



Assessment Report	5 th September - 5 th September
	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	MHC Plantation Bhd - Anson Oil industries Sdn Bhd
Address	P.O Box 66, Jalan Sekolah , 36000 Teluk Intan, Perak.
Report No.	MS18FM0020
Status of Audit	First Assessment Audit (Document Review)

Section A General Information

General	
Standard Assessed	MSPO MS 2530-4:2013
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	
Alternate contacts	Mr. Anthonysamy Sinnapan
Management Representative contact no.	+6016 512 4186
E-mail address	ansonoil.sdnbhd@gmail.com
Fax Number	05 6100 180183
Phone Number	05 6100 180181

Scope of Certification	
Scope of certification in English	Production of Fresh Fruits Bunch
Applicable clause of the MS 2530-2:2013	Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6
Changes from Previous registration	No
Extension/changes of scope date	NA

System Documentation Information	
Quality Manual Document Identification	NA
Last Management System revision date	NA
Previous Management System date	NA
Management Review Date	Not ye done will be verified during 2 nd stage audit.
Internal audit Date	Not ye done will be verified during 2 nd stage audit.

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 information; thereby introducing an element of uncertainty

	<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	YES	<p>4.1.1.1 Verified the policy regarding MSPO were stated inside "Polisi Kemampanan" (Sustainability) date on 14/6/ 2018 - sign Tan Sri Mah King Thian , Group Managing Director.Sighted there is 5 others policy etc ;</p> <p>i. Environmetal Policy ii. Safety & Health Policy iii. Human Rights Policy iv. Sexual Harrassment Policy v. Gender Policy</p> <p>The above policy shown commitment of the company towards compliance on the MSPO requirement.</p> <ul style="list-style-type: none"> • A written policy statement on the commitment towards sustainable production of palm oil. This policy shall be communicated to all levels of the workforce and stakeholders. Will verified during stage 2. • Interview of personnel and stakeholders whether they are aware of the MSPO Policy and its implementation at the site.Will verified during stage <p>4.1.1.2 Sighted it were stated inside the "Polisi Kemampanan"..</p>
4.1.2 Internal Audit	YES	<p>4.1.2.1 Internal audit plan- Internal audit plan 2018 - Sighted the internal audit will be conducted on on 17-21 September 2018 as per schedule programme dated on 1/8/2018 - Internal Audit plan is not yet been establish by the management - Will be verified during stage 2 audit.</p> <p>4.1.2.2-Internal audit procedure-Proc/ Internal Audit-01- Internal Audit Procedure dated on 16/7/2018 Rev 00.</p> <p>4.1.2.3-Internal audit report for management review- Will be verified during stage 2 audit.</p>
4.1.3 Management Review	YES	<p>4.1.3-Management review - Will verified the content during stage 2. Sighted the Management review is not yet been conducted by the management</p>
4.1.4 Continual Improvement	YES	<p>4.1.4-Continues improvement plan- , Waste management plan, water management plan , Envuronmetal management plan, pollution prevention plan, business strategic plan year 2018/2019 - Will be verified during 2nd stage..</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.2 Transparency		
4.2.1 Transparency of information and documents relevant to MSPO requirement	YES	4.2.1.1-The document related on MSPO can seen at notice board - eg Sustainability Policy. Sighted also the requirement of MSPO had been brief to the employees during Policy briefing dated on 23/8/2018 as verified in the training attendance record. Others information will be verified during 2 nd stage.
4.2.2 Transparent method of communication and consultation	YES	<p>4.2.1.2- The transparency method of communication had been brief during policy briefing dated on 23/8/2018 . For the stakeholder will be brief regarding complaint and grievances procedure and communication procedure on stakeholder meeting (will be held on 7/9/2018). Will be verified during 2nd stage</p> <p>4.2.2.1-Sighted procedure and verified document : Complaint and Grivances Procedure - Document no : Procd/Complaint & Grivances - 02 date 16/7/2018 ,Consultation and Communication Procedure - Document no : Procd/Consultation & Communication -03 dated on 16/7/2018. Complaint form avaiable at the office and the procedure have been well brief to all employee during policy briefing as mention above.For stakeholder will be brief during stakeholder meeting (planning on 7/9/2018). Sichte the company had establish log book - complaint register , this log book will record all the complaint receive. Record complaint and action taken will be verified during 2nd stage. According the transparency of activities CSR can be verified and been seen by public in the mhc website.