

MSPO INITIAL CERTIFICATION SUMMARY REPORT

STANDARD:	MS2530-4:2013 (Part 3) Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills (MS2530-4:2013).	
PLANTATION:	BBC PALM OIL MILL SDN BHD (906961-T) Lot 20, Block 44, Sungai Segan, 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/BBC/MRN/001-5	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 Palm Oil Mill PLANTATION SDN BHD(906961-T)
OWNED BY	BBC PLANTATION (1121580-w)
PROJECT NO	BQAS/BBC/BBC-POM/001-5

1. INFORMATION: CERTIFICATION ASSESSMENT

1.1	Type of Assessment:	Initial Certification Audit	
1.2	Scope of MSPO Certification:	Individual Certification	
1.3	MSPO Standard:	MS2530-4:2013	
1.4	Maps: (Refer Attachments)	a.	Google – Location
		b.	Location of Workers' Quarters
		c.	Stakeholders Consultation
	Geo-Coordinates:	E 113° 04' 10.4" N 3° 03' 52.1"	

2. INFORMATION ON CERTIFIED ENTITY

2.1	Name of Plantation: Location:	BBC PALM OIL MILL SDN BHD (906961-T) Lot 20, Block 44, Sungai Segan, 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	
	Ir. Raymond Lau Palm Oil Mill Manager	086-3123441	Email: raymond.lau@bbcgroup.com.my	
2.4	MPOB License No:	574825004000	Expiry Date:	31-07-2019
	Scope of Activity:	1. Menjual dan Mengalih FFB, PK, CPO, SPO 2. Membeli dan Mengalih FFB 3. Menyimpan PK, CPO, SPO 4. Mengilang FFB		
2.5	Certified Area:	Palm Oil Mill	Planted Area:	N/A
			Conserved Area:	
2.6	FFB, CPO & PKO Annual Production:	Estimated: 2019	FFB 260,766 Metric Ton CPO 52,935 Metric Ton PK 11,473 Metric Ton	
	Date of Certification:	1 January 2019	Validity:	5 years /December 2023
2.8	Other Sustainability Certification:		Nil	

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

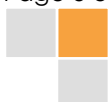
3.1 AUDIT TEAM			
The Audit Team:		Name:	Role
Stage 1 Audit Date: 17 May 2018		Dominic Retan Giah	Lead Auditor
		Wilfred Landong	Auditor
		Charles Tibok	Auditor
		Douglas Alau Tayan	Auditor
Stage 2 Audit Date: 19 July 2018		Dominic Retan Giah	Lead Auditor
		Wilfred Landong	Auditor
		Charles Tibok	Auditor
		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. Ground cover. 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 burning. • 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:</p> <p>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 main office • BBC Pail Oil Mill Sdn Bhd office and mill site 						
	STAGE 1 AUDIT						
	<table border="1"> <tr> <td>Date:</td> <td>15th May, 2018</td> <td>No of Auditors</td> <td>4</td> <td>No of Mandays</td> <td>4</td> </tr> </table>	Date:	15 th May, 2018	No of Auditors	4	No of Mandays	4
Date:	15 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 Main Office.				
Day 1: p.m.	BBC Palm Oil Mill Office and Mill Site Audit				
STAGE 2 AUDIT					
Date	17-18 July, 2018	No of Auditors	4	No of Mandays	8
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	Documentation Audit at BBC Plantation main office.				
Day 2	BBC Palm Oil Mill Office and Mill 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: Assessment	Opening Meeting & Documentation Audit			
4	Day 2: 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:	9	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	4 Minor NCs
Areas of NC	Internal Audit, Management Review, Continual Improvement, Social Impact Assessment (SIA), Employee Safety & Health, Environmental Management Plan, Waste Management Plan, Zero Burning practices
No of OFI	13 OFIs
Areas of OFI	Continuous Improvements, Regulatory requirements, Worker's safety and Health.
Area of NC 01	<p>Aspect of standard: P4C4I2b: Employees safety and health</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>Evidence of non-conformity:</p> <p>During the mill visit, noted that:</p> <ol style="list-style-type: none"> 1. The risks posed by the damaged drain cover at the boiler area have not been documented and attended to. 2. Steam area not barricaded or posted with a warning sign. 3. Pit for motors for effluent pump - no access for maintenance crew.
CAR Closed	Corrective Action Report closed on 28th September, 2018.
Area of NC 02	<p>Aspect of standard: Part 4, P4C4I2c: Employees safety and health</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill</p> <ol style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <p>Evidence of non-conformity:</p> <p>During the mill visit, noted that:</p> <ol style="list-style-type: none"> 1. A worker at the kernel drum was not wearing ear protection despite a safety warning to do so. 2. A worker removing bricks and rocks from a drain cover conducted his work in a non-ergonomic manner. <p>Obviously, safety training is required.</p>
CAR Closed	Corrective Action Report closed on 28th September, 2018.
Area of NC 03	<p>Aspect of standard: P4C4I2c: Employees safety and health</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>Evidence of non-conformity:</p> <p>Workers at the boiler station were seen not wearing dust mask and eye protection despite the dusty condition at the work place and safety signage to do so.</p>



