

**PRIMA CERT INTERNATIONAL SDN BHD (1107878-A)**

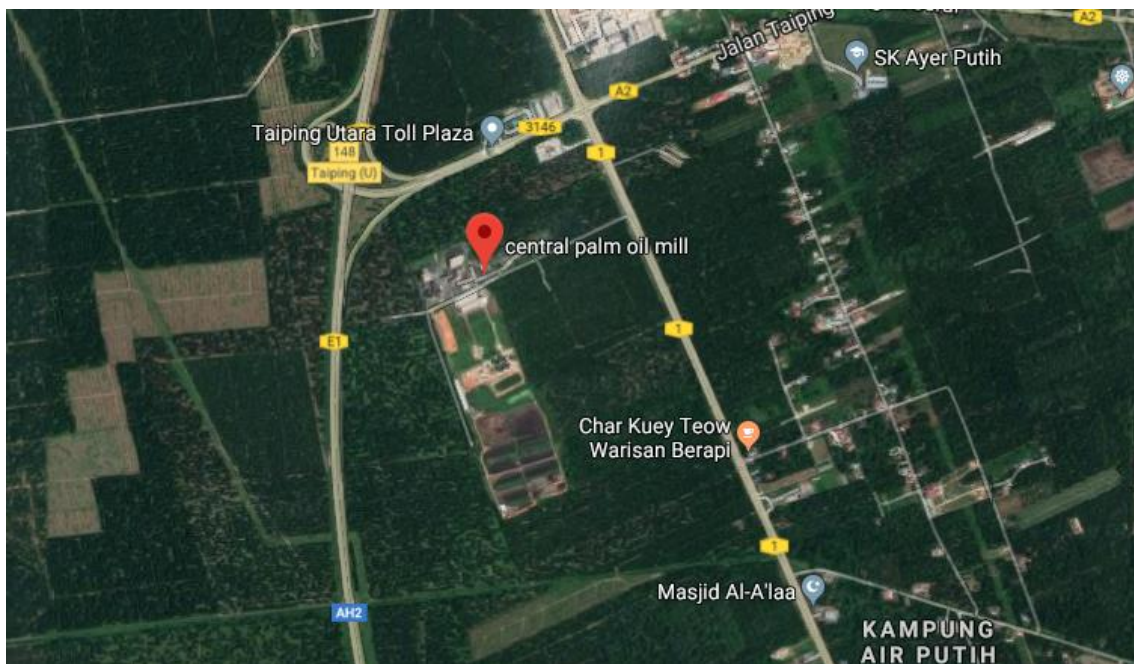
5A, Jalan Anggerik Eria AU 31/AU  
 Kota Kemuning, 40460 Shah Alam  
 Selangor, D. E. Malaysia  
 ([www.pci.com.my](http://www.pci.com.my) / +603-5525 8359)

**MSPO Audit Summary**

Company Name:	Central Palm Oil Mill Sdn Bhd
Address:	78KM, Jalan Raya Ipoh, Butterworth, 34700 Simpang, Perak
Reference No.:	100047
Standard(s):	MS 2530-4:2013
MPOB licence no: (for group certification, list all licences no. in the group)	536414004000
MPOB licence scope of activity:	<ol style="list-style-type: none"> <li>1. Menjual &amp; mengalih PK, CPO, SPO</li> <li>2. Membeli dan mengalih FFB, PK, CPO</li> <li>3. Menyimpan PK, CPO, SPO</li> <li>4. Mengilang FFB</li> </ol>
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° 53' 29.962" E 100° 40' 10.855"

**Map showing approximate location of certified entity:**



**Audit date:** 28/11/2018 to 29/11/2018

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Total number of man-day(s):	<b>3.0</b> man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input checked="" type="checkbox"/> Not applicable 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 <b>60.0</b> mt. FFB/hour <b>6.0</b> mt./hour <b>2.0</b> mt./hour
(N/A for Stage 2 & Re-certification assessment) Date of certificate issued and validity	<input checked="" type="checkbox"/> Not applicable <b>dd/mm/yyyy to dd/mm/yyyy</b>
Please state if the organization certified for other sustainability scheme(s)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, _____

**Executive Summary**

**CPO palm oil mill had adopted the MSPO certification scheme with the signing of the MSPO Policy on 1<sup>st</sup> August 2018 by its General Manager Mr Lee Teng Kok. 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 on 5th October 2018 to discuss and resolve findings in the recent internal audit. CPO has started 2 environmental improvement plans related to Mill Operation & Environmental on Bio-Oxygen Demand (BoD) & Anaerobic Process.**

**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, CPO mill conducted its stakeholder consultation on 15/05/2018 for FFB Suppliers and 19/09/2018 for the local communities. Its local communities included neighbouring plantations, village headmen and representatives of nearby schools.**

**The management of CPO mill is aware of legal compliance for its operation with evaluation records signed and maintained as in a sample sighted: CPO Legal Compliance Evaluation Form review dated 25/10/2018, reviewed by Mill Manager Mr Ahmad Fauzi Ismail. CPO mill holds a DOE licence for an approved palm oil mill premises and a MPOB licence expiring on 31/01/2019 for processing 240,000 MT of FFB per year. The staff appointed to be responsible for monitoring compliance and updating changes in regulatory requirements is Ms Asmira binti Mansor. The company currently has freehold ownership over 6 lots in Mukim Jebong, Daerah Larut and Matang. No dispute has been recorded in the land use of its holdings.**

**CPO identifies aspects in its social impact assessment procedure, some of which generate positive impacts. The CPO mill Complaint and Grievance Procedure was approved by the GM on 01/08/2018. There had yet to be any submission of the forms although a suggestion and forms are made available at**

the office. The local communities had been informed of the procedure at an external stakeholder consultation on 19/09/2018. CPO had shown itself to be a genial corporate neighbour by interacting with the local communities. Some examples of such engagement were a donation to a religious school on 16/11/2018 and presentation of 70 plastic chairs to the Taman Berkat community on 23/11/2018.

