

PRIMA CERT INTERNATIONAL SDN BHD (1107878-A)

5A, Jalan Anggerik Eria AU 31/AU
 Kota Kemuning, 40460 Shah Alam
 Selangor, D. E. Malaysia
www.pci.com.my / +603-5525 8359)

**MSPO Audit Summary**

Company Name:	Kota Pinang Sdn Bhd
Address:	Lot 43, Mukim Tanjung Tualang, Daerah Kinta, Perak
Reference No.:	100037
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	<ol style="list-style-type: none"> 1. Kota Pinang Sdn Bhd – 502916602000 2. Kota Pinang Sdn Bhd – 502520902000 3. Petralman Sdn Bhd – 503015602000 4. Sesenduk Air Sdn Bhd – 502521702000
MPOB licence scope of activity:	<ol style="list-style-type: none"> 1. Menjual dan mengalih FFB. 2. Menjual dan mengalih FFB. 3. Menjual dan mengalih FFB. 4. Menjual dan mengalih FFB.
MPOB Licence expiry date:	<ol style="list-style-type: none"> 1. Kota Pinang Sdn Bhd – 31/07/2020 2. Kota Pinang Sdn Bhd – 30/06/2020 3. Petralman Sdn Bhd – 31/03/2020 4. Sesenduk Air Sdn Bhd – 30/06/2020
Audit Type:	<input checked="" type="checkbox"/> Stage 2 Audit <input type="checkbox"/> Surveillance Audit <input type="checkbox"/> Re-certification Audit
Audit scope:	Group management of oil palm plantations.
Sites sampled: (for group certification only)	<ol style="list-style-type: none"> 1. Kota Pinang Sdn Bhd 2. Sesenduk Air Sdn Bhd 3. Petralman Sdn Bhd

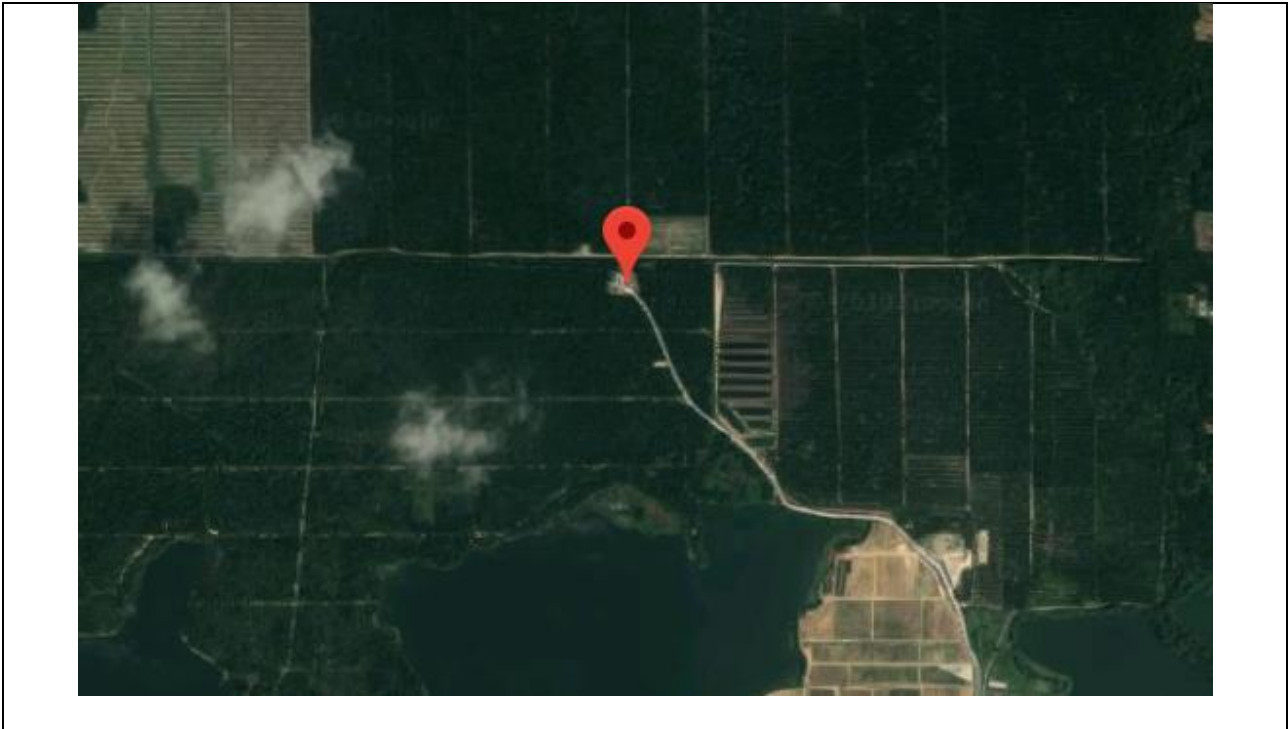
GPS Coordinate:	<ol style="list-style-type: none"> 1. Kota Pinang Sdn Bhd – 4 16'05.3N, 101 01'00.8E 2. Kota Pinang Sdn Bhd – 4 16'05.3N, 101 01'00.8E 3. Petralman Sdn Bhd – 4 142'99.1N, 101 196'95.3E 4. Sesenduk Air Sdn Bhd – 4 142'99.1N, 101 196'95.3E
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Map showing approximate location of certified entity:

