



<h1>Assessment Report</h1>	Date: 22nd June To 22nd June
	<h1>2023</h1>


[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard 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 2530:2013
Part 3**

NAME OF CERTIFIED ENTITY	ZHENXING ENTERPRISE SDN BHD
MSPO CERTIFICATE NO & VALIDITY	MYMS12206749 EXPIRE 30/11/2025
MAIN ADDRESS	NO. 53-A, JALAN KUNING 2, TAMAN PELANGI, 80400 JOHOR BAHRU, JOHOR
REPORT NO	MS23 SM474
TYPE OF CERTIFICATION	SINGLE
TYPE OF AUDIT	ON-SITE VERIFICATION (FIELD VISIT DOCUMENTATION)
AUDIT STAGE	SURVEILLANCE If surveillance No.3

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The assessment is based on sampling on the records, practice, documents and personnel; therefore, the final results of the assessment is of representative towards the system implementation of the organization. This report is generated to record as much of the system implementation information but may still limited due to the sampling. This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		Name: Designation:
Name	Muhammad Syamil B Mat Salleh	Company stamp
Date	22/6/2023	
Email	admin@cciglobe.com; w.hidney@cciglobe.com	
Fax no	03 - 8073 2688	

Confidentiality:

The Auditor shall not at any time during his/her assignment or after the completion of his/her assignment disclose to any person any information on business dealings practice or affairs of the establishment or the establishment's clients or any other matters which may come to the knowledge of the auditor by reason of his/her assignment. The Auditor agrees that the material term of this assignment is to keep all Confidential Information absolutely confidential and to protect its release to unauthorized party. The Auditor agrees not to divulge, reveal, report or use any of the Confidential Information which the Auditor has obtained or which was disclosed to the Auditor by the Client as result of the assessment for purposes other than to fulfil the audit objective.

Together, we CARE.

Section A Previous Audit Result

The result of the last audit system has been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any nonconformities identified. This review has concluded that:

<input checked="" type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

Section B Conclusion

The audit team conducted a process-based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

- CONGRATULATION and has
- CONGRATULATION however some processes need to address non-compliance(s) but others has
- SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

demonstrated

not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are 2 unresolved issue. Therefore, the audit team recommends that based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

- Granted (initial certification or recertification)
- Granted upon the acceptance of the noncompliance(s)
- Continued (surveillance)
- Continued (surveillance) upon the acceptance of the noncompliance(s)
- Withheld
- Suspend until satisfactory corrective action(s) is completed
- Others (please specify)

NOTE:

The assessment and recommendation for the initial or continue 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.

Section C (For Recertification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section D Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Muhammad Syamil Bin Mat Salleh (ML)	Mr. Liew Choon Ping Ms. Liew Poh Lee	Estate Supervisor Account and Administration
Team member		
Mohammad Hafizuddin Rossley (HF)		
Trainee auditor		
NIL		
Observer		
NIL		

Section E Audit Process Matrix

Next Audit Matrix (legend "☒" plan to cover & covered, "☐" for uncover)

Planned month & year	9/2020	9/2021	7/2022	6/2023	9/2024
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Internal audit	☒	☒	☒	☒	☒
4.1.3 Management Review	☒	☒	☒	☒	☒
4.1.4 Continual Improvement	☒	☒	☒	☒	☒
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☒	☒	☒	☒	☒

4.2.2 Transparent method of communication and consultation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Social impact assessment (SIA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best Practices					
4.6.1 Site management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting					
4.7.1 High biodiversity value	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.2 Peat land	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.3 Social and Environmental Impact Assessment	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.4 Soil and topographic information	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
4.7.6 Customary land	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA	<input type="checkbox"/> NA
Group Member Audit Matrix (SINGLE Certification)	9/2020	9/2021	7/2022	6/2023	9/2024
Zhenxing Enterprise Sdn. Bhd.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment: 2 md. Recertification: 9/2025

NOTE:

(i) Recertification should be carried out minimum 2 months prior to the expiry of the certificate

(ii) The Audit Programme shall include Stage 1 and Stage 2 audit, surveillance audits in the first, second, third and fourth years, and a recertification audit in the fifth year prior to expiration of certification.

(iii) The recommended minimum on-site audit duration for individual and group certification respectively, which includes the opening meeting, site auditing, document verification, and closing meeting as documented in ACB – OPMC 2, Issue 2, 04 September 2020.

(iv) Additional auditor days may be required for conducting post audit follow-up activities, such as verification on major non-conformities raised or addressing of any contentious stakeholder issues.

Section G Audit Summary

Summary of Area Audited

BUSINESS AREAS			DETAILS OF AUDITED SUMMARY		
Auditor		Date	Time		
ML & HF		22/6/2023	9.30 AM		
Opening Meeting					
<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. 					
Auditor		Date	Time		
ML & HF		22/6/2023	5.00 PM		
Closing Meeting					
<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 b) the method and timeframe of reporting, including any grading of audit findings; c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification; d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit; 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. 					

Executive Summary

CARE Certification International (M) Sdn Bhd (CCI) is first private certification body originating from Malaysia, that been accredited by Standard Malaysia under the purview of Ministry of Science, Technology and Innovation (MOSTI). CARE Certification International have been fully complying to ISO 17021. The company is established with CARE of the needs of system certification and training in mind and is one of the leading multi-sector certification body in Malaysia.

CARE Certification International (M) Sdn Bhd (CCI) has vast experience in conducting audits related to MSPO certification. It has certified more than hundred palm oil estates throughout Malaysia. CCI has obtained accreditation from Standards Malaysia for its MSPO certification scheme, holding certificate No. MSPO 28122017 CB 06 since 28 December 2017.

This assessment was conducted on 22/6/2023. The audit plan is included as Appendix 2 of this report. The approach to the audit was to treat the Zhenxing Enterprise Sdn. Bhd. as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder was used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment. The computation of the sampling size is elucidated by the following formula as per table below.

This report will be externally reviewed by MSPO approved Peer Reviewer prior to certification decision by CARE Certification International (M) Sdn Bhd. CCI does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by the company, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. Structured worker interviews with male and female workers and staff were held in private at the workplace and the estates.

Audit Findings

Audit Findings		MINOR NONCONFORMIT
2 MINOR NONCONFORMITIES		
	<p>MNNC 1 Indicator 4.4.4.2 (j) Verified management failed to update the summary report of JKPP 8 within the time period stated in the regulation for year 2022. It was noted that the JKPP 8 report as sighted was being submitted grossly later than the 31st of January 2023. The Management shall therefore consider revising its report communication management system so as to eliminate the risks of violation, Regulation 10 of the NADOPOD Regulations 2004; OSHA 1994.</p> <p>MNNC 2 Indicator 4.6.3.1 Observe the contractor also act as the buyer of FFB products but it is not</p>	

	<p>being written in the contract agreement regarding the payment mechanism. The pricing mechanism for the products it shall be documented as it is required under clause 4.6.3.1.</p>	
	<p>4 OBSERVATIONS</p> <p>OBS 1 Indicator 4.4.3.1 As interview with the auditee found no record were made for the CSR activities however contribution or donation have been made to the local society for the past year. The management need to ensure record of CSR activities been made available as an evidence for the verification of the assessment process and due to that observation finding were raised.</p> <p>OBS 2 Indicator 4.4.4.2 b) Verified no evidence of noise exposure identification assessment were being conducted on the estate operation activities by the management as require under noise regulation 2019.</p> <p>OBS 3 Indicator 4.4.5.4 Verified with the auditee they did not monitor either their contractors paid the salary to their workers according to the legal or industry minimum standards however during site visit interview with the contractor workers, the workers stated that their salary been paid above minimum wages monthly. The management need to do monitoring for the contractor workers salary on the frequent periodic monitoring as to ensure the payment of the wages were according to the minimum wages order and due to that observation findings been raised.</p> <p>OBS 4 Indicator 4.6.1.3 During the site visit found the block identifications were not visible however according to the previous report the block reference system was available and been mark at the palm tree. Interview with the auditee the marking were not properly maintain and due to that observation findings were raised.</p>	OBSERVATION
		Select
		Select
<p>During the assessment_ 2 _nonconformities were identified. All Non-conformance will be further detailed in CAR Form # CCI-QP-07-3B</p> <p>Note: <i>The assessment has been assessed and summary of the findings by Principle and Criteria – MS 2530-3:2013 Malaysian</i></p>		

Sampling Calculation

Entity	Initial		Surveillance	Recertification
	Stage 1	Stage 2		
Oil palm estate (40.47 - 100 ha)	1	1.5	2	2
Oil palm estate (101 - 500 ha)	1	3	3	3
Oil palm estate (500 ha onwards)	2	3	4	4
Oil mill	2	3	3	3

Table 1: Recommended minimum on-site audit durations (man-days) for each Operating Unit

Conclusion:

A total of 1 estates were randomly sampled for this round of assessment. This is SINGLE Certification.

