

**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](http://www.pci.com.my) / +603-5525 8359)

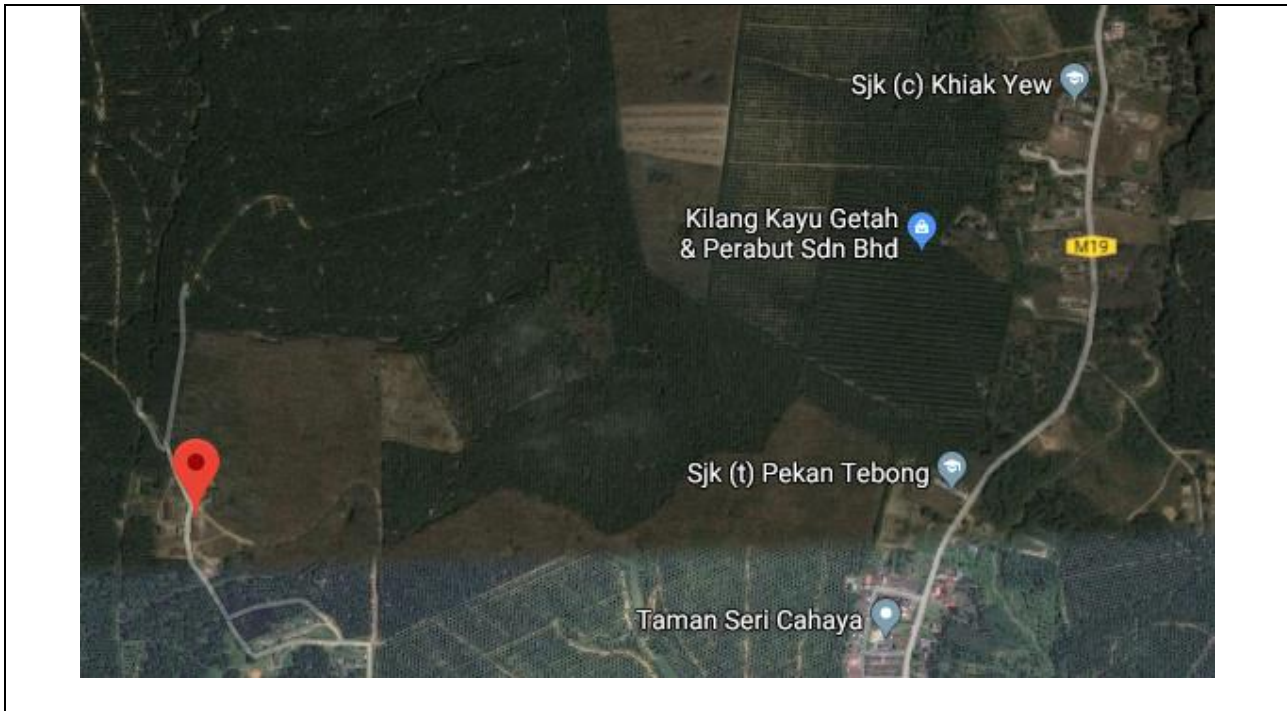
**MSPO Audit Summary**

Company Name:	<b>Ng Chong Geng &amp; Sons Sdn Bhd</b>
Address:	<b>153, Market Road, 34000 Taiping, Perak</b>
Reference No.:	<b>100061</b>
Standard(s):	<b>MS 2530-3:2013</b>
MPOB licence no: (for group certification, list all licences no. in the group)	<ol style="list-style-type: none"> <li>1. <b>Tebolang Estate</b></li> <li>2. <b>Simpang Estate</b></li> <li>3. <b>Eaglehurst Estate</b></li> <li>4. <b>Hurst Estate</b></li> <li>5. <b>Gunung Inas Estate</b></li> <li>6. <b>Foo Choon Estate</b></li> </ol>
MPOB licence scope of activity:	1.
MPOB Licence expiry date:	1. <i>dd/mm/yyyy</i>
Audit Type:	<input checked="" type="checkbox"/> <b>Stage 2 Audit</b> <input type="checkbox"/> <b>Surveillance Audit</b> <input type="checkbox"/> <b>Re-certification Audit</b>
Audit scope:	<b>Group management of oil palm plantations.</b>
Sites sampled: (for group certification only)	<ol style="list-style-type: none"> <li>1. <b>Eaglehurst Estate</b></li> <li>2. <b>Hurst Estate</b></li> <li>3. <b>Foo Choon Estate</b></li> </ol>

