

MSPO Audit Summary

Company Name:	Phoenix Perks Sdn Bhd
Address:	Lot 7, Block No.3, Batang Balingian, 96400 Mukah, Sarawak
Reference No.:	100040
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. 616301002000
MPOB licence scope of activity:	1. Menjual dan mengalih FFB
MPOB Licence expiry date:	1. 31/03/2020
Audit Type:	<input checked="" type="checkbox"/> Stage 2 Audit <input type="checkbox"/> Surveillance Audit <input type="checkbox"/> Re-certification Audit
Audit scope:	Provision of oil palm plantation, including planting, harvesting and delivery of palm fresh fruit bunches (FFB).
Sites sampled: (for group certification only)	n/a

GPS Coordinate:	2.952710, 112.530585
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Map showing approximate location of certified entity:



Audit date:	24/07/2019 to 26/07/2019
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Total number of man-day(s):	3.0 man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable 1355.32 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 20599.20 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

The management commitment and responsibility was manifested in the sighting of the PPSB MSPO Policy established on 1st Dec. 2018 by the Managing Director Mr Ngan Teng Ye. PPSB conducted its MSPO internal audit on 18th to 19th March 2019, the results of which were promptly discussed in the Management Review meeting also on 19th March 2019. The audit findings comprised 22 OFI's and 9 CAR's. All CAR's were closed by 15/06/2019. The Management Review covered inputs such as feedback from the Stakeholders Consultation, results of inspections on compliance with established traceability system, extent to which environmental objectives have been met, HBV assessment and monitoring, training needs and training status and training status and audit results and environmental performance.

To project its transparency, the PPSB Communication & Consultation Procedure defines types of communication as internal and external. Any requests relating to environmental, social, health and safety and legal issues are vetted for approval prior to the release of such information. Such requests are forwarded in the PPSB Information/Document Request Form.

PPSB conducted its Stakeholder Consultation on 23/01/2019 attended by 8 stakeholders comprising local community leaders, officers from government agencies, representatives from neighbouring estates and contractors and suppliers. Ms Rosemary Anak Rawing is the Communication Officer as per appointment letter ref. no. PPSB/BE/MSPO/(GEN)/2018/001 dated 01/12/2018 by the Managing Director. The PPSB Traceability Procedure is in place with the MSPO Traceability Officer appointed being Mr Belin Anak Rima.

PPSB ensures legal compliance through the appointment of Madam Nurfatihah Binti Zainal as the Legal Officer. She checks on the relevance of the PPSB list of legislation on the websites of authorities (such as DOSH and DOE) pertaining to legislation and conducts legal compliance

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evaluation. PPSB (Balingian Estate) is established on 1,428.10 hectares on State Land with a 60-year lease with effect from 14/09/2009 to 13/09/2069. A 5-meter wide ditch marks the perimeter boundary with the neighbouring SOPB plantation and the Kpg Suyong community. A buffer of State land forms a frontage with the Balingian-Bintulu highway. There has been no disputes with the local community since the establishment of the estate.

The PPSB Social Impact Assessment identifies both positive and negative impacts affecting community, welfare and environment. Positive social aspects are welfare, housing facilities and training for its staff and workers. Negative ones relate to environment and health & safety arising from the use of agro-chemicals.

For its Complaint and Grievance Procedure, PPSB has 2 suggestion boxes provided with complaint forms. In the one complaint received on 23/04/2019, the issue was resolved by 02/05/2019, within the time frame of 10 days as specified in the procedure for a resolution. Records of all complaints and grievances shall be kept for 24 months. The company is also engaged on CSR activities with the surrounding communities. These took the form of a donation towards the conduct of a local ritual 'Wai Pakah', incentive for primary school students, community service and assistance towards the volunteer fire-fighters).

PPSB displays its safety and health policy at the office as well as at the worker housing. PPE items issued out for plantation activities are entered in the PPSB (Balingian Estate) PPE Record Book. A Monitoring Sheet tracks the issue of PPE based on worker names and the types of equipment. HIRARC for the PPSB covers plantation activities such as unloading chemicals and fertilizers, spraying, nursery activities, FFB harvesting, manuring and administrative work in the office. A day earlier ahead of this Stage 2 Audit, it was noted that a worker injured his fingers for attempting to sort out equipment failure out in the estate. PPSB now had to review its HIRARC Register on Operating Heavy Machinery for in-field rectification.

The PPSB Annual Training Plan 2019 lists out 10 types of training, the course provider (whether outside or in-house), the target participants (such as local communities, contractors, foreign workers, staff or executives) and the planned dates for the courses. The PPSB Training Procedure also identifies training needs for its personnel (operational and administrative) with training provided in line with their respective job description.

The PPSB Good Social Practice Policy has been established on 01/12/2018 and is briefed to both employees and contractor workers during induction training. Workers (both locals and foreign) met during the site visit expressed satisfaction with their employment conditions. The PPSB staff check in for work by signing in an attendance book (check roll) while the field conductors record the attendance of foreign workers at the morning muster and at the end of the work day. Staff and workers enjoy medical benefits, bonus and salary adjustments according to employee performance and the estate financial position. Housing for workers is provided with electricity supplied from a generator. Water is sourced from rainwater harvesting, supplemented with water from the Mukah Water Board during dry spells. The PPSB Workplace Sexual Harassment &

Violence Policy was established on 01/12/2018 and communicated to the workers at the induction training.

