



# MSPO SURVEILLANCE CERTIFICATION REPORT [YEAR 01]

## BORNEO AGRO-RESOURCES SDN BHD PALM OIL MILL

### HQ Address

2nd Floor, No.91-93, Jalan Kampung Nyabor, 96000, Sibul, Sarawak.

### Site Address

Lot 29, Block 10, Lavang Land District 97000, Bintulu 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: [bqassb@gmail.com](mailto:bqassb@gmail.com)

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

Accreditation No: ACB MSPO CB15

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO RESOURCES SDN BHD - PALM OIL MILL

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

Ref No: BARPOM/SVA01/09/20

Standard: MS 2530-4:2013

Report Date: 30 11 2020

**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:  Individual  **Group**

Project Ref No: BARPOM/SVA01/09/20

MSPO Certificate Validity: 1st August, 2019 to 31st July, 2024

HQ Office Address: 2nd Floor, No.91-93, Jalan Kampung Nyabor, 96000, Sibul, Sarawak.

Contact Person / Job Title: Mr. Hii Yik Ping Managing Director

Telephone / Mobile: 084 325 833 016 522 8338

Email / Website: hiyp@yahoo.com

Mill Site Address: Lot 29, Block 10, Lavang Land District 97000, Bintulu Sarawak.

Contact Person / Job Title: Mr. Ling Pick Tung Mill Manager

Telephone / Mobile: 019 889 8088

Email / Website: barpom312929@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

**Disclaimer:**

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**EXECUTIVE SUMMARY**

Borneo Agro-Resources Sdn Bhd (BARSB) as a group, owned and operate 1 Palm Oil Mill and 3 Plantations.

Borneo Agro Resources Palm Oil Mill (BARPOM) is wholly owned by BARSB.

This is Surveillance Audit Year 1 & scope is Group Certification of BARPOM under the Standards MSPO MS2530-4:2013 for Palm Oil Mills.

BARPOM, sited on a 14.5HA land (leased from the State of Sarawak with title validity date from July 1999 till July 2059) is located at geo-coordinates N3°16.352' E113°25.361' in the Bintulu Division of Sarawak; with estimated distance of approximately 36 kilometers from Bintulu Town. Established in 2013 the Mill began commercial operation in Jan 2014. 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 BARPOM Management and this was found to be very positive.

Plantation employees are remunerated well above minimum wage; and living & housing conditions in the Mill Staff & Workers Quarters meet all requirements of health & safety regulations & the relevant Housing Act. Available amenities in BARPOM include treated water, domestic waste collection & disposal, electricity and telecommunication services. Other facilities provided include, Surau, Chapel, nursery & kindergarten school, badminton hall, school bus, playground etc.; provided for welfare and benefits of the employees. Local communities who are suitably qualified are given priority to work at the Mill.

There were 2 findings [1 NC-Minor, 1 – OFI]. The Audit was conducted on 27 – 28 09 2020. There were 2 findings during this Audit; 1 minor NC [non-conformance] and 1 OFI [opportunity for improvements]; the corrective action reports were closed on 10 11 2020.

BARPOM has well maintained its Palm Oil Mill Management System; and continuously complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that BARPOM certification 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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BQAS CERTIFICATION [M] SDN BHD [1179994-X]

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Standard: MS 2530-4:2013

Report Date: 30 11 2020

**1.0. INFORMATION: CERTIFICATION ASSESSMENT**

1.1.	Type of Certification Assessment	<input checked="" type="checkbox"/>	Annual Surveillance Audit [Year 1]
1.2.	Scope of MSPO Certification	<input checked="" type="checkbox"/>	Sustainable Management of Palm Oil Mill with 75MT/Hour
1.3.	MSPO Standards	<input checked="" type="checkbox"/>	PART 4: MS2530-4:2013
1.4.	Maps and others	<input type="checkbox"/>	
	[Refer Attachments]	<input type="checkbox"/>	
		<input type="checkbox"/>	

INFORMATION:	CERTIFICATION BODY	
Name:	BQAS Certification [M] Sdn Bhd [1179994-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
	Watsapp: +6 017 814 1112	Website: www.bqas.com.my
Surveillance Audit Date:	<b>28 – 29 09 2020</b>	Audit Duration: <b>4</b> man-days
BQAS Audit Team:	Name	Role in the Audit
	Wilfred Landong	Lead Auditor
	Maxwell Landong	Auditor

**GROUP [MULTI SITES] CERTIFICATION****2.0. INFORMATION: CERTIFIED ENTITY**

INFORMATION	CERTIFIED ENTITY	
Company Name & Registration No:	Borneo Agro-Resources Sdn Bhd (312929-A)	
Main Address:	2 <sup>nd</sup> Floor, No.91-93, Jalan Kampung Nyabor, 96000, Sibul, Sarawak.	
Site Name:	Borneo Agro-Resources Sdn Bhd – Palm Oil Mill	
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Palm Oil Mill
Site Address:	Lot 29, Block 10, Lavang Land District 97000, Bintulu Sarawak.	
Management Contact Details		
1.	Mr. Hii Yik Ping	Managing Director
	Mobile: 016 522 8338	Tel: 084 325 833 Email: hiiyp@yahoo.com
2.	Mr. Ling Pick Tung	Mill Manager

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01****BORNEO AGRO RESOURCES SDN BHD - PALM OIL MILL****BQAS CERTIFICATION [M] SDN BHD [1179994-X]****Ref No: BARPOM/SVA01/09/20****Standard: MS 2530-4:2013****Report Date: 30 11 2020**

