



Assessment Report	Date: 25 July Select
	2022


[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	MS22SM474
TYPE OF CERTIFICATION	SINGLE
TYPE OF AUDIT	ON-SITE VERIFICATION (FIELD VISIT DOCUMENTATION)
AUDIT STAGE	SURVEILLANCE If surveillance No.2

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

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

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		Name: Designation:
Name	Muhammad Zahin Bin Zaidi	Company stamp
Date	7/8/2022	
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	No

Scope of Certification	
Scope of certification in English	Provision of Planting and Harvesting of Fresh Fruit Bunch (FFB) by Oil Palm Plantation
Requirement not being applicable	P7 - Development of New Planting
Justification	Review of standard documents and visual observation confirms that the Company does not exercise 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	-

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 _____ 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
Muhammad Zahin Zaidi (ZH)	MR LIEW CHOON PING	Estate Supervisor
Team member		
Mohd Syamil Salleh (ML)		
Trainee auditor		
-		
Observer		
-		

Section F Audit Process Matrix

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

Planned month & year	9/2020	9/2021	7/2022	9/2023	9/2024
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Internal audit	☒	☒	☒	☒	☒
4.1.3 Management Review	☒	☒	☒	☒	☒
4.1.4 Continual Improvement	☒	☒	☒	☒	☒
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☒	☒	☒	☒	☒
4.2.2 Transparent method of communication and consultation	☒	☒	☒	☒	☒
4.2.3 Traceability	☒	☒	☒	☒	☒
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary rights	☒	☒	☒	☒	☒
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Social impact assessment (SIA)	☒	☒	☒	☒	☒
4.4.2 Complaints and grievances	☒	☒	☒	☒	☒
4.4.3 Commitment to contribute to local sustainable	☒	☒	☒	☒	☒

development					
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 (Select Certification)	9/2020	9/2021	7/2022	9/2023	9/2024
	<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"/>
	<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: 7/2025

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	
ZH, ML	25/6/2022	8.30am	
<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	
ZH, ML	25/6/2022	5.30pm	
<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			
<p>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.</p> <p>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.</p> <p>This assessment was conducted on Zhenxing Enterprise Sdn Bhd. The audit plan is included as Appendix 2 of this report. The approach to the audit was to treat the Company as a MSPO Certification Unit. A range of</p>			

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 (STAGE OF AUDIT) 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 _____ estates were randomly sampled for this round of assessment. This is Select Certification.

(i) Main Assessment Visit (MAV):

(ii) Surveillance Assessment Visit (SAV):

= √

= √ x

NOTE:

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

Summary of Assessment

The assessor(s) concluded that, based on all objective evidences reviewed, observed and discovered during this round of assessment, the Company Select 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)	-	-	-	-	-	-	-
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	The Client is able to ensure that its new planting exercise is being carried out lawfully and taking into account the surrounding social and environmental aspects. [Omit this entire statement if P7 is not applicable]

NOTE:

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	Lim Lain Ting	Position	Manager, FFB transport contractor
Inputs	<p>1. No complaints were raised during the stakeholder consultation. The Stakeholder was aware of the grievances procedure introduced by the Management.</p> <p>2. The Stakeholder complemented the Management for its good rapport and relationship with the stakeholder.</p> <p>3. The Stakeholder was able to demonstrate their understanding towards the relevant MSPO standard requirements made applicable to them.</p>		
Management Response	Estate management will continue enhancing its rapport with its stakeholders.		
Audit Team Conclusion	The stakeholder consultation was successfully conducted. No complaints or any matters worth of concerns/attention being raised by the stakeholder. The stakeholder was able to demonstrate substantial understanding towards the MSPO standard requirements.		

