



Assessment Report	28 th June - 28 th June
	2018

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the Malaysian Sustainable Palm Oil (MSPO) MS 2530-2:2013 General Principles For Independent Smallholder and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances.]

MSPO

Company Name	HUNTLY ESTATE SYARIKAT V.K KALYANASUNDRAM SDN BHD
Address	HUNTLY ESTATE 34900 PANTAI REMIS, PERAK DARUL RIDZUAN
Report No.	MS18FM025
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. R.Bhoo Pathy
Alternate contacts	Thanabalan
Management Representative contact no.	+6019 5772608 / +6016 5601205
E-mail address	pasbhuntly1502@gmail.com
Fax Number	+605 850 1929
Phone Number	+605 850 1929

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	04/06/2018
Internal audit Date	NIL

Section B Audit Note

Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY
Opening Meeting and Closing Meeting	Opening Meeting a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; d) confirmation of formal communication channels between the audit team and the client; e) confirmation that the resources and facilities needed by the audit team are available; f) confirmation of matters relating to confidentiality; g) confirmation of relevant work safety, emergency and security procedures for the audit team; h) confirmation of the availability, roles and identities of any guides and observers; i) the method of reporting, including any grading of audit findings; j) information about the conditions under which the audit may be premature terminated; k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails; l) confirmation of the status of findings of the previous review or audit, if applicable; m) methods and procedures to be used to conduct the audit based on sampling; n) confirmation of the language to be used during the audit;

