

MSPO Audit Summary

Company Name:	Solid Suncity Sdn Bhd (Bernam Perak Estate)
Address:	62A, Jalan Industri 1, Taman Perindustrian Anson, Jalan Kampung Banjar, 36000 Teluk Intan, Perak
Reference No.:	100068
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. 617121002000
MPOB licence scope of activity:	1. Menjual dan mengalih FFB.
MPOB Licence expiry date:	1. 31/01/2020
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: 3.9352629, 101.0264734

Map showing approximate location of certified entity:



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Audit date:	09/07/2019 to 10/07/2019
Total number of man-day(s):	3.0 man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable 1175.85 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 18138.49 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 by the implementation of MSPO Policy (SSSB – P1 – 1). The first internal audit on 24th May 2019 for SSSB was conducted by 2 external auditors whom are their MSPO consultant. The internal audit was planned accordingly, internal audit schedule, internal audit checklist and internal audit report was maintained. The internal audit managed to identify 43 OFIs and no issues were raised as non – compliance. The matters raised as OFIs had been addressed prior to stage 2 assessment. Management review was conducted on 28th May 2019 and attended by the top management. Topics discussed or reviewed during the meeting includes changes of Social impact assessment, environmental impact assessment, review of adequate resources of manpower/labour and result of HBV monitoring and assessment. The topics reviewed were sufficient to monitor and conclude the progress of MSPO implementation by SSSB. Continual improvement action plan was established for any of improvements initiated. Sighted 6 CIAs which includes social, environmental, safety and health.

The management commitment on transparency was demonstrated by the establishment of communication and consultation procedure for SSSB. The MSPO policies were also prominently displayed at the HQ Office and estate’s notice boards. Any information or concerns which is needed or to be addressed by a third party will be processed according to the company’s information/document request procedure (SSSB – P2 – 1). Stakeholder’s list was established with latest update on 24th May 2019 and stakeholder’s consultation was conducted on 25 & 28th May 2019. Stakeholder consultation report was noted however, the management might consider to increase the frequency of stakeholders meeting in order to gather more inputs from various stakeholders.

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In terms of transparency, SSSB had established its traceability procedure, mapping the process flow from harvesting, transport and delivery to Mill. Site visit assessment noted the sophisticated reference system implemented in the field. This reference system is beneficial to enable efficiency of quality monitoring in each of its operation. The traceability compliance inspection report was done every 3 months and the recent inspection carried out was on 8th May 2019. Records of sales, purchases and delivery of FFB were maintained accordingly.

SSSB is aware of its legal compliance requirement for its operation. A legal register and compliance evaluation form was established and documented. Legal requirements are reviewed at least once a year as stated in the legal officer's appointment letter. SSSB sources legal updates from respective authorities' website. The assistant admin manager is appointed as the legal officer. No land disputes have been recorded as at time of audit and SSSB was able to provide documents such as land titles and MPOB licenses to demonstrate their ownership for each plots of land. Boundary drains were constructed surrounding the estate's perimeter.

SSSB had identified the positive and negative impacts of its operations through the establishment of social impact assessment register dated 14 Feb 2019. Mitigation measures were taken for the negative impacts identified. The management had in place a system to deal with complaints and grievances raised. Complaints boxes were displayed and made available at the estate office, and at time of audit no complaint forms were utilised. The complaint and feedback system were communicated to the staff, workers and stakeholders. Interview conducted noted the awareness of mandor and Ketua Kampung regarding the complaints and grievances procedure was sufficient. The management had also contributed to the development of local community. This was observed by the records of annual contribution of SSSB to Rehoboth Gospel Centre. SSSB had also developed good relationship with its estate neighbours.

