Date: 04<sup>th</sup> March to 05<sup>th</sup> March

# 2019



*[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard 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 2530:2013 Part 3

Company name	Changkat Jering Plantation Sdn Bhd (1197461-X)
Address	Lauderdale Estate, Jalan Matang, 34750 Matang, Taiping, Perak
Report no	MS19MM0078
Status of audit	Main Assessment If surveillance NA

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The assessment is based on sampling on the records, practice, documents and personnel, therefore the final results of the assessment is of representative towards the system implementation of the organization. This report may generated to record as much of the system implementation information but may still limited due to the sampling .This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		 Name : <b>LOH AIK CHENG</b> I/C Number : <b>931202-08-5491</b> Designation : <b>PROJECT MANAGER</b>
Name	Mohamad Hafis Bin Mustafa	Company stamp  <b>CHANGKAT JERING PLANTATION SDN. BHD. (1197461-X)</b> <b>1146, MK 16, Kampung Teluk,</b> <b>Sungai Dua, 13800 Butterworth.</b> <b>Tel: 04-3565860 (Hunting Line)</b> <b>Fax: 04-3565859</b>
Date	04-05/03/2019	
Email	admin@cciglobe.com	
Fax no	03-8073 2688	

## Section A General Information

General	
Audit objectives	<input checked="" type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Issue of certificate	Yes

Scope of Certification	
Scope of certification in English	The Provision of Planting and Harvesting of Fresh Fruit Bunch (FFB) By Organised Plantation
Requirement not being applicable	P7 - Development of New Planting
Justification	The company doesn't have any new planting activities.
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Ch'ng Dickeon
Alternate contacts	Edwin Loh
Management Representative contact no.	+6012-4717199
E-mail address	dkeonc@gmail.com/ cjplantation@gmail.com
Fax Number	04-3565859
Fixed Line Number	04-3565860
NO OF SPOC/ GROUP MEMBERS	1

## Section B Previous Audit Result

The result of the last audit system have been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any nonconformities identified. This review has concluded that:

<input type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

## Section C Conclusion

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

- CONGRATULATION and has  
 CONGRATULATION however some processes need to address non-compliance(s) but others has

SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

demonstrated

not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are NIL unresolved issue.

Therefore the audit team recommends that based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

Granted (initial certification or recertification)

Granted upon the acceptance of the noncompliance(s)

Continued (surveillance)

Continued (surveillance) upon the acceptance of the noncompliance(s)

Withheld

suspend until satisfactory corrective action(s) is completed

Others (please specify)

Note :

*The assessment and recommendation for the initial or continue 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.*

## Section D (For Recertification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

## Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohamad Hafis Bin Mustafa (MH)	Mr Nagaratnam a/l Surisamy	Manager

Team member	Mr Viswaraaj a/l Ramoo	Field Supervisor
Zulkifli Bin Kamarol Zaman (ZK)	Ms Amarjit Kaur a/p Ajaib Singh	Clerk
Trainee auditor		
NIL		
Observer		
NIL		

## Section F Audit Process Matrix

**Next Audit Matrix (legend "☒" plan to cover & covered, "☐" for uncover)**

Planned month & year	03/2019	03/2020	03/2021	03/2022	03/2023
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
<b>4.1 Management Commitment &amp; Responsibility</b>					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Internal audit	☒	☒	☒	☒	☒
4.1.3 Management Review	☒	☒	☒	☒	☒
4.1.4 Continual Improvement	☒	☒	☒	☒	☒
<b>4.2 Transparency</b>					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☒	☒	☒	☒	☒
4.2.2 Transparent method of communication and consultation	☒	☒	☒	☒	☒
4.2.3 Traceability	☒	☒	☒	☒	☒
<b>4.3 Compliance to legal requirements</b>					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary rights	☒	☒	☒	☒	☒
<b>4.4 Social responsibility, health, safety and employment condition</b>					
4.4.1 Social impact assessment (SIA)	☒	☒	☒	☒	☒
4.4.2 Complaints and grievances	☒	☒	☒	☒	☒
4.4.3 Commitment to contribute to local sustainable development	☒	☒	☒	☒	☒
4.4.4 Employees safety and health	☒	☒	☒	☒	☒
4.4.5 Employment conditions	☒	☒	☒	☒	☒
4.4.6 Training and competency	☒	☒	☒	☒	☒

4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources					
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best Practices					
4.6.1 Site management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor					
4.7 Development of new planting					
4.7.1 High biodiversity value	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Peat land	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.4 Soil and topographic information	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.6 Customary land	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment : 4\_md. Recertification: 2024

Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate

## Section G Audit Summary

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
MH/ZK	04-05/03/2019	9.30
<p>Opening Meeting</p> <ul style="list-style-type: none"> <li>a) introduction of the participants, including an outline of their roles;</li> <li>b) confirmation of the scope of certification;</li> <li>c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management;</li> <li>d) confirmation of formal communication channels between the audit team and the client;</li> <li>e) confirmation that the resources and facilities needed by the audit team are available;</li> <li>f) confirmation of matters relating to confidentiality;</li> <li>g) confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>h) confirmation of the availability, roles and identities of any guides and observers;</li> <li>i) the method of reporting, including any grading of audit findings;</li> <li>j) information about the conditions under which the audit may be premature terminated;</li> <li>k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails;</li> <li>l) confirmation of the status of findings of the previous review or audit, if applicable;</li> <li>m) methods and procedures to be used to conduct the audit based on sampling;</li> <li>n) confirmation of the language to be used during the audit;</li> <li>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</li> <li>p) opportunity for the client to ask questions.</li> </ul> <p>Closing Meeting</p> <ul style="list-style-type: none"> <li>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</li> <li>b) the method and timeframe of reporting, including any grading of audit findings;</li> </ul>		

- c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;
- d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;
- e) the certification body's post audit activities;
- f) information about the complaint handling and appeal processes.
- g) Any diverging opinion that are not resolved.
- h) opportunity for the client to ask questions.

#### Executive Summary

#### **Organisation Information**

Lauderdale Estate was owned by Changkat Jering Plantation Sdn Bhd established at Perak and the head quarters office address as above.

#### **Assessment Process**

The audit was based on the MSPO2503:2013 Part 3 Standard, procedure and applicable requirements. There is no issue during the 1st Stage Audit conducted on 10/01/2019 and found all the required document, procedure and form are available.

The audit are planned follow the audit plan which consist of documentation review and site visit which total days of audit is 2 days. Total mandays for audit at Changkat Jering Plantation Sdn Bhd - Lauderdale Estate is four (4) mandays which include documentation review, site visit and stakeholder's consultation. Total days of audit is 2 days.

#### **Audit Team**

The audit was lead by Mr Mohamad Hafis Bin Mustafa who are have almost 5 years in the sustainable certification and other management system certification such as RSPO, MSPO, ISCC, ISO 9001, etc. and The Co auditor :

1. Zulkifli Bin Kamarol Zaman as Auditor who are have almost 10 years experience in plantations industry and also attended Lead Auditor Course ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 conducted by SIRIM.