NOTE:

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

Competency Criteria of Audit Team

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

Criteria	Requirement	Lead Auditor	Auditor
Education	Post-secondary education, college or university diploma/degree in one of the following i. Agriculture; ii. Science & Technology (e.g., Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii. Engineering, Process Technology; iv. Energy Management, Quality Management; v. Social Sciences and/or Anthropology; vi. Business Management; or vii. Other relevant related fields	- Mr Muhammad Zahin bin Zaidi. He graduated from the Australian National University with Bachelor of Biotechnology.	Muhammad Syamil Bin Mat Salleh holds a Diploma in Mechanical Engineering from MARA University of Technology, Malaysia.
Work	Lead:	- His past working experience	He has almost 10 years'

Experience	<p>At least five (5) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p> <p>Auditor: Post Secondary education: At least ten (10) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p> <p>Tertiary education: At least three (3) years of work experience in the oil palm sector or related fields such as social, health, safety and environment</p>	includes 5 years in oil palm plantation, taking charge in field operations, corporate governance as well as strategic business development.	experience in sustainability palm oil industry and he is also implemented scheme RSPO, MSPO and SCCS certification in his previous company.
Training	<p>i) Attended the MS 2530 series of standards training or other auditor competency trainings endorsed by MPOCC or MPOB (pre-2016).</p> <p>ii) shall have undergone 40 hours of accredited OR 40 hours of lead auditor course either in Quality Management Systems (QMS) or Environmental Management Systems (EMS) or Occupational, Health and Safety Management Systems (OSH)</p>	- Apart from MSPO, he also holds auditor certificates for ISO9001 and ISO14001. He was also appointed as internal auditor (financial and operational) for several oil palm estates.	He has successfully attended MS2530 series of standards auditor competency training and attended Lead Auditor course in Quality Management System (ISO 9001:2015) & Environmental Management System (ISO 14001:2015) - Integrated Management System. Also attended the MSPO SCCS Auditor Training.
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</p>	Conducted more than 100 mandays of MSPO audit under the capacity of Lead Auditor and Auditor with several Certification Bodies in Malaysia.	Currently a freelance MSPO Auditor since May 2019 and has been conducted auditing in relevant areas of palm oil plantation & mill.

	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.		
General	A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language	. A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language	Have a good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia and English Language.

Details of Certified Entity (Single Certification)

1. ESTATE INFORMATION:

Category of the listed organisation is Organized Smallholders

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 Organized Smallholders

NAME OF UNIT	CERTIFIED AREA (HA)	PLANTED AREA (HA)	FFB TON/ YEAR 2021	YIELD TON/ YEAR
ZHENXING ENTERPRISE SDN BHD	85.26	85.26	1132.63	13.28
TOTAL	85.26	85.26	1132.63	13.28

Appendix 1: Location and Field Map



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

www.cciglobe.com

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 2/Recertification Assessment Visit

Audit objective:

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

Job code	MS22SM 474	Lead auditor	Mr Syamil Salleh (ML)
Scope of cert.	Part 3 : Provision Of Planting And Harvesting Of Fresh Fruit Bunches (FFB) By Oil Palm Plantation	Team member	Mr Zahin Zaidi (ZH)
Management std	MS2530:2013 Part 3	Trainee Auditor	-
Revised No.	01	Witness Auditor	-

Audit scope

- a) The assessment will be carried out on the client's MSPO management system documentation
- b) 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;
- c) 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
25 July 2022 Day 1	0930	ML/ZH	Introduction by client Opening meeting		
	1000	ML	Site Visit : Zhenxing Enterprise Sdn Bhd	Fertiliser store, SW Store, Chemical store, harvesting, spraying, line site. Office, stakeholder premises	

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

		ML	gas Criterion 5: Natural water resources 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	4.5.5 4.6 4.6.1 4.6.2 4.6.3 4.6.4
	1600	ML	Report Preparation		
	1700	ML/ZH	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:			Name of Auditor/s:		
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	
2	Has the company conducted the internal audit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	
3	Has the company organized Management review meeting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	
4	Has the company provided transparent information on the company's operations for the public access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	
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	
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	
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"/>	0	
3	Has the company resolved any complaints or grievances received from the stakeholder?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	
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"/>	0	
			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	
6	Is there is any COVID 19 cases in the premise area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	
C. Economic Aspect			No = 1 Yes = 0		
No	Questionnaire	No	Yes	Rating	Remark
1	Has the company have long term financial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	

	management plan?				
2	Is there a system in place to monitor the implementation of the management plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	
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	
2	If yes, is there any effort to protect it?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	

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 Select
Please specify for Others

NOTE:

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

AUDIT CHECKLIST			
Verification of previous visit			
Certificate Number	MYMS512206749	Expiry Date	30/11/2025
Stage of Previous Audit	Surveillance Year 1	Date of Audit	9/8/2021
No of Findings	0 Non-Conformance/s	3 Observation/s	
Status/ Remark	Review of the previous report and CAR Form confirms that the issue has been closed accordingly		
Verification of MSPO Logo			
Review of the documents and physical observation confirms that the Company does not bear MSPO Logo in any of its official documents and signages.			
P1: Management Commitment & Responsibility			
Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy		
Indicator	Requirement	Findings	
4.1.1.1	A policy for the implementation of MSPO shall be established	Conformity	
The Management has established the "MSPO Policy", signed by the Managing Director on 6/7/2020. The document expresses the Company's commitment towards providing resources and initiatives in upholding the sustainability of its oil palm plantation business through the compliance of the MSPO standard requirements made applicable to them.			
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	Conformity	
It was noted that the policy as cited in 4.1.1.1 also dedicate heavy emphasis towards continual improvement by providing sufficient resources in manpower, processes and technology in order to ensure the continuous production of oil palm products in a sustainable manner.			
Criterion 2	Internal Audit		
Indicator	Requirement	Findings	
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	Conformity	
<p>Document name: Internal Audit Procedure</p> <p>Document reference number: PR-1</p> <p>Effective date: 6/7/2020</p> <p>Key content: Internal audits shall be conducted annually.</p> <p>Satus of Internal Audit for the year 2022 cycle:</p> <p>Internal audit date: 8/7/2022</p> <p>Internal auditors: Mr Ho Chin Wai</p> <p>Audit report: Available - sighted, reviewed and verified</p> <p>Findings: 0 NCR, 0 OBS, 0 OFI</p>			

4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action	Conformity
Findings from the internal audit were documented in the "MSPO Internal Audit Report" dated 8/7/2022. Citing 4.1.2.1, no identification of root causes were being made since no NCR's being raised during the audit.		
4.1.2.3	Report shall be made available to the management for their review.	Conformity
All findings arising during the audit were tabulated and presented in the "Management Review Meeting" that was held on 8/7/2022.		
Criterion 3	Management Review	
Indicator	Requirement	Findings
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Conformity
It was noted that the Management has organised a "Management Review Meeting" on 8/7/2022. Its meeting minutes were reviewed and verified, The meeting was chaired by the Director and attended by a total of 6 meeting members. Review of the minutes confirmed that apart from internal audit report, the Chairman also discussed about the Company's business and operational performance for the year 2021 and 2022.		
Criterion 4	Continual improvement	
Indicator	Requirement	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Conformity
The Company's Continual Improvement Plan was reviewed and verified. It was noted that the document is inclined towards promoting and embracing the values of MSPO as a whole; as well as putting a heavy emphasis to continual improvement in the Estate's daily operations.		
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.	Conformity
It was noted and verified that any intentions or plans to adopt new information, techniques, industry standards or technology are incorporated into the above-mentioned plan for consideration and deliberation.		
Interview with the Management Representative indicated that due to financial prudence and low level of operational sophistication, the top-level Management is in the view that adopting new methodologies, techniques or technologies is economically and practically not feasible at present. However, the Company is open and ready to accept such assimilation once the situation deems fit.		

4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	Conformity
Per findings made in 4.1.4.2, there is no training being made available at present.		
P2: Transparency		
Criterion 1	Transparency of information and documents relevant to MSPO requirements	
Indicator	Requirement	Findings
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	Conformity
Such requirement and commitment was being expressed through the "Prosedur Komunikasi dan Perundingan". Details of the document were summarised as follows: Document name: Prosedur Komunikasi dan Perundingan Document no.: PR-4 Effective date: 6/7/2020 Key content: Any information requested by any stakeholders can officially be made through the submission of the Suggestion and Feedback form It was observed that the Suggestion and Feedback form was being made available and accessible by the Management at the office. According to the above mentioned document, several non-confidential documents that can be disclosed publicly include, but not limited to, the following: 1. List of Stakeholders 2. Minutes of Stakeholders meeting 3. Management minute of meeting (MRM) 3. Minute of safety and health committee 4. Comment from external stakeholder 5. Complaint Investigation report. 6. Record of information provided to stakeholders 11. Complaint and grievance 12. Procedure for communication 13. Continues Improvement plan. 14. HCV Report.		

