



Assessment Report	Date: 9/8 To 9/8
	2021

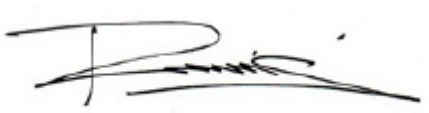
[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas 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	MS21SM 474
TYPE OF CERTIFICATION	SINGLE
TYPE OF AUDIT	DESKTOP REVIEW
AUDIT STAGE	SURVEILLANCE If surveillance No.1

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	Rizal Ahmad Nazim Bin Abd Raof	Company stamp
Date	09/08/2021	
Email	admin@cciglobe.com; w.hidney@cciglobe.com	
Fax no	038073 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 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	NA Please justify if YES

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 CHOON LEONG
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

Section B 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 type="checkbox"/>	No nonconformities have been raised during last assessment.
<input checked="" 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 C 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 **nil** 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 D (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 E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
RZ- Rizal Ahmad Nazim	MS LIEW CHOON LEONG MR LIEW CHOON PING	COMPANY REP. ESTATE SUPERVISOR
Team member		
Mr Zahin Zaidi (ZH)		
Trainee auditor		
Observer		

Section F Audit Process Matrix

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

Planned month & year	09/2020	08/2021	09/2022	09/2023	09/2024
Internal Audits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stakeholder consultation / survey	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Use of logo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Follow-up from previous audit finding	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.2 Internal audit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.3 Management Review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.4 Continual Improvement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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 (SEIA)	<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)	09/2020	08/2021	09/2022	09/2023	09/2024
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"/>
	<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: 09/2025

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
RZ/ ZH	09 September 2021	0930 hrs
<p>Opening Meeting</p> <ul style="list-style-type: none"> a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; d) confirmation of formal communication channels between the audit team and the client; e) confirmation that the resources and facilities needed by the audit team are available; f) confirmation of matters relating to confidentiality; g) confirmation of relevant work safety, emergency and security procedures for the audit team; h) confirmation of the availability, roles and identities of any guides and observers; i) the method of reporting, including any grading of audit findings; j) information about the conditions under which the audit may be premature terminated; k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails; l) confirmation of the status of findings of the previous review or audit, if applicable; m) methods and procedures to be used to conduct the audit based on sampling; n) confirmation of the language to be used during the audit; o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns; p) opportunity for the client to ask questions. 		
Auditor	Date	Time
RZ/ ZH	09 September 2021	1600 hrs
<p>Closing Meeting</p> <ul style="list-style-type: none"> a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty 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 **09 September 2021**. 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. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included in this report. The assessment findings for this **Surveillance Audit Visit 1 (SAV 1)** are detailed in last section of this assessment report.

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):

$$x = 1.5 \sqrt{y}$$

(ii) Surveillance Assessment Visit (SAV):

$$x = 1.5 \sqrt{y} \times 0.6$$

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.

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)							
Minor Nonconformity (Minor NCR)							
Observation (OBS)				2	1		
Opportunity for 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	[Omit this entire statement if P7 is not applicable]

NOTE:

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.

Stakeholder Consultation

List of Stakeholders Interviewed	-	Position	-
Inputs	<p>Refer to the previous audit report for this site, issues discussed such:</p> <ol style="list-style-type: none"> 1. Complaint <ul style="list-style-type: none"> - There is no complaint has been raised during stakeholder consultation. All Stakeholder understand the grievances procedure practices by the management. 2. Positive Practices by estate: <ol style="list-style-type: none"> i. All stakeholder has compliment the estate management which has gave a good rapport with stakeholder. ii. Understand the purpose of MSPO. iii. Timely payment to supplier and no outstanding payment to supplier. <p>All the previous inputs are all positive. Therefore, no subsequent stakeholder consultation required.</p> <p>However, during the current audit, the auditor has conducted interview with several workers, contractors and staff. The inputs are positive and no issues raised.</p>		
Management Response	<p>As at to date no issues received from any stakeholders. Management are committed to give best cooperation if any issues arise.</p>		
Audit Team Conclusion	<p>In conclusion, the estate management received no complaint and stakeholders are aware on the requirement of MSPO and detail on MSPO such estate complaint procedure, requirement with act, agreed to be audited by MSPO auditor & etc.</p>		
<p>NOTE: <i>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.</i></p>			
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	Rizal Ahmad Nazim Bin Abd Raof Graduate in Bachelor of Forestry Science in UPM.	- Mr Muhammad Zahin bin Zaidi. He graduated from the Australian National University with Bachelor of Biotechnology.
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 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 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	Experience in estate management for almost 15 years in Felda Group of companies.	- His past working experience includes 5 years in oil palm plantation, taking charge in field operations, corporate governance as well as strategic business development.
Training	i) Attended the MS 2530 series of standards training or other auditor competency trainings endorsed by MPOCC or MPOB (pre-2016).	Had attend MSPO Lead auditor course conducted by SGS - Had attend QOSHE (ISO 9001:2015, ISO	- Apart from MSPO, he also holds auditor certificates for ISO9001 and ISO14001. He was also appointed as internal auditor

	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)	14001:2015, ISO 45001:2018-Integrated) LEAD AUDITOR conducted by SGS	(financial and operational) for several oil palm estates.
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 (2) years.</p>	Rizal Ahmad Nazim Bin Abd Raof successfully completed 15 man-days assessment as Lead Auditor under CARE MSPO Manager within the last 2 years,	- Mr Muhammad Zahin bin Zaidi successfully completed 20 man-days assessment as Auditor under CARE MSPO Manager within the last 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	Able to speak and understand Bahasa Malaysia and English.	. A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language

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			

Note:

- (i) Maps showing geographical location, with close-up of the certified estates are attached as in Appendix 1 of this report.
- (ii) With reference to Circular MPOCC dated 2 April 2021.

