


MSPO INITIAL CERTIFICATION SUMMARY REPORT

STANDARD:	MS2530-3:2013 (Part 3) General Principles for Oil Palm Plantations and Organized Smallholders	
PLANTATION:	BBC ESTATE V SDN BHD(573527-P) BBC ESTATE VI SDN BHD(573531-M) BBC ESTATE VII SDN BHD(5873537-U) Lot 24, 25, 26 &34, Block 34, KM 15, Jalan Bintulu/Miri, Kemena Land District, 97000 Bintulu, Sarawak	
OWNED BY:	BBC PLANTATION SDN BHD (380137-X) Lot 1643, Junction 5 Commercial Centre, Jalan Tun Hussain Onn, 97007 Bintulu Sarawak.	
		
PROJECT NO:	BQAS/BBCE/001-1	JULY 2018
CERTIFICATION BODY:	BQAS Certification (M) Sdn Bhd (11179994-x) Sublot 6, 2 nd Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching, Sarawak. Tel: +6 082 572 043 Mobile: +6 017 814 1112 Email: bqassb@gmail.com Website: www.bqas.com.my	
Documented by:	Douglas Alau Tayan	22 July 2018
Certified by:	Patrick Sibat Sujang	29 September 2018
Certificate Issued on:	1st January 2019	Valid till 31st December 2023

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PLANTATION	BBC ESTATE V SDN BHD(573527-P) BBC ESTATE VI SDN BHD(573531-M) BBC ESTATE VII SDN BHD(5873537-U)
OWNED BY	BBC PLANTATION (1121580-w)
PROJECT NO	BQAS/BBC/BBCE/001-1

1. INFORMATION: CERTIFICATION ASSESSMENT

1.1	Type of Assessment:	Initial Certification Audit	
1.2	Scope of MSPO Certification:	Individual Certification	
1.3	MSPO Standard:	MS2530-3:2013	
1.4	Maps: (Refer Attachments)	a.	Google – Location
		b.	Location of Workers' Quarters
		c.	Stakeholders' Consultation
	Geo-Coordinates:	N 3°11'5"11.5" E 113°08'51.1	

2. INFORMATION ON CERTIFIED ENTITY

2.1	Name of Plantation: Location:	BBC ESTATE V SDN BHD(573527-P) BBC ESTATE VI SDN BHD(573531-M) BBC ESTATE VII SDN BHD(5873537-U) Lot 24, 25, 26 &34, Block 34, KM 15, Jalan Bintulu/Miri, Kemena Land District, 97000 Bintulu, Sarawak		
	Wholly owned by:	BBC PLANTATION SDN BHD (380137-X)		
2.2	Main Office Address:	Lot 1643, Junction 5 Commercial Centre, Jalan Tun Hussain Onn, 97007 Bintulu Sarawak.		
2.3	Management/Contact Details:			
	Mr. Christopher Yek Nae Tsuey Managing Director	Tel: 086-313441	Email: admin@bbcgroup.com.my	
	Mr. Amran Bin Alam Estate Manager	086-313441/Fax No.: 086-335302	Email: amran.alam@bbcgroup.com.my	
2.4	MPOB License No:	1. BBC ESTATE V S/B-615122002000 2. BBC ESTATE VI S/B-61512112000 3. BBC VII ESTATE S/B-509477002000	Expiry Date:	1. 31-08-2019 2. 31-08-2019 3. 31-12-2019
	Scope of Activity:	Menjual dan Mengalih		
2.5	Certified Area:	BBC ESTATE V=847.56HA BBC ESTATE VII=937 HA BBC ESTATE VII=890.49HA TOTAL=2,675.05 HA	Planted Area:	2,675.05 HA
			Conserved Area:	

2.6	FFB Annual Production:	Estimated: 2019	40,225.62 Metric Ton	
2.7	Date of Certification:	1 January 2019	Validity:	5 years / December 2023
2.8	Other Sustainability Certification:		Nil	

