

MSPO Audit Summary

Company Name:	MSB Pelita Plantation (Mukah) Sdn Bhd
Address:	Lot 99, Mukah Land District 96400 Mukah, Sarawak
Reference No.:	100071
Standard(s):	MS 2530-3:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. 528899002000
MPOB licence scope of activity:	1. Menjual dan mengalih FFB.
MPOB Licence expiry date:	1. 30/04/2020
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:	N 2° 55' 13" E 112° 16' 50"
Map showing approximate location of certified entity:	
	

Audit date:	27/05/2019 to 29/05/2019
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Total number of man-day(s):	3.0 man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable 2,221.59 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 42,903.20 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 sighting of the MSB Pelita MSPO Policy established on 26/11/2018 by the Managing Director Dato' Liew Chee Ming. MSB Pelita conducted its MSPO internal audit from 20 to 21/03/2019 and the results of which were discussed in management review meeting on 27/04/2019. The audit findings comprised 38 OFIs and 13 CARs. In response to the audit findings, MSB Pelita has instituted a total of 15 improvement action plans environmental, safety and health, social and estate operations. To keep itself up to date, MSB Pelita has sent staff to attend relevant seminars and courses with updates by the estate headquarters in Kuala Lumpur. The visiting management representative Ms Chuah Poh Leng (HQ Finance Administration Manager) also provides extracts from journals such as that of the Federation of Malaysian Manufacturers (FMM) and Warta Sawit.

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 as well as at the store and muster area for the workers to read. MSB Pelita also shares and gathers information with internal external stakeholders through its Feedback/Suggestion Forms and the Stakeholders Consultation which was conducted on 07/02/2019. Its list of stakeholders consists of management and employees which include local staff and foreign workers, customers, suppliers, local communities, contractors and the authorities. The Communication Officer is the estate manager himself Mr Dicson Fernandez A/L MC Fernandez appointed on 01/12/2019. The estate Harvesting FFB Traceability Procedure is checked quarterly by the Traceability Officer (Ms Tracy Anak Penggang) assisted by 2 deputies (Ms Floralyna Anak James Jimmy and Ms Luna Anak Jawan). Every quarter 3 samples are collected and their inputs filled in the Traceability Compliance Inspection Report.

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MSB Pelita ensures compliance through its Regulatory Compliance Officer Mr Dicson Fernandez the estate manager who reviews the legal register once a year before bringing it up to the annual Management Review Meeting. The estate Legal register comprises 7 sections pertaining to legislation related to plantation operations. MSB Pelita's legal occupation of land is in the form of a 60-year lease from the Land Custody and Development Authority over 2,299.7 hectares at Lot 175 Block 11 of the Mukah Land District. The estate boundary is clearly demarcated – to the north it borders the Mukah-Selangau road while to the west it follows a natural feature – Sg Penipah. A deep perimeter ditch marked at intervals with Belian timber pegs on its edge forms the boundary with the neighbouring estate. Previous land claims from residents of nearby longhouses affecting Block 52A and Block B52B had been resolved in 2017 verified with 2 tax receipts from the Inland Revenue Department. There had been no land ownership dispute since.

In its Social Impact Assessment, MSB Pelita realises 4 positive social aspects and impacts (such as job opportunities for locals and medical care, recreational facilities and a place of worship for its workers). Negative aspects and impacts relate to spraying activities affecting land, air and water and the health of its workers and the local communities. The MSB Pelita Complaint and Grievance Procedure has been established on 26/11/2018 and workers have access to the Complaint Form placed together with the suggestion box available at the gate and another at the store. 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. During the time of this audit, hampers were distributed to 4 longhouse chiefs and the headmaster of a primary school in conjunction with the forthcoming Gawai Dayak and Hari Raya festivals. The estate is currently entertaining a request for another longhouse for repairs of a road access in preparation for Gawai.

The company displays its safety and health policy at the office, workshop and muster area. HIRARC is conducted on 9 plantation activities with the use of chemical pesticide for spraying determined to have a high-risk rating. The control measure recommended is briefing on proper store management and following existing risk control through the use of the spill tray. PPE provided for plantation activities are noted in the PPE & Tools Supply Record comprised such items as face masks, gloves, apron safety helmet and safety vest. The training programme for 2019 schedules out 13 courses such as Contractor Induction raining, ERT Training, Chemical Handling and Basic First Aid & CPR Course. The assistant estate manager Mr Meling anak Bukit is the only trained First Aider at the moment. Training on first aid by the Bintulu Red Crescent Society is scheduled for mid-June in Bintulu. A total of 8 First Aid kits are available and strategically located throughout the estate camp complex as well as with the supervisors and staff for field use. The Safety Officer is Mr Meling anak Bukit, appointed on 01/12/2018. The MSB Pelita OSH Committee had conducted its first quarter meeting on 28/03/2019 attended by 14 personnel. The accident record was reviewed which recorded a nil return.