2. AREA STATEMENT AND FFB FORECAST:

Category of the listed organisation is Estate

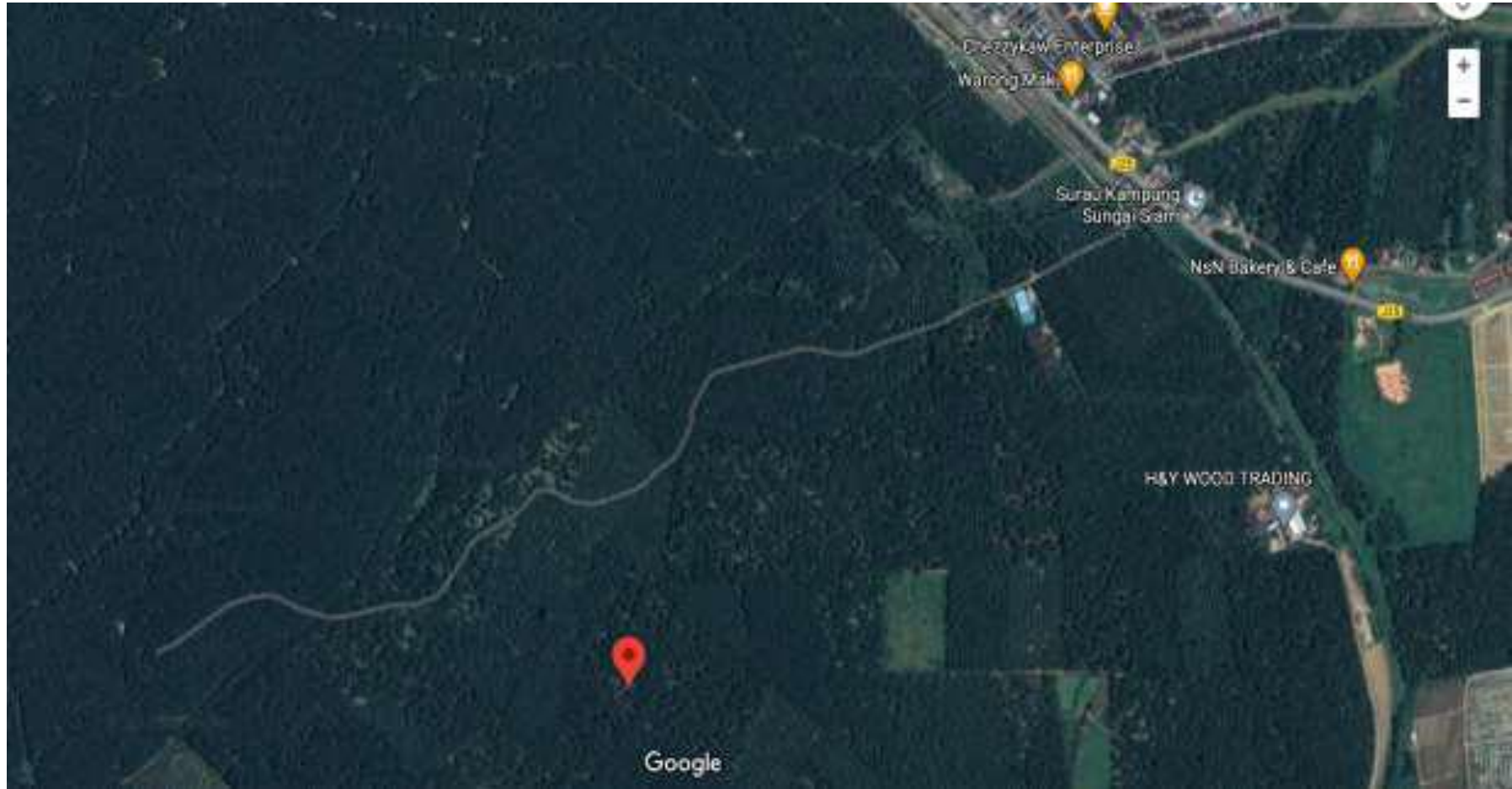
NAME OF UNIT	CERTIFIED AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR 2020	YIELD TON/ YEAR
ZHENXING ENTERPRISE SDN BHD	85.26	85.26	1,453.32	17.05
TOTAL	85.26	85.26	1,453.32	17.05

Appendix 1: Location and Field Map

MAP OF ESTATE FOR Zhenxing Enterprise Sdn Bhd



a) Mukim Senai-Kulai (1.659068,103.688532)



b) Mukim Sedenak (1.793131,103.478855)

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 1/Re-assessment Assessment Visit

Audit objective:

To ensure that all elements of the proposed scope of registration and entire requirements of the management standard are effectively addressed by the client.

Determination of the conformity of the company's management system

Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.