The Stakeholder consultation was conducted by Mr. Zulkifli Bin Kamarol Zaman.

From the audit, there are few finding been raised in the audit with total 5 CAR and 2 OBS. The issues raised were been discussed with management team during closing meeting on 05/03/2019.

#### Stakeholder Consultation

During audit on 05/03/2019, Care Certification International has interviewed random stakeholder for the response toward estate. Stakeholder interviewed as below:

1. Goh Aik Ki (Supplier-Annon Hardware Sdn Bhd)
2. Krisnan a/l Veerapan (Supplier-MEB Enterprise)
3. Kalaivany a/p Ramalingam (Teacher SJKT Lauderdale)

Issues discussed such:

1. Complaint

- There is no complaint has been raised during stakeholder consultation. All Stakeholder understand the grievances procedure practices by the management.

2. Positive Practices by Changkat Jering Plantation Sdn. Bhd.- Lauderdale Estate:

- i. All stakeholder has compliment the estate management which has gave a good rapport with stakeholder.
- ii. Donation to school activities e.g sports activity.
- iii. Timely payment to supplier and no outstanding payment to supplier.

In conclusion, the stakeholder meeting were undergone successfully with no complaint and stakeholder aware on the requirement of MSPO and detail on MSPO such estate complaint procedure, requirement with act for contractor, agreed to be audited by MSPO auditor & etc.

#### Estates Information

#### **LIST OF GROUP MEMBERS**

#### **1. ESTATE INFORMATION**

NAME OF ESTATE	LOCATION	COORDINATE
Changkat Jering Plantation Sdn Bhd - Lauderdale Estate	Jebong, Larut dan Matang	4° 48'42.1"N 100° 41'53.8"E
<b>Other Sustainability Certification (RSPO, ISCC, CoGAP, etc.)</b>	NIL	

<b>2. AREA STATEMENT AND FFB FORECAST</b>				
<b>ESTATE</b>	<b>TOTAL AREA (HA)</b>	<b>PLANTED AREA (HA)</b>	<b>FFB TON/ YEAR (as per Mac18)</b>	<b>YIELD TON/ YEAR</b>
Changkat Jering Plantation Sdn Bhd - Lauderdale Estate	336.21	332.29	6852.46	20.622
<b>TOTAL</b>	<b>336.21</b>	<b>332.29</b>	<b>6852.46</b>	<b>20.622</b>

<b>P1: Management Commitment &amp; Responsibility</b>	
Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy
Indicator	Requirement Findings
4.1.1.1	A policy for the implementation of MSPO shall be established
<p>Sighted that Policy for MSPO, Doc No: SOP-02 Sustainability Policies; -  Appendix 1 - Malaysian Sustainable Palm Oil (MSPO) Policy  Appendix 2 - Occupational Safety and Health Policy  Appendix 3 - Environment Policy  Appendix 4 - Social Responsibility Policy</p> <p>All the policies was signed by Director (Mr Chng Chiap Kang), dated 01/08/2018.</p> <p>Verified the policy had been display in office wall, row call area, line site etc. Verified the policy had been brief to all employee during roll call.</p>	
4.1.1.2	The policy shall also emphasize commitment to continual improvement.
Sighted the policy established had shown emphasize towards commitment for continual improvement for principle 1 until principle 7.	
Criterion 2	Internal Audit
Indicator	Requirement Findings
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.
<p>Sighted the Internal Audit letter of notification from OSH Safety Consultancy (M) Sdn Bhd dated 28<sup>th</sup> Jan 2019 - To conduct an Internal Audit on 14<sup>th</sup> February 2019.</p> <p>Sighted and verified the Internal Audit report, dated 14<sup>th</sup> Feb 2018. Audited by Karen Lee. Doc. No: IAR No: 01/19.</p>	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action
<p>Governing Procedure: Internal Audit Procedure dated on 01/12/2018.</p> <p>Sighted the internal audit report date conducted on 14<sup>th</sup> Feb 2019 lead by Karen Lee.</p> <p>Sighted and verified the Internal Audit report with 2 NCRs and NIL OFIs:</p> <p>Evidence of corrective action from the finding issues in the internal audit report were verified.</p> <p>Verified all the findings have been listed and have been discussed. Sighted the correction action for CAR has completed.</p> <p>CAR:  No evidence of identification of root causes of nonconformities by estate management for the CAR raised.</p>	
4.1.2.3	Report shall be made available to the management for their review.



Governing Procedure: Management Review Procedure dated on 01/12/2018. Sighted the inside management review minutes dated on 25/02/2019 had been discussed on finding issues of Internal Audit attended by Manager, Supervisor, Field supervisor, clerk. The issues discuss on corrective action plan for continuous improvement in the MSPO implementation practice.		
Criterion 3	Management Review	
Indicator	Requirement	Findings
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	
Sighted the MRM dated on 25/02/2019 and the agenda discussed were the element of MSPO requirement from principle 1 until principle 7. The meeting attended by Manager, field supervisor, clerk. Sighted attachment 1 in minute have identified the Continual Improvement Plan for Safety & Health, Environmental, & social.		
Criterion 4	Continual improvement	
Indicator	Requirement	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	
Sighted and Verified the management had listed the document for continual improvement plan for MSPO implementation. Below are the document been recorded and filed : 1. Safety & Health 2019 2. Social - 2019 3. Environment 2019		
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.	
Verified with the management and interview with employees during site visit, no new techniques been established by the company.		
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	
The estate don't have plan to buy or bring in new machinery or transport for operation for this year 2019.		
<b>P2: Transparency</b>		
Criterion 1	Transparency of information and documents relevant to MSPO requirements	
Indicator	Requirement	Findings
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	
Generally, communicate the information with stakeholders and public through meeting with stakeholders. The management annually organize get together with local communities as part of promoting MSPO requirements as per Internal & External Communication Procedure. The recent meeting was held on 14/02/2019. For every issue raised the estate management has prepared management plan on social impact assessment.  Sighted information of communication with stakeholder are through meeting , and also through e-mail, meeting, training and briefings, memos displayed on notice board, suggestion box and phone call. Latest stakeholder meeting were held on 09/01/2019 at SJK(T) Ladang Lauderdale. Sighted the agenda during the meeting were disuccussed issues on social, introduction of MSPO, and environmental aspect impact.  Management unit has established record and respond log form to handle and record the entire request from the stakeholder. SOP for stakeholder engagement (Procedure communication and consultation internal and external) has been establish date on 01/12/2018  The Management has established procedure for publicly available document. Stated management provide adequate information to other stakeholders on environmental, social and legal issue.		