SSSB safety and health policy was approved by the CEO, the policy was briefed and made aware to workers, internal staffs and stakeholders in briefing sessions held in May 2019. HIRARC was done and established for all estate activities and no activities was assessed to be as high risk. However, SSSB had not include the HIRARC for pruning. An annual training plan was established listing out the necessary trainings for the workers and staffs. List of attendance record was maintained accordingly. The management might consider the needs to centralise control of the training plans, records and compilation for easy reference. PPE required is as defined in the HIRARC. Sighted the records of PPE issuance to workers. SSSB estate manager is the responsible safety and health person in charge and also the chairs the safety committee. SSSB conducted its quarterly safety meeting accordingly and the latest safety meeting was conducted on 20th Jun 2019.

SSSB does not support any forms of discrimination as emphasised in its Good Social Practice Policy. The management had also adhered to the minimum wage's requirement. This was confirmed through the documentation assessment on worker's payslip, minimum pay is RM42.31/day. The management monitors the pay received by contract workers. A record of list of workers including permanent workers and foreign workers was maintained. It is however noted that the job descriptions for mandore, estate driver and security guard was not included.

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Subcontract workers were not included in the worker's listing. Working hours was set from 6.30am to 2.30pm including 1-hour break. The attendance and overtime hours are manually maintained in a log book by the assistant admin manager. Social benefits were contributed/provided by the company such as SOCSO, medical fees for staffs, entitlement for gratuity for senior staffs and allowance for harvesters who work minimum 22 days and above. Although the workers did not participate in any Worker's Union, the management do not restrict them in forming a worker's representative. The workers however communicate directly to the management regarding any issues. No records of child labour were sighted.

In its effort on environmental monitoring, SSSB had in place its environmental policy. The environmental aspect and impact listed out 15 tasks/activity/process from FFB harvesting and transporting to chemical spillage. SSSB had initiated a circle and path slashing programme since 2018 with the intention to reduce usage of chemical. Site visit assessment noted good growth of ferns and beneficial plants throughout the estate. The beneficial plants are part of integrated pest management. Employees were made to understand concerns on environment through series of trainings and morning briefings conducted by the field staff. The estate mainly relies on diesel. Electricity was not available due to the location of the estate. A diesel generator was used to supply electricity to workers. Renewable energy was not available in SSSB.

The SSSB waste handling procedure covers both scheduled waste and non-scheduled waste. SSSB is in the process of registering/notifying the types of scheduled waste generated to DOE. Sighted evidence of email communication between SSSB and DOE titled 'Pendaftaran sistem maklumat buangan terjadual elektronik' dated 07/08/2019 and letter titled 'pendaftaran eSWIS' written by SSSB CEO dated 24/06/2019. Site visit assessment noted that there was no labelling for scheduled waste stored (empty chemical containers & used engine oil). SSSB monitoring matrix identifies the sources of pollution which was generated from activities of maintenance, spraying and waste disposal. Chemical handling procedures were made available in waste cards established for SW305, SW409 and SW410. Site visit assessment noted the empty chemical containers were neatly carefully stacked and stored. The used chemical containers store was designed in a manner that would be able to securely contain accidental spillage.

SSSB sources its water from underground which is mainly use for sanitary purposes while water for drinking and cooking is brought from a nearby villager using a water tank. SSSB uptakes the villager's Lembaga Air Perak Bill by 75% while the balance of 25% is paid by Antic Permata, another estate neighbour that practices the same method. SSSB monitors its incoming and outgoing water accordingly by establishing 4 water sampling points. SSSB is not classified as a high biodiversity value area. The estate is located on a flat terrain and is neighbouring other oil palm estates. SSSB does not practices open burning in its land preparation activities as defined in its environmental policy.

The operational works of SSSB is standardise in its Operation and safety manual. During site visit assessment, it was noted the sophisticated establishment of field identification and reference system. This system enables the harvested bunches to be tracked down to the fields block and palm rows. In terms of economic and financial planning, it was noted the establishment of

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financial forecast which includes information of CPO price and production. SSSB had also established controls on the tasks delivered by the contractors. This was sighted during the site visit assessment where each field operation had a mandore/kepala assigned to monitor the works.

The next replanting program was planned to be executed in 2021. All replanting will be Oil palm to oil palm planting. In general, the MSPO system is in place and being implemented in SSSB.