(i) Main Assessment Visit (MAV):

$$= \sqrt{\quad}$$

(ii) Surveillance Assessment Visit (SAV):

$$= \sqrt{\quad} \times$$

NOTE:

The details in above tables are developed to provide sufficient time under normal circumstances to adequately carry out auditing of a management unit against the certification standards for oil palm management under the MS 2530: Part 3; "General principles for oil palm plantations and organised smallholders". However, the time allocated to the various locations of complex audits must be documented to justify the allocated audit durations. The audit duration is calculated on the basis of 8 hours per day. Audit working days will be calculated to the nearest full or half day.

Summary of Assessment

The assessor(s) concluded that, based on all objective evidences reviewed, observed and discovered during this round of assessment, the Company Does Comply to the MS 2530: Part 3; "General principles for oil palm plantations and organised smallholders" standards and requirements. The following finding(s) were identified:

CATEGORY	Number of Finding (s)						
	P1	P2	P3	P4	P5	P6	P7
Major Nonconformity (Major NCR)	-	-	-	-	-	-	NA
Minor Nonconformity (Minor NCR)	-	-	-	1	-	1	NA
Observation (OBS)	-	-	-	3	-	1	NA
Opportunity for	-	-	-	-	-	-	NA

improvement (OFI)							
PRINCIPLE 1	The client has demonstrated an acceptable degree of commitment in embracing the MSPO standard requirements in its entirety through continuous internal compliance assessment as well as bolstering managerial and operational improvements continually.						
PRINCIPLE 2	The client is able to maintain its transparency and efficiency in communicating data and information internally and/ or externally. The client has also established an effective system in upholding the traceability elements across its daily operations.						
PRINCIPLE 3	Review of documents and physical observations during the audit stint indicated that the client is aware and abide all governing rules and regulations (with several exceptions, if applicable) pertaining its daily operations throughout.						
PRINCIPLE 4	The client has demonstrated its ability in providing substantial amount of considerations towards the welfare of all stakeholders. The general and specific wellbeing of its employees (and contractors' employees) were also being sufficiently accounted for.						
PRINCIPLE 5	It is evident that the Client has established a considerably holistic approach and plans in mitigating all potential negative environmental impacts arising from its oil palm plantation activities; while simultaneously enhancing the positive impacts.						
PRINCIPLE 6	The Client has proved that all operations are governed by certain sets of procedures (with several exceptions, if applicable). Additionally, the Client was able to demonstrate its commitment in upholding proper governance against its business directions as well as contract management.						
PRINCIPLE 7	The Client is able to ensure that its new planting exercise is being carried out lawfully and taking into account the surrounding social and environmental aspects. [Omit this entire statement if P7 is not applicable]						
NOTE: <i>By the virtue of random sampling approach, there may exist chances of non-conformities not being identified during the assessment. Such occurrence shall therefore not be related with the assessor's competency and integrity in any way.</i>							

Stakeholder Consultation			
List of Stakeholders Interviewed	1. Mukhsin	Position	Harvester
Inputs	1. No complaints were raised during the stakeholder consultation. The Stakeholder was aware of the grievances procedure introduced by the Management. 2. The Stakeholder complemented the Management for its good rapport and relationship with the stakeholder.		
Management Response	Management will continue enhancing its rapport with its stakeholders.		
Audit Team Conclusion	The stakeholder consultation was successfully conducted. No complaints or any matters worth of concerns/attention being raised by the stakeholder.		

NOTE:

With reference to ABC- OPMC 4 Issue 2 dated 04 September 2020. Whenever deemed applicable, stakeholder consultation/ interview may be held in order to obtain the internal and external stakeholders' inputs on the Company's compliance towards the MSPO standards and stakeholders' views on areas where the Company could improve. Such consultation will be conducted professionally and in absolute isolation from the Company officials. All comments made by the stakeholders will be recorded and presented in this assessment report.

Competency Criteria of Audit Team

With reference to ABC- OPMC 1 Issue 2 dated 04 September 2020. This assessment has been conducted by the following approved assessor(s) which hold sufficient qualifications and experiences to conduct MSPO Assessment. CARE Certification International (M) Sdn Bhd holds copies of educational qualifications, certificates and audit logs for each of the audit team members. Summary of the Assessor's credentials are as follows:

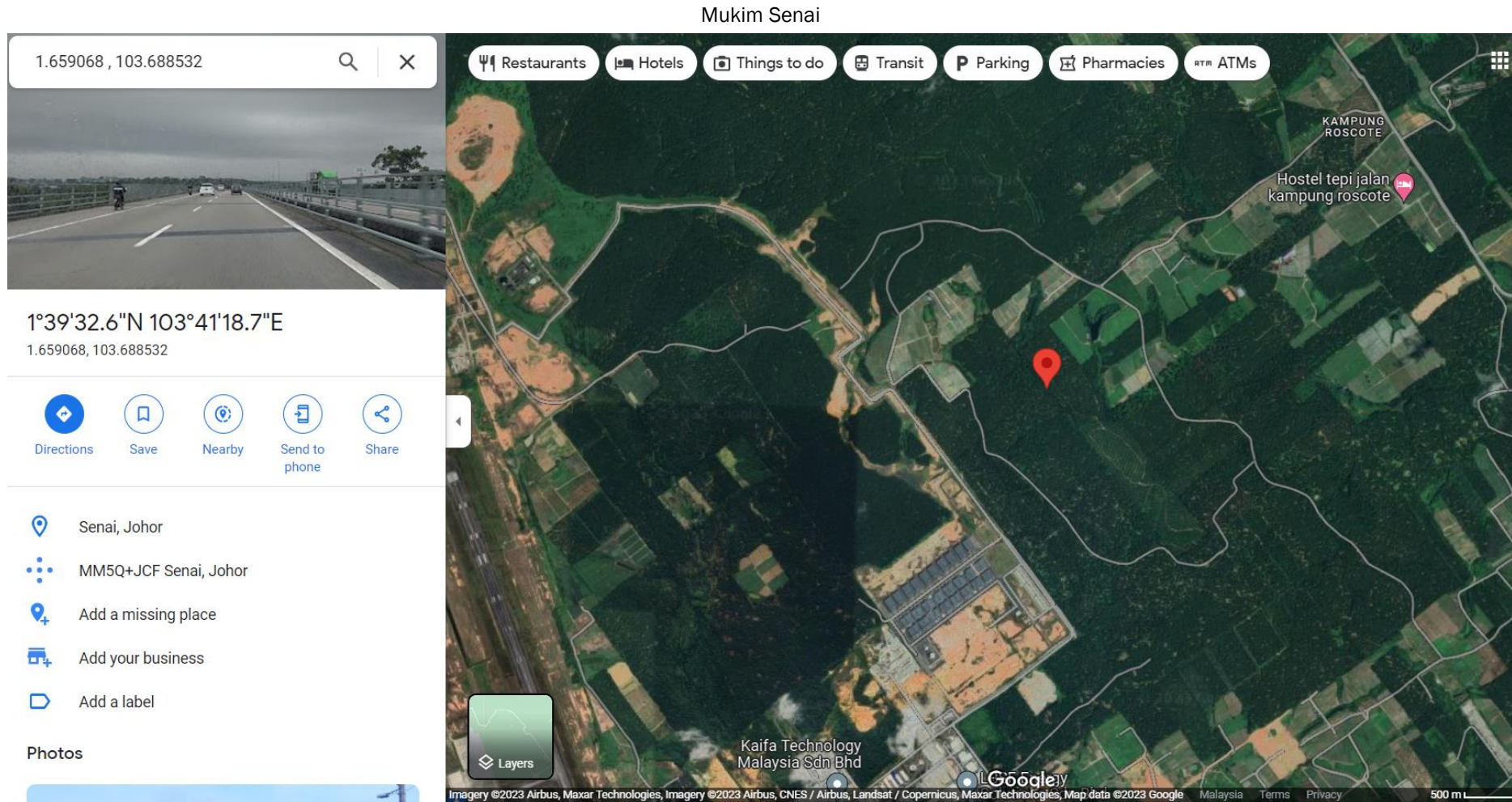
Criteria	Requirement	Lead Auditor	Auditor
Education	Post-secondary education, college or university diploma/degree in one of the following i. Agriculture; ii. Science & Technology (e.g., Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii. Engineering, Process Technology; iv. Energy Management, Quality Management; v. Social Sciences and/or Anthropology; vi. Business Management; or vii. Other relevant related fields	Muhammad Syamil Bin Mat Salleh holds a Diploma in Mechanical Engineering from MARA University of Technology, Malaysia.	Mohammad Hafizuddin Rossley Graduate in Diploma Agriculture in UPM in year 2009.
Work Experience	Lead: At least five (5) years of work experience in the oil palm sector or related fields such as social, health, safety and environment	He has almost 10 years' experience in sustainability palm oil industry and he is also implemented scheme RSPO, MSPO and SCCS certification in his previous company.	Experience in estate management for almost 8 years in Plantation company Since 2009. Start join with certification body in year

