

MSPO Audit Summary

Company Name:	Kejuruteraan Bina Optima Sdn Bhd (Ladang Optima)
Address:	Lot 26, 36, 2346, 2363, 2364, 2564, 5406, 2441 & 852, Mukim Lenga, 84040 Muar, Johor.
Reference No.:	100062
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. 504591902000
MPOB licence scope of activity:	1. Menjual dan mengalih FFB
MPOB Licence expiry date:	1. 31/10/2019
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:	2.183858, 102.814472
Map showing approximate location of certified entity:	
	

Audit date:	12/06/2019 to 14/06/2019
Total number of man-day(s):	3.0 man-day(s)

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(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable 534.814 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 440.02 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

This assessment was single site certification as palm oil plantation. Stage 1 audit was performed on 15/03/2019 & 16/03/2019 and total of 12 findings were highlighted during audit on documentation review and site walkabout. Stage 2 audit was conducted from 12/06/2019 to 14/06/2019 and improvement was sighted since last visit.

MSPO Policy was established on 16/11/2018 and displayed on the notice board / office. There was 1 Continual Improvement plan been established on upgrading drinking water quality at plantation by year 2020 at the moment during audit. Management review was performed on 24/03/2019, 18/04/2019 & 23/04/2019. However, internal audit was not effectively implemented as per NCR 1 of 7.

Stakeholder Consultation meeting was performed on 04/02/2019, 21/03/2019, 20/04/2019, 03/05/2019, 08/05/2019. MSPO information was communicated during meeting. There was suggestion highlighted by stakeholders and the organization was in progress to further review. List of stakeholders was also available. Traceability inspection was performed and recorded on 16/04/2019 as well.

The Legal register was available. The evaluation of compliance was performed and recorded on 16/05/2019. The land title for Lot 26, 36, 2346, 2363, 2364, 2564, 5406, 2441 and 852 were available. The organization applied for amendment of terms & condition stated for Lot 2364 & 2441 (rubber) and the local authority was in progress on application processing.

Social Impact Assessment Report dated 02/05/2019 was available. From the summary of assessment, establishment of estate didn't affect to the social issues within the surrounding area considering of size and capacity of plantation. The complaint / suggestion form was also

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established and available at notice board / office. No case was reported at the moment during audit.

Occupational Safety & Health Policy was established on 16/11/2018. Daily morning briefing was performed and recorded. Relevant MSPO information was communicated during briefing. HIRAC was performed for fertilizer, transportation, spraying, nursery seeding, harvesting, genset, RAM activities were assessed. However, lack of evidence that the risk of diesel tank handling and office operation activities been assessed and documented as per NCR 2 of 7. Chemical Register & CHRA were also not established as per NCR 3 of 7. No accident cases reported at the moment since 2018 and first safety & health committee meeting was planned to be conducted on 18/06/2019.

From the working contract for 4 employees (local & foreign) been sampled, there was no sight of any discriminatory practices at the moment during audit. Pay slip for 4 employees (May 2019) were sampled and meeting minimum wages accordance to legal requirement. There was no contractor engaged at plantation operation and Employees List including Job Description for manager, supervisors and general workers were recorded. There was no trade union among employees and young person below 18 years old employed at the moment during audit. Training Program 2019 was established. However, lack of evidence that training need assessment been performed a per NCR 4 of 7.

Environmental Policy & objectives were established. Environmental Aspect & Impact Assessment Register was established for maintenance, wastes management, harvesting, manuring, spraying, replanting. However, genset operation activities was not assessed as per NCR 5 of 7. Environmental related meeting was also not planned & conducted as per NCR 6 of 7. The diesel consumption from Jan – May 2019 was monitored periodically including fuel use by contractor (transport & machinery) operations. Currently no scheduled wastes generated and oil / containers were reused at the moment during audit. During onsite audit, it was found that cigarette butts and drink can wastes been thrown on the floor in front of quarters as per NCR 7 of 7. Water Management Plan was established. The estate was not considered as HBV area and it was also not applicable for burning practices at site at the moment.