Job code	MS21SM 474
Scope of cert.	Part 3 : Provision Of Planting And Harvesting Of Fresh Fruit Bunches (FFB) By Oil Palm Plantation
Management std	MS2530:2013 Part 3
Revised No.	00

Lead auditor	Mr Rizal Ahmad Nazim (RZ)
Team member	Mr Zahin Zaidi (ZH)
Trainee Auditor	NA
Witness Auditor	NA

Audit scope

The assessment will be carried out on the client's MSPO management system documentation

Reviewing the client's status and understanding regarding requirements of the MSPO standard, in particular with respect to the identification of key performance of significant aspects, processes, objectives and operation of the management system;

To collect necessary information regarding the scope of the MSPO 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
9 August 2021 Day 1	0930	RZ	Introduction by client Opening meeting		
	1000	RZ	Site Visit : Zhenxing Enterprise Sdn Bhd	Fertiliser store, SW Store, Chemical store, harvesting, spraying, line site. Office, stakeholder premises	

		ZH	Stakeholder consultation	Office	
		RZ	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
		ZH	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	RZ	Stakeholder consultation	Stakeholder premises	4.3 4.3.1 4.3.2
		ZH	Principle 3: Compliance to legal requirement Criterion 1: Regulatory requirements Criterion 2: Land use rights Criterion 3: Customary land rights	Office	4.3.3 4.4 4.4.1 4.4.2 4.4.3
		RZ	Principle 4: Social responsibility, health, safety and employment condition Criterion 1: Social impact assessment	Office	4.4.4 4.4.5 4.4.6

		ZH	<p>Criterion 2: Complaints and grievances</p> <p>Criterion 3: Commitment to contribute to local sustainable development</p> <p>Criterion 4: Employees safety and health</p> <p>Criterion 5: Employment conditions</p> <p>Criterion 6: Training and competency</p> <p>Principle 5; Environment, natural resources, biodiversity and ecosystem services</p> <p>Criterion 1: Environmental management plan</p> <p>Criterion 2: Efficiency of energy use and use of renewable energy</p> <p>Criterion 3: Waste management and disposal</p> <p>Criterion 4: Reduction of pollution and emission including greenhouse</p>	Office	<p>4.5</p> <p>4.5.1 4.5.2</p> <p>4.5.3</p> <p>4.5.4</p>
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			gas Criterion 5: Natural water resources		4.5.5
		RZ	Principle 6: Best practices Criterion 1: Site management Criterion 2: Economic and financial viability plan Criterion 3: Transparent and fair price dealing Criterion 4: Contractor	Office	4.6 4.6.1 4.6.2 4.6.3 4.6.4
	1600	RZ	Report Preparation		
	1700		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.

Risk Assessment (Applicable for Remote Audit ONLY)					
Date of Remote Audit: 09/08/2021		Name of Auditor/s: RZ/ ZH			
A. Management Responsibility		No = 1 Yes = 0			
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company have a management person responsible for the sustainability issues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	The responsible person is Mr Liew Choon Ping
2	Has the company conducted the internal audit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	The last IA dated 6/8/2021
3	Has the company organized Management review meeting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	The last MRM dated 07-08-2021
4	Has the company provided transparent information on the company's operations for the public access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Information related to operation is available in the office
5	Has the company kept real time monitoring records of the estate/mill operation activities? (FFB/CPO sales record)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to Daily FFB Despatch Chit
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 checked="" type="checkbox"/>	0	Referring to policy Social Policy
2	Has the site established a management system in place to manage the social issue policies described in question 1?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	Referring to Complaint Procedure
3	Has the company resolved any complaints or grievances received from the stakeholder?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	NIL stakeholder complaint recorded
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 checked="" type="checkbox"/>	1	Referring to COVID-19: SOP FOR OIL PALM ESTATE
		No = 0 Yes = 1			
No	Questionnaire	No	Yes	Rating	Remark
5	Has the company received any complaint from stakeholder?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	NIL stakeholder complaint recorded from the last review
6	Is there is any COVID 19 cases in the premise area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	No case reported as of to date
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 checked="" type="checkbox"/>	0	Referring to Operational Expenditure Budget
2	Is there a system in place to monitor the implementation of the management plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	Referring to Company Secretary Financial Reports
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 checked="" type="checkbox"/>	<input type="checkbox"/>	0	Company declared no endangered, rare or threatened species at site and this is supported by High Biodiversity Reports
2	If yes, is there any effort to protect it?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	NA

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 checked="" type="checkbox"/>	HIGH	<input type="checkbox"/>
2	Have the previous nonconformities been adequately resolve with sufficient evidence? * If yes please click LOW	LOW	<input checked="" type="checkbox"/>	HIGH	<input type="checkbox"/>