	<p>Auditor: Post Secondary education: At least ten (10) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p> <p>Tertiary education: At least three (3) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p>		2017 until present.
Training	<p>i) Attended the MS 2530 series of standards training or other auditor competency trainings endorsed by MPOCC or MPOB (pre-2016).</p> <p>ii) shall have undergone 40 hours of accredited OR 40 hours of lead auditor course either in Quality Management Systems (QMS) or Environmental Management Systems (EMS) or Occupational, Health and Safety Management Systems (OSH)</p>	He has successfully attended MS2530 series of standards auditor competency training and attended Lead Auditor course in Quality Management System (ISO 9001:2015) & Environmental Management System (ISO 14001:2015) - Integrated Management System. Also attended the MSPO SCCS Auditor Training.	<ul style="list-style-type: none"> - Had attend MSPO Lead auditor course conducted by SIRIM QAS - Had attend lead auditor training for ISO 9001 conducted by SIRIM.
Auditing Experience	<p>Lead: Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.</p> <p>Auditor: Conducted a minimum four (4) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two</p>	Currently a freelance MSPO Auditor since May 2019 and has been conducted auditing in relevant areas of palm oil plantation & mill.	- Hafizuddin Rossley successfully completed 15 man-days assessment as Lead Auditor under CARE MSPO Manager within the last 2 years.

	(2) years.		
General	A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language	Have a good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia and English Language.	Able to speak and understand Bahasa Malaysia and English language. In terms of technical were base on working and audit experience.

Details of Certified Entity (Single Certification)					
1. ESTATE INFORMATION:					
Category of the listed organisation is Estate					
NAME OF UNIT	MPOB LICENSE NO	LOCATION	GPS COORDINATES	CERTIFIED AREAS (HA)	PLANTED AREAS (HA)
Zhenxing Enterprise Sdn. Bhd.	502348602000	A) Mukim Senai-Kulai, Johor, B) Mukim Sedenak, Kulai, Johor.	A)1.659068 , 103.688532 B) 1.793131, 103.478855	85.26	85.26
Other Sustainability Certification		NIL			
<p>Note:</p> <p>(i) Maps showing geographical location, with close-up of the certified estates are attached as in Appendix 1 of this report.</p> <p>(ii) With reference to Circular MPOCC dated 2 April 2021</p>					
2. AREA STATEMENT AND FFB FORECAST:					
Category of the listed organisation is Estate					
NAME OF UNIT	CERTIFIED AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR 2022	YIELD TON/ YEAR	
Zhenxing Enterprise Sdn. Bhd.	85.26	85.26	1,485.08	17.42	
TOTAL	85.26	85.26	1,485.08	17.42	

Appendix 1: Location and Field Map



No 16-G, 16-1, Jalan Flora 1/1, Blossom Square Bandar Rimayu, 42500 Telok Panglima Garang, Selangor.
Tel: +603 8073 2788 Fax: +603 8073 2688

Mukim Sedenak

1.793131, 103.478855

Restaurants Hotels Things to do Transit Parking Pharmacies ATM ATMs

1°47'35.3"N 103°28'43.9"E
1.793131, 103.478855

Directions Save Nearby Send to phone Share

- Sedenak, Johor
- QFVH+7G5 Layang-Layang, Johor
- Add a missing place
- Add your business
- Add a label

Photos

Layers

Google

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No 16-G, 16-1, Jalan Flora 1/1, Blossom Square Bandar Rimayu, 42500 Telok Panglima Garang, Selangor.
Tel: +603 8073 2788 Fax: +603 8073 2688

Appendix 2: Audit Plan

Attention to : Ms Liew Choon Leong (016-770 7289)
 Client name : Zhenxing Enterprise Sdn Bhd
 HQ Address : No.53.A, Jalan Kuning 2, Taman Pelangi, 80400 Johor Bahru, Johor



Audit Plan for: First/Main/Surveillance 3/Recertification Assessment Visit

Audit objective:

- A. To ensure that all elements of the proposed scope of registration and entire requirements of the management standard are effectively addressed by the client.
- B. Determination of the conformity of the company's management system
- C. Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.

Job code	MS23SM474	Lead auditor	Mr Syamil Salleh (ML)
Scope of cert.	Part 3 : Provision Of Planting And Harvesting Of Fresh Fruit Bunches (FFB) By Oil Palm Plantation	Team member	Mr Hafizuddin Rossley (HF)
Management std	MS2530:2013 Part 3	Trainee Auditor	-
Revised No.	1	Witness Auditor	-

Audit scope

- a) The assessment will be carried out on the client's MSP0 management system documentation
- b) Reviewing the client's status and understanding regarding requirements of the MSP0 standard, in particular with respect to the identification of key performance of significant aspects, processes, objectives and operation of the management system;
- c) To collect necessary information regarding the scope of the MSP0 management system, processes and location(s) of the client, and related statutory and regulatory aspects and compliance (e.g. quality, environmental, legal aspects of the client's operation, associated risks, etc);

Date	Time	Assessor	Business area / process	Operation	Clause
22 June 2023 Day 1	0930	ALL	Introduction by client Opening meeting		
	1000	ALL	Site Visit : Zhenxing Enterprise Sdn Bhd	Fertiliser store, SW Store, Chemical store, harvesting spraying, line site. Office, stakeholder premises	

		ALL	Stakeholder consultation	Office	
		ML	Document review: Principle 1: Management commitment & responsibility - Criterion 1: Malaysian Sustainable Palm Oil (MSPO) Policy - Criterion 2: Internal audit - Criterion 3: Management review - Criterion 4: Continual improvement	Office	4.1 4.1.1 4.1.2 4.1.3 4.1.4
		HF	Principle 2: Transparency - Criterion 1: Transparency of information and documents relevant to MSPO requirements - Criterion 2: Transparent method of communication and consultation - Criterion 3: Traceability	Office	4.2 4.2.1 4.2.2 4.2.3
	1230		LUNCH		
	1330	ALL	Stakeholder consultation	Stakeholder premises	
		ML	Principle 3: Compliance to legal requirement - Criterion 1: Regulatory requirements - Criterion 2: Land use rights - Criterion 3: Customary land rights	Office	4.3 4.3.1 4.3.2 4.3.3
		HF	Principle 4: Social responsibility, health, safety and employment condition - Criterion 1: Social impact assessment - Criterion 2: Complaints and grievances - Criterion 3: Commitment to contribute to local sustainable development - Criterion 4: Employees safety and health - Criterion 5: Employment conditions - Criterion 6: Training and competency	Office	4.4 4.4.1 4.4.2 4.4.3 4.4.4 4.4.5 4.4.6
		ML	Principle 5; Environment, natural resources, biodiversity and ecosystem services - Criterion 1: Environmental management plan - Criterion 2: Efficiency of energy use and use of renewable energy - Criterion 3: Waste management and disposal - Criterion 4: Reduction of pollution and emission including greenhouse	Office	4.5 4.5.1 4.5.2 4.5.3 4.5.4

			gas		
			Criterion 5: Natural water resources		4.5.5
			Criterion 6 : Status of rare, threatened, or endangered species and high biodiversity value area		4.5.6
			- Criterion 7: Zero burning practice		4.5.7
		HF	Principle 6: Best practices	Office	4.6
			- Criterion 1: Site management		4.6.1
			- Criterion 2: Economic and financial viability plan		4.6.2
			- Criterion 3: Transparent and fair price dealing		4.6.3
			- Criterion 4: Contractor		4.6.4
	1600	ML	Report Preparation		
	1700	ALL	Closing meeting		

