

**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:   | <b>Ace Oil Mill Sdn Bhd</b>  |
| Address:  | <b>Lot 18342, KM 22, Jalan Keratong-Bahau, 26800 Rompin, Pahang, Malaysia.</b>   |
| Reference No.:  | <b>100074</b>  |
| Standard(s):  | <b>MS 2530-4:2013</b>  |
| MPOB licence no:<br>(for group certification, list all licences no. in the group) | <b>1. 5222 3200 4000</b>   |
| MPOB licence scope of activity:   | <b>1. Menjual dan mengalih PK, CPO, SPO<br/>2. Membeli dan mengalih FFB<br/>3. Menyimpan PK, CPO, SPO<br/>4. Mengilang FFB<br/>5. Mengeksport PK, CPO, SPO</b>     |
| MPOB Licence expiry date:   | <b>1. 31/07/2020</b>   |
| Audit Type:   | <input checked="" type="checkbox"/> <b>Stage 2 Audit</b> <input type="checkbox"/> <b>Surveillance Audit</b> <input type="checkbox"/> <b>Re-certification Audit</b> |
| Audit scope:  | <b>Palm Oil Mill.</b>  |
| Sites sampled:<br>(for group certification only)                                  | <b>n/a</b>   |

**GPS Coordinate:** **2.91178, 102.77911**

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



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|  |  |
|--|--|
| Audit date:  | <b>07/05/2019 to 08/05/2019</b>  |
| Total number of man-day(s):  | <b>3.0</b> man-day(s)  |
| (for MSPO Part 2 & Part 3)<br>Planted Area:  | <input checked="" type="checkbox"/> Not applicable<br>ha.  |
| (for MSPO Part 2 & Part 3)<br>Estimated tonnage of annual FFB produced:  | <input checked="" type="checkbox"/> Not applicable<br>mt.  |
| (for MSPO Part 4)<br>Estimated processing capacity:<br>Estimated certified palm oil (CSPO):<br>Estimated certified palm kernel (CSPK): | <input type="checkbox"/> Not applicable<br><b>45.0</b> mt. FFB/hour<br><b>9.0</b> mt./hour<br><b>2.25</b> mt./hour |
| (N/A for Stage 2 & Re-certification assessment)<br>Date of certificate issued and validity   | <input checked="" type="checkbox"/> Not applicable<br><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<br><input type="checkbox"/> Yes, _____                                      |

**Executive Summary**

This assessment was single site certification as a palm oil mill. Stage 1 audit was performed on 03/05/2019 and total of 13 findings were highlighted during audit on documentation review and site walkabout. All areas of concern were satisfactorily closed by the time of stage 2 audit.

Stage 2 audit was conducted from 07/05/2019 to 08/05/2019 and improvement was sighted since last visit. MSPO Policy was established on 05/06/2017. Internal audit was performed on 23/04/2019 and total of 2 CARs were reported and reviewed during management review on 20/04/2019. The action plan for continual improvement was established on 25 Jan 2019 and focus area included employment conditions, stakeholders' meeting, training & competency.

Stakeholder meeting was conducted on 27/02/2019. Output from the meeting noted to be positive without any concern raised during meeting. However, regular inspection on compliance with established traceability system was not effectively implemented as per NCR 1 of 4.

List & Summary of Applicable Laws & Regulations was updated on 25/02/2019 and land title with map was also available. However, the land title was applicable for plantation only. Consultant was engaged and in progress to follow up with local authority on the need of amendment for terms & condition stated in land title above.

Social Impact Assessment was reviewed on 06/05/2019 and negative impact was highlighted including reduce wildlife place, contamination from palm oil wastes and air pollution, threat of flooding, differences between local workers & foreign workers. 1 case of complaint dated 23/04/2019 relevant to storage of personnel belonging was sampled and action plan to be completed by end of Jun 2019. Agreement between the organization and The All Malayan Estate

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Staff Union was established and did not find any sign of criteria that lead to discrimination. Training Need Analysis was established for staffs, local & foreign workers and reviewed on 02/05/2019.

