



MSPO SURVEILLANCE CERTIFICATION SUMMARY REPORT [YEAR 02] 2020



SALCRA

LUBOK ANTU PALM OIL MILL 1

KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.



BQAS Certification [M] Sdn Bhd

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Accreditation No: ACB MSPO CB15

BQAS Certification [M] Sdn Bhd
 REG No: 1179994-X
 CB No: ACB MSPO CB 15

SALCRA – LUBOK ANTU PALM OIL MILL 1

Ref No: BQ/SLAPOM1/SVA2/07/20

Date: 30 09 2020



CERTIFIED ENTITY	SALCRA – LUBOK ANTU PALM OIL MILL 1	
MSPO Standards	<input type="checkbox"/> MS2530-3:2013 General Principles for Palm Oil Plantations & Organized Smallholders	
MSPO Standards	<input checked="" type="checkbox"/> MS2530-4:2013 General Principles for Palm Oil Mills	
Type of Certification:	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Group
Project Ref No:	BQ/SLAPOM1/SVA2/07/2020	
MSPO Certificate No:	BQAS P4 023-4 0420	
MSPO Certificate Validity:	14 04 2018 – 13 04 2023	
HQ Office Address:	Wisma SALCRA, No 1, Lot 2220, Block 26, MTL D, Jalan Dato Mohd Musa, 94300, Kota Samarahan, Sarawak	
Contact Person / Job Title:	Mdm Patricia Chan	Sustainability Executive
Telephone / Mobile:	082 621 904	016 831 2705
Email / Website:	patriciachan@salcra.gov.my	
Site Address:	KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.	
Contact Person / Job Title:	Puan Penny Nyapay	Mill Manager
Telephone / Mobile:	019 819 2550	
Email / Website:	pennyn@salcra.gov.my	

CERTIFICATION BODY	BQAS CERTIFICATION [M] SDN BHD [1179994-X]	
Office Address:	Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak.	
Contact Person / Job Title:	Wilfred S Landong	Managing Director
Telephone / Mobile:	+6 082 572043	+6 017 222 5555
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EXECUTIVE SUMMARY

LAPOM 1 [Lubok Antu Palm Oil Mill 1] is wholly owned by SALCRA [Sarawak Land Consolidation Rehabilitation Authority]. This is a Surveillance Certification Report Year 2 [third year of certification] for LAPOM 1 & scope is individual certification of LAPOM 1 under the Standards MSPO MS2530-4:2013 for Palm Oil Mills. BQAS [BQAS Certification Sdn Bhd] had been appointed to conduct this Surveillance Audit taking over from another Certification Body. It is to be noted that this Audit which was scheduled earlier to be conducted in March, 2020 was forcibly delayed due to compliance requirements of COVID 19 MCO [movement control order] enforced by government authorities of Malaysia. It is to be noted that during this Audit there are no palm oil milling activities in LAPOM 1. The Mill operations was suspended with effect October 2019; henceforth, staff of LAPOM 1 were transferred to LAPOM 2 or other entities with the SALCRA organization effective from June 2020 when operations of LAPOM 1 & 2 were merged.

LAPOM 1 is located at KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak. The Mill Site is situated at Geo-coordinates N01° 10' 9.02" E111° 45' 28.69"; approximately 60+ kilometers from Sri Aman Town; on legally acquired Country land; owned by SALCRA, the parent organization.

The assessment method follows principles of **3P** (Paper, Practice & People)

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion.

The following are pertinent information on LAPOM 1:

No of Employees

MPOB License No / Expiry date

Production Capacity

FFB supply base

Annual Production Quota

Actual volume of FFB processed for 2019

Projected volume of FFB processed for 2020

Extraction Ratio

Actual production volume for 2019

Projected production volume for 2020

Projected pricing for 2020

- **Nil**
- No: 5000 8690 4000 / Expiry: 31/12/2020
- 30 MT of fresh fruit bunch (FFB) per hour
- Mainly SALCRA owned plantations & other dealers, plantations & smallholders in Lubok Antu District and surrounding areas.
- 100,000 MT
- 55,867 MT
- 7,794 MT
- Oil extraction ratio @ 20.63%
- Kernel extraction ratio @ 5.00%
- Crude Palm Oil @ 10,927 MT
- Palm Kernel @ 2,435 MT
- Crude Palm Oil @ 1,608 MT
- Palm Kernel @ 390 MT
- CPO @ RM1881.00 per MT
- PK @ RM1,290.00 per MT

The Surveillance Audit was conducted on 08 07 2020 to 09 07 2020; 3 Auditors; 6 mandays. The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of LAPOM 1 management systems. Assessments were done at Mill Site Office and Mill proper to assess documentation, mill facilities 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 5 findings classified as OFI [opportunity for improvements] on criteria 4.3.2.3 I Legal boundary markers, 4.4.1.1 Social Impact Assessment, 4.4.5.11 employment conditions [staff living quarters], 4.4.6.3 Training & Competency & 4.5.3.2 Waste management & disposal. Corrective action reports were raised on 10 07 2020 and closed out on 29 08 2020.

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 LAPOM 1 management & staffs and this was found to be positive, cordial & mutually beneficial.

Mill employees are remunerated in compliance with Employment Act & minimum wage regulations; and living & housing conditions in the mill employees housing and facilities are generally above standard requirements of health & safety regulations & the relevant Housing Act. Available amenities in LAPOM 1 include treated water, domestic waste collection & disposal, electricity and telecommunication services.

LAPOM 1 has continuously complied & conformed to MSPO Certification standards, conditions & requirements. Conclusively, the Lead Auditor therefore recommended that LAPOM 1 Certification under MSPO Standards MS2530-4:2013 Part 4 – General Principles for Palm Oil Mills to be continued and maintained.