Note

Company Information:

- Times are approximate and will be confirmed at the opening meeting prior to commencement of the audit.
- Auditors reserve the right to change or add to the elements listed before or during the audit depending on the results of on-site investigation.
- A private place for preparation, review and conferencing is requested for the auditor's use.
- Ensure that the appropriate auditees are available according to the audit schedule.
- Availability of guides for the auditors.
- Prepare necessary PPE (if required) for plant visit.
- Please inform CCI if there is any objection or conflict of interest related to any of the above team members.
- You are invited to review the team members and, if necessary advise CCI of any conflict of interest. Please contact Managing Director (fleming@cciglobe.com) and General Manager (nabila.seth@cciglobe.com) of CCI directly for any objection.

Section F General Information

General	
Audit objectives	<input type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input checked="" type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in fifth years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Applicable National Standards	MS ISO/IEC 17021-1:2015, ACB-OPMC 1, ACB-OPMC 2, ACB-OPMC 3 & ACB-OPMC 4 and MS 2530-3:2013
Issue of certificate	No

Scope of Certification	
Scope of certification in English	Provision of Planting and Harvesting of Fresh Fruit Bunch (FFB) by Oil Palm Plantation
Requirement not being applicable	P7 - Development of New Planting
Justification	The company doesn't have any new planting activities.
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Ms. Liew Poh Lee
Alternate contacts	-
Management Representative contact no.	016 - 770 7289
E-mail address	zhenxing81@yahoo.com
Fax Number	-
Fixed Line Number	07 - 333 8289
No of Group Members / SPOC	1

Risk Assessment (Applicable for Remote Audit ONLY)					
Date of Remote Audit: Not Applicable. Audits are conducted onsite.		Name of Auditor/s:			
A. Management Responsibility		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company had a management person responsible for the sustainability issues?	<input type="checkbox"/>	<input type="checkbox"/>		
2	Has the company conducted the internal audit?	<input type="checkbox"/>	<input type="checkbox"/>		
3	Has the company organized Management review meeting?	<input type="checkbox"/>	<input type="checkbox"/>		
4	Has the company provided transparent information on the company's operations for the public access?	<input type="checkbox"/>	<input type="checkbox"/>		
5	Has the company kept real time monitoring records of the estate/mill operation activities? (FFB/CPO sales record)	<input type="checkbox"/>	<input type="checkbox"/>		
B. Social Aspect		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company have a policy covering the following - respect for human right, - no forced labour, - no child labour, - working condition, - wages & benefits, - non-discrimination, - freedom of association and collective bargaining *Please refer to Principle 4 Criteria 5 Indicator 14 (MSPO Standard)	<input type="checkbox"/>	<input type="checkbox"/>		
2	Has the site established a management system in place to manage the social issue policies described in question 1?	<input type="checkbox"/>	<input type="checkbox"/>		
3	Has the company resolved any complaints or grievances received from the stakeholder?	<input type="checkbox"/>	<input type="checkbox"/>		
4	During this pandemic of COVID 19, has the company established any guideline or SOP's as to follow the Majlis Keselamatan Negara (MKN) requirement? Are the SOPs updated to the latest standard?	<input type="checkbox"/>	<input type="checkbox"/>		
		No = 0 Yes = 1			
No	Questionnaire	No	Yes	Rating	Remark
5	Has the company received any complaint from stakeholder?	<input type="checkbox"/>	<input type="checkbox"/>		
6	Is there is any COVID 19 cases in the premise area?	<input type="checkbox"/>	<input type="checkbox"/>		
C. Economic Aspect		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark

1	Has the company have long term financial management plan?	<input type="checkbox"/>	<input type="checkbox"/>		
2	Is there a system in place to monitor the implementation of the management plan?	<input type="checkbox"/>	<input type="checkbox"/>		
D. Environment Aspect		No = 0 Yes = 1			
No	Questionnaire	No	Yes	Rating	Remark
1	Is there any endangered, rare and threatened species observed at the operation site or around it?	<input type="checkbox"/>	<input type="checkbox"/>		
2	If yes, is there any effort to protect it?	<input type="checkbox"/>	<input type="checkbox"/>		

Additional Verification for operational sites:					
<i>Remark: If the rating for this area shown double High risk been tick, remote audit will not be proceeded. However, if the rating were click double Low or Low and High consideration for remote audit may be proceed depending on the total risk rating scored.</i>					
1	How many nonconformity has / nonconformities have been raised during the previous audit? * If more than 3 major nonconformities or total nonconformities are more than 10 findings, please tick High risk column.	LOW	<input type="checkbox"/>	HIGH	<input type="checkbox"/>
2	Have the previous nonconformities been adequately resolve with sufficient evidence? * If yes please click LOW	LOW	<input type="checkbox"/>	HIGH	<input type="checkbox"/>

Decision/ Justification	Not Applicable	Total Score	
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Total score between 0-4 : Low Risk	Total score between 5-9: Medium Risk	Total score between 10 and above: High Risk
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To be filled by Auditor: Methods and Techniques of MSPO Audit Processes being conducted via Select
Please specify for Others

NOTE:

With reference to Guidance on Remote Audits due to Covid-19 Pandemic Restrictions, Version 3 Updated Circular (22 March 2021)

AUDIT CHECKLIST			
Verification of previous visit			
Certificate Number	MYMS12206749	Expiry Date	30/11/2025
Stage of Previous Audit	Surveillance Year 2	Date of Audit	25/7/2022
No of Findings	NIL Non-Conformance/s	NIL Observation/s	
Status/ Remark	No non-conformance was raised during the previous audit.		
Verification of MSPO Logo			
Document review and physical observations confirm that the Company does not bear MSPO Logo in any of its official documents and signage.			
P1: Management Commitment & Responsibility			
Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy		
Indicator	Requirement	Findings	
4.1.1.1	A policy for the implementation of MSPO shall be established	Conformity	
The Management has established the "MSPO Policy", signed by the Managing Director on 6/7/2020. The document expresses the Company's commitment towards providing resources and initiatives in upholding the sustainability of its oil palm plantation business through the compliance of the MSPO standard requirements made applicable to them.			
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	Conformity	
It was noted that the policy as cited in 4.1.1.1 also dedicate heavy emphasis towards continual improvement by providing sufficient resources in manpower, processes and technology in order to ensure the continuous production of oil palm products in a sustainable manner.			
Criterion 2	Internal Audit		
Indicator	Requirement	Findings	
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	Conformity	
<p>Document name: Internal Audit Procedure</p> <p>Document reference number: PR-1</p> <p>Effective date: 6/7/2020</p> <p>Key content: Internal audits shall be conducted annually.</p> <p>Satus of Internal Audit for the year 2023 cycle:</p> <p>Internal audit date: 12/5/2023</p> <p>Internal auditors: Mr Ho Chin Wai</p> <p>Audit report: Available - sighted, reviewed and verified</p> <p>Findings: 0 NCR, 0 OBS, 0 OFI</p>			