4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
<p>Governing procedure ; 'Internal &amp; External communication'.  Sighted the communication, for internal normally the interaction between employee and employer through writing letter, notice or verbal.  For external communication one of channel way through e-mail, meetings, training and briefing , memos displayed on notice boards, suggestion box and phone call.</p> <p>Verified there are few document display at notice board such policies and company info at office.</p>		
Criterion 2	Transparent method of communication and consultation	
Indicator	Requirement	Findings
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders	
<p>Governing Procedure: "Internal and External Communication" dated 01/12/2018  This procedure has been communicated to all stakeholders during stakeholder meeting dated 14/02/2019. Records of complaints and grievances were implemented by Grievance Form for stakeholder/supplier and Internal.  No complaint sighted at this time of review.</p> <p>Standard operation procedure for Consultation and Communication dated 01/12/2018.  In the procedure sighted that how the company communicate for Internal and External.  has been appointed, as person who are responsible in communication &amp; consultation.</p> <p>List of stakeholder has been maintained as per document list of stakeholder with total 50 stakeholder listed. In the list of stakeholder company has divided into a few categories as follow:  1) External Stakeholder - Government / Statutory Bodies  - MPOB  - DOSH  - DOE  - SOCSO  - JTK  - KWSP  2) External Stakeholder  - Central Palm Oil Mill Sdn Bhd  - Kilang Minyak Sawit Kamunting Sdn Bhd  - MEB Enterprise  - Penghulu Mukim Matang</p>		
4.2.2.2	A management official shall nominated officials at the operating unit responsible for issues related to indicator 1 (4.2.2.1)	
<p>Noted that official management representative nominated responsible for issue related to stakeholder. Sighted the appointment letter for Mr Viswaraaj A/L Ramoo 01/08/2018 signed by Mr Nagaratnam (Estate Manager).</p>		
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	
<p>Sighted stakeholder meeting dated on 14/02/2019. Verified the list of stakeholder which total of 34 (20 Government/statutory bodies, 7 supplier/customer, 2 estate neighbour, 5 internal stakeholder). Verified record of communication and consultation were kept in file traceability. There is no complaint from stakeholders at this time of review.</p>		
Criterion 3	Traceability	
Indicator	Requirement	Findings
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	
<p>Procedure for traceability has been established by the management, sighted the Doc. No: SOP-08 - 'Standard Operating Procedure for MSPO' dated 01/12/2018.  A clear procedure and proper guideline to trace the FFB production from harvesting until deliver to the mill comply with certification under Malaysia sustainable palm oil. Identified by management the Flow and the records such i) Harvesting (FFB Despatch book), ii)Loading of FFB onto lorry from field (FFB Despatch Book), iii) Loading of FFB onto lorry (FFB Delivery Advice), iv)Send FFB to Mill (Weighbridge ticket, FFB delivery advice, seal).</p>		

4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	
Stated in the procedure, the regular inspection conducted in internal audit once a year. Verified the internal audit has inspect the record of the traceability.		
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	
Noted that official management representative nominated for traceability. Sighted the appointment letter for Mr Viswaraaj A/L Ramoo 01/08/2018 signed by Mr Nagaratnam (Estate Manager)		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	
Record of FFB Delivery Advice #23376, dated 01/03/2019 field OP2008/09, 282 bunches, seal no 020511. Weighbridge ticket (Kilang Minyak Sawit Kamunting Sdn Bhd) -#0248894, dated 01/03/2019 D.O No 23376, Nett weight 4.58MT		
Record of FFB Delivery Advice #23381, dated 02/03/2019 field OP1982(B), 221 bunches, seal no 020516. Weighbridge ticket (Central Palm Oil Mill Sdn Bhd) -#P1904039, dated 04/03/2019 D.O No 23381, Nett weight 3.6MT		
Sighted agreement sales FFB between Changkat Jering Plantation Sdn Bhd and Kilang Minyak Sawit Kamunting Sdn Bhd dated 01/02/2019. Also verified invoice from Changkat Jering Plantation Sdn Bhd to Kilang Minyak Sawit Kamunting dated 31/01/2019 with invoice no. 2019/01/001.		
<b>P3: Compliance to legal requirements</b>		
Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
4.3.1.1.	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations	
Verified the license and permit available. #MPOB - Menjual dan Mengalih FFB #617185002000, Valid till 29/02/2020 for 332.29 Ha.		
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	
Sample of List of legal requirement register available during assessment. Seen the List of Laws and registered for: -		
1- Safety & Health - Occupational Safety & Health Act, 1994		
2- Land & Wildlife protection - Protection of Wild Life Act 1974 (Act 76)		
3- Employee - Employment Act 1955 - Employee Provident Fund Act 1991 (ACT 452) - Employment Insurance System Act 2017 (ACT 800) - Minimum Wages Order 2018		
4- Environment - Environmental Quality Act 1974		
5- Pesticide - Pesticide Act 1974 (ACT149)		
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	
Stated in Procedure of Compliance to Regulatory Requirement #SOP-06 dated 01/12/2018, "record shall be reviewed and updated at least once a year" Verified the listed legal has up to date for their revision. Seen legal register updated in 01/12/2018.		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	

Noted that official management representative nominated responsible for monitor compliance to regulatory requirements, to track and update the changes in regulatory requirement. Sighted the appointment letter for Mr Viswaraaj a/l Ramoo dated 01/08/2018 signed by Mr Nagaratnam a/l Surisamy (Manager).		
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users	
<p>Verified total 22 land title with total hectarage 332.29 ha, under Changkat Jering Plantation Sdn Bhd and the sample as below:</p> <p>i) No. Lot - 645 Hectare - 1.0652Ha Land Use - Pertanian Syarat Nyata - Tanaman Komersial - Kelapa Sawit Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>ii) No. Lot - 286 Hectare - 1.2039Ha Land Use - Tiada Syarat Nyata - Tiada Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>iii) No. Lot - 2197 Hectare - 144.50Ha Land Use - Pertanian Syarat Nyata - Tanaman Komersial - Kelapa Sawit Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>iv) No. Lot - 1603 Hectare - 1.1722Ha Land Use - Pertanian Syarat Nyata - Tanaman Komersial - Kelapa Sawit Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>v) No. Lot - 1618 Hectare - 0.2338Ha Land Use - Pertanian Syarat Nyata - Tanaman Komersial - Kelapa Sawit Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>vi) No. Lot - 2025 Hectare - 53.86Ha Land Use - Pertanian Syarat Nyata - Ternakan Darat Meragut - Kambing Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>vii) No. Lot - 1613 Hectare - 47.8073Ha Land Use - Pertanian Syarat Nyata - Tanaman Dusun Dusun Ownership - Changkat Jering Plantation Sdn Bhd</p> <p>viii) No. Lot - 882 Hectare - 0.1744Ha Land Use - Pertanian Syarat Nyata - Tanaman Dusun Dusun Ownership - Changkat Jering Plantation Sdn Bhd</p>		
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	
Sighted and verified the land grant as per 4.3.2.1		
<p>CAR: Sighted land grant title no. Lot 882, 1613, 2025 with syarat nyata "tanaman dusun dusun" and "ternakan darat meragut-kambing" does not reflect oil palm cultivation.</p>		

