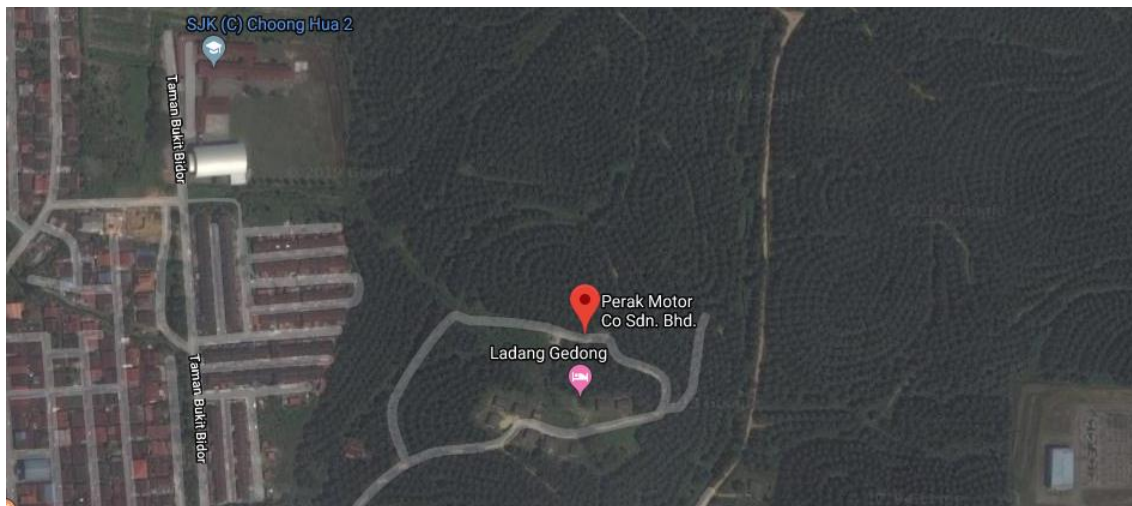


MSPO Audit Summary

Company Name:	Perak Motor Co. Sdn Bhd (Palm Oil Mill Division)
Address:	Batu 12, Jalan Bidor, 36007 P.O.Box 53, Teluk Intan, Perak Darul Ridzuan, Malaysia
Reference No.:	100025
Standard(s):	MS 2530-4:2013
MPOB licence no: (for group certification, list all licences no. in the group)	500044304000
MPOB licence scope of activity:	1. Menjual & mengalih PK, CPO, SPO 2. Membeli dan mengalih FFB, PK, CPO 3. Menyimpan PK, CPO, SPO 4. Mengilang FFB
MPOB Licence expiry date:	31/03/2020
Audit Type:	<input checked="" type="checkbox"/> Stage 2 Audit <input type="checkbox"/> Surveillance Audit <input type="checkbox"/> Re-certification Audit
Audit scope:	Palm oil milling
Sites sampled: (for group certification only)	n/a

GPS Coordinate: N 4° 7' 8.623" E 101° 17' 39.875"**Map showing approximate location of certified entity:**

Audit date:	23/01/2019 to 24/01/2019
Total number of man-day(s): (for MSPO Part 2 & Part 3)	3.0 man-day(s)
	<input checked="" type="checkbox"/> Not applicable

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Planted Area:	ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input checked="" type="checkbox"/> Not applicable mt.
(for MSPO Part 4) Estimated processing capacity: Estimated certified palm oil (CSPO): Estimated certified palm kernel (CSPK):	<input type="checkbox"/> Not applicable 60 mt. FFB/hour 9 mt./hour 2.5 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 a palm oil mill. Stage 1 audit was performed on 19/11/2018 and total of 5 findings were highlighted during audit on documentation review and site walkabout. All areas of concern were satisfactorily closed by the time of stage 2 audit.

Stage 2 audit was conducted from 23-Jan-2019 to 24-Jan-2019 and improvement was sighted since last visit. MSPO Policy was established on 05/07/2017. Internal audit was performed on 26/10/2018 and total of 5 CARs were reported and reviewed during management review on 8/11/2018. Improvement Plan form was established to document improvement opportunities identified and facilitate implementation and monitoring of improvement actions.

