



Assessment Report	8th October - 8th October
	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	TELUK ANSON AGRICULTURAL ENTERPRISE SDN BHD (8291-P)
Address	LADANG ARCADIA, 32000, SITIAWAN, PERAK.

Report No.	MS18FM028
Status of Audit	First Assessment Audit (Document Review)

Section A General Information

General	
Standard Assessed	MSP0 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. Sivalingam
Alternate contacts	Mr. G. Rajendran
Management Representative contact no.	+60125215053
E-mail address	oparcad@yahoo.com
Fax Number	+6056791023
Phone Number	+6056791306

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
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System Documentation Information	
Quality Manual Document Identification	NA
Last Management System revision date	NA
Previous Management System date	NA
Management Review Date	05/10/2018
Internal audit Date	02/10/2018

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	Verified the MSPO policy established signed by Estate manager (Mr R. Sivalingam) dated 01/06/2018. The policy mention on the commitment on the implementation of MSPO to all employees, contractor, customer, visitor, and other stakeholder on requirement of all 7 th principle. The continual improvement clearly stated in the policy divided in each principle.
4.1.2 Internal Audit	Y	Verified the internal audit procedure #SOP-03 dated 01/06/2018, audit plan available, audit conducted by consultant dated 02/10/2018. There are 1 NCR, 3 OBS, 1 OFI as per stated in Internal Audit Report and CAR form, the issues raised are in progress for their action.
4.1.3 Management Review	Y	Minute meeting of Management Review dated 05/10/2018, attended by Mr Sivalingam, Mr Ravi, Mr Rajndran & consultant. Verified in minute, there are discussion on Internal audit finding, continual improvement and other part such safety, environment, social which each has included the Person incharge, dateline for the future compliance and responsibilities.
4.1.4 Continual Improvement	Y	Verified there are few continual improvement identified by estate in safety & health, Environment, and social such renovation of building,