Decision/ Justification	Remote Audit based on the justification that the company scored 3 points after addressing all the criteria and properly attended to the findings from last review.	Total Score	0
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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 Document Sharing via virtual platform 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	MYMS512206749	Expiry Date	30/11/2025
Stage of Previous Audit	Stage 2 (Main Assessment Visit)	Date of Audit	17-18/09/2020
No of Findings	10 Non-Conformance/s	1 Observation/s	
Status/ Remark	Verified for previous audit on MAV (Main Assessment Visit) and sighted all the findings raised were promptly addressed and closed within stipulated time frame.		
Verification of MSPO Logo			
For this period of review nil usage of MSPO Mark.			
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 company established MSPO Policy signed by Managing Director dated 06/07/2020. MSPO Policy which consists committed to provide adequate resource and commitment towards the sustainability of the palm oil business by complying with the requirements of MSPO standards. Verified the policy had been displayed at office notice board. Updated and reviewed in 2021 during internal audit and management review. No changes.			
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	Conformity	
Sighted the policy established had shown emphasize towards commitment for continual improvement for principle 1 until principle 7. The Policy contain: 1. Management Commitment and Responsibility 2. Transparency and Traceability 3. Comply with all applicable statutory and regulatory requirement. 4. Social Responsibility, safe and healthy workplace for our employees. 5. Environment, natural resources, biodiversity system and eco system services 6. Best practices Updated and reviewed in 2021 during internal audit and management review. No changes.			
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	
Sighted the internal audit plan dated 08/07/2020, internal audit schedule dated 22/07/2020 and internal audit conducted in 22/07/2020. Sighted and verified the Internal Audit Precedure, dated 06/07/2020 with reference document no. PR-1 Rev 0. Verified in internal audit procedure that internal audit will be conducted at least once in 12 months.			

The internal audit was conducted in 06/08/2021. Internal audit was conducted by Mr. Ho Chin Wai from NQS.		
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
Sighted the Internal Audit Procedure dated 06/07/2020. Verified in internal audit procedure that internal audit will be conducted at least once in 12 months.		
Seen the internal audit report was available on site. Based on the report, there was Nil NCR being raised by the internal auditor. Seen root cause and corrective action form provided by the management as shown in the Corrective action form, Doc no: F-5		
4.1.2.3	Report shall be made available to the management for their review.	Conformity
Verified Internal Audit Report dated 06/08/2021, Internal Audit Plan dated 01/08/2021, Internal Audit Schedule dated 01/08/2021 and Internal Audit Procedure dated 06/07/2020. Management Review Meeting (MRM) conducted in 07/08/2021.		
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
Verified the MSPO Management Review Meeting Minute, dated 07/08/2021 and chaired by Mr. Liew Choon Leong and attended by company and estate representative. The agenda discussed such as:		
<ol style="list-style-type: none"> 1. Management MSPO Policy and business plan 2. Results of internal audit 3. Stakeholders complaint and feedback 4. Overall performance of MSPO 		
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
Sighted and verified the management had listed the document for continual improvement plan for MSPO implementation. Below are the document been recorded and filed :		
<ol style="list-style-type: none"> 1. Using biological control method 2. Using the automatition technology to cut the palm oil fruits. 		
Updated and reviewed in 2021 during internal audit and management review. No changes.		

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
Verified, NIL new information and technique or new industry standards and technology implemented for time of review.		
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
Verified, NIL new information and technique or new industry standards and technology implemented for time of review.		
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
It was noted and verified that the Management has adopted an open and transparent method of communication and consultation when interacting with relevant parties e.g. its workers, government agencies, contractors by personal invitation to attend the internal and external stakeholders' consultation meetings. Languages used in written communications are in Bahasa Malaysia and English, coupled with verbal native dialects.		
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
It was noted and verified that all MSPO Documentations are being kept in the office and secured by the Estate Manager. Visual observation indicated that sufficient information has been publicly displayed and, among those are related to policies; MSPO Policy, Social Policy, Environment Policy, Zero Burning Policy etc which available at estate office.		
Criterion 2	Transparent method of communication and consultation	
Indicator	Requirement	Findings
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders	Conformity
Review and verification of Prosedur Komunikasi dan Perundingan; Document no. PR-4; rev 0 was being made. It was observed that the management has established procedures and mechanisms to conduct stakeholders consultations, manage complaints and grievances through stakeholders meetings and complaint form.		
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
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 his duty.		

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
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	
Indicator	Requirement	Findings
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
Review, tests and verification on Traceability Document; Document No. PR-5 rev 0 were being made during the audit. It was noted that the procedure is dedicated to ensure the origin of oil palm product can be documented, verified and information maintained across the supply chain. It was noted that the Company adopts adequate measures to trace the FFB production from harvesting- transport- mill which comply with certification under MSPO.		
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	Conformity
Interview with the Management Representative was being made to test, confirm and verify the traceability process from harvesting FFB - picking - transportation - FFB collector. The Company is noted to be working on establishing the traceability of its raw materials to ensure that raw materials are derived from sources in a sustainable manner. Therefore, the estate conducts proactive communications, both formal and informal, with the Stakeholders to encourage better decision making, as well as to identify risks and opportunities in their relationship with the company. Compliance with the traceability system determined via regular inspections, checking of records and internal audits. Records of sales includes customer weighbridge ticket, chemical/ fertilizer records, petrol usage etc.		
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	Conformity
The management has appointed 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 duty.		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	Conformity
The following documents of a single FFB sales consignment were being sampled, reviewed, tested and verified: i) Weighing Bridge Ticket from Shoon Hong Rubber Co Sdn Bhd ii) Daily Harvesting Record		

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.

