

MSPO Audit Summary

Company Name:	Paramount Enterprise Sdn Bhd
Address:	KM31, Bahau-Keratong Highway, Mukim Bera, Pahang.
Reference No.:	100054
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. 502643402000
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:	Palm Oil Plantation.
Sites sampled: (for group certification only)	N/A

GPS Coordinate: N 2°53'37.4" E 102°39'40.8"

Map showing approximate location of certified entity:



PRIMA CERT INTERNATIONAL SDN BHD (1107878-A)

5A, Jalan Anggerik Eria AU 31/AU
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 Selangor, D. E. Malaysia
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Audit date:	15/05/2019 to 16/05/2019
Total number of man-day(s):	3.0 man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable 358.77 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 8721.44 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 were manifested in the observation of the Paramount estate policy shared in common with Havys oil mill, both having the same Owner. Paramount estate conducted 2 rounds of MSPO internal audit from 29th to 30th January 2019 and 20th to 22nd February 2019 the results of which were discussed in the management review meeting on 22nd February 2019. A non-conformance (see NC 1 attached) noted was that there were no sighting of the correction, root cause and corrective action for the NCRs raised during the internal audit of 20th to 22nd February 2019. The Paramount Estate has an overall plan to upgrade mill facilities (stores, safety signage and waste disposal) as well as for the benefits of the staff and workers (staff development training, living quarters and parking lot). To keep itself up to date, Paramount Estate obtains information from POMA and tracks development in the industry through subscription of Asia Palm Oil Magazine and MPOB Monthly Bulletin.

As proof of its transparency, management documents (MSPO policies, MSPO principles, OSHA matters, company rules & regulations) are prominently displayed on the noticeboard in the office for the workers to read. Paramount Estate also shares information with external stakeholders through its Providence of Information SOP and the use of its Information Requisition Form. Its list of stakeholders consists of internal (top management, executive, foreign workers and contractor's workers) and external (government agencies, neighbouring plantation, local community, neighbouring palm mill and supplier). The Communication Officer is a general clerk Madam Nurul Farhanan Binti Mohd Isa appointed on 01/01/2019. A commendable practice observed is the adoption of the results of feedback from a questionnaire in a survey form tailor fit for different types of stakeholders. The results of the feedback are used as inputs in the Paramount Estate social impact assessment. Through its Traceable Supply Chain Policy, Paramount Estate observes the traceability procedure. The general clerk is the Traceability Officer appointed on 01/01/2019.

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Paramount Estate ensures compliance through its Regulatory Compliance Officer Mr Mohd Isa Bin Othman who reviews the legal register every month. The estate legal register comprises 9 sections pertaining to legislation related to plantation operations. In compliance to legal requirements, Paramount Estate has a 99-year leasehold on 4 parcels of land in a contiguous mass in Mukim Bera in the state of Pahang. The estate boundary is clearly demarcated with a perimeter ditch 8 feet deep with a neighbouring estate on the eastern side, the Sg Kelai along its NE-SW border, the high-tension cable right-of-way along its NW-SE border and the Bahau-Rompin Highway along its northern edge. There had been no land ownership disputes.

Where social responsibility was concerned, Paramount Estate refers all feedback in its stakeholder consultation as inputs for its social impact assessment. Action is identified and status is tracked. It's Complaint and Grievance Procedure has been established on 19/03/2019 and workers have access to complaint form available at the office front desk. Although no complaints had been received so far, the complaint procedure demands that records be kept for 24 months. The company is also engaged on CSR activities with the surrounding communities. These took the form of providing fertilizer at subsidised price to support smallholders, supplying them with free EFB and giving donations to mosques at the nearby FELDA settlements.

The company displays its safety and health policy at roll call area near the estate bungalow as well as at the estate office which it shared with Havys oil mill. HIRARC is conducted on 7 plantation activities with the use of chemical pesticide for spraying determined to have a high-risk rating. The control measure is by following SOP and the use of proper PPE. This is borne out in the PPE issuance records with coveralls and chemical gloves provided to workers in the spraying section. The training programme for 2019 (Jan to Dec) covers such courses as harvesting SOP and first aid. It was noted in the training record that a class on the use of PPE for spraying was conducted on 11/03/2019. Internal first aid training was conducted on 07/12/2018 involving personnel from both Havys and Paramount. The OSH Officer is Mr Mohd Isa Bin Othman, the assistant estate manager, appointed on 16/03/2019. His submission to DOSH on 04/01/2019 for accident statistics for 2018 indicated a nil return.

Paramount Estate Social and Human Right Policy has been established on 05/12/2018 and is communicated to all employees through display on the noticeboard at the office, weighbridge area, living quarters and at the entrance to the estate. Hiring of workers is based on competency while promotion and salary adjustment are linked to the annual appraisal. Currently, the lowest wage paid is RM1,100 that of the youngest worker on record at 24 years old. The "Time Manager" System is used to record hours worked with supporting documents from supervisors with the punch card as back up to verify attendance. Paramount Estate's Violence Prevention Policy was established on 18/03/2018 while its Sexual Harassment Policy was approved on 05/12/2018. These policies are communicated to the workers by prominent display at the estate office, weighbridge area, living quarters and entrance to the estate.

