



+

MSPO SURVEILLANCE CERTIFICATION SUMMARY REPORT [YEAR 02] 2020



SALCRA

Sarawak Land Consolidation and Rehabilitation Authority

SALCRA Group of Estates

Wisma SALCRA, No. 1, Lot 2220. Block 26, MTL D, Jln Dato Mohd Musa,
94300, Kota Samarahan, Sarawak.



BQAS Certification [M] Sdn Bhd

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

Tel: 082 572 043

Email: bqassb@gmail.com

Website: www.bqas.com.my

Accreditation No: ACB MSPO CB15

**CERTIFIED ENTITY****SALCRA – GROUP OF PLANTATIONS**

MSPO Standards

 MS2530-3:2013
General Principles for Palm Oil Plantations & Organized Smallholders

Type of Certification:

 Individual Group

Project Ref No:

BQ/SGOE/SVA2/2020

MSPO Certificate No:

BQAS P3 023-1 0420

MSPO Certificate Validity:

30 04 2018 – 29 04 2023

HQ Office Address:

Wisma SALCRA, No 1, Lot 2220, Block 26, MTLD, Jalan Dato Mohd
Musa, 94300, Kota Samarahan, Sarawak

Contact Person / Job Title:

Puan Jacinta Graley

Head of Agronomic,
Sustainability and Research

Mdm Patricia Chan

Sustainability Executive

Telephone / Mobile:

082 621 904

016 831 2705

Email / Website:

patriciachan@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

Telephone / Mobile:

+6 082 572043

+6 017 222 5555

Email / Website:

bqassb@gmail.com

www.bqas.com.my

Disclaimer:

This Report (inclusive of enclosures & attachments) had been prepared for the exclusive use and benefits of the addressee(s) and solely for the purpose for which it was intended. Unless BQAS provide prior written consent, no part of this report should be reproduced, distributed or communicated to any third party. BQAS would not accept liability if this report is used for an alternative purpose from which it was intended, nor would we owe any duty of care to any third party in respect of this Report.

TABLE OF CONTENTS

NO	DESCRIPTION	PAGES
	Executive Summary	4
1.	Information: Certification Assessment	5
2.	Information: Certified Entities	5 - 10
3.	Assessment Methodology	10 - 11
4.	Assessment Process	11 - 13
	4.1. Audit Team	
	4.2. Audit Plan	
5.	Summary of Assessment Results	13 - 30
	5.1. Summary of Findings	
	5.2. Stakeholders' Consultation Report	
	5.3. Audit Conclusion	
	5.4. Acknowledgement by Certified Entity	
	5.5. Corrective Action Report and Closure	
6.	Official Sign-off	30 - 31
	6.1. Assessment Recommendation: Lead Auditor	
	6.2. Assessment Review: Technical Reviewer	
7.	Conclusion	31
	7.1. Certification: BQAS Management	
	7.2. Plan: Next Surveillance Assessment	
8.	Attachments – SALCRA Estates Location Map	32



EXECUTIVE SUMMARY

SALCRA [Sarawak Land Consolidation Rehabilitation Authority], is the registered entity managing the SALCRA Group of Estates [21 estates in total located and spread across Sarawak], with total certified area of 55,999 hectares. SALCRA headquarters is located at Wisma SALCRA, No 1, Lot 2220, Block 26, MTL D, Jalan Dato Mohd Musa, 94300, Kota Samarahan, Sarawak.

This is a Surveillance Certification Report Year 2 [third year of certification] & scope is Group certification under the Standards MSPO MS2530-3:2013. BQAS [BQAS Certification Sdn Bhd] had been selected to conduct this Surveillance Audit taking over from another Certification Body. 7 Estates were chosen to be audited under this surveillance assessment.

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.

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 established to make an accurate conclusion.

The Surveillance Audits were respectively conducted over the period from 23 06 2020 to 16 07 2020; by 7 Auditors; in 34 mandays.

The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of SALCRA estates and its management systems. Assessments were done at estate offices and field sites to assess documentation, facilities and field operations. Information & data were systematically gathered & documented from interviews, observations of process and activities, field audits & review of documentations and records.

27 findings were recorded; 2 NC [non-conformance] & 25 OFI [opportunity for improvements]. Breakdown of findings recorded were as follows:

Principles	P1	P2	P3	P4	P5	P6	Total
No of OFI: Opportunity for Improvement	1	1	3	11	7	2	25
No of NC: Non-Conformance	0	0	0	0	2	0	2
Total	1	1	3	11	9	2	27

CAR [corrective action reports] were raised upon closing meetings of each Audit exercise for action to be taken by SALCRA estates. Prompt actions were taken and all CAR had been closed out on 13 08 2020 & 29 08 2020 respectively.

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

Estate employees are remunerated in compliance with Employment Act & minimum wage regulations; and living & housing conditions and facilities generally meet standard requirements of health & safety regulations & the relevant Housing Act; however, in most estates some major repairs to housing structures [workers quarters] may need to be undertaken; and domestic wastes disposal could be better managed. Available amenities in the estates include treated water, domestic waste collection & disposal, electricity and telecommunication services.

All estates have continuously complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Audit team therefore recommended that SALCRA Group of Estates Certification under MSPO Standards MS2530-3:2013 Part 3 – General Principles for Oil Palm Plantations and Organized Smallholders to be continued and maintained.

**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"/>	Production of Sustainable Fresh fruit Bunch from:
	SALCRA Group of Estates		Total Certified Area 55,999 hectares
1.3.	MSPO Standards	<input checked="" type="checkbox"/>	PART 3: MS2530-3:2013
1.4.	Maps [Refer Attachments]	<input type="checkbox"/>	Location map of SALCRA Estates

2.0. INFORMATION: CERTIFIED ENTITIES**2.1. LIST OF ESTATES: SURVEILLANCE CERTIFICATION AUDIT [YEAR 02] 2020**

SALCRA operates and manage 21 Palm Oil Estates located throughout Sarawak. This is a Group Certification under the standards MS2530-3:2013 MSPO Part 3: General Principles for Oil Palm Plantations and Organized Smallholders. For this year surveillance assessment, the following estates were chosen to be audited.