The CPO Safety and Health Policy was approved by its General Manager Mr Lee Teng Kok on 28/02/2014. Elements of safety are presented at the start of every shift. 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 CPO 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, CPO has successfully conducted its fire drill together with BOMBA on 17/08/2018 and an Emergency Drill for Chemical Spills on 10/10/2018. At the time of this Stage 2 Audit, there were 2 trained First Aiders, having been trained by FMM Institute Perak on 10th and 11th October 2018. For this year, there had been 7 cases of workers sustaining injury – 4 in the 2nd quarter and 3 in the 3rd quarter.

The CPO Good Social Practice Policy has been established and addresses non-discrimination. The legal minimum wage is adhered to. Based on the Employee Listing, the youngest age among the workers is 19 years old. Workers are entitled to medical benefit, transport allowance, bonus based on performance of the company as well as the individual. The thumb-print reader is used to record hours worked with supporting documents from supervisors to verify attendance and overtime. The Sexual Harassment and Violence Policy is in place.

In its efforts on environmental monitoring, CPO has in place its environmental policy. Two environmental improvement plans are being implemented this year. One seeks to reduce the BOD reading in POME to be below 50 ppm (from the current 100 ppm). After commissioning and testing on 21/06/2018, the October reading was 48 ppm. The other plan was to trap methane gas and generate electricity and connect to the Tenaga Nasional Berhad grid, targeted to be completed in June 2019.

The CPO Waste Management Procedure covers both scheduled waste and non-scheduled waste. Scheduled waste (identified as 4 types: SW 305, SW 306, SW 410 & SW 409) is removed for disposal by a DOE-licensed and registered contractor. General or domestic waste is disposed into a landfill. POME flows in an isolated drainage system into oil separators before undergoing biological treatment and eventual discharge for land application. Sampling and analysis is done by an accredited chemist. The result of the last sampling and testing indicated that the parameters were below the standard values. For the implementation of best practices, the Mill Flow Chart & Safe Work Procedure are adhered to. The Contract or Offer Letter is referred for the pricing mechanism and communicated to the FFB suppliers. The FFB Pricing Calculation is the same as defined by MPOB guideline. In general, the MSPO system is already in place and being implemented in the CPO palm oil mill.

**Listing of strength / strong point identified:**

No	Strength Statement
1.	<i>Stakeholders Interview with Ketua Kampung found the corporate social responsibility to contribute chairs are much appreciated and fulfil current need of stakeholder.</i>
2.	<i>Good and prompt response to rectify observations pointed out in the last audit.</i>
3.	<i>An experienced mill manager sharing his RSPO background for MSPO compliance.</i>

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4.	<i>Strong management support to comply with environmental issues (based on the improvement plans).</i>
5.	<i>Well organised filing system facilitating easy access to information required during the audit.</i>

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

No	OFI Statement
1.	<i>To consider Authorities (DOE or JKPP or MPOB Monthly Report) request information as the information and documents relevant to MSPO requirements.</i>
2.	<i>FFB Supplier's MPOB License No. stated in the Weighbridge Ticket to be reviewed and aligned with any changes to avoid confusion.</i>
3.	<i>A drain cover near the switch board in the plant area was warped and may potentially posed a trip and fall hazard to workers attending to the standby generator.</i>
4.	<i>Consider to display the CSDS to be user-friendly &amp; accessible and to maintain good housekeeping &amp; storage of containers.</i>
5.	<i>Consider to use a drip pan to catch drips and spills during siphoning out of small quantities of fluids at the lubricants store.</i>
6.	<i>Drip pans meant for servicing of heavy vehicles should avoid spilling water and oil mixture onto the ground.</i>
7.	<i>A fire extinguisher can be considered at the open shed of the lubricants store as there is a warning sign indicated flammable material for more robust control.</i>
8.	<i>The existing pit has no date of opening. Consider to monitor &amp; record the location of previous landfill pits to maintain hygiene.</i>
9.	<i>Diesel &amp; Electrical Consumption is monitored and to consider implement assessment using the GHG calculator to have better view on the energy consumption against GHG impact.</i>
10.	<i>Offer Letter for FFB supplier (Smallholder / Dealer) is communicated and consider gathered related FFB Supplier's acceptance / acknowledgement for better tracking of communication with supplier and agreement made.</i>

**Listing of nonconformity (NCR)**

No	Clause	NCR Statement	NCR status
1.	4.4.5.5.	<i>The MS 2530-4:2013 clause 4.4.5.5 stated the management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.  It was noted during the audit the Job Description for Production Worker is not sighted and other Job Description for Production Supervisor, Electrical Chargeman are not completed established.</i>	<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.
<b>Remarks:</b> <i>The relevant stakeholders selected from the CPO list of stakeholders, expressed satisfaction with the relationship and positive interaction with CPO. Based on interview with relevant stakeholders, it found the communication CPOM with stakeholders are going well and no concern on Social and Environmental.</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:	<b>11/2019</b>
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<b>Company Representative</b>	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Ahmad Fauzi Ismail
Position:	Mill Manager
Tel:	012-518 8134
Email:	<a href="mailto:tk.lee@central-aluminium.com.my">tk.lee@central-aluminium.com.my</a>
<b>PCI Audit Team Leader</b>	
Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA expert
Tel:	+603-5525 8359
Email:	<a href="mailto:info@pci.com.my">info@pci.com.my</a>
<b>PCI Audit Team Member 1</b>	
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