



MSPO SURVEILLANCE AUDIT REPORT

Standard	MS2530-4:2013 (Part 4) General Principles for Palm Oil Mill	
Type of Audit	Surveillance Audit – Year 1	
Site Name	BBC Palm Oil Mill Sdn Bhd [906961-T]	
Site Address	Lot 6, Block 44, Kemena Land District, 97000, Bintulu, Sarawak.	
Owned by	BBC Group Lot 16433, Junction 5 Commercial Centre, Jalan Tun Hussein Onn, PO Box 165, 97000 Bintulu Sarawak	
Project Ref No	BQ/BBC/POM/SVA/01/19	November 2019
Certification Body	BQAS Certification (M) Sdn Bhd (11179994-x) Sublot 6, 2 nd Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching, Sarawak. Tel: +6 082 572 043 Mobile: +6 017 814 1112 Email: bqassb@gmail.com Website: www.bqas.com.my Accreditation No: MSPO 06092019 CB15	
Documented by:	Wilfred S Landong	Nov 2019
Lead Auditor:	Wilfred S Landong	
Technical Reviewer:	Patrick Sibat	November 2019
Date of Certification:	1 st January, 2019	Certificate No: BQAS 001-6

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1. EXECUTIVE SUMMARY

BBC Palm Oil Mill Sdn Bhd [BBCPOM] is owned by BBC Group, a conglomerate organization headquartered in Bintulu Sarawak. Along with BBC group of palm oil plantations BBC Palm Oil Mill Sdn Bhd was certified under MSPO2530-4:2013 on 1st January, 2019.

This is a Surveillance Audit [Year 1] to assess continued Certification of BBCPOM under the Standard MSPO2530-4:2013.

BBCPOM, sited on a 4999HA land owned by BBC Group is located at Geo-coordinates N3° 03' 52.2" E113° 04' 10.4N3° in the Bintulu Division of Sarawak; with estimated distance of approximately 40 kilometres from Bintulu Town. The following are pertinent information:

- Mill has 95 employees: 55 local/40 foreign
- MPOB License No / Expiry date: 5748 2500 4000 / 31 07 2020
- Production capacity is 60 metric ton (MT) of fresh fruit bunch (FFB) per hour.
- FFB supply base: own Plantations @ 60% / other dealers, plantations & smallholders @ 40%
- Projected volume of FFB processed for 2019: 328,017 Metric ton
- Oil extraction ratio (OER) @ 19.50%: Kernel extraction ratio (KER) @ 4.0%
- Projected production volume for 2019: Crude Palm Oil (CPO) @ 66,007mt & Palm Kernel (PK) @ 14,555mt
- Projected pricing for 2019: CPO @ RM2150/- per MT / PK @ RM1400/- per MT

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 Surveillance Audit was conducted on 23 & 24 July 2019 & 2 Auditors were assigned to do the Assessment; clocking a total of 4 Mandays to complete the Audit.

Assessments were done at Mill Site Office and Mill proper/premises. 4 Mandays was allocated to assess Mill and Mill operations. Information & data were systematically gathered & documented from interviews, observations of process and activities, field audits & review of documentations and records.

There were altogether 9 Findings classified as OFI (Opportunity for Improvements). Corrective Action Reports were raised and these findings were closed out on 16 10 2019

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

Mill 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 BBCPOM include treated water, domestic waste collection & disposal, electricity and telecommunication services. Local communities who are suitably qualified are given priority to work at the Mill.

BBCPOM has complied & conformed to MSPO Certification standards, conditions & requirements. Conclusively, the Lead Auditor therefore recommended that BBCPOM Certification under MSPO Standards MS2530-4:2013 (Part 4 – General Principles for Palm Oil Mills) be continued.



2. INTRODUCTION

BBC Palm Oil Mill Sdn Bhd [BBCPOM] is owned by BBC Group, a conglomerate organization headquartered in Bintulu Sarawak. Along with BBC group of palm oil plantations BBC Palm Oil Mill Sdn Bhd was certified under MSPO2530-4:2013 on 1st January, 2019.

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This report presents the assessments, findings & recommendations on certification evaluation of BBCPOM which is seeking continual certification under MSPO MS2530-4:2013.

This is Surveillance Audit to assess the entity's continual improvement, compliance & conformance to MSPO Standards MS2530-4:2013 (Part 4: General Principles for Palm Oil Mill)

3. BASIC INFORMATION

3.1. CERTIFICATION ASSESSMENT

Type of Assessment:	Surveillance Audit [Year 1]
Scope of MSPO Certification:	Individual Certification
MSPO Standard:	MS2530-4:2013
Geo-Coordinates:	N3° 03' 52.2" E113° 04' 10.4

3.2. CERTIFIED ENTITY

Company Name:	BBBC PALM OIL MILL SDN BHD		Registration No: [906961-T]
Address:	Lot 16433, Junction 5 Commercial Center, Jalan Tun Hussein Onn, 97000, Bintulu, Sarawak		
Site Name:	BBC Palm Oil Mill Sdn Bhd		
Address:	Lot 19, Block 44, Sungai Segan, Kemena Land District, 97000, Bintulu, Sarawak		
Management Contact details:			
Name	Job Title	Mobile	Email
Raymond Lau	Mill Manager	019 865 4469	raymond.lau@bbcgroup.com.my
Mohamad Firdaus	Executive	012 881 4524	mohamad.firdaus@bbcgroup.com.my
No of Employees	Local: 55	Foreign: 40	Total: 95
MPOB License No:	5748 2500 4000	Expiry Date: 31 07 2020	
Scope of Activity:	Menjual & Mengalih: FFB,PK,CPO,SPO#		Membeli & Mengalih FFB#
	Menyimpan: PK,CPO,SPO#		Mengilang FFB#
Date of Establishment:	Geo-Coordinates: N3° 03' 52.2" E113° 04' 10.4		
Production Capacity: 60MT/hour	Estimated FFB Volume 2019: 328,017mt		