4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	
During site visit, sighted perimeter drain and barbe wire as boundary marker with Kampung Baru India Jalan Jaha and fencing as boundary marker with Taman Matang Damai.		
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	
There is no land dispute issue as estate operations in their own land and owned by Changkat Jering Plantation Sdn Bhd. As of to-date there was no complaint on land matter.		
Criterion 3	Customary rights	
Indicator	Requirement	Findings
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	
No customary rights issue as estate operation in their own land.		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	
No customary rights issue as estate operation in their own land.		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	
No customary rights issue as estate operation in their own land.		
<b>P4: Social responsibility, health, safety and employment condition</b>		
Criterion 1	Social impact Assessment (SIA)	
Indicator	Requirement	Findings
4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones	
Sighted the Social Impact Assessment (SIA) Plan dated 16.02.2019 for Lauderdale Estate. As per in Social Impact Assessment procedure (Document No.: SOP-10, Clause 4.0 (Procedure), 4.1- Lauderdale Estate operations shall identified and plans for mitigation and improvement shall be recorded in RC-01 of SOP-10. Lauderdale Estate had place the factors such as access and use rights, economic livelihood and working conditions, subsistence activities, cultural and religious values, health and education facilities; and other community values, resulting from changes in improvement of transport/communication/influx of migrant labor force.		
Based on sample, the management had identified the existing mitigation based on social aspect such:		
1 - Aspect – Stakeholders communication		
Impact – Positive		
Existing Mitigation Measure - The management provides a platform for internal and external stakeholders communication e.g. stakeholder meeting.		
Grievance procedure is available for stakeholders to submit suggestions, comments or complaints.		
Stakeholders meeting conducted on 14/02/2019, there were no issues raised during the meeting.		
Proposed mitigation/Enhancement Measures - NIL		
PIC - NIL		
2 - Aspect – Payment & employment conditions		
Impact - Positive		
Existing Mitigation Measure - Worker's salary calculation are based on daily, monthly, or piece rated.		
Workers wages complied with minimum wages requirement.		
Proposed mitigation/Enhancement Measures - NIL		
PIC - NIL		
Noted the form of Social Impact Assessment (SIA) Plan 2019, there 8 issues raised from the Social Impact Assessment dated 16/02/2019.		
Criterion 2	Complaints and grievances	
Indicator	Requirement	Findings

4.4.2.1	A system for dealing with complaints and grievances shall be established and documented	
Sighted a procedure document for Lauderdale Estate., with procedure no: SOP-07 dated 01/12/2018 for internal and external communication.		
Reference documents and records are available in the office such as below lists:- 1. Grievance Form (RC-04 of SOP-07). 2. Grievance Log		
Both document are available in the office. But during the site visit, based on sample grievance form reviewed sighted no complaints is received either from internal or external parties.		
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	
During the stakeholder meeting conducted on 14.02.2019, placed in SJK(T) Lauderdale Estate Hall sighted that there are no issue raised among the external stakeholder to give a feedback or complaints.		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	
Management have dedicate grievance form and grievance log for complaint as a tools to receive complain either external and internal which then being monitored by Ladang Lauderdale Representative, Mr Viswaraaj a/I Ramoo to the task. Sighted the appoint letter as MSPO Committee Member for Mr Viswaraaj a/I Ramoo dated on 01.08.2018 Verified the complaint form are provided at office.		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	
Stakeholder meeting conducted on 14/02/2019 with verified meeting attendance list (Contractor, Government Authorities, Temple Chairman, neighbouring smallholder and etc). Verified the invitation letter to all stakeholder to attend the meeting dated 22/01/2019. The content included such introduction of Lauderdale Estate background, certification of MSPO, policies, complaint & grievance and etc. Verified also evidence minutes meeting was kept in the file internal and external communication.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	
Lauderdale Estate made available the grievance record for in the office. Complaint to be keep in the office and recorded in the Grievance form with document no.: RC-04 of SOP-07.		
Criterion 3	Commitment to contribute to local sustainable development	
Indicator	Requirement	Findings
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	
Verified with auditee, Lauderdale Estate has contributed to the local communities such as: 1.Sports Day SJK(T) Lauderdale Estate with total contribution at RM200. 2.“Hari Anugerah Kecemerlangan” SJK(T) Lauderdale Estate with total contribution at RM300. 3.Contribution for Sri Mariammah Temple at RM500.		
Criterion 4	Employees safety and health	
Indicator	Requirement	Findings
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented	
Verified Changkat Jering Plantation Sdn Bhd has established Occupational Safety and Health Policy dated 01/12/2018 signed by Ch'ng Chiap Kang (Director). Sighted the safety & health policy displayed at mainboard field office. Sighted also safety and health plan 2019 dated 10/12/2018 which include programme improvement on safety and health to the workers.		
4.4.4.2	The occupational safety and health plan shall cover the following:	
a) A safety and health policy, which is communicated and implemented		

<p>Sighted Safety &amp; Health Policy which sign by Mr. Ch'ng Chiap Kang, Director of Changkat Jering Plantation Sdn. Bhd. dated 01/12/2018. Sighted the safety &amp; health policy displayed at mainboard field office. Verified MSPO manual training for workers and contractor dated 11/02/2019. Training included briefing about safety and health policy.</p>
<p>b) The risks of all operations shall be assessed and documented</p>
<p>Verified the HIRARC Log under document no.: RC-02 of SOP-12 dated on 10.12.2018 and listed the HIRARC for all 19 activities in estate such as field chemical premixing, knapsack spraying, chemical storage, fertiliser storage, manuring, poisoning woodies, grasscutting, riding motorcycle, trunk injection, office activities, gardening and etc. i) Knapsack spraying Date assessment from 01-07/12/2018 and sighted all job steps were assessed with LOW and MEDIUM Risk. ii) Trunk injection Date assessment from 01-07/12/2018 and sighted all job steps were assessed with LOW and MEDIUM risk</p> <p>All assessment conducted following Appendix 1 of SOP-12 with document title flowchart for conducting HIRARC dated 01/12/2018.</p> <p>CHRA conducted by Mr. Ganesraoo a/l Nagarajoo, DOSH Reg. No.: JKPP HIE 127/171-2 (357), from OSH Safety Consultancy (M) Sdn. Bhd., dated 09/11/2018. Date of received report was on 01/12/2018.</p>
<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i) all employees involved shall be adequately trained on safe working practices; and</li> <li>ii) all precautions attached to products shall be properly observed and applied.</li> </ul>
<p>Sighted the Yearly Sustainability Plan for (Assessment, Monitoring &amp; Training) the plan was prepared by Mr. Viswaraaj a/l Ramoo, dated 01.12.2018.</p>
<p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>
<p>Noted Personal Protective Equipment (PPE) issuance form for Lauderdale Estate. The sample issuance recorded as below: PPE issuance date: 01.02.2019 Employee Name: Goval a/l Annamalai Job Title: Sprayer Type of PPE Issued: Goggle, respirator, apron, nitrile glove and cartridge.</p>
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>
<p>Sighted the procedure for Chemical Management and Handling under document no.: SOP-16 dated on 01.12.2018. The procedure include process from purchasing chemical, storage, labelling, usage of pesticides, chemical handling and etc.</p>
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>
<p>Mr. Viswaraaj a/l Ramoo was assigned as a person in charge responsible for safety and health for Lauderdale Estate as per appointment letter dated 22/01/2019.</p>
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.</p>
<p>Verified that two way communication with employee by conducted safety and health meeting dated 19/02/2019 and attended by manager, field supervisor and employee representatives. Sighted evidence minutes meeting and attendance record.</p>
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>
<p>Sighted the i) Procedure of Accident dated 01/12/2018 and ii) Procedure of Emergency Response Plan (ERP) &amp; First-aid Requirements dated on 01/12/2018. The emergency plans are available in the procedure such evacuation of the building, fire, medical treatment, chemical exposure &amp; spillage and stung by poison snakes following document Appendix 1 of SOP-11 dated 01/12/2018. Sighted in the Appendix 2 (First Aid items), which list up the 20 items that shall be available in the first aid box.</p>

