



MSPO SURVEILLANCE CERTIFICATION SUMMARY REPORT [YEAR 02] 2020



SALCRA

LUBOK ANTU PALM OIL MILL 1

KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.



BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2nd Floor, Block A, King Center,
Simpang Tiga, 93350, Kuching, Sarawak.

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Accreditation No: ACB MSPO CB15



CERTIFIED ENTITY	SALCRA – LUBOK ANTU PALM OIL MILL 1	
MSPO Standards	<input type="checkbox"/> MS2530-3:2013 General Principles for Palm Oil Plantations & Organized Smallholders	
MSPO Standards	<input checked="" type="checkbox"/> MS2530-4:2013 General Principles for Palm Oil Mills	
Type of Certification:	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Group
Project Ref No:	BQ/SLAPOM1/SVA2/07/2020	
MSPO Certificate No:	BQAS P4 023-4 0420	
MSPO Certificate Validity:	14 04 2018 – 13 04 2023	
HQ Office Address:	Wisma SALCRA, No 1, Lot 2220, Block 26, MTL D, Jalan Dato Mohd Musa, 94300, Kota Samarahan, Sarawak	
Contact Person / Job Title:	Mdm Patricia Chan	Sustainability Executive
Telephone / Mobile:	082 621 904	016 831 2705
Email / Website:	patriciachan@salcra.gov.my	
Site Address:	KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.	
Contact Person / Job Title:	Puan Penny Nyapay	Mill Manager
Telephone / Mobile:	019 819 2550	
Email / Website	pennyn@salcra.gov.my	

CERTIFICATION BODY	BQAS CERTIFICATION [M] SDN BHD [1179994-X]	
Office Address:	Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak.	
Contact Person / Job Title:	Wilfred S Landong	Managing Director
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**EXECUTIVE SUMMARY**

LAPOM 1 [Lubok Antu Palm Oil Mill 1] is wholly owned by SALCRA [Sarawak Land Consolidation Rehabilitation Authority]. This is a Surveillance Certification Report Year 2 [third year of certification] for LAPOM 1 & scope is individual certification of LAPOM 1 under the Standards MSPO MS2530-4:2013 for Palm Oil Mills. BQAS [BQAS Certification Sdn Bhd] had been appointed to conduct this Surveillance Audit taking over from another Certification Body. It is to be noted that this Audit which was scheduled earlier to be conducted in March, 2020 was forcibly delayed due to compliance requirements of COVID 19 MCO [movement control order] enforced by government authorities of Malaysia. It is to be noted that during this Audit there are no palm oil milling activities in LAPOM 1. The Mill operations was suspended with effect October 2019; henceforth, staff of LAPOM 1 were transferred to LAPOM 2 or other entities with the SALCRA organization effective from June 2020 when operations of LAPOM 1 & 2 were merged.

LAPOM 1 is located at KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak. The Mill Site is situated at Geo-coordinates N01° 10' 9.02" E111° 45' 28.69"; approximately 60+ kilometers from Sri Aman Town; on legally acquired Country land; owned by SALCRA, the parent organization.

The assessment method follows principles of **3P** (Paper, Practice & People)

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion.

The following are pertinent information on LAPOM 1:

No of Employees**MPOB License No / Expiry date****Production Capacity****FFB supply base**• **Nil**

• No: 5000 8690 4000 / Expiry: 31/12/2020

• 30 MT of fresh fruit bunch (FFB) per hour

• Mainly SALCRA owned plantations & other dealers, plantations & smallholders in Lubok Antu District and surrounding areas.

