



MSPO SURVEILLANCE PUBLIC SUMMARY CERTIFICATION REPORT [YEAR 01]



MUKAH KILANG KELAPA SAWIT SDN BHD

Lot 29, Jalan Bukit Ambun, Mukah-Selangau,
96400, Mukah, 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

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Accreditation No: ACB MSPO CB15

**MSPO SURVEILLANCE PUBLIC SUMMARY CERTIFICATION REPORT Year 01****MUKAH KILANG KELAPA SAWIT SDN BHD****BQAS CERTIFICATION [M] SDN BHD [1179994-X]**Ref No: **BQ/MKKS/SVA01/02/21**Standard: **MS 2530-4:2013**Report Date: **30 04 2021****CERTIFIED ENTITY**

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

 MS2530-4:2013**General Principles for Palm Oil Mills**

Type of Certification:	<input checked="" type="checkbox"/> Individual	<input checked="" type="checkbox"/> Group
Project Ref No:	BQ/MKKS/SVA01/02/21	
MSPO Certificate Validity:	25 12 2019 - 24 12 2024	
HQ Office Address:	Lot 29, Jalan Bukit Ambun, Mukah-Selangau, 96400, Mukah, Sarawak.	
Contact Person / Job Title:	Saperi bin Saili	Mill Manager
Telephone / Mobile:	019 553 9226	019 818 8908
Email / Website:	saperisaili@gmail.com	
Site Address:	Lot 29, Jalan Bukit Ambun, Mukah-Selangau, 96400, Mukah, Sarawak.	
Contact Person / Job Title:	Muhammad Al Haziq bin Abdullah	MSPO Chief Coordinator
Telephone / Mobile:	019 553 9226	012 833 6285
Email / Website	kcid6285@gmail.com	

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
Lead Auditor	Wilfred S Landong	
Technical Reviewer	Patrick Sibat	

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EXECUTIVE SUMMARY

This is Surveillance Audit Year 1 & scope is Individual Certification of Mukah Kilang Kelapa Sawit Sdn Bhd [MKKS] under the Standards MSPO MS2530-4:2013 for Palm Oil Mills.

MMKS is located at Lot 29, Block 60, Jalan Bukit Ambun, Mukah-Selangau, 96400, Mukah, Sarawak.

The Mill Site is situated at Geo-coordinates N02°54.30.5' E111°18.40.0'; approximately 25 kilometers from Mukah Town; 55 hectares in land size, Mixed Zone Country land; own land; leasehold with 60 years' lease expiring in 2075.

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.

In this Audit, dialogues and interviews were conducted with staffs, Mill workers, 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 MKKS Management and this was found to be positive. Approximately, about 80% of the local employees of MKKS are from the local communities and the Mukah area.

Plantation employees are remunerated in compliance with Employment Act & minimum wage regulations; and living & housing conditions in the Mill Staff & Workers Quarters meet minimum requirements of health & safety regulations & the relevant Housing Act.

Available amenities in MKKS include treated water, domestic waste collection & disposal, electricity and telecommunication services.

IN this Audit it was noted that MKKS top management had recently been changed; and palm oil milling activities at MKKS remained 'business as usual'. It was also observed that the Mill implement Covid 19 pandemic guidelines in compliance with established SOP.

The Audit was conducted on 01 – 02 02 2021; 2 Auditors; 4 mandays. There were 4 findings during this Audit; 3 minor NC [non-conformance] and 1 OFI [opportunity for improvements].

MKKS has complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that MUKAH KILANG KELAPA SAWIT SDN BHD be maintained and continue to be certified under MSPO Standards MS2530-4:2013 (Part 4 – General Principles for Palm Oil Mills).

