

PRIMA CERT INTERNATIONAL SDN BHD (1107878-A)

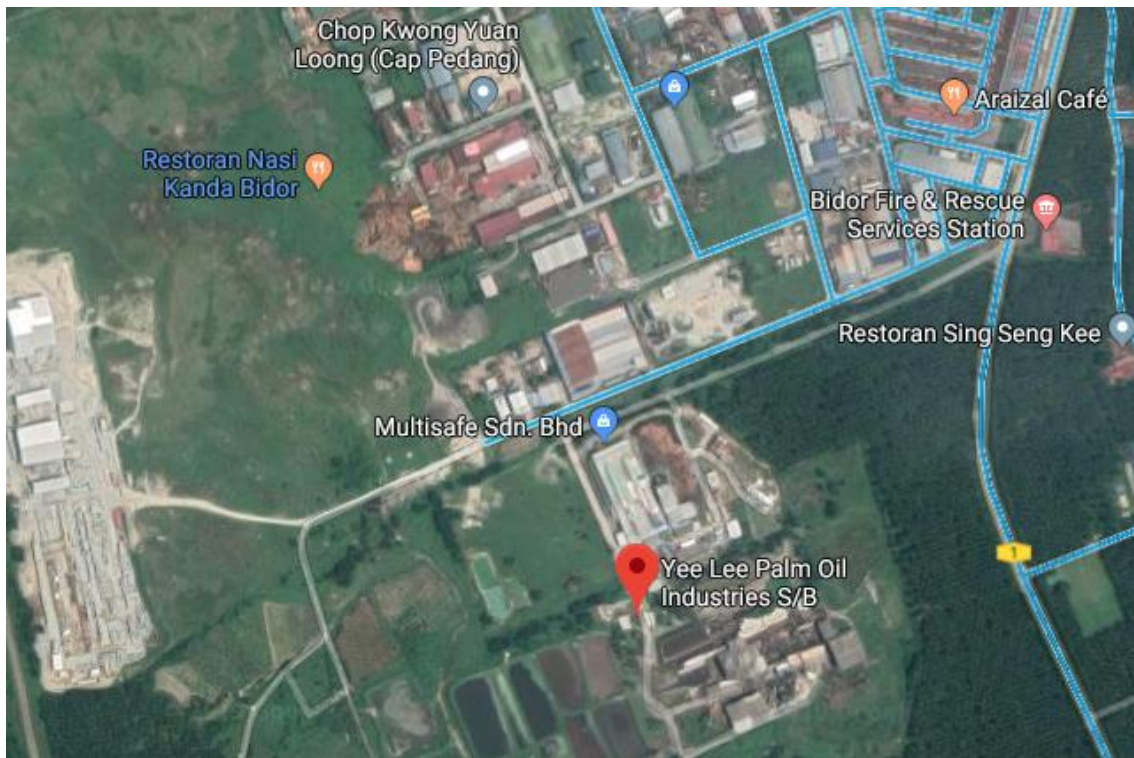
5A, Jalan Anggerik Eria AU 31/AU
 Kota Kemuning, 40460 Shah Alam
 Selangor, D. E. Malaysia
www.pci.com.my / +603-5525 8359)

**MSPO Audit Summary**

Company Name:	Yee Lee Palm Oil Industries Sdn Bhd
Address:	Lot 9399, Bidor Industrial Estate, 35500 Bidor, Perak.
Reference No.:	100048
Standard(s):	MS 2530-4:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. 500081-804000
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:	1. dd/mm/yyyy
Audit Type:	<input checked="" type="checkbox"/> Stage 2 Audit <input type="checkbox"/> Surveillance Audit <input type="checkbox"/> Re-certification Audit
Audit scope:	Palm Oil Mill.
Sites sampled: (for group certification only)	N/A

GPS Coordinate: N405'12" N 101016'45" E

Map showing approximate location of certified entity:



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Audit date:	26/04/2019 to 27/04/2019
Total number of man-day(s):	3.0 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 60.0 mt. FFB/hour 11.5 mt./hour 3.0 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 type="checkbox"/> No <input checked="" type="checkbox"/> Yes, ISO 9001:2015

Executive Summary

Yee Lee Palm Oil Industries Sdn Bhd (henceforth to be addressed as Yee Lee) had adopted the MSPO certification scheme with the signing of the MSPO Policy on 1st April 2019 by its Group General Manager Mr Lee Kon Cheng. This commitment was evident with the prominent display of the mill MSPO Policy on the implementation of MSPO in strategic locations throughout the plant area. A Management Review meeting had been conducted on 23rd January 2019 to discuss findings of the internal audit carried from 19th to 20th December 2018. The recent internal audit findings comprised 16 OFIs and 6 NCs. Actions had been taken to close all findings. Yee Lee mill has prepared 3 continual improvement plans with 2 related to social local development and 1 on Environment.