Annual Production Quota**Actual volume of FFB processed for 2019****Projected volume of FFB processed for 2020****Extraction Ratio**

• 100,000 MT

• 55,867 MT

• 7,794 MT

• Oil extraction ratio @ 20.63%

• Kernel extraction ratio @ 5.00%

Actual production volume for 2019

• Crude Palm Oil @ 10,927 MT

• Palm Kernel @2,435 MT

Projected production volume for 2020

• Crude Palm Oil @1,608 MT

• Palm Kernel @ 390 MT

Projected pricing for 2020

• CPO @ RM1881.00 per MT

• PK @ RM1,290.00 per MT

The Surveillance Audit was conducted on 08 07 2020 to 09 07 2020; 3 Auditors; 6 mandays. The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of LAPOM 1 management systems. Assessments were done at Mill Site Office and Mill proper to assess documentation, mill facilities and mill operations. Information & data were systematically gathered & documented from interviews, observations of process and activities, field audits & review of documentations and records. There were 5 findings classified as OFI [opportunity for improvements] on criteria 4.3.2.3 | Legal boundary markers, 4.4.1.1 Social Impact Assessment, 4.4.5.1 employment conditions [staff living quarters], 4.4.6.3 Training & Competency & 4.5.3.2 Waste management & disposal. Corrective action reports were raised on 10 07 2020 and closed out on 29 08 2020.

During the Audit, dialogues and interviews were conducted with staffs, Mill workers, Local community representatives, contractors & stakeholders to gauge understanding of MSPO principles, applications & its importance and relevance to sustainable growth and production of palm oil products. Also assessed were their opinion on working & business relationship with LAPOM 1 management & staffs and this was found to be positive, cordial & mutually beneficial.

Mill employees are remunerated in compliance with Employment Act & minimum wage regulations; and living & housing conditions in the mill employees housing and facilities are generally above standard requirements of health & safety regulations & the relevant Housing Act. Available amenities in LAPOM 1 include treated water, domestic waste collection & disposal, electricity and telecommunication services.

LAPOM 1 has continuously complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that LAPOM 1 Certification under MSPO Standards MS2530-4:2013 Part 4 – General Principles for Palm Oil Mills to be continued and maintained.

**MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]**

SALCRA: LUBOK ANTU PALM OIL MILL 1

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: BQ/SLAPOM1/SVA2/07/2020

Standard: MS 2530-4:2013

30 09 2020

1.0. INFORMATION: CERTIFICATION ASSESSMENT

1.1.	Type of Certification Assessment	<input checked="" type="checkbox"/>	Annual Surveillance Audit [Year 2]
1.2.	Scope of MSPO Certification	<input checked="" type="checkbox"/>	Sustainable Management of Palm Oil Mill with 60MT/Hour
1.3.	MSPO Standards	<input checked="" type="checkbox"/>	PART 4: MS2530-4:2013
1.4.	Maps and others [Refer Attachments]	<input type="checkbox"/>	Nil
		<input type="checkbox"/>	
		<input type="checkbox"/>	

INDIVIDUAL CERTIFICATION		Ref No: BQ/SLAPOM1/SVA2/07/20	
Standard(s):	<input type="checkbox"/> MS 2530-1	<input type="checkbox"/> MS 2530-2	<input type="checkbox"/> MS 2530-3 <input checked="" type="checkbox"/> MS 2530-4
Other Standard and/or Edition:	MSPO SCCS		

2.0. INFORMATION: CERTIFIED ENTITY

Certified Entity	SALCRA - LUBOK ANTU PALM OIL MILL 1	
Main Address:	Wisma SALCRA, NO 1, Lot 2220, Block 26, MTLD Jalan Datuk Mohd Musa, 94300, Kota Samarahan, Sarawak, Malaysia	
Site Name:	Kilang Kelapa Sawit Lubok Antu	
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill
Site Address:	KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.	
Management Contact Details		
Name: Penny Anak Nyapay	Job Title: Mill Manager	
Mobile: 019 8192550	Tel:	Email: pennyn@salcra.gov.my
Name: David Balai Anak Andira Mawar	Job Title: Mill Engineer	
Mobile: 014 8767794	Tel:	Email: davidb@salcra.gov.my

Note: LAPOM 1 suspend operation with effect October 2019. Staff of LAPOM 1 were transferred to LAPOM 2 effect from June 2020 when operations of LAPOM 1 & 2 were merged.