Extraction Ratio	OER: 19.5%	KER: 4.0%
Production Volume 2019	CPO: 66,007mt	PK: 14,555mt
Projected Pricing 2019	CPO: RM2150/mt	PK: RM1400/mt
Annual Production Quota	360,000MT	
Land Status: Ownership	<input type="checkbox"/> Own Land	<input checked="" type="checkbox"/> Rented
		<input type="checkbox"/> Joint Venture
Other Sustainability Certification:	Nil	

4. THE AUDIT TEAM

	Name:	Role
A.	Wilfred S Landong	Lead Auditor
B.	Charles Tibok	Auditor

A. Wilfred S Landong

Lead Auditor

Qualifications:

- Advanced Dip in Business & Management, UK
- Degree in Marketing, UK
- Masters in Marketing, UK
- Successfully completed MSPO Lead Auditor Course (Pioneer Group) on 30th January, 2015

Working Career & Experience:

Year ended	Employer	Highest Job
1980	Cigarette Importers & Distributor	Area Executive
1990	Sebor Sarawak Sdn Bhd	Divisional Manager
1997	Gillette (M) Sdn Bhd	Country Manager
1999	Zuelling (M) Sdn Bhd	Sales & Marketing Director
2002	TimeDotCom. Bhd	Vice President
2012	Sarawak Forestry Corporation Sdn Bhd	General Manager
Present	BQAS Certification (M) Sdn Bhd	Managing Director

Relevant MSPO Related Credentials:

Sarawak Forestry Corporation SB

- Pioneer GM of Sarawak Forestry Corporation SB (SFC), a wholly owned Company of Sarawak Government; responsible for formulating and implementing the Company's organization structure, policies, regulations, procedures etc. Custodian of accreditation & certification related to management of Protected areas & Biodiversity conservation.
- During tenure of office, Certification achieved included ISO9001 (2004), ISO14001 (2004),



OHSAS1800 (2007)

- Intimate knowledge of sustainable forestry management and regulatory requirements enhanced a clear perspective & understanding of how palm oil industry should be managed sustainably.
- Highly conversant & knowledgeable on Sarawak Forests Ordinances, Wildlife Protection Ordinance, Land Code, Native/NCR land laws; easily can relate and apply to governance and implementation of MSPO Principles & guidelines.

BQAS Certification (M) SB

- As MD of BQAS responsible for the formulation & implementation of Quality Manual, Policies & Procedures as required for Accreditation as Certified Body by Department of Standards Malaysia (DSM) under ISO/IEC 17021-1.
- Top management accountability & responsibility to ensure BQAS conformance & compliance on operations, implementation & administration of MSPO MS2530:2013 as required by the owner of the Standard (MPOCC).

B. Charles Tibok

Auditor

Qualifications

- Bachelor of Science (Hons) in Quantity Surveying, UK
- Successfully completed MSPO Lead Auditor Course in 2017

Working Career & Experience

- Asst. Project Coordinator: WWF Malaysia
- Senior Quantity Surveyor/Deputy Director (Contracts): University Malaysia Sabah
- Manager, Contracts: SCHB Engineering Services Sdn Bhd
- Senior Quantity Surveyor: DRB Hicom Bhd
- Senior Quantity Surveyor: Sabah Housing & Town Development Authority
- Quantity Surveyor: Bumiputera Participation Unit, Kota Kinabalu

Relevant MSPO Related Credentials:

- Auditing experiences with 2 Universities in Sabah
- External Auditor for Marine Protected Areas for Sabah Parks
- Completed QMS MS-ISO-2008 in 2009
- Completed QMS MS-ISO-2000 in 2007
- Internal Quality Auditing: 2007
- Risk Management: 2005
- Total Quality Management: 1994



5. AUDIT METHODOLOGY

This Surveillance 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	<ul style="list-style-type: none"> • Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders
Data collection from	<ul style="list-style-type: none"> • Observation of process & activities • Review of documentations & records • Mill & facilities inspections
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> • Assessing past implementations from records, reports of the management system • Practice • Assessing current implementation from observing current practices • 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
OFI	Opportunity for improvements	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.