OHS Policy was revised on 06/05/2019 and displayed in office / notice board. No accident reported since last year 2018 and HIRARC was conducted for all relevant operation / processes. However, chemical handling & emergency evacuation training and safety & health committee meeting was not effectively performed as per NCR 2 of 4.

The Environmental management plans outline concerns regarding Air Pollution, Water Pollution, Noise Pollution, Soil Pollution, Greenhouse gas emission, Waste management, by product management, water usage, and other areas and reviewed on 16th March 2019. Sighted environmental aspects and impacts identification and risks assessment covering operational processes from FFB intake to Scrap iron. However, scheduled wastes management and pollution control were not effectively implemented as per NCR 3 of 4 and 4 of 4.

Sighted business Plan for Ace Palm Oil Mill for 2019 and 2020. Products pricing was defined in the Quotation. Sample quotation between Eastern Oil Trading, Ace Oil Mill Sdn Bhd and Musim Mastika Oils & Fats Sdn Bhd. Quotation clearly indicated quantity, price per metric ton, commodity, specification, payment due time, and commission rate of broker. Sighted also contract purchase between Timuran Enterprise Sdn Bhd and Ace Oil Mill Sdn Bhd. Contract no: TESB/AOMSB//138/03/19 and contract stated type of commodity, quantity, quality, price, and payment terms.

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

| No | Strength Statement   |
|----|--|
| 1. | <i>POME treatment devices (Aerators and mixers) were installed at the anaerobic and aerobic ponds resulting lower readings of BOD.</i> |
| 2. | <i>Good practice of fixing 1 day of the week (Friday) as Maintenance Day was demonstrated.</i>   |
| 3  | <i>Good housekeeping was sighted at all operation &amp; work stations.</i>   |

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

| No | OFI Statement   |
|----|---|
| 1. | <i>Management review was performed and recorded. Further enhancement on clearer elaboration for results of communication &amp; consultation with stakeholders, status of complaint &amp; grievance if any, status of legal compliance, status of continual improvement action plan, changes of environmental aspect &amp; HIRARC if any should be considered for better performance review purpose.</i> |
| 2. | <i>List &amp; Summary of Applicable Laws &amp; Regulations was updated. It would be worth to elaborate clearer the status of compliance for each requirement identified instead of only stated 'no latest amendment published' for better monitoring purpose.</i>   |

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|    |  |
|----|--|
| 3. | <i>Action addressed for any negative impact identified and Social Impact assessment. It would be worth to specify clearer the status of action including completion date &amp; responsible personnel for better monitoring purpose.</i>  |
| 4. | <i>Safety &amp; Health Committee Organization Chart was established. Further elaboration on the specific function as Secretary, Employer Representative and Employee Representative should be considered for better understanding purpose.</i>   |
| 5. | <i>First aid box was available at designated area and further enhancement on periodic inspection of kit content should be considered in order to ensure emergency equipment are well maintained all the time.</i>  |
| 6. | <i>Responsibilities were defined and documented in letter of appointment for specific positions (e.g. Weigh Bridge cum office clerk &amp; Probationary Lab Assistant). Same implementation should be considered for other positions including supervisor, general workers etc. for better reference purpose.</i> |
| 7. | <i>All operation has been assessed in Environmental Aspect &amp; Impact Assessment; however, it would be worth to establish clearer guidelines on what actions needed to be taken when if the risk assessment scorings was high.</i>   |
| 8  | <i>Environmental &amp; social training was proposed in the action plan for continual improvement. The management might consider to specific clearer types of training concerned for better monitoring purpose.</i>   |
| 9  | <i>Stakeholder meeting was conducted and recorded. Further enhancement on communication &amp; information disseminating platform between the organization and contractors &amp; suppliers on MSPO awareness should be considered for continual improvement.</i>  |