MS 2530-4:2013 General Principles for Palm Oil Mills

MPOB License No: 5000 8690 4000	Expiry Date: 31-12-2020
Scope of Activities:	
Activiti Berlesen	Keluaran Kelapa Sawit
Menjual dan Mengalih	FFB, PK, CPO, SPO #
Membeli dan Mengalih	FFB #
Menyimpan	PK, CPO, SPO #
Mengilang	FFB #
Production Capacity:	30MT/Hour



MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]

SALCRA: LUBOK ANTU PALM OIL MILL 1

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Ref No: BQ/SLAPOM1/SVA2/07/2020

Standard: MS 2530-4:2013

30 09 2020

OER Extraction Ratio: 20.63%	KER Extraction Ratio: 5.00%		
PK Production Volume(actual) 2019: 2,435 MT	PK Production (estimate) 2020: 390 MT		
Actual: 2019	Forecast: 2020		
PK Average Pricing: RM1,054/MT	PK Average Pricing: RM1,290/MT		
CPO Production Volume: 10,927 MT	CPO Production: 1,608 MT		
CPO Pricing: RM1,800/MT	CPO Pricing: RM1,881/MT		
FFB Volume: 55,867 MT	FFB Volume: 7,794MT		
Main Sources of FFB:	Smallholders & Dealers		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input checked="" type="checkbox"/> Own Land	<input type="checkbox"/> Joint Venture
Other Sustainability Certification: MSPO SCCS	Geo-Coordinates: N01° 10' 9.02" E111° 45' 28.69"		
Validity/Date of Certification:	14 04 2018 – 13 04 2023		

3.0. ASSESSMENT METHODOLOGY

This certification assessment is a SAMPLING process where management systems effectiveness & efficiency are confirmed via an audit trail that the Auditor established to make an accurate conclusion

Information gathering Data collection from	<ul style="list-style-type: none"> Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders Observation of process & activities Review of documentations & records Site visits Field inspections
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> Assessing past implementations from records, reports of the management system <p>Practice</p> <ul style="list-style-type: none"> Assessing current implementation from observing current practices <p>People</p> <ul style="list-style-type: none"> Assessing future maintenance from interviewing personnel on understanding & assessing competencies.

Surveillance Audit		Audit Findings Classification	
Term	Meaning		Description
YES	Compliance	•	Fulfilled requirement of audited standard
OFI	Opportunity for improvements	•	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	•	Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	•	Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.

**4.0. ASSESSMENT PROCESS****4.1. AUDIT TEAM**

Assessment Stage	Name	Role
Surveillance Year 02	Wilfred S Landong	Lead Auditor
	Patrick Sibat	Auditor
	Douglas Alau	Auditor

4.2. AUDIT PLAN**4.2.1. AUDIT OBJECTIVES****Surveillance Audit**

- Changes to the certified client and its management system
- Verification continuous management system implementation
- Review of effectiveness of measures arising from the previous audit (if applicable)
- Confirmation of fulfillment of certification requirements
- Enquiries on aspects of certification (Complaints)
- Review of any client's statements with respect to its certified operations (e.g. promotional material, website, use of BQAS logos and marks, use of the certificate)
- Customer specific requirements

4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS**MS2530-4:2013 | General Principles for Palm Oil Mills****4.2.2.1. Assessment Sites**

Assessment were performed at:

- Mill Office – documentations & records
- Mill – processes, stores, waste & water management, workshop and related facilities
- Staff facilities – housing, amenities etc.