1.0. INFORMATION: CERTIFICATION ASSESSMENT

1.1.	Type of Certification Assessment	<input checked="" type="checkbox"/>	Annual Surveillance Audit [Year 2]
1.2.	Scope of MSPO Certification	<input checked="" type="checkbox"/>	Sustainable Management of Palm Oil Mill with 60MT/Hour
1.3.	MSPO Standards	<input checked="" type="checkbox"/>	PART 4: MS2530-4:2013
1.4.	Maps and others [Refer Attachments]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Nil

INDIVIDUAL CERTIFICATION		Ref No: BQ/SLAPOM1/SVA2/07/20	
Standard(s):	<input type="checkbox"/> MS 2530-1	<input type="checkbox"/> MS 2530-2	<input type="checkbox"/> MS 2530-3 <input checked="" type="checkbox"/> MS 2530-4
Other Standard and/or Edition:	MSPO SCCS		

2.0. INFORMATION: CERTIFIED ENTITY

Certified Entity	SALCRA - LUBOK ANTU PALM OIL MILL 1		
Main Address:	Wisma SALCRA, NO 1, Lot 2220, Block 26, MTLD Jalan Datuk Mohd Musa, 94300, Kota Samarahan, Sarawak, Malaysia		
Site Name:	Kilang Kelapa Sawit Lubok Antu		
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill	
Site Address:	KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.		
Management Contact Details			
Name: Penny Anak Nyapay	Job Title: Mill Manager		
Mobile: 019 8192550	Tel:	Email: pennyn@salcra.gov.my	
Name: David Balai Anak Andira Mawar	Job Title: Mill Engineer		
Mobile: 014 8767794	Tel:	Email: davidb@salcra.gov.my	

Note: LAPOM 1 suspend operation with effect October 2019. Staff of LAPOM 1 were transferred to LAPOM 2 effect from June 2020 when operations of LAPOM 1 & 2 were merged.

MS 2530-4:2013 General Principles for Palm Oil Mills

MPOB License No: 5000 8690 4000	Expiry Date: 31-12-2020
Scope of Activities:	
Activiti Berlesen	Keluaran Kelapa Sawit
Menjual dan Mengalih	FFB, PK, CPO, SPO #
Membeli dan Mengalih	FFB #
Menyimpan	PK, CPO, SPO #
Mengilang	FFB #
Production Capacity:	30MT/Hour
OER Extraction Ratio: 20.63%	KER Extraction Ratio: 5.00%
PK Production Volume(actual) 2019: 2,435 MT	PK Production (estimate) 2020: 390 MT

BQAS Certification [M] Sdn Bhd
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Date: 30 09 2020



Actual: 2019	Forecast: 2020		
PK Average Pricing: RM1,054/MT	PK Average Pricing: RM1,290/MT		
CPO Production Volume: 10,927 MT	CPO Production: 1,608 MT		
CPO Pricing: RM1,800/MT	CPO Pricing: RM1,881/MT		
FFB Volume: 55,867 MT	FFB Volume: 7,794MT		
Main Sources of FFB:	Smallholders & Dealers		
Land Status / Ownership:	<input type="checkbox"/> Rented	<input checked="" type="checkbox"/> Own Land	<input type="checkbox"/> Joint Venture
Other Sustainability Certification: MSPO SCCS	Geo-Coordinates: N01° 10' 9.02" E111° 45' 28.69"		
Validity/Date of Certification:	14 04 2018 – 13 04 2023		

3.0. ASSESSMENT METHODOLOGY

This certification assessment is a SAMPLING process where management systems effectiveness & efficiency are confirmed via an audit trail that the Auditor established to make an accurate conclusion

Information gathering Data collection from	Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders <ul style="list-style-type: none"> • Observation of process & activities • Review of documentations & records • Site visits • Field inspections
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Assessment method	Paper <ul style="list-style-type: none"> • Assessing past implementations from records, reports of the management system Practice <ul style="list-style-type: none"> • Assessing current implementation from observing current practices People <ul style="list-style-type: none"> • Assessing future maintenance from interviewing personnel on understanding & assessing competencies.
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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 02	Wilfred S Landong	Lead Auditor
	Patrick Sibat	Auditor
	Douglas Alau	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 (e.g. promotional material, website, use of BQAS logos and marks, use of the certificate)
- Customer specific requirements

4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS

MS2530-4:2013	General Principles for Palm Oil Mills
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4.2.2.1. Assessment Sites

Assessment 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: 08 07 2020 – 09 07 2020

No of Auditors: 3

No of Mandays: 6

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

4.2.2.3. Assessment Parameters

Evaluate implementation, including effectiveness of the management system

- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies
- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements
- Traceability of FFB
- Use of PPE / Safety & Health training program
- Revisit other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers' quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management plan
- Stakeholders & workers interview

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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified following policies had been established for LAPOM 2: <ul style="list-style-type: none"> • MSPO Policy dd 01 04 2020 • Safety & health Policy dd 09 03 2020 • Social Policy 01 04 2020 • Sexual Harassment Policy 01 04 2020 In dual language [bahasa & english] Signed by General Manager of SALCRA
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: [untuk memastikan pembangunan yang mampan dan penambahikan secara berterusan].

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	Internal Audit is planned and conducted annually. 2019 IA conducted on 19 06 2019. Viewed and verified evidence.
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 non-conformities, in order to implement the necessary corrective action.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed internal Audit Report dated 20 06 2019. 16 findings were recorded as issue of concern.
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	Viewed and verified Audit report was presented to management for review by the MSPO steering committee

Criterion 4.1.3: Management review

Indicator	Requirement	Compliance	Findings
4.1.3.1	The management shall periodically review the continuous suitability,	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Management Review is conducted at least once a year by the MSPO Steering



	adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	<input type="checkbox"/> OFI	Committee chaired by the Plantation Development Manager. Viewed Minutes of meeting of MSPO steering committee dated 21 11 2019
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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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted Continuous Improvement program for FY 20/21 dated 03 01 2018. Following areas included in the plan <ul style="list-style-type: none"> ● Technology ● Social [workers, landowner, agency] ● Environmental ● Water management plan Verified in compliance
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	SALCRA practices the BSC [balance scorecard] system in monitoring and managing among others improvement, adoption and implementation of new practices. A team in HQ determines policies & strategies & plans and the Management Team at BAPOM is responsible for implementation. Viewed CIP for 2020 with area of improvement noted as follows <ul style="list-style-type: none"> ● Methane trapping plant- environmental improvement to manage POME to provide renewable energy. ● Electrostatic precipitator Verified compliance

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	Evidence noted and verified management had communicated all relevant information to other stakeholders; by way of public notices, personal communications & correspondence, signages. Language used both in Bahasa & English.