MSPO related information includes Policies are communicated to internal and external stakeholders. The organization together with MPOB conducted MSPO briefing on 06/09/2018 to smallholders to communicate MSPO certification requirements. Traceability inspection were also conducted on 26/10/2018 as sighted in the Traceability System Compliance Inspection Report. Daily Production Report was also updated with information of CPO & PK produced, despatch and FFB received etc.

Legal Register was reviewed in Oct 2018. Legal Compliance Evaluation form was also available. Mill was located in site the plantation and land title with sketch plan were available.

Social Impact Assessment was conducted on 26/06/2018. There was no complaint, no other grievances recorded and no disputes from any of the stakeholders at the moment during audit. Sample of employment contract for contracted worker (F2207) was also sighted and found ok. Training Needs Identification was just performed in Nov 2018 and the organization was still in progress to develop training plan accordingly. However, there was 1 Nonconformity been detected which was relevant to HIRARC (Principle 4). Details could be referred to NCR 1 of 1 and MSPO Part 4 Audit Checklist.

The environmental management plan was incorporated into the Management Programme which has specific objectives and targets. Waste Handling Procedure doc. no. 26, effective date: 01/09/2018, Rev. 0. This SOP covered both the scheduled waste (2 types – SW 305 & SW 410), non-scheduled waste (boiler ash, food waste & plastic waste) and production by-products (EFB, decanter cake).

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PMC Pricing Mechanism for FFB, Doc. No.: 28-19, origin date: 05/09/2018 was established. Set of documents for installation of LMS Mesh complete with Rolling were sighted; comprising Quotation ref. no. PMCSB 426, dated 11/07/2018 from Hur Far Engineering Works Sdn Bhd; Purchase Order no. 4042 from PMC; Delivery Order no. 41023 from Hur Far Engineering Works Sdn Bhd and Tax Invoice no. SINV-02016 dated 21/08/2018. This culminates with a notice of payment dated 08/11/2018 in a voucher dated 31/10/2018 with SINV-02016 being lumped up together in a payment to other tax invoices.

Listing of strength / strong point identified:

No	Strength Statement
1.	Close management rapport with stakeholders (in particular the FFB dealers and the canteen operator).

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	Further enhancement on communication platform between the employer and employee on working shift hours and break time should be considered for continual improvement.
2.	HIRARC was conducted and further enhancement on updating HIRARC after action done for fibre cyclone dust issue should be considered for better reference purpose.
3.	Fire drill was conducted and recorded and further consider to perform chemical spillage drill also for better emergency response & preparedness purpose.
4.	Stakeholder consultation meeting was conducted and further enhancement on monitoring required actions from feedback of stakeholder consultation should be considered for better follow up purpose.
5.	Further review the need to amend current waste handling procedure in order to include scrap metal as one of the wastes generated in the plant.
6.	Training Needs Identification was performed in the end of last year. It would be worth to specify clearer the time frame to develop training plan after TNI completed for more effective planning process.

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2	<p>Clauses 4.4.4.2 required that the occupational safety and health plan shall cover the following:</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>Noted HIRARC was performed and reviewed on 17/12/2018. However, during audit, there was lack of evidences that hazard & risk been identified and assessed for Ramp, Mechanical Workshop, Store, office and also handling activities for clutter of scrap metal and used equipment throughout the mill compound.</p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

Stakeholder consultation summary

	<input type="checkbox"/> Yes, issue: _____
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Any issues raised by the stakeholder(s) towards the company?	<input checked="" type="checkbox"/> No.
Remarks: <i>From the feedback of the Stakeholders interviewed, it could be discerned that Perak Motor Co as a whole (mill and estate operations) had established good rapport with the stakeholders (comprising of representatives of the local community and the FFB dealers). Mdm Saemah had established a long and close association with PMC. Mr Koay hoped for favourable OER acceptance while Mdm Tham looked forward to potential direct participation in transport of PMC products. In general, there was no negative comments on PMC. In fact, the stakeholders interviewed regarded PMC as a cordial corporate neighbour.</i>	

Certification recommendation

In reference to **MS 2530-4:2013**, 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:	01/2020
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Yow Jee Yong
Position:	Assistant to Director
Tel:	05-656 1155
Email:	henryyow@uwalumni.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:	Tee Kee Hu
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)	Environmental, health & safety, HIRARC