4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Conformity
<p>It was noted and verified that all MSPO Documentations are being kept in the office and secured by the Manager. Visual observation indicated that sufficient information has been publicly displayed and, among those are related to policies which were made available at the office.</p> <p>The Management Representative advised that other non-confidential information can be obtained upon request.</p>		
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
<p>Document name: Prosedur Komunikasi dan Perundingan Document no.: PR-4 Effective date: 6/7/2020 Key content: procedures and mechanisms to conduct stakeholders consultations, manage complaints and grievances through stakeholders meetings and complaint form</p>		
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
<p>The management has appointed Ms Liew Poh Lee as the Communication Officer for the Estate. Sighted the appointment letter dated 7/7/2020. Based on the interview with the PIC, it was concluded that she is aware of the appointment and able to describe her duties accordingly.</p>		
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
<p>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.</p> <p>OFl: The Management may consider extending the list of stakeholders so as to recognising major government agencies such as LHDN, Royal Customs, MPOCC, MOH etc as a part of the Company's external stakeholders.</p>		
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).	Select
<p>The Management has established and maintained the "Traceability Procedure" in order to ensure the traceability element of its oil palm plantation operation is upheld at all times. Details of the document were as follows:</p> <p>Document name : Traceability Procedure Document No. : PR-5 Effective date: 6/7/2020 Key content : step-wise procedures in establishing audit trails for field upkeep, tool management, FFB harvesting activity, FFB loading and FFB weighing.</p>		

4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	Select
<p>Interview with the Management Representative was being made to test, confirm and verify the traceability process from harvesting FFB - picking - transportation - Oil Mill. 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.</p>		
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	Conformity
<p>The management has appointes Mr Liew Choon Leong as the Traceability Officer for the Estate. Sighted the appointment letter dated 7/7/2020. Based on the interview with the PIC, it was concluded that he is aware of the appointment and able to describe his duties accordingly.</p>		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	Conformity
<p>The following documents of a single FFB sales consignment were being sampled, reviewed, tested and verified:</p> <ul style="list-style-type: none"> i) Weighing Bridge Tickets ii) Delivery Order to the Mill iii) Daily Harvesting Record <p>It was noted that the Management was able to establish a complete audit trail across the supply pipeline. It was also observed that the consignment weight values across the transportation process were consistent, with an exception being made due to standard and systematic value errors; and mill rejects.</p>		

P3: Compliance to legal requirements		
Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
4.3.1.1.	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations	Observation
<p>The following legal documents were reviewed and verified during the audit:</p> <p>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</p> <p>Windfall tax payment remitted accordingly</p> <p>Quit Rent payment remitted accordingly</p>		
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	Conformity
<p>List of legal requirement register was being made available during the assessment.</p> <p>Seen the List of Laws and registered for: -</p> <p>1 Safety & Health</p> <ul style="list-style-type: none"> - Akta Keselamatan Dan Kesihatan Pekerjaan, 1994 - Fire Services Act 1988 - Akta Kilang Dan Jentera 1967 (Akta 139) <p>2 Employee</p> <ul style="list-style-type: none"> - Employment Act 1955 - Minimum Wages Order 2018 - Workers Minimum Standard of Housing and Amenities Act 1990 - Employee Provident Fund Act 1991 <p>3 Environment</p> <ul style="list-style-type: none"> - Akta Kualiti Alam Sekitar 1974 (Akta 127) - Akta Solid and Public Cleasing Management Act 2007 - Akta Perkhidmatan Bomba 1988 (Akta 341) <p>4. Pesticides</p> <ul style="list-style-type: none"> - Pesticides Act 1974 - Pesticides (Labelling) Regulations 1984) <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 - National Land Code 1965. - Akta Pencegahan dan Pengawalan Penyakit Berjangkit 1988 		
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Conformity
Review of the document as cited in 4.3.1.3 indicated that the legal requirements register is up-to-date and currently enforceable.		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Conformity
The Management for each supply base has established Ahli Jawatankuasa MSPO respectively. Review of the organisation charts confirms that specific officers were being assigned to each of every key MSPO pillars.		
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users	Conformity
<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>		
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> <p>i. No hakmilik : 237282</p> <p>No Lot : 2814</p> <p>Ha: 10.8126 ha</p> <p>Area: Mukim Sedenak</p> <p>Category land of use : NIL</p> <p>Term of use : Nil.</p> <p>ii. No hakmilik : 18676</p> <p>No Lot : 3582</p> <p>Ha: 21.4104 ha</p> <p>Area: Mukim Senai-Kulai</p> <p>Category of land use : Nil</p> <p>Term of use : Nil</p>		