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

Verified the license and permit available. Sampled Below:

MPOB Licence (estate):
 No: 502348602000
 Owner: Zhenxing Enterprise SB
 Validity: 31 August 2022
 Premise: Mukim Sedenak- Senai-Kulai, 81030 Johor Bahru, Johor.
 Total Area: 85.26ha

Windfall tax payment paid accordingly

Quit Rent payment paid accordingly

Workers passport:
 Name: Worker #1
 Passport #: B924xxxx
 Work Permit #: PFxxx4511
 Nationality: Indonesia
 Work Permit Validity: 30 March 2022
 Sector: Plantation

Covid screening for foreign workers conducted accordingly

4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	Conformity
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List of legal requirement register available during assessment.
 Seen the List of Laws and registered for: -

1. Safety & Health
 - Akta Keselamatan Dan Kesihatahn Pekerjaan, 1994
 - Akta Kilang Dan Jentera 1967 (Akta 139)
2. Employee
 - Employment Act 1955
 - Minimum Wages Order 2018
 - Workers Minimum Standard of Housing and Amenities Act 1990
 - Employee Provident Fund Act 1991
3. Environment

<ul style="list-style-type: none"> - Akta Kualiti Alam Sekitar 1974 (Akta 127) - Akta Perkhidmatan Bomba 1988 (Akta 341) <p>4. Pesticides</p> <ul style="list-style-type: none"> - Pesticides Act 1974 <p>5. Others</p> <ul style="list-style-type: none"> - Akta Kerajaan Tempatan 1976, (Akta 171) - Undang-Undang Kecil Bangunan Seragam 1984 - Malaysian Laws On Poisons And Sale Of Drugs 		
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
<p>The management had updated list of legal register accordingly. Seen that the list updated on 1st June 2021.</p> <p>Seen updated list of legal register available on site.</p>		
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
<p>Mr. Liew Poh Lee been nominated as person responsible to monitor compliance of regulatory requirement, track and update the changes in regulatory requirement, perform any further function that may be required by employer to enable the implementation of MSPO. The functions are listed in one nomination letter.</p> <p>Document : Mr. Liew Chon Hee</p> <ul style="list-style-type: none"> - Appointment as Legal Officer, Environment, Safety and Health Officer Dated 07/07/2020 - Mr Liew Choon Ping appointed as Operational Control/Waste Management Officer Dated 07/07/2020 <p>Signed by: Managing Director.</p> <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
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
<p>As verified the land title and perimeter boundary, estate has planting Palm oil and seen visual identification of perimeter boundary. Seen also oil palm was painted with red and white colour to mark boundaries from other estate. Trenches and boundary stone was located along site PASFA estate.</p> <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
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
<p>Verified total 17 land title under Zhenxing Enterprise Sdn Bhd.</p> <p>Sample land grant as per below :</p> <ul style="list-style-type: none"> 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 Updated and reviewed in 2021 during internal audit and management review. No changes.		
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Conformity
Boundary determined by boundary roads, boundary stone and drain are available and visible during site observation. The management established map close up boundary location. Observed the estate map and during site visit to show the block identification.		
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
There is no land dispute issue as estate operations in their own land and owned by Prosper Commodity Sdn Bhd. As of to-date there was no complaint on land matter. No record on FPIC process because there is no community surrounding the 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
Estate operation is not under customary right land.		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	Conformity
Estate operation is not under customary right land.		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	Conformity
Estate operation is not under customary right land.		
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
It was noted and verified that the Company has established its Social Impact Assesement prepared by its consultant. The positive impacts and existing mitigative measures were also sighted. The Social Impact Management Plan was also sighted in the said document. It was noted that the plan outlines items that need to be addressed and executed in order		

to ensure the social aspect of the operation is being governed soundly. It was noted the progress of the planned activities is being indirectly tracked in other MSPO-related documents.		
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
It was verified that the management has established Complaint Procedure; Document No. PR-8; Rev 0 the step-wise procedures in managing grievances.		
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
Review of the document as cited in 4.4.2.1 indicated that a set of procedures and associated timelines were being enforced in resolving disputes. As of the day of audit, it was noted that no complaints have been made by the public and employees thus far.		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Conformity
It was noted that a complaint book and box was being made available and accessible by both the internal and external stakeholders.		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	Conformity
It was noted and verified that the internal and external stakeholders were being briefed about the complaints/grievances communication during the SIA data gathering exercise. Borang Kaji Selidik Impak Sosial for all stakeholders were sighted and verified.		
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	Conformity
Though required by the procedure as cited in 4.4.2.1, no complaints have been made and retained thus far.		
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.	Conformity
It was noted and verified that the Management has contributed to the local communities monetarily throughout the years 2019 and 2020. Proofs of transaction were sighted and verified.		

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
The Safety and Health Policy for the Company, signed by the Managing Director on 01/2/2019 was sighted and verified		
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
The Occupational Safety and Health Policy for the Company, signed by the Managing Director on 6/7/2020 was sighted and verified. It was noted that the policy was being constantly communicated to the employees predominantly during morning muster calls.		
b) The risks of all operations shall be assessed and documented		Conformity
The HIRARC for the estate operations was sighted. The document was verified to identify all associated hazards, risk analysis and risk control. Areas of work covered in the HIRARC including field activities, office activities and others.		
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
It was noted that all workers have attended the OSH Awareness training that was held on 1/3/2021. The training attendance record was reviewed and verified.		
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
Sighted PPE issue record to the employee and during site visit sighted the harvesting workers are wearing the safety helmet and rubber shoes.		
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
Verified that the management has established the Chemical Handling Procedure; Document No. P4-1; outlining all required steps need to be procured when conducting activities for chemical handling such as storage, purchasing, mixing, disposal of the empty pesticide container etc.		
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 duty.		