6. AUDIT PLAN

AUDIT SITES:

Surveillance Assessment were performed at:

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

SURVEILLANCE AUDIT PROGRAM:

Date: 24 – 25 07 2019

No of Auditors: 2

No of Mandays: 4

Day 1

- Opening Meeting
- Review Certification Audit Report
- Documentation Audit / Record Review at Mill Office

Day 2

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

AUDIT PARAMETERS

- Evaluate implementation, including effectiveness of the management system
- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies
- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements



- Traceability of FFB
- Use of PPE / Safety & Health training program
- Revisit other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management plan
- Stakeholders & workers interview

7. AUDIT PROCESS

The Audit Process was programmed similarly as follows:

No	Process	Description / Activities
1	Public Notification	Written notice to inform public on MSPO Audit is posted at Mill Office 1 month before Audit dates
	↓	
2	Audit Plan	Auditee received 2 weeks before Audit dates
	↓	
3	Audit Day 1	<u>Opening Meeting</u> Participants: Audit Team & Auditee Management Agenda: Audit Plan, Objectives, Assessment Method <u>Documentation Review</u> Management Systems, Policies, Procedures, MSPO Principles 1 to 6 documents etc.
	↓	
4	Audit Day 2	<u>Mill Site / Office Audit</u> Stakeholders interviews MSPO knowledge of Estate staffs Checks & verifications on Boundary, Buffer Zone, Riparian Zone, Waste/scheduled waste management, Water management, Water courses Staff/workers housing & amenities, Use of PPE, Stores, Workshop FFB – Grading activities / observations



Closing meeting

Participants:

Audit Team & Auditee Management

Agenda:

Presentation of Report / Checklists

Review, discuss & decide corrective & forward action to be taken with Auditee



8. SURVEILLANCE AUDIT – MAIN ASSESSMENT

8.1

CHECKLIST & FINDINGS

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted MSPO Policy dated 20 10 17 signed by MD established.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MSPO Policy last paragraph states: [Our mission is to strive for continual improvement by maximizing production through new technologies implementation in order to ensure the continuous production of oil palm product in a sustainable manner]

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified Internal Audit are planned and conducted regularly as follows: <ul style="list-style-type: none"> • 03 11 17 • 26 & 27 12 18 • 26 & 27 12 19 [planned & notice of internal audit issued on 08 07 19]
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted IA procedure doc ref: [BPOM/SUS/S1/01] Noted that in 2018 Internal Audit following results recorded: <ul style="list-style-type: none"> • Compliance [80] • NC [0] • OFI [1]
4.1.2.3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted IA Report for 2017 & 2018 was presented to & reviewed by Top Management/Senior Managers of BBC Group

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted IA Report for 2017 & 2018 was presented to & reviewed by Top Management/Senior Managers of BBC Group

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Action Plan for Continual Improvement 2018-19 noted in doc ref [BPOM/SUS/P1/01] dated 01 01 18. Among key projects: <ol style="list-style-type: none"> 1. Construction of pre-treated EFB pellet



	opportunities of the company.		<p>production plant to produce and sell EFB biomass fuel that can be introduced into biomass power plant in Japan [target completion end 2019]</p> <p>2. Installation of 1000m3/hour Bio-gas Burner for BBC Palm Oil Mill to reduce CO2 produced by boiler. [installed October 2018]</p> <p>3. Contribution of 1000 liters of Raw Effluence to Institute Kemahiran MARA Sarawak [for Mini Water Treatment Plant Project]</p>
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>System established vide doc ref BBC/POM/SUS/14 dated 01 07 18.</p> <p>Among key projects [new techniques]:</p> <ol style="list-style-type: none"> 1. Construction of pre-treated EFB pellet production plant to produce and sell EFB biomass fuel that can be introduced into biomass power plant in Japan [target completion end 2019] 2. Installation of 1000m3/hr Bio-gas Burner for BBC Palm Oil Mill to reduce CO2 produced by boiler. [installed October 2018] <p>Mill workforce conversant on this project.</p>

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Noted SOP for Consultation & Communication with Stakeholders doc ref: [BBC/OPP/MSPO/SOP/1.1].</p> <p>MSPO briefing to smallholders done by Technical Clerk of BBCPOM on a need basis.</p>
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Management documents made publicly available include:</p> <ul style="list-style-type: none"> • MSPO policies • Complaints & grievances form • Records of request • Land legal ownership of lease • Safety & health plan • Continual improvement plan

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Noted SOP for Consultation & Communication [BBC/OPP/MSPO/SOP/1.1].</p> <p>Stakeholders interviewed during this Audit [Mr Wong] confirmed being briefed by BBCPOM staff.</p>
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Mill Manager [Mr Raymond Lau] appointed as MSPO Communication & Consultation Officer dated 06 01 2018</p>



	related to Indicator 1	<input type="checkbox"/> OFI	
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted & verified list of stakeholders comprehensively documented as follows <ul style="list-style-type: none"> • FFB suppliers [big plantations & Collection Centers [51 pax] • Smallholders [437 pax] 3 major briefing done since 2018 to stakeholders. Noted & verified all records are documented and maintained.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SOP on Traceability System verified and noted in document ref [BBC/POM/SUS/18 dated 01 07 2018]. Noted & verified being implemented
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	BBCPOM has established control point where checks are done throughout the traceability process. However, there is no documented evidence of regular inspections being done on these control points to ensure compliance with the established traceability system
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Production Clerk [Robert Anyie] appointed as Traceability Officer on 06 01 2018. Interviewed and evidenced being conversant on 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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Records maintained as follows: <ul style="list-style-type: none"> • Storage – Ullage report [CPO/PK] record daily • Sales – refinery weighbridge receipts • Transporter – SOP weighing station/CPO dispatch procedure/ palm kernel despatch procedure Verified all records are maintained and monitored

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified Legal register for BBCPOM updated as at May 2019. [signed and approved by MD on 11 07 2019]
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirement register.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified in documentation [legal register] all relevant laws and regulations are listed in the legal register.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified Legal register for BBCPOM updated as at May 2019. [signed and approved by MD on 11 07 2019] New amendment added [Act 514



