



# MSPO SURVEILLANCE CERTIFICATION REPORT [YEAR 03] 2021



## 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, 2<sup>nd</sup> Floor, Block A, King Center,  
Simpang Tiga, 93350, Kuching, Sarawak.

Tel: 082 572 043

Email: [bqascertification@gmail.com](mailto:bqascertification@gmail.com)

Website: [www.bqas.com.my](http://www.bqas.com.my)

Accreditation No: ACB MSPO CB15



## MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021

SALCRA: LUBOK ANTU PALM OIL MILL 1

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

Ref No: BQ/LAPOM1/SVA3/05/21

Standard: MS 2530-4:2013

**REMOTE AUDIT**

25 07 2021

### CERTIFIED ENTITY

MSPO Standards

 MS2530-4:2013

General Principles for Palm Oil Mills

Type of Certification:

 Individual Group

Project Ref No:

BQ/LAPOM1/SVA3/05/21

MSPO Certificate No:

BQAS P4 023-4 0420

MSPO Certificate Validity:

14 04 2018 – 13 04 2023

Main Office Address:

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

Contact Person / Job Title:

Puan Patricia Chan

Sustainability Executive

Telephone / Mobile:

082 621 904

016 831 2705

Email / Website:

patriciachan@salcra.gov.my

Site Address:

Batu 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak

Contact Person / Job Title:

Mr Ubang Balang

Mill Manager

Telephone / Mobile:

082-220008/9

013 804 7273

Email / Website

ubangb@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:

Managing Director

Telephone / Mobile:

+6 082 572043

Lead Auditor:

Wilfred S Landong

Certifier:

Maxwell S Landong

#### Disclaimer:

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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 3 [4th year of certification] for LAPOM 1 & scope is Individual Certification under the Standards MSPO MS2530-4:2013 for Palm Oil Mills.

This Audit which was scheduled earlier to be conducted in March, 2021 was forcibly delayed due to compliance requirements of COVID 19 MCO [movement control order] enforced by government authorities of Sarawak & Malaysia. Additionally, the planned **Onsite Audit** was changed to **Remote Audit** to ensure regulatory compliances to COVID 19 Pandemic MCO [movement control order]

Guidance documents for this Remote Audit is **MPOCC Version 3 Updated Circular [22 March 2021]**

Guidance on remote audits due to Covid 19 Pandemic Restrictions.

Risk Assessment was conducted and it was determined prior to conducting the audit that LAPOM 1 is categorised as **low risk entity** and qualify to be audited remotely.

ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc.

It is to be noted that during SVA02 2020 there are no palm oil milling activities in LAPOM 1. The Mill operations was suspended with effect October 2019. However, during this SVA03 2021 Audit, LAPOM 1 had resumed and normalise its palm oil milling activities.

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

- 58 [all locals]

MPOB License No / Expiry date

- No: 5000 8690 4000 / Expiry: 31/12/2021

Production Capacity

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

FFB supply base

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

Annual Production Quota

- 100,000 MT



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Actual volume of FFB processed for 2020	• 35,450 MT
Projected volume of FFB processed for 2021	• 84,264MT
Extraction Ratio	• Oil extraction ratio @ 20.86%
	• Kernel extraction ratio @ 4.56%
Actual production volume for 2020	• Crude Palm Oil @ 7,213 MT
	• Palm Kernel @ 1,619MT
Projected production volume for 2021	• Crude Palm Oil @ 16,853MT
	• Palm Kernel @ 3,792MT
Projected pricing for 2021	• CPO @ RM2,131/MT
	• PK @ RM1,928/MT

The Remote Surveillance Audit was conducted on 19 – 20 05 2021; 2 Auditors; 4 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 to assess documentation, mill facilities and mill operations. Information & data were systematically gathered & documented from online interviews, realtime photos as evidence & review of documentations and records. There was only 1 finding classified as OFI [opportunity for improvements] on Criterion 4.5.3: Waste management and disposal. Corrective action report was raised on 20 05 2021 and closed out on 01 07 2021.

During SVA03, the Auditors also determined that actions to be taken on findings in SVA02 had been implemented satisfactorily and in compliance with requirements of the Standards.

The Audit team had assessed that 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.

### Management Changes: Mill Manager – Lubok Antu Plam Oil Mill 1

It is noted that there is a change of Mill Manager in this SVA3 2021 from previous [Madam Penny Nyapay] to new [Mr Ubang Balang]

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021**

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Standard: MS 2530-4:2013

**REMOTE AUDIT**

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**1.0. INFORMATION: CERTIFICATION ASSESSMENT**

1.1.	Type of Certification Assessment	<input type="checkbox"/>	Initial Certification / Main Audit
		<input type="checkbox"/>	Annual Surveillance Audit [Year 3]
		<input type="checkbox"/>	Re-certification Audit
1.2.	Scope of MSPO Certification	<input type="checkbox"/>	Sustainable Management of Palm Oil Mill with 30MT/Hour
1.3.	MSPO Standards	<input type="checkbox"/>	PART 4: MS2530-4:2013