4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Conformity
It was noted that the Management is aware of its legal boundary stones surrounding its establishment. Field maps depicting the boundary stone locations were also reviewed and verified. Observation during the previous assessment cycle's field walkabout confirms this finding.		
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
Interview with the Management Representative indicated that no land ownership dispute arose thus far.		
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
<p>It was noted and verified that the Company has established its Social Impact Assessment 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.</p> <p>Several key areas addressed in the report include, but not limited to, the following:</p> <ol style="list-style-type: none"> i. Verbal briefing will be provided to enhance knowledge and awareness of MSPO among the relevant stakeholder. ii. Reviewing on the wages and employment would be carried out if necessary. iii. Continuous briefing will be provided to the workers to ensure they are aware on the best practices. 		

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
<p>The "Complaint Procedure" was being established to address this matter. Details of the document are as follows:</p> <p>Document name: Complaint Procedure Document no.: PR-8 Effective date: 6/7/2020 Key content: Step-wise mechanisms in handling a verbal/written complaint.</p>		
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
<p>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.</p>		
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Conformity
<p>It was noted that a complaint book and box was being made available and accessible by both the internal and external stakeholders.</p>		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	Conformity
<p>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.</p>		

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 since the year 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 Occupational Safety and Health Policy for the Company, signed by the Managing Director on 1/2/2019 was sighted and verified. Review of the document indicated that the Management is aspired to ensure the following:		
<ol style="list-style-type: none"> 1) Safety Systems are clearly formulated, established and maintained 2) Employees are trained in empowering their competencies and safety awareness 3) Compliance with current, applicable legislations, regulations and approved codes of practices 		
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 1/2/2019 was sighted and verified. Review of the document indicated that the Management is aspired to ensure the following:		
<ol style="list-style-type: none"> 1) Safety Systems are clearly formulated, established and maintained 2) Employees are trained in empowering their competencies and safety awareness 3) Compliance with current, applicable legislations, regulations and approved codes of practices 		
b) The risks of all operations shall be assessed and documented		Observation
<p>HIRARC:</p> <p>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.</p> <p>NRA:</p> <p>It was also noted that the Management has conducted Noise Risk Assessment in accordance with ICOP across all supply bases individually. The assessment reports for each sampled supply base were reviewed and verified.</p>		

<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i) all employees involved shall be adequately trained on safe working practices; and ii) all precautions attached to products shall be properly observed and applied. 	Conformity
<p>No training on safe chemical handling being conducted for the year 2022 thus far since no chemical spraying activities took place since 2021. This is mainly attributed to severe manpower shortages.</p>	
<p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	Conformity
<p>It was noted that all workers were being provided with appropriate and adequate PPE according to their natures of work. Visual observation during field walkabouts confirms this discovery.</p> <p>All PPE's are being issued and replaced free-of-charge.</p>	
<p>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.</p>	Conformity
<p>Document name: Chemical Handling Procedure Document no.: PR4-1 Effective date: 6/7/2020 Key content: all required steps when conducting activities for chemical handling such as storage, purchasing, mixing, disposal of the empty pesticide container etc.</p>	
<p>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.</p>	Conformity
<p>The management has appointed Mr Liew Chon Hee as the Safety & Health Officer for the Estate. Sighted the appointment letter dated 7/7/2020. Based on the interview with the PIC, it was concluded that he is aware of the appointment and able to describe his duties accordingly.</p>	