	<p>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</p> <p>p) opportunity for the client to ask questions.</p> <p>Closing Meeting</p> <p>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</p> <p>b) the method and timeframe of reporting, including any grading of audit findings;</p> <p>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</p> <p>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</p> <p>e) the certification body's post audit activities;</p> <p>f) information about the complaint handling and appeal processes.</p> <p>g) Any diverging opinion that are not resolved.</p> <p>h) opportunity for the client to ask questions.</p>
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System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.1 Management Commitment & Responsibility		
4.1.1 MSPO Policy	Y	<p>4.1.1.1 Integrated Sustainability Policy date on 15th Jan 2018. Signed by Estate Manager (R.Bhoo Pathy).</p> <p>- A written policy statement on the commitment towards sustainable production of palm oil. This policy shall be communicated to all levels of the workforce and stakeholders. Will verified during stage 2.</p> <p>- Interview of personnel and stakeholders whether they are aware of the MSPO Policy and its implementation at the site. Will verified during stage 2.</p> <p>4.1.1.2 Continues improvement statement sighted in the MSPO Policy. The implementation will verified during stage 2.</p>
4.1.2 Internal Audit	Y	<p>4.1.2.1 Internal audit been are on yearly basis refer from Internal Audit Procedure (SOP-03). The internal audit been conducted on 20th June 2018. The finding from the report are 2 CAR and 2 OFI.</p> <p>4.1.2.2 As per Standard Operating Procedure for MSPO Internal Audit (SOP-03), refer from CAR and OFI form, their detail on finding been identified. Such as Area audited, detail on NCR, Investigation, and corrective action, re-audit details.</p> <p>4.1.2.3 Report are available in hardcopy in internal audit file.</p>
4.1.3 Management Review	Y	<p>4.1.3-Management review has been conducted on 25th June 2018, and attended by Senior Manager, staff and consultant. The minute been discussing on internal audit finding and improvement planned. The record of minute meeting are available.</p>
4.1.4 Continual Improvement	Y	<p>4.1.4.1 - Their Improvement plan been identified and divided into:</p> <ol style="list-style-type: none"> 1. Safety & health plan dated 01/02/2018. 2. Social plan dated 01/02/2018 3. Environmental Plan dated 01/02/2018. 4. Yearly Sustainability Plan (Assessment & Monitoring, Training) dated 15/01/2018. <p>4.1.4.2 NA</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.1.4.3 NA
4.2 Transparency		
4.2.1 Transparency of information and documents relevant to MSPO requirement	Y	<p>4.2.1.1 -Governing Standard Operating Procedure for MSPO (SOP-07) Internal and External Communication dated 15/01/2018. Any requested by stakeholder are using grievance form, and the form will be transfer into Grievance log and information provided will be recorded in Record of Information Provided to Stakeholder (RC-03 of SOP-07). As per consultant, the grievance form are available in office and guard house. To be verified on 2nd audit.</p> <p>4.2.1.2 During audit, found the document are publicly available, as policies, training record are displayed at notice board, and document such improvement plan, HIRARC, SIA, Land title and etc. are available.</p>
4.2.2 Transparent method of communication and consultation	Y	<p>4.2.2.1 -Governing Standard Operating Procedure for MSPO (SOP-07) Internal and External Communication dated 15/01/2018.</p> <p>4.2.2.2 -Mr Thana Balan (Chief Clerk) been nominated as representative of estate for consultation and communication with relevant stakeholder dated on 15/01/2018 and signed by Senior Manager.</p> <p>4.2.2.3 - The relevant stakeholder been identified and listed in List of Stakeholder. The name of stakeholder, address and contact person been listed as well. The meeting with stakeholder conducted on 10/04/2018 chaired by senior manager of Huntly Estate. The explaining on MSPO, grievance procedure, issue raised been discuss along the meeting as record in minute meeting.</p>
4.2.3 Traceability	Y	<p>4.2.3.1 -Governing Standard Operating Procedure for MSPO (SOP-08) Traceability.</p> <p>4.2.3.2 - Verified management has conduct regularly inspections on compliance by signature of person in charge of available record such FFB crop book, weighbridge ticket (estate & Mill), incoming receipt, outgoing despatch receipt, daily seal record book and payment invoice and payment voucher. - Plantation Agencies Sdn Bhd also has conduct inspection on the traceability record as V.A.'s report visit on date 16th May 2018 - Internal audit been inspected the record as well as the checklist of MSPO of all indicator been inspected.</p> <p>4.2.3.3 -Mr Thana Balan (Chief Clerk) been nominated as representative of estate for consultation and communication with relevant stakeholder, implementation and maintaining traceability system, monitor compliance to regulatory requirement, track and update the changes in regulatory requirement, perform any further function that may be required by employer to enable the implementation of MSPO. The functions are listed in one nomination letter</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>dated on 15/01/2018 and signed by Senior Manager.</p> <p>4.2.3.4 FFB crop book, weighbridge ticket (estate & Mill), incoming receipt, outgoing despatch receipt, daily seal record book and payment invoice and payment voucher been maintained and recorded.</p>
4.3 Compliance to legal requirements		
4.3.1 Regulatory requirements	Y	<p>4.3.1.1 Licenses and permit been listed and monitored in List of Licenses and Permits. The listed such MPOB license, diesel license, certificate of registration under Windfall Profit Levy, and etc. The date of validity been identified in the list as well. Will verified in 2nd stage of audit.</p> <p>4.3.1.2 As per Master List of Standard, Legislation, and Other Requirements dated 15/01/2018, sighted there are 44 standard are required to comply by estate.</p> <p>4.3.1.3 Tracking and updating the changes in regulatory requirements are been listed as function of regulatory officer appointed.</p> <p>4.3.1.4 Mr Thana Balan (Chief Clerk) been nominated as representative of estate for consultation and communication with relevant stakeholder, implementation and maintaining traceability system, monitor compliance to regulatory requirement, track and update the changes in regulatory requirement, perform any further function that may be required by employer to enable the implementation of MSPO. The functions are listed in one nomination letter dated on 15/01/2018 and signed by Senior Manager.</p>
4.3.2 Land use rights	Y	<p>4.3.2.1 As per estate map- as per on Pelan Tanah BorangB2.</p> <p>4.3.2.2 As per Land Title, two land title available, which are; No. Lot 10427, No fail PTG.PK. 5/2-967 JLD 2(A) and No. Lot 10426, No fail PTG.PK. 5/2-967 JLD 2(A). Both "Syarat Nyata" for "Tanaman Dusun-dusun". (OBS)</p> <p>4.3.2.3 As per boundary stone and border drain- will verified during 2nd Stage.</p>
4.3.3 Customary rights		Not Applicable
4.4 Social responsibility, health, safety and employment condition		
4.4.1 Social impact assessment (SIA)	Y	4.4.1.1 - Social Impact Assesement was conducted. Report dated 18/06/2018. verified the doc. no: RC-01 of SOP-10 Rev.0
4.4.2 Complaints and grievances	Y	<p>4.4.2.1- As per Prosedur Internal & External Communication. Doc. No: SOP-07. Dated 15/01/2018.</p> <p>4.4.2.2- Will be verified during 2nd Stage</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>4.4.2.3- As per Grievance Form Doc. no: RC-04 of SOP-07. Will verified during 2nd stage.</p> <p>4.4.2.4- The complaint procedure done inform to employee during Stakeholders Meeting which had been held on 10/04/2018.</p> <p>4.4.2.5- No complaint received until this time of review.</p>
4.4.3 Commitment to contribute to local sustainable development	Y	<p>4.4.3.1 Sighted contribution has been made as verified the record kept in file - Record of CSR Activities. Exp: Sport donation to SJK (T), Money donation to Rumah Kebajikan Kanak-kanak, etc. Sighted the Doc. No: RC-02 of SOP 10 Rev. 0</p>
4.4.4 Employees safety and health	Y	<p>4.4.4.1- As per Occupational Safety & Health Policy. Dated 15/01/2018 signed by Estate Manager Mr. R. Bhoo Pathy.</p> <p>- Sighted the Training Record, sample below;-</p> <ol style="list-style-type: none"> 1. First Aid Training. Dated: 20/04/2018. 2. SOP Training for Prunning, Stacking and Harvesting. 3. SOP Training for Manuring. Dated: 08/02/2018. <p>- Sighted the Training Attendance Record for year 2018.</p> <p>.</p> <p>4.4.4.2- Safety plan</p> <ol style="list-style-type: none"> a) Safety & Health policy has been communicated to employee from 15/04 to 13/06/2018 during Awareness Training Safety & Health. b) As per HIRARC date on 14/05/2018 c) Source for a purpose-designed opening tool to open sealed chemical containers to replace existing sharp tool. date on 15/03/2018. d) Provide workers with appropriate PPE based on HIRARC performed. Dated 14/05/2018.
4.4.5 Employment conditions	Y	<p>4.4.5.1 -Polisi Sustainability, dated 15/01/2018 signed by Sr. Manager R.Bhoo Pathy. The content has mention on social such as Management commitment and responsibility, Occupational safety and health, Sexsual harresment etc.</p> <p>The company must seggregate all the policy. This is important for better communication and understanding between employer and employeee. Suggested the approval of each policy is from General Manager and above level. (OBS)</p> <p>4.4.5.2 refer Polisi at 4.4.5.1</p> <p>4.4.5.3 Refer to employment card and aggreement contract, wages refer to MAPA/NUPW, sighted MAPA/NUPW aggreement was last updated on 28/04/2015.</p> <p>4.4.5.4 Refer to pay slip for estate employee, verified that the wages for month May 2018 are as per legal and industry minimum standard. sample as below:</p> <ol style="list-style-type: none"> i. Aziz Bin Mat RM1,740.16 ii. P.Sandran - RM1,083.00 iii. S. Rao - RM1,262.48 <p>The record and detail of employee has been stated in Labour Card.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.4.6 Training and competency	Y	4.4.6.1 - Training matrix was established and listed the Training Required for 2018. - Sighted the Training record for Contractor, dated 15/04/2018.
4.5 Environment, natural resources, biodiversity and ecosystem services		
4.5.1 Environmental management plan	Y	4.5.1.1 -Polisi Alam Sekitar dated 15/01/2018 signed by Sr. Manager, Mr R. Bhoo Pathy. -Verified Waste Management Plan, dated 01/02/2018. -4.5.1.2 - Aspect impact of environment have been identified in Environment Aspects and Impacts Assessment, dated 22/01/2018. -4.5.1.3 as per 4.5.1.1 -4.5.1.4 refer to Continual Improvement Plan 2018, Log No: CE 01/18 - Install meter monitor ground water usage. dated started 01/02/2018.
4.5.2 Efficiency of energy use and use of renewable energy	Y	4.5.2.1 -Consumption of non-renewable energy record 2018 sighted. Form of Monitoring of Diesel Consumption; a) Diesel use per ton FFB - May = 2.32 mt diesel/ffb b) Electricity use per ton FFB - May= 2.43 mt diesel/ffb. 4.5.2.2 as per 4.5.2.1 4.5.2.3 as per 4.5.2.1
4.5.3 Waste management and disposal	Y	4.5.3.1 - No Schedule waste inside the estate compound due to the estate outsource all the repairing machine works accept the domestic waste. Sighted the location map for rubbish pits. -Prosedur of Schedule Wastes Management sighted in Doc. No: SOP-26, dated 15/01/2018 verified to handling SW. 4.5.3.2 as per 4.5.3.1 4.5.3.3 as per 4.5.3.1 4.5.3.4 as per 4.5.3.1 4.5.3.5 as per 4.5.3.1
4.5.4 Reduction of pollution and emission	Y	4.5.4.1 as per 4.5.1.2 4.5.4.2 -No replanting for last two years until this time of review. Site visit will be verified during 2 nd stage Audit.
4.5.5 Natural water resource	Y	4.5.5.1 -Water monitoring usage is in progress to install the water meter usage. 4.5.5.2 to be verified during 2 nd stage. 4.5.5.3 to be verified during 2 nd stage.
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value	Y	4.5.6.1 -Biodiversity Assessment Sighted, dated 15/01/2018. However estate need to clarify the assessment with Jabatan Perhilitan. Must get verification from jabatan perhilitan regarding endangered species in this estate. (OBS) 4.5.6.2 as per 4.5.6.1

