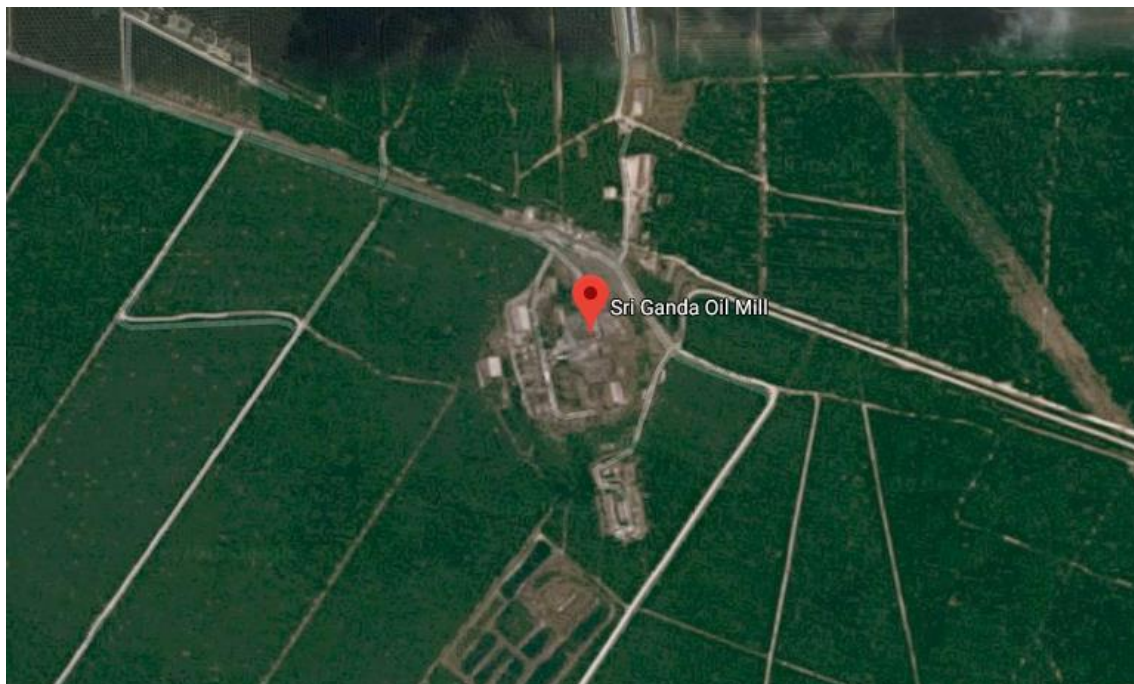


MSPO Audit Summary

Company Name:	Sri Ganda Oil Mill Sdn Bhd
Address:	Batu 10, Off Batu 7, Jalan Changkat Jong, PO Box 60, 36007 Teluk Intan, Perak
Reference No.:	100055
Standard(s):	MS 2530-4:2013
MPOB licence no: (for group certification, list all licences no. in the group)	596990004000
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 3° 54' 47.012" E 101° 11' 56.219"

Map showing approximate location of certified entity:



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Audit date:	07/11/2018 to 08/11/2018
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 11.514 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 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

SGOM had adopted the MSPO certification scheme with the signing of the MSPO Policy on 1st January 2018 by its Director Mr Yong Kean Seong. 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 before this Stage 2 Audit. Although not covered in the Management Review meeting, 2 Improvement Action Plans (for POME monitoring and for establishing a new boiler) were noted to be implemented with a designated person-in-charge defined.

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, SGOM conducted its stakeholder consultation on 16th August 2018. Among its stakeholders included neighbouring plantations, village headmen and representatives of nearby schools.

The management of SGOM is aware of legal compliance for its operation. DOE Perak has issued a licence for an approved processing capacity of 60 MT per hour of FFB. The mill currently occupies 1,266 hectare lot in Mukim Durian Sebatang, Hilir Perak on which it has a 60-year lease, expiring on 24/07/2034. No dispute has been recorded in the land use of its holdings.

SGOM has identified aspects in its social impact assessment which generate positive impacts. Since 15/07/2018, only one entry had been received in the complaints and grievances record. An employee had asked to be paid through the bank and the mill manager had promptly responded by agreeing to do so. By interacting with the local communities through donations to the Parents-Teachers Association of nearby primary school, village recreation clubs, charity bodies and bereaved families of its own staff and workers, SGOM had shown itself to be a cordial corporate neighbour.

The SGOM Safety and Health Policy was available in both English and Bahasa Malaysia. To cater to its 161-strong workforce, the SGOM manual on safe work procedures is also in BM. The minutes of the last SGOM Safety and Health Committee meeting discussed need to conduct an audio-metric test soon. To facilitate safe evacuation during an emergency, the mill assembly point is clearly marked out.