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>HIRARC, awareness training, compliance with the legal and etc.</p> <p>Verified with manager, there are no new technology as there only continues with current practise operation.</p>
4.2 Transparency		
4.2.1 Transparency of information and documents relevant to MSPO requirement	Y	<p>4.2.1.1</p> <p>Verified, there are no any request by stakeholder.</p> <p>The stakeholder meeting for communication such these information are not yet conducted, verified the invitation letter for stakeholder for meeting date on 18/10/2018.</p> <p>4.2.1.2</p> <p>Verified there are few document display at notice baord such policies and company info eract at the entrance of estate.</p>
4.2.2 Transparent method of communication and consultation	Y	<p>4.2.2.1</p> <p>Available procedure for Internal and External Communication #SOP-07 dated 01/06/2018.</p> <p>4.2.2.2</p> <p>Verified the appointment letter to Mr Rajendran A/L/ Gopal as responsible person for MSPO requirement such communication and consultation with relevant stakeholder for Arcadia Estate. Date of appointment 01/08/2018.</p> <p>4.2.2.3</p> <p>Verified the stakeholder list for internal and external. However, the detail of internal stakeholder not yet identified and need to list out the non-related such Veterina Dept. and list of supplier and contractor not yet identified (OBS)</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>The stakeholder meeting for communication such these information are not yet conducted, verified the invitation letter for stakeholder for meeting date on 18/10/2018.</p>
4.2.3 Traceability	Y	<p>4.2.3.1 Verified procedure for Traceability #SOP-08 dated 01/06/2018. Few detail on traceability flowchart is inadequate (detail of harvesting block, grading chit & etc) (OBS)</p> <p>4.2.3.2 Stated in the procedure, the regular inspection conducted in internal audit once a year.</p> <p>4.2.3.3 Verified the appointment letter to Mr Rajendran A/L/ Gopal as responsible person for MSPO requirement such maintaining the traceability system for Arcadia Estate. Date of appointment 01/08/2018.</p> <p>4.2.3.4 Verified the record of delivery in Log book (Record of FFB despatch to mill) and payment voucher for month September 2018 is available and maintained.</p>
4.3 Compliance to legal requirements		
4.3.1 Regulatory requirements	Y	<p>4.3.1.1 Verified the licenses and permit available such below:</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>i) MPOB - Menjual dan Mengalih FFB #5024920020000, Valid till 31/01/2019 for 1214.63 Ha.</p> <p>ii) Quit Rent year 2018, verified the Payment slip from Kerajaan Negeri Perak #080202GRN00040973, 080202GRN00040975, 080202GRN00040974 & etc. dated 31/10/2017.</p> <p>iii) land title lot 5029 (name Teluk Anson Agricultural Enterprises Sdn Bhd), lot 2641 (name Teluk Anson Agricultural Entreprises Sdn Bhd), lot 5028 (name Teluk Anson Agrulctal Entepreises Sdn Bhd)</p> <p>iv) Air compressor, inprogress of registration MyKKP, verified the last certificate #990443 expired date on 11/07/2007. Verified with Mr Rajendran (HA) and DOSH visit book, the last visit by dosh officer on 01/06/2017 for renewal PMT license and the application that should be in MyKKP portal, however the registration in MyKKP are still in progress. Verified the communication email with DOSH on 05/10/2018 is available (OBS)</p> <p>v) Deduction of employee salary (JTK) - Application for deduction of employee salary for electricity has been applied on 02/10/2018.</p> <p>4.3.1.2</p> <p>Legal register checklist for Arcadia Estate available, there are 15 act identified. Verified the listed act such OSHA 1994, FMA 1967, Pesticied Act 1974, Protection of Wild Life Act 1972, & etc.</p> <p>4.3.1.3</p> <p>Stated in Procedure of Compliance to Regulatory Requirement #SOP-06 dated 01/06/2018, "record shall be reviewed and updated at least once a year"</p> <p>4.3.1.4</p> <p>Verified the appointment letter to Mr Rajendran A/L/ Gopal as responsible person for MSPO such to monitor compliance to regulatory requirement for</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		Arcadia Estate. Date of appointment 01/08/2018. However, the responsible for tracking and updating the changes in regulatory requirement are not mention in the appointment letter or in procedure. (OBS)
4.3.2 Land use rights	Y	<p>4.3.2.1</p> <p>Verified the land title available:</p> <ul style="list-style-type: none"> i) Lot 005028 - 337.8090Ha ii) Lot 005030 - 0.0476 Ha iii) Lot 005029 - 14.28 Ha iv) Lot 002641 - 813.7453 Ha v) Lot 001119 - 0.1872 Ha vi) Lot 002328 - 1.3911 Ha viii) Lot 000899 - 1.0168 Ha ix) Lot 000928 - 1.1609 Ha x) Lot 000763 - 2.2789 Ha xi) Lot 001924 - 0.1568 Ha xii) Lot 000831 - 1.5682 Ha xiii) Lot 002366 - 0.0961 Ha xiv) Lot 002367 - 0.4047 Ha <p>Verified all the the land title available. Current land owner name Gassinather Gangaser Ponnambalam Alias Gaasinader Gangeser Ponnambalam (1/2) & Vijayalakshmi Sivaaprakasapillai (1/2) lease to Teluk Anson Agricultural Enterprises Sdn Bhd from 01/07/1982 - 30/06/2012. (expired)</p> <p>As informed by manager with referral document #WA-28PW-102-08/2017 (Dalam Mahkamah Tinggi Malaya Di Kuala Lumpur - Pasca Penggulangan Syarikat. Stated in the document in Order For Appointment of Liquidator to Mok Yuen Lok & Onn</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Kien Hoe from Messars Horwarth which responsible to carry on the business.</p> <p>4.3.2.2 Verified the land title as above.</p> <p>4.3.2.3 As per boundary stone and border drain- will verified during 2nd Stage.</p> <p>4.3.2.4 Verified with manager, there is no land disputed for now.</p>
4.3.3 Customary rights	Y	Not Applicable
4.4 Social responsibility, health, safety and employment condition		
4.4.1 Social impact assessment (SIA)	Y	<p>4.4.1.1 Social Impact Assessment was conducted. Report dated 30/09/2018. verified the doc. no: RC-01 of SOP-10 Rev.0</p>
4.4.2 Complaints and grievances	Y	<p>4.4.2.1 As per Procedure Internal & External Communication. Doc. No: SOP-07. Dated 01/06/2018.</p> <p>4.4.2.2 Will be verified during 2nd Stage</p> <p>4.4.2.3</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>As per Grievance Form Doc. no: RC-04 of SOP-07. Will verified during 2nd stage.</p> <p>4.4.2.4</p> <p>The complaint procedure done inform to employee during internal stakeholders meeting which had been held on 06/09/2018.</p> <p>4.4.2.5</p> <p>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</p> <p>Sighted contribution has been made as verified the record kept in file - Record of CSR Activities for 2018. Exp; coconut donation to Sri Subramaniam Temple, RM200 to Sekolah Kebangsaan kayan, 500 coconut to temple Sri Ramar etc.</p>
4.4.4 Employees safety and health	Y	<p>4.4.4.1</p> <p>As per Occupational Safety & Health Policy. Dated 01/06/2018 signed by Estate Manager Mr. R. Sivalingam</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. <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 06/09/2018 during Awareness Training Safety & Health. b) As per HIRARC date on 01/06/2018

