

MSPO Audit Summary

Company Name:	Foong Lee Sawiminyak Sdn Bhd
Address:	Batu 9, Jalan Lintang, 31100 Sg. Siput (U), Perak
Reference No.:	100026
Standard(s):	MS 2530-4:2013
MPOB licence no: (for group certification, list all licences no. in the group)	500043504000
MPOB licence scope of activity:	1. Menjual & mengalih SPO 2. Membeli dan mengalih FFB 3. Menyimpan PK, CPO, SPO 4. Mengilang FFB 5. Mengalih CPO
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:	Palm oil milling
Sites sampled: (for group certification only)	n/a

GPS Coordinate:	N 4° 55' 30.828" E 101° 6' 13.593"
Map showing approximate location of certified entity:	
	

Audit date:	26/11/2018 to 27/11/2018
Total number of man-day(s): (for MSPO Part 2 & Part 3)	3.0 man-day(s)
Planted Area:	<input checked="" type="checkbox"/> Not applicable ha.

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(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 11.514 mt./hour 3.162 mt./hour
(N/A for Stage 2 & Re-certification assessment) Date of certificate issued and validity	<input checked="" type="checkbox"/> Not applicable <i>dd/mm/yyyy to dd/mm/yyyy</i>
Please state if the organization certified for other sustainability scheme(s)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, _____

Executive Summary

FLS palm oil mill had adopted the MSPO certification scheme with the signing of the MSPO Policy on 1st July 2018 by its Executive Director Mr Chan Wai Mun. This commitment was evident with the prominent display of the mill MSPO Policy as well as banners on the implementation of MSPO in strategic locations throughout the plant area. A Management Review meeting had been conducted to discuss and resolve findings in the recent internal audit conducted 15/09/2018. FLS has started an environmental improvement plan to install an external multi-cyclone to comply with the Clean Air Act by mid-2019. The budget allocated was RM1.5 million.

Transparency in communication was manifested in the Information / Document Request Procedure as well as the Request for Information / Document Form, although these were not utilised at the time of the Stage Audit. To disseminate the latest information on its development, FLS palm oil mill conducted its stakeholder consultation on 23rd and 24th September 2018 at Kpg Lintang. Among its stakeholders included neighbouring plantations, village headmen and representatives of nearby schools.

The management of FLS palm oil mill is aware of legal compliance for its operation with evaluation records signed and maintained as in a sample sighted: FLS Legal Compliance Evaluation Form review date: 01/07/2018, reviewed by Mill Manager Mr Tham Sing Chong who is also the appointed Legal Officer. The company currently has freehold ownership over 2 lots in Mukim Sungai Siput, Daerah Kuala Kangsar. No dispute has been recorded in the land use of its holdings.

FLS identifies aspects in its social impact assessment procedure, some of which generate positive impacts. Since the inception of the complaint and grievance procedure in 01/07/2018, 6 submissions had been received. One issue concerning stray dogs in the mill compound was conveyed to the Kuala Kangsar District Council which invited the complainant to check the status of the council action on its website. FLS had shown itself to be a genial corporate neighbour by interacting with the local communities. The latest event, held on 13/10/2018, with the community was *Program Hari Alam Sekitar Malaysia 2018*, which centred on a primary school with activities for both students and the Parents-Teachers Association.

The FLS Safety and Health Policy was approved by its Director Mr Chan Wai Mun, available in both English and Bahasa Malaysia. The Safety and Health Policy is prominently displayed on the office noticeboard, the office of each section head in the plant area and also on the mill noticeboard. The FLS HIRARC Procedure identifies all hazards, risk analysis and risk control in connection with its mill operations. With the benefit of its Emergency Preparedness and Response Procedure as well as in response to DOSH for pointing it out, FLS has successfully conducted its fire drill together with BOMBA on 04/07/2018. At the time of this Stage 2 Audit, there was a total of 24 trained First Aider, having been trained by the Perak State Red Crescent Society on 9th and 10th July 2018. For this year, there had been 3 cases of workers sustaining injury – 2 involving falling off their motorcycles outside the mill compound and one who was scalded at the fibre plant.