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 2/6/2022. 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
<p>"SOP Pelan Tindakan Kecemasan" outlines the following matters:</p> <ol style="list-style-type: none"> 1) Fire Emergency Procedure 2) Emergency Response for Chemical Spill 3) Emergency Response for Medical Emergency 4) ERP – Field Accident <p>The following were observed during the audit:</p> <ul style="list-style-type: none"> - Emergency Eye wash and shower is available - Emergency response plan available at all critical area (pesticides store, fertilizer store, etc.). Spillage kit available in the chemical store. - Safety Briefing Provided to the Visitors - Emergency Assembly Point Available near the office. - Fire Extinguishers are available at chemical and fertilizer store, office, workshop, workers quarters. 	
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>The Management is in the midst of requesting BOMBA for a first aid training, following the unsuccessful training programme that was supposed to be held in 2021 due to the COVID-19 pandemic outbreak and MCO.</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 2021. The submission of the JKPP8 report bearing reference number JKPP 8/115240/2021 was sighted, reviewed and verified. It was noted that the report was submitted on 8/7/2022.</p> <p>OBS:</p> <p>It was noted that the JKPP 8 report as cited above was being submitted grossly later than the 31st January 2022. The Management shall therefore consider revising its report communication management system so as to eliminating the risks of violation the Regulation 10 of the NADOPOD Regulations 2004; OSHA 1994.</p>	

Criterion 5	Employment conditions	
Indicator	Requirement	Findings
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees	Conformity
"Social and Human Rights Policy" was established on 1/3/2019 and was appropriately communicated through notice board display and briefings. A good level of awareness among the employees and external stakeholders were observed, confirming the effectiveness of the policy communications.		
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
Visual observation and 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
It was noted that the employees were being legally paid and in accordance with their contract agreements. Several sampled payslips were reviewed and verified. No unlawful deductions were made. Other legal deductions such as EPF and SOCSO contributions were clearly been communicated on the payslips.		

4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee	Conformity
No contract engagement was being made for the year 2022.		
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
All extraordinary and overtime works were being communicated and compensated lawfully. Such acknowledgements were being communicated through the monthly salary slips. The sampled payslips were being reviewed and verified.		
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements	Conformity
Refer to the findings made in 4.4.5.3 and 4.4.5.8.		
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
In reference to the contract agreements, the following benefits were offered by the Management to its employees:		
<ol style="list-style-type: none"> 1) hospitalisation leave 2) sick leave 3) housing 4) annual leaves 5) medical expenses 		

4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	Conformity
No on-site labour lines were being provided since all employees reside at nearby villages.		
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace	Conformity
<p>Document name: Social Policy</p> <p>Effective date: 1/3/2019</p> <p>Key content: strict, expressive intolerance against all forms of sexual harassment and violence at the workplace.</p>		

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 in the Policy cited in 4.4.5.1		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	Conformity
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 2022.		
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
It was noted and verified that the Company has established the Environmental Policy on 6/7/2020 and approved by the Director. No changes were being made towards the policy thus far. The gist of the policy is as follows:		

<p>a) Comply with all legal requirements</p> <p>b) Increasing awareness in environmental consideration when exercising field works</p> <p>c) Improve efficiency in energy use and waste generation</p>		
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives.</p> <p>b) The aspects and impacts analysis of all operations</p>	Conformity
<p>The management has documented an Environmental Aspects and Impact Assessment (EAIA), developed in-house. The assessment covers a total of 16 locations/activities including the following;</p> <ol style="list-style-type: none"> 1. Poisoning woodies 2. Field chemical premixing 3. Pruning stacking & harvesting 4. Slashing FFB stalk <p>Details of a sampled EAIA entry are summarised as follows: Activity: Pengendalian simpanan dan pelupusan bekas terpakai Environment Aspect: Tong racun terpakai Environment Impact: Pencemaran tanah Existing Control: SOP Handling empty container.</p>		
4.5.1.3	<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>Per finding in 4.5.1.2, the EAIA form has incorporated the mitigative measures to address all environmental aspects-impacts identified earlier.</p>		
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan</p>	Conformity
<p>Review of the EAIA form indicated no positive impacts being identified during the assessment. Therefore no such programme has been made thus far.</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>It was noted that the employees have attended the Environmental and Chemical Handling Training on 1/3/2022. The training records and attendance list were reviewed and verified.</p>		
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed</p>	Conformity
<p>It was noted that the Management has organised the Environmental Meeting on 2/6/2022. Minutes of the meeting were reviewed and verified. The Meeting was chaired by Mr Liew Choon Ping and attended by another 4 members. The key salient points of the discussion were mainly revolving around environmental consideration when carrying out duties in the field.</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
A record on consumption of non-renewable energy has been adequately maintained by the management. Records were available for FY2020 and 2021. Review of the document indicated that the Management charts and communicate the data in forms of tabulation as well as graph.		
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
Discussion with the Management Representative indicated that the Company computed the consumption estimates based on the average consumption in the past months and years.		
4.5.2.3	The use of renewable energy should be applied where possible	Conformity
Visual observation and document review confirm that the Management does not harness any forms of renewable energy as of the day of audit.		
Criterion 3	Waste management and disposal	
Indicator	Requirement	Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Conformity
It was noted and verified that the waste product and source of pollution has been identified and recorded in waste management plan (scheduled waste, Domestic waste and Waste from estate).		
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	Conformity
Sighted resource utilization and recycling of potential waste as nutrients are from waste generated from harvesting activities.		