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Audit date:	07/05/2019 to 09/05/2019
Total number of man-day(s):	6.0 man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input checked="" type="checkbox"/> Not applicable 985.01 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable mt.
(for MSPO Part 4) Estimated processing capacity: Estimated certified palm oil (CSPO): Estimated certified palm kernel (CSPK):	<input checked="" type="checkbox"/> Not applicable mt. FFB/hour mt./hour mt./hour
(N/A for Stage 2 & Re-certification assessment) Date of certificate issued and validity	<input checked="" type="checkbox"/> Not applicable dd/mm/yyyy to dd/mm/yyyy
Please state if the organization certified for other sustainability scheme(s)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, _____

Executive Summary

KPSB had adopted the MSPO certification scheme with the signing of the MSPO Policy on 1st November 2018 by its Managing Director Mr Yong Toi Mee. This commitment was evident with the prominent display of the mill MSPO Policy on the implementation of MSPO in the camp area and strategic locations throughout the plantations. A Management Review meeting had been conducted on 28th February 2019 to discuss findings of the internal audit carried on 28th January 2019. For TTD, there were 3 CARs, 23 OFIs

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with 4 Good Points identified while for TRD, there were 8 CARs and 17 OFIs. All CARs were closed while OFIs still in progress of implementation. KPSB has prepared a total of 12 continual improvement plans, 6 each for the TTD and for the TRD. The continual improvement plans are related to living quarter condition, boundary marker and fire extinguishers at work areas (office and stores for fertilizer, oil & lubricant).

In terms of Transparency, KPSB has established its Consultation and Communication Procedure (KPSB—P2-2 dated 01/11/2018 signed by the Managing Director Mr Yong Toi Mee. Its identified stakeholders comprise Financial Institute, Secretary Audit Firm, Decision Maker, Palm Oil Miller, Supplier, Contractor, Regulatory, Neighbour (Local Communities). KPSB conducted its Stakeholders Consultation on 28th February 2019. The Traceability system (doc. no. KPSB-P2-2, Rev. 1.0, effective 01/11/2018) is in place and inspection is conducted every 3 months as per its MSPO Manual (paragraph 4.2.3). A supervisor in each Division is appointed a Traceability Officer by the Managing Director as seen in the appointment letter dated 1st November 2018.

The group management of KPSB is aware of legal compliance for its operation with evaluation records maintained by the Regulatory Requirement Monitoring Officer appointed on 01/11/2018. KPSB has 60-year land lease for all its plantations: the land lease for TTD will expire in 2062 while that of TRD will expire in 2054, having been issued with a title in 1996. No dispute has been recorded in the land use of its holdings and the external boundary of both divisions is marked with iron bars.