**2.0. INFORMATION: CERTIFIED ENTITY**

Company Name & Registration No:	<b>LUBOK ANTU PALM OIL MILL 1</b>		
Main Address:	Wisma SALCRA, No.1, Lot 2220, Block 26, MTL D, Jalan Datuk Mohd Musa, 94300 Kota Samarahan		
Site Name:	Lubok Antu Palm Oil Mill 1		
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill	
Site Address:	Batu 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak		
Management Contact Details			
1.	Name: Ubang ak Balang	Job Title: Mill Manager	
	Mobile: 013 804 7273	Tel: 082-220008/9	Email: ubangb@salcra.gov.my
2.	Name: Wilfred Kana	Job Title: Mill Engineer	
	Mobile: 019 887 7653	Tel: 082-220008/9	Email: wifredk@salcra.gov.my

Headcount:	Local: 58	General Workers:	Total: 58
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**MS 2530-4:2013 General Principles for Palm Oil Mills**

MPOB License No: 5000 8690 4000	Expiry Date: 31/12/2021
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## Scope of Activity:

Purchasing of FFB, Processing of FFB into CPO and PK, Storing of CPO and PK and Selling of CPO and PK

Menjual dan Mengalih	FFB, PK, CPO, SPO #
Membeli dan Mengalih	FFB #
Menyimpan	PK, CPO, SPO #
Mengilang	FFB #
Production Capacity:	30MT/Hr
OER Extraction Ratio: 20.86%	KER Extraction Ratio: 4.56%
PK Production Volume(actual) 2020: 1,619MT	PK Production (estimate) 2021: 3,792MT



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Standard: MS 2530-4:2013

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PK Pricing (actual) 2020: RM1,682/MT	PK Pricing (forecast) 2021: RM1,928/MT
CPO Production Volume(actual) 2020: 7,213 MT	CPO Production (estimate) 2021: 16,853MT
CPO Pricing (actual) 2020: RM2,859/MT	CPO Pricing (forecast) 2021: RM2,131/MT
FFB Volume(actual) 2020: 35,450 MT	FFB Volume (estimate) 2021: 84,264MT
Main Sources of FFB: Smallholders and Dealers	
Land Status: Ownership:	<input type="checkbox"/> Rented <input checked="" type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture
Other Sustainability Certification: MSPO Supply Chain Certification Standard	Geo-Coordinates: Latitude 110'9.02 Longitude 111'45'28.69
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	<ul style="list-style-type: none"> <li>ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors &amp; Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc.</li> </ul>
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> <li>Assessing past implementations from records, reports of the management system</li> </ul> <p>Practice</p> <ul style="list-style-type: none"> <li>Assessing current implementation from evidence collection on current practices</li> </ul> <p>People</p> <ul style="list-style-type: none"> <li>Assessing future maintenance from interviewing online the auditee personnel on understanding &amp; assessing competencies.</li> </ul>

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



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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

The assessment process was preceded by/with **Risk Assessment of the certified entity** to determine that LAPOM 1 qualify to be audited vide **Remote Audit**. BQAS had assessed that surveillance audit 03 of LAPOM1 is classified as **low risk**.

## 4.1. AUDIT TEAM

Assessment Year	Name	Role
Surveillance Year 03	Wilfred Landong	Lead Auditor
	Duke Ladin	Auditor

## 4.2. AUDIT PLAN

### 4.2.1. AUDIT OBJECTIVES

#### Surveillance Audit Year 03

- \_\_\_ 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





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Standard: MS 2530-4:2013

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### 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 on:

- 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: 19 – 20 05 21

No of Auditors: 2

No of Mandays: 4

Day 1

- Opening Meeting
- Review Certification Audit Report Year 02
- Documentation Audit / Record Review

Day 2

- Mill – facilities review (chemical, schedule waste stores, workshop, effluence ponds, grading etc.)
- Review of milling processes
- Assessment/review of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment etc.
- 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



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- 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. AUDIT REPORT

	<b>Ref No: BQ/LAPOM1/SVA3/05/21</b>
<b>Standard(s):</b>	<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:	<b>MSPO SCCS</b>

<b>INFORMATION:</b>	<b>CERTIFICATION BODY</b>	
Name:	BQAS Certification [M] Sdn Bhd [11799994-x]	
Address:	Lot 7823, Sublot 6, 2 <sup>nd</sup> Floor, Block A, Kings' Centre, Simpang Tiga, 93350, Kuching, Sarawak.	
Contact:	Email: bqassb@gmail.com	Tel: +6 082 572 043
		Website: www.bqas.com.my
Surveillance Audit Date:	<b>19 – 20 05 2021</b>	Audit Duration: <b>4</b> man-days
BQAS Audit Team:	Name	Role in the Audit
	Wilfred S Landong	Lead Auditor
	Duke Ladin	Auditor

### PRINCIPLE 1: MANAGEMENT COMMITMENT & RESPONSIBILITY

#### Criterion 4.1.1: Malaysian Sustainable Palm Oil (MSPO) Policy

<b>Indicator</b>	<b>Requirement</b>	<b>Compliance</b>	<b>Findings</b>
4.1.1.1	Policy for the implementation of MSPO shall be established.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SALCRA established MSPO policy & related policies continue to be maintained as follows <ul style="list-style-type: none"> <li>• MSPO Policy dd 01 04 2020</li> </ul>