3. ASSESSMENT: AUDIT TEAM / METHODOLOGY / PLAN / PROCESS

3.1 AUDIT TEAM	
The Audit Team:	Name: Role
Stage 1 Audit Date: 17 May 2018	Dominic Retan Giah Lead Auditor
	Wilfred Landong Auditor
	Charles Tibok Auditor
	Douglas Alau Tayan Auditor
Stage 2 Audit Date: 19 July 2018	Dominic Retan Giah Lead Auditor
	Wilfred Landong Auditor
	Charles Tibok Auditor
	Douglas Alau Tayan Auditor
Dominic Retan Giah	Lead Auditor
Qualifications:	
<ul style="list-style-type: none"> • Bachelor of Science in Wood Science & Technology, Colorado State University, Fort Collins; 1987, • Diploma in Wood Technology, Institut Teknologi MARA (UiTM), Shah Alam; 1983, • St Joseph School, Kuching, Sarawak; 1963-1975 • Attended and successfully completed and passed the MSPO Lead Auditor Course by DQS (Malaysia) in Setia Alam, Selangor from 26th to 30th Jan 2015. • Conducted more than 40 days audit for MSPO since year 2016. • Completed 30 days on-site audits as Lead Auditor for MSPO P&C scheme. 	
Wilfred Landong	Auditor
Qualifications:	
<ul style="list-style-type: none"> • Advanced Dip in Business & Management, WGIHE, UK • Degree in Marketing, CIM, UK • Masters in Marketing, UNN, UK • Qualified & successfully completed MSPO Lead Auditor Course (Pioneer Group) on 30th January, 2015 	
Charles Tibok	Auditor
Qualifications:	
<ul style="list-style-type: none"> • Bachelor of Science (Hons) in Quantity Surveying, UK • Successfully completed MSPO Lead Auditor Course in 2017 	
Douglas Alau Tayan	Auditor
Qualifications:	
<ul style="list-style-type: none"> • Diploma Agric.(UPM, M'sia), • B. Agr. Sc. (USA), • M.Sc. Agr. Sc. (USA). • Passed the Certified ISO 14001:2015 Lead Auditor Training Course and currently doing Lead Auditor-in-Training for several oil palm plantations and mills. • MSPO Peer Reviewer Training (14-15/06/2017) by MPOCC, & ISO/IEC 17021-1:201 • ISO/IEC 17021-1:2015 Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems organized by Saytech General Inspection Services Sdn. Bhd. - 5th – 6th December, 2017. • Audit Report of MSPO and RSPO Certification (P & C Part 3 & 4); Stage 2 of 5 Oil Palm Plantations and 4 Palm Oil Mills since 2017. 	

3.2	AUDIT METHODOLOGY
	<p>The Audit was carried out in conformity with the procedures as laid down in the BQAS Procedure Manual and the MSPO Program Manual for the auditors and Certifier. During the Audit the qualified BQAS auditors used the MSPO standard as endorsed for the country in which the audit took place and recorded their findings.</p> <p>Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:</p> <ul style="list-style-type: none"> • Chemical stores. Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security. • Field inspections. Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes, Soil erosion. Field observations of all operations. • Worker interviews. OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness. • Re-planting sites. Zero burn. • Water management. Water courses. Water monitoring. • Road maintenance. Run off. • Social amenities. Social Impact Audits. • Local communities. Contributions made. Employment opportunities. Social impacts. Complaints procedures. • Workshops. Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management. • Line sites. Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal. • Documentation review. <p>Verification: Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.</p> <p>Verification of effectiveness of taken corrective actions regarding previously identified nonconformities</p>

3.3	AUDIT PLAN					
	AUDIT SITES					
	For both Stage 1 & Stage 2 the Audit Team performed assessments at: <ul style="list-style-type: none"> • BBC Plantation Sdn Bhd Head Office • BBC Estates V, VI, VII Plantations & Estates site offices 					
	STAGE 1 AUDIT					
	Date:	16 TH May 2018	No of Auditors	4	No of Mandays	4
	Audit Program & Agenda					
	Assessed areas:					
	<ul style="list-style-type: none"> • Basic information about the entity • Management system: scope & documentation • Evaluation of location/site specific conditions • Review understanding regarding requirements of the MSPO Standards (key performance, processes, objectives) • Related statutory & regulatory aspects & compliance 					