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	
It was noted that the most recent safety meeting was held on 2/6/2021. The minutes of meeting and attendance record were sighted, reviewed and verified. It was noted that the Management has expressed its concerns over the workers' safety and health; thus reminding them to exercise extra caution when conducting the daily work activities.		
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	Conformity	
Verified that the management has established SOP Pelan Tindakan Kecemasan; outlining the step-wise approaches when facing emergencies involving accidents, spillages and fires.		
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	Observation	
<p>OBS:</p> <p>It was noted that the Management has sought BOMBA for a first aid training on 20/11/2020. The letter of request which was certified-received on 23/11/2020 was reviewed and verified. According to the Management Representative, the training has yet be able to be conducted due to the MCO in the lights of COVID-19 pandemic outbreak.</p>		
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	Observation	
<p>There is no accident/incident reported for the year 2020. The submission of the JKPP8 report bearing reference number JKPP 8/89563/2020 was sighted, reviewed and verified. It was noted that the report was submitted on 6/8/2021</p> <p>OBS:</p> <p>The Management shall consider revising its report submission management system so as to avoid submitting the JKPP8 report any later than the 31st day of January every succeeding year of review.</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
The management has established Social Policy on 1/3/2019. Stated in the policy the commitment of the management on the good social practices regarding human rights. Sighted during site visit, the policy displayed on the Office Notice Board and has been briefed to internal and external during Stakeholder Meeting.		

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
Interview with employee and contractor confirmed that there is no such discrimination took place and all employees are treated equally by provide the living quarters, salary and other benefits as per workers contract agreement.		
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
Verified the employment contract agreement and sighted the payment meets the Minimum Wage Order 2020 and as per agreement. Payslips for 2 general workers for the working month of March 2021 were being reviewed and verified. No unlawful deductions were made. EPF and SOCSO contributions were verified to be remitted accordingly.		
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	Conformity
It was noted that the Management informally ensures employees of its two contractors earn their wages lawfully by the means of interviews.		
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
Employee records can be viewed in the Employee Register. It is confirmed that the record contains information such as Name, Nationality, Date of birth, Date of entry, Date of employment, Passport number, Expiry date of passport, 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
Verified that the employment contract has been prepared by the management. It can be seen that the employment contract is fair and stated in the contract the contractual period, termination notice, annual leave, working hours, etc.		
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
Referring to the employment contract agreement, working hours and breaks of each individual are as follows: Saturday - Thursday - 7.00 am - 4.00 pm Break: 1.00 pm - 2.00 pm		
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements	Conformity
Confirmed based on employee payslip, wages and overtime calculations are in line with legal and collective agreements.		
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
Refer to agreement sighted other social benefit was provided such as medical, travel fare, transportation and accomodation.		
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 residential areas.		
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
Verified the estbalishment of the Social Policy dated 6/7/2020. The policy is displayed on the Office Notice Board and has been briefed to internal and external during Stakeholder Meeting. Management has established a guideline (Sexual Harassment Flowchart) as per "National Guidelines on Sexual Harassment in the workplace" and from the interview with the workers it is confirmed the management has brief the guideline and related Policies to all employee.		
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
Noted that the Management respects the rights of the employees to form or join any trade unions as expressed to the Policy cited in 4.4.5.12		

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
In reference to the employee register list database, it is confirmed that the Management does not employ workers of 18 years of age and below. Interview with several workers confirms this finding.		
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 2021.		
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 Company's Training Needs Analysis was sighted and verified.		
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 were being 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
The company established Environmental Policy signed by Managing Director, dated 06/07/2020. Written statement committed to provide adequate resource and commitment towards efforts to protect, preserve and conserve environmental resources through sustainable development and ensure that all levels of workforce and stakeholders are being communicated and understood the commitment. The policy emphasized:		
<ol style="list-style-type: none"> 1. Comply with all legal provisions subject to the company and all its activities. 2. Protect biodiversity and threatened species 3. Increasing awareness of environment to relevant stakeholders 		

<p>4. Improve efficiency in energy use and waste. 5. Adopting the "zero burning" principles and Good Agricultural Practices.</p> <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations</p>	Conformity
<p>a) Refer to 4.5.1.1 b) Sighted Environmental Aspects & Impacts Assessment was maintained by the management dated 06/07/2020 Verified Aspect and Impact Assessment for below activity: 1. Activity: Herbicides Spraying Environment Aspect: Weaken the soil structure where it kills the grass roots that strengthen the soil, runoff to ground water. Environment Impact: Bank erosion, alteration of water quality. Existing Control: Avoid spraying around or near the pondside, minimal use of herbicides. 2. Activity: Pengendalian simpanan dan pelupusan bekas terpakai Environment Aspect: Tong racun terpakai Environment Impact: Pencemaran tanah Existing Control: SOP Handling empty container. 3. Activity: Penggunaan tenaga elektrik menggunakan generator Environment Aspect: Minyak enjin dan diesel. Environment Impact: Pencemaran air dan tanah Existing measure : SOP waste management All of the above activities be included in a Continual Improvement Plan (Environment) to improve on the environmental identify in the aspect impact.</p>		
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p>	Conformity
<p>As per 4.5.1.2 During site visit, the mitigation of the negative impacts effectively implemented.</p>		
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan</p>	Conformity
<p>Sighted the management has developed a environmental objectives, target and management plan dated 06/07/2020 such as; Spillage of chemical drill Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
4.5.1.5	<p>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.</p>	Conformity
<p>Seen the annual training plan was available on site. Based on the plan and the record kept by the management, circle spray training was carry out to conserve soil moisture and</p>		