KPSB identifies aspects in its social impact assessment procedure, some of which produce positive impacts. These include monetary, economy, education, training, infrastructure, community, benefit streams, safety & health, gender / diversification, human rights and the ecosystem. No significant negative impacts are identified that require immediate actions. The KPSB Complaint and Grievance Procedure (KPSB-P4-2, Rev. 1.0) was approved and implemented on 01/11/2018. A suggestion box and forms are made available at the estate office. Communication officers will handle the feedback to investigate and response to complainant. TTD recorded 4 complaints related to unstable power supply and condition of the road access. Only one complaint was received at the TRD regarding road conditions. Based on the records, appropriate actions had been taken. All complaint and suggestion records will be retained for 24 months as per the MSPO Manual (para 4.4.2). KPSB had shown itself to be a genial corporate neighbour by interacting with the local communities. Among its contribution to the local community were donations to a school's sports programme and a village housekeeping event as well as providing tools to a municipal worker.

The KPSB Safety and Health Policy KPSB-P4-3 Rev. 1.0 was approved by the Managing Director on 01/11/2018. The Safety and Health Policy is prominently displayed at office and living quarters for the benefit of the employees. The policy had been briefed to all employees during the presentation of MSPO Policies on 19/04/2019 at TTD and at TRD on 04/05/2019. The KPSB HIRARC Procedure (KPSB-P4-4) identifies hazards, risk analysis and risk control in connection with its plantation activities but has missed out the activities related to diesel tank and the office. With only 20 employees at TTD and 10 at TRD, a safety and health is not mandatory. The two-way communication maintained during the quarterly work safety briefing with attendance taken may be further improved by including a review of actions taken, accident records as well any environmental issues.

The KPSB Good Social Practice Policy (KPSB-P4-9 dated 01/11/2018) has been established and addresses non-discrimination. It opposes forced labour and child labour. Workers are entitled to medical benefit of RM1,000 per year and hospitalization benefits of RM2,000 per year. A manual recording system is used to record hours worked with supporting documents from supervisors to verify attendance and overtime.

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KPSB has a total of 30 local employees. Foreign workers are hired through a contractor who are provided free on-site accommodation. KPSB's Sexual Harassment and Violence Policy (KPSB-P4-10 dated 01/11/2018) had been briefed to all employees during the presentation of MSPO Policies on 19/04/2019 at TTD and at TRD on 04/05/2019.

Among some of the courses conducted in its Annual Training Plan 2018 and 2019 were Safety and Health Training, Chemical Handling, Manuring SOP, Spraying SOP, Harvesting SOP and FFB Evacuation SOP. The Estate Manager and the Assistant Manager are responsible for identifying any training needs. First aid training was also provided, attended by the foremen and clerk and all 3 received their certificates. Records of PPE issuance indicated KPSB had PPE available for its workers.

In its efforts on environmental monitoring, KPSB has in place its environmental policy (KPSB-P5-1 dated 01/11/2018). As a reflection of its group management approach, its Environmental Policy is the same for all divisions but differs in the masthead being specific to each division. KPSB has a total of 4 improvement action plans which cater to land use (boundary marking), estate operations (platform for the diesel skid tank) and 2 for health and safety (signage and the fire extinguisher). It was noted that KPSB had no report of any accident with a nil return to DOSH in 2018. However, a 2-way communication between management and employees would ensure a more robust implementation of reviewing accident records on a quarterly basis as well as other safety and health issues including environmental matters.

The KPSB Waste Management Procedure (KPSB-P5-3 Re. 1) covers both scheduled waste and non-scheduled waste. Three types of scheduled waste are listed: SW 305, SW 409 and SW 410. Non-scheduled waste is identified as single-use plastic products, aluminium cans, scrap metal, general wastes including food scraps. Domestic waste is disposed into an internal landfill within each division while other wastes depending on types are sold to a recycling contractor. Scheduled waste is sent to a collection centre at Kilang Kelapa Sawit Lekir (KKSL). KPSB sources its drinking water from Lembaga Air Perak water for washing is obtained from tube wells within the estates. Rainwater harvesting is in practice in the estates to supply water for washing at the office, quarters and the stores. Water analysis is carried out by Trinity laboratory Sdn Bhd and will be carried out annually.

The KPSB estimates for 2019 presents an optimistic projection of its operation and profits, taking into account its replanting programme set to begin in Dec. 2019 until 2023. The pricing mechanism for the purchase of FFB is defined in the FFB Computation 2019. The pricing mechanism is also stated in the FFB purchase agreement.