</p> <p>.4.2.2.2-Nominated management-Appointment letter dated on 16/7/2018 - as Communication and Legal Compliance Officer , Ms Jessica Jaganathan .</p> <p>4.2.2.3-List of stakeholder -List of stakeholder of mill consist of supplier, contractor , government agencies and authories , etc - total 45. Obs- Sighted inside the list stakeholder the management didn't include nearby village as their stakeholder, school etc . advice managemnt to update the list stakeholderand include all the relevant interested parties that contribute to the social impact in their business operation.</p>
4.2.3 Traceability	YES	<p>4.2.3.1-The traceability procedure , Doc no : Procd/Traceability-04 establish dated on 16/7/2018 and as interview with the auditee the current traceability system will collect the below document for traceability ;</p> <ul style="list-style-type: none"> i. DO from supplier complete wb ticket if available ii. Que number from mill post guard iii. Mill Wb ticket iv. FFB grading chit <p>Sighted the above information will key in the EPS system.</p> <p>Sighted the appointment of traceability officer - Ms Lim Chai lee dated 16/7/2018. Others will be verified during stage 2 audit.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.3 Compliance to legal requirements		
4.3.1 Regulatory requirements	YES	<p>4.3.1.1 Verified the law and regulation compliance:</p> <ol style="list-style-type: none"> 1. Verified the Fire Certificate from BOMBA date 12/01/2018 - 11/01/2019. 2. Refer to Jadual Pematuhan 01/07 - 30/06/2019; <ol style="list-style-type: none"> i. EFB summary for month July, June, April & March 2018 available which indicate the MT and location of the disposal. ii. Final discharge flow meter not more than 648 m3 as verified with monitoring form July, June, May & April 2018. iii. Scheduled waste registered in eswis, related document available: <ol style="list-style-type: none"> a. Notification (2nd schedule) - Used Lubricant oil (SW305), used hydraulic oil (SW306) & Spent filter (SW410). b. Inventory (Fifth Schedule) lasted update 28/07/2018 (SW305, SW306 & SW410) c. Cosnginment note last disposed (SW306 dated 27/08/2018 & SW305 dated 22/02/2018) Empty Chemical Container & Used mixture chemical from lab not yet notified in eswis (OBS) iv. ERP & ERT for First aid, search & rescue, fire fighting, but Environment (spillage) not yet identified.(OBS) 3. Confine space: AESP - 13 training cert AGTES - 4 training cert. 4. Suruhanjaya Tenaga: Perakuan Kekompetenan Sebagai Penjaga Jentera - Mr Thinagaran A/L Perumal date 25/07/2016. 5. MPOB license License of Menjual dan mengalih, Membeli dan mengalih, menyimpan & mengilang date 01/11/2017 - 31/10/2018 #565965004000. 6. Extract water License under section 5 of the water enactment (Cap.146) dated 06/03/2018 #013550 <p>4.3.1.2 Legal and Other Requirement Register (LORR) available and listed 22 of requirement.</p> <p>4.3.1.3 Refer to LORR Verified with auditee, the references legal are in softcopy.</p> <p>4.3.1.4 Appointment letter for communication and legal compliance officer - Ms Jessica Jaganthan #MSPO 011/2018</p>
4.3.2 Land use rights	YES	<p>4.3.2.1 Land Title - Yee Lee Holding Sdn Bhd , PT 6159 . The mill area were belonging to Yee Lee holding Sdn Bhd. Sighted there is lease agreement between Anson Oil Industries Berhad and Yee Lee Holding Sdn Bhd .</p> <p>4.3.2.2 Own by Yee Lee Holding Sdn Bhd Verified during 2nd Stage</p> <p>4.3.2.3 Own by Yee Lee Holding Sdn Bhd Verified during 2nd Stage</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>4.2.3.4 Verified during 2nd Stage</p> <p>Obs - Sighted that the agreement period with the Yee Lee Holding Sdn Bhd is already expired and the request on extension letter already been send to the respected company however evidence of reply letter on acceptance of extension letter from the Yee Lee Holding Sdn Bhd could not been verified. Will be verified during 2nd stage. Advice management to request from HQ to keep copy of grant.</p>