<p>maintain soft grasses on the path. Seen also in the environmental meeting that the management plan to carry out training related to environment to increase awareness among the employees. Sighted the awareness on environmental issues had been brief on 02/07/2020.</p>		
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed	Conformity
<p>Seen the environmental meeting report was available on site. Based on the minutes, the latest meeting was held in 02.06.2021, attended by the estate management staff and executives. Matters discussed include to increase awareness on environment, solid waste management and monitoring.</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
<p>Verified the diesel consumption were recorded by store clerk in diesel usage logbook. Seen the monitoring by established trend for year 2019, 2020 and 2021, seen in the trend mentioned in the baseline value are based on previous 1 year usage data and financial budget. Refer sample in 4.5.2.2</p>		
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
<p>The management has documented MANAGEMENT PLAN FOR CONSUMPTION OF ENERGIES for FY2021. The company has appropriately monitored the estimation diesel usage on monthly basis.</p> <p>Verified with the auditee and diesel record the estimation was based on average usage of diesel previous month. Verified diesel usage was under estimate. Sighted record of diesel as: 120.02 litre - Jan 2020, 119.03 litre - Feb 2020, 126.20 liter - Mar 2020, 130.00 litre - Apr 2020, 104.00 litre - May 2020, 100.10 litre - Jun 2020, 103.94 litre - Jul 2020 and 110.00 litre - Aug 2020.</p>		

4.5.2.3	The use of renewable energy should be applied where possible	Conformity
No use of renewable energy as of the time 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
<p>Verified the "waste product and source of pollution has been identified and record in waste management plan (scheduled waste, Domestic waste and Waste from estate) and listed waste as below:</p> <p>a) Used empty container</p> <p>b) Used tyres</p> <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.</p>	Conformity
<p>Verified also with "Pengenalpastian Sumber & Jenis Bahan Buangan" and sighted the action taken for waste generated from estate, as below:</p> <p>a) Used tyres - sell to supplier back.</p> <p>b) Empty container - to reuse for premix chemical.</p> <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
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
<p>Established Schedule Waste Procedure, Chemical Handling Procedure and Handling Empty Containers Procedure dated 06/07/2020. Verified some of the empty pesticide container was reused for chemical mixing and spraying activities.</p> <p>Sighted evidence for inventory record for Schedule Waste Management has been established by the estate management.</p>		
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
<p>Verified the "Pengenalpastian Sumber & Jenis Bahan Buangan" and sighted the action taken for waste empty container to disposed empty container if triple rinsing has been done.</p> <p>Sighted Empty Chemical Container Inventory record (Updated) and verified with sprayer supervisor containers has been recycled.</p>		

4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	Observation
No domestic waste due to no living quarters at the estate.		
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
<p>Refer to document "Mengenalpasti Aktiviti Pencemaran Alam dan pelan Tindakan Untuk Mengurangkan Pencemaran Tahun 2020" , the sample as per below:</p> <p>1. Aktiviti: Mengangkut BTS dari ladang ke ramp dealer Impak/Kesan: Pencemaran udara asap lori, pencemaran penggunaan diesel, pencemaran minyak pelincir kenderaan Tindakan: Pemeriksaan di Puspakom, Kenderaan diselenggara dibengkel yang bertauliah.</p> <p>2. Aktiviti: Meracun rumpai di ladang Impak/Kesan: Pencemaran racun, pencemaran bekas tong kimia beracun, pelupusan bekas PPE rosak, pelupusan bekas alatan rosak. Tindakan: Larangan meracun dikawasan buffer zone, pemeriksaan kalibrasi kadar penggunaan racun, bilasan 3 kali sebelum dilupus atau diguna semula tong.</p> <p>3. Aktiviti: Membaja kimia di ladang Impak/Kesan: Pencemaran bekas bag baja Tindakan: Dikumpulkan semula dan digunakan sebagai bekas isi biji lerai</p> <p>4. Aktiviti: Pembuangan sisa sampah di tapak pelupusan sampah Impak/Kesan: Pencemaran bau dan udara Tindakan: Hanya sisa sampah jenis organik sahaja dilupuskan.</p> <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	Conformity
<p>1) Refer to 4.5.4.1</p> <p>2) Verified also with Waste Management Plan and sighted the action taken for waste generated from estate, as below:</p> <p>a) Domestic waste – to provide rubbish pit/landfill area away from water course and residential area.</p> <p>b) Empty container - to reuse for premix chemical.</p>		

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 "Pelan Pengurusan Air" as below: i) Rain- To maintain the silt pit in the field ii) Desilting 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	Observation
Verified the water sampling done for analysis from Lab. MYCO2 Sdn Bhd as below: a) Lab. Ref. No: JL2007-A77081- stream water OBS:- To conduct water analysis for natural waterways (if any) on annual basis. Will be verified during next 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
Sighted management establish the "Pelan Pengurusan Air" as below: i) Rain- To maintain the silt pit in the field ii) Desilting drain for reduce flood during moonson period.		
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
No riparian buffer zone established due to there is no natural river or stream inside the estate area.		
e)	Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	Conformity
During site visit sighted no natural vegetation in riparian area been removed.		