The SGOM Good Social Practice Policy has been established and addresses non-discrimination. The legal minimum wage is adhered to. The punch card and thumb-print system are 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, SGOM has in place its environmental policy. Its environmental improvement plans are focussed on the improving the treatment of POME and the commissioning of a new 60-MT boiler for better efficiency and to reduce air emission to acceptable standards. Currently ash from incineration of EFB is sold as conditioner for peat soil & as washing detergent (effective oil remover). In the Production process, decanter cake is sold to the animal feed making industry (fish pond feeding), Palm kernel shell from the nut cracking (ripple mill) is sold as fuel e of burning as boiler fuel to be sold for more revenue.

The SGOM Waste Management Procedure covers both scheduled waste and no-scheduled waste. Transactions on the disposal of scheduled waste is conducted on eSWIS. Domestic waste is regularly collected and dumped into a landfill within the premises of the mill. POME is treated before discharge into the water course. Sampling and analysis are done by an accredited chemist with the result of the last sampling and testing indicating parameters were below the standard values. For the implementation of best practices, the Code of Good Milling Practice is referred to. SGOM Pricing Mechanism for Fresh Fruit Bunches (KKSL-P6-3) 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 Sri Ganda 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>A conducive filing and recording system to capture and monitor changes to documents as assimilation of the MSPO Principles and Criteria are adhered to.</i>
3.	<i>Commitment from management and staff to environmental requirements.</i>

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	<i>Comprehensive Management review was planned and conducted. To consider include status of raised Improvement Plan Form to be reviewed during management review for more robust review of MSPO implementation.</i>
2.	<i>Consider to review training of workers on unsafe acts and unsafe conditions as a worker was observed to wear eye protection for blow torch operation only after being made aware of unsafe practice.</i>

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3.	<i>To expedite completion of Training Needs Analysis by 31/12/2018 as there had been no scheduled training done.</i>
4.	<i>To improve on housekeeping by deploying spill pan as oil spill was observed under junk equipment in the storage area of former thresher building.</i>
5.	<i>To review scheduling of First Aid Training as there was no trained First Aider available.</i>
6.	<i>Stagnant water from rain in the storage yard of junk equipment in the former thresher building. Consider to put in place a means of preventing ingress of water and removing standing pool.</i>
7.	<i>To improve on the waste disposal plan as the quantity of domestic waste, date of disposal and the location of previous dump pits are not recorded.</i>

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
1.	4.4.4.2 (b)	<i>The MS 2530-4:2013 clause 4.4.4.2 (b) stated the occupational safety and health plan shall cover the following – the risk of all operations shall be assessed and documented. During the audit, it was noted Leakage of smoke from the incinerator through a crack in the foundation brick wall of the stack. Possibility of collapsing. Also egress of smoke from the rim top of the stack foundation.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.4.5.11	<i>The MS 2530-4:2013 clause 4.4.5.11 stated onsite living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. During the audit, it was noted 1) One block of flats and the block of semi-detached staff house are in need of housekeeping in the surrounding compound. 2) The fascia board under the roof of the semi-detached staff house was observed to be deteriorating and in need of replacement.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
3.	4.4.6.2	<i>The MS 2530-4:2013 clause 4.4.6.2 stated training needs of individual employees shall be identified prior to the planning and implementation of the training program in order to provide the specific skill and competency required to all employees based on job description. During the audit, it was noted a continuous training programme is not available as the Training Needs Analysis is yet to be completed (targeted for completion Dec. 2018)</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
4.	4.5.3.2	<i>The MS 2530-4:2013 clause 4.5.3.2 stated a waste management plan to avoid or reduce pollution shall be developed and implemented. During the audit, it was noted there is no waste management plan for wastes. The dump pit with an opening date, located in the plantation was observed to be unattended to. Scheduled waste was noted among</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

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		<i>the discarded items (3 plastic chemical containers and one waste paint can).</i>	
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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>Both Stakeholders show awareness of MSPO and give positive feedback on Sri Ganda Oil Mill includes support on sumbangan to school and surau, vehicle speed control to reduce risk to student. Stakeholders are aware of the communication via verbally with Estate manager and write in for any feedback and complaint. However, the familiarization of established Stakeholder's Complaint / Feedback / Suggestion Form can be further enhanced.</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:	11/2019
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Tan Poi Len
Position:	Mill Manager
Tel:	+6019-564 6067
Email:	sriganda2003@gmail.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)	Social economic, quality management, business management