CAR Closed	Corrective Action Report closed on 28th September, 2018.
Area of NC 03	<p>Aspect of standard: P4C4I2c: Employees safety and health</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>Evidence of non-conformity:</p> <p>Unattended spillage was noticed on the floor of the workshop area.</p>
CAR Closed	Corrective Action Report closed on 28th September, 2018
5	CERTIFICATION RECOMMENDATIONS

Introduction

BBC Palm Oil Mill Sdn Bhd is located at Lot 20, Block 44, Sungai Segan Kemena Land District, 97000 Bintulu, Sarawak, Malaysia. As a subsidiary of the BBC Plantation 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 Palm Oil Mill Sdn Bhd shall be as an individual unit certification.

This report is prepared by BQAS to describe the preparedness of BBC Palm Oil Mill Sdn Bhd to be certified by Malaysian Sustainable Palm Oil in accordance to the **MS 2530-4:2013, Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills (MS2530-4:2013)**.

Stage 1 had been carried out on 15th 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 17th July 2018 according to MS 2530- 3:2013 standard reference. The satisfactory resolution of Stage 2 audit findings indicated that BBC Palm Oil Mill 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 Palm Oil Mill Sdn Bhd, is participating in the certification scheme at the behest of the holding company BBC Plantations 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 Palm Oil Mill 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 Palm Oil Mill 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 comply with the relevant country and state environmental laws. The Environmental Risk Assessment, last carried out on 12th March 2018, was based on work stations such as the FFB Loading Ramp and Threshing Station, and activities such as Grading and Receiving, and Sterilizing of FFB.

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. An admirable feature of the BBC Palm Oil Mill Sdn Bhd is the establishment of a biogas plant within its palm oil mill using technology from Kubota, Japan. The biogas plant can treat 936 tonnes of mill effluent per day. The biogas plant operator is however, a different entity from the mill.

Overall BBC Palm Oil Mill Sdn Bhd is implementing a management system that is fulfilling the requirement of the MSPO standards with some improvement areas as outlined in Section 5 below.