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.5.7 Zero burning practices	Y	-No burning is allowed as mention by management, refer in Doc. Title: Zero burning practices & procedures dated 15/01/2018. -Will be verified during 2 nd stage audit.
4.6 Best Practices		
4.6.1 Site management	Y	4.6.1.1 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. 4.6.1.2 -Visual inspection will be verified during 2nd stage audit.
4.6.2 Economic and financial viability plan	Y	4.6.2.1 - Verified 5 Years cost projection been established by Senior Manager (years 2018 - 2022) - Refer to auditee, there is no replanting plan in 5 years even the age profile of the OP are 91, 95, 97, 01, 03, 06, 07 & 10. 4.6.2.2 as per 4.6.2.1 4.6.2.3 as per 4.6.2.1 4.6.2.3 as per 4.6.2.1
4.6.3 Transparent and fair price dealing	Y	4.6.3.1 - Pricing mechanism for contractor work been agreed in contract agreement. - Purchase of FFB from Huntly 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. 4.6.3.2 The rate for contract work and payment voucher been verified. The agreement signed by both parties. sample of rate and payment as below: 1. Encik Kupusamy A/L Tirumalai for FFB Harvesting. The contract include the pricing rate of harvesting. The payment invoice (03/17-18/01(K)) date 31/03/2018 been released and calculation pricing payment as per cost rate in agreement. 2. N G Ilawarasan Enterprise for FFB transportation. The contract include the pricing rate for transporting to Sungei Kerang Development Sdn Bhd POM. The payment invoice (03/17-18/06(K)) date 31/03/2018 been released and calculation pricing payment as per rate in the agreement.
4.6.4 Contractor	Y	4.6.3.1 Contractor been given the awareness information on MSPO requirement. The briefing conducted on 15/04/2018 by consultant. Verified the training material attached. 4.6.4.2 The attendance list of briefing are recorded as evidence the contractor has been understand and agreed with the MSPO. The acknowledgement letter from contractor as evidence of their agreed on compliance with MSPO standard are available for all contractor. Verified the letter included the responsible of MSPO compliance by contractor and acceptance estate and MSPO auditor (CB) to verify the through assessment on physical inspection.