Mobile: 019 889 8088		Email: barpom312929@gmail.com	
Headcount:	Staff: 10	General Workers: 85	Total: 95
Headcount:	Local: 38	Foreign: 57	Total: 95
<b>MS 2530-4:2013 General Principles for Palm Oil Mills</b>			
MPOB License No: 5800 2800 4000		Expiry Date: 31 12 2020	
Scope of Activity:			
Menjual dan Mengalih		FFB, PK, CPO, SPO	
Membeli dan Mengalih		FFB	
Menyimpan		PK, CPO, SPO	
Mengilang		FFB	
Production Capacity:		75MT per hour	
OER Extraction Ratio: 20.21%		KER Extraction Ratio: 4.94%	
PK Production Volume(actual) 2019: 14,483 MT		PK Production (estimate) 2020: 11,791MT	
PK Pricing (actual) 2019: RM1256.00/00/MT		PK Pricing (forecast) 2020: RM1300.00/MT	
CPO Production Volume(actual) 2019: 59,250 MT		CPO Production (estimate) 2020: 50,269MT	
CPO Pricing (actual) 2019: RM2121.00/MT		CPO Pricing (forecast) 2020: RM2450.00/MT	
FFB Volume(actual) 2019: 293,677 MT		FFB Volume (estimate) 2020: 248,243MT	
Main Sources of FFB:		40 % from own estate / 60 % from external estate	
Land Status: Ownership:		<input type="checkbox"/> Rented <input checked="" type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture	
Other Sustainability Certification: SCCS 30 12 2019		Geo-Coordinates: N3°16.352' E113°25.361'	
Validity/Date of Certification: 5 years		1st August, 2019 to 31st July, 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"> <li>• Observation of process &amp; activities</li> <li>• Review of documentations &amp; records</li> <li>• Site visits</li> <li>• Field inspections</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 observing current practices</li> </ul>



# MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01

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Standard: MS 2530-4:2013

Report Date: 30 11 2020

## People

- 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
OFl	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
	Maxwell S Landong	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: 28 – 29 09 2021**

**No of Auditors: 2**

**No of Mandays: 4**

- |       |   |
|-------|---|
| Day 1 | <ul style="list-style-type: none"><li>• Opening Meeting</li><li>• Review Certification Audit Report</li><li>• Documentation Audit / Record Review at Mill Office</li></ul>  |
| Day 2 | <ul style="list-style-type: none"><li>• Mill – facilities inspection (chemical, schedule waste stores, workshop, effluence ponds, grading etc.)</li><li>• Observation of milling processes, interview Mill workers/Engineers, weighbridge, laboratory etc.</li><li>• Inspection/observation of staff/workers housing &amp; living conditions, facilities &amp; amenities, interview foreign workers, domestic waste treatment etc.</li><li>• Dialogues/interviews (contractors, FFB suppliers)</li><li>• Closing meeting</li><li>• Presentation of Audit Checklist / Report</li></ul> |

**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



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- 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. SURVEILLANCE AUDIT REPORT****PRINCIPLE 1:****MANAGEMENT COMMITMENT & RESPONSIBILITY****Criterion 4.1.1: Malaysian Sustainable Palm Oil (MSPO) Policy**

Indicator	Requirement	Compliance	Findings
4.1.1.1	Policy for the implementation of MSPO shall be established.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO Policy, Occupational Health & Safety Policy, Environmental Policy, Sexual Harassment Policy, Quality Policy, Good Social Practice Policy established 14 08 18. Signed by MD. All policies maintained. No new policy.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO Policy (last paragraph on Continuous improvement). Quote "We would continue to strive for improvements in every aspect of the principles and committed in controlling & improving the operating sustainable milling and plantation operations for future generations.

**Criterion 4.1.2: Internal Audit**



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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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	IA procedure states IA to be conducted annually at least. Viewed and verified the following for 2020 IA: <ul style="list-style-type: none"> <li>IA Audit plan dated 03 07 2020</li> <li>IA report dated 10 07 2020. 5 Major NC recorded, Internal Audit [P1 – 2 NC], List of stakeholders [P2 – 1 NC], Legal register [P3 – 1NC], Workers' list [P4 – 1 NC].</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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The internal audit procedures and audit results shall be documented [vide document summary – corrective action for internal audit reviewed by Mill Manger on 11 09 2020] and evaluated, followed by the identification of strengths and root causes of nonconformities [ vide corrective action report dated 10 07 2020 and closed out on 07 09 2020]
4.1.2.3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Audit Report for 2020 noted and verified to be presented to Management for review on 15 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 on any changes, improvement and modification.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Management review procedure of BARPOM states MR to be conducted annually. 2020 MR conducted on 15 08 2020 attended by all top and management of BARPOM and chaired by the MD. Agenda include <ul style="list-style-type: none"> <li>Internal audit review</li> <li>Customer feedback</li> <li>Process performance</li> <li>Business performance</li> </ul>



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			<ul style="list-style-type: none"> <li>Continuous improvement action plan.</li> </ul> <p>Verified compliance.</p>
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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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified the compliance and CIP for 2020 summarized as follows;</p> <table border="1"> <thead> <tr> <th>Areas of CIP</th> <th>Budget [MYR]</th> </tr> </thead> <tbody> <tr> <td>Law and regulations</td> <td>nil</td> </tr> <tr> <td>Health and safety</td> <td>21,000.00</td> </tr> <tr> <td>Effluent pond</td> <td>65,000.00</td> </tr> <tr> <td>Housing maintenance</td> <td>12,000.00</td> </tr> <tr> <td>Corporate social responsibilities</td> <td>73,5000.00</td> </tr> <tr> <td>Minimum wages</td> <td>-</td> </tr> <tr> <td>Environment</td> <td>2,500,000.00</td> </tr> <tr> <td>Total</td> <td>2,671,500.00</td> </tr> </tbody> </table>	Areas of CIP	Budget [MYR]	Law and regulations	nil	Health and safety	21,000.00	Effluent pond	65,000.00	Housing maintenance	12,000.00	Corporate social responsibilities	73,5000.00	Minimum wages	-	Environment	2,500,000.00	Total	2,671,500.00
Areas of CIP	Budget [MYR]																				
Law and regulations	nil																				
Health and safety	21,000.00																				
Effluent pond	65,000.00																				
Housing maintenance	12,000.00																				
Corporate social responsibilities	73,5000.00																				
Minimum wages	-																				
Environment	2,500,000.00																				
Total	2,671,500.00																				
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Major investment for 2020 to reduce air pollution emissions from boiler is the budgeted installation of Electrostatic precipitator system [ESP] within two years.																		