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			<ul style="list-style-type: none"> <li>Safety &amp; health Policy dd 09 03 2020</li> <li>Social Policy 01 04 2020</li> <li>Sexual Harassment Policy 01 04 2020</li> </ul> <p>In dual language [bahasa &amp; english] Signed by General Manager of SALCRA</p>
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO Policy last paragraph states: 'to ensure sustainable development and continuous improvements'

### Criterion 4.1.2: Internal Audit

Indicator	Requirement	Compliance	Findings
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified IA conducted annually as planned <ul style="list-style-type: none"> <li>✓ 2021 IA conducted 06 05 2021 with findings [1 NC/8 OFI]</li> <li>✓ 2020 IA 28 10 2020 with findings [1 NC/5 OFI]</li> </ul>
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 checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<ul style="list-style-type: none"> <li>✓ IA SOP Ref GPG 7.1 documented [amended] effective 18 06 2020 – approved by GM</li> <li>✓ Audit Reports for 2021 &amp; 2020 were documented / verified</li> <li>✓ CAR for IA 2020 were closed out on 05 01 2021</li> </ul>
4.1.2.3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	IA Report presented and reviewed by the Salcra MSPO Steering Committee on 26 08 2020

### Criterion 4.1.3: Management review

Indicator	Requirement	Compliance	Findings
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Salcra has a Sustainability Unit @ HQ dedicated to manage and implement certification activities and the management system.



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	on any changes, improvement and modification.		The MSPO Steering Committee oversees and meet at least once annually to review the performance of the management system Compliance
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### Criterion 4.1.4: Continuous Improvement

Indicator	Requirement	Compliance	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Continuous Improvement program for FY 2021 dated 02 02 2021 includes action plan on <ul style="list-style-type: none"> <li>✓ Operational excellence</li> <li>✓ Staff / social welfare</li> <li>✓ Environmental management</li> </ul>
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The 2021 CIP & program includes <ul style="list-style-type: none"> <li>✓ Installation of hydroclone</li> <li>✓ Perforated FFB cages &amp; upgrade sterilizer system</li> <li>✓ Environmental awareness briefing education and briefing to staff and workers</li> </ul>

### PRINCIPLE 2:

### TRANSPARENCY

### Criterion 4.2.1: Transparency of information and documents relevant to MSPO requirements

Indicator	Requirement	Compliance	Findings
4.2.1.1	The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Evidence noted and verified that management of LAPOM 1 continue to communicate all relevant information to other stakeholders; by way of public notices, personal communications & correspondence, signages. Language used both in Bahasa & English.
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO policies & other relevant information on display @ notice board in Mill office & other relevant premises. Public notices to customers & stakeholders in Bahasa are placed at all relevant work stations.



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### 4.2.2: Transparent Method of Communication & Consultation

Indicator	Requirement	Compliance	Findings
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LAPOM 1 had established an SOP Ref LAPOM 1-104 dated 07 01 2019 approved by Mill Manager
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Wilfred Kana appointed as Mill Representative for Consultation & Communication WEF 01 04 2021
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and viewed in MSPO Stakeholder file records of all consultation and communication are maintained and List of stakeholders [updated 05 03 2021]

### 4.2.3: Traceability

Indicator	Requirement	Compliance	Findings
4.2.3.1	The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Traceability Procedure Ref LAPOM1-SOP 903 dated 11 05 2017 had been established and maintained
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Mill engineer conduct daily inspections at various work stations and processes & does daily CPO & PK stock take; and the Mill Manager does inspection randomly [at least 3 times weekly]
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Diklawila Jawat was appointed as Traceability Representative with effect from 01 04 2021 by the Mill Manager and is responsible for implementing and maintaining the traceability system.
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Records of storage, mill & weighbridge ticket, FFB cash receipts, sales, delivery or transportation of crude palm oil and palm kernel is maintained vide document



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			<p>“Monthly Mill Production &amp; Quality Statistics” and “Local Sales Delivery Advise (LSDA)””; and updated every end of the month. All these are confirmed as daily activities.</p>
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<b>PRINCIPLE 3:</b>	<b>COMPLIANCE TO LEGAL REQUIREMENTS</b>
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<b>Criterion 4.3.1: Regulatory requirements</b>
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Indicator	Requirement	Compliance	Findings
4.3.1.1	All operations shall be in compliance with applicable local, national and ratified international laws and regulations.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted that all operations are in compliance with applicable local, national and international laws and regulations. The legal documents relevant to the compliance with MSPO regulatory requirements are properly filed. Other statutory licenses under FMA 1967, DOE, MPOB are also valid and maintained. Ref.: File LAPOM 1 MSPO Legal Register
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirement register.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and verified SALCRA legal Register (Doc. NO. MSPO 4.3.1.2) dated July 2020 (Rev. NO. 2), which shows a list of 59 laws and regulations. SALCRA Legal Register listed the 59 relevant laws and regulations. This is updated on 07 07 2020.
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Legal Register is being updated as and when required. The present Legal Register (Doc. NO. MSPO 4.3.1.2) is noted as Revision 2
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Yari ak Laki appointed as the Mill Representative on Legal and Compliance Monitoring on 01 04 2021 by the Mill Manager.