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Top management commitment and support from various team members from operation and admin rendered during the audit.</i>
2.	<i>The management displayed great commitment on maintaining the field upkeep. This was due to improvement actions on offering a high rate for collection of Loose Fruits. This was done to curb the growth of VOPs.</i>
3.	<i>The estate had vast plantings of beneficial plantings alongside the field roads. These plants serve as an integrated pest management control effective for controlling the spread of bagworm.</i>
4.	<i>Good field reference number sighted. Better transparency due to the crops could be traced back to the field block and palm rows.</i>

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>To consider monthly MPOB Report, annual JKPP 8 report submission as part of information sharing to stakeholders.</i>
2.	<i>To consider include Organization chart and MSPO related information in the notice boards to enhance the communication related to organization structure and create awareness of MSPO.</i>
3.	<i>To further review on Stakeholder related to authorities (Labour office, Town Council, LHDN, Bomba, Hospital), transporter, etc as defined in established Communication & Consultation Procedure.</i>
4.	<i>To consider gathered more inputs from various stakeholders by conducting stakeholder consultation more regularly.</i>
5.	<i>Traceability inspection is performed and to consider extend to crop book record to match the quantity from ramp and total crop book quantity from each block / field to have better view of overall traceability control.</i>
6.	<i>To consider include action to feedback to complainant on the investigation, any action upon resolved and target lead time to handle complain / grievance in existing established Complaint and Grievances Procedure for more robust implementation.</i>
7.	<i>Topics related to complaint mechanism briefed during Stakeholder consultation can be more elaborated in the record</i>
8.	<i>To consider central control the trainings plan, records and compilation for easy reference.</i>
9.	<i>To consider defined the require PPE according to type of work in "PPE Issuance Form" to ensure consistent issuance according to job perform.</i>

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10	<i>To consider maintain record of the staff performance review for easy reference in future if require.</i>
11	<i>An environmental programme/objective was established (Weedicide reduction programme), however the management might consider to review the completeness of documentation for better reference. (Not available 2018 weedicide usage & Weedicides purchase limits)</i>
12	<i>Awareness on environment concerns such as zero burning of domestic waste, proper domestic waste disposal and other related topics were briefed during training, however the management might consider to review the needs of documenting the briefing sessions for evidence of training.</i>
13.	<i>To slot a specific agenda in the osha meeting. To discuss more detailed on objective and target of environmental concern.</i>
14.	<i>The management might consider the needs of revising the methods of calculating the estimate diesel usage by contractors for better accuracy.</i>
15	<i>Management might consider the needs to review the SOP for better management control related to manuring and pruning.</i>
16.	<i>“Replanting Project” document may include more elaborated information related to cost of production per tonne of FFB, price forecast, financial indicator of cost benefit, discounted cash flow, return on investment.</i>
17.	<i>To consider maintained records of any review and update on the Financial Forecast & Replanting Project for better tracking on the changes with latest information.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2	<i>Pruning process is not addressed in established HIRARC. It was found worker who apply fertilizer do not wearing respiratory mask as stated in HIRARC.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.4.5.5	<i>Job Description for Mandore, Estate Driver, Pengawal Keselamatan is not sighted subcontracted workers are not included in Worker’s Listing.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
3.	4.4.6.2	<i>Training Needs identification is not sighted for Estate driver, admin supervisor, senior field conductor, senior technician.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
4.	4.5.3.1	<i>Site visit assessment noted that there was no labelling for scheduled waste (empty chemical containers & used engine oil) stored.</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>Good relationship of employee employer noted. On contractor part noted timely payment manner. Estate Neighbour mentioned that issues were settled accordingly. The management also demonstrated good cooperation with the neighbour by sharing of cost in maintenance of road. Local community interviewed expressed satisfaction. The local community had provided water supply for the estates and</i>	

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he mentioned he had no issues regarding the payment. Overall, the estate management had established good relationship with the stakeholders.

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:	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:	Liew Kuo Yaw
Position:	Estate Manager
Tel:	019 473 5867
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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)	Social economic, quality management, business management
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)	