The FLS Good Social Practice Policy has been established and addresses non-discrimination. The legal minimum wage is adhered to. The thumb-print reader is used to record hours worked with supporting documents from supervisors to verify attendance and overtime. Workers are entitled to medical benefit, transport allowance, bonus based on performance of the company as well as the individual.

In its efforts on environmental monitoring, FLS has in place its environmental policy. The mill generates its own electricity by burning mesocarp fibre as boiler fuel. Electricity from Tenaga Nasional Berhad is undergoing connection at the time of this audit. When the plant is shut down, a standby generator is activated to supply power for the office and the quarters.

The FLS Waste Management Procedure covers both scheduled waste and no-scheduled waste. Scheduled waste (comprising mainly spent lubricants (SW 305) and contaminated containers (SW 409), is removed for disposal by an authorised transporter. A licensed waste disposal company collects domestic waste dumped into RO-RO bins. POME is treated before discharge into the water course. Sampling and analysis is done by an accredited chemist in Trinity Laboratory Sdn Bhd. The result of the last sampling and testing indicated that the parameters were below the standard values. For the implementation of best practices, the Code of Good Milling Practice is referred to. FLS Pricing Mechanism for Fresh Fruit Bunches is established and FFB Pricing Calculation is same as defined by MPOB guideline. FFB Suppliers understand the calculation.

In general, the MSPO system is already in place and being implemented in the FLS palm oil mill.

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Strong support from the management for the implementation of the MSPO certification scheme.</i>
2.	<i>Commitment from management and staff to environmental requirements.</i>
3.	<i>SOPs on preventing air pollution and managing discharge of effluent.</i>
4.	<i>Generally good housekeeping in the plant and store areas.</i>

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**Listing of improvement potential / opportunities for improvement (OFI)**

No	OFI Statement
1.	Comprehensive management review inputs are covered during management review. To consider include the status of Improvement Action Plan in management review input for more robust follow up and monitoring of the implementation and closure of the Improvement Action Plan initiated.
2.	To consider Authorities (DOE or JKPP or MPOB Monthly Report) request information as the information and documents relevant to MSPO requirements.
3.	List of Stakeholder to be reviewed against the Stakeholders identified in Stakeholder Consultation (Table 2) and Communication Matrix (Table 1) to avoid confusion.
4.	Criteria of Annual Appraisal can be formalized on top of Period of service, Medical Leave, unpaid leave defined. Also, the criteria should be communicated to workers/ staffs to enhance the transparency of the process.
5.	Position stated in the organization chart and Job description to be further reviewed and align to ease reference of both documents.
6.	Housekeeping and maintenance (window and glass cutting) at Quarter provided to workers to be further enhance for better safety and health of workers staying at the quarter.
7.	Training identified on the Annual Training Plan to be aligned and review against the Training identified in Training Needs Analysis Form.
8.	To consider include Mill SOP as part of training require to enhance the understanding of workers toward Mill SOP / Operation control.
9.	Lubricants used in the maintenance of production equipment had dripped onto the store floor during extraction for servicing. Consider to use a drip pan to catch drips from pumps and containers.
10.	To consider enhance the timing of endorse the Minutes of EPMC Meeting prior distribute for more robust control of record.
11.	To consider other non-renewable energy of current operation to ensure efficiency of the operation.

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2 e	<p>Clauses 4.4.4.2 e) stated that the management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>During the audit, it was found the shower head of the emergency shower station was not installed indicating a failure to grasp the implication of a faulty equipment in an emergency.</p>	<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:	

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Based on interview with relevant stakeholders, they are satisfied with the relationship and positive interaction with FLS.

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:	<u>11/2019</u>
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Tham Ling Cho
Position:	Mill Mnager
Tel:	+6017-5652 852
Email:	flsawiminyak179@gmail.com
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Forestry, Plantation Management, Health & Safety, EIA expert
Tel:	+6035525 8369
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, Quality management, Business management