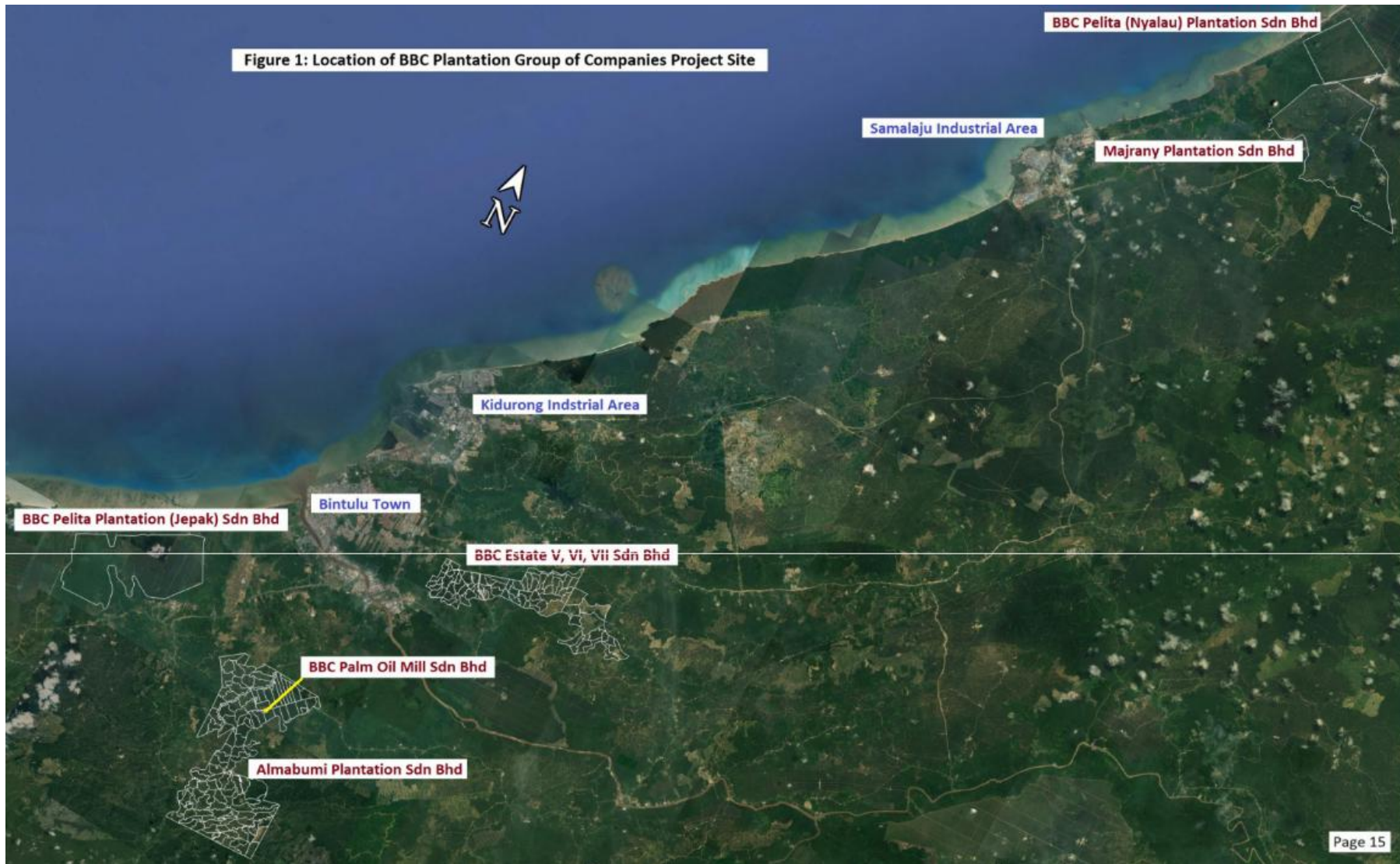
Stakeholders' Consultation

This was conducted by the selection of 2 samples (one at BBC Estate VII Sdn Bhd and another at Majrany Plantation Sdn Bhd) to represent the BBC Plantations Sdn Bhd as a group. For details, refer to Attachment 3.