In terms of Transparency, Yee Lee has established its Consultation and Communication Procedure (YLPO-MSPO-CC dated 18/10/2018, revision 00) signed by the Group General Manger. Its identified stakeholders comprise employees, contractors, local communities, authorities and transporters, numbering 35 in all. The Traceability system (doc. no. YLPO-QP-PIT Product Identification and Traceability, effective 01/10/2017) is in place and inspection is conducted every 3 months with an analysis on variance presented. The Traceability Officer, appointed on 29/11/2018 is the mill Manager himself.

The management of Yee Lee mill is aware of legal compliance for its operation with evaluation records maintained by the Safety & Environment Officer Miss Nor Soleha binti Zainudin as the designated Legal Officer (appointed on 29/11/2018 via appointment letter ref. no. YLPO/126/18). Yee Lee has land titles on 2 lots on 60-year lease in Bidor, Batang Padang District, Perak. No dispute has been recorded in the land use of its holdings and the boundary of the mill compound

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is well defined with concrete markers. No other users are affected as adjoining lots belong to a sister company as well as to the company group management.

Yee Lee identifies aspects in its social impact assessment procedure, some of which produce positive impacts. These include job creation, income generation and providing donations to a school and charitable organization. Negative impacts identified are in the form of odours and noise. Mitigation measure had been identified and implemented. The Yee Lee Complaint and Grievance Procedure (YLPO-MSPO-HCG revision 00) was approved and implemented on 18/10/2018. A suggestion box and forms are made available at the mill canteen. Complaints are dealt with by the respective persons-in-charge of the relevant department. All complaint and suggestion records will be retained for 24 months as per the YLPO-MSPO-CC Consultation and Communication Procedure. The local communities had been informed of the procedure at an external stakeholder consultation on 01/11/2018. Yee Lee had shown itself to be a genial corporate neighbour by interacting with the local communities. Among its contribution to the local community were donations to a school's programme and to a handicapped individual requiring a wheelchair.

The Yee Lee Safety and Health Policy YLPO-MSPO-SHP was approved by the Group General Manager on 18/10/2018. Elements of safety are presented at the start of every shift. The Safety and Health Policy is prominently displayed at strategic locations in the mill compound for the benefit of the employees. Supervisors at each work station briefed their personnel on aspects of the policy before commencing daily routine. The Yee Lee HIRARC Procedure (YLPO-MSPO-HRC) identifies hazards, risk analysis and risk control in connection with its mill operations but has missed out the Pod Puri Plant, the Scheduled Waste Store, the Effluent Ponds and the EFB Press. During the audit walkabout through the plant, 3 safety non-compliance were noted: unaligned pallets, uneven floor without a warning notice and free standing empty gas cylinders – all unsafe conditions that are trip-and-fall hazards. Among some of the courses conducted in its Annual Training Plan 2019 were Chemical Exposure, Chemical Spillage and Chemical Exposure (Respiratory) Training. A fire drill was conducted on 17/12/2018 with another planned for April 2019. First Aid Training was conducted for 15 personnel comprising staff from production and office staffs. Records of PPE Issuance are evidence of Yee Lee providing PPE for its workers including those working at the Pod Puri Plant. Yee Lee has an OSH committee that conducts its meeting quarterly. A year end submission to DOSH for 2018 indicated a worker sustained injury at the Press Station.

The Yee Lee Good Social Practice Policy (YLPO-MSPO-GSP dated 18/10/2018) has been established and addresses non-discrimination. It opposes forced labour and child labour. Workers are entitled to medical benefit, attendance incentive (cash as well as in the form of company trading products such cooking oil, biscuits and toothpaste) and bonus based on performance of the company as well as the individual. The electronic finger-print reader is used to record hours worked with supporting documents from supervisors to verify attendance and overtime. Yee Lee's Sexual Harassment and Violence Policy (YLPO-MSPO-SHV dated 18/10/2018) is prominently displayed at weighbridge office, at the sterilizer area and at the supervisor's office in the workshop area.