4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action	Conformity
Findings from the internal audit were documented in the "MSPO Internal Audit Report" dated 12/5/2023. Citing 4.1.2.1, no identification of root causes were being made since no NCR's being raised during the audit.		
4.1.2.3	Report shall be made available to the management for their review.	Conformity
Verified the report been made available and discussed in the management review meeting. Sighted evidence :		
Document : MSPO Internal audit checklist Audit date : 12/5/2023 Auditor : Ho Chin Wai Finding : NIL		
Document: Management Review - Minute of Meeting Date: 13/5/2023 Time: 9.30am Prepared by: Liew Poh Lee		
Criterion 3	Management Review	
Indicator	Requirement	Findings
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Conformity
It was noted that the Management has organised a "Management Review Meeting" on 13/5/2023. Its meeting minutes were reviewed and verified, The meeting was chaired by the Director and attended by a total of 6 meeting members. Review of the minutes confirmed that apart from internal audit report, the Chairman also discussed about the Company's business and operational performance for the year 2021 and 2022.		
Criterion 4	Continual improvement	
Indicator	Requirement	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Conformity
The Company's Continual Improvement Plan was reviewed and verified. It was noted that the document is inclined towards promoting and embracing the values of MSPO as a whole; as well as putting a heavy emphasis to continual improvement in the Estate's daily operations.		
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.	Conformity
It was noted and verified that any intentions or plans to adopt new information, techniques, industry standards or technology are incorporated into the above-mentioned plan for consideration and deliberation.		
Interview with the Management Representative indicated that due to financial prudence and low level of operational sophistication, the top-level Management is in the view that adopting new methodologies, techniques or technologies is economically and practically not feasible at present. However, the Company is open and ready to		

accept such assimilation once the situation deems fit.		
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	Conformity
Per findings made in 4.1.4.2, there is no training being made available at present.		
P2: Transparency		
Criterion 1	Transparency of information and documents relevant to MSPO requirements	
Indicator	Requirement	Findings
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	Conformity
<p>Such requirement and commitment was being expressed through the "Prosedur Komunikasi dan Perundingan".</p> <p>Details of the document were summarised as follows:</p> <p>Document name: Prosedur Komunikasi dan Perundingan</p> <p>Document no.: PR-4</p> <p>Effective date: 6/7/2020</p> <p>Key content: Any information requested by any stakeholders can officially be made through the submission of the Suggestion and Feedback form</p> <p>It was observed that the Suggestion and Feedback form was being made available and accessible by the Management at the office.</p> <p>According to the above mentioned document, several non-confidential documents that can be disclosed publicly include, but not limited to, the following:</p> <ol style="list-style-type: none"> 1. List of Stakeholders 2. Minutes of Stakeholders meeting 3. Management minute of meeting (MRM) 3. Minute of safety and health committee 4. Comment from external stakeholder 5. Complaint Investigation report. 6. Record of information provided to stakeholders 11. Complaint and grievance 12. Procedure for communication 13. Continues Improvement plan. 14. HCV Report. 		
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Conformity
<p>Procedure for handling request for information and/or document from stakeholders has been established within the "Communication & Consultation Procedure" (PR-4), dated 6/7/2020, which provided the guidances to handle requests for information and/or document from stakeholder that is related to environmental, social and legal</p>		

issues relevant to MSPO requirements in order to allow their effective participation in decision making.

It was noted and verified that all MSPO Documentations are being kept in the office and secured by the Manager. Visual observation indicated that sufficient information has been publicly displayed and, among those are related to policies which were made available at the office.

The Management Representative advised that other non-confidential information can be obtained upon request.

Criterion 2	Transparent method of communication and consultation	
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Indicator	Requirement	Findings
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4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders	Conformity
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Sighted procedure for "Communication & Consultation Procedure" (PR-4) which outlined the method to communication and communication with internal and external stakeholders. Refer to 4.2.1.1.

4.2.2.2	A management official shall nominated officials at the operating unit responsible for issues related to indicator 1 (4.2.2.1)	Conformity
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The management has appointed Ms Liew Poh Lee as the Communication Officer for the Estate. Sighted the appointment letter dated 7/7/2020. Based on the interview with the PIC, it was concluded that she is aware of the appointment and able to describe her duties accordingly.

4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	Conformity
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The list of stakeholders were sighted and verified. It was noted that the list comprises individuals/organisations from different segments such as customers, government authorities, contractors and surrounding communities.

Criterion 3	Traceability	
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Indicator	Requirement	Findings
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4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	Conformity
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The Management has established and maintained the "Traceability Procedure" in order to ensure the traceability element of its oil palm plantation operation is upheld at all times. Details of the document were as follows:

Document name : Traceability Procedure
 Document No. : PR-5
 Effective date: 6/7/2020
 Key content : step-wise procedures in establishing audit trails for field upkeep, tool management, FFB harvesting activity, FFB loading and FFB weighing.

4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	Conformity
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Viewing and verifying weighbridge tickets as evidence regular inspections are done periodically.

4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	Conformity
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The management has appointes Mr Liew Choon Leong as the Traceability Officer for the Estate. Sighted the appointment letter dated 7/7/2020. Based on the interview with the PIC, it was concluded that he is aware of the appointment and able to describe his duties accordingly.

4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	Conformity
<p>The following documents of a single FFB sales consignment were being sampled, reviewed, tested and verified:</p> <p>i) Weighing Bridge Tickets ii) Delivery Order to the Mill iii) Daily Harvesting Record</p> <p>It was noted that the Management was able to establish a complete audit trail across the supply pipeline. It was also observed that the consignment weight values across the transportation process were consistent, with an exception being made due to standard and systematic value errors; and mill rejects.</p>		
P3: Compliance to legal requirements		
Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
4.3.1.1.	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations	Conformity
<p>Noted that the management is operating in accordance to the applicable local, state, national and international laws as observed by the following objective evidence:</p> <p>1. MPOB license: 502348602000, Validity: 31/8/2023</p> <p>2. Quit rent for year 2022 Mukim Senai No: GRN 00464073 Paid on: 18/5/2022</p> <p>Mukim: Sedenak No: GRN 00237682 Paid on: 18/5/2022</p> <p>3. Windfall Profit Levy: Payment for: April 2023 Payment date: 22/5/2023 File No: KE.JB(101)009/20/BS/01/201</p> <p>4. Foreign labour: Syaifudin Mail Nationality: Indonesia Passport no: C8175342 ePASS Ref No: KDN/16031/CDABL4436458 Validity: 30/3/2024</p> <p>Foreign labour: Mukhsin Muhammad Nationality: Indonesia Passport no: C8175314</p>		

ePASS Ref No: KDN/16031/CDABL4436458 Validity: 30/3/2024		
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	Conformity
The management has established a Senarai Daftar Undang-Undang for its operations follow the applicable local, state, national and ratified international laws and regulations. The following were sighted and verified:		
<ol style="list-style-type: none"> 1. Child and Young Persons (Employment) (Amendment) Act 2019 2. Employment Act 1955 3. Malaysian Palm Oil Board Act 1998 4. Occupational Safety & Health Act 1994 5. Wildlife Conservation Act 2010 6. Environmental Quality Act 1974 7. Minimum Wages Order 2022 8. Employee's Minimum Standards of Housing, Accomodations and Amenities Regulations 2019 		
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Conformity
Review of the document as cited in 4.3.1.3 indicated that the legal requirements register is up-to-date and currently enforceable.		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Conformity
The Management for each supply base has established Ahli Jawatankuasa MSPO respectively. Review of the organisation charts confirms that specific officers were being assigned to each of every key MSPO pillars.		
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users	Conformity
Noted that the management's operations does not diminished the rights of other users. Verified total 17 land title under Zhenxing Enterprise Sdn Bhd. Sample land grant as per below :		
i. No hakmilik : 237282		
No Lot : 2814		
Ha: 10.8126 ha		
Area: Mukim Sedenak		
Category land of use : NIL		
Term of use : Nil.		
ii. No hakmilik : 18676		
No Lot : 3582		
Ha: 21.4104 ha		
Area: Mukim Senai-Kulai		
Category of land use : Nil		
Term of use : Nil		

4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	Conformity
The management has ensured that their oil palm cultivation activities do not diminish the land use rights of other users. Refer to 4.3.2.1		
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Conformity
It was noted that them management is aware of its legal boundary surrounding its establishment. Observation during the field walkabout confirms that the management has established estate boundary by mean of trenches		
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	Conformity
Based on the input from the management and document review, it was confirmed that the estates are not encumbered by any land disputes. There is no land dispute issue as estate operations in their own land. As of to-date there was no complaint on land matter. No record on FPIC process because there is no community surround of plantation area.		
Criterion 3	Customary rights	
Indicator	Requirement	Findings
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	Conformity
Noted and verified that the estates are not encumbered by customary rights issues at this point of audit		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	Conformity
Noted and verified that the estates are not encumbered by customary rights issues at this point of audit		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	Conformity
Noted and verified that the estates are not encumbered by customary rights issues at this point of audit		
P4: Social Responsibility, Health, Safety and Employment Condition		
Criterion 1	Social impact Assessment (SIA)	
Indicator	Requirement	Findings
4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones	Conformity
Verification during the audit showed that there is evidence that the SIA that has been conducted by the management for all sampled estates. Observed that the SIA managemnt plan were reviewed on annual basis. The SIA conducted assessment to the relevant stakeholder internal and external to justify positive and negative impact that may initiate from the estate operation.		
Observed also that the SIA specifies methodology, total respondents for the social surveillance assessment, chronology of SIA and continuous improvement of social impact assessment; for both negative and positive aspect.		