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Relevant information to other stakeholders on environmental, social and legal issues relevant to sustainable practices are noted and verified through various external communication to stakeholders in Bahasa. [refer file stakeholders meeting no 1]. Noted Mesyuarat MSPO Stakeholders Tahun 2020 letter 06 03 2020 issued by Mill Manager calling for meeting on 20 03 2020. This was however aborted due to MCO of authorities on 18 09 2020.</p>



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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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>MSPO Policies, Organization Chart, SOP for application on Company information, MSPO information, Committee list, ERP Chart, Emergency contact List, complaint form, Co Activities all made public (notice boards) etc.</p> <p>Evidence is viewed both outside and inside office premise.</p> <p>This audit confirmed the above is maintained and improved.</p>
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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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Consultation &amp; Communication SOP dated 01 07 18 especially for Stakeholders use. Suggestion box, Complaint and grievances form establish and made available. This procedure is still maintained without any changes.</p>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Mill Manager (Mr Ling Pick Tung) appointed at operating unit with specific duties related to Indicator 1 as Communication Officer with effect from 10 01 2019.</p> <p>New appointment noted in this Audit; Mr Ham Wei Quan appointed as Mill Social and Legal Coordinator WEF01 07 2020.</p>
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 type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Lists of stakeholders documented &amp; records kept; list for 2020 had been updated dated 09 09 2020.</p> <p>For 2020 up to date there has been 4 complaints received on water supply, domestic wastes etc. Evidence of action taken are viewed in the file Complaints &amp; Grievance no 1.</p>

**4.2.3: Traceability**

Indicator	Requirement	Compliance	Findings
4.2.3.1	The management shall commit itself to implement and maintain the	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	<p>SOP on Traceability – Mass balance dated 01 07 18 was viewed and verified.</p>



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	requirements for traceability and shall establish a standard operation procedure for traceability.	<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Covers all activities (receiving, processing, storing, dispatching CPO & palm kernel) & sustainable raw materials. Compliance to all standard requirements. Verified this Audit the above procedure is maintained and practised.
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Verified and noted in Inspection log book, Mill Management inspect/audit on daily basis the following operations:</p> <ul style="list-style-type: none"> <li>• FFB Grading by Grader</li> <li>• Weighbridge Operations</li> <li>• Mill operations</li> <li>• Contractors' performance</li> </ul> <p>BARPOM has 3 Qualified &amp; trained Engineers to oversees daily operations. Noted in this Audit BARPOM had established a quarterly Workplace Inspection Checklist done by Mill Engineer covering the following areas:</p> <ul style="list-style-type: none"> <li>• Reception station</li> <li>• Sterilizing station</li> <li>• Threshing station</li> <li>• Pressing station</li> <li>• Clarification station</li> <li>• Depericarper station</li> <li>• Kernel recovery plant</li> <li>• Engine room</li> <li>• Boilers</li> <li>• Water treatment plant</li> <li>• Workshop</li> <li>• Store</li> <li>• Office</li> <li>• Schedule waste store</li> <li>• laboratory</li> </ul>
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Mill Manager appointed as Traceability PIC WEF 01 07 18; job description precisely described in appointment letter. Viewed and verified the appointment letter.</p>



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			This appointment is still maintained.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Daily Production Report (DPR) to record storage, sales, delivery, stock movement, transportation across all chain of custody. FFB received from own estate, other estates, collection centres, smallholders on both CPO & Kernels. Records kept for daily, monthly & yearly reporting. All these records are verified to be maintained; during this Audit.

**PRINCIPLE 3: COMPLIANCE TO LEGAL REQUIREMENTS**

**Criterion 4.3.1: Regulatory requirements**

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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Viewed documentations and noted all operations in compliance with applicable local and international law and regulation.</p> <p>Among the major laws and regulations sighted &amp; verified are:</p> <ul style="list-style-type: none"> <li>• Trade License-Expiry date - 22/12/2020</li> <li>• Borang 13 akta Syarikat 1965- Incorporated on 25/3/1998</li> <li>• Form 24 Companies Act 1965 - 19/10/2012 – Allotment of shares</li> <li>• Form 44 -20/11/2009 – Directors, Managers</li> <li>• Form 49-20/11/2009 SSM Maklumat Syarikat - report dated 29/12/2016</li> <li>• KWSP Borang A- 01/2019 (Staff register)</li> <li>• Lembaga Hasil Dalam Negeri- Ref No. C888219610(15/7/2019- RM322,500)</li> <li>• Perkeso (14/1/2019)</li> </ul>



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			<ul style="list-style-type: none"> <li>Land Title (leasehold) -17/7/1999-7/2059</li> <li>MPOB License No: 5800 2800 4000 expiry 31 12 2020</li> <li>Lesen Jabatan Alam Sekitar 004956 expiry 30 06 2021</li> <li>Permit barang kawal Terjadual Q003216 expiry 11 03 2021 [24,000 liters diesel]</li> <li>Fire Certificate expiry 26 12 2020</li> </ul> <p>Verified all operations are in compliance with applicable local, national and ratified international laws and regulations.</p>
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirement register.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>A comprehensive list of relevant laws and regulation is made available by Mill Management (both soft &amp; hard copies). Noted and sighted are relevant local laws of Sarawak:</p> <ul style="list-style-type: none"> <li>Land Code</li> <li>Forest Ordinance</li> <li>Wildlife Protection Ordinance</li> <li>NREB ordinance</li> </ul> <p>Updated on 01 09 2020; confirmed by Mill Manager</p>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Updated on 01 09 2020; confirmed by Mill Manager.</p> <p>New listings include 47 rules and relevant regulations. [refer file evaluation of compliance no 1.]</p>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>New appointment noted in this Audit; Mr Ham Wei Quan appointed as Mill Social and Legal Coordinator WEF01 07 2020; replacing Mr Yiin Chung Kui.</p>