4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Noted & verified the following:</p> <ul style="list-style-type: none"> • Communication & Consultation procedure doc ref SOP-07 01 10 18. • MSPO policies & other relevant information on public display @ notice board in Mill office & other relevant premises <p>Public notices to customers & stakeholders in Bahasa</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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	LAPOM had established procedure and mechanism to conduct workers, stakeholder, staff meeting. Noted in file LAPOM-FRM 301.5-8 & 301.10-11 KECEKAPAN, LATIHAN & KESEDARAN.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Senior Mill Manager, Mr. Peter Manjan appointed Mill Manager, Mr. Giran Anak Enggam as LAPOM Consultation and Communication Officer for Stakeholders dated 27 th March 2017 till 28 th March 2019. Viewed & verified
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	<p>Noted and viewed in MSPO Stakeholder file the following are maintained and updated:</p> <ol style="list-style-type: none"> 1. List of stakeholders 2. Briefing on MSPO Introduction and Salcra's Policies to Mill's Stakeholders on 26th June 2018., attended by 53 persons. (Ref.: 06/SAL/HQ/ES/9b/2018) <p>Viewed and verified compliance.</p>

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	<p>Traceability procedure for Fresh Fruit Bunch (FFB) roduction dated 02 10 2017 noted and viewed covering the following aspects:</p> <ul style="list-style-type: none"> • Harvester • Harvesting Mandore • Farm tractor (FT) Operator • Ramp/Bin Attendant • FFB lorry driver • Auxillary Police • Mill Weighbridge Clerk • Estate Supervisor (ES) / Field



			Assistant(FA) <ul style="list-style-type: none"> Estate Clerk
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Mill engineer conduct daily inspections at various work stations and processes & does daily CPO & PK stock take; and the Mill Manager does inspection randomly.
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	Mr. David Balai was appointed as Traceability Representative with effect from 27 th March till 28 th March 2019 and is responsible for implementing and maintaining the traceability system.
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel is maintained vide document "Monthly Mill Production & Quality Statistics" and "Local Sales Delivery Advise (LSDA)"; and updated every end of the month. Document viewed and verified.

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 that all operations are in compliance with applicable local, national and international laws and regulations. The legal documents relevant to the compliance with MSPO regulatory requirements are properly filed. Ref.: File Lapom MSPO Legal Register
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirement register.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed and verified SALCRA legal Register (Doc. NO. MSPO 4.3.1.2) dated July 2020 (Rev. NO. 2), which shows a list of 59 laws and regulations. SALCRA Legal Register categorises the 59 laws and regulations in relation to: 1. Organisation: e.g. SALCRA Ordinance 1976 2. MPOB: e.g. MPOB (Licensing) Reg. 2005 3. Business: e.g. Windfall Profit Levy Act 1998 4. Supplies: e.g. Control Supplies Reg. 1974 5. Land: e.g. Land Code (Amendment)



			<p>Ordinance 2018</p> <p>6. Employee: e.g. Minimum Wages Order 2020</p> <p>7. Amenities: e.g. Sewage Systems & Serrtvice Ordinance 2005</p> <p>8. Safety: OSHA 1994</p> <p>9. Environment: e.g. NREO (Prescribed Activities)(Amendment) 1997</p> <p>10. Protected Sites and Species: e.g. Biosafety Act 2007</p> <p>11. Wildlife Protection: e.g. WPO 1998</p> <p>12.Crop Protection: e.g. Pesticide Act 1974</p> <p>Ref: LAPOM 1 File Legal Register</p> <p>In the same Folder there is Borang LAPOM - FRM 102.1 dated 01/01/2017 entitled Register of Legal and Other Requirements. This document shows the relevant sections of Akta Kualiti Alam Sekeliling 1974 to MSPO compliance.</p> <p>Noted also the Legal and Other Requirements Regiaster (LORR) that are applicable to the business unit (LAPOM 1). LORR comprises many laws under:</p> <p>a) Occupational Safety and Health: OSH, Factories & machinery, Uniform Building by-laws, Pesticides, Fire Services and COP for safe Working in a Confined Space.</p> <p>b) Environmental: EQA 1974, Local Government Act 1976</p> <p>c) General: Housing & Amenities, Labour, EPF, SOCSO and Union.</p> <p>d) Jadual Pematuhan DOE</p> <p>The Legal Register also contain all the Land Titles.</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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The Legal Register is being updated as and when required. The present Legal Register (Doc. NO. MSPO 4.3.1.2) is the revision NO. 2.



4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mr. Wilfred Kana, Jurutera Kiland is being appointed as the Legal Register Officer on 27 March 2017 by the Mill Manager, Ir. Gira Enggam.
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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"/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	LAPOM activities do not diminish the land use rights of other users. a) Verified that LAPOM 1 is sited on the land owned by SALCRA as verified from the land titles (Ref.: File MSPO Legal Register). b) Noted also that all lands surrounding LAPOM belongs to SALCRA.
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"/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sited all land titles properly filed in MSPO Legal Register folder. LAPOM is located in Lot 25, Block 13, Marup Land District. The land title was issued on 17 August 2009 and shall expire on 16 August 2069.
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Inspected Legal perimeter boundary marker located @ Geo coordinate N01° 04' 01.9" E110° 43' 08.5". Marker identified by a stick pole painted yellow planted on the ground. Boundary peg need to be replaced and to be in conformity to standard peg of Land and Survey Dept.
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"/> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not applicable. The land is owned by SALCRA.

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not Applicable



	threatened or reduced.		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input checked="" type="checkbox"/> <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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Social Impact Assessment of Lubok Antu Oil Pam Mill 1, dated 15 th January 2019, is reported as per Social Impact Matrix, Prepared by Mill Engineer, David Balai and Endorsed by Mill Manager, Mr Gira Enggam. The actual Social Impact Assessment is unavailable. Social component is not documented.

Criterion 4.4.2: Complaints and grievances

Indicator	Requirement	Compliance	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A system for dealing with complaints and grievances can be seen as a General Procedure Guideline: No: GPG 7.4 - Handling of Complaints and Grievances, established on 1st September 2018, approved and signed by the General Manager.
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 flowchart of the Handling Complaint and Grievances SOP viewed in GPG 7.4 file, dated 1 st September 2018, indicated acceptable system in resolving disputes in effective, timely and appropriate manner, which is acceptable by all parties. However, they did not show any fix timeline to resolve issues as the reason being given was some issues may involved legal matters that would take years to settle.
4.4.2.3	A complaint form should be made	<input checked="" type="checkbox"/> Yes	There are two types of forms for complaints,



	available at the premises, where employees and affected stakeholders can make complaints.	<input type="checkbox"/> No <input type="checkbox"/> OFI	grievances and suggestions used by the mill, a standardized used across all SALCRA mills; Complaints and Grievances Forms (HR - Employment Relations) are available at the Guard Station and Complaint Box is available as well.
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	Based on the complaints recorded using 'Borang Aduan Kerosakan', the workers seem to be aware of the complaints facilities provided by the mill. As of this surveillance Audit, there is no complaints received so far.
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	There is no receipt of complaints and grievances for the past twelve months.