			Occupational Safety & Health Act 1994]
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mohd Firdaus bin Ibrahim appointed as Legal Officer and PIC on 13 03 2017.
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 diminish the land use rights of other users.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Land is owned by Almabumi Plantation dn Bhd [a company owned by BBC Group]. Sublease of 40 acres to BBC Palm Oil Mill Sdn Bhd through a legal agreement signed on 15 09 2011 [annual rental of [RM60K]. Palm Oil Mill is situated inside Sung Estate owned by BBC Group. No adjacent Landowners.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Legal ownership documented as follows: <ul style="list-style-type: none"> • Land status: mixed zone/ country land • Land Title: Kemena Land Lot 19 / Block 44 • Land size 4999.9ha. • leasehold
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Verified from Mill Survey Map & site inspection legal perimeter boundary are clearly demarcated and marked by perimeter fencing [mill office and site]
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not applicable
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not applicable



PRINCIPLE 4:	SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION
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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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Social Impact Management Plan prepared in October 2017 outlining plan to mitigate negative and promote positive impacts.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed SOP for Complaints and Grievances in MSPO file 4 Social Responsibility, Health Safety and Employment Conditions item 4.2.1 and found to be acceptable
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The above SOP lays out the actions required and time needed to resolve issues and found to be of acceptable standard.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Complaint forms are available as is a complaint/suggestion box outside the office. Alternatively, complaints can be submitted by email, SMS or Whatsapp.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Notices highlighting the avenue for submitting complaints and suggestions have been displayed in various locations within the Mill facility.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No complaints have been received and recorded since the Stage 2 Audit.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A campaign 'Kempen Kesedaran MSPO di Kalangan Pekebun Kecil' was held to give awareness on the benefits of MSPO to smallholders in the local community in October to November 2018 as recorded in MSPO file 6 Best Practices item 6.4.1 records of MSPO Briefing to Contractors.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Health and Safety Policy was signed by the Managing Director on 20 October 2017 and displayed in the office as well as the mill. The plan ref BPOM-SUS-P4-01 DATED 1/1/2018 was viewed in the MSPO file 6 item 4.4.1
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Health and Safety Policy was signed by the Managing Director on 20 October 2017 and displayed in the office as well as the mill.
B.	The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed in MSPO file 6 item 4.4.2b dated 9/4/2018 and found comprehensive and to be in order
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<ol style="list-style-type: none"> 1. Viewed Safety Training Program for 2019 2. Safety and Induction training provided for all new workers as conducted in March, May, June and July 2019. 3. Refreshers /Induction training/briefing for all workers are conducted every Wednesday of the week as records viewed.
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 Hazard Identification, Risk Assessment and Risk Control (HIRARC).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed PPE issuance file no. 14 and found workers issued as required including new workers.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SOP for Chemical Handling viewed in MSPO file 4 vol. 1, item 4.4.2e
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mr. Raymond Lau appointed as OSH chairman via BBC letter dated 13/11/2017 in MSPO file 4. item 4.4.2f. Appointment letters of other members including worker representatives, as members of the committee was also viewed in the same file.
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Two meetings have been held in 2019, on 12 February and 21 June. Minutes available and viewed in the Safety Meeting file.



	kept and the concerns of the employees and any remedial actions taken shall be recorded.		
H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SOP for Accident and Emergency item 4.4.2h viewed in MSPO file 4. Procedures are displayed prominently in various locations on site and is included in the Wednesday Safety briefings.
I.	Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Two employees underwent Basic First Aid and CPR training in February 2018. First Aid boxes available and located in the Office, Boiler House, Mill Mechanical Workshop, FFB Grader Shed and Mill Security Guard Post.
J.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	One accident was recorded and reported for 2018 and none for 2019 as MSPO File 4 item 4.4.2j
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Good Social Practices Policy was signed by the Managing Director on 20/10/2017 and displayed at various locations on site.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Employment Policy was signed by the Managing Director on 20 October 2017 and reflected in the Employees Registration Details item 4.5.5 MSPO file 4
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed salary slips of workers which include basic wage, overtime and holiday pay and found to be in accordance to minimum standards. Copies of salary slips also viewed in item 4.5.9 of MSPO file 4.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Communicated as part of the MSPO briefings to contractors and confirmed through stakeholders interview.
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed employees list, both local and foreign in MSPO file 4 item 4.5.5 and found to be in order.



	description, wage and the period of employment.		
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed contract of employments of workers and found to be in order. Those employed prior to the increase of the minimum pay in January
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The punch card recording system is practiced and covers all employees.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	As contained in the employment contract and found to be in order.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed payslips and found to be in order.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The employment contracts include provision of free housing inclusive of utilities, basic medical treatment and training. An Sports Carnival for employees was held in May 2019 as item 4.5.10 Social Benefits Record in MSPO file 4.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed and found to comply with the prescribed standards.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Sexual harassment Policy was signed by the managing director on 20/10/2017 and displayed prominently in various locations on site.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Freedom of association as contained in he Good Social Practices Policy signed by the Managing Director on 20/10/2017 and displayed at various locations on site.



	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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The employment listing and salary slips does not show the employment of underaged children and young persons.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Training Program for 2019 in item 4.4.1 in file 4. However, no record of training according to this plan is available.
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The Training Matrix for 2018 is available but has not been updated.
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Training Program for 2019 in item 4.4.1 in file 4 which is the same as the 2018 Training Program. However, no record of training according to this plan is available.