4.3.3 Customary rights	YES	<p>4.3.3.1 No customary land.- not applicable.</p> <p>4.3.3.2 No official map</p> <p>4.3.3.3 No land dispute issue</p>
4.4 Social responsibility, health, safety and employment condition		
4.4.1 Social impact assessment (SIA)	YES	4.4.1.1 Sighted that the SIA assessment is not yet been conducted by the management. - Will be verified during stage 2 audit.
4.4.2 Complaints and grievances	YES	<p>4.4.2.1 -Complaint and Grievances procedure date on 16/04/2018 . Sighted the establishment of log bok - complaint register.</p> <p>4.4.2.2 - Will be verified during stage 2 audit</p> <p>4.4.2.3-Complaint form were located at post guard.</p> <p>4.4.2.4-The procedure had been mention during policy briefing to the all employee while for the stakeholder during stakeholder meeting (will be held on 7/9/2018).</p> <p>4.4.2.5-All complaint form will be recorded in the Complaint Register log book. As at todate no complaint receive.</p>
4.4.3 Commitment to contribute to local sustainable development	YES	4.4.3.1 CSR record file - Corporate Social Responsibility - sighted evidence of "Jamuan Hari Raya Bali Polis Chui Chak dated on 14/7/2018.
4.4.4 Employees safety and health	YES	<p>4.4.4.1 Verified bilanguage (Malay & English) Occupational Safety & Health Policy dated 16/072018 signed by Tan Sri Mah King Thian (Group Managing Director)</p> <p>4.4.4.2</p> <p>a) Briefing to 48 employees by Jessica & Mr Anthony dated 23/08/2018 & has display at office.</p> <p>b) Verified HIRARC has cover operation such confine space & other routine process (loading ramp, sterilizer, Thresher & etc. dated Nov 2014 by Satiawathi (SHO).</p> <p>Verified CHRA dated 06/06/2018 report available conducted by CNL Consultans</p> <p>c) training on chemica lhazardous to health safety training by CNL consultant date 28/01/2015 participant 15 from mill and estate.</p> <p>i) verified training program year 2018 has identified 5 training such effective safety and health committee (completed on 25 & 26/06/20180, Fire drill (completed on 09/07/2018), Chemical handling training (plan on Oct), BOFA (plan Nov) & confine space entry (plan on Oct).</p> <p>ii) SDS available at site and filing for office references.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>d) Verified the PPE issuance record available and met with the HIRARC control measure.</p> <p>e) Safety Operating Procedure on Chemical and Flammable Liquids Usage and Storage Rev 01, dated 20/08/2018 by Satiawathi (SHO).</p> <p>f) Sighted Appointment of SHO - Ms Satiawathi Gunaseelan dated 16/07/2018 signed by Mill manager #MSPO 003/2018, verified the appointed person was registered SHO from 05/06/2017 - 04/06/2020.</p> <p>g) Verified the OSHC minute meeting on 20/06/2018, 20/03/2018, 20/12/2017 & etc. The meeting attended by Chairman, secretary, employer reps. and employee reps.</p> <p>h) Verified Incident Report Procedure #P006 available, but in procedure do not included the requirement to submission on JKKP 8 (OBS) - Verified Emergency Preparedness & Response Procedure #P003 available and adequately and ERT for Searcher/Rescue Team, Evacuator/Fire Team & First Aider Team for shift 1 and shift 2.</p> <p>i) Verified training on BOFA conducted on Nov 2017 attended by Ms Sathiwati (SHO)</p> <p>j) Verified the JKKP 6 and JKKP 8 available. Last JKKP 6 date 17/10/2016 and JKKP 8 date Jan 2018.</p> <p>Any compliance at site will be verified in 2nd stage.</p>
4.4.5 Employment conditions	YES	<p>4.4.5.1 Verified the policy regarding Equal rights were stated inside "Gender Policy" date on 18/7/2018.</p> <p>4.4.5.2-Will verified in stage 2.</p> <p>4.4.5.3-Offer letter for Employee - will be verified during 2nd stage.</p> <p>4.4.5.4-Contractor payment slip - will be verified during 2nd stage.Salary according to the minimum wages standard.</p> <p>4.4.5.5-Attendance record - etc Daily attendance , thumb print - will be verified during 2nd stage.</p> <p>4.4.5.6-Offer letter and contract agreement for Employee - will be verified during 2nd stage.</p> <p>4.4.5.9-Salary slips in place and comply with requirement.</p> <p>4.4.5.10-Salary slips payment for overtime and production more than target.</p> <p>4.4.5.11-Will verified in Stage 2</p> <p>4.4.5.12-Will verified in stage 2</p> <p>4.4.5.13-Statement can join union inside the Human Right Policy date on 18/6/2018</p> <p>4.4.5.14-List of workers name complete with Age are available complete sighted in the excell record format- notice non underage worker..</p>