i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite		
First aid training conducted in 23/01/2019 by competent trainer Mr Abdul Majid Haji Faizal Din from OSH Safety Consultancy (M) Sdn Bhd. The certificate valid for 3 years from the date issued , attended with listed name below:- 1 Viswaraaj a/l Ramoo (Field Supervisor), 921202-14-6357 2 Sandanasamy a/l E.Kanniah (Mandore), 681117-08-5789		
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.		
Verified JKKP 8 form has submitted in 18/01/2019 with reference no. JKKP8/28937/2018 and there is no accident cases for the year 2018. Recorded total hours work in 2018 at 25128 hours and average workers in 2018 was at 9 workers.		
Criterion 5	Employment conditions	
Indicator	Requirement	Findings
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees	
Sighted management establish the Social Responsibility Policy dated 01/12/2018 and approved by Director, Mr Ch'ng Chiap Kang. Verified the content of the policy and sighted estates will commit to: a) Complying with related law and regulation b) Equal opportunity c) Children employment d) Prevention of sexual harassment e) Freedom of association f) Disseminate information, instruction, provide training etc.		
Communication of the policy sighted done by display at the mainboard field office, briefing the policy during the stakeholder meeting in 14/02/2019		
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	
Refer to Social Responsibility Policy dated 01/12/2018 mentioned no discrimination and provide equal opportunity regardless of race, colour, sex, nationality etc. The company seek to maintain a workplace free from discrimination.		
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	
Refer to Checkroll and Payslip for Month January 2019 of employees, the sample as below:  1. Mohd Yusof Bin Dahaman (General Workers) Daily work - 25 days x RM42.30 = RM1057.50 Public Holiday Leave Pay - 1 days x RM42.30 = RM42.30 30 hr x RM7.93 = RM237.90 Gross pay - RM1,337.70  2. Siagar a/l Veerapan (Driver) Daily work - 25 days x RM50.05 = RM1251.25 Public Holiday Leave Pay - 2 days x RM50.05 = RM100.10 4 hr x RM9.38 = RM37.52 Gross pay - RM1,388.87		
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee	
CAR: Verified there is no evidence to ensure employees of contractors are paid based on legal or minimum standards.		
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	



Verified the Labour Register for each workers with total 16 workers and 7 contractors worker available, item records contained of names, identity card number, gender, date of birth, date of entry, a job description etc.	
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records
<p>Verified employee's contract agreement as below:</p> <p>a) Hirruan Shah Bin Johan, No. IC# 820705-08-6195 30/10/2018 signed by both parties. Probation period for 4 months.</p> <p>b) Gopalan a/l Mathavan, No. IC# 641214-08-5911 30/10/2018 signed by both parties. Probation period for 4 months.</p> <p>Sighted in the contract agreement are wages per day, EPF and SOCSO deduction, Public Holiday entitlement, termination of service, benefits and facilities, job function, hours of work, annual leave and etc.</p> <p>CAR: Sighted the contract agreement expired on 28/02/2019 but the workers name Hirruan Shah Bin Johan (820705-08-6195) and Gopalan a/l Mathavan (641214-08-5911) still working in the estate in March 2019 without extension time of contract agreement.</p>	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.
<p>Verified with sample appointment letter (Abu Samah Bin Sabri-460811-08-5579) stated that the time for working hours and breaks</p> <p>Start working: 6.30am Break : 11.00am -11.30am Finish : 2.30pm</p>	
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement
Verified the workers time recording as per Lauderdale Estate Checkroll- January 2019 and sighted the recording of the workers attendance with working hour is 8 hours including 30 minutes break.	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements
<p>Verified the worker payslip and sighted the wages calculation ar as per legal regulation and sample as below:</p> <p>1. Mohd Yusof Bin Dahaman (General Workers) Daily work - 25 days x RM42.30 = RM1057.50 Public Holiday Leave Pay - 1 days x RM42.30 = RM42.30 30 hr x RM7.93 = RM237.90 Gross pay - RM1,337.70</p> <p>2. Siagar a/l Veerapan (Driver) Daily work - 25 days x RM50.05 = RM1251.25 Public Holiday Leave Pay - 2 days x RM50.05 = RM100.10 4 hr x RM9.38 = RM37.52 Gross pay - RM1,388.87</p>	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions
<p>Other social benefits offered to employee by Lauderdale Estate as below:</p> <p>a) Worker quarters benefit b) Free water usage supplied by Lembaga Air Perak (LAP). Management bear all usage expenditure by workers c) Medical benefit</p>	
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.
<p>Site visit at the workers quarter and found all the basic amenities and facilities was provided sufficiently such as electricity supplied by TNB and water supplied by Lembaga Air Perak (LAP). Verified the Linesite Inspection Checklist conducted by Mr Viswaraaj a/l Ramoo and sighted done by weekly basis dated 14/02/2019, 21/02/2019, 28/02/2019 etc with the criteria of the inspection is open burning, cleanliness, waste collection etc</p>	