	<ul style="list-style-type: none"> Land status/legality MSPO policies, procedures Management Manual Management Plan Resources management (water/non-renewable energy use) Determine preparedness for Stage 2 Audit Fertilizers/Chemical/Schedule waste stores Estate Office & Workers Quarters, Signages Boundary Markers, Geo-coordinates, Buffer Zone, Riparian Reserves Stakeholders interview 				
Day 1 : a.m.	Documentation Audit at BBC Plantation Sdn Bhd Head Office.				
Day 1 : p.m.	BBC Estates V, VI VII Site Audit				
STAGE 2 AUDIT					
Date	20th July, 2018	No of Auditors	4	No of Mandays	4
Audit Program & Agenda					
Assessed Areas:					
<ul style="list-style-type: none"> Evaluate implementation, including effectiveness of the management system Information & evidence about conformity to all requirements Performance monitoring, measuring, reporting Reviewing against key performance objectives & targets Performance as regards legal compliance Operational control of the client's process Internal auditing & Management review Management responsibilities for policies Links between the normative requirements, policy Competence of personnel Customer specific requirements Harvesting / collection of loose fruits / logistics & traceability of FFB Use of PPE / Safety & Health training program Revisit other points/areas of buffer zone, Riparian reserves, boundaries Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste – new store) Improvements to workers quarters – health & safety Infrastructure / roads & drainage / natural water management Continuous improvement plan & implementation Implementation of Best practices Implementation of environmental management plan Stakeholders & workers interview 					
Day 1: a.m.	Documentation Audit at BBC Plantation Head office.				
Day 1: p.m.	BBC Estates V, VI VII Site Audit				

3.4	AUDIT PROCESS				
	The Audit Process for both Stage 1 & 2 Assessments were conducted similarly as follows:				
	No	Process	Description		
	1	Public Notification	Notice issued 1 month before audit dates		
	2	Audit Plan	Auditee receives 2 weeks before audit dates		
	3	Day 1: A.M. Assessment	Opening Meeting & Documentation Audit		
	4	Day 1: P.M. Assessment	Plantation Site Audit & Closing meeting		
	5	Audit Report / Findings	Report / Checklists: review, discuss & decide corrective & forward action to be taken with Auditee		
4	SUMMARY OF FINDINGS				
STAGE 1 AUDIT					
No of Findings:	6	Classification	AWF	Acceptable with findings noted	
Areas of Findings:	Internal Audit, Management Review, Continual Improvement, Social Impact				



	Assessment (SIA), Employee Safety & Health, Environmental Management Plan, Waste Management Plan, Zero Burning practices
CAR closed	Corrective Action Report closed on 20 th June, 2018
STAGE 2 AUDIT	
No of NC	2 Minor NCs
No of OFI	Nil
Area of NC01	<p>Aspect of standard: P4C4I2a: Employees safety and health</p> <p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b)</p> <p>Evidence of non-conformity: <i>No safety briefing was conducted for visitors (MSPO auditors).</i></p>
CAR Closed	Corrective Action Report closed on 28th September, 2018
Area of NC 02	<p>Aspect of standard: P4C5I11: Employees safety and health</p> <p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>Evidence of non-conformity: <i>Grass and litter, clogging drains around the workers quarters close to the main plantation office.</i></p>
CAR Closed	Corrective Action Report closed on 28th September, 2018
5	CERTIFICATION RECOMMENDATIONS

Introduction

BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd are located at Lot 24, 25, 26 & 34, Block 34, KM 15, Jalan Bintulu/Miri, Kemena Land District, 97000 Bintulu, Sarawak. As a subsidiary of the BBC Plantations Sdn Bhd, it had been desirous of obtaining MSPO accreditation to comply with the government aspiration for all planters (smallholdings and plantations) and millers to achieve this certification by 31st Dec. 2019. The certification for BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd shall be as an individual certification unit.

This report is prepared by BQAS to describe the preparedness of BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd to be certified by Malaysian Sustainable Palm Oil in accordance to the MS 2530-3:2013, Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organised smallholders (MS2530-3:2013).

Stage 1 had been carried out on 16th May 2018 to meet with the requirement of MSPO certification procedure. The result showed that the organization had demonstrated their readiness to go for certification.

Stage 2 audit was conducted on 20th July 2018 according to MS 2530- 3:2013 standard reference. The satisfactory resolution of Stage 2 audit findings indicated that BBC Estate V, VI and VII Sdn Bhd is running and operating under a sustainability management system. The audit criteria used are the certification standards as documented in the audit schedule as well as the current management system documentation of the company.