No	Estate	Location	GPS Coordinates	Certified Area [hectares]
1.	Stenggang Oil Palm Estate	Jalan Bau/Lundu, Bau District, Kuching, Sarawak.	N 01°29'27.14" E 109°59'43.79"	2666
2.	Melikin Oil Palm Estate	Jalan Balai Ringin/Serian, Samarahan District, Serian, Sarawak.	N 01°02' 19.69" E 110°43' 46.92"	3119
3.	Batang Ai Oil Palm Estate	Jalan Hydro, Lubok Antu, 95900 Sri Aman, Sarawak.	N 01°07' 14.18" E 111°49' 55.94"	2121
4.	Roban South Oil Palm Estate	KM5, Jalan Saratok/Sri Aman, Sri Aman, Sarawak.	N 01°47' 55.83" E 111°20' 24.82"	3418
5.	Roban North Oil Palm Estate	Batu 4, Jalan Saratok/Sri Aman, Sarawak.	N 01°55' 09.05" E 111°15' 27.19"	4611
6.	Sg Sibiew Mini Oil Palm Estate	Batu 11, Jalan Bintulu/Miri, 97000, Bintulu, Sarawak.	N 03°12' 41.55" E 113°09' 26.91'	57
7.	Karabungan Mini Oil Palm Estate	KM78, Jalan Miri/Bintulu, 98007 Miri, Sarawak.	N 03°51' 34.92" E 113°50' 56.14'	301

**2.2. ESTATES: KEY INFORMATION**

The following are key information pertaining to the audited estates:

1.		STENGGANG OIL PALM ESTATE	
Site Address:		Ladang Kelapa Sawit Stenggang, KM 25, Jalan Bau/Lundu, Bau, 94000, Kuching, Sarawak.	
Primary Function:		<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill
Management Contact Details			
Name: Dabrin Peter Kini		Job Title: Estate Manager	
Mobile: 019 8272362	Tel: 082 370185	Email: stenggang-ope@salcra.gov.my	
Name: Jasper Atang		Job Title: Assistant Estate Manager	
Mobile: 016 5227353		Email: jasper7353@gmail.com	
Headcount:	Local: 52	Foreign: 135	Total: 187
MPOB License No: 501820202000		Expiry Date: 31-12-2020	
Scope of Activity: #Menjual dan Mengalih			
Date of Establishment: 1994		Geo-Coordinates: N01° 29' 27.14" E109° 59' 43.79"	
Certified Area: 2,666 ha		Planted Area: 2,277.71 ha	
FFB Production (actual) 2019: 31,702.08 MT		FFB Production (estimate) 2020: 39,220 MT	
Sources of FFB: own estate		Main FFB purchaser: Bau Palm Oil Mill (BAPOM)	
No of Planting Blocks: 74		No of Palm trees: 287,113	
Palm Species: FELDA, GUTHRIE, AAR		Age Range of Palm Trees: 2 – 26 years	
Topography: Gentle undulating plains with occurrence of natural water courses			
Soil Type		Mineral soil	
Land Status / Ownership:		<input type="checkbox"/> Rented	<input type="checkbox"/> Own Land <input checked="" type="checkbox"/> Joint Venture
Lands are owned by the local communities [individual or group] who entered into a legal Land Development Agreement with SALCRA on a tenure of 25 years effective from the 1 st planting year.			
Validity/Date of Certification:		Other Sustainability Certification:	
30 04 2018 to 29 04 2023		MPOB Code of Good Agricultural Practices (CoGAP)	

2.		MELIKIN OIL PALM ESTATE	
Primary Function:		<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill
Site Address:		Jalan Balai Ringin/Serian, 94700, Samarahan, Sarawak.	
Management Contact Details			
Name: Entau Anak Rendom		Job Title: Estate Manager	
Mobile: 013 8267930	Tel: 019 8065518	Email: melikin-ope@salcra.gov.my	
Name: Praveen A/L Murty		Job Title: Assistant Estate Manager	
Mobile: 019 8875996		Email: melikin-ope@salcra.gov.my	
Headcount:	Local: 92	Foreign: 109	Total: 201
MPOB License No: 5018 2110 2000		Expiry Date: 31-12-2020	

**MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]****SALCRA GROUP OF ESTATES****BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

Ref No: BQ/SGOE/SVA2/2020

Standard: MS 2530-3:2013

30 10 2020

Scope of Activity:	#Menjual dan Mengalih		
Date of Establishment: 1996	Geo-Coordinates: N01° 02' 19.69" E110° 43' 46.92"		
Certified Area: 3,119 ha	Planted Area: 3,119 ha		
FFB Production (actual) 2019: 24,069.23 MT	FFB Production (estimate) 2020: 41,260 MT		
Sources of FFB: own estate	Main FFB purchaser: Serian Palm Oil Mill (SEPOM)		
No of Planting Blocks: 95	No of Palm trees: 356,962		
Palm Species: Guthrie, AAR, IOI, Sime Darby	Age Range of Palm Trees: 2 – 24 years		
Topography: largely flat [56%], undulating land [29%] [0 – 12% slopes]			
Soil Type: Mineral	Geology & Geomorphology: 4 types of parent materials; Sadong formation, acid igneous rock, quaternary alluvium & lowland organic deposits		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input type="checkbox"/> Own Land	<input checked="" type="checkbox"/> Joint Venture
Land Development Agreement is participated with by 666 local landowners from 44 kampong and Rumah Panjang Land are owned by the local communities [individual or group] who entered into a legal Land Development Agreement with SALCRA on a tenure of 25 years effective from the 1 st planting year.			
Validity/Date of Certification: 30 04 2018 to 29 04 2023	Other Sustainability Certification: MPOB Code of Good Agricultural Practices (CoGAP)		

