



Assessment Report	8 th November - 9 th November
	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	KUB Malua Plantations Sdn Bhd
Address	Level 8-11, Unit 1 , Capital 3, Oasis Square, Ara Damansara 47301 Petaling Jaya, Selangor Darul Ehsan.
Report No.	MS18FM032
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	Ms. Norazila Idris
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Scope of Certification	
Scope of certification in English	Provision of Planting & Harvesting of Fresh Fruits Bunches
Applicable clause of the MS 2530-2:2013	Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7
Changes from Previous registration	No
Extension/changes of scope date	NA

System Documentation Information	
Quality Manual Document Identification	NA
Last Management System revision date	NA
Previous Management System date	NA
Management Review Date	2/11/2018
Internal audit Date	19-20/09/2018

Section B Audit Note

Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY
Opening Meeting and Closing Meeting	<p>Opening Meeting</p> <ul style="list-style-type: none"> 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; o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns; p) opportunity for the client to ask questions. <p>Closing Meeting</p> <ul style="list-style-type: none"> a) informing the client that the audit evidence collected was based on a sample of the

	<p>information; thereby introducing an element of uncertainty</p> <p>b) the method and timeframe of reporting, including any grading of audit findings;</p> <p>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</p> <p>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</p> <p>e) the certification body's post audit activities;</p> <p>f) information about the complaint handling and appeal processes.</p> <p>g) Any diverging opinion that are not resolved.</p> <p>h) opportunity for the client to ask questions.</p>
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System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.1 Management Commitment & Responsibility		
4.1.1 MSPO Policy	Y	<p>4.1.1.1 Sustainability Palm Oil Policy date on 14th March 2018. Signed by Director - Datuk Abdul Rahim Mohd Zin.</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 (MSPO/P1/C2/IN2/SOP1 dated on 2nd April 2018). Sighted the notification memo of internal audit were dated on 3/8/2018 and been distributed to the respective estate The internal audit been conducted on 19-20 September 2018. The finding from the report are 5 CAR.</p> <p>4.1.2.2 As per Standard Operating Procedure for MSPO Internal Audit (SOP-03), refer from CAR Summary (2/11/2018) and Audit Summary report (1/10/2018), 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	4.1.3-Management review has been conducted on 2 nd November 2018, and attended by HOD . The meeting been discussing on internal audit finding and improvement planned. The record of minute meeting is still in progress.
4.1.4 Continual Improvement	Y	<p>4.1.4.1 - Their Improvement plan been identified and divided into:</p> <ul style="list-style-type: none"> i. Budget Plan ii. Environmental Management Plan iii. Training Plan - include all training related to MSPO element of improvement iv. SIA report - action plan <p>4.1.4.2 Will be verified during 2nd stage.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.1.4.3 Will be verified during 2 nd stage.
4.2 Transparency		
4.2.1 Transparency of information and documents relevant to MSPO requirement	Y	<p>4.2.1.1 -Governing procedure - Procedure for Consultation and Communication (MSPO/P2/C2/IN1) dated on 2nd April 2018, Formal Complaint & Grievance procedure (GHCD/IR/002-09) dated on 1/10/2010 and refer to KUB Malaysia Website - www.kub.com. Any requested by stakeholder are using grievance form, and the form will be transfer into Complaints Grievance log book. According to auditee, the grievance form are available in office and can be refer at website. 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, and etc. are available.</p>
4.2.2 Transparent method of communication and consultation	Y	<p>4.2.2.1 -Governing procedure - Procedure for Consultation and Communication (MSPO/P2/C2/IN1) dated on 2nd April 2018, Formal Complaint & Grievance procedure (GHCD/IR/002-09) dated on 1/10/2010 and refer to KUB Malaysia Website - www.kub.com.</p> <p>4.2.2.2 -Mr Arnold Yosores been nominated as representative of estate for consultation and communication with relevant stakeholder dated on 25/06/2018 and signed by 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 and sighted record of meeting in the communication with stakeholder. The explaining on MSPO, grievance procedure, issue raised been discuss along the meeting as record in minute meeting. Stakeholder involves during the meeting were Forest Department, DAB Oh Sdn Bhd, Contractors etc</p>
4.2.3 Traceability	Y	<p>4.2.3.1 -Governing procedures - Procedure for Traceability (MSPO/P2/C3/IN1) dated on 2nd April 2018..</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. - 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 Rosli Cakke had been appointed as management officer for Traceability Management seen in the appointment letterdated on 1/10/2018. The function stated in the letter were to identified and monitor the efficiency of traceability system.</p> <p>4.2.3.4</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		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.
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, Permit "Perakuan Penentuan Timbang dan Sukat" for weighbridge etc. The date of validity been identified in the list as well. Will verified in 2nd stage of audit. Sighted for diesel storage permit were still in progress"</p> <p>4.3.1.2 As per Legal register compliance dated 5/11/2018, sighted there are 19 standard are required to comply by estate. Obs- To include Sabah Legal regulatory requirement etc Sabah labour ordinance</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 Arnold Yosores 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 1/10/2018 and signed by Senior Manager.</p>
4.3.2 Land use rights	Y	<p>4.3.2.1 As per estate map, Topography Map and S7P agreement.</p> <p>4.3.2.2 obs - The land grant is still in the middle of processing due to the KUB Malua just take over the are from Kwantas Plantations Sdn Bhd - Sighted S&P agreement dated on 19/4/2017. Will be verified during 2nd stage on the land title.</p> <p>4.3.2.3 As per boundary stone and boundry 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 26/07/2018.
4.4.2 Complaints and grievances	Y	4.4.2.1- -Governing procedure - Procedure for Consultation and Communication (MSPO/P2/C2/IN1) dated on 2nd April 2018, Formal Complaint & Grievance procedure (GHCD/IR/002-09) dated on 1/10/2010.