Criterion 4.4.3: Commitment to contribute to local sustainable development

Indicator	Requirement	Compliance	Findings
4.4.3.1	Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Lubok Antu Oil Palm Mill contribution to the development of the local communities: <ul style="list-style-type: none"> ● Jobs opportunities for the local community as confirmed by an interview with a local representative Mr. Baling anak Janting from Rh. Beretok, Merindun. ● Donation to Fire Victims; En Nair Anak Wan, amounting to RM904.00 and other types of donations such during funeral. Providing venue and getting participants for MPOB's dialogue with smallholders regarding the Introduction of the MSPO Certification Scheme as well as Processes of getting MSPO Certification of Smallholders.

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 occupational safety and health policy has been standardized across SALCRA plantation and mills, established on 9 th March 2020, approved and signed by the General Manager and plan was viewed to be in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139).

			<p>The safety and health policy is available in the Office File as well as at the office's Notice Boards.</p> <p>Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The last meeting was held on 30th September 2019, at LAPOM1 Meeting room. The minute can be viewed at the Health and Safety file; REF No. - BIL.03/2019.</p>
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 safety and health policy is available in the Office File as well as at the office's Notice Boards.
B.	The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	HIRARC in assessing risks of all operation was well documented in the file Ref: LAPOM1-FRM 603.1, established on 08/05/2017, approved and signed by the mill Engineer.
C.	<p>An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p>i) all employees involved are adequately trained on safe working practices; and</p> <p>ii) all precautions attached to products should be properly observed and applied.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The training program should be based on the findings of Chemical Health Risk Assessment (CHRA) as in the Chemical Health Risk Assessment Report for Salcra Lubok Antu Palm Oil Mill Sdn Bhd for the year 2016-2021, established on 15th November 2016, conducted by Synergy Consultant.</p> <p>This is followed by the Initial Personal Chemical Exposure Monitoring Report (Ref: JKPP Reference No.: SWK1851), dated 11th July 2017, by Alpine Consultant Sdn Bhd.</p>
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	During the mill's site visit, the workers and staffs were using appropriate PPE including wearing ear plug in the engine room and thick gloves at the boilers to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
E.	The management shall establish	<input checked="" type="checkbox"/> Yes	The SOP for chemical handling and storage



	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 type="checkbox"/> No <input type="checkbox"/> OFI	can be viewed in file ref: LAPOM1-SOP 404, titled Chemical Handling, established on 10/01/2019, endorsed by the Mill Manager. The SOP was found to be in accordance to Occupational Safety Health (Classification, Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
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	Occupational Safety and Health Committee was formed to be collectively responsible for workers' safety and health. The committee is lead by the mill manager, and had knowledge and access to the latest national regulations and collective agreements. Letter of Appointment to Mr. Gira Anak Enggam as the Chairman of the Safety and Health Committee and Letter of Appointment of his Committee Members, dated 27 th March 2019 sighted and verified.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The safety and health policy is available in the Office File as well as at the office's Notice Boards. The last meeting was held on 30 th September 2019, at LAPOM1 Meeting room. The minute can be viewed at the Health ans Safety file; REF No. - BIL.03/2019.
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	Accident and emergency procedures can be viewed in the file ref: LAPOM1-SOP 602, titled Emergency Preparedness and Response, established on 01/01/2017, endorsed by the Mill Manager.
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	At the time of the Surveillance audit, LAPOM1 has formed the Jawatankuasa Keselamatan dan Kesihatan Pekerja (JKKP) , whic include a Trained First Aider and CPR personnel, Mr. Rabby Bin Abu Bakar to lead the In-House



			First Aid training programme. First aid equipment is available at every working stations.
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	Records of accidents can be viewed in the folder Accident/Incident record/Monthly Performance Record (Refr. No. : JKKP8/48399/2019). No accidents recorded so far. The record will be reviewed during Occupational Safety and Health Committee meetings.

Criterion 4.4.5: Employment conditions

Indicator	Requirement	Compliance	Findings
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The priority for SALCRA Mill's as stated in its Social Policy and Objectives, is ' SALCRA is committed, as far as practicable; to improve the quality of life of the rural communities participating in its land development programme'. The policy was approved and signed by SALCRA general Manager on 8 th November 2017.
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 executive staffs and mill workers are predominantly Bumiputra in which it is said that more than 90% of the workers are from the surrounding villages and towns. However, there is no indication that the management practices and discrimination in regards to race, color, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Based on one the workers pay slips and employment contracts, Ms Elisa Riah Anak Gon, worked as Weigh Bridge Operator, her wages for the month of June 2020 found to meet legal or industry minimum standards as per collective agreement.
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The SALCRA HQ management is responsible for ensuring one of the contractor, SALCRA JAYA Sdn Bhd, paid its employees based on legal or industry minimum standards.

	between the contractor and his employee.		
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed in the records of employees and employees employment contracts, the management has a good records that contained names, gender, date of birth, date of entry, job description, wage and 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	The contract of Ms Elisa Riah Anak Gon seem to be fair and signed by the Senior Mill Manager, Mr. Peter Manjan Anak Seman. According to the staff, a copy of the employment contract was given to them upon signing.
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 mill used punch card system to record the working hours and overtime. The payment slip showed deduction of EPF and SOCSO, working days, weekends and public holidays works, wages advancement and allowances.
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	The working hours and breaks as showed in the salary and daily paid worker slips, are viewed to be comply with the legal regulations and collective agreements.
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	Wages and overtime documented on the pay slips as shown in Ms Elisa Riah Anak Gon was viewed to be in line with legal regulations and collective agreements.
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Based on Ms Elisa Riah Anak Gon's employment contracts, there were bonuses for good performance given to the workers, free living quarters, annual holidays, free medical care and promotions to be evaluated by the management. The performance appraisal will be conducted by



	and improvement of social surroundings.		the Unit Head and Station Engineers using the LAPOM1-FRM xxx form.
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	During site visit to the workers' quarters were more than adequate and habitable with basic amenities and facilities. 1. However, the inhabitants should take care of the cleanliness of the compounds especially the drains.[blocked drain]. 2. Chicken sheds were found too close to the living quarters, health hazard to residents. 3. Domestic waste were also found being thrown indiscriminately around the living quarters. 4.Empty Chemical Drum sighted at Living Quarters.
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 management has established Sexual Harassment Policy & Objectives on 1 st April 2020, approved and signed by the General Manager.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	In the mill's Social policy and Objectives or any other documented policies, SALCRA didn't mentioned any workers' right to form and join trade union. The welfare of the workers is the responsibility of the management and any disgruntle or complaints has its own SOP. Nevertheless, according to the Mill manager, the management will respect if the employees and workers to exercise their right to form a trade union, without any discrimination 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 are no child labor employed at the mill.