3.	BATANG AI OIL PALM ESTATE		
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill	
Site Address:	Jalan Hydro, 95900, Lubok Antu, Sri Aman, Sarawak.		
Management Contact Details			
Name: James Anak Melaka	Job Title: Assistant Estate Manager		
Mobile: 017 8504791	Email: batangai-ope@salcra.gov.my		
Headcount:	Local: 206	Foreign: 52	Total: 258
MPOB License No: 5671 2000 2000	Expiry Date: 31-12-2020		
Scope of Activity:	#Menjual dan Mengalih		
Date of Establishment:	Geo-Coordinates: N01° 07' 14.18" E111° 49' 55.94"		
Certified Area: 2,121 ha	Planted Area: 2,021 ha		
FFB Production (actual) 2019: 22,284.62 MT	FFB Production (estimate) 2020: 26,300MT		
Sources of FFB: own estate	Main FFB purchaser: Lubok Antu Palm Oil Mill 2		
No of Planting Blocks: 45	No of Palm trees: 228,645		
Palm Species: CALIX 600, GH 500, GUTHRIE	Age Range of Palm Trees: 4 – 23 years		
Topography: undulating terrain	Soil Type: Mineral		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input type="checkbox"/> Own Land	<input checked="" type="checkbox"/> Joint Venture
Land are owned by the local communities [individual or group] who entered into a legal Land Development Agreement with SALCRA on a tenure of 25 years effective from the 1 st planting year.			
Validity/Date of Certification: 30 04 2018 to 29 04 2023	Other Sustainability Certification: MPOB Code of Good Agricultural Practices (CoGAP)		

**MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]****SALCRA GROUP OF ESTATES****BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

Ref No: BQ/SGOE/SVA2/2020

Standard: MS 2530-3:2013

30 10 2020

4.		ROBAN SOUTH OIL PALM ESTATE	
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill	
Site Address:	KM 5, Jalan Saratok/Sri Aman, 95400, Sri Aman, Sarawak.		
Management Contact Details			
Name: Linggie Anak Lunchan		Job Title: Estate Manager	
Mobile: 013 811 0054	Tel: 083 436 084	Email: robansouth-ope@salcra.gov.my	
Name: Ronald Reagan Seem		Job Title: Asst Estate Manager	
Mobile: 013 575 20005	Tel: 083 436 084	Email: Ronald_smee@yahoo.com	
Headcount:	Local: 144	Foreign: 61	Total: 205
MPOB License No: 5617 7511 1000	Nursery	Expiry Date: 31-05-2021	
MPOB License No: 5018 1050 2000	Plantation	Expiry Date: 31-12-2020	
Scope of Activity:		#Menjual dan Mengalih	
Date of Establishment: 1989		Geo-Coordinates: N01° 47' 55.83" E111° 20' 24.82"	
Certified Area: 3,483 ha		Planted Area: 2,899.81 ha	
FFB Production (actual) 2019: 20,276.74 MT		FFB Production (estimate) 2020: 25,930 MT	
Sources of FFB: own estate		Main FFB purchaser: Saratok Palm Oil Mill (SAPOM)	
No of Planting Blocks: 63		No of Palm trees: 281,625	
Palm Species: CALIX 600, FELDA, AAR, IOI, GUTHRIE		Age Range of Palm Trees: 1 - 24	
Topography: undulating terrain		Soil Type: Mineral	
Land Status / Ownership:		<input type="checkbox"/> Rented	<input type="checkbox"/> Own Land <input checked="" type="checkbox"/> Joint Venture
Lands are owned by the local communities [individual or group] who entered into a legal Land Development Agreement with SALCRA on a tenure of 25 years effective from the 1 st planting year.			
Validity/Date of Certification: 30 04 2018 to 29 04 2023		Other Sustainability Certification: MPOB Code of Good Agricultural Practices (CoGAP)	

5.		ROBAN NORTH OIL PALM ESTATE	
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill	
Site Address:	Batu 4, Jalan Saratok/Sri Aman, 95400, Sri Aman, Sarawak.		
Management Contact Details			
Name: Rasa Anak Bejoh		Job Title: Estate Manager	
Mobile: 019 4388824	Tel: 019 5855069	Email: robannorth-ope@salcra.gov.my	
Headcount:	Local: 102	Foreign: 25	Total: 127
MPOB License No: 5018 1130 2000		Expiry Date: 31-12-2020	
Scope of Activity:		#Menjual dan Mengalih	
Date of Establishment: 1989		Geo-Coordinates: N01° 55' 09.05" E111° 15' 27.19"	
Certified Area: 4,611 ha		Planted Area: 4,203.09 ha	
FFB Production (actual) 2019: 22,493.36 MT		FFB Production (estimate) 2020: 22,170 MT	
Sources of FFB: own estate		Main FFB purchaser: Saratok Palm Oil Mill (SAPOM)	
No of Planting Blocks: 103 (exclude Phase 2)		No of Palm trees: 411,823 (exclude Phase 2)	

BQAS – | All aspects of the Audit are considered Confidential

**MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]****SALCRA GROUP OF ESTATES****BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

Ref No: BQ/SGOE/SVA2/2020

Standard: MS 2530-3:2013

30 10 2020

Palm Species:	FELDA, SAWIT KINABALU, IOI, AAR, CALIX 600, UP		
Age Range of Palm Trees:	2 – 10 years		
Topography: undulating plain	Soil Type: Mineral		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input type="checkbox"/> Own Land	<input checked="" type="checkbox"/> Joint Venture
Lands are owned by the local communities [individual or group] who entered into a legal Land Development Agreement with SALCRA on a tenure of 25 years effective from the 1 st planting year.			
Validity/Date of Certification: 30 04 2018 to 29 04 2023	Other Sustainability Certification: MPOB Code of Good Agricultural Practices (CoGAP)		