Report Summary

BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd, are participating in the certification scheme at the behest of the holding company BBC Plantation Sdn Bhd. After the Stage 1 Audit, there was a general awareness on commitment toward improving transparency and the need to follow up on the continual improvement plans. The management, staff and workers were generally supportive and eager to participate in the management system toward sustainability through MSPO.

Commitment shown by the management of BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd, toward MSPO was evident through the display of MSPO Policy documents at strategic places in the plantation office, stores and workshops. There was a general awareness on the need for legal compliance and continual improvement plans were in place to cover both environmental aspects as well as social ones.

There was an understanding on the need to maintain proper records and to communicate information to all stakeholders. Up to the time of the Stage 2 Audit, no complaints and grievances had been recorded. This might be attributed to the company's commitment to local sustainable development. BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd, showed that it was involved in the local community through its corporate social responsibility program such as the one conducted at Rumah Jefri, Sepadok. It also made a contribution towards the SOPPOA industrial training programme.

Staff and workers had been given awareness briefing on safety and health including usage of proper PPE. Good compliance was noted towards worker safety and health and employment conditions. Training programs were implemented for workers to attain competency.

The BBC Environmental Policy indicated an awareness to protect wildlife and the conservation of their habitats. This included a training on buffer zone awareness. Posters of rare, threatened and endangered species were displayed at prominent places where workers and other stakeholders congregate such as the office and the entrance to the plantation.

Environmental issues were also discussed for resolution at regular OSH meetings and eventual implementation. There was generally a good adherence to proper waste management and disposal.

Overall BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd, are implementing a management system that is fulfilling the requirement of the MSPO standards with some improvement areas as outlined in Section 5 below.

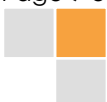
Stakeholders' Consultation

This was conducted by the selection of 2 samples (one at BBC Estate V Sdn Bhd, BBC Estate VI Sdn Bhd and BBC Estate VII Sdn Bhd, and another at Majrany Plantation Sdn Bhd) to represent the BBC Plantation Sdn Bhd as a group. The stakeholder interviewed at BBC Estate V, VI and VII Sdn Bhd was Mr Rahman bin Kadri of Tong Nyen Transportation, an FFB transporter for the plantation.

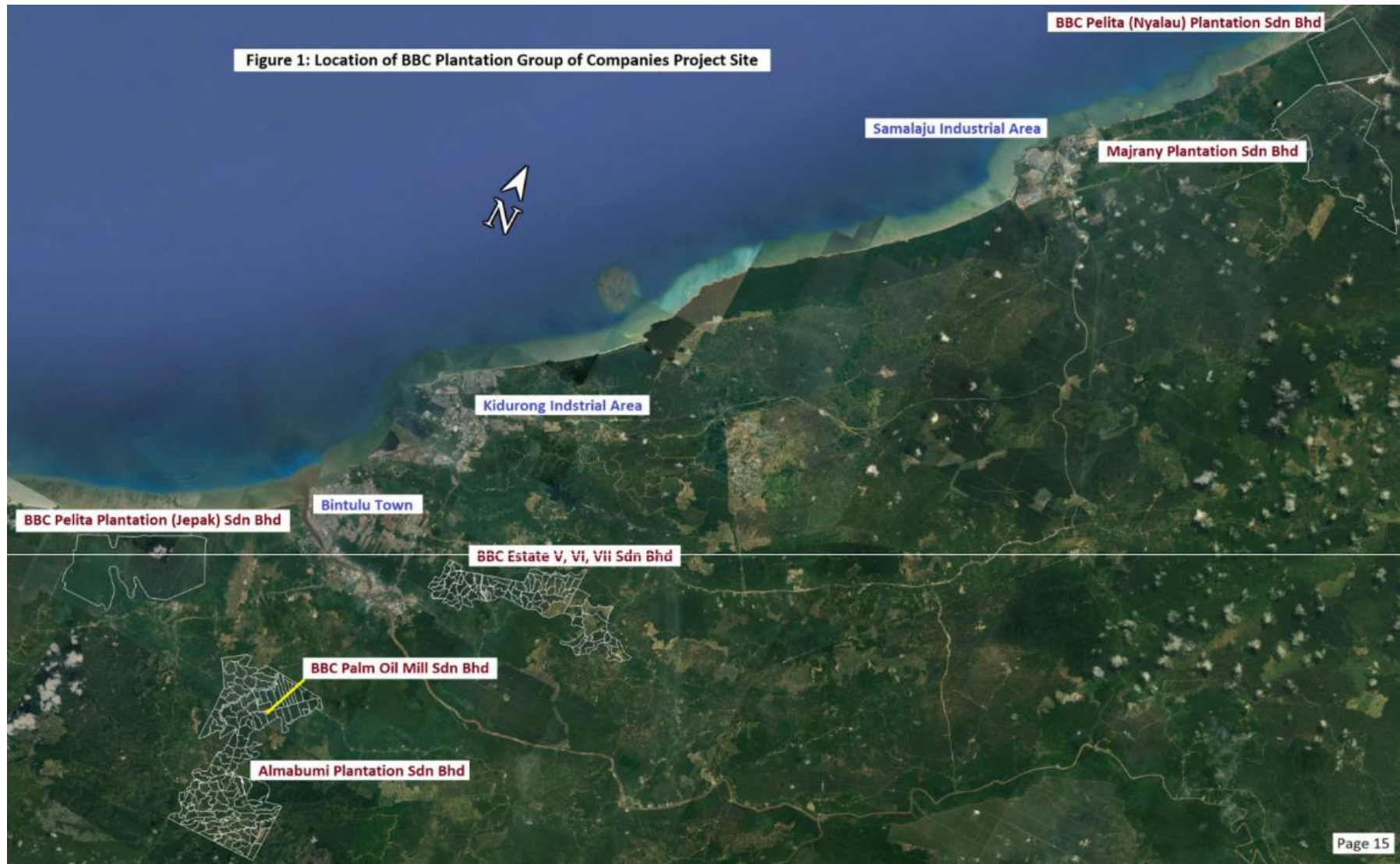
BBC Estates V, VI VII Sdn Bhd has complied & conformed to Certification standards, conditions & requirements.