<b>Criterion 4.3.2: Land Use Rights</b>
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Indicator	Requirement	Compliance	Findings
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4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>LAPOM activities do not diminish the land use rights of other users and the local community.</p> <ul style="list-style-type: none"> <li>✓ Verified that LAPOM 1 is sited on the land owned by SALCRA as verified from the land titles (Ref.: File MSPO Legal Register).</li> <li>✓ Noted also that all lands surrounding LAPOM belongs to SALCRA.</li> <li>✓ This situation remained unchanged in this Audit.</li> </ul>
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Sited all land titles properly filed in MSPO Legal Register folder. LAPOM is located in Lot 25 &amp; 31, Block 13, Marup Land District. The land title was issued on 17 August 2009 and shall expire on 16 August 2069. This status remained unchanged during this Audit</p>
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Legal perimeter boundary markers @Geo-coordinate 2230886.622 5129236.6 [photo evidence provided] is clearly demarcated and visibly maintained with white pole marker planted on the ground</p>
4.3.2.4	Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Not applicable. The land is owned by SALCRA.</p>

### Criterion 4.3.3: Customary Rights

Indicator	Requirement	Compliance	Findings
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	<p>Not applicable. The land is owned by SALCRA.</p>



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	understood and are not being threatened or reduced.	<input type="checkbox"/> NC - Major	
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable. The land is owned by SALCRA.
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable. The land is owned by SALCRA.

**PRINCIPLE 4:**

**SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION**

**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 checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LAPOM 1 SIA Report by Mr Valerian Sibat of Sustainability Unit dated 29 July 2020 is noted and verified. Comprehensive and well documented

**Criterion 4.4.2: Complaints and grievances**

Indicator	Requirement	Compliance	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	A system for dealing with complaints and grievances can be seen as a General Procedure Guideline: No: GPG 7.4 - Handling of Complaints and Grievances, established on 1st September 2018, approved and signed by the General Manager. Noted to be effectively maintained
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner, which is accepted by all parties.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The flowchart of the Handling Complaint and Grievances SOP is noted to be effectively maintained as per GPG 7.4 file, dated 1st September 2018, indicated acceptable system in resolving disputes in effective, timely and appropriate manner, which is acceptable by all parties.





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			Observed to be continual and effectively maintained.
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There are two types of forms for complaints, grievances and suggestions used by the mill, a standardized used across all SALCRA mills; Complaints and Grievances Forms (HR - Employment Relations) are available at the Guard Station and Complaint Box is available as well.  LAPOM 1 also maintain a Complaint & Grievances Register book.
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Complaint forms are well placed and made available to general public and stakeholders at the <ul style="list-style-type: none"> <li>✓ Office entrance [suggestion box]</li> <li>✓ Guard house</li> <li>✓ Mills workstations</li> </ul>
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There is no receipt of complaints and grievances for the past 24 months.

**Criterion 4.4.3: Commitment to contribute to local sustainable development**

Indicator	Requirement	Compliance	Findings
4.4.3.1	Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Salcra LAPOM 1 policy is directed towards engaging local communities by way of employment and JV development of NCR land as palm oil plantation; and purchase of FFB. A high majority of Mill workers are from the local communities.  The surrounding estates belonging to Salcra are also JV development between local landowners and Salcra.

**Criterion 4.4.4: Employees safety and health**

Indicator	Requirement	Compliance	Findings
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	The occupational safety and health policy has been standardized across SALCRA plantation and mills, established on 9 <sup>th</sup> March 2020, approved and signed by the



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	1967 (Act139) shall be documented, effectively communicated and implemented.	<input type="checkbox"/> NC - Major	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 20 04 21.
4.4.4.2	The occupational safety and health plan shall cover the following:		
A.	A safety and health policy, which is communicated and implemented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The safety and health policy is displayed at the Office premise and Notice Boards.
B.	The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	HIRARC in assessing risks of all operation was well documented in the file Ref: LAPOM1-FRM 603.1, established on 08/05/2017, approved and signed by the mill Engineer; and continually maintained.
C.	An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: i) all employees involved are adequately trained on safe working practices; and ii) all precautions attached to products should be properly observed and applied.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	26 Health & Safety Training Programs [encapsulating all aspects of Health & Safety] are planned for 2021, approved by Mill Manager; verified to have been implemented according to schedule.
D.	The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Camera / photo evidence [real time] provided by Mill Manager shows appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as



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	Hazard Identification, Risk Assessment and Risk Control (HIRARC).		identified in the risk assessment and control is fully observed. Note: this is remote audit
E.	The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The SOP for chemical handling and storage can be viewed in file ref: LAPOM1-SOP 404, titled Chemical Handling, established on 10/01/2019, endorsed by the Mill Manager. The SOP was found to be in accordance to Occupational Safety Health (Classification, Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. This SOP is revised on 02 03 2021; approved by Mill Manager
F.	The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mill Manager [Mr Ubang Balang] appointed as Chairman of Mill Safety & Health Committee for 2020 to 2022; the committee has 24 members comprising Mill staff and workers.
G.	The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mill Safety & Health Committee is the forum that conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly; it is noted to be represented by all category of Mill Staff and workers. The last meeting was noted to be held on 20 04 2021
H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Accident and emergency procedures can be viewed in the file ref: LAPOM1-SOP 602, entitled Emergency Preparedness and Response, established on 01/01/2017, endorsed by the Mill Manager. Note: This SOP is still valid.