6.	SG SIBIEW MINI OIL PALM ESTATE		
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill	
Site Address:	Batu 11, Jalan Miri/Bintulu, 97000 Bintulu, Sarawak.		
Management Contact Details			
Name: Benet Anak Mudang	Job Title: Assistant Estate Manager		
Mobile: 019 8683750	Email: benetm@salcra.gov.my		
Name: Cenilla Anthony	Job Title: Assistant Administrative Officer		
Mobile: 019 8292940	Email: cenillaa@salcra.gov.my		
Headcount: Local: 8	Foreign: 2	Total: 10	
MPOB License No: 6109 0610 2000	Expiry Date: 30-04-2021		
Scope of Activity:	#Menjual dan Mengalih		
Date of Establishment: May 2013	Geo-Coordinates: N00° 00' 00.0" E000° 00' 00.0"		
Certified Area: 57 ha	Planted Area: 57 ha		
FFB Production (actual) 2019: 831.02 MT	FFB Production (estimate) 2020: 970 MT		
Sources of FFB:	Main FFB purchaser: BBC Palm Oil Mill		
No of Planting Blocks: 2	No of Palm trees: 6,923		
Palm Species: Clonal Palm Kuching	Age Range of Palm Trees: 7		
Topography: undulating terrain	Soil Type: Mineral		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input checked="" type="checkbox"/> Own Land	<input type="checkbox"/> Joint Venture
Validity/Date of Certification: 30 04 2018 to 29 04 2023	Other Sustainability Certification:		

7.	KARABUNGAN MINI ESTATE		
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill	
Site Address:	KM 78, Jalan Miri/Bintulu, 98007 Miri, Sarawak.		
Management Contact Details			
Name: Benet Anak Mudang	Job Title: Assistant Estate Manager		
Mobile: 019 8683750	Email: benetm@salcra.gov.my		
Name: Adelinna Anak Libin	Job Title: Research Executive		
Mobile: 014 5846694	Email: adelinnal@salcra.gov.my		

BQAS – | All aspects of the Audit are considered Confidential



Headcount:	Local: 10	Foreign: 15	Total: 25
MPOB License No: 611262002000	Expiry Date: 30-04-2021		
Scope of Activity:	#Menjual dan Mengalih		
Date of Establishment: 2013	Geo-Coordinates: N03° 52' 52.6" E113° 49' 32.1"		
Certified Area: 301 ha	Planted Area: 330.57 ha		
FFB Production (actual) 2019: 2,036.17 MT	FFB Production (estimate) 2020: 2,840 MT		
Sources of FFB:	Main FFB purchaser: Niah Palm Oil Mill		
No of Planting Blocks: 16	No of Palm trees: 38,918		
Palm Species: Clonal Palm Kuching	Age Range of Palm Trees: 7		
Topography: undulating terrain	Soil Type: Mineral		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input checked="" type="checkbox"/> Own Land	<input type="checkbox"/> Joint Venture
Validity/Date of Certification: 30 04 2018 to 29 04 2023	Other Sustainability Certification:		

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	<p>Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders, participant landowners</p> <ul style="list-style-type: none"> • 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 Year 2		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

4.1.1. Audit Team Members

BQAS Auditors assigned to this Surveillance Audit are as follows:

Name	Role in the Audit
1. Wilfred S Landong	Team Leader / Lead Auditor
2. Dominic Retan Giah	Lead Auditor
3. Douglas Alau	Auditor
4. Robert Tella	Auditor
5. Duke Ladin	Auditor
6. Patrick Sibat	Auditor
7. Sanicas Granda	Trainee Auditor

4.1.2. Audit Information

No	Estate	Date of Audit	No of Auditors	No of Mandays
1.	Stenggang Oil Palm Estate	23 – 24 06 2020	2	4
2.	Melikin Oil Palm Estate	02 – 03 07 2020	3	6
3.	Batang Ai Oil Palm Estate	16 – 17 07 2020	3	6
4.	Roban South Oil Palm Estate	14 – 15 07 2020	3	6
5.	Roban North Oil Palm Estate	09 – 10 07 2020	2	4
6.	Sg Sibiew Mini Oil Palm Estate	13 – 14 07 2020	2	4
7.	Karabungan Mini Oil Palm Estate	15 – 16 07 2020	2	4
Total Mandays				34

4.2. AUDIT PLAN

4.2.1. Audit Objectives

Surveillance Audit

- ✓ Changes to the certified client and its management system
- ✓ Verification on 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**4.2.2.1. Assessment Sites**

Assessment were performed at:

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

4.2.2.2. Assessment Program

Date: [refer 4.1.2]

No of Auditors: [refer 4.1.2] No of Mandays: [refer 4.1.2]

- | | |
|-------|--|
| Day 1 | <ul style="list-style-type: none">✓ Opening Meeting✓ Review Certification Audit Report✓ <u>Estate site Assessment & field Audits</u>
Inspection/observation of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment etc.
Stakeholders dialogues/interviews (contractors, local community representatives, adjacent landowners) |
| Day 2 | <ul style="list-style-type: none">✓ Documentation Audit [continuation]✓ Estate Closing Meeting✓ Presentation of Audit Checklist / CAR / Audit 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

NO	NAME		P1	P2	P3	P4	P5	P6	TOTAL
1.	Stenggang Oil Palm Estate	OFI	1	0	2	1	3	1	8
		NC	0	0	0	0	0	0	0
		Total	1	0	2	1	3	1	8
2.	Melikin Oil Palm Estate	OFI	0	0	1	2	0	0	3
		NC	0	0	0	0	0	0	0
		Total	0	0	1	2	0	0	3
3.	Batang Ai Oil Palm Estate	OFI	0	0	0	2	0	0	2
		NC	0	0	0	0	0	0	0
		Total	0	0	0	2	0	0	2
4.	Roban South Oil Palm Estate	OFI	0	0	0	2	2	0	4
		NC	0	0	0	0	0	0	0
		Total	0	0	0	2	2	0	4
5.	Roban North Oil Palm Estate	OFI	0	1	0	1	1	0	3
		NC	0	0	0	0	1	0	1
		Total	0	1	0	1	2	0	4
6.	Karabungan Oil Palm Mini Estate	OFI	0	0	0	2	0	1	3

	NC	0	0	0	0	1	0	1
	Total	0	0	0	2	1	1	4
7. Sg. Sibiew Oil Palm Mini Estate	OFI	0	0	0	1	1	0	2
	NC	0	0	0	0	0	0	0
	Total	0	0	0	1	1	0	2
Total: All Estates	OFI	1	1	3	11	7	2	25
	NC	0	0	0	0	2	0	2
	Total	1	1	3	11	9	2	27

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
5.1.2.1. Stenggang Oil Palm Estate
1. Principle 1 Management Commitment & Responsibility
Criterion 4.1.2. Internal audit

Indicator	Requirement	Compliance	Findings
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Internal Audit for SOPE was conducted on 05 02 2020. 7 NC [non-compliance] findings recorded. Corrective Action Report reported raised and awaiting process of rectification and closure. CAR form needed improvement as current form has no column / provision / evidence on closure.