<b>GPS Coordinate:</b>	<ol style="list-style-type: none"> <li>1. <b>Tebolang Estate - N 2° 26' 26.527" E 102° 19' 36.037"</b></li> <li>2. <b>Simpang Estate - N 4° 50' 22.402" E 100° 41' 48.487"</b></li> <li>3. <b>Eaglehurst Estate - N 4° 58' 57.907" E 100° 43' 47.175"</b></li> <li>4. <b>Hurst Estate - N 4° 58' 57.907" E 100° 43' 47.175"</b></li> <li>5. <b>Gunung Inas Estate - N 5° 16' 12.043" E 100° 44' 18.387"</b></li> <li>6. <b>Foo Choon Estate - N 4° 58' 57.907" E 100° 43' 47.175"</b></li> </ol>
<b>Map showing approximate location of certified entity:</b>	

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Audit date:	<b>20/02/2019 to 22/02/2019</b>
Total number of man-day(s):	<b>5.0</b> man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable <b>1049.09</b> ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable <b>22,111.03</b> 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 type="checkbox"/> Not applicable <b>10/06/2019 to 09/06/2024</b>
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 observation of the NCG company-wide policy for the 3 estates audited (Eaglehurst, Hurst and Foo Choon). NCG conducted its internal audit from 19th Nov. to 24th Nov. 2018 which saw the following findings:

- 4 NCs for the Eaglehurst-Hurst-Foo Choon cluster
- 5 NCs for Gunung Inas Estate

- c) 9 NCs for Simpang Estate
- d) 4 NCs for Tebolang Estate

There was no evidence that these internal audit results were brought up for review at the management meeting. However, NCG had commendably 3 sets of continual improvement plans related to Health & Safety (15), Environmental (6) and Social (2). As a means to improve practices in line with new information, NCG participated in an Incorporated Society of Planters (ISP) North Perak Field Day on 28th Nov. 2018 which introduced the Crop Grabber. NCG eventually purchased a few units. An earlier seminar by ISP in August 2018 promoted a new fertilizer from Behn Meyer.

As proof of its transparency, management documents (MSPO policies, MSPO principles, OSHA matters, company rules & regulations) are prominently displayed at the office. MSPO related documents can be requested from the chief clerk at the estate office. NCG conducted its Stakeholders Consultation from Oct. 25 till Dec. 18, 2018, beginning with the Eaglehurst-Hurst-Foo Choon cluster. The company also maintained traceability for its FFB through monthly monitoring. The NCG Grievance Procedure is established and external stakeholders could write in. There was no record of any submissions, though.

In compliance to legal requirements, NCG has freehold ownership of all lots it occupies for the Eaglehurst Estate (21 lots), Hurst Estate (10 lots) and Foo Choon Estate (1 lot). The boundary of the individual estates is clearly demarcated with a perimeter ditch 8 feet deep. There had been no land ownership disputes since acquisition from the former rubber plantation owner.

The company is also engaged on corporate social responsibility activities with the surrounding communities. These took the form of a donation of zinc roofing sheets to the temple committee and support for the conduct of the ISP North Perak Field Day which was attended by representatives of neighbouring estates.

The company observed its safety and health policy rigorously with safety signage in prominent display at the estate office. PPE was also widely in use. There were 4 trained First Aiders in NCG – the field supervisor Mr Thiru, Mr Tan Teik Swan, Mr Rohaizal and Ms Punispari. First aid kits were available at the estate office and the store while the field supervisor and driver maintained one for field use. The JKKP 8 return form for 2018 indicated zero accident statistics. Workers met at the site expressed satisfaction with their assignments and had no negative issues with their wages. Overtime worked is recorded manually in an Overtime Book based on information from the Assistant Estate Manager. The NCG Training Matrix 2018 is established based on training subject versus job description. Among the training listed were First Aid Training, Safe Operating Procedures and Fire Drill.