4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace	
Management has established the Social Responsibility Policy dated 01/12/2018 and include the commitment to the Prevention of Sexual Harassment and Violence.		
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	
Management has established the Social Responsibility Policy dated 01/12/2018 and include the commitment for Freedom of Association.		
Noted NIL workers currently join any estate workers union.		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	
Verified the workers list name and sighted no underage workers been hired by Lauderdale Estate followed the Social Responsibility Policy dated 01/12/2018 mentioned that no child employment allowed.		
Criterion 6	Training and competency	
Indicator	Requirement	Findings
4.5.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	
Sighted training programme for year 2018 and training need available. Training programmed such MSPO awareness training, Safety and Health, HIRARC, Environmental Aspect Impact & etc., with total 25 training has been planned. Verified record of training (Attendance list, picture and training material) available as details below:- 1 First Aid Training - 23.01.2019 2 Latihan 'Penggunaan Motosikal' - 12.02.2019 3 Training petrol and Lubricant Storage - 12.02.2019 4 Training Loading FFB to Lorry - 13.02.2019 5 Training Pruning, Stacking and Harvesting - 13.02.2019 6 Training Driving Vehicle and Filling Fuel - 12.02.2019 7 Training Knapsack Sprayer - 11.02.2019 8 Fire Drill Training - 25.012019		
4.5.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	
As per procedure 4.1 (Identifying Employee Training Needs) in SOP -09 (Training & Competency); the management shall identify the training required by every job positions. Training need matrix for year 2018 and 2019 are available with target person such Manager, Field Supervisor, Chief Clerk, Harvester, Sprayers, Gardener and etc.		
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	
Sighted document for continuous training to all level of employee in estate management as refresher and awareness on their technical works, understanding on sustainability and job functions in Yearly Sustainability Plan date 01/12/2019 prepared by Mr Viswaraaj a/l Ramoo.		
<b>P5 Environment, natural resources, biodiversity and ecosystem services</b>		
Criterion 1	Environmental management plan	
Indicator	Requirement	Findings
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	

<p>Sighted management establish “Environmental Policy” Dated 01/12/2018 and approved by the Mr. Ch’ng Chiap Kang (Director). The content of the policy are as below:</p> <ul style="list-style-type: none"> <li>a) Complying with relevant national legislation relating to the preservation and conservation of the environment;</li> <li>b) Take progressive steps and having good agricultural practices to reduce environmental impacts from its activities;</li> <li>c) To follow section 29A of the environmental quality act 1974 to ban open burning. TKN Plantation Sdn. Bhd. Management shall not allow any burning within its estate.</li> <li>d) Shall disseminate information, instruction, provide training and supervision to all employees including contractors and their employees, and</li> <li>e) Shall require all its employees, contractors, customers, visitors and other stakeholders to adhere to this policy at all times.</li> </ul>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives.</li> <li>b) The aspects and impacts analysis of all operations</li> </ul>
<p>Sighted the procedure of Environmental Aspects &amp; Impacts Assessment with document no.: SOP-08 dated on 01.12.2018. The environmental aspect impact assessment is included form (RC-01 of SOP-18). List of environmental aspect and impact assessment log had registered over 19 work process dated 10/12/2018.</p> <p>Verified Aspect and Impact Assessment for below activity:</p> <p>1. Activity: Mixing of pesticides  Aspect: Use of pesticides, pesticide container, use of water  Output: Empty used containers, rinsing water, spillage of pesticides  Impact: Water pollution, land pollution  Existing control : Rinsing water poured into spraying tank, secondary containment. Spilt pesticides is to poured into spraying tank.  Evaluation score: 18, 3, 1</p> <p>2. Activity: Storage of petrol, oil and lubricant  Aspect: Spillage/leakage of petrol, oil and lubricant,  Output : Spillage of petrol,oil and lubricant  Impact: Land/water contamination  Existing control: Secondary containment  Evaluation score: 4,1,1</p> <p>All of the above activities be included in a Continual Improvement Plan (Environment) to improve on the environmental identify in the aspect impact.</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p>
<p>Continual Improvement Plan (Environment) dated 10/12/2018 has developed by identified item such issues, mitigation action, PIC &amp; target date with 10 total issue identified into the management plan. Item such to provide the suitable area for scheduled wastes storage, recycle used pesticides containers to reduce land contamination, recycle aluminums cans, plastics, glass, paper &amp; etc.</p> <p>Refer to Environmental aspect and impacts assessment dated 10/12/2018, document no.: SOP-18 dated on 01.10.2018. Evaluation score with over 11, need to maintain existing control and to initiate corrective and preventive action if required or when necessary.</p> <p>Verified all improvement such as provision of vehicles parking bay, river water management and etc. in the Continual Improvement Plan (Environment) with evaluation score over 11. Also stated the date of status of improvement plan.</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan</p>
<p>Refer to the Continual Improvement Plan (Environment) 2018, did not identified the positive impacts that can be identified through the environmental aspect impacts that can be promote to all employees on the programme that suit to conducted in estate.</p>	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p>

Refer to the Training Record and sighted insufficient training related to environmental and sample as below: 1. Training Petrol, Oil and Lubricant Storage – 12.02.2019 2. Training Knapsack Spraying – 11.02.2019 3. MSPO manual training for workers and contractor dated 11/02/2019. Training included briefing about environment policy.	
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed
Sighted minutes meeting of safety and health in 19/02/2019 and agenda discussed in the meeting include environment matters such to manage schedule waste.  OBS: Environment meeting should conduct separately with a safety and health meeting as meeting environment purpose to discuss on environmental issue, status of issue and continual improvement plan during environment meeting.	
Criterion 2	Efficiency of energy use and use of renewable energy
Indicator	Requirement Findings
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.
Verified there are record of diesel and electricity had just started on January 2019 and will be monitored monthly. Sighted in SOP-19 for energy usage dated 01/12/2018 mentioned that a minimum of 3 years monitoring records shall be available to establish a baseline value for each type of consumption.	
4.5.2.2	The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.
Sighted in the diesel record, verified estimate of diesel usage at 200 litre per month. Verified diesel usage at 140 litre and 120 liter in January and February 2019 which is under estimate.	
4.5.2.3	The use of renewable energy should be applied where possible
No renewable energy was applied to generate in reducing the usage of diesel every month.	
Criterion 3	Waste management and disposal
Indicator	Requirement Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.
Refer to Scheduled wastes management procedure under document no.: SOP-26, Lauderdale Estate had identified 4 types of waste generated from estates through waste card as listed below:- 1 SW 305 (spent lubricating oil) 2 SW 306 (spent hydraulic oil) 3 Domestic waste 4 Recyclable waste	
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.
Verified the Waste Management Plan and sighted the management plan for waste generated from Lauderdale Estate, as below: a) Domestic waste (non-recyclable waste) – to provide rubbish pit/landfill area away from water course and residential area. b) Recyclable waste – To throw gardening waste onto field. c) Scheduled waste – provide proper storage area to store empty lubricant containers.	
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