System requirements	Y / N	Document reference if select “Y” or comments if select “N”
4.4.6 Training and competency	YES	<p>4.4.6.1 As per Training Needs Analysis date 28/08/2018, training evaluation form for completed training available and Annual training plan dated 28/08/2018, but not included for all training related environment, safety, operation, & others. On site compliance will be verified during 2nd audit.</p> <p>4.4.6.2 As per Training Need Analysis has identified prior to the planning and implementation dated 28/08/2018.</p> <p>4.4.6.3 Training program not yet identified on yearly basis for the continuous training program. (OBS)</p>
4.5 Environment, natural resources, biodiversity and ecosystem services		
4.5.1 Environmental management plan	YES	<p>4.5.1.1 Verified bilanguage (Malay & English) Environmental Policy dated 16/072018 signed by Tan Sri Mah King Thian (Group Managing Director) date 1/4/2018 a) Policy and objectives available as refer to 4.5.1.1 b) Environmental Impact Assessment dated 1/04/2018</p> <p>4.5.1.3 Verified EMP & PPP date 15/08/2018 prepared by Komalashini. 8 issues item been included in the plan and has identify the mitigation measure for each issues.</p> <p>4.5.1.4 Program to promote the positive impact for environment are not yet conducted (OBS)</p> <p>4.5.1.5 An awareness and training program for environment are available date 01/09/2018 included Env meeting, Env. awareness training, waste management training & etc.</p> <p>4.5.1.6 Latest enviornmental meeting conducted on 30/08/201 attended by COO, manager, EO and committees.</p>
4.5.2 Efficiency of energy use and use of renewable energy	YES	<p>4.5.2.1 As per Debit notes charges by estate for mil tractor diesel usage . Record of electricity usage and water usage had been proper recorded by the company.</p> <p>4.5.2.2 As per Summary of Diesel, electricity for milling activity and process.</p> <p>4.5.2.3 Guascor Engine (biogas) are used in order to reduce the dependent on TNB energy. Verified the daily energy generated recorded and trend anlysis is available.</p>
4.5.3 Waste management and disposal	YES	<p>4.5.3.1 Inventory Of Schedule Waste (Fifth Schedule) latest updated on 31/5/2018 listed SW305, SW 306, SW410.</p> <p>4.5.3.2 As per Waste Management Plan</p> <p>4.5.3.3 Procedure of Waste management plan - date 1/09/2018 available.</p> <p>4.5.3.4 Domestic waste are handled by mill management, and the frequent of waste taking are once a week. Will verified during 2nd stage for the site compliance.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.5.4 Reduction of pollution and emission	YES	<p>4.5.4.1 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.</p> <p>4.5.4.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.</p> <p>4.5.4.3 Valid DOE License (jadual pematuhan) for period of 01/07/2018 to 30/06/2019 and POME lab test result . Will be verified during 2nd stage.</p>
4.5.5 Natural water resource	YES	<p>4.5.5.1 As per water management plan - Still in progress will be verified during 2nd stage.</p> <p>4.5.5.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.</p>
4.6 Best Practices		
4.6.1 Mill management	YES	<p>4.6.1.1 As per Standard Operation Procedure with total procedure 34 and work instruction with total 24.</p> <p>4.6.1.2 Sighted the mill have been certified by MPOB for Code of Good Milling Practice for Palm Oil Mills , certificate issue dated on 21/12/2017 and valid until 20/12/2020</p>
4.6.2 Economic and financial viability plan	YES	4.6.2.1 As per Budget Overall Fiscal Year 2018 for capital expenditure, general charges, mill processing cost, machinery maintenance and upkeep .
4.6.3 Transparent and fair price dealing	YES	<p>4.6.3.1 As per MPOB CPO price- sighted it were fairly transparent that the contractor agreed the price as mention in the contract agreement evidence :- , payment voucher to FFB supplier.</p> <p>4.6.3.2 Verify during the 2nd Stage</p>
4.6.4 Contractor	YES	<p>4.6.4.1 According to the auditee the briefing on the requirement on MSPO will be conducted on 7/9/2018 (Stakeholder meeting) - will be verified during 2nd stage.</p> <p>4.6.4.2 Verified during the 2nd Stage</p>