4.2.2.2. Assessment Program

Date: 08 07 2020 – 09 07 2020**No of Auditors: 3****No of Mandays: 6**

- Day 1
- Opening Meeting
 - Review Certification Audit Report
 - Documentation Audit / Record Review at Mill Office
- Day 2
- Mill – facilities inspection (chemical, schedule waste stores, workshop, effluence ponds, grading etc.)
 - Observation of milling processes, interview Mill workers/Engineers, weighbridge, laboratory etc.
 - Inspection/observation of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment etc.
 - Stakeholders dialogues/interviews (contractors, FFB suppliers, local community representatives, adjacent landowners)
 - Closing meeting
 - Presentation of Audit Checklist / Report

4.2.2.3. Assessment Parameters

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
- 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 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

**5.0. SUMMARY OF ASSESSMENT RESULTS****5.1. KEY FINDINGS****5.1.1. Table of Findings**

Principles	P1	P2	P3	P4	P5	P6	Total
No of OFI: Opportunity for Improvement	0	0	1	3	1	0	5
No of NC: Non-Conformance	0	0	0	0	0	0	0
Total	0	0	1	3	1	0	5

Abbreviations

P1	Principle 1:	Management Commitment & Responsibility
P2	Principle 2:	Transparency
P3	Principle 3:	Compliance to Legal Requirements
P4	Principle 4:	Social Responsibility, Health, Safety & Employment Conditions
P5	Principle 5:	Environment, Natural Resources, Biodiversity & Ecosystem Services
P6	Principle 6:	Best Practices

5.1.2. Process Area of Findings

1.

Criterion 4.3.2: Land Use Rights

Indicator	Requirement	Compliance	Findings
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Inspected Legal perimeter boundary marker located @ Geo coordinate N01° 04' 01.9" E110° 43' 08.5". Marker identified by a stick pole painted yellow planted on the ground. Boundary peg need to be replaced and to be in conformity to standard peg of Land and Survey Dept.

2.

Criterion 4.4.1: Social impact assessment (SIA)

Indicator	Requirement	Compliance	Findings
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Social Impact Assessment of Lubok Antu Oil Pam Mill 1, dated 15 th January 2019, is reported as per Social Impact Matrix, Prepared by Mill Engineer, David Balai and



			Endorsed by Mill Manager, Mr Gira Enggam. The actual Social Impact Assessment is not available. Social component is not documented.
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3.

Criterion 4.4.5: Employment conditions

Indicator	Requirement	Compliance	Findings
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	During site visit to the workers' quarters, it is noted that living conditions were more than adequate and habitable with basic amenities and facilities available. <ol style="list-style-type: none"> However, the inhabitants should take care of the cleanliness of the compounds especially the drains. [blocked drain]. Chicken sheds were found too close to the living quarters, health hazard to residents. Domestic wastes were also found being thrown indiscriminately around the living quarters. Empty Chemical Drum sighted at Living Quarters.

4.

Criterion 4.4.6: Training & Competency

Indicator	Requirement	Compliance	Findings
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The continuous training program for 2019 can be viewed at the file ref: LAPOM1 SAFETY AND HEALTH PROGRAMMES and LAPOM1 MASTER TRAINING MATRIX/PLAN, prepared by the Mill Engineer, approved and signed by the Mill Manager. However, these documents are not dated.

5.

Criterion 4.5.3: Waste management and disposal

Indicator	Requirement	Compliance	Findings
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A waste management plan needed to be properly developed.



b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

5.1.3.

Surveillance Assessment Overview

The Audit checklists follows that as prescribed under MSPO MS2530-4:2013 [Part 4]: General Principles for Palm Oil Mills. The following are brief assessment findings under each Principles.

5.1.3.1. Principle 1: Management Commitment & Responsibility

All Criterion in this Principle are in compliance with MSPO requirements

- MSPO Policy is established and maintained; approved by GM on 01 04 2020; continual improvement is included in the Policy.
Internal Audit had been conducted annually from 2018 – 2019. 2019 IA was conducted on 19 06 2019. 16 findings recorded were closed out accordingly.
The last Management Review was conducted by the MSPO Steering Committee On 21 11 2019.
Continuous Improvement Plan are implemented on technology use, environmental and water management

5.1.3.2. Principle 2: Transparency

All Criterion in this Principle are in compliance with MSPO requirements

- General procedures guidelines on Transparency, Traceability, Consultation & Communications are established and maintained
Officers in Charge are appointed and carrying out their responsibilities
Lists of stakeholders are maintained and updated regularly
Traceability system is implemented and maintained
Records of storage, sales, delivery of CPO: control documents are maintained and updated.