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

b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities	Conformity	
No natural waterways traversing through the estate's establishment.		
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	
The establishment of the soft grasses in the Estate was dedicated predominantly to collect rainwater for effective palm tree irrigation, nutrient uptake and soil moisture conservation.		
d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	Conformity	
No natural waterways traversing through the estate's establishment.		
e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	Conformity	
No riparian areas established in the estate's establishment.		
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	Conformity	
There is no bore well in use.		
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Conformity
It was confirmed that no bunds, weirs and dams were being constructed.		
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
It was observed from the field visits, rain water were collected for spraying purposes by mean of silt pits and road side drains.		
Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area	
Indicator	Requirement	Findings
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:	
a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.	Conformity	
Refer to Biodiversity Report dated 06/07/2020 prepared by Consultant NOVO and sighted the identification of the species such as monkey, snakes, owl, squirrel and birds as below:		
1) Babi Hutan - Status IUCN: LC		
2) Monyet - Status IUCN; LC		
3) Biawak - Status IUCN: LC		
4) Ular Senduk - Status IUCN: LC		
5) Ayam Hutan - Status IUCN: LC		
6) Burung Wak-wak - Status IUCN:LC		

b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.		Conformity
The Biodiversity Report has incorporated the management plan to conserve the biodiversity. The plan was sighted and reviewed during the audit.		
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
The management has taken appropriate measures to control any illegal activities by displaying signages that prohibit hunting which were verified during field visit. The signages have been satisfactorily maintained.		
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts		Conformity
A management plan was developed, established and effectively implemented. Document relating to the above was available. Refer to 4.5.6.2 (a)		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	
Verified the management plan and plan for the discouraging the illegal hunting and fishing activity by display the signanges.		
Indicator 7	Zero burning practices	
Indicator	Requirement	Findings
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	Conformity
The management has established Zero Burning Policy which incorporated the management's comittement to zero burning practice.		

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 open burning approval has been sought by the management. Not applicable during the time of audit assessment.		
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 open burning approval has been sought by the management. Not applicable during the time of audit assessment.		
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 the management the estate not yet conducted replanting.		
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
SOP (Operational manual) that has been established are: 1. Menuai dan Mengakut BTS ke Pentas Buah 2. Menebas dan Mencantas Anak Kayu 3. Membaja 4. Pengurusan Rumpai 5. Mengangkut BTS ke Pusat Pengumpulan Buah (Ramp) 6. FFB Loading		
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	Conformity
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 Company's Business/Management Plan was reviewed and verified. It was noted that the document established cost and revenue projections from 2020 to 2025.		

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
The Management has established "Replanting Programme Plan" across all estates.		
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 the document as cited in 4.6.2.1 indicated that the Management considers the following elements: i) Yield forecast ii) OPEX III) CAPEX iv) Contingencies v) 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 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
It was verified that the pricing mechanism for each procurement activity was clearly and transparently communicated through quotation documents of different forms.		
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner	Conformity
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
No active contract engagement is made during the current period of review.		
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Conformity
No active contract engagement is made during the current period of review.		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	Conformity
No active contract engagement is made during the current period of review.		
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
No active contract engagement is made during the current period of review.		

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	Select

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

Audit Findings

During the assessment_0_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.