2. Principle 3 Compliance to Legal Requirements
Criterion 4.3.1: Regulatory requirements

Indicator	Requirement	Compliance	Findings
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirement register.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Ref P3 file & documents. 42 relevant laws and regulations are listed and contained in the legal register.

			However, Sarawak Forest Ordinance [important and relevant as the estate is not too distant from Forest reserves, water catchments areas and national parks] was not listed in the legal register
--	--	--	--

3. Principle 3 Compliance to Legal Requirements
Criterion 4.3.2: Land use rights

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	Legal perimeter boundary markers are demarcated by belian peg planted on ground. However, field audit on 23 02 2020 confirmed that some of these boundary markers are not visibly maintained and obscured by vegetation growth. Opportunity for improvement.
---------	---	--	--

4. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.6: Training and competency

4.4.6.3	A continuous training program should 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	Training programs for 2020 -2021 was viewed in the file Training for Plantation Group B: Training program in the folder titled Training. However, the program didn't have any indication of approval / endorsement from the top management.
---------	---	--	---

5. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services
Criterion 4.5.1: Environmental management plan

Indicator	Requirement	Compliance	Findings
4.5.1.4	A program to promote the positive impacts should be included in the continual improvement plan.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	There is an improvement program to promote positive impact as view in the file Environmental Improvement plan (EIP) dated 24 th February 2020 and also can be seen in the Continuous Improvement Program Year 2020 dated 10 th February 2020. Both plans did not indicate any approval / endorsement from the estate management.

6. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services
Criterion 4.5.2: Efficiency of energy use and use of renewable energy

4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	There are records of consumption of non-renewable energy for year 2019 being viewed. However, there is no estimation of year 2020 and beyond to indicate estimated reduction on renewable energy usage.
---------	--	--	---

7. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services
Criterion 4.5.2: Efficiency of energy use and use of renewable energy

4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	In 2019, SALCRA Stenggang OPE is reported to have used 60,225 litres of diesel and 10,426 KW of electricity for the office building for the entire operation. However, there is no future estimations found to be documented.
---------	--	--	---

8. Principle 6 Best Practices
Criterion 4.6.1: Site management

Indicator	Requirement	Compliance	Findings
4.6.1.3	A visual identification or reference system shall be established for each field.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Block markers [black lettering on white surface] are planted on the ground on to identify: <ul style="list-style-type: none"> • Block no • Block size • No of palm trees Some block markers [seen during field audit] in Phase 1 & 4 are not clearly visible and obscured by vegetation growth.

5.1.2.2. Melikin Oil Palm Estate
1. Principle 3 Compliance to Legal Requirements
Criterion 4.3.1: Regulatory requirements

Indicator	Requirement	Compliance	Findings
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirement register.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Ref: P3 file & documents. 42 relevant laws and regulations are listed and contained in the legal register. However, Sarawak Forest Ordinance was not listed in the legal register. Melikin OPE is in close vicinity to Forest Reserves

2. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.2: Complaints and grievances

4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The first grievance recorded was on 22 nd October 2017, requesting for road repair. The case was closed on 26 th October 2017. The management would release a copy of the grievance if asked by the stakeholder. However, most of the documented complaints and grievance in the complaints and grievances record book were undated for received and resolved cases.
---------	---	---	--

3. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.4: Employees safety and health

A.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Accident and emergency procedures can be viewed as a flow chart 'Prosedur Kecemasan Semasa Kemalangan dan Kecederaan; Ver 1: 22/02/17' found in the folder ref: SAL/MEL/OSH/2. The SOP was said to be standardized across SALCRA OPE. The documented SOP had not been endorsed by the top management or Safety officers.
----	--	--	--

5.1.2.3. Batang Ai Oil Palm Estate

1. Principle 4 Social Responsibility, Health, Safety & Employment Conditions

Criterion 4.4.5: Employment conditions

<p>4.4.5.11</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> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI </p>	<p>During site visit to the workers' quarters, all of the units are still habitable, except the 1st Unit, whereby the beams are almost rotten. All of the quarters are provided with basic amenities and facilities.</p> <p>However, the dwellers should take care of the cleanliness of the compounds especially the drains [clogged drain]. and domestic wastes.</p> <p><u>Workers Quarters</u></p> <ul style="list-style-type: none"> • Domestic wastes were not segregated according to types; papers and cardboard, bottles and glasses, plastic and other recyclable waste and kitchen waste. • Chicken sheds were found too close to the living quarters, health hazard to residents. <p><u>Staff Quarters</u></p> <ul style="list-style-type: none"> • In one of the staff quarters, it was found out that Fertilizers and weedicides/pesticides are being stored besides the wall of the house. Should be removed immediately. • Domestic wastes were also found being thrown indiscriminately around the living quarters. • Clogged main drains, pools of excess rain water around the staff quarters and main road to the quarters. <p><u>Power Cable</u></p> <p>It was observed that Power Cable which was being detached from one of the buildings was still attached to the main line; can be hazardous to passers-by.</p>
-----------------	---	--	--

2. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.4: Employees safety and health

4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The occupational safety and health policy had been standardized across SALCRA plantation and mills, established on 14 June 2017, approved and signed by the General Manager and plan was viewed to be in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139). Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The last meeting was held on 19 th June 2020 at BAOPE Meeting room. The minute can be viewed at the Health and Safety file. It is observed that the dispenser and nozzle of skid tank is leaking and this is hazardous to safety of workers
---------	--	--	---

5.1.2.4. Roban South Oil Palm Estate
1. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.2: Complaints and grievances

4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The flowchart of the Handling Complaint and Grievances SOP viewed in GPG 7.4 file, dated 1 st September 2018, indicated acceptable system in resolving disputes in effective, timely and appropriate manner, which is acceptable by all parties. However, they did not show any fixed timeline to resolve issues as the reason being given was some issues may involve legal matters that would take years to settle.
---------	--	--	--

2. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.5: Employment conditions

4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	SALCRA RSOPE provide living quarters for all estate resident employees broadly categorized into: <ul style="list-style-type: none"> • Workers quarters [Labour line] for harvesters and manual workers • Terrace housing for clerical & lower level staff • Single storey Semi-detached houses for mid managerial staff
----------	--	--	--

<p>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>		<ul style="list-style-type: none"> Bungalow housing for managers <p>All living quarters are provided with treated water and electricity. Thus, in compliance with Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446)</p> <p>However, upon site inspection these living quarters the following were observed:</p> <p><u>At workers quarters:</u></p> <ul style="list-style-type: none"> Workers quarters barely meet minimum standard required; some housing in a state of disrepair; although it was informed that there is plan for new housing for workers Chicken sheds were built very close to quarters thus exposing inhabitants to high risk of disease and other health hazards Domestic wastes are deposited underneath the houses and surrounding compound. <p><u>At staff quarters</u></p> <ul style="list-style-type: none"> Domestic wastes and empty cans [mosquito breeding habitats] were noted to be indiscriminately thrown in the housing compound 3 pigs' sties were built close to houses. This was removed and dismantled immediately at the initiative of the estate management. One of the staff housing had rotting roof at the front car porch; high risk of collapsing and injuring the house occupants.
--	--	--

3. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services

Criterion 4.5.3: Waste management and disposal

<p>4.5.3.4</p>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national program on recycling of used HDPE pesticide containers.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI</p>	<p>According to the Estate manager, the empty pesticide containers are being punctured and stored at designated place (confirmed by site inspection) prior to the disposal by appointed contractor. HDPE pesticide containers are also disposed by the appointed contractor.</p> <p>However, it is noted during inspection that in the vicinity of the workshop, scrap metals and old unused farm vehicles/equipment are still awaiting removal and disposal.</p>
----------------	--	---	--

4. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services

Criterion 4.5.4: Reduction of pollution and emission

<p>4.5.4.1</p>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI </p>	<p>Waste Products and sources of pollution have been identified and documented. The document was signed by Assistant manager dated 09.01.2019. Ref: File MSPO Principle 5. Noted also there is s Form /Format for the Identification of Environmental Aspects and Impacts prepared by the Sustainability Executive dated 21.07.2017 and checked by the Head of Agronomic, Sustainability & Research dated 28.07.2017. Ref.: File MSPO Principle 5. Noted that GHG value calculation is being conducted based on the acreage and type of land, crop, distance of transportation to Mill, fertilizers usage, fuel & lubricants consumption, Diesel usage, electricity usage. There is specific emission factor (EF) for each material (e.g. one liter of Diesel has EF 3.14 while a KWh of electricity only 0.89. In Jan-Dec. 2019 SALCRA used 81,099 liters of diesel with GHG Value of 254,651.24. In the same period SALCRA harvested 20,283.3 MT of FFB. GHG emission was 141.42 KG CO2e/MT FFB. Ref. File MSPO Principle</p> <p>During side Audit at workshop area, the following is observed</p> <ul style="list-style-type: none"> • Oil spills / leaked at scheduled waste store. No sump pit or oil flow mechanism and spillage is trapped by construction of cement bund; exposing combustible danger to fire [store and skid tank next to store. • Dispensing nozzle of the skid tank is found leaking; exposed to danger of combustion and fire and workers safety.
----------------	---	--	--

5.1.2.5. Roban North Oil Palm Estate
1. Principle 2 Transparency
Criterion 4.2.2: Transparency method of communication and consultation

4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Available: <ul style="list-style-type: none"> ● List of smallholders (17) ● Contractor (5) ● Supplier (7) ● Government agencies (17) OFI: Consider to review the list to be better organized into categories of stake holders.
---------	---	--	---

2. Principle 4 Social Responsibility, Health, Safety & Employment Conditions
Criterion 4.4.4: Employees safety and health

4.4.4.2	The occupational safety and health plan shall cover the following:		
B.	b) The risks of all operations shall be assessed and documented	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	HIRARC on all activities/operation are assessed and documented. Refer: HIRARC file. Document sighted and verified. OFI: The safety aspects of the electrical connections at the workshop and store can be better improved by making considerations for weather protection and distance to the appliance in use.

3. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services
Criterion 4.5.3: Waste management and disposal

4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:		
A	Identifying and monitoring sources of waste and pollution	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	The Waste Management Plan for Roban North OPE details out the sources of various items for: <ul style="list-style-type: none"> <input type="checkbox"/> Scheduled waste <input type="checkbox"/> Domestic waste The WMP is prepared by the assistant estate manager and checked by the estate manager on 25/12/2017. The plan is still in use today



			NC: In terms of storage it was observed that used oil filters and used battery were kept in the general store instead of the scheduled waste store.
--	--	--	--

4. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services

Criterion 4.5.4: Reduction of pollution and emission

4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Roban North OPE refers to the Consumption & Comparison of Non-Renewable Energy (Diesel and Electricity) and the initiatives described in the SALCRA Balance Scorecard. The action plan to reduce pollutants and emissions is to be derived from these 2 documents. OFI: Consider to prepare a specific document incorporating the information on consumption and comparison of non-renewable energy and the initiatives described in the SALCRA Balance Scorecard.
---------	--	--	--

5.1.2.6. Karabungan Oil Palm Estate

1. Principle 4 Social Responsibility, Health, Safety & Employment Conditions

Criterion 4.4.4: Employees safety and health

4.4.4.2	The occupational safety and health plan shall cover the following:		
	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 Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	SOP for handling chemicals sighted: Peraturan Keselamatan Mengendalian Bahan Kimia: OSH /OSOP/22I: dated 12/09/2019, approved by assistant estate manager Mr Benet Mudang. OFI: Consider to clarify in the SOP the result of the HIRARC and CHRA with reference to the medical surveillance for workers handling chemicals.