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		Obs- To include in the procedure to keep the record of complaints and resolutions in period of 24 months. 4.4.2.2- Will be verified during 2nd Stage 4.4.2.3- As per Complaint and Grievance Form and log book. Will be verified during 2nd stage. 4.4.2.4- The complaint procedure done inform to employee during Stakeholders Meeting. 4.4.2.5- No complaint received until this time of review.
4.4.3 Commitment to contribute to local sustainable development	Y	4.4.3.1 Sighted contribution has been made as verified the record kept in file - Record of CSR Activities. Exp: Gotong Royong, Urusan Pengebumian Jenazah etc
4.4.4 Employees safety and health	Y	4.4.4.1- As per Occupational Safety & Health Policy. Dated 6/06/2016 signed by Group Managing Directors. - Sighted the Training Record, sample below;- 1. Handling and signing PPE dated on 25/7/2018 2. Pengagihan & Taklimat PPE dated on 26/7/2018 3. Briefing about accident & Emergency Procedure 4. 8-17/9/2018 - Latihan pemadam api. - Sighted the Training Attendance Record for year 2018. 4.4.4.2- Safety plan a) Safety & Health policy has been communicated to employee dated on 28/9/2018 during Policy briefing. b) As per HIRARC date on 1/07/2018 c) As per safety training in the training plan for year 2018. d) Provide workers with appropriate PPE based on HIRARC and CHRA recommendation - will be reviewed during 2nd stage. e) As per Procedure - Kerja Selamat Di Stor racun and Panduan kerja Selamat Di Tempat bancuhan Racun". dated on 21/11/2018. f) Sighted the appointment letter for Mr Rosli Cakke as responsible person for Safety and Health in KUB Malua dated on 1/10/2018. g) OSH meeting - Sighted minutes meeting were recorded in file OSH meeting. h) Sighted procedures "Siasatan dan Pemakluman Kemalangan" - OSH(Agro)-05. i) For First aid Training is still in progress - will be conducted on year 2019 - Will be verified during 2nd stage. j) As at today there is no accident cases happened - verified through file "Laporan & Siasatan Kemalangan".
4.4.5 Employment conditions	Y	4.4.5.1 - Sighted the company had establish Good Social Policy and Sexual Harassment Policy dated on 1/9/2018. 4.4.5.2 refer Polisi at 4.4.5.1 4.4.5.3 Refer to employee Handbook and agreement contract, wages refer to Employment act and Minimum wages Act 2012. 4.4.5.4