Criterion 4.4.6: Training & Competency

Indicator	Requirement	Compliance	Findings
4.4.6.1	All employees and contractors shall be appropriately trained. A training	<input checked="" type="checkbox"/> Yes	Viewed in the file ref: LAPOM1-FRM 301.9 titled Training Plan Year 2020, approved and



	programme shall include regular assessment of training needs and documentation, including records of training.	<input type="checkbox"/> No <input type="checkbox"/> OFI	signed by the Mill Manager, all employees were appropriately trained. As for the contractors and suppliers, they are required to attend the Safety, Health, Environment and Quality briefing. Records of training are view in the folder I) LAPOM1-FRM 603.3 : Borang latihan ERP-Dril Tumpahan/Kecemasan LAPOM1-FRMxx: Tatacara Operasi dan Kerja Selamat.
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programs in order to provide the specific skill and competency required to all employees based on their job description.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The training program and plan for the mill is based on Training Recommendations for Mill Personnel, attached at the folder ref: LAPOM-SOP 301 : Kecekapan, Latihan & Kesedaran, established and updated on 01-01-2017, approved and signed by the Mill Manager.
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 type="checkbox"/> No <input checked="" type="checkbox"/> OFI	The continuous training program for 2019 can be viewed at the file ref: LAPOM1 SAFETY AND HEALTH PROGRAMMES FOR FINANCI and LAPOM1 MASTER TRAINING MATRIX/PLAN, prepared by the Mill Engineer, approved and signed by the Mill Manager. However, these documents are not dated.

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 and Sustainability Policy for Lubok Antu Palm Oil Mill 1 was established on 1 st April 2020, approved and signed by the general manager, Mr Joseph Blandoi. The environmental management plan is found to be in compliance with existing state environmental laws . The Policy is being displayed publicly at the Notice Board of the Administrative Office. Based on the information obtained from the interviews of some staff the Environmental management plan is being communicated to



			the staff as well as being implemented. Ref. LAPOM 1 File MSPO Policy).
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	a) LAPOM1 environment policy was established on 1 st April 2020, approved and signed by the general manager. The Policy has very clear objectives. b) Noted also that LAPOM1-FRM 601.1 Form (Issued on 11.05.2017) entitled Identification of Environmental Aspects and Evaluation of Significance was approved and signed by Joseph Ratan (Mill Engineer). The aspects and impacts of various operations are evaluated using the FRM 601.1 Form.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	It is Noted that document LAPOM 1-FRM 601.1 Mengenalpasti Aspek & Penilaian Impek Alam Sekitar is used to develop the action plans and recommendations to mitigate the negative effects and to promote the positive impacts.
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A programme to promote the positive impacts is noted and is clearly stated in the Continuous Improvement Programme (LAPOM 1) issued in December 2017 and signed by the Mill manager. Ref. LAPOM 1 - Environment Aspect & Impact (Principle 5, or P5)
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Verified that the documented training programme had been established and implemented as shown in a) File LAPOM 1 - Training Competence. There are comprehensive Training matrices prepared and signed by the Mill Engineer (Gita Enggam). In-house Training records and records of MSPO workshops are also sighted in File LAPOM 1 - Training Competence. b) File Operation and Safety Training (2017-2020)
	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The two Folders, File LAPOM 1 - Training Competence and File Operation and Safety Training, also show the records of regular meetings and discussions or consultation with

discussed.

employees in relation to environmental quality issues.

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	There is definite plan to optimise and monitor the consumption of non-renewable energy since 2015. The Folder - Environment Aspect & Impact (P5) shows the records of diesel usage on monthly basis compared to FFB processed. The monthly diesel consumption during 2017, for example, is used to budget monthly diesel usage for 2018. It is noted that diesel usage for 2018 is lower compare to the budget.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There is an estimate on the direct usage of non-RE (diesel) for the processing of FFB. The monthly diesel consumption during 2017, for example, is used to budget monthly diesel usage for 2018. It is noted that diesel usage for 2018 is lower compare to the budget. The monitoring of the usage of RE facilitates the efficiency of energy usage. There are also records of electricity usage for the Office, Processing Area and Housing Area for: a) 03/2013 - 07/2013 and b) 01/2017-02/2017; 08/2017 - 12/2017. Ref: Folder - Environment Aspect & Impact (P5).
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	Renewable energy from the steam turbine system is used at the POM, office and housing quarters when there is processing of FFB. Diesel generated power will be used when there is no processing of FFB. Sited from the Folder are records of Fibre and Shell usage for electricity generation in 2018. Ref: Folder - Environment Aspect & Impact (P5).

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	LAPOM 1 staff are aware of the various types of wastes such as Plastic bottle, food, drink container, etc.; Food & drink paper wrapper;



		<input type="checkbox"/> OFI	Used Paper; Used Tyre; Used Lubricating Oil; etc. There are also waste records from 01/2018 to 08/2018 comprising the followings: a) POME (open system) (50,448.55 KG); b) EFB dumping (18,509.7 KG); c) Domestic Waste from (1122.39 KG); d) Shell & Fibre (13,193.07 KG); and e) Decanter (2,432.31 KG).
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution; b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> OFI	A waste management plan need to be properly developed.
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	There is SOP known as SALCRA General Procedure Guideline for Handling of Wastes (N0: GPG 7.5) dated 01.10.2018 and signed by the General manager, Datu Vasco Sabat Singkang. There is also Manual Procedure for Operatipnal Contropl of Scheduled Wastes. This Manual is known as LAPOM -SOP 403 dated 01.01.2017. This comprises: a) Jadual Ke 2: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual) 2005; b) Jadual ke 5: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual)2005; c) Jadual ke 6: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual)2005; d) Jadual ke 7: Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual)2005; The Scheduled wastes are disposed of by selected Contractor. Ref: LAPOM File -Environment Aspect & Impact
4.5.3.4	Domestic waste should be	<input checked="" type="checkbox"/> Yes	As comfirm by mill management, domestic

disposed as such to minimize the risk of contamination of the environment and watercourse.