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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"/> <input type="checkbox"/> <input type="checkbox"/>	

INFORMATION:	CERTIFICATION BODY	
Name:	BQAS Certification [M] Sdn Bhd [1179994-x]	
Address:	Lot 7823, Sublot 6, 2 nd Floor, Block A, Kings' Centre, Simpang Tiga, 93350, Kuching, Sarawak.	
Contact:	Email: bqassb@gmail.com	Tel: +6 082 572 043
	Watsapp: +6 017 814 1112	Website: www.bqas.com.my
Surveillance Audit Date:	01 – 02 02 2021	Audit Duration: 4 man-days
BQAS Audit Team:	Name	Role in the Audit
	Wilfred Landong	Lead Auditor
	Duke Ladin	Auditor

2.0. INFORMATION: CERTIFIED ENTITY

INFORMATION	CERTIFIED ENTITY		
Company Name & Registration No:	Mukah Kilang Kelapa Sawit Sdn Bhd [542117-M]		
Main Address:	Lot 29, Jalan Bukit Ambun, Mukah-Selangau, 96400, Mukah, Sarawak.		
Site Name:	Mukah Kilang Kelapa Sawit Sdn Bhd		
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill	
Site Address:	Lot 29, Jalan Bukit Ambun, Mukah-Selangau, 96400, Mukah, Sarawak.		
Management Contact Details			
1.	Saperi bin Salli	Mill Manager	
	Mobile: 019 818 8908	Tel: 019 553 9226	Email: saperisalli@gmail.com
2.	Muhammad Al Haziq bin Abdullah	MSPO Chief Coordinator	
	Mobile: 012 833 6285	Tel: 019 553 9226	kcid6285@gmail.com
Headcount:	Local: 60	Foreign Workers: 33	Total: 93

**MSPO SURVEILLANCE PUBLIC SUMMARY CERTIFICATION REPORT Year 01****MUKAH KILANG KELAPA SAWIT SDN BHD****BQAS CERTIFICATION [M] SDN BHD [1179994-X]****Ref No: BQ/MKKS/SVA01/02/21****Standard: MS 2530-4:2013****Report Date: 30 04 2021****MS 2530-4:2013 General Principles for Palm Oil Mills**

MPOB License No: 5088 0650 4000	Expiry Date: 30 06 2021
Scope of Activity:	
Menjual dan Mengalih	FFB, PK, CPO, SPO#
Membeli dan Mengalih	FFB#
Menyimpan	PK, CPO, SPO#
Mengilang	FFB#
Production Capacity:	60MT per hour
OER Extraction Ratio: 17.84%	KER Extraction Ratio: 3.65%
PK Production Volume(actual) 2020: 3,853.65 MT	PK Production (estimate) 2021: 8,000MT
PK Pricing (actual) 2020: RM1,900/MT	PK Pricing (forecast) 2021: RM2,000/MT
CPO Production Volume(actual) 2020: 18,829.18 MT	CPO Production (estimate) 2021: 37,000MT
CPO Pricing (actual) 2020: RM3,000/MT	CPO Pricing (forecast) 2021: RM3,300/MT
FFB Volume(actual) 2020: 105,533.70 MT	FFB Volume (estimate) 2021: 200,000MT
Main Sources of FFB:	50 % own estate / 50 % external sources / smallholders
Land Status: Ownership:	Mill Land: Mixed Zone Land, Country land; 55 hectares; 60 years lease [2015 – 2075]; own land
Other Sustainability Certification: nil	Geo-Coordinates:
	N02°91: 08' E112°31:105'' 2.907133, 112.310522
Date of Certification: Issue 1: 25 12 2019	Validity: 25 12 2019 to 24 12 2024

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	Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders
Data collection from	<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>

**MSPO SURVEILLANCE PUBLIC SUMMARY CERTIFICATION REPORT Year 01**

MUKAH KILANG KELAPA SAWIT SDN BHD

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

Ref No: BQ/MKKS/SVA01/02/21

Standard: MS 2530-4:2013

Report Date: 30 04 2021

- 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 01	Wilfred S Landong	Lead Auditor
	Duke Ladin	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 (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**

Assessments 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: 01 – 02 02 2021

No of Auditors: 2

No of Mandays: 4

- | | |
|-------|---|
| Day 1 | <ul style="list-style-type: none">• Opening Meeting• Review Certification Audit Report• Documentation Audit / Record Review at Mill Office |
| Day 2 | <ul style="list-style-type: none">• 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.• Dialogues/interviews (contractors, FFB suppliers]• 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

5.0. SURVEILLANCE ASSESSMENT

5.1. SUMMARY OF KEY FINDINGS

Table of Findings

Principles	P1	P2	P3	P4	P5	P6	Total
No of NC: Major	0	0	0	0	0	0	0
No of NC: Minor	0	0	0	1	1	1	3
No of OFI: Opportunity for Improvement	0	0	0	0	1	0	1
Total	0	0	0	1	2	1	4