PPSB adopted its Environmental Policy on 01/12/2018. Its Environmental Aspect and Impact Register highlighted 2 processes in estate operations with significant aspect rating such as chemical spraying (which spews out mist during spraying and generates empty chemical containers) and flooding which damages property. The further management controls for chemical spraying specify a continual search for environmentally friendly substitution and the cultivation of beneficial plants. To mitigate against flooding, PPSB will improve on its water management plan.

In terms of energy use, PPSB recorded a baseline diesel consumption of 7.07 litres per MT of FFB harvested for the period 2017 to 2018. For diesel usage in 2019 (Jan. to June), the average monthly diesel usage varies from 1.71 litres to as high as 3.10 litres per MT of FFB harvested. The higher diesel consumption maybe attributed to establishment works in progress as well as the gradually maturing palms.

The PPSB Waste Management Procedure identifies 2 types of waste: non-scheduled waste (such as domestic waste and recyclable waste) and scheduled waste (3 types generated by activities at the maintenance workshop, the office and from field operations such as chemical spraying). Currently, PPSB avails itself of the garbage collection service of the Mukah and Dalat District Council which charges RM55.60 per month for providing 2 units of 660-litre roll on-roll off bins for domestic waste. Scheduled waste is stored in a newly built facility. Due to the small quantity generated since November 2018 (0.4 MT of SW 305 and 0.04 MT of SW 410), PPSB has applied for an extension of storage time to DOE Sarawak.

Rainwater harvesting is widely practised in the Balingian Estate. The PPSB Water Management Plan provides a contingency during drought to purchase drinking water from the Mukah Water Board. The presence of water in the plantation is controlled and monitored through an estate-wide system of water level gauges in the network of drains, flood gates to control flooding from Sg Suyong, piezometer to monitor the level of the underground water table and a series of bunds and weirs across drains. A riparian buffer is maintained along the perimeter drain with a neighbouring estate and along the area of Kpg Suyong although no natural river flows through the Balingian Estate. Notices against fishing and hunting are posted at strategic locations along the boundary of the plantation.

PPSB maintains standard operating procedures for 23 processes in its plantation operations which include FFB Harvesting, Fertilizer Application, Chemical Store Handling, Chemical Spraying and FFB Transport. For ease of identification, a perimeter ditch demarcates the PPSB on the ground in addition to the road frontage and buffer with the Balingian-Bintulu highway. Each plantation block is indicated on the corner with a placard as are the networks of roads and drains. The PPSB FY2019 revised for June 2019 reflects a plantation slowly emerging from its establishment stage which involves high capital and operational expenses. As such profits have yet to manifest in the current projection until more areas of plantation mature. The planting material used is mainly

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AAR with some AAR-Felda and Felda. Fair pricing is based on the services provided by the contractor for harvesting, spraying (circle weeding & blanket) and manuring at an agreed rate per MT of FFB harvested or per acre.

In general, the MSPO system is already in place and being implemented in the PPSB Balingian Estate.

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Phoenix Perks Sdn Bhd has the advantage of support and monitoring by a central headquarters with wide business experience.</i>
2.	<i>The PPSB team in the management of the Balingian estate is young with great potentials to be developed into estate leadership.</i>

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>Policies displayed at the guard house maybe more effective if they were visible to the public. As of now, these are displayed inside the guard room.</i>
2.	<i>For HIRARC Register Item No. 11 Operating Heavy Machinery, consider to include rectification of failed parts under Activities to cater to in-field parts failure.</i>
3.	<i>Consider to update the list of scheduled waste generated to include SW 410 which is available in the Scheduled Waste store.</i>
4	<i>Better housekeeping maybe required to attend to the construction waste in the vicinity of the newly built storage buildings (Scheduled Waste store, Oils and Chemicals store).</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	<i>nil</i>	<i>nil</i>	<input type="checkbox"/> Open <input type="checkbox"/> Close

Stakeholder consultation summary

Any issues raised by the stakeholder(s) towards the company?	<input type="checkbox"/> Yes, issue: _____ <input checked="" type="checkbox"/> No.
Remarks: <i>The stakeholders are unanimous in perceiving PPSB as practising good governance, traceability and legal compliance and consider the Balingian Estate as a socially and environmentally responsible corporate neighbour.</i>	

Certification recommendation

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

<input checked="" type="checkbox"/> Issuance of the certificate.
<input type="checkbox"/> Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.

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<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:	07/2020
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Mew Lung Tsing
Position:	Consultant
Tel:	+60 17-2293113
Email:	ltm7089@yahoo.com
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA expert
Tel:	+603-5525 8359
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PCI Audit Team Member 1	
Name:	
Position:	<input 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)	
PCI Audit Team Member 2	
Name:	
Position:	<input 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)	