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Environmental Policy was signed by the Managing Director on 20/10/2017 and displayed at various locations on site.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed the Aspects and Impacts Analysis of all operations and found to be very comprehensive.
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The Environmental Plan item 5.1.3 in MSPO file 5 is incomplete as it has not set time frames for implementation and monitoring and no records are available to support this.
4.5.1.4	A programme to promote the positive impacts should be	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	1. An EFB (Empty Fruit Bunch) pellet mill is being constructed to convert EFB to



	included in the continual improvement plan.	<input type="checkbox"/> OFI	compressed fuel pellet and is due to start operation in mid-August 2019. 2. POME is converted to Biogas and partly fuels the Mill boiler as well as a sister company brick factory adjacent to the mill.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Some aspects of environmental training are included in the Training Program for 2019 but no evidence of implementation is available.
4.5.1.6	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	No records of meetings with workers where concerns of workers about the environmental quality are discussed.

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Mill complex utilizes three power sources, SESCO (approximately 3%), steam turbine (approximately 95%) and diesel generator (approximately 2% used while awaiting the steam turbine to power up).
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Viewed diesel fuel and electricity consumption records However there is no estimate of direct usage of non-renewable energy documented or made available for 2019 & 2020 during Audit time.
4.5.2.3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The operation utilizes 3 renewable energy sources; 1. The Mill boiler is fueled by short fibers 2. POME is converted to Biogas and supplements the use of short fibres to fuel the Mill boiler as well as the burners in a sister company brick factory adjacent to the mill. 3. High pressure steam from the boiler drives a steam turbine to generate and supply electricity to the complex.

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Waste and Waste Products Identification and Disposal Plan ref BPOM-SUS-P5-03 dated 1/01/19 in MSPO file 5 Vol 1 item 5.3.1 and found to be in order
4.5.3.2	A waste management plan shall	<input checked="" type="checkbox"/> Yes	Waste Management ref BBCPOM-SUS-21 dated



	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"/> No <input type="checkbox"/> OFI	1/02/2018 and Pollution Mitigation Plan for Mill ref BPOM-SUS-P5-03 dated 1/1/2019 viewed which includes improving the efficiency and recycling potential of mill by-products by converting them into value-added products.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed SOP for Scheduled waste Management and Disposal ref BBC/OPP/MSPO/SP/5.1 item 5.3.3 in file 5 Environmental, natural Resources Biodiversity and Ecosystem Services Vol 1 and found to be in order.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Domestic Waste is disposed off into a landfill located at Pit 1: N 03 01.019', E 113 02.865' and Pit 2: N 03 01.019', E 113 02.856' as shown in Rubbish Pit Location map item 5.3.4 domestic Waste Management in MSPO file 5 Vol 1

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	BBCPOM assess air pollution by: <ul style="list-style-type: none"> stack emission monitoring – done half yearly monthly schedule waste report to DOE/inventory report effluence testing daily/external test monthly
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Pollution Mitigation Plan document vide doc ref BPOM/SUS/P5/03 dated 01 01 19.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	BBCPOM has installed a BIOGAS plant to treat POME in 2018. BIOGAS plant designed by Kubota Inc Japan, endorsed by Local Professional Engineers & approved by DOE.

Criterion 4.5.5: Natural water resources

Indicator	Requirement	Compliance	Findings
4.5.5.1.	The management shall establish	<input type="checkbox"/> Yes	Main source of supply of natural water resources is



	water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	<input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Sungai Segan [river]. Water is obtained from this river by suction pump system direct to raw water treatment plant. Treated water would be for use at Mill [boiler], workers quarters, office and workshop.</p> <p>Waste water treatment plant is for treatment of effluence.</p> <p>Water Management Plan is documented vide doc ref [BBCPOM/SUS/22 dd 01 07 2018</p> <p>Need to document a detailed Water Management Plan</p>
A.	Assessment of water usage and sources.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Flow meter is used to assess volume of water sourced out from the river and flow meter is also used to assess water usage. Flow meters are noted and verified during site audit.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Following plan implemented:</p> <ul style="list-style-type: none"> periodic checking water treatment plant log sheet for sand filter backwash progress BOD [biological/biochemical oxygen demand] test twice a week for final discharge Monitoring the performance [BOD, Ph, SS [suspended solid] fro all pond in effluent treatment plant Waste water {raw POME} treated by biological treatment
	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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>BBCPOM implemented:</p> <ul style="list-style-type: none"> Control of water usage during dry season Water pump and pipes are checked on a daily basis Raw water monitoring check is done daily by Mill lab [by process monitoring report]
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>BBCPOM will treated by biological treatment Waste water {raw POME} before discharging to water courses. This is regulated by Department of Environment [DOE] who will check and verify Mill management of raw/waste water.</p> <p>Noted DOE License No 004916.</p>

PRINCIPLE 6:**BEST PRACTICES****Criterion 4.6.1: Site management**

Indicator	Requirement	Compliance	Findings
4.6.6.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SOP on Best Management Practices is doc BPOM/SUS/56/01 dated 20 11 2017 Verified documentation and implementation are monitored
4.6.6.2	All palm oil mills shall implement best practices.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Verified by site audit and SOP guidelines BBCPOM implement best practices



		<input type="checkbox"/> OFI	
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified Management Plan 2018/19. Projection includes 2018 to 2022 To be noted BBCPOM FFB production quota is 360,000 MT/year [MPOB license condition]
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted in letter to Bumi Suria Ventures dd 20 11 18 [random sample] pricing mechanism & products pricing all effectively implemented.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Verified from letter to Bumi Suria Ventures dd 20 11 18 contract are transparent all Terms & condition are made in writing.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified through interview with Contractor [Mr Wong on 04 07 19]; Mr Wong has good understanding of MSPO requirement especially with regards to use of PPE & traceability. Contractors are given regular briefing on MSPO. Last general briefing was done on 10/11/18. Cofirmed also from records with Mill Manager Contractors are also given briefing on ad-hoc basis.
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Verified and noted Contract agreement between Boilermech Sdn Bhd & BBC Palm Oil Mill Sdn Bhd on provision of BIOGAS burner.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Auditor were allowed to verify through physical inspection
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Documentation and checks were done at all control points to monitor activities of contractors. Verified and noted in file Best Management Practices and site field audit



8.2. SUMMARY OF FINDINGS / ACTION TAKEN/CLOSURE

GOOD FINDINGS

Criterion 4.1.4: Continuous Improvement

- A. Construction of pre-treated EFB pellet production plant to produce and sell EFB biomass fuel that can be introduced into biomass power plant in Japan [target completion end 2019]
 - 2.
- B. Installation of 1000m³/hr Bio-gas Burner for BBC Palm Oil Mill to reduce CO₂ produced by boiler. [installed October 2018]

KEY FINDINGS

1.

PRINCIPLE 2:		TRANSPARENCY	
4.2.3: Traceability			
Indicator	Requirement	Compliance	Findings
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	BBCPOM has established control point where checks are done throughout the traceability process. However, there is no documented evidence of regular inspections being done on these control points to ensure compliance with the established traceability system

2.

PRINCIPLE 4:		SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION	
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Viewed Training Program for 2019 in item 4.4.1 in file 4. However, no record of training according to this plan is available.

3.

PRINCIPLE 4:		SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION	
Criterion 4.4.6: Training & Competency			
Indicator	Requirement	Compliance	Findings
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The Training Matrix for 2018 is available but has not been updated.



4.

PRINCIPLE 4:		SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION	
Criterion 4.4.6: Training & Competency			
Indicator	Requirement	Compliance	Findings
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Training Program for 2019 in item 4.4.1 in file 4 which is the same as the 2018 Training Program. However, no record of training according to this plan is available.

5.

PRINCIPLE 5:		ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES	
Criterion 4.5.1: Environmental management plan			
Indicator	Requirement	Compliance	Findings
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	The Environmental Plan item 5.1.3 in MSPO file 5 is incomplete as it has not set time frames for implementation and monitoring and no records are available to support this.

6.

PRINCIPLE 5:		ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES	
Criterion 4.5.1: Environmental management plan			
Indicator	Requirement	Compliance	Findings
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Some aspects of environmental training are included in the Training Program for 2019 but no evidence of implementation is available.

7.

PRINCIPLE 5:		ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES	
Criterion 4.5.1: Environmental management plan			
Indicator	Requirement	Compliance	Findings
4.5.1.6	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	No records of meetings with workers where concerns of workers about the environmental quality are discussed.

8.

PRINCIPLE 5:		ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
Indicator	Requirement	Compliance	Findings
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Viewed diesel fuel and electricity consumption records However there is no estimate of direct usage of non-renewable energy documented or made available for 2019 & 2020

9.



PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES			
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:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Main source of supply of natural water resources is Sungai Segan [river]. Water is obtained from this river by suction pump system direct to raw water treatment plant. Treated water would be for use at Mill [boiler], workers quarters, office and workshop.</p> <p>Waste water treatment plant is for treatment of effluence.</p> <p>Water Management Plan is documented vide doc ref [BBCPOM/SUS/22 dated 01 07 2018</p> <p>Need to document a detailed Water Management Plan</p>

CONCLUSION STATEMENT:

No of "NO":	Non-Conformance	3
No of "OFI":	Opportunity for Improvement	6

Report Summary:




BBC Palm Oil Mill made significant development in its' contribution to MSPO with:

1. Construction of pre-treated EFB pellet production plant to produce and sell EFB biomass fuel that can be introduced into biomass power plant in Japan [target completion end 2019]
2. Installation of 1000m³/hour Bio-gas Burner for BBC Palm Oil Mill to reduce CO₂ produced by boiler. [installed October 2018]

Overall, the Surveillance Audit findings demonstrate BBC commitment to continuous improvements in the operations of its' Palm Oil Mill in line with MSPO requirements.

BBCPOM is advised to revisit its documented Action Plan [Management Plan] and review outstanding action plans and implement these plans.

There were no major findings in this Year 1 Surveillance Audit affecting the Certification of BBCPOM under MSPO2530-4:2013.

Lead Auditor:	Acknowledged by Auditee	Name	Job Title
Wilfred S Landong		Raymond Lau	Mill Manager
Signature/Date:  24 07 2019	Signature/Date: on behalf of Raymond Lau  24 07 2019 		


SECTION 2 CORRECTIVE ACTION REPORT [NC/OFI]
1. CORRECTIVE ACTION REPORT (NC/OFI)

No. 1 of 9		Date: 24 07 2019	
1 FINDINGS		To be completed by Lead Auditor	
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19
PRINCIPLE 2: TRANSPARENCY			
4.2.3: Traceability			
Indicator	Requirement	Compliance	Findings
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	BBCPOM has established control point where checks are done throughout the traceability process. However, there is no documented evidence of regular inspections being done on these control points to ensure compliance with the established traceability system
2 CLASSIFICATION		To be completed by Lead Auditor	
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input type="checkbox"/>
Opportunity for Improvement (OFI)		<input checked="" type="checkbox"/>	
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)		
Date	24 07 2019	Remarks: (if any)	
3 CONFIRMATION		To be completed by Company	
Finding + classification is correct		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Comments: (if any)			

4 ROOT CAUSE(S) of NC / OFI		To be completed by Company	
Remarks: Regular inspections on compliance with the established traceability system were not properly documented.			
5 CORRECTIVE ACTIONS TAKEN		To be completed by Company	
Remarks: <ul style="list-style-type: none"> To establish Traceability inspection form to check the compliance with the Traceability Standard Operating Procedure. To conduct Traceability inspection for the period of July – September 2019. 			
Date	20 09 2019	Name/Job of Management Rep	Mohamad Firdaus
Signature:			
6 CLOSURE of NC / OFI		To be completed by Lead Auditor	
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance.			
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable			
<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19	



2. CORRECTIVE ACTION REPORT (NC/OFI)

No. 2 of 9		Date: 24 07 2019	
1 FINDINGS		To be completed by Lead Auditor	
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19
PRINCIPLE 4: SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION			
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Training Program for 2019 in item 4.4.1 in file 4. However, no record of training according to this plan is available.
2 CLASSIFICATION		To be completed by Lead Auditor	
Major Non-conformity	<input type="checkbox"/> Minor-nonconformity	<input checked="" type="checkbox"/>	Opportunity for Improvement (OFI) <input type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)		
Date	24 07 2019	Remarks: (if any)	
3 CONFIRMATION		To be completed by Company	
Finding + classification is correct		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Comments: (if any)			
4 ROOT CAUSE(S) of NC / OFI		To be completed by Company	
Remarks: Training programme was not properly monitored and implemented by OSH Committee.			
5 CORRECTIVE ACTIONS TAKEN		To be completed by Company	
Remarks:			
<ul style="list-style-type: none"> To revise the Training Program for 2019. The number of training to be performed should be reduced from 12 training a year to 8 training a year. This means, 2 training should be conducted for every 3 months. Out of 8 training proposed, 2 of them are environmental-related matter while the 6 others are related to OSH and SOP. To implement 6 training programme and establish training record for evidence. 			
Date	04 09 2019	Name/Job of Management Rep	Mohamad Firdaus
		Signature:	
6 CLOSURE of NC / OFI		To be completed by Lead Auditor	
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance			
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable			
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		Confirmed by: Wilfred S Landong Lead Auditor	 Date: 16 10 19



3. CORRECTIVE ACTION REPORT (NC/OFI)

No. 3 of 9			Date: 24 07 2019		
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 4: SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION					
Criterion 4.4.6: Training & Competency					
Indicator	Requirement	Compliance	Findings		
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The Training Matrix for 2018 is available but has not been updated.		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input type="checkbox"/>	Opportunity for Improvement (OFI)	<input checked="" type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Comments: (if any)					
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Training needs of individual employees for the year 2019 was not identified prior to the planning and implementation of the training programs.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: To establish the Training Matrix for the year of 2019.					
Date	23 08 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature:	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
			Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19


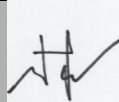


4. CORRECTIVE ACTION REPORT (NC/OFI)

No. 4 of 9				Date: 24 07 2019	
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 4: SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION					
Criterion 4.4.6: Training & Competency					
Indicator	Requirement	Compliance	Findings		
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Viewed Training Program for 2019 in item 4.4.1 in file 4 which is the same as the 2018 Training Program. However, no record of training according to this plan is available.		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/> Minor-nonconformity	<input checked="" type="checkbox"/>	Opportunity for Improvement (OFI)	<input type="checkbox"/>	
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Comments: (if any)					
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Training programme was not properly monitored and implemented by OSH Committee.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: <ul style="list-style-type: none"> To implement training programme and establish training record for evidence. 					
Date	24 09 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature:	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
			Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19


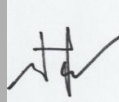


5. CORRECTIVE ACTION REPORT (NC/OFI)

No. 5 of 9				Date: 24 07 2019	
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES					
Criterion 4.5.1: Environmental management plan					
Indicator	Requirement	Compliance	Findings		
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The Environmental Plan item 5.1.3 in MSPO file 5 is incomplete as it has not set time frames for implementation and monitoring and no records are available to support this.		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input type="checkbox"/>	Opportunity for Improvement (OFI)	<input checked="" type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Comments: (if any)					
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Information provided in the Environmental Improvement Plan was incomplete & the Implementation Timeline is not clearly stated.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: To include Implementation Timeline in the Environmental Improvement Plan. This plan should be reviewed annually by MSPO Committee.					
Date	01 08 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature: 	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
			Confirmed by: Wilfred S Landong Lead Auditor		Date: 16 10 19


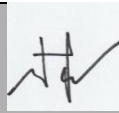


6. CORRECTIVE ACTION REPORT (NC/OFI)

No. 6 of 9				Date: 24 07 2019	
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES					
Criterion 4.5.1: Environmental management plan					
Indicator	Requirement	Compliance	Findings		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Some aspects of environmental training are included in the Training Program for 2019 but no evidence of implementation is available.		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input checked="" type="checkbox"/>	Opportunity for Improvement (OFI)	<input type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Comments: (if any)					
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Training programme was not properly monitored and implemented by Environmental Committee.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: <ul style="list-style-type: none"> To implement environmental training programme and establish training record for evidence. 					
Date	16 08 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature: 	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
			Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19



7. CORRECTIVE ACTION REPORT (NC/OFI)

No. 7 of 9				Date: 24 07 2019	
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES					
Criterion 4.5.1: Environmental management plan					
Indicator	Requirement	Compliance	Findings		
4.5.1.6	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	No records of meetings with workers where concerns of workers about the environmental quality are discussed.		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input type="checkbox"/>	Opportunity for Improvement (OFI)	<input checked="" type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Comments: In fact, records pertaining to environmental meetings did exist. However, the minutes of the meeting are not kept in separate files where all the environmental related documents are stored in 1 file only (DOE file). To rectify this issue, we have provided 1 special file to keep the minutes of the meeting only.					
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Lack of proper documentation of environmental minutes meeting records.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: <div style="text-align: right;">  </div>					
Date	01 09 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature:	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
			Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19



8. CORRECTIVE ACTION REPORT (NC/OFI)

No. 8 of 9				Date: 24 07 2019	
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES					
Criterion 4.5.2: Efficiency of energy use and use of renewable energy					
Indicator	Requirement	Compliance	Findings		
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Viewed diesel fuel and electricity consumption records However there is no estimate of direct usage of non-renewable energy documented or made available for 2019 & 2020		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input type="checkbox"/>	Opportunity for Improvement (OFI)	<input checked="" type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Comments: (if any)					
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Usage date of non-renewable energy for operations, including fossil fuel, and electricity to determine energy efficiency of mill operations was not properly documented and monitored.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: To summarize the monthly mill consumption for diesel fuel (Liter) and electricity (kWh). This data should cover from January 2017 until July 2019.					
Date	20 08 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature:	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
			Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19



9. CORRECTIVE ACTION REPORT (NC/OFI)

No. 9 of 9				Date: 24 07 2019	
1 FINDINGS			To be completed by Lead Auditor		
Standards	MSPO MS2530-3:2013	Reference	BBC/POM/AU/SVA/07/19		
PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES					
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:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Main source of supply of natural water resources is Sungai Segan [river]. Water is obtained from this river by suction pump system direct to raw water treatment plant. Treated water would be for use at Mill [boiler], workers quarters, office and workshop. Waste water treatment plant is for treatment of effluence. Water Management Plan is documented vide doc ref [BBCPOM/SUS/22 dd 01 07 2018 Need to document a detailed Water Management Plan		
2 CLASSIFICATION			To be completed by Lead Auditor		
Major Non-conformity	<input type="checkbox"/>	Minor-nonconformity	<input type="checkbox"/>	Opportunity for Improvement (OFI)	<input checked="" type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)				
Date	24 07 2019	Remarks: (if any)			
3 CONFIRMATION			To be completed by Company		
Finding + classification is correct	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> Comments: (if any)		
4 ROOT CAUSE(S) of NC / OFI			To be completed by Company		
Remarks: Water management plans to maintain the quality and availability of natural water resources was not properly documented.					
5 CORRECTIVE ACTIONS TAKEN			To be completed by Company		
Remarks: To establish detail Water Management Plan for Mill.					
Date	02 09 2019	Name/Job of Management Rep	Mohamad Firdaus	Signature:	
6 CLOSURE of NC / OFI			To be completed by Lead Auditor		
Remarks / Evidence: Action taken and evidence submitted is noted and in compliance					
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
			Confirmed by: Wilfred S Landong Lead Auditor		 Date: 16 10 19

9. ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY & CONFIRMATION OF AUDIT FINDINGS

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.

Signed for & On Behalf of,

BBC Palm Oil Mill Sdn Bhd



Mohamad Firdaus

EXECUTIVE

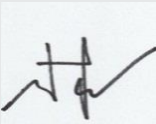
Dated: 20 10 2019

10. LEAD AUDITOR: CONCLUSION & RECOMMENDATION

Based on the Findings/Action taken by Auditee/Closures above, BBC Palm Oil Mill Sdn Bhd [BBCPOM] had been able to demonstrate generally its continual compliance to and with requirements of the MSPO MS2530-4:2013 Standard for Palm Oil Mill. Therefore, it is recommended that the Certification of BBCPOM be approved.

Signed for & On Behalf of

BQAS Certification (M) Sdn Bhd



Wilfred S Landong

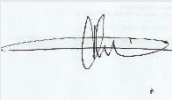
LEAD AUDITOR

Dated: 21 10 2019

11. TECHNICAL REVIEWER: STATEMENT & CONFIRMATION

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, BBCPOM Certification under the Standard MSPO2530-4:2013 [Part 4: Standard for Palm Oil Mill]



PATRICK SIBAT

TECHNICAL REVIEWER

Dated: 23 10 219

12.	DATE OF 1 ST YEAR SURVEILLANCE AUDIT	NOVEMBER, 2020
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