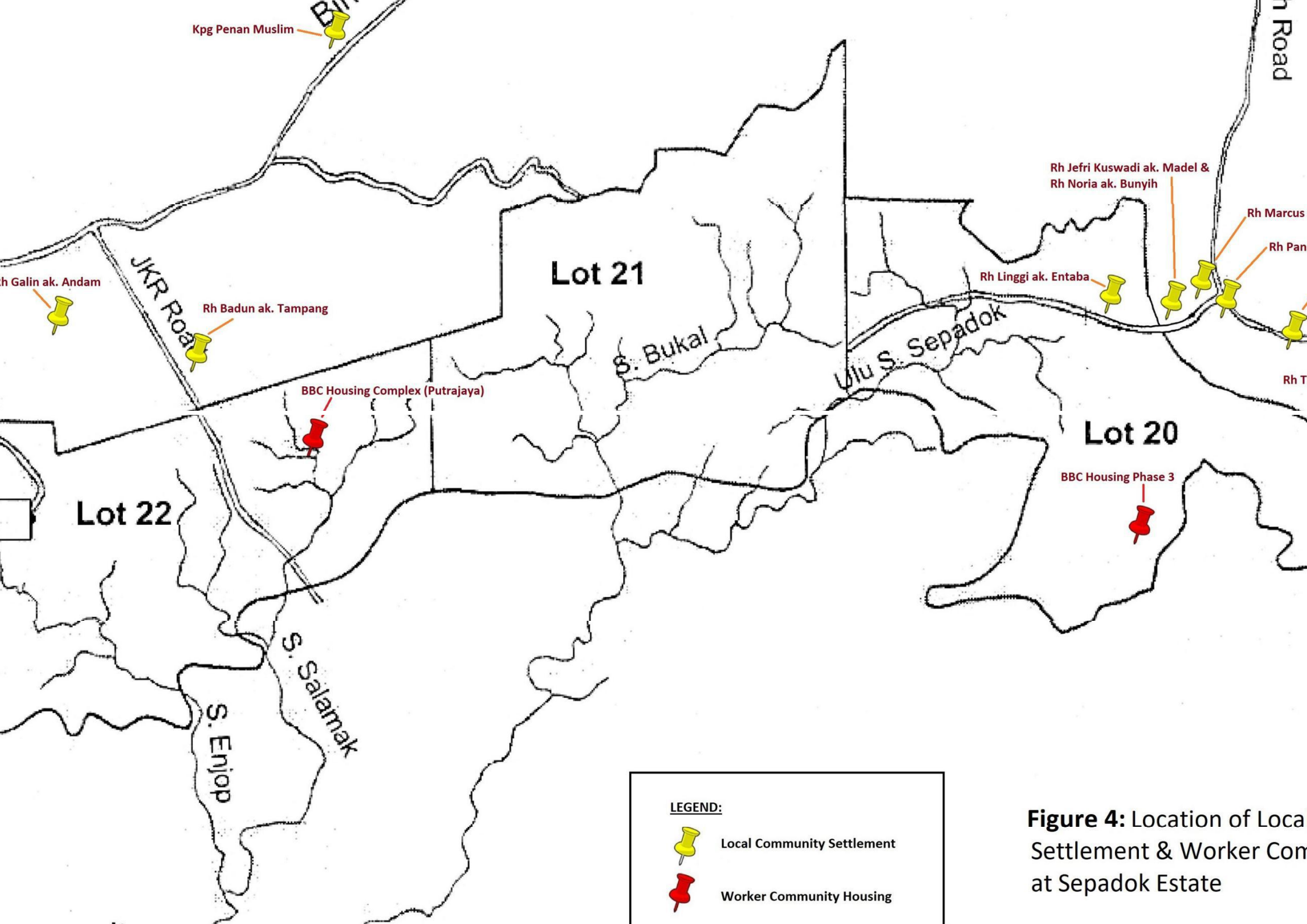
Conclusively, the Lead Auditor therefore recommended that BBC Estates V, VI VII Sdn Bhd be certified under MSPO Standards MS2530-3:2013.