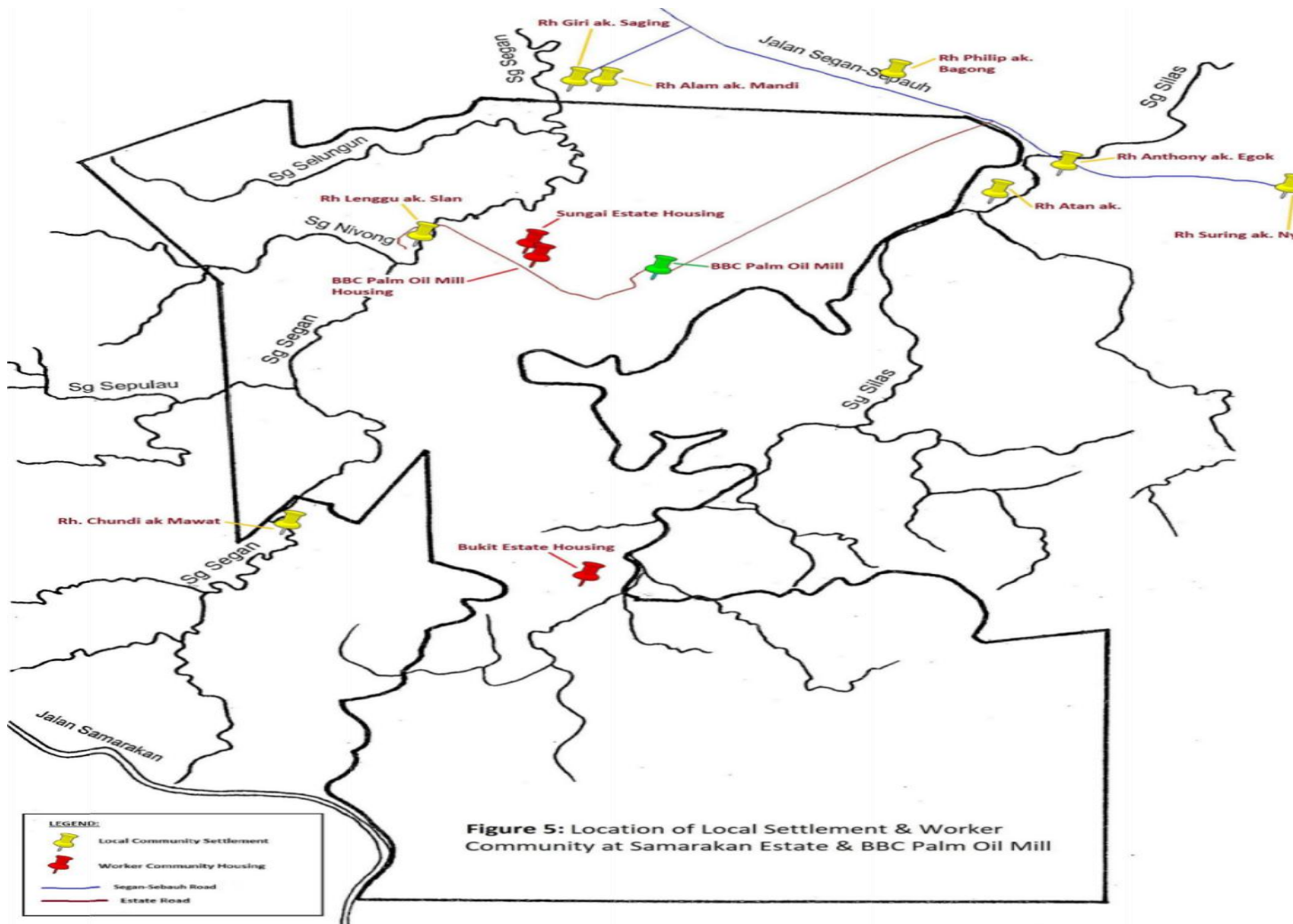
BBC Palm Oil Mill Plantation Sdn Bhd has complied & conformed to Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that BBC Palm Oil Mill Plantation 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



ATTACMENT 2 : LOCATION OF WORKERS' QUARTERS' FOR BBC PALM OIL MILL SDN BHD.

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.