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I.	Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LAPOM1 has formed the Jawatankuasa Keselamatan dan Kesihatan Pekerja (JKKP), which included Trained First Aider and CPR personnel, Mr Wenster ak Sintan to lead the In-House First Aid training programme. First aid equipment is available at every workstation [all valid dated]
J.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Records of accidents can be viewed in the folder Accident/Incident record/Monthly Performance Record (Report. No: JKPP8/82076/2021) dated 28 01 2021. No accidents recorded. The records will be reviewed during Occupational Safety and Health Committee meetings.

### Criterion 4.4.5: Employment conditions

Indicator	Requirement	Compliance	Findings
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The priority for SALCRA Mill's as stated in its Social Policy and Objectives, is 'SALCRA is committed, as far as practicable; to improve the quality of life of the rural communities participating in its land development programme'. The policy was approved and signed by SALCRA general Manager on 01 April, 2020. Note: Policy remain valid.
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, color, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SALCRA is a statutory body of the government of Sarawak; its mandatory compliance to ensure and not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, color, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SALCRA – LAPOM 1 is in full compliance of minimum wage order. Sample pay slips and employment contract, of Ms Sylvia Carolina ak Naga,



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	basic needs and provide some discretionary income based on minimum wage.		Pekerja Am, given in this Audit verify this compliance
4.4.5.4.	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted in the sample payslip of contractor worker [of Salcra Jaya Sdn Bhd] the worker is salaried above the minimum wage order.
4.4.5.5.	The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	All records on employment / employees are managed by the HR Dept of SALCRA at HQ and Mill Manager at Mill level. Based on evidences submitted during this Audit, all records are established and well maintained.
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Sample Contract Employment contract of Ms Sylvia Carolina ak Naga, Pekerja Am was provided in this Audit; examined by Auditor; fair and rights of both parties protected.
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Punch Card System is implemented / use in LAPOM to establish a time recording system that makes working hours and overtime transparent for both employees and employer.
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LAPOM 1 continue to comply with this requirement; for this audit the evidence is Ms Sylvia Carolina ak Naga payslip for April, 2021



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4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Sample</p> <p>Ms Sylvia Carolina ak Naga payslip for April, 2021 shows compliance to legal regulations on wages and overtime</p>
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Documented evidence shows following benefits provided to staff &amp; workers</p> <ul style="list-style-type: none"> <li>✓ Free housing</li> <li>✓ Free utility bills</li> <li>✓ Medical care</li> <li>✓ School bus</li> <li>✓ Day care / kindergartens</li> <li>✓ Performance bonus / incentives</li> <li>✓ Professional training</li> <li>✓ Paid annual leave</li> <li>✓ EPF / pension schemes</li> </ul>
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 type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>LAPOM 1 staff and workers are provided with</p> <ul style="list-style-type: none"> <li>✓ Free housing [above minimum standard]</li> <li>✓ Free treated water and electricity</li> <li>✓ And other basic amenities</li> </ul> <p>For this Audit a real time photo of staff &amp; workers quarters is submitted as evidence.</p>
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The management has established Sexual Harassment Policy &amp; Objectives on 1<sup>st</sup> April 2020, approved and signed by the General Manager.</p>
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>In the mill's social policy and Objectives or any other documented policies, SALCRA didn't mentioned any workers' right to form and join trade union. However, it is also not discouraged.</p>



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	negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LAPOM is fully in compliance with this requirement

### Criterion 4.4.6: Training & Competency

Indicator	Requirement	Compliance	Findings
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Documented evidence is provided in <ul style="list-style-type: none"> <li>✓ Training Matrix / training need analysis 2021 dated 03 05 21 [37 training needs identified]</li> <li>✓ Training Program 2021 dated 03 05 21 [25 programs planned]</li> </ul> All training included both employees and contractors
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programs in order to provide the specific skill and competency required to all employees based on their job description.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Evidenced in the TNA and Training Programs 2021 listed all categories of employees are covered and specific training identified appropriately.
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 checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The training programs 2021 demonstrate evidence of a continuous training programs to develop all employees in their respective field/job function.