2. Principle 4 Social Responsibility, Health, Safety & Employment Conditions

Criterion 4.4.4: Employees safety and health

Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Employees trained in First Aid are available at site office, however still awaiting approval for next certification course. First aid box and accident guideline available, no expired medicine sighted. OFI: Consider sending field assistant or field supervisor for First Aid Course Ref: Mdm. Adelinna Libin (Research Officer).
---	--	--

3. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services
Criterion 4.5.3: Waste management and disposal

4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Waste from the office is collected and disposed together with that from the Veterinary office in a common landfill operated by the Department of Agriculture. Domestic waste from the Karabungan Mini OPE (generated the housing quarters and the estate) is disposed into the estate dump pit. Sighted: KM OPE Domestic Waste Assessment Year 2020 with entries on number of residents, number of landfills, condition of overflow, name of person monitoring and endorsement by the research officer. NC: The dumping pit visited at the workers quarters did not meet the requirements of SALCRA GPG 7.5 Handling of Wastes During the site Audit, it was observed that the pit was in the compound of the workers quarters. The mixed waste disposed was not segregated. The pit & previous pits were not marked.
---------	--	--	---

4. Principle 6 Best Practices
Criterion 4.6.4: Contractor

4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The current contractor hired is aware of MSPO requirement. Sighted: Training Report dated 10/07/2020 of Briefing on SALCRA's policies for workers and contractor personnel.
---------	--	--	--

			OFI: To improve recording of induction and briefing carried out on the contractor and personnel
--	--	--	--

5.1.2.7. Sibiew Mini Oil Palm Estate

1. Principle 4 Social Responsibility, Health, Safety & Employment Conditions

Criterion 4.4.4: Employees safety and health

4.4.4.2	The occupational safety and health plan shall cover the following:		
	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 Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	SOP for handling chemicals sighted: Peraturan Keselamatan Mengendalian Bahan Kimia: OSH /OSOP/22I: dated 12/09/2019, approved by assistant estate manager Mr Benet Mudang. OFI: Consider to clarify in the SOP the result of the HIRARC and CHRA with reference to the medical surveillance for workers handling chemicals.

2. Principle 5 Environment, Natural Resources, Biodiversity & Ecosystem Services

Criterion 4.5.3: Waste management and disposal

4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:		
	Identifying and monitoring sources of waste and pollution	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The Waste Management Plan for Sg Sebiew OPE details out the sources of various items for: <ul style="list-style-type: none"> Scheduled waste Domestic waste The WMP is prepared by the assistant estate manager and checked by the assistant estate manager on 20/03/2020. OFI: consider to improve housekeeping in the estate with the proper disposal of single use plastic bottles and containers.

5.1.3. Surveillance Assessment Overview

		P1	P2	P3	P4	P5	P6	TOTAL
Total: All Estates	OFI	1	1	3	11	7	2	25
	NC	0	0	0	0	2	0	2
	Total	1	1	3	11	9	2	27

The Audit checklists follows that as prescribed under MSPO MS2530-3:2013 [Part 3]: General Principles for Oil palm plantations & Organized Smallholders. The following are brief assessment findings under each Principles.

5.1.3.1. Principle 1: Management Commitment & Responsibility

Compliance assessment on Principle 1 has 1 finding [OFI]; in respect of documentation of Internal Audit [Stenggang Oil Palm Estate]. Generally, in the audited estates

- MSPO Policy is established and maintained; approved by GM on 01 04 2020; continual improvement is included in the Policy.
- Internal Audit are conducted annually and actions are taken accordingly to close out ant findings
- Management Reviews are conducted annually by the SALCRA MSPO Steering Committee. The last Management Review was conducted by the 0n 21 11 2019.
- Continuous Improvement Plan are documented and implemented year on year. Common agenda [plan] in audited estates include CIP on operational excellence, technology applications, landowners & scheme participants social and economic well-being, mechanized FFB evacuation & environmental and water resource management

5.1.3.2. Principle 2: Transparency

Compliance assessment on Principle 2 has 1 finding [OFI]; in respect of documentation of List of Stakeholders [Roban North Oil Palm Estate]. Apart from this finding, audited estates comply fully on transparency of information and documents relevant to 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 management system and records in all estates are well established, implemented and maintained
- Records of transportation, sales, delivery and control documents are maintained and updated.

5.1.3.3. Principle 3: Regulatory Requirements

Compliance assessment on Principle 3 has 3 findings [OFI]; In respect of legal requirements register where principal and relevant Sarawak Forest Ordinance are not listed and maintained; and boundary markers are not well maintained. Generally, however:

- All operations are observed to be in compliance with all relevant laws and regulations
- It is observed that in all estates, palm oil cultivation and production activities do not diminish the land use rights of other users
- All estates provide documented proof of land development agreement with landowners
- No known disputes were evidenced during the Audits and this is further confirmed by various stakeholders who had entered into land development agreement with SALCRA

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

Compliance assessment on Principle 4 has 11 findings [OFI]. These are largely on Employees maintenance of safety and health in the living quarters. In most of the audited estates, it is observed that improvements are required on cleanliness, treatment of domestic wastes, breeding of livestock and animals that may cause hygiene issues to the staff and workers. Generally, however

- The system for dealing with complaints and grievance is well established and maintained.
- Employment conditions in all aspects are above average. Employment policies are well established and maintained.
- All estate employees are provided with free living quarters, basic amenities [treated water and electricity]
- Performance incentives and numerous other social benefits are accorded to staff and families.

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

Compliance assessment on Principle 5 has 9 findings [7 OFI, 2 NC].

- **Major findings of compliance assessment on this principle are on waste management and disposal.**
- SALCRA had established Environmental & Sustainability Policy in place since 2017
- Environmental Improvement Plan dated Sept 2019 continue to be implemented and ongoing
- All estates record and monitor efficiency of energy use and use of renewable energy. Annual action plans are established and implemented to reduce consumption of fossil fuel and significant pollutants from emission.
- Water management plan are established and use of natural water resources are practiced, assessed, managed and monitored on a regular basis.
- 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.
- SALCRA had initiated and implemented a study on Identification of high biodiversity value habitats that could be affected by the palm oil cultivation activities. This study also includes inventory of rare, threatened and endangered species.
- SALCRA had also established and implemented a management plan for protected fauna and flora species.