It was confirms that the above document also covers responsibilities for mitigating and monitoring the identified social impact and aspects.		
Criterion 2	Complaints and grievances	
Indicator	Requirement	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented	Conformity
Verified "Complaint Procedure" (P4-3), dated on 6/7/2020 were established by the management, in which the SOP has stated the mechanism of communication between the stakeholders and management including organizing stakeholder meeting when required, the use of complaints form in submitting any complaints from the stakeholders view and retention period of record keeping in relation with stakeholder matters.		
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	Conformity
Refer to 4.4.2.1. Noted that there were no complaints or grievance received as of the audit review.		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Conformity
Verified that complaint box and forms were available on site. Interview with the sampled external stakeholders confirms that they can lodge complaint/grievance to the management at any given time and are aware of the placing of the complaint box within the premises.		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	Conformity
Interview with the sampled external stakeholders confirms that they can lodge complaint/grievance to the management at any given time and are aware of the placing of the complaint box within the premises.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	Conformity
Document review concluded that there were no complaint and grievance received at the point of this audit.		
Criterion 3	Commitment to contribute to local sustainable development	
Indicator	Requirement	Findings
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	Observation
<p>OBS 1</p> <p>Indicator 4.4.3.1</p> <p>As interview with the auditee found no record were made for the CSR activities however contribution or donation have been made to the local society for the past year. The management need to ensure record of CSR activities been made available as an evidence for the verification of the assessment process and due to that observation finding were raised.</p>		

Criterion 4	Employees safety and health	
Indicator	Requirement	Findings
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented	Conformity
<p>The management has established, and documented "Occupational Safety and Health Policy" on 1/2/2019. Interview with the sampled external stakeholders confirms that the management has adequately communicated by the management.</p>		
4.4.4.2	The occupational safety and health plan shall cover the following:	
a) A safety and health policy, which is communicated and implemented		Conformity
As per 4.4.4.1		
b) The risks of all operations shall be assessed and documented		Observation
<p>Sighted and verified HIRARC were been reviewed on 3/1/2023, covering all vital activities in the sampled estates' operations.</p> <p>Confirm that CHRA has been carried out and the details are as follows: The assessment conducted by SSP consultancy by approve DOSH assessor - Fosh reg.no : HQ/17/ASS/00/00012. The date of Assessment on 20/10/2020 Report reff no : HQ/17/ASS/00/00012-2020/048 refer to the CHRA report stated no necessity for the workers involve with hazardous chemical to be conduct with medical surveillance or biological monitoring.</p> <p>OBS 2 Indicator 4.4.4.2 b) Verified no evidence of noise exposure identification assessment were being conducted on the estate operation activities by the management as require under noise regulation 2019.</p>		
c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i) all employees involved shall be adequately trained on safe working practices; and ii) all precautions attached to products shall be properly observed and applied.		Conformity
<p>Verified the "Program Latihan Tahunan" was documented in all sampled estates, in which the following relevant trainings were proposed for implementation for FY2022:</p> <ol style="list-style-type: none"> 1. Latihan Operasi Meraacun & PPE 2. Latihan Operasi Membaja & PPE 3. Latihan First Aid 4. Kesedaran dan Keperluan MSPO 5. Penerangan Keselamatan dan Kesihatan Pekerjaan 6. Pengendalian Bahan Kimia & Bekas Bahan Kimia <p>Site walkabouts to the sampled estates' chemical stores confirmed that all precautionary signages are available and adequately maintained.</p>		

d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).	Conformity
Verified the record of PPE issuance based on estate's operations and issuance are as HIRARC recommendation. PPE inspection done in monthly basis and record available for all sampled estate.	
e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	Conformity
Noted that the management has established "Chemicals Handling Procedure" (P5-4), dated 6/7/2020. Site walkabouts confirmed that the procedure was appropriately displayed on site. Observations to the field operations confirmed that the practices are in consistence with the procedure.	
f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.	Conformity
The management has appointed Mr Liew Chon Hee as the Safety & Health Officer for the Estate. Sighted the appointment letter dated 7/7/2020. Based on the interview with the PIC, it was concluded that he is aware of the appointment and able to describe his duties accordinly.	
g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.	Conformity
OSH minute of meeting and attendance list was sighted and verified during the audit review. The most recent meeting was conducted as the following dates: 1. 1/6/2023 2. 10/3/2023 3. 10/12/2022	
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	Conformity
Verified the management had established a "Emergency & Accident Procedure" (P4-5), dated 6/7/2020. Noted that the procedure adequately outlined procedures for the following incidents: 1. Accident 2. Spillage 3. Fire Noted that the management has established an dedicated committee to handling emergencies and accidents. Organisation chart, process plan and procedure's flow chart are sighted and appropriately displayed on site.	
i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite	Conformity
Site walkabout confirms that the management has allocated first aid kits in the office and operation site. Sighted the first aid training had been conducted by the NOVO consultancy on 9/9/2022. Sighted the estate perosnnel had attend the training.	

j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.		Nonconformity
<p>Document review concluded that there has been no incident occurred in FY2021 in all sampled estates. Record shows that the management has submitted the JKPP8 as per the requirement of Notification of Accident, Dangerous Occurrence, Poisoning and Occupational Disease Regulations 2004. Date of submissions are as the following:</p> <p>Year 2022 - submission on 12/5/2023</p> <p>MNNC 1 Indicator 4.4.4.2 (j)</p> <p>Verified management failed to update the summary report of JKPP 8 within the time period stated in the regulation for year 2022. It was noted that the JKPP 8 report as sighted was being submitted grossly later than the 31st of January 2023. The Management shall therefore consider revising its report communication management system so as to eliminate the risks of violation, Regulation 10 of the NADOPD Regulations 2004; OSHA 1994.</p>		
Criterion 5	Employment conditions	
Indicator	Requirement	Findings
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees	Conformity
<p>The policy on good social practices has been indicated within the “Human Resource & Social Policy”, established on 1/3/2019. The management's commitment towards the following issues are evident within the policy:</p> <ol style="list-style-type: none"> 1. Complying with relevant laws and regulations 2. Respecting human rights 3. Provision of equal opportunity and treatment to all employees 4. Meeting the industry's remuneration minimum legal requirements, including that of contract workers 5. Providing and maintaining accurate accounts on the employment 6. Provision of employment's contract agreement 7. Provision of good living quarters with basic amenities 8. Prevention of sexual harassment and violence at workplace 9. Prevention of children's exploitation for employment and forced labour 10. Respecting employees rights to join trade union 		
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	Conformity
<p>The commitment not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics has clearly stated in the “Human Resource & Social Policy”. Refer to 4.4.5.1.</p>		