Observation for Improvement

Auditor	Observation
HF	<p>1) 4.1.1.2 Obs- Continues improvement statement on sustainability is not stated inside the Policy. The implementation will be verified during stage 2.</p> <p>2) 4.1.2 & 4.1.3 To ensure that the internal audit and management review be ready before the 2nd stage audit.</p> <p>3) 4.3.2 Sighted that the agreement period with the Yee Lee Holding Sdn Bhd is already expired and the request on extension letter already been send to the respected company however evidence of reply letter on acceptance of extension letter from the Yee Lee Holding Sdn Bhd could not be verified. Will be verified during 2nd stage. Advice management to request from HQ to keep copy of grant.</p>

MH	<p>4.3.1 4) Empty Chemical Container & Used mixture chemical from lab not yet notified in eswis (OBS)</p> <p>5) ERP & ERT for First aid, search & rescue, fire fighting, but Environment (spillage) not yet identified.(OBS)</p> <p>4.4.1.1 6) Sighted that the SIA assessment is not yet been conducted by the management. - Will be verified during stage 2 audit. (OBS)</p> <p>4.4.6.3 6) Training program not yet identified on yearly basis for the continuous training program. (OBS)</p> <p>4.5.1.4 7) Program to promote the positive impact for environment are not yet conducted (OBS)</p>
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During the assessment 0 nonconformities were identified. (refer to attachment)

Section C Conclusion

Document Review Conclusion

The documentation is acceptable and complete, there is no finding/issue at this time and progress has been established towards next stage of audit/MAV.

The documentation is generally acceptable, however there are a numbers of finding/issued which the company needs to address before proceeding to stage 2/MAV.

(Please proceed to follow up section)

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

Number of Employees (covered by scope of registration) **95**

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohammad Hafizuddin Bin Rossley	Mr. Anthonysamy Sinnapan	Mill Manager
	Ms Lim Chai Lee	Admin Executive
Team member	Ms Satiawati Gunaseelan	Safety and Health Officer
Mohamad Hafis bin Mustafa	Komalashini Appala Naidu	Environmental Officer
Trainee auditor	Jessica Jaganathan	Admin Sustainability
NIL		
Observer		
NIL		

Company Information if different from above

Invoicing address if different from above	Same as above
Alternate contact (if applicable)	Same as above

Acknowledge receipt of this report:

	Signed for on behalf of CCI	Signed for on behalf of the client
Signed		
Name	Mohammad Hafizuddin Bin Rossley	Mr. Anthonysamy Sinnapan
Date	05/9/2018	05/9/2018
E-mail	admin@cciglobe.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	