5.1.3.3. Principle 3: Regulatory Requirements

1 finding as OFI – Opportunity for improvements is noted in this Principle; under Land use rights

- OFI: Criterion 4.3.2.3: boundary marker located @ Geo coordinate N01° 04' 01.9" E110° 43' 08.5". Marker identified by a stick pole painted yellow planted on the ground. Boundary peg need to be replaced and to be in conformity to standard peg of Land and Survey Dept.
All operations are observed to be in compliance with all relevant laws and regulations
Milling activities are confined to land owned by SALCRA; and these activities are observed as not affecting the land use rights of other users.

5.1.3.4. Principle 4: Social Responsibility, Health, Safety & Employment Conditions

3 finding as OFI – Opportunity for improvements is recorded in this Principle;



- **OFI 1: Criterion 4.4.1: Social impact assessment (SIA). The actual Social Impact Assessment is not available. Social component is not documented.**
- **OFI 2: Criterion 4.4.5: Employment conditions. Chicken sheds were found too close to the living quarters, health hazard to residents. Domestic wastes were also found being thrown indiscriminately around the living quarters. Empty Chemical Drum sighted at Living Quarters.**
- **OFI 3: Criterion 4.4.6: Training & Competency. Documentations on Training Programs were not signed and verified**
- The system for dealing with complaints and grievance is well established and maintained.
- At the time of the Surveillance audit, LAPOM1 has formed the Jawatankuasa Keselamatan dan Kesihatan Pekerja (JKKP), including Trained First Aider and CPR personnel
- In contributing to local sustainable development, LAPOM had engaged more than 50% of its headcount from the local communities in the Lubok Antu area

5.1.3.5. Principle 5: Environment, Natural Resources, Biodiversity & Ecosystem Services

1 finding as OFI – Opportunity for improvements is recorded in this Principle

- **OFI: Criterion 4.5.3: Waste management and disposal. A waste management plan needed to be properly developed.**
- LAPOM 1 Environmental & Sustainability Policy [revised] established and implemented WEF 01 04 2020
- Environmental Improvement Plan dated Sept 2019 continue to be implemented and ongoing
- Training and awareness programs are conducted according to EIP as scheduled
- Waste Management Plan & Assessment of all polluting activities are ongoing and implemented according to schedule.
- No open discharge of POME is found during the Audit
- LAPOM 1 is using their own steam turbine system to generate renewable energy

5.1.3.6. Principle 6: Best Practices

All Criterion in this Principle are in compliance with MSPO requirements

- SOP on Best Practices are established and continue to be consistently implemented and monitored.
- On pricing mechanism, the Marketing & Sales dept of SALCRA HQ is noted to be implementing this effectively
- LAPOM 1 economic & financial viability plan is documented vide Business Management Plan 2020
- Transparent and fair price dealing with Contractor continue to be practiced; documentary evidence sighted and verified during the Audit.
-

5.2. STAKEHOLDERS' CONSULTATION REPORT

Company Name:	Lubok Antu Palm Oil Mill 1		
Standard(s):	<input type="checkbox"/> MS 2530-2:2013	<input type="checkbox"/> MS 2530-3:2013	<input checked="" type="checkbox"/> MS 2530-4:2013



MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]

SALCRA: LUBOK ANTU PALM OIL MILL 1

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: BQ/SLAPOM1/SVA2/07/2020

Standard: MS 2530-4:2013

30 09 2020

Consultation Date:	08/07/2020 & 09/07/2020
Stakeholder Group:	<ol style="list-style-type: none"> Mandore (Internal Stakeholders) Local community (Land Owner) as well as Mill Supervisor Contractor (External Stakeholders)
Consultation Technique: (Can select more than one)	<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)

	Criteria	Result	Remarks
1.	Is this stakeholder register in the organization's stakeholder list?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Notionally yes, as noted in the LAPOM List of Stakeholders.</i>
2.	Based on input received, is transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>Needs further improvement especially with respect to communication between the mill and the local communities.</i>
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	
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	
5.	Any land issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Salcra-owned.
6.	Any social issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7.	Any environmental issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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, comments and opportunities for improvement:

A total of 3 stakeholders were interviewed, 1 Mandore, 1 land owner(participant) of Salcra Plantation and 1 FFB Transport Contractor during this Surveillance Audit. They represent the local communities around the mill in the vicinity of LAPOM1 and LAPOM2.