PRINCIPLE 4:

SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION

Finding No 1

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"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	As observed during facilities audit, the on-site living quarters are adequately habitable and have basic amenities and facilities such as football and takraw fields. However, one of the quarters' compound situated at the back of effluent pond found to be dirty and in unhealthy living condition, with chicken rearing and improper



			<p>upkeep of domestic waste.</p> <p>Meanwhile, the staff living quarters inhibit naked electrical wire that can lead to fire hazard.</p>
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PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES

Finding No 2

Criterion 4.5.3: Waste management and disposal

Indicator	Requirement	Compliance	Findings
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>SOP for proper handling of used chemical is incorporated in files:</p> <ol style="list-style-type: none"> Scheduled Waste Management - ref: WI-12 Raw Chemicals Management - ref: WI-14 Waste Water Management ref: WI-04 Waste Management Program ref: WI-11 <p>MKKS will compile a fifth schedule report and submit it to DoE by monthly basis.</p> <p>However, the dumping site was less than approved distance from the mill which is less than 1 km.</p>

Finding No 3

Criterion 4.5.5: Natural water resources


Indicator	Requirement	Compliance	Findings
4.5.5.1.	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:		
A.	Assessment of water usage and sources.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Assessment of water usage and sources were sighted as a flowchart of water sources in file MKKS/WMS/01 and FFB Processed and Non-Renewable Energy Consumption 2019. MKKS has its own water sources (Fresh Water Pond) that the Mill filtered and treated for general</p>

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			usage or being pump to cool the turbine. However, the mill should put additional signage at the water treatment plant such as No Smoking sign and Protected Area to safeguard the water source and the plant.
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PRINCIPLE 6:**BEST PRACTICES****Finding No 4****Criterion 4.6. 2: Economic and financial viability plan**

Indicator	Requirement	Compliance	Findings
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MKKS do not have documented business management plan for 2020 & 2021


5.2.	AUDIT CONCLUSION	
	Summary Statement of Lead Auditor	
	<p>The purpose of this Surveillance Audit is to evaluate the implementation, including effectiveness, of Mukah Kilang Kelapa Sawit Sdn Bhd [MKKS] management systems and that the requirement of the Standards MS2530-3:2013 is fulfilled.</p> <p>Assessment program include documentation audit, field and facilities audit, stakeholder consultation and random interview with management and staff of MKKS. There were 4 Findings. Conclusively, it is verified that MKKS had effectively maintained the implementation of its' management systems; and the Audit Team recommend that Certification under MS2530-4:2013 be continued.</p>	 Wilfred S Landong Date: 02 02 2021

5.3.**CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY****Corrective Action Reports were raised on 02 02 2021****The Corrective Action Reports were closed out by Lead Auditor on 30 03 2021**




6.0. OFFICIAL SIGN OFF

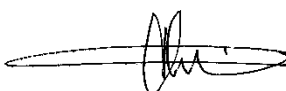
6.1. ACKNOWLEDGEMENT BY CERTIFIED ENTITY MANAGEMENT REPRESENTATIVE

	<p>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.</p>	<p>Muhammad Al Haziq Bin Abdullah Igai</p>  <p>MSPO Chief Coordinator 02 02 2021</p>
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6.2. ASSESSMENT RECOMMENDATION: LEAD AUDITOR

<p>Based on the Findings/Action taken by Auditee/Closures above, MKKS Sdn Bhd 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.</p> <p>Therefore, it is recommended that the Certification of BAPOM be maintained.</p>	 <p>Wilfred S Landong 30 04 2021</p>
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6.3. ASSESSMENT REVIEW BY TECHNICAL REVIEWER

<p>I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of the Report in its' entirety.</p> <p>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.</p> <p>I, hereby confirm that, the Certification of Mukah Kilang Kelapa Sawit Sdn Bhd under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.</p>	 <p>Patrick Sibat 03 05 2021</p>
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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 01 was delayed due to COVID19 Movement Control Order as enforced by Malaysian government authorities.

Surveillance Audit Year 03 is scheduled to be by Feb, 2022

8.0. ATTACHMENTS

Nil

FOOTNOTES

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)