Standard Operating Procedures (SOP) were established including environmental protection, replanting, fertilizer / pesticides handling, wastes handling and 'Amalan Pertanian Baik untuk Penanaman Sawit di Kawasan Berbukit'. Hilly terraces and planting of Turnera / Mucuna Bracteate were observed and there were no major soil erosion sightings. Products & services pricing mechanism of lading Optima and Business Plan of Ladang Optima were established including crop & financial analysis, SWOT analysis etc. Contract between ladang Optima and Hup Soon Trading (No: KBO/P/C/02/18) was sighted. The agreed rates for the sales of FFB were stated clearly in the contract. No new planting and only construction of replanting perimeter drain was in progress at the moment during audit.

Listing of strength / strong point identified:

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No	Strength Statement
1.	<i>The organization had established good rapport with the stakeholders and employees.</i>

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>Management review was performed and recorded. Further enhancement on clearer elaboration and conclusion for example results of communication & consultation with stakeholders, status of complaint & grievance if any, status of legal compliance, status of continual improvement action plan etc should be considered for better performance /output review purpose.</i>
2.	<i>Traceability inspection was performed and recorded on 16/04/2019. Further enhancement on recording clearer the main details in weighbridge tickets should be considered for better cross reference purpose.</i>
3.	<i>Legal Register was available. Further enhancement on elaborate clearer the status compliance for NADOPOD Regulations 2004 should be considered for better follow up purpose.</i>
4.	<i>MPOB license was sighted and still valid at the moment during audit. To further consult with MPOB on the amendment of the postcode of land address stated in the license in order to ensure the validity of the premises.</i>
5.	<i>HIRAC and Environmental Aspect & Impact Assessment were performed and further elaboration on the criteria of severity and probability with clearer & justifiable indicators should be considered for better judgement when performing assessment.</i>
6.	<i>5 Environmental objectives were established. Further specifying clearer the monitoring performance indicator for each objective should be considered for better follow up of target achievement purpose.</i>
7.	<i>Environmental Plan was established. Further enhancement on monitoring platform on the wastes, pollution management activities etc. should be considered for better follow up purpose.</i>
8.	<i>Currently no scheduled wastes generated and oil / containers were reused at the moment during audit. Further enhancement on displaying clearer the signage / labelling for Reused Oil at oil storage and Reused Container at Nursery area for clearer identification purpose.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.1.2.1	<i>Internal audit was performed on 09/05/2019. However, lack of evidences that compliance for all principles were covered and audited. Noted only partially records relevant to finance, administration and plantation were verified during internal audit. Internal audit Plan was also not available.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.4.4.2 b	<i>Lack of evidence that the risk of diesel tank handling and office operation activities been assessed and documented in HIRAC.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
3.	4.4.4.2 e	<i>Lack of evidence that chemical register and Chemical Health Risk Assessment (CHRA) were established & performed accordance to Occupational Safety & Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulations 2000.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

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		<i>During onsite visit, oil container was found without proper storage / labelling at contractor tractor parking area.</i>	
4.	4.4.6.2	<i>Lack of evidences that the training need assessment was performed.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
5.	4.5.1.2 b	<i>Lack of evidence that the genset operation activities been assessed in Environmental Aspect & Impact Assessment.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
6.	4.5.1.6	<i>Lack of evidence that environmental related meeting was planned and conducted at the moment during audit.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
7.	4.5.3.5	<i>During onsite audit, it was found that cigarette butts and drink can wastes been thrown on the floor in front of quarters.</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>From the feedback of stakeholders interviewed, it could be discerned that the organization had established good rapport with the stakeholders. In general, there was no negative comments at the moment.</i>	

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:	06/2020
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Wee Teck Chang
Position:	Director
Tel:	03 - 89413660
Email:	ladangoptima@yahoo.com
PCI Audit Team Leader	
Name:	Tee Kee Hu (TEE)
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PCI Audit Team Member 1	
Name:	nil

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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:	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)	