**Criterion 4.3.2: Land Use Rights**

Indicator	Requirement	Compliance	Findings
4.3.2.1	The management shall ensure that their oil palm milling activities do not	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	<p>BARPOM is sited on a leased state land with tenure from July 1999 to July 2059; is situated in the Maskat Estate that belong</p>

	diminish the land use rights of other users.	<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>to the same owner [Borneo Agro-Resources Sdn Bhd]</p> <p>During this Audit there is no evidence that that BARPOM oil palm milling activities diminish the land use rights of other users.</p>
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 type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The legal testament to land ownership is land title issued by Sarawak Land &amp; Survey Dept with key particulars as follows:</p> <ul style="list-style-type: none"> <li>• Lease of State Land (Lavang Land District)</li> <li>• Lot 29, Block 10 containing 3132.9 hectares</li> <li>• Survey Plan No H15-4-1(6.2) &amp; MP 9/8-175</li> <li>• Tenure: 17 07 1999 to 16 07 2059</li> <li>• TRN: 09-LCLS-037-010-00029</li> <li>• Land shall be used only for agricultural purpose and purposes incidental to the production and processing of crops grown thereon</li> <li>• Annual rent – RM7,742.00</li> <li>• Land status – mixed zone / country land</li> </ul> <p>Copy of land title is verified again and confirmed during this Audit that there is no changes to legal ownership.</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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The boundary markers for BARPOM is shared with MASKAT Estate which is owned by BARSB. It is confirmed during this and the certification audit 2019 that boundary markers are noted &amp; sighted and indicated by Red/White Wooden Pegs planted and visibly maintained 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	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	Not applicable





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

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SIA Report sighted vide document no BARSB(M) SIA – 2019 effective 1 <sup>st</sup> January 2020. Reviewed by the Managing Director dated 23 January 2020. Content of the report include Demographic of workers (local 40 and Indonesian 76(as at end of 2019. In term of local workers, including staff is 34.5%. The Mill also employed female workers, where jobs fitted them. Approximately 15% are female workers. A summary on stakeholder's perceived social



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			impacts and negative impacts are also sighted in the document. Plans to mitigate the negative impact such as drainage system at quarters are already implemented.
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**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SOP on complaints and grievance is sighted vide document Reference BARSB(M) – SOP – 26 and effective 1 <sup>st</sup> July 2018 approved by the Mill Manager. Other document sighted in the procedure include <ul style="list-style-type: none"> <li>a. A process flowchart on dealing with complaints and grievances</li> <li>b. Complaints and grievances form doc reference BARSB (M)-HR-F-15 effective 1<sup>st</sup> July 2020 Revision 01. Evidence on complaint records is also sighted in the Complaint and grievance file which include action taken/pictures included as evidence.</li> <li>c. Suggestion box/complaint box which is sighted at the office entrance.</li> </ul>
4.4.2.2	The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The process in dealing with complaint and grievances is well documented and covers all parties . The system incorporated chain of command and committee/person responsible. The form used is also sighted. Refer document No BARSB (M)-HR-F-15 effective 1 <sup>st</sup> July 2020 Revision 01.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Complaint form is available and displayed at the office entrance for complainants to use.
BARSB	Employees and surrounding communities should be made aware	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	The suggestion box and complaint form is sighted at the office entrance.



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	of its existence and that complaints or suggestions may be made at any time.	<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Briefing for staff are done on /1/2/2018 <ul style="list-style-type: none"> <li>• 2 sessions (73 persons)</li> <li>• 3/12/2018(20 persons)</li> </ul> Other stakeholders 21/12/2018(37 person) – mostly FFB supplier All briefings were at Palm Oil Mil office
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Complaints from 30/12/2018 – to date are properly documented. A total of eight (8) complaints have been received and all have been resolved.

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	CSR plan for 2020 is sighted at BARSB Corporate Social Responsibility File NO 1. Some of programmes already implemented in 2020 as follows: <ol style="list-style-type: none"> <li>Donation - to stakeholders (staff and all workers) in kind</li> <li>Recycle Program – used plastic bottle donated to Pertubuhan Buddhist Tzu – Chi (Bintulu) On 12 June 2020</li> <li>Annual Dinner for staff and workers at Promenade Hotel on 17<sup>th</sup> January 2020.</li> <li>Housekeeping Programme – gotong royong at the Mill Compound on 3<sup>rd</sup> August 2020.</li> </ol>

**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 1967 (Act139) shall be documented, effectively communicated and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Occupational Safety and Health Policy is sighted vide document signed by the Managing Director dated 14 <sup>th</sup> August 2018.



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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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Occupational Safety and Health Policy is sighted vide document signed by the Managing Director dated 14 <sup>th</sup> August 2018. The policy is being displayed at the office notice board and Mill premises at the vicinity of the threshing station. Staff and workers are being briefed on the safety and health policy through meetings or training programme
B.	The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The risk of all operations are documented at HIRARC document BARSB/MSPO/06 dated 01 01 2018. It covers the whole are of operations A total of 19 area of operations are identified. The HIRARC of each area of operations have also been identified. Reference Doc BARSB(M) – HIRARC 02 – 20 effective 1 <sup>st</sup> July 2018. The document is prepared by the Asst Mill Engineer, endorsed by the Mill Engineer and approved by the Mill Manager.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Training plan and record on training is sighted vide Training plan approved by the Mill Manager on 30 <sup>th</sup> December 2019. The Training Plan include safe working practices which include several scope of Mill operations such as SOP on boiler, Engine Room, Oil Room and Kernel Recovery Plant, forklift and water treatment plant. A total of forty-four (44) staff and workers have been trained on various programme related to safety and health including handling of chemicals in 2020. Evidence in in photos/reports/records are viewed
D	The management shall provide the appropriate personal protective	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	Observation/inspection at the Mill premises indicate that all staff and workers are

	equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).	<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	equipped with PPE. The PPE are provided free to the workers and staff. The procedure in issuing of the PPEs is based on replacement basis. The evidence on records of issuance of PPEs is sighted in PPE record file (PPE issued summary and individual issuance Doc reference BARSB(M)-HR- 21 effective 1 <sup>st</sup> January 2019.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The SOP on handling of chemical is sighted vide Doc reference BARSB(M)-SOP-20 : <b>Pengurusan dan Pengendalian Kimia Berbahaya</b> , effective 1 <sup>st</sup> July 2018, prepared by the Mill Engineer and approved by the Mill Manager on 5 <sup>th</sup> July 2018
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mr Yiin Chung Kui is appointed as the person in charge of Safety and Health at BARSB Palm Oil Mill. The letter of appointment is signed by the Mill Manager date 1 <sup>st</sup> July 2020 and effective from 1 <sup>st</sup> July 2020 – 30 <sup>th</sup> June 2022.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Management conduct regular meetings with regards to safety, health and welfare. In 2020, two meetings has been held as evidenced from the record on minute of meeting dated 16 March 2020 and 8 <sup>th</sup> July 2020. Among the Agenda/issues discussed during the meeting are Pandemic Covid-19, cleanliness and safe working environment. The attendance list is recorded using Doc No BARSB(M)- HR-F-14.



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H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Document reference on Emergency and Response Plan is sighted vide document NO BARSB-ERP-01 effective 1 <sup>st</sup> July 2018 signed and approved by the Mill Manager on 5 <sup>th</sup> July 2018. Among the content of the document are; Emergency classification, Response Team Personnel, Emergency Response Procedures, Fire emergency procedures and Hazardous Material Spillage Procedure.
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 checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	First Aid Equipment is sighted at the Mill Office, at the Boiler area and main store. However, not first aid kit is sighted at the staff and workers housing area. Eleven (11) personnel are trained 1 <sup>st</sup> Aider (certificate valid from 25/3/2018 – 25/3/2021). The personnel are representative of various station at the Mill including office.
J.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Accident record are compiled at accident record list. Reports from 2014 – 2019 are available. Evidence of annual report to JKPP is also sighted at the BARSB Accident Record File NO 1.

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The policy on Good Social Practice is sighted vide document signed by the Managing Director dated 14 <sup>th</sup> August 2018. The Policy is also displayed at the Office notice Board and Mill premises.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The equal opportunity and treatment is sighted and stated in the Good Social Practice Policy (Refer 4.4.5.1 - "Prohibition of discrimination in respect of employment laws in regard to the rights and welfare of employment and occupation".

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 basic needs and provide some discretionary income based on minimum wage.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Review of the Salary slip indicate that the employees are paid in accordance of the Minimum wage. Few samples were randomly selected:</p> <p><b>Local Worker</b></p> <ol style="list-style-type: none"> <li>1. Ricky Anak Anyai : Apprentice – August 2020 pay : RM1830.35</li> <li>2. Ho Chu Kong – Fireman. August 2020 pay – RM2562.40</li> </ol> <p><b>TKI (Indonesia)</b></p> <ol style="list-style-type: none"> <li>1. Saidati Mahroni, General Worker. August pay – RM1887.05</li> <li>2. Emi Tabrani, Mill Operator. August pay : RM2636.05</li> </ol>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Records of employee are sighted vide the following document:</p> <ol style="list-style-type: none"> <li>1. Local Workers – BARSB(M) -HR – SH 02.</li> <li>2. Foreign Worker – TKI : BARSB(M)- HR – SH – 03</li> </ol> <p>The Detail include full name, gender, date of birth, date of employment, job and period of employment. The wage of the employees are captured in the payslip.</p>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Two samples taken as evidence:</p> <ol style="list-style-type: none"> <li>1. <b>Local worker</b> – Appointment letter is properly documented. Example: letter of appointment to Ms Shelda Eda Anak Kandar as Weighbridge clerk letter referenc BARSM – (M)-AL-031 dated 3<sup>rd</sup> November 2014</li> </ol>

			signed by the Mill Manager and evidence of acceptance by Shelda Eda  2. <b>TKI</b> – Surat Perjanjian Kerja. Bani Akub, General Worker
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Time recording is through punch card at the office entrance. Overtime is captured through the punch card
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The hours of work is spelt out in the letter of appointment.  <b>Local worker</b> Total number of working hours - 48 hours a week which comply with the Sarawak Labor Ordinance. Working hours is from 0700 – 1700hrs with lunch break 11.00 – 1.00pm.
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Evidence on wages and overtime taken from the pay slips is in line with legal regulations and Minimum wage Act
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Other forms of social benefits include :  1. Incentive for good performance/exceeding target for the workers  2. Bonus payment for the staff  3. Medical facilities for staff and workers
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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The staff and workers living quarters are provided with basic amenities and facilities. The living quarters is provided free of charge, free water and electricity
4.4.5.12	The management shall establish a policy to prevent all forms of sexual	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	Policy on Sexual Harassment is sighted in a document signed by the Managing Director dated 14 <sup>th</sup> August 2018.





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	harassment and violence at the workplace.	<input type="checkbox"/> NC - Major	There is evidence of sexual harassment a violence reported at workplace
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 negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Good Social Practice Policy signed by the Managing Director dated 14 August 2018 respect the right of all employees.  All the staff and workers who were interviewed voiced their satisfaction with current working condition, facilities provided and wages and other related monetary incentive offered
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No evidence of under-aged sighted in the employment record. The Good Social Practice Policy also has a statement on "Prohibition of Child Labor".