**Listing of nonconformity (NCR)**

| No | Clause  | NCR Statement   | NCR status   |
|----|---------|---|--|
| 1. | 4.2.3.2 | <i>Traceability process was not effectively implemented.<br/>Clause 4.2.3.2 required that the management shall conduct regular inspection on compliance with the established traceability system. However, during audit there was lack of evidences requirement above been practiced.</i>   | <input type="checkbox"/> Open<br><input checked="" type="checkbox"/> Close |
| 2. | 4.4.4.2 | <i>Employee safety &amp; health process was not effectively implemented.<br/>a. Clause 4.4.4.2 c) required that all employees involved or exposed to chemicals used are adequately trained on safe working practices. However, during audit there was lack of evidence that chemical safety training been conducted.<br/>b. Clause 4.4.4.2 g) required that the management shall conduct regular communication with their employees where issues related to employees' safety, health &amp; welfare are discussed openly. However, during audit there was lack of evidence that quarterly safety &amp; health committee meeting been conducted since last meeting in Jan 2019 and quarterly workplace safety &amp; health inspection also was not performed as per Occupational Safety &amp; Health (Safety &amp; Health Committee) Regulations 1996.<br/>c. Clause 4.4.4.2 h) required that emergency procedures shall exist and instruction shall be clearly understood by all employees. Noted Emergency Preparedness Procedure (MP9) also stated that</i> | <input type="checkbox"/> Open<br><input checked="" type="checkbox"/> Close |

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|           |         |  |  |
|-----------|---------|--|--|
|           |         | <i>employees shall be trained on Emergency Site Evacuation. However, during audit there was lack of evidence that training been performed.</i>   |  |
| <b>3.</b> | 4.5.3.1 | <i>Wastes Management &amp; Disposal was not effectively implemented. Clause 4.5.3.1 required that all waste products &amp; sources of pollution shall be identified and documented. However, during audit there was lack of evidence that hexane contaminated containers (without labelling) stored at Laboratory been identified and notified to DOE as per Environmental Quality (Scheduled Wastes) Regulations 2005.</i>      | <input type="checkbox"/> Open<br><input checked="" type="checkbox"/> Close |
| <b>4.</b> | 4.5.4.2 | <i>Reduction of pollution process was not effectively implemented. Clause 4.5.4.2 required that an action plan to reduce identified significant pollutants shall be established and implemented. However, during onsite audit it was found that traces of oil drippings from diesel gun on the soil surface near the diesel tank and lack of evidence that operational control action plan been established and implemented.</i> | <input type="checkbox"/> Open<br><input checked="" type="checkbox"/> Close |

**Stakeholder consultation summary**

|  |   |
|--|---|
| Any issues raised by the stakeholder(s) towards the company?   | <input type="checkbox"/> Yes, issue: _____<br><input checked="" type="checkbox"/> No. |
| <b>Remarks:</b><br><i>From the feedback of stakeholders interviewed, it could be discerned that the organization had established good rapport with the stakeholders. In general, there was no negative comments at the moment.</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>05/2020</b> |
|----------------------------|----------------|

| Company Representative |  |
|------------------------|--|
| Designation:           | <input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify: |
| Name:                  | Mr. Stephenson Decruz  |
| Position:              | Mill Manager   |
| Tel:                   | +607 9370943   |
| Email:                 | <a href="mailto:ace.oilmill@gmail.com">ace.oilmill@gmail.com</a>   |
| PCI Audit Team Leader  |  |

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|--|--|
| Name:  | Tee Kee Hu (TEE)   |
| Area of expertise                              | Environmental, Health & Safety, HIRARC   |
| Tel:   | +603-5525 8359   |
| Email:   | <a href="mailto:tee.kh@pci.com.my">tee.kh@pci.com.my</a>   |
| <b>PCI Audit Team Member 1</b>                 |  |
| Name:  | Muhammad Khaidir Bin Zulkornain (KHA)  |
| Position:                                      | <input checked="" type="checkbox"/> Co-Auditor <input type="checkbox"/> Auditor-in-Training <input type="checkbox"/> Technical Expert<br><input type="checkbox"/> Observer <input type="checkbox"/> Other, please specify: |
| Area of expertise<br>(N/A if observer & other) | Plantation Management & Bio-Compost  |
| <b>PCI Audit Team Member 2</b>                 |  |
| Name:  |  |
| Position:                                      | <input type="checkbox"/> Co-Auditor <input type="checkbox"/> Auditor-in-Training <input type="checkbox"/> Technical Expert<br><input type="checkbox"/> Observer <input type="checkbox"/> Other, please specify:            |
| Area of expertise<br>(N/A if observer & other) |  |