No
 OFI

wastes from LAPOM 1 are collected by the Lubok Antu Municipal council once a week to be disposed at its two dumpsites, either the dumpsite sited at Jalan Emplam, Engkilili or at Jalan Batu kaya, Lubok Antu.

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	<p>Noted that LAPOM1-FRM 601.1 Form (Issued on 01.01.2017) entitled "Identification of Environmental Aspects and Evaluation of Significance" was approved and signed by EMR/Deputy EMR. The FRM Form has two main columns - Aspect & Impact Identification; and Impacts Evaluation.</p> <p>The aspects and impacts of various operations are evaluated using the FRM 601.1 Form at its 22 Work Stations. These are: 1. Operasi Menimbang Buah Sawit & Hasil, 2. Stesen Penerimaan BTS (FFB), 3. Loading Ram, 4. Stesen Pengukusan BTS, 5. Stesen Peleraian dan Tapak Pembuangan EFB, 6. Stesen Pemerah & Penghadaman, 7. Stesen Bilik Minyak, 8. Stesen Kekeras & Isirong, 9. Tangki Simpan Minyak Sawit, 10. Loji Rawatan Effluent, 11. Loji Rawatan Air merah, 12. Dandang Tiub Air, 13. Stesen Janakuasa, 14. Makmal, 15. Bengkel, 16. Bahan Buangan Terjadual, 17. Stor, 18. Tangki Simpan Diesel, 19. Mill Compound 20. Pejabat, 21. SES Plant, 22. Pembuangan Decanter Cake (kontraktor).</p> <p><u>Waste Records for Jan.2018 to Dec. 2018</u></p> <p>Internal document shows the quantity of wastes as followed:</p> <p>a) POME (Open system): 50,448 KG b) EFB dumping: 18,510 KG c) Domestic wastes: 1,122.4 KG d) Shell & Fibre: 13,193.1 KG e) Decanter: 2,432 KG</p> <p><u>GHG Measurement (Ref: GHG Emission Assessment File)</u></p>



LAPOM 1 also calculated GHG emission from fuel usage, Electricity and Industrial process (POME). The estimated GHG Value for the period Jan 2018 to Dec 2018 is shown below:

Material	Total	Unit	EF	GHG V
Electricity	206,357	KWH	0.89	183,658
Diesel	18,118	Liter	3.14	56,891
POME	50,449	KG	0.16	8,072
EFB dumping	18,510	KG	1.13	20,916
Total				269537

Source of EF - ISC20511-03-15, V2.3EU;

Biograce 2011; IFEU 2009; BLE 2010; Stitchnote et.AI (2010) & IFEU 2009.

Effluent Discharge Flow Rate

Noted that LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment Plant LAPOM 1). The Log Sheet shows the daily rate of effluent discharge. For example, on 16.04.2020 at 0900 hour the flow meter reading showed that at the flow through the Inlet was 586326 cu.M while at the outlet 548622 cu.M.

Monthly Analysis of Effluent Discharge

The quality of effluent discharge is analysed monthly since LAPOM commenced operation. The Parameters and the results for sample taken on 14.05.2020 is shown below.

Parameters	Inlet	Outlet
pH	7.86	7.83
COD mg/L	1,315	747
BOD mg/L	58	12
SS mg/L	107	32
TS mg/L	1,545	1,365
NH3-N mg/L	21.28	1.96
Total N mg/L	35.40	12.74
O&G	3.5	2.5

Ref: File Effluent Sampling Report (LAPOM 1)

Stack Emission Monitoring

Stack emission is being monitored on daily basis by Sonique Engineering Sdn Bhd. (Ref: File



			CEMS & Stack Sampling) as per requirement of the EQ (Clean Air) Regulations 2014 to ensure that the Second Schedule Emission Limit (150g/cu.m) is complied with. LAPOM 1 is no longer in operation and so the last monitoring was conducted on 30.11.2019.																											
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	The action plan to reduce the identified significant pollutants and emissions can be viewed in LAPOM 1 file (Environment Aspect & Impact: 2017-2019) endorsed by the Mill Manager dated 04.09.2018.																											
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	<p>Noted that LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment Plant LAPOM 1). The Log Sheet shows the daily rate of effluent discharge. It shows compliance with standards as stipulated in the relevant Environment Quality. The average outlet discharge of treated effluent is within the limits of state and national policies and regulations.</p> <p>The quality of effluent discharge is analysed monthly since LAPOM commenced operation. The Parameters and the results for sample taken on 14.05.2020 is shown below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Parameters</th> <th style="width: 20%;">Inlet</th> <th style="width: 20%;">Outlet</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.86</td> <td>7.83</td> </tr> <tr> <td>COD mg/L</td> <td>1,315</td> <td>747</td> </tr> <tr> <td>BOD mg/L</td> <td>58</td> <td>12</td> </tr> <tr> <td>SS mg/L</td> <td>107</td> <td>32</td> </tr> <tr> <td>TS mg/L</td> <td>1,545</td> <td>1,365</td> </tr> <tr> <td>NH3-N mg/L</td> <td>21.28</td> <td>1.96</td> </tr> <tr> <td>Total N mg/L</td> <td>35.40</td> <td>12.74</td> </tr> <tr> <td>O&G</td> <td>3.5</td> <td>2.5</td> </tr> </tbody> </table> <p>The quality of discharge effluent complies with the existing standards. Ref: File Effluent Sampling Report (LAPOM 1)</p>	Parameters	Inlet	Outlet	pH	7.86	7.83	COD mg/L	1,315	747	BOD mg/L	58	12	SS mg/L	107	32	TS mg/L	1,545	1,365	NH3-N mg/L	21.28	1.96	Total N mg/L	35.40	12.74	O&G	3.5	2.5
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Criterion 4.5.5: Natural water resources