NCG observed the Polisi Alam Sekitar, signed by the CEO Mr Hwang Cheong Synn on 1st Sept. 2018. The policy is displayed at the estate office. The NCG Waste Management & Disposal SOP-20 describes its waste as domestic waste (both recyclable and non-recyclable), scheduled waste, empty pesticide containers and empty fertilizer bags. Four types of scheduled waste were identified (SW 305, SW306, SW 409 and SW 410) but no disposal had been conducted yet due to

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insufficient volume and the storage time had not exceeded the 180-day limit. An action plan to reduce pollution and emission was to replace the use of weedicide and pesticides with mechanical grass-cutting. Rain water harvesting is widely practised with water tanks behind housing blocks to provide water for washing.

No endangered wildlife has been encountered in the estates except for macaques which are abundant and a cause of mischief and damage to the estate camp infrastructure. A total of 433 macaques had been transferred out of Eaglehurst Estate (main trapping location) to a distant forest reserve by the end of 2018.

**Listing of strength / strong point identified:**

No	Strength Statement
1.	Close management rapport with harvesting contractors & neighbouring communities including estate workers and staff
2.	Strong leadership display by an experienced General Manager with relation to field activities
3.	Recycling of used fertilizer bags as deterrent against browsing cows
4.	Innovative use of monkey cage to trap and relocate the macaques to a distant forest reserve
5.	Commendable effort in applying mechanical loading of FFB in the use of Hydraulic Grabber
6.	Continuous Improvement Plan is initiated base on various matters include social, environment and Safety & health.

**Listing of improvement potential / opportunities for improvement (OFI)**

No	OFI Statement
1.	Storage of harvesting sickles may be better improved by safe keeping in a designated area.
2.	Remove the unserviceable steel ladder at a hopper in Eaglehurst Estate and promote the safe use of the staircase for better workplace safety control.
3.	Consider an orderly segregation and storage of materials in the mechanical store for a better organised work place.
4.	Consider to display the MSPO Policy at a strategic location for better visibility and access for workers, staff and other stakeholders.
5.	The intentions to improve the mechanical workshop area and the change from chemical spraying to mechanical grass-cutting should be included in the environmental improvement plan to show management commitment.
6.	Consider to review in the Training Matrix and indicate a schedule to permit monitoring of implementation of courses conducted.
7.	Consider to include on environmental matters as an item in the discussion or in the agenda for the Safety & Health Committee meeting.
8.	Consider to improve domestic waste disposal with a record to monitor the amount disposed.
9.	The trapping and relocation of macaques may be better recorded in the Biodiversity Assessment form.

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10.	<i>The List of Stakeholders may be further reviewed to include the MPOB, DOE, JKPP, ISP and other authorities.</i>
11.	<i>To further review the write up of regular inspection against current monthly inspection during preparing monthly payment report to avoid confusion.</i>
12.	<i>To consider establishing Grievance Procedure (Interim SOP) and to consider control as per current MSPO SOP with document number, revision and date to ease the tracking of document change.</i>
13.	<i>To further review the established HIRARC related to activities of sending field workers using a trailer.</i>
14.	<i>To enhance competency control for any staff assigned on new task to ensure work place safety.</i>
15.	<i>To enhance the communication of any deduction of advance payment, union fee, 'Air (SAMB)' to employee to avoid any confusion.</i>
16.	<i>Enhance on housekeeping at the living quarters for better hygiene.</i>

**Listing of nonconformity (NCR)**

No	Clause	NCR Statement	NCR status
1.	4.1.2.2	<p><i>The MS 2530-3:2013 clause 4.1.2.2. stated the internal audit procedures and audit results shall be documented and evaluated, followed by identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action</i></p> <p><i>During the audit, it was noted</i></p> <ol style="list-style-type: none"> <li><i>the Corrective action stated on the CAR 01, CAR 02 CAR 03, CAR 04 raised during internal audit conducted on 19 Nov 2018 for Eaglehurst, Hurst, Foo Choon Estate is correction instead correction action to eliminate the cause of nonconformities detected.</i></li> <li><i>No evidence of CAR is raised for the nonconformities identified during Internal audits</i></li> </ol> <p><i>Gunung Inas Estate (20 Nov 2018) – 5 CARs</i>  <i>Simpang Estate (20 Nov 2018) – 9 CARs</i>  <i>Tebolang Estate (24 Nov 2018) – 4 CARs</i></p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.1.2.3	<p><i>The MS 2530-3:2013 clause 4.1.2.3. stated report shall be made available to the management for their review.</i></p> <p><i>During the audit, it was lack of evidences Internal audits report / result for 6 estates were reviewed by management.</i></p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
3.	4.1.3.1	<p><i>The MS 2530-3:2013 clause 4.1.3.1. stated the management review 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.</i></p> <p><i>During the audit, it was noted the management review conducted on 1 Sep 2018 and 1 Dec 2018 was not focus on MSPO implementation on its suitability, adequacy and effectiveness to define any changes, improvement &amp; modification. The management review only focus on</i></p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