MSB Pelita Social and Human Right Policy has been established on 26/11/2018 and is communicated to all employees through display on the noticeboard at the office, the workshop, living quarters and at the muster area. Hiring of workers is based on competency while promotion and salary adjustment are linked to the annual appraisal. Based on the sample sightings of payslips

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of local staff and foreign workers, all employees are paid over and above the industry minimum standard. The punch card system is used for all staff while foreign workers have their attendance recorded at the muster by supervisors with verification by the estate manager. Among some of the benefits for the employees are muster call incentive, bonus for local staff (subject to management approval) and for the foreign workers, refundable levy at the end of 2 years worked. MSB Pelita Good Social Practice Policy and its Sexual Harassment Policy were established on 26/12/2018. These policies are communicated to the workers by prominent display at the estate office, workshop, living quarters and at the muster area.

Annual Training Programme for 2019 is established with Training Needs Analysis prepared for 7 batches of employees. Competency training for Certified Professional in Scheduled Waste Management (CePSWAM) has been identified for 2 staff.

MSB Pelita adopted its Environmental Policy on 26/11/2018 with the policy displayed on the office noticeboard, the muster area, quarters and workshop. The workers are briefed during induction training and also reminded during morning muster.

In terms of energy use in plantation work, MSB Pelita only begins to maintain its records of diesel consumption in 2018 which indicate an average of 1.08 litres for every metric ton of FFB produced. Including the 3 months of 2019, the baseline was 0.93 litres per metric ton of FFB. In its Waste Management Procedure, MSB Pelita identifies 2 types of waste: non-scheduled waste (such as scrap metal, nylon domestic waste and used tyres) and scheduled waste (8 types generated by activities at the maintenance workshop, the office and from field operations such as chemical spraying). Currently, domestic waste is collected in estate roller bins for disposal into the Mukah town roll-on roll-off (RORO) bins. At the time of this audit, MSB Pelita had just subscribed to a collection service by Syarikat Seni Bumi Contractor to remove domestic waste through its RORO bin placed within the estate camp. Scheduled waste is placed in the estate store for removal by an authorized contractor to be appointed soon. Only SW 409 (used chemical containers) is collected by the Agriculture Department approved contractor.

The MSB Pelita Water Management Plan sources its water from the estate catchment area distributing it to the office, living quarters and other camp facilities after treatment. The riparian buffer consisting of natural vegetation is maintained along Sg Matading at 5 meters which dissects part of the estate and at 10 meters along Sg Penipah which is the estate boundary. Although MSB Pelita does not identify any high bio-diversity area in its estate, signage is available to warn off against fishing, hunting and open burning within the plantation.

MSB Pelita maintains standard operating procedures for its plantation operations which include Manuring, Repacking Fertilizer, Pest and Disease, Manual Circle Weeding and Palm Sanitation. Plantation blocks are marked with alpha-numeric identification numbers to facilitate manuring and harvesting activities. The Paramount Revenue and Expenses for Year 2019 presents an optimistic projection of its operation and profits. Fair pricing is based on the Peninsular MPOB Average CPO and KE price in the purchase agreement between MSB Pelita and Mukah Kilang

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Kelapa Sawit Sdn Bhd. MSB Pelita does not hire any contractor relying on its foreign workers (on piece-rate basis) for all plantation activities.

In general, the MSPO system is already in place and being implemented in the MSB Pelita estate.

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Maintenance of greenery along the old logging rail line as a wildlife corridor.</i>
2.	<i>Practice of mounding of peat soil at the base of leaning palms to provide mechanical support as well as encourage the development of new roots as anchorage.</i>
3.	<i>Rainwater harvesting is widely practised throughout the plantation.</i>

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>To improve reference to the List of Stakeholders as mentioned in the above-mentioned Communication & Consultation Procedure.</i>
2.	<i>Noted a foreign worker casually dressed in shorts and in improper PPE on duty as harvester.</i>
3.	<i>To denote areas of applicable operations on each sheet of the HIRARC register.</i>
4.	<i>The register of workers has to be improved to provide such details as full name, address, gender, date of birth, date of entry, job description, wage and period of employment.</i>
5.	<i>To implement more rigorous housekeeping at Block B to maintain hygienic surroundings especially along and in the drain behind the house.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.5.3.3	<i>A patch of oil spillage on sand near Block A in Phase 3B has not been attended to.</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>The stakeholders welcomed the presence of MSB Pelita plantation as a genial corporate neighbour and felt privileged to have received assistance and donations since getting to know the management of the estate. During the interview, there was no negative comments made. They looked forward to maintaining such cordial relations and hoped that such assistance and donations would be continued.</i>	

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**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:	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:	Chuah Poh Leng
Position:	HQ Finance Administration Manager
Tel:	+60 19-217 7798
Email:	

PCI Audit Team Leader

Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA consultant
Tel:	+603-5525 8359
Email:	info@pci.com.my

PCI Audit Team Member 1

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)	

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)	