Established scheduled wastes management procedure under document no.: SOP-26 dated 01/12/2018 stated all procedure regarding to schedule waste management including handling of used chemical.	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.
Verified the auditee, that they have applied the practices for every empty chemical container to be punctured and clean with triple before recycle as per "Pengembangan Racun Makhluk Perusak" from Jabatan Pertanian document no: BK 177/01.18/100 chapter 8.2 first edition 2018 mentioned that "Program Kitar Semula Bekas RMP di bawah jabatan Pertanian menyediakan alternatif untuk pelupusan yang lebih selamat dan berhemah. Program ini melibatkan bekas-bekas RMP yang telah dibilas tiga kali sempurna dan dikumpul dipusat pengumpulan yang ditetapkan". All fertilizer bags will be reuse for loose fruits collection and rubber scrap collection. Verified all records maintained in main stock book as per Standard Operating Procedure document no.: SOP-26 dated 01/12/2018.	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.
Verified during site visit, domestic waste was dump into landfill which located in field P93.	
Criterion 4	Reduction of pollution and emission
Indicator	Requirement Findings
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent
Refer to Environmental Aspect and Impact Assessment Form the pollution acitivities such emission of grenhouse gas - Activity Operating Lorry, environmental impact Air pollution, Rating Assessment 12 (Medium). Pollution activities fo Mixing of pesticide - Activity Mixing of pesticide, Environmental impact Land Contamination, Rating Assessment 18 (Medium).	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented
Refer to waste management plan, Recyclable waste for empty pesticide container - Provide roper storage area to empty pesticides containers, establish SOP to reuse pesticide container, create awareness to workers on SOP established.	
Criterion 5	Natural water resources
Indicator	Requirement Findings
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:
a) Assessment of water usage and sources of supply.	
Refer to Natural Water Resources Procedure #SOP-21 dated 01/12/2018, determined the water usage ang sources of supply which domestic water supplied from Lembaga Air Perak (LAP).	
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities	
Refer to Environmental Monitoring Program report #LAUN201901004 dated 09/01/2019 conducted by OSH Safety Consultancy (M) Sdn Bhd sent to BIOCHEM Laboratoties Sdn Bhd, the parameter for analysis taken such Dissolved Oxygen, pH, BOD, Suspended Solid, Ammoniacal Nitrogen, verified all the parameter result has comply wih Fifth schedule parameter limit of standard B Environmental Quality 1974, EQ (Industrial Effluents) Regulation 2009).	
c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).	
Refer to Water Management Plan dated 10/12/2018, the activity taken to optimize water and nutrient usage such i) Premix area to collect spilled water to reused to mixed the chemical, ii) Tractor washing area to monitor water usage of LAP water, iii) Use drainwater & rainwater for spraying operation, iv) To measure and monitor outgoing water quality.	

d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.																																
Verified during site visit, the signage of buffer zone erected area riparian buffer zone.																																
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.																																
Verified during site visit, no removal of vegetation in riparian area.																																
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.																																
Verified during site visit, no bore was being used.																																
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.																															
Verified during site visit, no bunds, weirs and dams constructed passing through estate waterways.																																
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).																															
Road side drain and proper frond stacking implemented as waster harvesting practices in the estate.																																
Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area																															
Indicator	Requirement	Findings																														
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:																															
a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.																																
Biodiversity Assessment on 10/12/2018 prepared by Chng Dickeon. Identified biodiversity as below:																																
<table border="1"> <thead> <tr> <th>Common Name</th> <th>Scientific name</th> <th>Status (according to IUCN Red List)</th> </tr> </thead> <tbody> <tr> <td>Barn Owl</td> <td><i>Tyto alba</i></td> <td>Least concern</td> </tr> <tr> <td>Common Kingfisher</td> <td><i>Alcedo atthis</i></td> <td>Least concern</td> </tr> <tr> <td>Monitor Lizard</td> <td><i>Alcedo atthis</i></td> <td>Least concern</td> </tr> <tr> <td>Plaintain Squirrel</td> <td><i>Cllosciurus notatus</i></td> <td>Least concern</td> </tr> <tr> <td>Tree Sparrow</td> <td><i>Passer montanus</i></td> <td>Least concern</td> </tr> <tr> <td>Common Myna</td> <td><i>Acridotheres tristis</i></td> <td>Least concern</td> </tr> <tr> <td>Wild boar</td> <td><i>Sus scrofa</i></td> <td>Least concern</td> </tr> <tr> <td>Kera</td> <td><i>Macac fascicularis</i></td> <td>Least concern</td> </tr> <tr> <td>Ayam Hutan</td> <td><i>Gallus gallus</i></td> <td>Least concern</td> </tr> </tbody> </table>			Common Name	Scientific name	Status (according to IUCN Red List)	Barn Owl	<i>Tyto alba</i>	Least concern	Common Kingfisher	<i>Alcedo atthis</i>	Least concern	Monitor Lizard	<i>Alcedo atthis</i>	Least concern	Plaintain Squirrel	<i>Cllosciurus notatus</i>	Least concern	Tree Sparrow	<i>Passer montanus</i>	Least concern	Common Myna	<i>Acridotheres tristis</i>	Least concern	Wild boar	<i>Sus scrofa</i>	Least concern	Kera	<i>Macac fascicularis</i>	Least concern	Ayam Hutan	<i>Gallus gallus</i>	Least concern
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b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.																																
The IUCN Redlist was referred to determine the status of the biodiversity identified, as refer to Biodiveristy Assessment, the status of biodiversity are Least Concern (LC).																																
4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:																															
a) Ensuring that any legal requirements relating to the protection of the species are met																																
Management has sent a letter to PERHILITAN on 22/01/2019 to get the information related to Rare,Threatened and Endangered Species at Perak area, But no reply from PERHILITAN for time being.																																
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts																																
Refer to Biodiveristy Management Plan, the company has plan for i) Awareness on biodiversity by conduct awareness training, ii) Unmanageble encounter with wildlife by contact wildlife department, iii) Prohibition of hunting activities in estate by display signage.																																
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.																															
Refer to 4.5.6.2 b)																																
Indicator 7	Zero burning practices																															
Indicator	Requirement	Findings																														

4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.
Refer to Procedure Zero Burning SOP17 dated 01/12/2018, use of waste disposal and fo preparing land for oil palm cultivation or replanting be avoided using fire expect in specific situation. Verified during site visit, no replanting has been done. In addition, the plantation been taken by developer company, thus no replanting will be undergo.	
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.
No applicable, no special approval requested and no required by estate management.	
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.
No applicable, no special approval requested and no required by estate management.	
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.
Refer to Procedure Zero Burning SOP17 dated 01/12/2018, Mention in procedure the Previous crop should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	
<b>P6: Best Practices</b>	
Criterion 1	Site management
Indicator	Requirement Findings
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.
Sighted SOPs documents on estates operation including harvesting, spraying, manuring etc. as per Doc. No: Appendix 1 of SOP-01 dated 01/10/2018.	
<p>Spraying operation:  - Appendix 2 of SOP-23  - Appendix 3 of SOP-24  Operation at block 2012, interviewed with mandor sprayer (Siagar)  The sprayer were on going stripe spray by knapsack pump with total 5 sprayer and 1 mandor/driver. The mixing was done at mixing area nearby with chemical storage by mandor. During spraying, no drinking or eating are allowed, spayer bring their own clean water and detergent to eat/drink during rest hour. Their meal were placed inside the own motorcycle bucket.</p> <p>OBS:  To ensure to collect the loose fruit and FFB before chemical activities.</p> <p>Harvesting operation:  - Appendix 14 of SOP-23  - Appendix 15 of SOP-23  Operation at block 2010, interviewed with harvester (Sandanasamy)  The cutter are followed the SOP and Good Agriculture Practice in harvesting operation which is to maintain the 0% unripe bunches. Sighted the arrangement of the frond stacking as per procedure. The harvesting acitivities sighted follow the traceability system as per procedure.</p>	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.
Site visit sighted management maintain the soil erosion by done the selective spraying at the drain area. No any evidence of chemical application by blanket spraying an effect the soil or surface contamination.	
No hilly area or slopping land.	
Planting of cover crop is made to retain the soil structure and conservation. Sighted the covers crops planted along the main drain and trenching. The land 100% flat. Sighted the field drain, collection drain and main drain was properly constructed to make sure the water flows are moving in good condition.	
4.6.1.3	A visual identification or reference system shall be established for each field.