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Refer to pay slip for estate employee, verified that the wages for month September 2018 are as per legal and industry minimum standard. Will be verified during 2nd stage</p> <p>4.4.5.5 The record and detail of employee has been updated in the system name IECS. Notice no under age workers.</p> <p>4.4.5.6 Employment contract are available. To verified during 2nd stage audit on the copy provided to employees.</p> <p>4.4.5.7 The time recording recorded in checkroll record.</p> <p>4.4.5.8 Working hour and break has stated in Memorandum - ref: "Pemberitahuan masa bekerja Untuk Semua Pekerja" dated on 24/8/2018..</p> <p>4.4.5.9 Verified during 2nd stage audit.</p> <p>4.4.5.10 Social benefit offered by the company as per below: i. Medical Card for staff. ii. Staff Quarters iii. Free water and electricity</p> <p>4.4.5.11 Verified during 2nd stage audit</p> <p>4.4.5.12 Policy and guideline for Workplace Harassment - GHCD/IR?001-09 dated on 20/10/2009.</p> <p>4.4.5.13 Stated in policy of Good Social Practices.</p> <p>4.4.5.14 Verified with the Kontrak kerja, all employees not below than 18 year old. Verified during 2nd stage.</p>
4.4.6 Training and competency	Y	<p>4.4.6.1 - Training matrix was established and listed the Training Required for 2018. - Sighted the Training Plan for year 2018.</p> <p>4.4.6.2 - As per Training matrix - will be verified during 2nd stage.</p> <p>4.4.6.3 - As per training plan.</p>
4.5 Environment, natural resources, biodiversity and ecosystem services		
4.5.1 Environmental management plan	Y	<p>4.5.1.1 -Polisi Alam Sekitar dated 14/03/2018 signed by Director. - Verified Environmental plan dated on 19/4/2018 -Verified Waste Management Plan, dated 19/04/2018.</p> <p>-4.5.1.2 - Aspect impact of environment have been identified in Environment Aspects and Impacts Assessment, dated 11/10/2018.</p> <p>-4.5.1.3 as per 4.5.1.1 and 4.5.1.2</p> <p>-4.5.1.4 OBS- The management had identified action plan to promote positive impact in environmental issues however the plan were not yet been included inside the continual improvement plan.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>4.5.1.5 Sighted an awareness training for Environmental Awareness had been included inside training plan. Verified the management had planned to send appointed employee to attend CePSWaM training - Mr Arnold Yosores.</p> <p>4.5.1.6 - Sighted Minute Meeting for Environmental dated on 25/9/2018.</p>
4.5.2 Efficiency of energy use and use of renewable energy	Y	<p>4.5.2.1 -Consumption of non-renewable energy record 2018 sighted. Form of Monitoring of Diesel Consumption; a) Diesel usage were record in the Diesel usage book consumption. Obs- Sighted the analysis of monitoring the consumption of usage actual vs budget were not been recorded.</p> <p>4.5.2.2 as per 4.5.2.1 4.5.2.3 verified during audit the renewable energy were buffalo evacuation and the used of Solar energy for fencing..</p>
4.5.3 Waste management and disposal	Y	<p>4.5.3.1 - As per Waste management plan. -Prosedur of Schedule Wastes Handling sand the implemetation will be verified the handling SW during 2nd stage audit..</p> <p>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</p>
4.5.4 Reduction of pollution and emission	Y	<p>4.5.4.1 as per Environment Aspect and Impacts Assessment - The action plan and mitigation of pollution of prevention plan were sated inside the Environmental Management Plan dated on 19/4/2018 - Will be verified during 2nd stage audit.</p> <p>4.5.4.2 -Sighted the waste management plan and the status of mitigation plan will be verified during 2nd stage audit..Verified that any pollution were identified in the EIA</p>
4.5.5 Natural water resource	Y	<p>4.5.5.1 Obs-Water monitoring usage is and and water sampling for outgoing water to the natural water course is still in progress. 4.5.5.2 to be verifeid during 2nd stage. 4.5.5.3 - Currently the water harvesting were through natural river pumped in to water tank - to be verified during 2nd stage.</p>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value	Y	<p>4.5.6.1 -Biodiversity Assessment Sighted, dated 26/07/2018. 4.5.6.2 as per 4.5.6.1</p>
4.5.7 Zero burning pracrices	Y	<p>-No burning is allowed as mention by management, refer in Environmental Policy. -Will be verified during 2nd stage audit.</p>
4.6 Best Practices		
4.6.1 Site management	Y	<p>4.6.1.1 As per Agriculture Reference Manual 12/2016. The manual provided guideline for activity usch as planting material, nursery techniques, replanting,</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		leguminous cover crop establishment, land preparation, planting density, field upkeep 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 3 Years cost projection been established in business management plan . Will be verified during 2 nd stage. - Refer to auditee, there is no replanting plan in next 5 years.. 4.6.2.2 as per 4.6.2.1 4.6.2.3 as per 4.6.2.1 4.6.2.3 as per 4.6.2.1
4.6.3 Transparent and fair price dealing	Y	4.6.3.1 - Pricing mechanism for contractor work been agreed in contract agreement. Will be verified during 2nd stage. 4.6.3.2 Sighted the transparency of price dealing were verified through evidence of sign checking by the contractor on the supporting document for the contract work etc harvesting, transport. Will be verified the contract agreement during 2nd stage.
4.6.4 Contractor	Y	4.6.3.1 Contractor been given the awareness information on MSPO requirement. The briefing conducted to the contractor upon meeting, payment clarifying etc. Verified through attendance record. Where the contractor are unable to come to the estate, the information were given through email. 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.
4.7.1 High biodiversity value		NA
4.7.2 Peat land		NA
4.7.3 Social and Environmental Impact assessment (SEIA)		NA
4.7.4 Soil and topographic information		NA
4.7.5 Planting on steep terrain, marginal and fragile soils		NA
4.7.6 Customary land		NA