- A common view shared was that the Mill management had been proactive in community service for which the stakeholders were appreciative.
• All three of them are all aware of the MSPO Certification Process undertaken by LAPOM.
• As for the Internal Stakeholders, it was suggested that LAPOM to help provide transportation for their children to and from their schools as well as transportation for staff to and from their living quarters in order to ease their dependence on their own.
• Work environment and staff/workers association - acceptable and deem harmonious.

Other Comments:

- Mill Ramp a bit too steep, need to extend to ease mobility of lorries and other transport.
• FFB prices ought to be competitive to attract more suppliers.
• Drainage around mill and living quarters need to be maintained well.
• Landowners request for Salcra to monitor the TKI's job performance to improve on FFB production.
• Contractors on Service Order Contract request for a better term of contract, especially the duration of contract to a longer term for better investment opportunity.

5.3. AUDIT CONCLUSION

Table with 2 columns: Summary Statement of Lead Auditor and Signature. The first row contains the audit background, findings, and conclusion, along with a signature and name: Wilfred S Landong, Date: 09 07 2020.

**5.4. ACKNOWLEDGEMENT BY AUDITEE**

This is to acknowledge and confirm the Audit Visits/Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.

Puan Penny Nyapay

Mill Manager

Date: 09 07 2020

5.5. CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY

Corrective Action Reports were raised on 10 07 2020

The Corrective Action Reports were closed out by Lead Auditor on 29 08 2020

6.0. OFFICIAL SIGN OFF**6.1. ASSESSMENT RECOMMENDATION: LEAD AUDITOR**

Based on the Findings/Action taken by Auditee/Closures above, LAPOM 1 – Lubok Antu Palm Oil Mill 1 had been able to demonstrate generally its continual compliance to and with requirements of the MSPO MS2530-4:2013 Standard for General Principles for Palm Oil Mills. All corrective action reports raised had been effectively closed out.

Therefore, it is recommended that the Certification of LAPOM 1 be maintained.

Wilfred S Landong

30 08 2020

6.2. ASSESSMENT REVIEW BY TECHNICAL REVIEWER

I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of the Report in its' entirety.

I confirm that, to the best of my knowledge the information and conclusions included in this report have been prepared in compliance with the Standards requirements; and done in good faith and that the Lead Auditor recommendations had been based upon this information.

I, hereby confirm that, the Certification of SALCRA – Lubok Antu Palm Oil Mill 1 under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.

Maxwell Stephen

15 09 2020



7.0. CONCLUSION

7.1. CERTIFICATION: BQAS MANAGEMENT

In reference to MS 2530-4:2013, BQAS Management hereby approved of:

- Issuance of the certificate.
- Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
- Maintenance of the certificate.
- Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.**

7.2. PLAN FOR NEXT SURVEILLANCE AUDIT

Surveillance Audit Year 02 was delayed due to COVID19 Movement Control Order as enforced by Malaysian government authorities.

Surveillance Audit Year 03 will revert back to be in compliance with BAPOM official date of Certification.

Surveillance Audit Year 03 is scheduled to be by March, 2021

8.0. ATTACHMENTS – nil

All audit findings are based on a sampling process, targeted towards reliable evidence for effective implementation and compliance of the management system. Where applicable findings and required corrective action were or will be agreed upon with the responsible managers or management representatives, steps have been or will be defined to resolve such non-conformity. Further business aspects may exist, positive or negative, which have not been reviewed by the audit team. It is the organization's responsibility to investigate and evaluate the potential impact and scope of findings, thus continuously ensuring full compliance to the applied standard(s).