Indicator	Requirement	Compliance	Findings
4.5.5.1.	The management shall establish water management plans to	<input checked="" type="checkbox"/> Yes	There is Water Management Plan (WMP) already established in order to promote the



	maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	<input type="checkbox"/> No <input type="checkbox"/> OFI	efficient use of water and meet the water conservation requirements under Sarawak Water Resources Enactment 1998 and the water quality criteria are based on the National Water Quality Standards for Malaysia. The WMP document were prepared and reviewed by a team led by the Mill Engineer (Joseph Ratan) and Approved by the Mill Manger on 03 January 2018. Ref: LAPOM 1 File - Environment Aspect & Impact.
A.	Assessment of water usage and sources.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The sources of water for the Mill come from Sg. Merio and also from the harvesting of rain water. The water is being treated by the Mill's own water treatment plant. The LAPOM 1 WMP is comprehensive in its monitoring of monthly water usage (cu.M) by various process including for boiler operation, engine room operation, kernel plant operation, Press station operation, housing usage and other usage. Ref. File Water Management Plan.
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	Noted that LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment Plant LAPON 1). The Log Sheet shows the daily rate of effluent discharge. It shows compliance with standards as stipulated in the relevant Environment Quality. The average outlet discharge of treated effluent is within the limits of state and national policies and regulations.
	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	The LAPOM 1 WMP also include ways to optimizes water usage as well as being outline in the Contingency Plan During Water Management Issue for year 2017/2018 endorsed by the Mill manager on 03 January 2018. Among the measures considered include: to obtain water supply from other water source such as the harvesting of rainwater, to train staff & workers to take necessary steps to conserve water, to install steam turbine excess cooling water recycle system and to perform treatment of polluted water (Lapom 1 File :Environment Aspect &



			Impact).
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	Noted that LAPOM 1 keeps Effluent Treatment Plant Daily Log Sheet (Ref. File Effluent Treatment Plant LAPOM 1). The Log Sheet shows the daily rate of effluent discharge. This data facilitates the measures to gradually phase out the discharge rate into Sg. Merio in accordance to the applicable state or national regulations.

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	Mill has 29 documented SOPs : LAPOM - SOP 101-107, 201-202, 301, 401-405, 501-505, 601-603, 701-703, 801-802, 901-903. Occupational Health & safety Policy, Legal Policy, Objectives, Internal & External Communication, Internal Audit, Management Review, Control of Documents, Record Control, Competence, Training & Awareness, Control of Suppliers & Contractors, Chemical Control, Mill Maintenance, Control of Solid Waste, Operational control, cleaning & sanitation, Control of Effluent Pond, Desludging, Evaluation of Environmental Impact, Emergency and Preparedness & Response, Environmental Monitoring & Measurement, Calibration, Purchasing, Customer Complaints, Covid 19 Control, Traceability procedures. All procedures are sighted and verified.
4.6.6.2	All palm oil mills shall implement best practices.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mill implements Best Practices based on Manual and Practices as Guidelines.

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Management Plan for LAPOM1 is documented on annual basis. Viewed LAPOM1 Management Plan (Budget) for 2019-2023.

attention to economic and financial viability through long-term management planning.		Budget Framework: * Zero based and Activity based Budgeting technique * Use of Balanced Scorecard Management System Strategic Planning time frame - 5 Years. Sighted and verified.
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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	SALCRA product & services pricing is the responsibility of Marketing & Sales Dept @ HQ. FFB purchase price: <ul style="list-style-type: none"> For smallholders purchase price is advised daily from HQ [mechanism – average bunch pricing] For bigger supplier actual price given is informed monthly by HQ. Example May pricing is given in June. CPO / PK pricing computation is also issued monthly from HQ. Price determinants are MPOB, Peninsula Malaysia rates, selling & distribution costs, Viewed & verified doc Memo Purchase prices of FFB by LAPOM2 for May 2020 dd 09 06 2020.
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	Viewed and Verified Contract Agreement with : <ol style="list-style-type: none"> Salcra Jaya Sdn Bhd on transportation of CPO dd 23 January 20-17. Master Palm Enterprise wioth LAPOM, dd 29th June 2018 - Purchase of Palm Kernel Shell (PKS). Viewed contract - Evidenced in terms and contract conditions is fair and legally enforceable.

Criterion 4.6.4: Contractor

Indicator	Requirement	Compliance	Findings
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Evidenced noted: <ol style="list-style-type: none"> Briefing on MSPO Introduction and Salcra's Policies to Mill's Stakeholders on 26th June 2018., attended by 53 persons. (Ref.: 06/SAL/HQ/ES/9b/2018) Viewed and verified compliance.



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	Viewed and Verified Contract Agreement with : 1.Salcra Jaya Sdn Bhd on transportation of CPO dd 23 January 2017. 2.Master Palm Enterprise with LAPOM, dd 29 th June 2018 - Purchase of Palm Kernel Shell (PKS). Viewed contract - Evidenced in terms and contract conditions is fair and legally enforceable.
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Physical inspection conducted on both days during this Surveillance Audit.
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Controls points at LAPOM <ul style="list-style-type: none"> • Mill entrance by Auxilliary police • RAMP by Grader • Mill sites – by Mill Engineer • Office – Finance & Admin Viewed all related documentations. In compliance

5.2. SUMMARY OF FINDINGS

5.2.1. SUMMARY OF FINDINGS

Principles	P1	P2	P3	P4	P5	P6	Total
No of OFI: Opportunity for Improvement	0	0	1	3	1	0	5
No of NC: Non-Conformance	0	0	0	0	0	0	0
Total	0	0	1	3	1	0	5

1.

Criterion 4.3.2: Land Use Rights

Indicator	Requirement	Compliance	Findings
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Inspected Legal perimeter boundary marker located @ Geo coordinate N01° 04' 01.9" E110° 43' 08.5". Marker identified by a stick pole painted yellow planted on the ground. Boundary peg need to be replaced and to be in conformity to standard peg of Land and Survey Dept.

2.

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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Social Impact Assessment of Lubok Antu Oil Pam Mill 1, dated 15 th January 2019, is reported as per Social Impact Matrix, Prepared by Mill Engineer, David Balai and Endorsed by Mill Manager, Mr Gira Enggam. The actual Social Impact Assessment is unavailable. Social component is not documented.

3.

Criterion 4.4.5: Employment conditions

Indicator	Requirement	Compliance	Findings
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	During site visit to the workers' quarters were more than adequate and habitable with basic amenities and facilities. 4. However, the inhabitants should take care of the cleanliness of the compounds especially the drains.[blocked drain].