Annual Training Programme for 2019 is established with training needs analysis prepared for various positions. Training records are evident of several courses already conducted such as SOP on harvesting on 17/04/2019 and first aid on 11/03/2019.

Paramount Estate adopted Environmental Policy on 05/12/2018 with the policy displayed on the office noticeboard, the assembly area, quarters and canteen. Contractor workers have been briefed during induction training and also reminded during morning muster.

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In terms of energy use in plantation work, Paramount Estate receives its records from the diesel store for its consumption of diesel which include those of the harvesting contractor. Paramount identifies its waste as domestic waste and oil palm fronds. Domestic waste is disposed together with that of Havys Oil Mill into a landfill within the Paramount Estate. Palm fronds are wind-rowed between palm rows to provide mulching. Scheduled waste (used fertilizer bags and contaminated containers) are stored in the Havys Oil Mill scheduled waste store for eventual disposal by an environmentally certified contractor.

Paramount Estate's Water Management Plan defines its water usage in 3 categories: office, labour quarters and estate. Sharing with Havys Oil Mill, Paramount extracts its water from Sg Kelai, storing it in a reservoir for use in a drought. The riparian buffer is maintained along a tributary of Sg Kelai which dissects the estate. Two rows of palms on either bank planted by the previous owner are excluded from the plantation maintenance activities. Although Paramount estate does not identify any high bio-diversity area in its field, signage is available to warn off against fishing, hunting and open burning within the plantation.

Paramount Estate maintains standard operating procedures for its plantation operations which are in Bahasa Melayu for the benefits of its staff and contract workers. The Revenue and Expenses for Year 2019 presents an optimistic projection of its operation and profits. Fair pricing is defined in the agreement between Paramount and FFB transporters. In addition to the transport contractor, Paramount hires a harvesting and pruning contractor which provides foreign workers for plantation work. Payment to all the contractors is made within 11 weeks upon receipt of their invoices.

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

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Good methodology deploys for Stakeholder consultation and address by SIA.</i>
2.	<i>Small but dedicated team of staff and workers with access to in-house expertise within the Paramount-Havys organization.</i>
3	<i>Has the advantage of sharing many common facilities with Havys Oil Mill.</i>

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>To consider identify each plan stated in the Continual Improvement Plan's action with targeted completion date and person-in-charge to facilitate on follow up and monitoring.</i>
2.	<i>To consider month MPOB report, Monthly Custom (KDRM) Report etc as part of transparency of sharing information with stakeholders</i>
3.	<i>To consider further elaborate consultation and communication as per type of stakeholder, Person-in charge, method, frequency and any record retain for more consistent ongoing implementation.</i>
4.	<i>To consider track each block's production rate to identify any related issue and continual improvement.</i>
5.	<i>To consider define the inspection by personnel not involve in record update on log book and its interval in the existing procedure for more robust implementation.</i>
6.	<i>To consider maintain a formal record with detail of price, amount of deduction and number of deductions of any advance payment of air ticket fare for foreign worker to avoid any misunderstanding and miscommunication of the agreed arrangement.</i>

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7.	<i>To consider further breakdown / elaborated with Attention to quality of planting materials and FFB, Crop Projection with site yield potential, age profile, FFB yield trends, Cost of production (cost per tonne of FFB) based on existing yearly Pendapatan & Perbelanjaan.</i>
8.	<i>To consider to establish Contract Agreement Template with all require information including term and condition.</i>
9.	<i>To improve on the format of the minutes for better presentation of information and decision taken, PIC and date line where applicable (with regards to the safety and health committee).</i>
10.	<i>To better monitor implementation of the Environmental Management Plan, a column of the status could be included in the plan.</i>
11.	<i>It would be appropriate if environmental issues are deliberated in a committee meeting for better dissemination and understanding of environmental issues.</i>
12.	<i>To improve record keeping by providing a breakdown by estate and contractor machinery and a summary by year in comparison with the amount of FFB produced in the same period.</i>
13.	<i>To indicate sources of such waste in the Waste Management Plan and to review the mitigation plan (treatment measures) for used chemical container, pesticide packaging and chemical waste.</i>
14.	<i>To review and consider to include in the list of scheduled waste - spent or spilled chemicals as indicated in para 6.4 of the SOP regarding disposal.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.1.2.2	<i>Correction, Root cause and Corrective action is not sighted for the NCRs raised during Internal audit conducted on 20 Feb 2019 to 22 Feb 2019.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.4.5.5	<i>Lack of evidences Job description is established for employee P9009 (Mandore), Harvester, General Workers who are working at field.</i>	<input type="checkbox"/> Open <input checked="" 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>All the stakeholders were generally positive in their responses regarding the operational activities of the mill as well as the plantation. The external stakeholders among them were appreciative of the social contributions made by the 2 symbiotic entities (Havys and Paramount) towards the nearby communities in the area. A marked change noted in recent months was the posting of safety and environmental signage in the mill and the plantation.</i>	

Certification recommendation

In reference to **MS 2530-4:2013**, 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.

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Tentative next audit date:	05/2020
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Company Representative	
Designation:	<input type="checkbox"/> Mr. <input checked="" type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify: Dr
Name:	Debra Yap
Position:	Manager
Tel:	+60 18-376 0879
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PCI Audit Team Leader	
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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)	Management System, Best Practices