During site visit observed marking had been identified with proper signage. All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stenciled at the 6inch Pipe and also displayed in signage at the boundary/corners of every field. This is observed during the field visit.		
Criterion 2	Economic and financial viability plan	
Indicator	Requirement	Findings
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	
Management establish 3 Years Cost Projection for 2018, 2019, 2020, 2021 and 2022. Verified the Estate cost projection for indirect cost. depreciation, mature area upkeep, collection/harvesting, external transportation. Record sample as below:  Indirect cost - RM510,000 (2018), RM525,300 (2019), RM54,059 (2020) Depreciation - RM1,000 (2018), RM1,200 (2019), RM1,440 (2020) Mature area upkeep - RM3,000 (2018), RM3,000 (2019), RM3,200 (2020) Collection/Harvesting - RM264,000 (2018), RM277,200 (2019), RM291,080 (2020) External transport - RM396,000 (2018), RM415,800 (2019), RM436,620 (2020)		
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years	
Refer to auditee, the oldest planting block 1982, 1989/90, 2000A will be convert to development for public housing as per letter #MPT.A1/36/90/16 Jld19 dated 16/01/2019 from Majlis Perbandaran Taiping.		
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment.	
Refer to 5 Years Cost Projection and sighted the maangement plan contain information as below:  a) Forecast FFB yield - 6930MT (2019), 7277MT (2020), 7641MT (2021) b) Cost/Ha - RM6,930 (2019), RM7,277 (2020), RM7,641 c) Price forecast - will based on the current commodity price		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	
CAR: No evidence of documented financial been monitored and periodically reviewed.		
Criterion 3	Transparent and fair price dealing	
Indicator	Requirement	Findings
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	
Sighted contract between Changkat Jering Plantation Sdn Bhd and MEB Enterprise for work Harvesting, Collecting & Transporting FFB to Mill on dated 01/03/2019 validation period one (1) year with on option to renew for another one year subject to the terms and condition to be agreed upon. All the record of contract agreement were properly documented .  Pricing mechanism stated in the agreement, OP1982 (B) - RM60/MT, OP1989/90 - RM55/MT, OP2012 - RM45/MT, Pruning RM2/Palm, Transportation - estate to Central Palm Oil mill - RM35/MT, estate to Kilang Minyak Sawit Kamunting - RM40/MT & etc.		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	
Contract agreement between contractor and estate has signed by both parties. Invoice no 02/2019 for month February 2019 dated 28/02/2019 to contractor MEB Enterprise with total payment RM40399.72		
Criterion 4	Contractor	
Indicator 1	Requirement	Findings
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information	



Refer to Letter from Changkat Jering Plantation Sdn Bhd regarding Compliance to Applicable Malaysian Sustainable Palm Oil (MSPO) Requirement on 05/12/2018 signed by Contractor, Krisvan A/L Veerapan.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.
Sighted contract between Changkat Jering Plantation Sdn Bhd and MEB Enterprise for work Harvesting, Collecting & Transporting FFB to Mill on dated 01/03/2019 validation period one (1) year with on option to renew for another one year subject to the terms and condition to be agreed upon. All the record of contract agreement were properly documented. Contract agreement between contractor and estate has signed by both parties.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required
No obstruction by management, where auditor has undegone site visit during audit session assisted by estate representatives.	
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted
Transportation and harvesting based on Weighbridge ticket from from mill with total Tonnage to Central Palm Oil Mill - 63.290MT, and total tonnage to Kilang Minyak Sawit Kamunting Sdn Bhd - 437.170MT.	
<b>P7: Development of new plantings</b>	
Criterion 1	High biodiversity value
Indicator	Requirement Findings
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.
Not Applicable	
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required
Not Applicable	
Criterion 2	Peat Soil
Indicator	Requirement Findings
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.
Not Applicable	
Criterion 3	Social and Environmental Impact Assessment (SEIA)
Indicator	Requirement Findings
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.
Not Applicable	
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.
Not Applicable	
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.
Not Applicable	
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.
Not Applicable	
Criterion 4	Soil and topographic information

Indicator	Requirements	Findings
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation	
Not Applicable		
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure	
Not Applicable		
Criterion 5		
Planting on steep terrain, marginal and fragile soils		
Indicator	Requirements	Findings
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	
Not Applicable		
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.	
Not Applicable		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion	
Not Applicable		
Criterion 6		
Indicator	Requirements	Findings
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions	
Not Applicable		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	
Not Applicable		
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available	
Not Applicable		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	
Not Applicable		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	
Not Applicable		
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	
Not Applicable		
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.	
Not Applicable		
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	
Not Applicable		

## Observation for Improvement

### Details

#### Corrective Action Request (CAR) :

- 1) 4.1.2.2  
No evidence of identification of root causes of nonconformities by estate management for the CAR raised.
- 2) 4.3.2.2  
Sighted land grant title no. Lot 882, 1613, 2025 with syarat nyata "tanaman dusun dusun" and "ternakan darat merakut-kambing" does not reflect oil palm cultivation.
- 3) 4.4.5.4  
Verified there is no evidence to ensure employees of contractors are paid based on legal or minimum standards.
- 4) 4.4.5.6  
Sighted the contract agreement for workers name Hirruan Shah Bin Johan (820705-08-6195) and Gopalan a/l Mathavan (641214-08-5911) expired on 28/02/2019. However Hirruan Shah Bin Johan (820705-08-6195) and Gopalan a/l Mathavan (641214-08-5911) still working in the estate in March 2019 without extension time of contract agreement.
- 5) 4.6.2.4  
No evidence of documented financial been monitored and periodically reviewed.

#### Observation (OBS)

- 1) 4.5.1.6  
Environment meeting should conduct separately with a safety and health meeting as meeting environment purpose to discuss on environmental issue, status of issue and continual improvement plan during environment meeting.
- 2) 4.6.1.1  
To ensure to collect the loose fruit and FFB before chemical activities.

During the assessment\_05\_nonconformities were identified.