In general, the MSPO system is already in place and being implemented in the KPSB group of plantations.

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Clear and organize PPE issuance records by type of work and individual personnel.</i>
2.	<i>High Awareness of Work Safety (workers) and MSPO (staffs)</i>
3.	<i>Good housekeeping is maintained at Stores</i>
4.	<i>KPSB has the advantage of having access to the experience of other plantations established through networking with other plantations on achieving MSPO certification.</i>
5.	<i>Good working relations with an experienced and knowledgeable contractor for internal estate operations.</i>

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6.	<i>Training in estate operations is extended to include the harvesting contractor and his workers instilling a sense of belonging and contributing as a group</i>
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Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	Briefing records are maintained and the briefing topics related to MSPO Policies can be elaborated more in the attendance record.
2.	Root cause and corrective action is identified and can be more elaborated for better reference in future.
3.	Management Review meeting minutes is maintained and to review the format of Action column which include the status. Format can be separate Action column and Status column and also consider to include dateline of any action identified. to ease the follow up.
4.	To consider maintain any participation records of the activities related to new technology / method
5.	To consider monthly MPOB Report, JKPP quarterly report submission as part of information sharing to stakeholders.
6.	List of Stakeholder is established and to further review the stakeholders listed for school, masjid, temple etc with border consideration to ensure stakeholder feedback and need and expectation are considered and gathered. Topics covered during stakeholders are maintained and to consider maintained more detail information of the topics discussed for better reference in future and follow up if require.
7.	To consider include the feedback of action take to complainant and lead time to handle any feedback and complaint for more robust control of the process.
8.	To consider maintained the topics review and any action raised during the two-ways communication for clear reference in future and follow up if any.
9.	To consider plan the review of any accident on quarterly basis regardless of any accident to ensure more robust implementation.
10.	To consider identified any require training for employees who do not directly work at estate process (example, Supervisor, estate, clerk) using established Training Need Identification for more robust implementation.
11.	Fronds are noted to be disposed into the drains within the estate.
12.	The plumbing connection at the diesel skid tank should be monitored to reduce loss of fuel through leakage.
13.	Apart from the briefing on environmental issues at training sessions, a discussion in a meeting would provide another venue for 2-way communication.
14.	To review and consider polluting activities from waste types identified in Waste Management Procedure.
15.	VOPS noted under palms at Sesenduk Air estate indicating a need to improve collection of loose fruits.

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2	<i>There is lack of evidences</i> 1) <i>risk of activities related to diesel tank & office are assessed and not cover on HIRARC documents.</i> 2) <i>the communication of established Emergency Response Plan to all employees is conducted.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

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2.	4.4.4.11	The accommodation adjoining the building for storing lubricants and used oils should be relocated to a designated housing area with proper facilities.	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
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Stakeholder consultation summary

Any issues raised by the stakeholder(s) towards the company?	<input type="checkbox"/> Yes, issue: _____ <input checked="" type="checkbox"/> No.
Remarks: Based on interview with relevant stakeholders, they are satisfied with relationship and positive interaction with KPSB Group Management.	

Certification recommendation

In reference to **MS 2530-3:2013**, the audit team recommends for:

<input type="checkbox"/> Issuance of the certificate.
<input checked="" type="checkbox"/> Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
<input type="checkbox"/> Maintenance of the certificate.
<input type="checkbox"/> Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.
<input type="checkbox"/> Not applicable, due to extraordinary type of report.

Tentative next audit date:	05/2020
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Liew Wai Kuen
Position:	Estate Manager
Tel:	+6019-513 2445
Email:	info@kksl.com.my / wl.chan@kksl.com.my
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA consultant
Tel:	+603-5525 8359
Email:	info@pci.com.my
PCI Audit Team Member 1	
Name:	Lim Aik Loong
Position:	<input checked="" type="checkbox"/> Co-Auditor <input type="checkbox"/> Auditor-in-Training <input type="checkbox"/> Technical Expert <input type="checkbox"/> Observer <input type="checkbox"/> Other, please specify:
Area of expertise (N/A if observer & other)	Socio economic, management system, business management