5.1.3.6. Principle 6: Best Practices

Compliance assessment on Principle 6 has 2 findings [OFI]; on block markers and knowledge of MSPO of contractors' personnel

All Criterion in this Principle are in compliance with MSPO requirements

- SALCRA had established a Plantation Manual; this is a guidance document for estates on site management. SOP on Best Practices are established and continue to be consistently implemented and monitored.
- SALCRA had established annual Management Plan for individual estates; with economic and financial viability plan as a major component.
- On pricing mechanism, the Marketing & Sales dept of SALCRA HQ is noted to be implementing this effectively
- Transparent and fair price dealing with Contractor continue to be practiced; documentary evidence sighted and verified during the Audit; all contract agreements are legally enforceable by both parties.

5.2. STAKEHOLDERS' CONSULTATION REPORT

5.2.1. INFORMATION

No	Item	Remarks
A.	Conducting Consultation	Stakeholders' consultations were conducted in all 7 of the audited estates
B.	Date of consultation	All consultations were conducted on day 1 of on-site audit
C.	Stakeholders Group	Stakeholders consulted were selected from the following groups: <ul style="list-style-type: none"> • Estate staff / workers • Contractors • Landowners / Representatives of the SALCRA Estate Development Committee • Local community representatives
D.	No of respondents	Minimum 3 respondents per estate
E.	Consultation techniques	Personal interview / face to face meeting / in-situ

5.2.2. SUMMARY OF FINDINGS

The following are summary of findings and conclusions resulting from the consultations; based on common questionnaires

No	Questionaries	Collated Remarks
A.	Is this stakeholder register in the organization's stakeholder list?	Yes, all respondents are listed in the estates' stakeholders' register.
B.	Based on input received, is transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2)	The stakeholders are satisfied with transparency of information from the organization. It is informed that the estate management public communication on MSPO requirements are regularly conducted, posted and updated. For the landowners, they have active communications with estate management through the Estate Development Committee


C.	Any feedback, complaint or grievances raised by these stakeholders' before? (If Yes, please briefly explain the nature of the feedback/ complaint/ grievance in Remarks)	<p>The estate workers and staff are generally satisfied with the working conditions and remunerations received from SALCRA.</p> <p>Contractors interviewed are service providers to the estates. Generally, they are satisfied that SALCRA has never breached the terms and conditions of the contract agreement</p> <p>The landowners / participants of the SALCRA land development schemes are generally appreciative of their land which was previously NCR lands are eventually converted to be titled lands and legally owned by them. However, one of the major common feedbacks is the issue of dividends which they complained has fallen below expectation in the recent years.</p>
D.	If (3) above is Yes, is the organization handling the feedback/ complaint/ grievance appropriately?	<p><u>Issue of dividend payment:</u></p> <p>According to the landowners / stakeholders, these complaints have been brought up through the Estate Development Committee forum but the explanation given are not clearly understood by them.</p>
E.	Any social issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	All the respondents are satisfied that SALCRA provides both economic and social benefits in their area; with various CSR programs conducted throughout the years and the employment opportunities provided for the local communities.
F.	Any environmental issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	No environmental issues are raised by stakeholders during consultations.


5.2.3. GENERAL OBSERVATION

The stakeholders' interviewed [including estate staffs / workers] were generally aware of the MSPO certification importance to SALCRA estates. However, they do not fully comprehend their own role and how they should contribute to enhance sustainability and productivity of the estate / organization.

5.3. AUDIT CONCLUSION

	Summary Statement	Signature
	<p>The following conclusions are derived from this Surveillance Audit Year 2 of SALCRA group of estates:</p> <ul style="list-style-type: none"> ✓ There had been no significant changes to the certified client and its management system 	

<ul style="list-style-type: none"> ✓ All estates had implemented its MSPO continuous improvement program according to plan ✓ It can be affirmed that all audited estates had complied and fulfilled MSPO certification requirements ✓ In 2 of the estates [Melikin & Batang Ai] conservation of riparian & buffer zones had been successfully implemented <p>A total of 34 Mandays was undertaken to complete the Surveillance Audit of 7 estates; all Audits conducted on-site including assessment of field activities 27 findings were recorded; 25 OFI [opportunity for improvements] & 2 NC [non-conformance. Finally, it is the Audit team opinion that all SALCRA estates certification under the standard MSPO MS2530-3:2013 be continuously maintained; subject to corrective action taken and closure of all 27 findings presented in this report.</p>	On Behalf of BQAS,  Wilfred S Landong Date: 15 10 2020
---	--

5.4. ACKNOWLEDGEMENT BY AUDITEE	Signature
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 Patricia Chan Sustainability Executive Date: 20 10 2020

5.5. CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY

Corrective Action Reports were raised on 27 findings; upon conclusion of each on-site audit exercise. All these findings were closed out by BQAS Lead Auditors as follows:

- ✓ Stenggang OPE on 13 08 2020
- ✓ All others on 29 08 2020

6.0. OFFICIAL SIGN OFF

6.1. ASSESSMENT RECOMMENDATION:

Based on the Findings/Action taken by Auditee/Closures above SALCRA Group of estates had been able to demonstrate generally its continual compliance to and with requirements of the MSPO MS2530-3:2013 Standard for General Principles for Oil Palm Plantations & Organized Smallholders. All corrective action reports raised had been effectively closed out. Therefore, it is recommended that the Certification of SALCRA Group of estates be maintained.



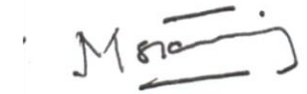
Wilfred S Landong
25 10 2020

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 Audit team recommendations had been based upon this information.

I, hereby confirm that, the Certification of SALCRA – Group of Estates under the Standard MSPO2530-3:2013 under General Principles for Oil Palm Plantations & Organized Smallholders shall be maintained.



Maxwell Stephen

28 10 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 Location Map of SALCRA Estates

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)

SALCRA Operational Area





MSPO SURVEILLANCE CERTIFICATION PUBLIC SUMMARY REPORT [Year 02]

SALCRA GROUP OF ESTATES

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

Ref No: BQ/SGOE/SVA2/2020

Standard: MS 2530-3:2013

30 10 2020