6.	DATE OF 1 ST Year SURVEILLANCE AUDIT	June, 2019
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ATTACHMENT 1 : GOOGLE MAP LOCATION OF ALMABUMI SDN BHD





LEGEND:



-  Local Community Settlement
-  Worker Community Housing

Figure 4: Location of Local Settlement & Worker Community Housing at Sepadok Estate

ATTACHMENT 3 : Stakeholders' consultation

MSPO Stakeholder Consultation Report

Company Name:	BBC Plantations Sdn Bhd (BBC Estate VII Sdn Bhd & Majrany Plantation Sdn Bhd)		
Standard(s):	<input type="checkbox"/> MS 2530-2:2013	<input checked="" type="checkbox"/> MS 2530-3:2013	<input type="checkbox"/> MS 2530-4:2013
Assessment Type:	Oil Palm Plantation		
Consultation Date:	20/07/2018		
Consultation Technique:	<input checked="" type="checkbox"/> Meeting (to submit list of participants if available) <input type="checkbox"/> Phone interview <input type="checkbox"/> Written views and comments (mail, email etc. based on pre-determined questions) <input type="checkbox"/> Research (internet, journal or other credible literature sources)		

1.	Is this stakeholder register in the organization's stakeholder list?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Remarks : A sample from a grouping of external stakeholders
2.	Based on input received, is transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Remarks : The driver had attended the MSPO awareness briefing by BBC Estate.
3.	Any feedback, complaint or grievances raised by this stakeholder before? (If Yes, please briefly explain the nature of the feedback/ complaint/ grievance in Remarks)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Remarks :
4.	If (3) above is Yes, is the organization handle the feedback/ complaint/ grievance appropriately?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Remarks :
5.	Any land issue being raised during against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Remarks :
6.	Any social issue being raised during against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Remarks :
7.	Any environmental issue being raised during against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Remarks :
8.	Is the issue stated above being brought to the audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Remarks :

Remarks, comments and opportunities for improvement:

Mr Rahman bin Kadri, the BBC Estate driver for the delivery of FFB to the BBC mill, pointed out that sorting and grading took up waiting time at the mill grading yard, indicating a vigilant in-field checking of fruit bunches would greatly reduce his downtime and increase productivity. Rejected fruit bunches would have to be collected back.

The headman of Kpg Nyalau, Mr Sung bin Bakir, appreciated the establishment of the Majrany Plantation as it provided a sustainable alternative to fishing. Far from being seasonally employed as fishermen, 6 young men from his village and several others from nearby Kedayan villagers were able to be gainfully employed as plantation workers. Value-added training for these young people would help to improve their livelihood further. The headman looked forward to a briefing on MSPO to be conducted by Majrany Plantation soon.