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>c) Chemical splash due to leakage from hose/connections - Training on safe handling of vehicle. - CH 01/18.</p> <p>d) Provide workers with appropriate PPE based on HIRARC performed. - CH 02/1B & CH 01/18</p>
4.4.5 Employment conditions	Y	<p>4.4.5.1</p> <p>-Polisi Sustainability, dated 01/06/2018 signed by Estate Manger Mr. R. Sivalingam. The content has mention on social such as Management commitment and responsibility, Occupational safety and health, Sexual harresment etc.</p> <p>The company must seggregate all the policy. This is important for better communication and understanding between employer and employeee.</p> <p>4.4.5.2</p> <p>refer Polisi at 4.4.5.1</p> <p>4.4.5.3</p> <p>Refer to employment card and aggreement contract, wages refer to MAPA/NUPW, sighted MAPA/NUPW aggrement was last updated on 28/04/2015.</p> <p>4.4.5.4</p> <p>Refer to pay slip for estate employee, verified that the wages for month September 2018 are as per legal and industry minimum standard. sample as below:</p> <p>i) Y.Thyagarajan RM1,259.00 out of basic RM1,333.00</p> <p>ii) Abdul Wahab RM972.00 out of basic RM1,030.00</p> <p>iii. V.Sivanathan RM907.00 out of basic RM1,030.00</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		The record and detail of employee has been stated in Labour Card.
4.4.6 Training and competency	Y	4.4.6.1 Verified training record available such i) MSPO arwanress (06/09/2018, ii) First aid training (20/04/2018), iii) Awareness on sexual harrasment (21/09/2018). 4.4.6.2 Verified the training matrix is identified for year 2018. 4.4.6.3 Training program year 2018 is available.
4.5 Environment, natural resources, biodiversity and ecosystem services		
4.5.1 Environmental management plan	Y	4.5.1.1 -Polisi Alam Sekitar dated 01/06/2018 signed by Sr. Manager, Mr R. Sivalinggam. -Verified Waste Management Plan, dated 01/06/2018. Type of waste; domestic waste, recycle waste, schedule waste etc. -4.5.1.2 - Aspect impact of environment has been identified in Environment Aspects and Impacts Assessment, dated 01/06/2018. -4.5.1.3 as per 4.5.1.1 -4.5.1.4 refer to Continual Improvement Plan 2018, Log No: CE 03/18 - To install guarding/cover on PTO to prevent entanglement. Started date 01/07/2018.
4.5.2 Efficiency of energy use and use of renewable energy	Y	4.5.2.1

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>-Consumption of non-renewable energy record 2018 sighted. Form of Monitoring of Diesel Consumption; Aug 2018; Diesel- 2016 litter.</p> <p style="padding-left: 40px;">FFB- 1,312.28mt</p> <p style="padding-left: 40px;">Diesel/FFB = 1.54mt</p> <p>Monitoring of electrical consumption; Aug 2018; Electric- 1,665.70KWh</p> <p style="padding-left: 40px;">FFB-1,312.28mt</p> <p style="padding-left: 40px;">Electric/FFB = 1.27KWh</p> <p>4.5.2.2 as per 4.5.2.1</p> <p>4.5.2.3 as per 4.5.2.1</p>
4.5.3 Waste management and disposal	Y	<p>4.5.3.1</p> <p>Verified in the Environment Aspect and Impact Assessment the estate has the chemical waste.</p> <p>To be verified as visual inspection during 2nd stage audit.</p> <p>Sighted the location map for rubbish pits.</p> <p>To be verified the landfill during 2nd stage audit.</p> <p>Procedure of Schedule Wastes Management sighted in Doc. No: SOP-26, dated 01/06/2018 verified to handling SW.</p> <p>4.5.3.2 as per 4.5.3.1</p> <p>4.5.3.3 as per 4.5.3.1</p> <p>4.5.3.4 as per 4.5.3.1</p> <p>4.5.3.5 as per 4.5.3.1</p>
4.5.4 Reduction of pollution and emission	Y	4.5.4.1 as per 4.5.1.2

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.5.4.2 -No replanting for last two years until this time of review. Will be verified during 2nd stage audit.
4.5.5 Natural water resource	Y	4.5.5.1 The estate using drain water for spraying activities. 4.5.5.2 to be verifeid during 2nd stage. 4.5.5.3 to be verified during 2nd stage.
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value	Y	4.5.6.1 The estate does not establish the Biodiversity Assessment report due to estate surrounded by oil palm estate. (OBS) to be verified during 2nd stage audit. Sighted the official letter to Jabatan Perlindungan Hidupan Liar dan Taman Negara (PERHILITAN) dated 7th July 2018. PERHILITAN not yet response to the letter. However, estate need to clarify the assessment with PEHILITAN and get verification regarding endangered species in this estate. 4.5.6.2 as per 4.5.6.1
4.5.7 Zero burning pracrices	Y	No burning is allowed as mention by management, refer in Doc. Title: Zero burning practices & procedures dated 01/06/2018. Will be verified during 2nd 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

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>power sprayer for ground, knapsack spraying, chemical storage and etc.</p> <p>4.6.1.2</p> <p>-Visual inspection will be verified during 2nd stage audit.</p>
4.6.2 Economic and financial viability plan	Y	<p>4.6.2.1</p> <p>Verified 3 Years Cost Projection been established by Estate Manager (years 2018 - 2020)</p> <p>Sighted the Replanting Programme for 5 years.</p> <p>4.6.2.2 as per 4.6.2.1</p> <p>4.6.2.3 as per 4.6.2.1</p> <p>4.6.2.3 as per 4.6.2.1</p>
4.6.3 Transparent and fair price dealing	Y	<p>4.6.3.1</p> <p>Purchase of FFB from Arcadia Estate rate is established in the FFB purchase agreement. The rate for CPO refer from Northern Malaysian MPOB Monthly Average Price and PK refer from Peninsular Malaysia MPOB Monthly average price.</p> <p>4.6.3.2</p> <p>Sighted and verified the FFB transport agreement between estate and contractor (Krishnan). The agreement is form 1st January until 31st December 2018.</p>
4.6.4 Contractor	Y	<p>4.6.4.1</p> <p>Contractor not yet been given the awareness information on MSPO requirement (OBS)</p> <p>The briefing will be conducted on 18/10/2018. Verified the training material attached.</p> <p>4.6.4.2</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>The estate not yet provide evidence of agreed contracts with the contractors (OBS)</p> <p>4.6.4.3</p> <p>The estate not yet provide the agreed statement to contractor regarding they shall accept MSPO approved auditors to verify assessments through a physical inspection if required (OBS)</p> <p>4.6.4.4</p> <p>The responsible of MSPO compliance by contractor and acceptance estate and MSPO auditor (CB) to be verified during 2nd stage audit.</p>
4.7 Development of new planting		
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	<ol style="list-style-type: none"> 1) 4.2.2.3 - The detail of internal stakeholder not yet identified and need to list out the non-related such Veterinary Dept. and list of supplier and contractor not yet identified 2) 4.2.3.1 - Detail on traceability flowchart is inadequate (detail of harvesting block, grading chit & etc)

BH	<p>3) 4.3.1.1 - Air compressor certificate #990443 expired date on 11/07/2007.</p> <p>4) 4.3.1.4 - The responsible for tracking and updating the changes in regulatory requirement are not yet identified as it's not been mention in the appointment letter or in procedure.</p> <p>5) 4.5.6.1 - The estate does not establish the Biodiversity Assessment report due to estate surrounded by oil palm estate.</p> <p>6) 4.6.4.1 - Contractor not yet been given the awareness information on MSPO requirement.</p> <p>7) 4.6.4.2 - The estate not yet provide evidence of agreed contracts with the contractors.</p> <p>8) 4.6.4.3 - The estate not yet provide the agreed statement to contractor regarding they shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p>
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During the assessment 0 nonconformities were identified. (refer to attachment)

Section C	Conclusion
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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
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Team leader	Name	Designation
Badrul Hisham Hj Baharin (BH)	Mr. R. Sivalingam	Sr Manager
Team member	Mr G. Rajendran	Hospital Assistant
Mohamad Hafis B Mustafa (MH)	Mr V Ravi	Assistant Manager
Trainee auditor		
NIL		
Observer		
NIL		

Company Information if different from above

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

Acknowledge receipt of this report:

	Signed for on behalf of CCI	Signed for on behalf of the client
Signed		
Name	Badrul Hisham Hj Baharin	Mr R. Sivalingam
Date	08/10/2018	08/10/2018
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:

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

Signatory of auditor	
Date	