

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:	Syarikat Peladang & Perusahaan Minyak Sdn Bhd
Address:	Batu 4 ½, Jalan Maharaja Lela, 36000 Teluk Intan, Perak
Reference No.:	100033
Standard(s):	MS 2530-4:2013
MPOB licence no: (for group certification, list all licences no. in the group)	500035404000
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:	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 3° 58' 45.97" E 100° 59' 22.725"

Map showing approximate location of certified entity:



Audit date:	25/02/2019 to 26/02/2019
Total number of man-day(s): (for MSPO Part 2 & Part 3)	3.0 man-day(s)
	<input checked="" type="checkbox"/> Not applicable

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



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 60.0 mt. FFB/hour 8.46 mt./hour 2.42 mt./hour
(N/A for Stage 2 & Re-certification assessment) Date of certificate issued and validity	<input 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 was manifested in the observation of the SPPM company-wide policy. SPPM conducted its first MSPO internal audit from 15th Nov. 2018 which saw 37 opportunities for improvement. Of these, actions had been taken on 25 OFIs while actions were still being implemented on another 12. These were discussed during the management review of 16th Nov. 2018.

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 to read as they gather for morning muster. SPPM adhered to its Communication & Consultation Procedure (Leaflet P2-1), appointing 2 of its staff as Communication Officers - an Administration Executive (for government agencies and local communities) and a General Clerk (for smallholders). The company also maintained traceability for its FFB through as per its Traceability Procedure (Leaflet No. P2-3). The Account Manager was appointed as the Traceability Officer via an appointment letter of 01/11/2018.

The Legal Compliance Evaluation form is used to evaluate all applicable laws and the compliance of each person-in-charge for Finance, Director, Payroll and the Safety Officer. The Legal Requirements would be reviewed annually during the Management Review. Sources of changes or new regulations are the Authority (such as DOSH, DOE), Human Resources (Media), MPOB (training, email or verbal clarification by the office onsite) and Land (lawyer). SPPM owns the land occupied by its mill and its compound except for the lot with the effluent ponds. The factory compound is fenced on 3 sides while a river bank is the boundary on the third side.

Where social responsibility was concerned, the company has set up a suggestion box at the plantation office in the vicinity of the morning muster area for easy access for its employees. The company is also engaged on CSR activities with the surrounding communities. These took the form of donations to the Perak Thalassaemia Association on 28/01/2019, World Vision on 18/12/2018 and Malaysian Association for the Blind on 09/10/2018. Two local schools had also been the beneficiaries of donation from SPPM. The local communities had been informed about the SPPM's Complaint, Grievances, Feedback and

Suggestion Procedure at a Stakeholders Consultation on 08/11/2018. Smallholders had been briefed on 07/08/2018 while the SPPM workers are continually reminded during the morning muster.

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. There were 20 trained First Aiders in SPPM after a training conducted on 28/05/2018. The 2018 accident statistics were reviewed in the safety and health committee meeting on 24/10/2019. Workers met at the site expressed satisfaction with their assignments and had no negative issues with their wages, being awarded with a bonus depending on management performance review. Foreign workers are provided with decent accommodation in 2 units of double story shop lots connected with electricity and water. A comprehensive training programme for 2018 had been conducted covering PPE training, LOTO training, seminar on new environmental regulation and scheduled waste.

The SPPM Environmental Policy is displayed on the noticeboard at the mill office and at strategic locations throughout the plant. Two environmental improvement plans were noted in connection with increasing the size of the scheduled waste store and the upgrading of the chemical store. The budget allocated was RM8,000 and RM600 respectively. SPPM submits an online quarterly monitoring report to DOE. Its mill effluent is treated in the effluent ponds before final discharge into the Sg Batak Rabbit. For its water supply, SPPM sources its water from the Lembaga Air Perak for domestic consumption and the Sg Batak Rabbit for its process water.

Listing of strength / strong point identified:

No	Strength Statement
1.	Close management rapport with smallholders (since the company directors and shareholders are also smallholders).
2.	Good ratio of competent persons (engine driver, charge-man, boiler man, CePPOME and CePSWAM, AGT, AESP and 20 trained First Aiders) in relation to the size of the work force.
3.	Installation of the water trough for trucks leaving the mill compound.
4.	Involvement of various functions of staffs for implementation MPSO.

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	To enhance the accessibility of established Complaint & Feedback form to ease the stakeholder to provide any feedback.
2.	First Aid Kit minimum items defined in Checklist to be reviewed and update to ease the checking.
3.	To review established Job Description with more elaborated job scope responsibility to ease the identification of any training need in respect to the work scope.
4.	To further review the existing emergency, exit for first floor, emergency exit signage for all units and fire extinguisher is accessible in order to enhance the living quarter's safety control.
5.	To promote and enhance the communication with workers related to worker's representative function for more robust implementation of collective bargaining between workers and management.
6.	Consider using spill tray under the leaking hydraulic jack and metal lathe for a safe and effective housekeeping.

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)



7.	<i>The mill efficiency in the use of renewable energy may be better understood with the monitoring of consumption of electricity from TNB and the plant turbine.</i>
8.	<i>To realise and appreciate a relative reduction in use of resources, consider to monitor the amount of domestic waste disposed.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2 (b)	<i>The MS 2530-3:2013 clause 4.4.4.2 (b). stated the occupational safety and health plan shall cover the risk of all operation and shall be assessed and documented. During the audit, it was lack of evidences risk of operation at chemical store, scheduled waste store, Effluent Pond and office are assessed and established Hazard Identification, Risk Assessment and Risk Control (HIRARC) are focus on process penerimaan buah-buahan, Laboratory, Tilting steriizer, chargeman, Boiler station, maintenance, workshop, confined space.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.4.4.2 (e)	<i>MSPO Clause 4.4.4.2 (e) states "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". During the audit, it was found that the shed designated as a chemical store lacked identification labels. Current safety signage on the outside wall did not cater to the toxic chemical (hexane) stored inside.</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>Stakeholder Consultation was performed during audit and 3 different parties was selected comprising FFB suppliers / dealers, contractor / transporters and local community were interviewed. All of the stakeholders were consulted through an interview session. Based on the outputs from interview, they were satisfied with the relationship and positive interaction with the organization. One of the feedbacks gained was the noticeable difference between pre – MSPO Days and present as housekeeping in the plant site is now better.</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.

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)



Not applicable, due to extraordinary type of report.

Tentative next audit date: **02/2020**

Company Representative

Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Daniel Pun Soong Hin
Position:	Director
Tel:	+6012-521 3939
Email:	shpun@hotmail.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)	Business management, social management, management system

PCI Audit Team Member 2

Name:	Muhammad Khaidir Bin Zulkornain
Position:	<input type="checkbox"/> Co-Auditor <input type="checkbox"/> Auditor-in-Training <input type="checkbox"/> Technical Expert <input checked="" type="checkbox"/> Observer <input type="checkbox"/> Other, please specify:
Area of expertise (N/A if observer & other)	n/a