**Criterion 4.4.6: Training & Competency**

<b>Indicator</b>	<b>Requirement</b>	<b>Compliance</b>	<b>Findings</b>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	In 2020, External and Internal Training are planned. The type of planned programmes are sighted at BARSB Training File N0 1 (Internal Training) and N0 2 (External Training). The Mill Engineer Mr Yiin Chung Kui attended the Occupational Safety and Health Coordinator (OHH – C ) Competency programme organized by Management Consultancy and Advisory Sendirian Berhad from 11 – 13 August 2020. Quite a number of planned program in 2020 were either cancelled or deferred due to the Pandemic Covid 19
4.4.6.2	Training needs of individual employees shall be identified prior to the planning	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	Training Needs for individual is translated into the Training Plan 2020. Evidence of



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	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 type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Training for year 2019 are also sighted and recorded in the Training File.</p> <p>Records of Internal Training;</p> <p>A total of 29 types of Training are planned in 2020. Safety and Health Programme (20), Environment (2), Social and Legal (2) and MSPO/SCCS (5)</p> <p>Out of the 29 planned programme, six (6) have been carried - Safety and Health Programme six (6). A total of 44 participants comprising staff and workers attended the Training Programme. Evidence are sighted through attendance records and pictures.</p>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Training Plan (for both Internal and External Programme) are being compiled in the Training File NO 1 & 2.

**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 in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Environmental Policy is already documented and signed by the Managing Director on 14<sup>th</sup> August 2018. The policy is in line with the relevant State and National Law.</p> <p>The Policy is sighted and being displayed at the notice board outside the office and Mill premises.</p>
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The Environmental Management Plan covers:</p> <p>a. Environmental Policy and Objectives (sighted at BARSB document file NO 1 )</p>



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			<p>b. The aspect and impact analysis is sighted at Document No BARSB (M) – ASS-01 effective 1<sup>st</sup> August 2018. The environmental aspect and impact cover all operations and environmental components</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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The environmental plan to mitigate the negative impacts is documented and sighted in Document No BARSB(M) – ASS – 01 effective 1<sup>st</sup> August 2020. The plan is being implemented, control measures taken and monitored. The mitigation and promotion of positive impact covers all areas of operations.</p>
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The continual improvement programme is sighted in the Continuous improvement plan 2020 (file reference BARSB Continual Improvement Plan N0 1) prepared by the Mill Engineer and approved by the Mill Manager dated 26<sup>th</sup> December 2020. It covers following operations: Law and Regulations, Safety and Health, Effluent ponds, Housing maintenance, CSR, Minimum wages and Environmental. The implementation of those programme is an on-going process.</p>
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Awareness training program on the environmental policy and management plans is an on-going process. One such program is Internal Training on MSPO attended by all staff and workers. the evidence on training is sighted in BARSB Training Record (Internal) File No 1. The evidence also included pictures of those attending the training.</p>
4.5.1.6	Management shall organize regular meetings with workers where concerns of workers about	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	<p>All meetings are documented in the Environmental Performance Monitoring Committee (EPMC) file No 1. In year 2020 two (2) meetings have been conducted</p>



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the environmental quality are discussed.  NC - Major

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The consumption of non-renewable energy is being closely monitored and baseline values of fossils fuel established. The evidence is sighted in the Diesel Report 2020. The budget and actual consumption to date from 2018 – 2020 is summarized below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>2018 (Lit)</th> <th>2019 (Lit)</th> <th>2020 (Lit)</th> </tr> </thead> <tbody> <tr> <td><b>Budget</b></td> <td>200,000</td> <td>422,880</td> <td>253,360</td> </tr> <tr> <td><b>Actual</b></td> <td>181,023</td> <td>358,638</td> <td>254,728</td> </tr> </tbody> </table> <p>(Ref : Diesel Report 2018 – 202) Actual consumption for 2020 is up to August 2020</p>		2018 (Lit)	2019 (Lit)	2020 (Lit)	<b>Budget</b>	200,000	422,880	253,360	<b>Actual</b>	181,023	358,638	254,728
	2018 (Lit)	2019 (Lit)	2020 (Lit)												
<b>Budget</b>	200,000	422,880	253,360												
<b>Actual</b>	181,023	358,638	254,728												
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The consumption of non-renewable energy is being closely monitored and baseline values of fossils fuel established. The evidence is sighted in the Diesel Report 2020. The budget is captured in the Budget												
4.5.2.3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<ol style="list-style-type: none"> <li>1. Usage of biomass</li> <li>2. Use of solar energy is being planned</li> </ol>												

**Criterion 4.5.3: Waste management and disposal**

Indicator	Requirement	Compliance	Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	All waste products and sources of pollution for 2020 is sighted in the Waste Management Plan 2020. The type of waste, source, action to be taken, person responsible and frequency of action is sighted in Doc Reference BARSB(M) – EMP – 04 dated 1 <sup>st</sup> January 2020. The document is



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			prepared by the Mill Engineer and approved by the Mill Manager.
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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The waste management plan is sighted vide Document No BARSB(M) – EMP – 04 dated 1 <sup>st</sup> January 2020. The source of waste and pollution is described in the said document. The recycling potential of mill by product is also described in the Waste Management Plan
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The standard Operating procedure for handling used chemicals is sighted in Document No BARSB(M)-SOP-20 effective 1 <sup>st</sup> July 2020 approved and signed by the Mill Manager on 5 <sup>th</sup> July 2018. Other SOP dighted include: <ul style="list-style-type: none"> <li>a. Persediaan menentang kebakaran Doc NO BARSB (M)-SOP-21</li> <li>b. SOP on Confined Space Doc No BARSB(M)-SOP-22</li> <li>c. Pengurusan Siss Domestik Doc No BARSB(M)-SOP-27</li> <li>d. Pengurusan Sisa Buangan Terjadual Doc No BARSB(M)-SOP-28</li> <li>e.</li> </ul>
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Domestic Waste inventory record is sighted in Doc No BARSB(M)-PRO-R-16 effective 1 <sup>st</sup> August 2018. However, field audit conducted on 28 September 2020 found out hygiene, health and safety conditions require urgent attention. The Field Audit noted indiscrimate disposal of domestic waste at staff and workers housing and disposal of domestic waste at storage tank and canteen area. The drains



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			along the workers quarters are clogged with plastics materials and water flow to main drain is impeded.
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**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	All source of polluting activities is identified and documented in BARSB(M) and waste Management Record File No1. The waste are categorized into scheduled waste, Chemical hazardous to health and Domestic Waste
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Action plan to reduce the pollutants and emissions has been established and implemented. The action is sighted and documented in Doc No BARSB(M)-List.01 updated to August 2020
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the 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.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The report on relevant environmental is done monthly.</p> <p>The report is submitted to Department of Environment every quarter.</p> <p>The sample is taken from effluent and surface water (River). The analysis is done independently by EnviC Laboratory Sdn Bhd Bintulu.</p> <p>The Environmental Reporting to DOE has been done since 2015 (Refer BARSB online environmental reporting file No 1</p>

**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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	The assessment of water and source sighted in Water Management Plan



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		<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	BARSB(M) -ENR-P-01 effective date 2020. Noted and document verified. The document is prepared by the Mill Engineer and approved by the Mill Manager
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Monitoring of outgoing water done on a daily basis internally and external online report to DOE. The flowmeter record is placed at the last reservoir (final discharge point)
	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.).	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Mill documented reference on this is the Water Management Plan reference Doc BARSB(M)-ENR- P-01 effective 2020. The covers water reUse or treatment, leak detection and repair, environmental awareness training and compliance to legislation. The document is prepared by the Mill Engineer and verified by the Mill Manager dated 2 <sup>nd</sup> January 2020
2	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.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There is no open discharge into the waterway. Three relevant documents namely substantiated this. The three documents are: <ul style="list-style-type: none"> <li>a. Raw Effluent Flowmeter record – Doc No BARSB(M) – LAB – R – 18</li> <li>b. Effluent record Doc No BARSB(M) – LAB – R – 19</li> <li>c. Final Discharge flowmeter Doc No BARSB(M) – LAB – R – 18.</li> </ul> The record is updated & recorded daily. All record in 20209 (up to 28 September 2020) is sighted and verified

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Standard Operating Procedure (SOP) files No1 (18 SOP) and NO. 2 (14 SOP)</p> <p>Reference BARSB (M)-SOP-01-32. All 32 SOP are viewed and verified as practiced and implemented</p> <p>Noted and verified in this Audit the above SOP are still maintained. BARPOM had added 5 new SOP effective 01 12 2019 as follows:</p>												
		<table border="1"> <thead> <tr> <th>SOP</th> <th>Ref No</th> </tr> </thead> <tbody> <tr> <td>Non Conformance &amp; Corrective Action</td> <td>BARSB[M] SOP 33</td> </tr> <tr> <td>Penjualan &amp; Penghantaran CPO</td> <td>BARSB[M] SOP 34</td> </tr> <tr> <td>Penjualan &amp; Penghantaran PK</td> <td>BARSB[M] SOP 35</td> </tr> <tr> <td>Supply Chain</td> <td>BARSB[M] SOP 36</td> </tr> <tr> <td>Covid 19 Emergency Preparedness &amp; response</td> <td>BARSB[M] SOP 37</td> </tr> </tbody> </table>		SOP	Ref No	Non Conformance & Corrective Action	BARSB[M] SOP 33	Penjualan & Penghantaran CPO	BARSB[M] SOP 34	Penjualan & Penghantaran PK	BARSB[M] SOP 35	Supply Chain	BARSB[M] SOP 36	Covid 19 Emergency Preparedness & response	BARSB[M] SOP 37
SOP	Ref No														
Non Conformance & Corrective Action	BARSB[M] SOP 33														
Penjualan & Penghantaran CPO	BARSB[M] SOP 34														
Penjualan & Penghantaran PK	BARSB[M] SOP 35														
Supply Chain	BARSB[M] SOP 36														
Covid 19 Emergency Preparedness & response	BARSB[M] SOP 37														
		Compliance noted to all MSPO requirements													
4.6.6.2	All palm oil mills shall implement best practices.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Sighted Quality Policy signed by the MD on 14/8/2019. Policy still maintained.</p> <p>Noted and verified in this Audit all best practices as in SOP are implemented.</p> <p>Verified during physical inspection of all processes and procedures.</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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified BARPOM Business Management Plan had been established.</p> <p>Prepared by Mill Manager and approved by MD dated 10 01 2020</p>

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

Indicator	Requirement	Compliance	Findings
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4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified that BARPOM pricing mechanism are in conformance with MPOB Oil Palm Fruit Grading Manual and current pricing levels. This Audit confirmed this is still maintained.</p> <p>Sighted FFB purchase statement from Wong Ung Lee dated 29 09 2020 @ 20% OER and price of RM561.00/mt.</p> <p>All well documented and implemented</p>
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Checks and verification on transaction documents (invoices, payment vouchers, weighbridge tickets, Grading form etc) verified that all payments are made in a timely manner (immediate on same day for ad hoc smallholders FFB Suppliers; weekly for regular FFB suppliers. This is still maintained.</p> <p>Noted, sighted and verified contract between BARPOM and PGEO Marketing SB dated 30 07 2020 on purchase of 3,700 mt of CPO. Contract noted to be fair, legally binding and transparent to both parties.</p> <p>Payment is made in compliance to terms stated in the contract.</p>

**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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>All contractors attend MSPO stakeholder briefing at least once annually. Noted and verified. Communication by letter issued to all Contractors on MSPO requirements are sent on 14 03 2019.</p>
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified CPO – Transportation Contract between BARPOM and Sung Lee Transportation SB dated 02 01 2019 for tenure of 2 years.</p> <p>Noted also contract with Human &amp; Eco Energy Resource Development SB on sales of palm kernel @ 1000 mt.</p>
4.6.4.3	The management shall accept MSPO approved auditors to verify	<input checked="" type="checkbox"/> Compliance	<p>MSPO Auditors are allowed to verify assessments through physical inspection.</p>



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	the assessments through a physical inspection, if required.	<input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	
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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	BARPOM has implemented various control points & measures on tasks performed by the contractor and this is written into each contract.  Viewed & verified all the relevant documents and contracts.

**5.2. STAKEHOLDERS' CONSULTATION REPORT**

**List of Respondents**

No	Name	Identity No [if available]	Relationship to Auditee
1	Resky Firmansah		Worker
2	Shelda Eda		Staff
3	Wong Ung Lee		FFB Supplier

**1.0. Consultation Technique:**

Consultation Technique: **Face to face interview**

(Can select more than one)

**Meeting** (to submit list of participants if available)

Phone interview

Written views and comments (mail, email etc. based on pre-determined questions)

**2.0. Questionnaires**

No	Criteria	Result	Remarks
1.	Is/Are this stakeholder registered in the organization's stakeholder list?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	One registered as staff, one worker and one FFB Supplier
2.	Based on input received, is/are transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Relevant information on MSPO issues are being communicated to the staff and workers



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3.	Any feedback, complaint or grievances raised by this/these stakeholder before? (If Yes, please briefly explain the nature of the feedback/ complaint/ grievance in Remarks)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	None of the three(3) interviewed has raised any complaint or grievances
4.	If (3) above is Yes, does the organization handle the feedback/ complaint/ grievance appropriately?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
5.	Any land issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
6.	Any social issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7.	Any environmental issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8.	Is the issue stated above being brought to the audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

<b>3.0.</b>	<b>Auditor Summary Statement</b>	<b>[Remarks, Comments &amp; Opportunity for Improvements]</b>
	<p>The staff and workers are happy and has nothing to complaint against the employer. They are happy with their current remuneration. Apart from their normal salary/pay, the company also pay incentives for good performance. For the worker – overtime payment and incentive if exceeding target. The staff is also paid overtime and annual bonus (3 months for 2018 and 2 ½ month for 2019 performance). Other facilities provided are free housing, water, electricity, PPEs and medical facility</p> <p>The FFB supplier is happy with the payment method as well as price offered. Despite his FFB being graded as Grade C, he is being paid Grade A price equivalent</p>	

**5.3. SUMMARY OF FINDINGS**

**There are 02 findings as follows:**



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO RESOURCES SDN BHD - PALM OIL MILL

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

Ref No: BARPOM/SVA01/09/20

Standard: MS 2530-4:2013

Report Date: 30 11 2020

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	1	0	1
No of OFI: Opportunity for Improvement	0	0	0	1	0	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>

**No 1:**

**Criterion 4.4.4: Employees' safety and health**

Indicator	Requirement	Compliance	Findings
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 checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>First Aid Equipment is sighted at the Mill Office, at the Boiler area and main store. However, no first aid kit is sighted at the staff and workers housing area. Eleven (11) personnel are trained 1<sup>st</sup> Aider (certificate valid from 25/3/2018 – 25/3/2021). The personnel are representative of various station at the Mill including office.</p>

**No 2:**

**Criterion 4.5.3: Waste management and disposal**

4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Domestic Waste inventory record is sighted in Doc No BARSB(M)-PRO-R-16 effective 1<sup>st</sup> August 2018. However, field audit conducted on 28 September 2020 found out hygiene, health and safety conditions require urgent attention. The Field Audit noted indiscriminate disposal of domestic waste at staff and workers housing and disposal of domestic waste at storage tank and canteen area. The drains along the workers quarters are clogged with plastics materials and water flow to main drain is impeded.</p>
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**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

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**5.4. AUDIT CONCLUSION**

	Summary Statement of Lead Auditor	Signature
	<p>The purpose of this Surveillance Audit is to evaluate the implementation, including effectiveness, of Borneo Agro-Resources Palm Oil Mill management systems and that the requirement of the Standards MS2530-4:2013 continue to be fulfilled.</p> <p>Overall, the Mill management system continue to meet all requirements of MSPO; some processes had been improved.</p> <p>Major investment for 2020 to reduce air pollution emissions from boiler is the budgeted installation of Electrostatic precipitator system [ESP] within two years; this is a significant development on continual improvement and contribution to environmental protection.</p> <p>There were 2 findings [1 NC-Minor, 1 – OFI]</p> <p>Upon conclusion and in consultation with the Audit team, the Lead Auditor recommend the Certification of Borneo Agro-Resources Palm Oil Mill under the Standard MS2530-4:2013 Part 3 General Principles for Palm Oil Mill be maintained.</p>	 Wilfred S Landong Date: 29 09 2020

**5.5. ACKNOWLEDGEMENT BY AUDITEE Job Title: Mill Manager Signature**

	<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>	 Ling Pick Tung Mill Manager Date: 29 09 2020
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**5.6. CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY**

Corrective Action Reports were raised on 29 09 2020

The Corrective Action Reports were closed out by Lead Auditor on 10 11 2020



## MSPO SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO RESOURCES SDN BHD - PALM OIL MILL

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

Ref No: BARPOM/SVA01/09/20

Standard: MS 2530-4:2013

Report Date: 30 11 2020

### 6.0. OFFICIAL SIGN OFF

#### 6.1. ASSESSMENT RECOMMENDATION: LEAD AUDITOR

Based on the Findings/Action taken by Auditee/Closures above, **BARPOM** 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. Therefore, it is recommended that the Certification of **BARPOM** be maintained.

Wilfred S Landong  
20 11 2020

#### 6.2. ASSESSMENT REVIEW BY TECHNICAL REVIEWER

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

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

I, hereby confirm that, the Certification of **Borneo Agro Resources Palm Oil Mill** under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.

Patrick Sibat  
25 11 2020

### 7.0. CONCLUSION

#### 7.1. CERTIFICATION: BQAS MANAGEMENT

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

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

**Maintenance of the certificate.**



## MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO RESOURCES SDN BHD - PALM OIL MILL

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

Ref No: BARPOM/SVA01/09/20

Standard: MS 2530-4:2013

Report Date: 30 11 2020

- 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 02 is scheduled to be by October, 2021**

### 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)*