### PRINCIPLE 5:

### ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES

#### Criterion 4.5.1: Environmental management plan

Indicator	Requirement	Compliance	Findings
4.5.1.1	An environmental policy and management plan which shall be	<input type="checkbox"/> Compliance	The Environmental and Sustainability Policy for Lubok Antu Palm Oil Mill 1 was





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	in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	<input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>established on 1<sup>st</sup> April 2020, approved and signed by the general manager, Mr Joseph Blandoi. The environmental management plan is found to be in compliance with existing state environmental laws. The Policy is being displayed publicly at the Notice Board of the Administrative Office. Based on the information obtained from the interviews of some staff the Environmental management plan is being communicated to the staff as well as being implemented. Ref. LAPOM 1 File MSPO Policy).</p> <p>Note: This is still valid.</p>
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p>	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>LAPOM 1 had documented 'Identification of Environmental Aspects and Evaluation of Significance' under doc ref LAPOM.FRM 1 dated 01 01 17. This guidance doc is still valid.</p>
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>It is Noted that document LAPOM 1-FRM 601.1 Mengenalpasti Aspek &amp; Penilaian Impek Alam Sekitar is used to develop the action plans and recommendations to mitigate the negative effects and to promote the positive impacts. This document is still valid.</p>
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Continuous Improvement program for FY 2021 dated 02 02 2021 includes action plan on</p> <ul style="list-style-type: none"> <li>✓ Operational excellence</li> <li>✓ Staff / social welfare</li> <li>✓ Environmental management</li> </ul> <p>This is stated in the environmental management key action plan</p>
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy,	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Following trainings were conducted by the Mill Engineer, Mr Wilfred Kana on</p>





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	objectives and management plans and are working towards achieving the objectives.		<ul style="list-style-type: none"> <li>✓ Environmental awareness practices and related environmental regulations dated 08 01 2020</li> <li>✓ Scheduled waste management dated 12 04 2021</li> </ul> <p>Training to all sections of Mill staff/workers</p>
4.5.1.6	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The two Folders, File LAPOM 1 - Training Competence and File Operation and Safety Training, also show the records of regular meetings and discussions or consultation with employees in relation to environmental quality issues.</p> <p>This is evidenced as being continually done; at least monthly.</p>

### Criterion 4.5.2: Efficiency of energy use and use of renewable energy

Indicator	Requirement	Compliance	Findings
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 checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Action Plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency are documented in docs ref SAL/MSPO/PS/2[a-e]/2021.</p> <p>Consumption of non-renewable energy shall be optimized and closely monitored on a monthly basis [documented evidence noted]</p>
4.5.2.2	Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>LAPOM 1 monitors and estimate the direct usage of non-renewable energy for their operations [fossil fuel, electricity] on a monthly basis.</p> <p>Ref doc entitled [Diesel Usage for Year 2019/2021] Budget.</p>
4.5.2.3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Renewable energy from the steam turbine system is used at the POM, office and housing quarters when there is processing of FFB. Diesel generated power will be used when there is no processing of FFB. Sited</p>



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			from the Folder are records of Fibre and Shell usage for electricity generation in 2018. Ref: Folder - Environment Aspect & Impact (P5).  Note: This is evidenced to be still in practice in this Audit
<b>Criterion 4.5.3: Waste management and disposal</b>			
Indicator	Requirement	Compliance	Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Waste Identification and sources of pollution is documented in doc ref SAL/MSPO/P5[a-b] 2021; dated 04 01 2021.
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; b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> <b>OFI</b> <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Waste management Plan doc dated 20 04 2021 [rev]; approved by Mill Manager is noted.  <b>However, the plan is not fully compiled and documented in actual plan format and write up. A properly fully documented Waste Management Plan is required.</b>
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 checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SOP is documented vide SALCRA General Procedure Guideline for Handling of Scheduled Wastes (N0: GPG 7.5) dated 01.10.2018. There is also Manual Procedure for Operational Control of Scheduled Wastes. This Manual is known as LAPOM - SOP 403 dated 01.01.2017.  This comprises: a) Jadual Ke 2: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual) 2005; b) Jadual ke 5: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual)2005; c) Jadual ke 6: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual)2005;



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			<p>d) Jadual ke 7: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual)2005; The Scheduled wastes are disposed of by selected Contractor.</p> <p>Ref: LAPOM File -Environment Aspect &amp; Impact</p> <p>Note: Above are all valid and in use</p>
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Domestic wastes from LAPOM 1 are collected by the Lubok Antu Municipal council once a week to be disposed at its two dumpsites, either the dumpsite sited at Jalan Emplam, Engkilili or at Jalan Batu kaya, Lubok Antu.</p> <p>Note: This is still in practice during this Audit</p>

### Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas

Indicator	Requirement	Compliance	Findings																																								
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Assessment of all polluting activities are regularly conducted and documented as evidenced by various documents</p> <p>LAPOM 1 also calculated GHG emission from fuel usage, Electricity and Industrial process (POME). The estimated GHG Value for the period 2020 [full year] are as below</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Material</th> <th>Total</th> <th>Unit</th> <th>EF</th> <th>GHG V</th> </tr> </thead> <tbody> <tr> <td>Electricity</td> <td>25357.00</td> <td>KWH</td> <td>0.89</td> <td>22567.73</td> </tr> <tr> <td>Diesel</td> <td>35498.00</td> <td>Liter</td> <td>3.14</td> <td>111451.16</td> </tr> <tr> <td>POME</td> <td>5672.09</td> <td>KG</td> <td>0.16</td> <td>907.53</td> </tr> <tr> <td>EFB dumping</td> <td>5635.29</td> <td>KG</td> <td>1.13</td> <td>6367.88</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td></td> <td></td> <td><b>141294.30</b></td> </tr> <tr> <td colspan="2">CPO Production</td> <td colspan="3" style="text-align: right;">7212.63</td> </tr> <tr> <td colspan="2">GHG Emission</td> <td colspan="3" style="text-align: right;">19.59</td> </tr> </tbody> </table>	Material	Total	Unit	EF	GHG V	Electricity	25357.00	KWH	0.89	22567.73	Diesel	35498.00	Liter	3.14	111451.16	POME	5672.09	KG	0.16	907.53	EFB dumping	5635.29	KG	1.13	6367.88	<b>Total</b>				<b>141294.30</b>	CPO Production		7212.63			GHG Emission		19.59		
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4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The action plan to reduce the identified significant pollutants and emissions can be viewed in LAPOM 1 file (Environment Aspect &amp; Impact); established and maintained since 2017</p>																																								
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	<p>LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment</p>																																								



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	<p>relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p>	<input type="checkbox"/> NC - Major	<p>Plant LAPOM 1). The Log Sheet shows the daily rate of effluent discharge. It shows compliance with standards as stipulated in the relevant Environment Quality. The average outlet discharge of treated effluent is within the limits of state and national policies and regulations. The quality of effluent discharge is analysed monthly since LAPOM commenced operation.</p>
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### 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:		LAPOM 1 had established and implemented a Water Management Plan since November 2017
A.	Assessment of water usage and sources.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The sources of water for the Mill come from Sg. Merio and also from the harvesting of rain water. The water is being treated by the Mill's own water treatment plant. The LAPOM 1 WMP is comprehensive in its monitoring of monthly water usage (cubic meters) by various process including for boiler operation, engine room operation, kernel plant operation, Press station operation, housing usage and other usage. Ref. File Water Management Plan. Note: WMP is still the guidance document as of this Audit</p>
B.	Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment Plant LAPOM 1) to monitor outgoing water. The Log Sheet shows the daily rate of effluent discharge.</p>



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			<p>It shows compliance with standards as stipulated in the relevant Environment Quality.</p> <p>The average outlet discharge of treated effluent is within the limits of state and national policies and regulations.</p> <p>Note: log sheet is still the monitoring documents</p>
	<p>Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p>	<p><input checked="" type="checkbox"/> <b>Compliance</b></p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p>	<p>The LAPOM 1 WMP also include ways to optimizes water usage. The measures considered include:</p> <ul style="list-style-type: none"> <li>✓ obtain water supply from other water source such as the harvesting of rainwater,</li> <li>✓ train staff &amp; workers to take necessary steps to conserve water, to install steam turbine excess cooling water recycle system</li> <li>✓ and to perform treatment of polluted water</li> </ul>
2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p>	<p><input checked="" type="checkbox"/> <b>Compliance</b></p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p>	<p>Noted that LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment Plant LAPOM 1). The Log Sheet shows the daily rate of effluent discharge. This data facilitates the measures to gradually phase out the discharge rate into Sg. Merio in accordance to the applicable state or national regulations.</p> <p>Note: This is still the practice evidenced in this Audit</p>

**PRINCIPLE 6: BEST PRACTICES**

**Criterion 4.6.1: Site management**

Indicator	Requirement	Compliance	Findings
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4.6.6.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Mill has 29 documented SOPs: LAPOM - SOP 101-107, 201-202, 301, 401-405, 501-505, 601-603, 701-703, 801-802, 901-903.</p> <p>Occupational Health &amp; safety Policy, Legal Policy, Objectives, Internal &amp; External Communication, Internal Audit, Management Review, Control of Documents, Record Control, Competence, Training &amp; Awareness, Control of Suppliers &amp; Contractors, Chemical Control, Mill Maintenance, Control of Solid Waste, Operational control, cleaning &amp; sanitation, Control of Effluent Pond, Desludging, Evaluation of Environmental Impact, Emergency and Preparedness &amp; Response, Environmental Monitoring &amp; Measurement, Calibration, Purchasing, Customer Complaints, Covid 19 Control, Traceability procedures.</p> <p>All procedures are sighted and verified.</p> <p>Note: All procedures still valid and remained unchanged as of this Audit</p>
4.6.6.2	All palm oil mills shall implement best practices.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Mill implements Best Practices based on Manual and Practices as Guidelines.</p> <p>Guidance documents – Manual Operasi</p>

**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 checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Management Plan for LAPOM1 is documented and reviewed on annual basis.</p> <p>LAPOM1 Management Plan (Budget) for 2019-2023.</p> <p>Budget Framework: * Zero based and Activity based Budgeting technique</p>



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\* Use of Balanced Scorecard  
Management System Strategic Planning time frame - 5 Years.