Observation for Improvement

Auditor	Observation
HF	<p>4.3.1.1 Obs-Sighted for diesel storage permit were still in progress"</p> <p>4.3.1.2 Obs- To include Sabah Legal regulatory requirement etc Sabah labour ordinance</p> <p>4.3.2.2 obs - The land grant is still in the middle of processing due to the KUB Malua just take over the are from Kwantas Plantations Sdn Bhd - Sighted S&P agreement dated on 19/4/2017. Will be verified during 2nd stage on the land title.</p> <p>4.4.2.1- -Governing procedure - Complaint and Grievances Obs- To include in the proceudre to kept the record of complaints and resolutions in period of 24 months.</p> <p>4.4.4.2 - Obs - To include in HIRARC - activity for FFB evacuation.</p> <p>-4.5.1.4 OBS- The management had identified action plan to promote positive impact in environmental issues however the plan were not yet been included inside the continual improvement plan.</p> <p>4.5.2.1 a) Diesel usage were record in the Diesel usage book consumption. Obs- Sighted the analysis of monitoring the consumption of usage actual vs budget were not been recorded.</p> <p>4.5.5.1 Obs-Water monitoring usage from natural resources and and water sampling for outgoing water to the natural water course is still in progress.</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

Mohammad Hafizuddin Bin Rossley	Tn Jemali bin Md Jamin	Manager
Team member	Jumiah Hammad	Clinic Assistant
	Arnold	Assistant Manager
Trainee auditor	Chong Mui Lin	General Clerk
	Nor Fazila	
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	Mohammad Hafizuddin Bin Rossley	Tn Jemali bin Md Jamin
Date	08-9/11/2018	08-9/11/2018
E-mail	admin@cciglobal.com	
Fax No	03-8073 2688	

FOLLOW - UP:

Area of Concern status:

No	Description			
1				
	Auditor comment			
	Status	close		open
2				
	Auditor comment			
	Status	close		open
3				
	Auditor comment			
	Status	close		open

Stage 1 audit conclusion:

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

Signatory of auditor	
Date	