4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	Conformity
It was noted that the employees were being legally paid and in accordance with their contract agreements. Several sampled payslips were reviewed and verified. No unlawful deductions were made. Other legal deductions such as EPF and SOCSO contributions were clearly been communicated on the payslips.		
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee	Observation
OBS 3 Indicator 4.4.5.4 Verified with the auditee they did not monitor either their contractors paid the salary to their workers according to the legal or industry minimum standards however during site visit interview with the contractor workers, the workers stated that their salary been paid above minimum wages monthly. The management need to do monitoring for the contractor workers salary on the frequent periodic monitoring as to ensure the payment of the wages were according to the minimum wages order and due to that observation findings been raised.		
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	Conformity
Checked and verified the "Rekod Pekerja", which concluded the details on employees' full name, passport number, date joined, permit validation, nationality & etc.		
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records	Conformity
With reference to 4.4.5.3, the management has appropriately documented employment contracts for all employee. Document review concluded that the contract agreement were done in a transparent and fair manner, demonstrated with the acceptance of contract by both parties.		
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	Conformity
Verified that the management has maintained Checkroll book as a time recording system. Estate manager will check and confirm the checkroll book at the end of each month before the salary payment is made.		
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement	Conformity
All extraordinary and overtime works were being communicated and compensated lawfully. Such acknowledgements were being communicated through the monthly salary slips. The sampled payslips were being reviewed and verified.		
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements	Conformity
With reference to 4.4.5.3, it was concluded that the employment contracts were done in a transparent and fair manner, demonstrated with the acceptance of contract by both parties. Payslips for the month of May 2023 and		

April 2023 were sampled and confirms that they are paid based on the employment contract and in accordance to the industry minimum standards.		
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions	Conformity
<p>With reference to the employment contract, the management has provided the following social benefits to its employee:</p> <ol style="list-style-type: none"> 1. Housing / housing allowance 2. Subsidy electric and water 3. Working allowance as stated in the contract agreement 4. Yearly allowance 5. Training and development 		
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	Conformity
No on-site labour lines were being provided since all employees reside at nearby villages.		
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace	Conformity
Management established the "Human Resource & Social Policy", to which the management's commitment towards prevention of sexual harassment and violence at workplace are demonstrated.		
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	Conformity
"Human Resource & Social Policy" noted the management's commitment to respect employees' freedom of association and recognition of human right to collective bargaining. Refer to 4.4.5.1.		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	Conformity
"Human Resource & Social Policy" noted the management's commitment to prevent exploitation of children for employment. Refer to 4.4.5.1.		

Criterion 6	Training and competency	
Indicator	Requirement	Findings
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	Conformity
It was noted that the Management has established the Annual Training Programme for the Year 2023. Review of the document indicated that all trainings related to the MSPO requirements are planned to be organised within 2023.		
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	Conformity
The Training Needs Analysis was sighted and verified. It was noted that all types of trainings across the organisational hierarchy were identified in the document.		
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	Conformity
The training plan per finding in 4.4.6.1 was sighted and verified. It was noted that all planned training programme will be conducted accordingly.		
P5 Environment, Natural Resources, Biodiversity and Ecosystem Services		
Criterion 1	Environmental management plan	
Indicator	Requirement	Findings
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	Conformity
It was noted and verified that the Company has established the Environmental Policy on 6/7/2020 and approved by the Director. No changes were being made towards the policy thus far. The gist of the policy is as follows: a) Comply with all legal requirements b) Increasing awareness in environmental consideration when exercising field works c) Improve efficiency in energy use and waste generation		
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations	Conformity
a) Refer to 4.5.1.1 b) The management has documented an Environmental Aspects and Impact Assessment (EAIA), developed in-house. The assessment covers a total of 16 locations/activities including the following: 1. Poisoning woodies 2. Field chemical premixing 3. Pruning stacking & harvesting 4. Slashing FFB stalk		

<p>Details of a sampled EIA entry are summarised as follows: Activity: Pengendalian simpanan dan pelupusan bekas terpakai Environment Aspect: Tong racun terpakai Environment Impact: Pencemaran tanah Existing Control: SOP Handling empty container.</p>		
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	Conformity
<p>Refer to 4.5.1.2. Noted that the management has outlined the mitigation measures to address the impacts of its operations within the assessment. The management has dictated the mitigation measures to demonstrate its monitoring</p>		
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan	Conformity
<p>Noted that the management has established and documented an Environmental Objectives, Target & Management Plan, which adequately addresses the following activities to mitigate any impacts from its daily operations towards the environment:</p> <ol style="list-style-type: none"> 1. Environmental briefing 2. Zero chemical spillage 3. Zero burning 4. Zero chemical spraying in riparian buffer zone 		
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	Conformity
<p>Sighted and verified the Annual Training Plan, which covers the following subjects:</p> <ol style="list-style-type: none"> 1. Environment awareness training 2. MSPO awareness <p>Training records conducted prior to this review were adequately documented and verified accordingly. Sighted evidence as below: Document: Attendance record Subject: Environmental and Chemical Handling Briefing Date: 1/3/2023 Trainer: Liew Choon Ping Attendance: 4 employees</p>		
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed	Conformity
<p>Noted that the management is communicating the environmental issues to relevant parties through daily briefings, trainings and meetings. Noted that the management has conducted an environmental meetings latest on 5/6/2023.</p>		

Criterion 2	Efficiency of energy use and use of renewable energy	
Indicator	Requirement	Findings
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Conformity
Verified that the management has documented and actual and estimation usage of non-renewable energy (diesel) on monthly basis for 2022 - 2024. Baseline value for the usage was adequately documented.		
4.5.2.2	The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	Conformity
Refer to 4.5.2.1. Verified that the management has documented and actual and estimation usage of non-renewable energy (diesel) on monthly basis for 2022 - 2024. Baseline value for the usage was adequately documented.		
4.5.2.3	The use of renewable energy should be applied where possible	Conformity
Visual observation and document review confirm that the management does not harness any forms of renewable energy as of the day of audit.		
Criterion 3	Waste management and disposal	
Indicator	Requirement	Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Conformity
Noted that the management has adequately identified type of wastes generated from its operations within the document Waste Master List. The following were observed: 1. Waste type: Schedule waste Source: Chemical spraying Waste generated: Container Action plan: Rinse 3 times		
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	Conformity
Refer to 4.5.3.1. Noted that the management has adequately identified type of wastes generated from its operations within the documented Waste Master List dated 7/5/2023. The management has documented the planning to manage the waste generated from its activity. Site walkabouts confirmed that both schedule waste and non-schedule waste are effectively managed by the management.		

4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	Conformity
The Handling Empty Containers Procedure was reviewed and verified. It was noted that the procedure was being made in line with the EQ(SW) Reg 2005, EQA 1974.		
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	Conformity
It was noted that all empty pesticide containers are being reused for chemical spraying activities through the means of triple-rinsing.		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	Conformity
No rubbish pits being established since there is no labour lines constructed by the Management.		
Criterion 4	Reduction of pollution and emission	
Indicator	Requirement	Findings
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent	Conformity
It was noted that EIA report has extensively described all potential polluting activities in the estate. Refer to 4.5.1.2.		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	Conformity
Refer to EAIA form, sighted the action plan taken by the management to reduce pollution which was stated in EAIA report such as. 1. Ensuring all the vehicles are serviced periodically 2. Ensuring Waste Management Plan are properly being implemented		
Criterion 5	Natural water resources	
Indicator	Requirement	Findings
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	
a) Assessment of water usage and sources of supply.		Conformity
Sighted management establish the Water Management Plan as below: i) Rain - To maintain the silt pit in the field ii) Desilt drain for reduce flood during moonson period.		

b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities	Conformity	
Document and site review concluded that there is no natural water ways traversing within the estate. Monitoring of outgoing water quality is therefore not applicable at this point of audit.		
c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).	Conformity	
With reference to 4.5.5.1 (a), the management has outline methods for water optimisation, identified main water sources and its usage in the estate. Site walkabout confirms that the management is maintaining road-side drains and silt pits to retain water for in-field activities. The establishment of the water drainage system in the Estates was dedicated predominantly to collect rainwater for effective palm tree irrigation, nutrient uptake and soil moisture conservation.		
d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	Conformity	
Document and site review concluded that there is no natural water ways traversing within the estate. Buffer zone establishment is therefore not applicable at this point of audit.		
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	Conformity	
Field map and site review confirmed that there is no natural waterways traversing through the estate. No incidents of natural vegetation removal was observed at this point of audit. The oil palm field is surrounded by other estates, no riparian buffer zone.		
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	Conformity	
Noted that there is no bore well being used within the sampled estates.		
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Conformity
Refer to 4.5.5.1 (d), noted that there is no rivers traversing through the estate properties. It is therefore no incidence of bunds, weirs and dams construction at this point of audit assessment.		
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	Conformity
With reference to 4.5.5.1 (a), the management has outline methods for water optimisation, identified main water sources and its usage in the estate. Site walkabout confirms that road side drain and proper frond stacking implemented as water harvesting practices in the estate. It was observed that the management has established silt pits and conserved soft grasses along the harvesters' paths so as to increase soil moisture conservation efficiency.		

Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area	
Indicator	Requirement	Findings
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:	
	a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.	Conformity
Refer to Biodiversity Report dated 19/1/2023 prepared by Consultant NOVO and sighted the identification of the species such as monkey, snakes, owl, squirrel and birds as below: 1) Babi Hutan - Status IUCN: LC 2) Monyet - Status IUCN; LC 3) Biawak - Status IUCN: LC 4) Ular Senduk - Status IUCN: LC 5) Ayam Hutan - Status IUCN: LC 6) Burung Wak-wak - Status IUCN:LC		
	b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.	Conformity
The Biodiversity Report has incorporated the management plan to conserve the biodiversity. The plan was sighted and reviewed during the audit. It was noted that all faunas were identified as Least Concerned (LC).		
4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:	
	a) Ensuring that any legal requirements relating to the protection of the species are met	Conformity
No RTE were present within and close to the estate's premises. However, the management has taken appropriate measures to control any illegal activities by displaying signages prohibiting hunting at suitable locations within the estates.		
	b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts	Conformity
A management plan was developed, established and effectively implemented. Refer to 4.5.6.2 (a).		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	Conformity
Refer to 4.5.6.2 (b).		
Indicator 7	Zero burning practices	
Indicator	Requirement	Findings
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	Conformity
The management has established Zero Burning Policy which incorporated the management's commitment to zero burning practice. The policy signed by the Director on 6/7/2020.		

4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	Conformity
There were no request sought by the management for using fire to remedy or re-condition the land as of this audit point		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	Conformity
There were no request sought by the management for using fire to remedy or re-condition the land as of this audit point.		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Conformity
There were no request sought by the management for using fire to remedy or re-condition the land as of this audit point.		
P6: Best Practices		
Criterion 1	Site management	
Indicator	Requirement	Findings
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	Conformity
<p>The management has adequately established SOP on good practices covering all of its operation. The management systems for monitoring and control of best practice implementation at its plantation are in placed</p> <p>SOP (Operational manual) that has been established are:</p> <ol style="list-style-type: none"> 1. Menuai dan Mengakut BTS ke Pentas Buah 2. Menebas dan Mencantas Anak Kayu 3. Membaja 4. Pengurusan Rumpai 5. Mengangkut BTS ke Pusat Pengumpulan Buah (Ramp) 6. FFB Loading 		
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	Conformity
Noted that the all sampled estates are established on a flat to undulating terrain. No establishment made on area of more that 25 degrees slope. However, it was noted that the management has established SOP for GAP to prevent surface runoff, planting of cover crop and maintained the soft grass.		
4.6.1.3	A visual identification or reference system shall be established for each field.	Observation
<p>OBS 4</p> <p>Indicator 4.6.1.3</p> <p>During the site visit found the block identifications were not visible however according to the previous report the block reference system was available and been mark at the palm tree. Interview with the auditee the marking were not properly maintain and due to that observation findings were raised.</p>		

Criterion 2	Economic and financial viability plan	
Indicator	Requirement	Findings
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Conformity
<p>The management had established business management plan to demonstrate attention to economic and financial viability as seen within the annual budget (Anggaran Kos Dan Hasil Ladang), which included the details for the following:</p> <ol style="list-style-type: none"> 1. FFB production 2. OER estimation 3. Operational Cost 4. Cost per ton FFB 5. FFB Price estimation 6. Replanting Program 		
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years	Conformity
<p>The management has no intention to do replanting in the near future as the palms are relatively young (average palm age: 16 years).</p>		
4.6.2.3	The business or management plan may contain: <ol style="list-style-type: none"> a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment. 	Conformity
<p>Refer to 4.6.2.1. The management of all sampled estate has estimated the following within its annual budget in year 2023:</p> <ol style="list-style-type: none"> 1. FFB production 2. OER estimation 3. Operational Cost 4. Cost per ton FFB 5. FFB Price estimation 6. Replanting Program 		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Conformity
<p>Management will monitor implementation and achievement of the goals through estate performance and financial records.</p>		
Criterion 3	Transparent and fair price dealing	
Indicator	Requirement	Findings
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Nonconformity
<p>Check and verify the contract agreement between Zhenxing Enterprise and Shoon Hong Rubber Co Sdn Bhd dated</p>		

<p>1/1/2023. This agreement is valid for 1 year for appointment as a Contractor for FFB transport. Details of the pricing mechanism are clearly stated in the contract agreement. It was found that the contract agreement was agreed by both parties and proved by the signatures of both parties on the last page.</p> <p>Check and verify the contract agreement Zhenxing Enterprise. and Keng Ann Rubber Sdn Bhd dated 1/1/2023. This agreement is valid for 1 year for appointment as FFb transport and Harvesting at field PP015 and MAC025. Details of the pricing mechanism are clearly stated in the contract agreement. It was found that the contract agreement was agreed by both parties and proved by the signatures of both parties on the last page.</p> <p>MNNC 2</p> <p>Indicator 4.6.3.1</p> <p>Observe the contractor also act as the buyer of FFB products but it is not being written in the contract agreement regarding the payment mechanism. The pricing mechanism for the products it shall be documented as it is required under clause 4.6.3.1.</p>		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	Conformity
<p>As per details in 4.6.3.1, verified that all contract is fair, legal, transparent and agreed by both parties. Sample of payment to the contractor were verified and sihted the payment were as per contract agreement and payment were done in timely manner.</p>		
Criterion 4	Contractor	
Indicator 1	Requirement	Findings
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information	Conformity
<p>Verified with the contractor has well understanding in the MSPO requirement and prepared the documentation and information required by standard. Refer to memo issued bt management to every contractor regarding MSPO compliance requirements.</p>		
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Conformity
<p>As per details in 4.6.3.1, it was found that the contract agreement was agreed by both parties and proved by the signatures of both parties on the last page.</p>		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	Conformity
<p>It was noted that the contractors are aware of the audit requirements for the MSPO certification process as confirmed during a phone interview with the contractor.</p>		
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted	Conformity
<p>Verified with the document available, the company do verify the contractor work by refer to invoice given by contractor, then to submit to HQ for the invoice and HQ will issue the payment voucher.</p>		

P7: Development of new plantings		
Criterion 1	High biodiversity value	
Indicator	Requirement	Findings
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.	Select
There is no evidence of new planting activities within the estate operation. This Indicator is therefore not applicable as of now.		
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required	Select
Not Applicable		
Criterion 2	Peat Soil	
Indicator	Requirement	Findings
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	Select
Not Applicable		
Criterion 3	Social and Environmental Impact Assessment (SEIA)	
Indicator	Requirement	Findings
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	Select
Not Applicable		
4.7.3.2	SEIA shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.	Select
Not Applicable		
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	Select
Not Applicable		
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.	Select
Not Applicable		
Criterion 4	Soil and topographic information	
Indicator	Requirements	Findings
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation	Select

Not Applicable		
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure	Select
Not Applicable		
Criterion 5	Planting on steep terrain, marginal and fragile soils	
Indicator	Requirements	Findings
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	Select
Not Applicable		
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.	Select
Not Applicable		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion	Select
Not Applicable		
Criterion 6		
Indicator	Requirements	Findings
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions	Select
Not Applicable		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	Select
Not Applicable		
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available	Select
Not Applicable		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	Select
Not Applicable		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	Select
Not Applicable		
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	Select
Not Applicable		
4.7.6.7	The process and outcome of any compensation claims shall be documented	Select

	and made publicly available.	
Not Applicable		
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	Select
Not Applicable		