			<p>5. Chicken sheds were found too close to the living quarters, health hazard to residents.</p> <p>6. Domestic waste were also found being thrown indiscriminately around the living quarters.</p> <p>4. Empty Chemical Drum sighted at Living Quarters.</p>
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4.

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 type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>The continuous training program for 2019 can be viewed at the file ref: LAPOM1 SAFETY AND HEALTH PROGRAMMES FOR FINANCI and LAPOM1 MASTER TRAINING MATRIX/PLAN,</p> <p>prepared by the Mill Engineer, approved and signed by the Mill Manager.</p> <p>However, these documents are not dated.</p>

5.

Criterion 4.5.3: Waste management and disposal

Indicator	Requirement	Compliance	Findings
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution;</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>A waste management plan need to be properly developed.</p>

5.3. STAKEHOLDERS' CONSULTATION REPORT

Company Name:	Lubok Antu Palm Oil Mill 1		
Standard(s):	<input type="checkbox"/> MS 2530-2:2013	<input type="checkbox"/> MS 2530-3:2013	<input checked="" type="checkbox"/> MS 2530-4:2013
Consultation Date:	08/07/2020 & 09/07/2020		
Stakeholder Name:	1. Simon Anak Bangau 2. Baling Anak Janting 3. Alexander Goh Boon Ping		
Stakeholder Group: (Can refer to Appendix 1 of ACB-OPMC 4)	1. Mandore (Internal Stakeholders) 2. Local community(Land Owner) as well as Mill Supervisor Contractor (External Stakeholders)		
Consultation Technique: (Can select more than one)	<input checked="" type="checkbox"/> Meeting (to submit list of participants if available) <input type="checkbox"/> Phone interview <input type="checkbox"/> Written views and comments (mail, email etc. based on pre-determined questions) <input type="checkbox"/> Research (internet, journal or other credible literature sources)		

	Criteria	Result	Remarks
1.	Is this stakeholder register in the organization's stakeholder list?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Notionally yes, as noted in the LAPOM2 List of Stakeholders.</i>
2.	Based on input received, is transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>Needs further improvement especially with respect to communication between the mill and the local communities.</i>
3.	Any feedback, complaint or grievances raised by this 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	
4.	If (3) above is Yes, is 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	Salcra-owned.
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	



	been, or in progress of being resolved?)		
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	


Remarks, comments and opportunities for improvement:


A total of 3 stakeholders were interviewed, 1 Mandore, 1 land owner(participant) of Salcra Plantation and 1 FFB Transport Contractor during this Surveillance Audit. They represent the local communities around the mill in the vicinity of LAPOM1 and LAPOM2.

- A common view shared was that the Mill management had been proactive in community service for which the stakeholders were appreciative.
- All three of them are all aware of the MSPO Certification Process undertaken by LAPOM.
- As for the Internal Stakeholders, it was suggested that LAPOM to help provide transportation for their children to and from their schools as well as transportation for staff to and from their living quarters in order to ease their dependence on their own.
- Work environment and staff/workers association - acceptable and deem harmonious.

Other Comments:

- Mill Ramp a bit too steep, need to extend to ease mobility of lorries and other transport.
- FFB prices ought to be competitive to attract more suppliers.
- Drainage around mill and living quarters need to be maintained well.
- Landowners request for Salcra to monitor the TKI's job performance to improve on FFB production.
- Contractors on Service Order Contract request for a better term of contract, especially the duration of contract to a longer term for better investment opportunity.

5.4. AUDIT CONCLUSION		
	Summary Statement of Lead Auditor	Signature
	<p><u>Background</u></p> <p>It is informed to the Audit Team that LAPOM 1 milling operation had been suspended since November, 2019 and since then the milling operations had been merged with LAPOM2. Effective June 2020 all staffs and workers of LAPOM 1 had been either absorbed to LAPOM 2 or reassigned to other operational unit of SALCRA organization.</p> <p>The purpose of this Audit is</p> <ul style="list-style-type: none"> To evaluate the implementation, including effectiveness, of Lubok Antu Palm Oil Mill 1 management systems To confirm that Lubok Antu Palm Oil Mill 1 [LAPOM1] management system fulfil requirements of the MSPO Standards. <p>The Surveillance Audit was undertaken for 6 mandays; work performed include documentation audit, site and facilities audit, mill and milling operations.</p> <p>8 NC reported as findings in the Surveillance Audit Year 1 were verified as closed out.</p> <p>Overall, it is concluded that LAPOM1 management systems continue to fulfil the requirements of the MSPO Standards MS2530-4:2013.</p> <p>It is the Lead Auditor opinion that the Certification of LAPOM1 under the Standards be continued. The findings [OFI] and corrective action report however had to be closed out.</p>	 Wilfred S Landong Date: 09 07 2020

5.5.	ACKNOWLEDGEMENT BY AUDITEE	Job Title: Mill Manager	Signature
	This is to acknowledge and confirm the Audit Visits/Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.		 Puan Penny Nyapay Mill Manager Date: 10 07 2020

5.6. CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY

Corrective Action Reports were raised on 10 07 2020

The Corrective Action Reports were closed out by Lead Auditor on 29 08 2020

BQAS Certification [M] Sdn Bhd
REG No: 1179994-X
CB No: ACB MSPO CB 15

SALCRA – LUBOK ANTU PALM OIL MILL 1

Ref No: BQ/SLAPOM1/SVA2/07/20

Date: 30 09 2020



6.0. OFFICIAL SIGN OFF

6.1. ASSESSMENT RECOMMENDATION: LEAD AUDITOR

Based on the Findings/Action taken by Auditee/Closures above, LAPOM 1 – Lubok Antu Palm Oil Mill 1 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 LAPOM 1 be maintained.

Wilfred S Landong

30 08 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 SALCRA – Lubok Antu Palm Oil Mill 1 under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.

Maxwell Stephen

15 09 2020

7.0. CONCLUSION

7.1. CERTIFICATION: BQAS MANAGEMENT

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

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

7.2. PLAN FOR NEXT SURVEILLANCE AUDIT

Surveillance Audit Year 02 was delayed due to COVID19 Movement Control Order as enforced by Malaysian government authorities.

Surveillance Audit Year 03 will revert back to be in compliance with BAPOM official date of Certification.

Surveillance Audit Year 03 is scheduled to be by March, 2020

8.0. ATTACHMENTS – nil

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).