

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:	Malmaju Bina Sdn Bhd (Plantation)
Address:	Jalan Selama, Kubu Gajah, 34130 Selama, Perak
Reference No.:	100063
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	Contact PCI for detail
MPOB licence scope of activity:	Menjual dan mengalih FFB.
MPOB Licence expiry date:	Contact PCI for detail
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
Sites sampled: (for group certification only)	n/a

GPS Coordinate:	N 5° 14' 27.65" E 100° 43' 53.403"
Map showing approximate location of certified entity:	

Audit date:	12/03/2019 to 13/03/2019
Total number of man-day(s):	3.0 man-day(s)
(for MSPO Part 2 & Part 3)	<input type="checkbox"/> Not applicable
Planted Area:	33.59 ha.

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(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 702.64 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 MBSB company-wide policy. MBSB conducted its first MSPO internal audit from 31st January 2019 which saw 0 non-conformance and 14 opportunities for improvement. These were discussed during the management review of 1st February 2019. Two improvement plans related to Health & Safety and Social Local Development were initiated. Improvement Plan dated 13/08/2018 was for the construction of a new access road to replace the current driveway which was now dusty and not wide enough to handle existing traffic. The budget allocated for this plan is RM500,000. The second IP dated 20/01/2019 was to address the internal road network in the estate for which a budget of RM20,000 has been put aside.

As proof of its transparency, management documents (MSPO policies, MSPO principles, OSHA matters, company rules & regulations) are prominently displayed on the noticeboard outside the office for the workers and external stakeholders to read. The MBSB Estate list of stakeholders consists of government agencies (8), estate contractors (7), NGO (1) and Local Community (3). The appointed Communication Officer is Mrs Rohamilliza Bt Mat Isa effective 01/10/2018. The company also observed the traceability procedure with monthly inspection carried out, exceeding the minimum MSPO requirement of once every 3 months. The appointed Traceability Officer is also Mrs Rohamilliza Bt Mat Isa, via appointment letter of 01/10/2018 from the mill manager Mr Lo Keng Fei.

MBSB used the Legal Compliance Evaluation Form to evaluate all applicable laws and compliance. Evaluation records are signed and maintained. The changes and updates on legal requirements are kept in view by notification alerts from the governing authorities. The appointed Legal Officer is the mill manager Mr Lo Keng Fei. In compliance to legal requirements, MBSB has freehold ownership of 14 parcels of land and one title on 99-year lease, all in a contiguous mass in the Mukim Selama. The estate boundary is clearly demarcated with a perimeter ditch 8 feet deep. There had been no land ownership disputes.

Where social responsibility was concerned, the company has set up the MBSB Complaint and Grievance Procedure with the form available for the use of its employees. External stakeholders could write in. Complaint-related records will be kept for 24 months as specified in the MSPO manual. The company is also engaged on CSR activities with the surrounding communities. One of these took the form of assistance towards the holding of an annual sports tournament for SMK Kubu Gajah on 27/02/2019.

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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. The accident statistics submitted in the JKPP 8 for 2018 on 29/01/2019 registered a nil return. MBSB Estate has only one permanent staff – the estate-in-charge Mr Tan Siak Hee whose salary met with the legal and industry minimum standards and provided with a housing allowance. Plantation operations are undertaken by separate contractors who provide workers and equipment. However, better transparency between the contractors and workers may be enhanced by a review by the MBSB management of the contract documents on wages paid for work done.

The Annual Training Plan for 2018 is established with Training Needs Analysis for various positions being prepared. However, there was no evidence that First Aid training had been conducted for MBSB personnel nor was a first Aid kit available.

MBSB adopted its Environmental Policy on 15/12/2018 with the policy displayed on the office noticeboard and also outside the office. Contractor workers have been briefed during induction training and also reminded during morning muster.

In terms of energy use in plantation work, MBSB Estate has no direct consumption of diesel since the various contractors provide all labour and equipment. Three lorries are used: 2 3-ton lorries and one 5-ton lorry to load and deliver FFB to the adjacent MBSB palm oil mill. The estate also does not use any electricity.

Listing of strength / strong point identified:

No	Strength Statement
1.	Ability to deploy mill workers during their off-days to take up harvesting work to make up for lack of labourers.
2.	Hiring a contractor to undertake estate operations has reduced the burden of the minimalist estate management team.

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	To relate continual improvement plan with impacts.
2.	Consider to include Category "Environment" as the 2 Improvement Plans are also environmental in nature.
3.	Waste management and disposal – consider to improve management of waste by segregation at the point of generation for ease of recycling.
4.	Waste management and disposal – site management of the landfill may be enhanced by indicating the location and dates of excavation of the pit.
5.	Consider to indicate a method to reduce air pollution as a form of further management control / improvement opportunity in the Environmental Aspects and Impacts.
6.	Mitigation actions can be more clearly elaborated in the SIA base on action taken.
7.	To enhance the communication with Stakeholders related to feedback mechanism to ensure the awareness of stakeholder related to feedback mechanism is well noted in order to feedback when require.
8.	PPE issue record for Manuring and Spray can be enhanced for better tracking purpose.

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9.	To consider include Flood and Storm in existing Emergency Response Plan to ease the communicate to all employees and enhance the awareness.
10.	The estate might review the communication process with the contractor in documenting and identifying the area of operation that could be improvised and to be implemented with new techniques or technology to have a better view on improvements done.
11.	Management can review the documents provided by the contractor to include Price rates for Piece Rated Works for better transparency between the contractor and the workers engaged.

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2 (c)	The occupational safety and health plan shall cover the following: employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite. During the audit, there was a lack of evidence that employees trained in First Aid and First Aid Kit were present at field operations.	<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 feedbacks of the stakeholders interviewed, it was observed that the Malmaju Bina Estate management had good rapport with the stakeholders comprising of Local Communities, NGO and Contractors. There were positive feedbacks from the Selama Temple Committee – an NGO where they stated that there was better housekeeping after the implementation of MSPO and Estate In-charge sharing MSPO information with NGO who were also smallholders to enhance their awareness related to MSPO. The stakeholders are also aware on the implementation efforts by the estate management.</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: **03/2020**

Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Tan Siak Hee
Position:	Estate Supervisor

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Tel:	+6014-347 0951
Email:	izamalmaju@gmail.com
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA expert
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, business management, management system
PCI Audit Team Member 2	
Name:	Muhammad Khaidir Bin Zulkornain
Position:	<input type="checkbox"/> Co-Auditor <input checked="" 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)	Plantation management