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
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	<p>4.3.1.1 Permit of occupant for quarter from JTK not yet received as per Workers' housing standard of housing and amenities act 1990.</p> <p>4.3.2.2 As per Land Title, two land title available, which are; No. Lot 10427, No fail PTG.PK. 5/2-967 JLD 2(A) and No. Lot 10426, No fail PTG.PK. 5/2-967 JLD 2(A). Both "Syarat Nyata" for "Tanaman Dusun-dusun". (OBS)</p>
BH	<p>4.4.5 The company must segregate all the policy. This is important for better communication and understanding between employer and employee. Suggested the approval of each policy is from General Manager and above level. (OBS)</p> <p>4.5.6 Must get verification from jabatan perhilitan regarding endangered species in this estate. (OBS)</p>

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

Section C Conclusion

Document Review Conclusion

- The documentation is acceptable and complete, there is no finding/issue at this time and progress has been established towards next stage of audit/MAV.*
- The documentation is generally acceptable, however there are a numbers of finding/issued which the company needs to address before proceeding to stage 2/MAV.*

(Please proceed to follow up section)

Note : The assessment was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party


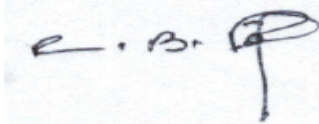

Number of Employees (covered by scope of registration)

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Badrul Hisham Hj Baharin (BH)	R. Bhoo Pathy	Sr. Manager
Team member	Thana Balan A/L Muniandy	Chief clerk
Mohamad Zulkefli (ZU)	Nallamal A/P Moithan	Clerk
Trainee auditor	S. Devasilan	Field supervisor
Mohamad Hafis B Mustafa (MH)		
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	Badrul Hisham Hj Baharin	Mr. R. Bhoo Pathy
Date	28/06/2018	28/06/2018
E-mail	badrul.hisham@cciglobal.com	
Fax No	03-8073 2688	

FOLLOW - UP:

Area of Concern status:

No	Description			
1				
	Auditor comment			
	Status	close	open	

2					
	Auditor comment				
	Status	close		open	
3					
	Auditor comment				
	Status	close		open	

Stage 1 audit conclusion:
Ready for stage 2 audit.

Signatory of auditor	
Date	