f)	Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	Conformity
No bore well been used for water supply.		
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Conformity
Verified during site visit, no bunds, weirs and dams constructed passing through estate waterway		
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
Road side drain and proper frond stacking implemented as waster harvesting practices in the estate.		
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
<p>Refer to Biodiversity Report dated 06/07/2020 prepared by Consultant NOVO and sighted the identification of the species such as monkey, snakes, owl, squirrel and birds as below:</p> <ol style="list-style-type: none"> 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 <p>Updated and reviewed in 2021 during internal audit and management review. No changes.</p>		
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 IUCN Red-list was referred to determine the status of the biodiversity identified, as refer to Biodiversity Assessment, the status of biodiversity are Least Concern (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
Sighted in legal requirement register list of legal relating to protection of species such as Wildlife Conservation Act 2010. Interview with sample employees was found that they have basic knowledge and awareness on the wildlife protection.		
b)	Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts	Conformity
Refer to Biodiversity Management Plan, the company has plan for i) Proposed action - Display the signage of 'buffer zone' to next the river/stream/riparian zone. ii) Proposed action - Put on the signage of prohibition activities, such as no hunting, no illegal activities, no fishing, no encroachment and etc. iii) Proposed action - Provide training/briefing to create awareness to all general workers and harvesters that they shall obey the signage. Sighted signboard "No Hunting" at main entrance gate during site visit Long Term Action - Regular training shall be provided to create awareness among the workers.		
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
Refer to Environment Policy dated 06/07/2020, emphasized that company to adopting the principle of 'zero burning' and good agriculture practices. Verified during site visit, there is no evidence of open burning and observed there is signage installed at the entrance.		

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
No applicable, no special approval requested and no required by estate management.		
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
No applicable, no special approval requested and no required by estate management.		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Conformity
Verified with auditee, previous crops were felled down, chipped and shredded and left on site to decompose.		
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
The management has documented Manual Operation covering the following activities: i) Harvesting & Loading, ii) Manuring, ii) Weeding, iv) Planting, v) Slashing, vi) FFB Transportation		
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
The Management has established an SOP to manage palm trees planted in sloped areas. Field observation confirms that such palm trees were planted on terraces to increase work efficiency and reduce risks of soil erosion.		
4.6.1.3	A visual identification or reference system shall be established for each field.	Conformity
All fields are marked and identified. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every field. This is observed during the field visit.		
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
The management has documented Belanjawan Operasi Ladang for FY2021, which includes; 1. Anggaran hasil 2. Anggaran OER		

3. Anggaran kos operasi 4. Anggaran harga sawit		
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
It was noted that the oldest planted palm trees are 21 years of age. The Management does not indicate any intentions for replanting activities within the next 5 years due to high FFB sales price.		
4.6.2.3	The business or management plan may contain: 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
Review and verification of Pelan Pengurusan Perniagaan indicated that the Management considers the following elements: i) Yield forecast ii) OPEX III) CAPEX iv) REVEX v) Contingencies vi) Forecasted profit/loss		
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
The Management already plan effectively to implement and achieve the target. The general Manager regularly monitors the implementation and progresses of all plans in the Estates. Verified record of Profit and Loss for the estate available during auditing.		
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.	Conformity
Verified that the management engage with a contractor for the current period of review. Seen evidence of offer letters for harvesting, FFB loading and transportation works. It was verified that the pricing mechanism for each of the works were clearly stated inside the the offer letter.		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	Observation
As per details in 4.6.3.1, verified that all contract is fair, legal, transparent and agreed by both parties.		

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
Interviews with the contractors indicated that they understood all MSPO requirements wherever applicable to them. It was also noted that they shall procure all necessary measures to adhere to the requirements.		
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Conformity
Verified that the management engage with three contractors for the current period of review. Seen evidence of offer letters for harvesting, FFB loading and transportation works. It was verified that the pricing mechanism for each of the works were clearly stated inside the the offer letter.		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	Conformity
as per 4.6.4.1		
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
Verified the observance of transporter activities and harvesting were monitor through weightbridge ticket receive from the mill. All the record were verified by estate management. Payment made to the contractor were base on weight bridge ticket record. All works performed at the estates are checked and verified by the estate's supervisor. The management was able to establish control points to the task that performed by the contractor.		

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
Not Applicable		
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 and made publicly available.	Select
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		

Audit Findings
<p>OBS:</p> <p>4.4.4.2 (i) It was noted that the Management has sought BOMBA for a first aid training on 20/11/2020. The letter of request which was certified-received on 23/11/2020 was reviewed and verified. According to the Management Representative, the training has yet be able to be conducted due to the MCO in the lights of COVID-19 pandemic outbreak.</p> <p>4.4.4.2 (j) The Management shall consider revising its report submission management system so as to avoid submitting the JKKP8 report any later than the 31st day of January every succeeding year of review.</p> <p>4.5.5.1 (b) To conduct water analysis for natural waterways (if any) on annual basis. Will be verified during next audit.</p>

During the assessment, nil nonconformities were identified.

All Non-conformance will be further detailed in CAR Form # CCI-QP-07-3B

Note:

The assessment has been assessed and summary of the findings by Principle and Criteria – MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders.