



# Assessment Report

28<sup>th</sup> June - 28<sup>th</sup> June

[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.]

Company Name	ARCADIA ESTATE
Address	PERAK DARUL RIDZUAN
Report No.	
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	

Contact Details	
Management Representative	
Management Representative contact no.	
E-mail address	
Fax Number	
Phone Number	

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	
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	
Internal audit Date	NIL

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

	e) the certification body's post audit activities; f) information about the complaint handling and appeal processes. g) Any diverging opinion that are not resolved. h) opportunity for the client to ask questions.
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System requirements	Y / N	Document reference if select "Y" or comments if select "N"
<b>4.1 Management Commitment &amp; Responsibility</b>		
4.1.1 MSPO Policy	Y	
4.1.2 Internal Audit	Y	
4.1.3 Management Review	Y	
4.1.4 Continual Improvement	Y	
<b>4.2 Transparency of information and documents relevant to MSPO requirement</b>		
4.2.1 Transparency of information and documents relevant to MSPO requirement	Y	
4.2.2 Transparent method of communication and consultation	Y	
4.2.3 Traceability	Y	
<b>4.3 Compliance to legal requirements</b>		
4.3.1 Regulatory requirements	Y	
4.3.2 Land use rights	Y	
4.3.3 Customary rights		
<b>4.4 Social responsibility, health, safety and employment condition</b>		
4.4.1 Social impact assessment (SIA)	Y	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
4.4.2 Complaints and grievances	Y	4.4.2.1 As per Procedure Internal & External Communication. Doc. No: SOP-07. Dated 01/06/2018.  4.4.2.2 Will be verified during 2nd Stage  4.4.2.3 As per Grievance Form Doc. no: RC-04 of SOP-07. Will verified during 2 <sup>nd</sup> stage.  4.4.2.4 The complaint procedure done inform to employee during internal stakeholders meeting which had been held on 06/09/2018.  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

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		for 2018. Exp; coconut donation to Sri Subramaniam Temple, RM200 to Sekolah Kebangsaan kayan, 500 coconut to temple Sri Ramar etc.
<b>4.4.4 Employees safety and health</b>	<b>Y</b>	<p>4.4.4.1 As per Occupational Safety &amp; Health Policy. Dated 01/06/2018 signed by Estate Manager Mr. R. Sivalingam Sighted the Training Record, sample below;- 1. First Aid Training. Dated: 20/04/2018. 2. SOP Training for Pruning, Stacking and Harvesting.</p> <p>Sighted the Training Attendance Record for year 2018.</p> <p>4.4.4.2- Safety plan a) Safety &amp; Health policy has been communicated to employee from 06/09/2018 during Awareness Training Safety &amp; Health. b) As per HIRARC date on 01/06/2018 c) Chemical splash due to leakage from hose/connections - Training on safe handling of vehicle. - CH 01/18. d) Provide workers with appropriate PPE based on HIRARC performed. - CH 02/1B &amp; CH 01/18</p>
<b>4.4.5 Employment conditions</b>	<b>Y</b>	<p>4.4.5.1 -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, Sexsual 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 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 September 2018 are as per legal and industry minimum standard. sample as below: i) Y.Thyagarajan RM1,259.00 out of basic RM1,333.00 ii) Abdul Wahab RM972.00 out of basic RM1,030.00 iii. V.Sivanathan RM907.00 out of basic RM1,030.00</p> <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 Traning matrix was established and listed the Training Required for 2018. Sighted the Training record for office staff, dated 06/09/2018.
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>		
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 -Consumption of non-renewable energy record 2018 sighted. Form of Monitoring of Diesel Consumption; Aug 2018; Diesel- 2016 litter. FFB- 1,312.28mt Diesel/FFB = 1.54mt  Monitoring of electrical consumption; Aug 2018; Electric- 1,665.70KWh FFB-1,312.28mt Electric/FFB = 1.27KWh  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 Verified in the Environment Aspect and Impact Assessment the estate has the chemical waste. To be verified as visual inspection during 2 <sup>nd</sup> stage audit. Sighted the location map for rubbish pits. To be verified the landfill during 2 <sup>nd</sup> stage audit. Procedure of Schedule Wastes Management sighted in Doc. No: SOP-26, dated 01/06/2018 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. Will be verified during 2 <sup>nd</sup> stage audit.
4.5.5 Natural water resource	Y	4.5.5.1 The estate using drain water for spraying activities.

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.5.5.2 to be verified during 2 <sup>nd</sup> stage. 4.5.5.3 to be verified during 2 <sup>nd</sup> stage.
<b>4.5.6 Status of rare, threatened, or endangered species and high biodiversity value</b>	<b>Y</b>	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 2 <sup>nd</sup> stage audit.  Sighted the official letter to Jabatan Perlindungan Hidupan Liar dan Taman Negara (PERHILITAN) dated 7 <sup>th</sup> July 2018. PERHILITAN not yet response to the letter. However, estate need to clarify the assessment with PERHILITAN and get verification regarding endangered species in this estate. (OBS)  4.5.6.2 as per 4.5.6.1
<b>4.5.7 Zero burning practices</b>	<b>Y</b>	No burning is allowed as mention by management, refer in Doc. Title: Zero burning practices & procedures dated 01/06/2018. Will be verified during 2 <sup>nd</sup> stage audit.
<b>4.6 Best Practices</b>		
<b>4.6.1 Site management</b>	<b>Y</b>	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.
<b>4.6.2 Economic and financial viability plan</b>	<b>Y</b>	4.6.2.1 Verified 3 Years Cost Projection been established by Estate Manager (years 2018 - 2020) Sighted the Replanting Programe for 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
<b>4.6.3 Transparent and fair price dealing</b>	<b>Y</b>	4.6.3.1 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.  4.6.3.2 Sighted and verified the FFB transport agreement between estate and contractor (Krishnan). The agreement is form 1 <sup>st</sup> January until 31 <sup>st</sup> December 2018.
<b>4.6.4 Contractor</b>	<b>Y</b>	4.6.4.1 Contractor not yet been given the awareness information on MSPO requirement (OBS) The briefing will be conducted on 18/10/2018. Verified the training material attached.  4.6.4.2

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 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 The responsible of MSPO compliance by contractor and acceptance estate and MSPO auditor (CB) to be verified during 2<sup>nd</sup> stage audit.</p>
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
BH	<p>4.5.6.1 The estate does not establish the Biodiversity Assessment report due to estate surrounded by oil palm estate. Estate need to clarify the assessment with PEHILITAN and get verification regarding endangered species in this estate compound (OBS)</p> <p>4.6.4.1 Contractor not yet been given the awareness information on MSPO requirement (OBS)</p> <p>4.6.4.2 The estate not yet provide evidence of agreed contracts with the contractors (OBS)</p> <p>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 (OBS)</p>

During the assessment 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)		
Team member		
Mohamad Hafis B Mustafa (MH)		
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	
Date	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



# Assessment Report

08/10/2018 10:21 AM  
Table: Audit Findings

	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 08/10/2018	