		<i>Project completed, project in progress, future improvement, long term projects, management feedback.</i>	
4.	4.1.4.3	<i>The MS 2530-3:2013 clause 4.1.4.3 stated an action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable). During the audit, it was lack of evidence an action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) is available.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
5.	4.4.2.3, 4.4.2.4	<i>The MS 2530-3:2013 clause 4.4.2.3 stated a complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. The MS 2530-3:2013 clause 4.4.2.4 stated Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. During the audit, it was lack of evidence 1. established Grievance Form is available at premises and it is against the established Grievance Procedure stated to be make available at Guardhouse and estate office. 2. Employees are aware of the Grievance Procedure.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
6.	4.4.4.2, 4.4.6.1, 4.4.6.3	<i>The MS 2530-3:2013 clause 4.4.4.2 © stated an awareness and training programme which includes the following requirements for employees exposed to pesticides: The MS 2530-3:2013 clause 4.4.6.1 stated 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. The MS 2530-3:2013 clause 4.4.6.3 stated 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. During the audit, it was lack of evidence a training programme related to safety and health and training programme &amp; continuous training programme to ensure personnel competency are available.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
7.	4.4.4.2	<i>The MS 2530-3:2013 clause 4.4.4.2 (j) stated records shall be kept of all accidents and be reviewed periodically at quarterly intervals. During the audit, it was lack of evidence quarterly review related to accident is conducted.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
8.	4.4.5.1	<i>The MS 2530-3:2013 clause 4.4.5.1 stated the management shall establish policy on good social practices regarding human rights in</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

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		<p><i>respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</i></p> <p><i>During the audit, it was lack of evidence communication of established "Polisi Insan" to employees was conducted.</i></p>	
9.	4.4.5.5	<p><i>The MS 2530-3:2013 clause 4.4.5.5 stated 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.</i></p> <p><i>During the audit, it was lack of evidence all employees (including seasonal workers and subcontracted workers on the premises) records contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment is available.</i></p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
10.	4.5.4	<p><i>MSPO Clause 4.5.4.1 states "An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent"; while</i></p> <p><i>MSPO Clause 4.5.4.2 states "An action plan to reduce identified significant pollutants and emissions shall be established and implemented".</i></p> <p><i>During the audit, it was found out that there was no evidence of an assessment of the polluting activities. As such, the action plans to change from chemical weeding to mechanical grass-cutting and the disposal of scheduled waste through the use of eSWISS were not documented.</i></p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
11.	4.6.4.1	<p><i>MSPO Clause 4.6.4.1 states "Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information".</i></p> <p><i>During the audit, it was found out that there was incomplete documentation to show compliance of the contractor and his workers to MSPO requirements.</i></p>	<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: <b><i>Based on stakeholders consultation feedback, the stakeholders are satisfied and have positive relationship and good communication with the company.</i></b>	

**Certification recommendation**

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

<input type="checkbox"/> Issuance of the certificate.
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<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:	<b>06/2020</b>
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<b>Company Representative</b>	
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Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Gunendran A/L Kumarasamy
Position:	Asst. Estate Manager
Tel:	+6012-434 3281
Email:	

<b>PCI Audit Team Leader</b>	
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Name:	Dominic Retan Giah
Area of expertise	Forest plantation, environment, safety & health
Tel:	+603-5525 8359
Email:	<a href="mailto:info@pci.com.my">info@pci.com.my</a>

<b>PCI Audit Team Member 1</b>	
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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

<b>PCI Audit Team Member 2</b>	
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Name:	nil
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)	