### Criterion 4.6. 3: Transparent and fair price dealing

Indicator	Requirement	Compliance	Findings
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SALCRA product & services pricing is the responsibility of Marketing & Sales Dept @ HQ. FFB purchase price: <ul style="list-style-type: none"> <li>For smallholders purchase price is advised daily from HQ [mechanism – average bunch pricing]</li> <li>For bigger supplier actual price given is informed monthly by HQ. Example May pricing is given in June.</li> </ul> CPO / PK pricing computation is also issued monthly from HQ. Price determinants are MPOB, Peninsula Malaysia rates, selling & distribution costs, Viewed & verified doc LAPOM Pricing Form Feb 2021
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and Verified Contract Agreement with: <ul style="list-style-type: none"> <li>✓ Salcra Jaya Sdn Bhd on transportation of CPO dd 12 03 2020</li> </ul> Viewed contract - Evidenced in terms and contract conditions is fair and legally enforceable.

### Criterion 4.6.4: Contractor

Indicator	Requirement	Compliance	Findings
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Evidence and document noted: Mill Engineer briefing to contractor TSS Enterprise SB on 28 01 2021 Viewed and verified compliance.
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and Verified Contract Agreement with: <ul style="list-style-type: none"> <li>✓ Salcra Jaya Sdn Bhd on transportation of CPO dd 12 03 2020</li> </ul>



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			Evidenced in terms and contract conditions is fair and legally enforceable.
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable for this remote audit
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Controls points at LAPOM 1 <ul style="list-style-type: none"> <li>Mill entrance by Auxiliary police</li> <li>RAMP by Grader</li> <li>Mill sites – by Mill Engineer</li> <li>Office – Finance &amp; Admin</li> </ul> Viewed all related documentations. In compliance Note: Documented reference provided as evidence in this Audit

### 5.2. SUMMARY 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	0	0	0	0
No of OFI: Opportunity for Improvement	0	0	0	0	1	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

#### 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; b) Improving the efficiency and recycling potential of mill by-	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> <b>OFI</b> <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Waste management Plan doc dated 20 04 2021 [rev]; approved by Mill Manager is noted.  <b>However, the plan is not fully compiled and documented in actual plan format and write up. A properly fully documented Waste Management Plan is required.</b>



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products by converting them into value-added products.		
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<b>5.3.</b>	<b>AUDIT CONCLUSION</b>	
	<b>Summary Statement of Lead Auditor</b>	<b>Signature</b>
	<p>The purpose of this Surveillance Audit 03 [remote audit] is to evaluate the implementation, including effectiveness, of Salcra – Lubok Antu Palm Oil Mill 1 management systems and that the requirement of the Standards MS2530-4:2013 is fulfilled.</p> <p>Only 1 Finding is observed in this Audit classified as OFI [opportunity for improvement] As this finding was observed as an OFI in SVA 02 2020, it is strongly suggested that LAPOM 1 fully document its Water Management Plan urgently so as not to affect the Certification.</p> <p>Overall, there is marked improvements from SVA 02 2021 with 5 findings. LAPOM 1 had continually demonstrated effectiveness of the management system and fulfilled the requirement of the Standards MS2530-4:2013. It is therefore recommended that Salcra – Lubok Antu Palm Oil Mill 1 certification continue to be maintained</p>	 Wilfred S Landong Date: 20 05 2021

<b>5.4.</b>	<b>Acknowledgement by Certified Entity</b>	
	This is to acknowledge and confirm the Audit Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.	Mr Ubang Balang Mill Manager Date: 20 05 2021

<b>5.5.</b>	<b>Closure of Corrective Action Report</b>	
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Corrective Action Reports were raised on 20 05 2021

The Corrective Action Reports were closed out by Lead Auditor on 01 07 2021

<b>6.0.</b>	<b>OFFICIAL SIGN-OFF</b>	
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<b>6.1.</b>	<b>Assessment Recommendation by Lead Auditor</b>	
		<b>Signature</b>



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Based on the Findings/Action taken by Auditee/Closures above, LAPOM1 – Lubok Antu Palm Oil Mill 1 had been able to demonstrate and improved on its continual compliance to and with requirements of the MSPO MS2530-4:2013 Standard for General Principles for Palm Oil Mills. It is also observed that the change in Mill Manager continue to strengthen the integrity of the management system. Therefore, it is recommendation of the Audit team that the Certification of LAPOM1 under MSPO MS2530-4:2013 Standard be maintained.

Wilfred S Landong

Date: 20 07 2021

## 6.2. Technical Reviewer - Review Statement

I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of this 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 Lubok Antu Palm Oil Mill 1 under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.

Maxwell Stephen

22 07 2021

## 7.0. CONCLUSION

### 7.1. Certification: BQAS Management

#### 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 Next Surveillance Assessment Plan

**SVA 04 – tentatively to be in April / May, 2022.**



## MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021

SALCRA: LUBOK ANTU PALM OIL MILL 1

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

Ref No: BQ/LAPOM1/SVA3/05/21

Standard: MS 2530-4:2013

**REMOTE AUDIT**

25 07 2021

### 8.0. Appendices / 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).*