In its efforts on environmental monitoring, Yee Lee mill has in place its environmental policy (YLPO-MSPO-ENV dated 18/10/2018). Yee Lee has initiated a Management Programme to reduce gas emission of stack particulate matters from 300 gm/m³ to 150 gm/m³ for 2019. Three continual improvement programmes are being implemented: one in connection with environment (to increase and improve the scheduled waste store) and 2 on social local development (assistance during natural disaster and cooperation towards a local development project).

The Yee Lee Waste Management Procedure (YLPO-MSPO-WSM dated 18/10/2018) covers both scheduled waste and non-scheduled waste. Five types of scheduled waste are listed: SW 305, SW 306, SW 409, SW 410 & SW 110. Non-scheduled waste is identified as boiler ash, food wastes, sludge from boiler, canteen & effluent ponds and production waste comprising EFB, Shell and EFB Fibre. Domestic waste is deposited into municipal-supplied bins for disposal into designated town landfill. In conjunction with water quality monitoring, POME is analysed in-house on a weekly basis for COD while the monthly analysis is done by an external laboratory (Eurofins NM Laboratory Sdn Bhd). The result of the last sampling and testing indicated that the parameters were below the standard values. Instead of methane capture, Yee Lee utilises the Pod Puri Plant (operated by a third-party joint venture partner) to enhance the quality of wastewater before final discharge.

The Yee Lee Financial Forecast Plan for Year 2020 presents an optimistic projection of its operation and profits. The pricing mechanism for the purchase of FFB is defined in the Second Schedule of an agreement between Yee Lee and the FFB supplier (the Grower). The FFB Pricing Calculation is the same as defined by MPOB guideline. Yee Lee shall affect an advance payment on a weekly basis of the FFB received with final payment including adjustments to be settled by Yee Lee at the end of the month.

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

Listing of strength / strong point identified:

No	Strength Statement
1.	<i>Outsourcing of POME treatment through the Pod Puri Plant (operated by a third party) before final discharge.</i>
2.	<i>Very positive remarks by stakeholders on interaction especially with respect to corporate social responsibility.</i>
3.	<i>Prior experience with other certification scheme (ISO) has been a boost in achieving a fast learning curve with the MSPO system.</i>
4.	<i>A mature business establishment with a senior management supported by a staff of committed young executives.</i>

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5.	<i>Good welfare and work incentives for the workers to secure loyalty and tenancy with the company.</i>
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Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>The disposal of domestic waste may be further improved by segregation of waste according to types for recycling.</i>
2.	<i>The storage space in the scheduled store may be better utilised by repacking of used containers (SW 409).</i>
3.	<i>Scrap metal and spare parts and broken equipment may be better segregated into well maintained central depots instead of being left unattended.</i>
4.	<i>A key person related to water treatment did not manage to join the refresher training held for chemical spillage. The management might consider to review a method on how to ensure every key personnel handling chemical gets the appropriate training for his/her job.</i>
5.	<i>The recent OSHA meeting conducted had a time gap of more than 3 months between the previous meeting conducted. The management might consider to improve the planning of OSHA meeting to ensure timely OSHA meeting as per requirement.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2	During the site visit, it was noted that: 1. Clutter in the Scheduled Waste Store (due to alignment of pallets) could lead to trip and fall. 2. Uneven surface without warning signage or indicator on the mill floor could lead to trip and fall. 3. Free standing empty gas cylinders at the workshop that could potentially fall.	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.5.5.1	During the site visit, it was noted that: The internal oil trap behind the workshop is unattended with an accumulation of contaminated domestic waste while the external oil trap was not properly maintained, marked and barricaded.	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
3.	4.4.4.2	It was lack of evidence that the risk assessment for these operations, Schedule Waste Store, Effluent Pond, Pod Puri Plant (JV Partner), and EFB Press processes were conducted as per sighted during the HIRARC Documents assessment.	<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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The stakeholders invited to this meeting expressed satisfaction on their relations with Yee Lee. Through direct participation as well as having heard from their peers, they had witnessed the positive involvement of Yee Lee in the development of the local community.

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:	04/2020
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Tan Wee Kian
Position:	Assistant Operation Manager
Tel:	05-434 2888 / 05-434 3910
Email:	wktan@ylpo.com.my
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA expertise
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)	Socio economic, management system, business management
PCI Audit Team Member 2	
Name:	Muhammad Khaidir Bin Zulkornain
Position:	<input type="checkbox"/> Co-Auditor <input checked="" 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)	Plantation management