



MSPO SURVEILLANCE CERTIFICATION SUMMARY REPORT [YEAR 02] 2020



SALCRA

LUBOK ANTU PALM OIL MILL 2

Lot 25, Block 13, Marup Land District, km13, Jalan Ridan, Lubok Antu,
95900, Sri Aman



BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2nd Floor, Block A, King Center,
Simpang Tiga, 93350, Kuching, Sarawak.

Tel: 082 572 043

Email: bqassb@gmail.com

Website: www.bqas.com.my

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 2

Ref No: BQ/SLAPOM2/SVA2/07/20

Date: 30 09 2020



CERTIFIED ENTITY		SALCRA – LUBOK ANTU PALM OIL MILL 2	
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 checked="" type="checkbox"/> Group
Project Ref No:	BQ/SLAPOM2/SVA2/07/2020		
MSPO Certificate No:	BQAS P4 023-5 0420		
MSPO Certificate Validity:	14 04 2018 – 13 04 2023	Certified since 14 04 2018	
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:	Kilang Kelapa Sawit Lubok Antu [new], Lot 25, Block 13, Marup Land District, Lubok Antu, 95900, Sri Aman		
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	
Email / Website:	bqassb@gmail.com	www.bqas.com.my	

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EXECUTIVE SUMMARY

LAPOM 2 [Lubok Antu Palm Oil Mill 2] is wholly owned by SALCRA [Sarawak Land Consolidation Rehabilitation Authority]. This is a Surveillance Certification Report Year 2 [third year of certification] for LAPOM 2 & scope is individual certification of LAPOM 2 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.

LAPOM 2 is located at Lot 25, Block 13, Marup Land District, Lubok Antu, 95900, Sri Aman, Sarawak. The Mill Site is situated at Geo-coordinates N01° 10' 4.82" E111° 45' 20.44"; next to SALCRA LAPOM 1; 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 2:

No of Employees	<ul style="list-style-type: none"> • 224 [all locals] since June 2020
MPOB License No / Expiry date	<ul style="list-style-type: none"> • No: 5002 2920 4000 / Expiry: 31/10/2020
Production Capacity	<ul style="list-style-type: none"> • 60 MT of fresh fruit bunch (FFB) per hour
FFB supply base	<ul style="list-style-type: none"> • Mainly SALCRA owned plantations & other dealers, plantations & smallholders in Lubok Antu District and surrounding areas.
Annual Production Quota	<ul style="list-style-type: none"> • 200,000 MT
Actual volume of FFB processed for 2019	<ul style="list-style-type: none"> • 220,407.77 MT
Projected volume of FFB processed for 2020	<ul style="list-style-type: none"> • 306,112 MT
Extraction Ratio	<ul style="list-style-type: none"> • Oil extraction ratio @ 20.70% • Kernel extraction ratio @ 5.05%
Actual production volume for 2019	<ul style="list-style-type: none"> • Crude Palm Oil @43,874.66 MT • Palm Kernel @8,464.54 MT
Projected production volume for 2020	<ul style="list-style-type: none"> • Crude Palm Oil @67,200 MT • Palm Kernel @13,775 MT
Projected pricing for 2020	<ul style="list-style-type: none"> • CPO @ RM1,960 per MT • PK @ RM1,290 per MT

The Surveillance Audit was conducted on 10 07 2020 to 11 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 2 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 6 findings classified as OFI [opportunity for improvements] on criteria 4.1.4 Continuous Improvements, 4.3.2 Land use rights, 4.4.1. Social Impact Assessments, 4.4.4 Employee Safety & Health, 4.4.5. employment conditions [staff living quarters] & 4.5.3.2 Waste management & disposal.

Corrective action reports were raised on 11 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 2 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 2 include treated water, domestic waste collection & disposal, electricity and telecommunication services.

LAPOM 2 has continuously complied & conformed to MSPO Certification standards, conditions & requirements. Conclusively, the Lead Auditor therefore recommended that LAPOM 2 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 checked="" type="checkbox"/>	Nil
		<input checked="" type="checkbox"/>	
		<input checked="" type="checkbox"/>	

GROUP [MULTI SITES] CERTIFICATION

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

Standard(s):

 MS 2530-1 MS 2530-2 MS 2530-3 MS 2530-4

Other Standard and/or Edition:

MSPO SCCS

2.0. INFORMATION: CERTIFIED ENTITY

LUBOK ANTU PALM OIL MILL 2

INFORMATION	CERTIFIED ENTITY		
Company Name	SALCRA LUBOK ANTU PALM OIL MILL 2 (LAPOM 2)		
Company Registration No:			
Main Address:	Wisma SALCRA, NO 1, Lot 2220, Block 26, MTLD Jalan Datuk Mohd Musa, 94300, Kota Samarahan, Sarawak, Malaysia		
Site Name:	SALCRA LUBOK ANTU PALM OIL MILL 2 (LAPOM 2)		
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill	
Site Address:	Lot 25, Block 13, Marup Land District, Lubok Antu, 95900 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.			
Headcount: [Before June 2020]	Local: 136	Foreign:	Total: 136
Headcount: [After June 2020]]	Local: 224	Foreign:	Total: 224
MS 2530-4:2013 General Principles for Palm Oil Mills			
MPOB License No: 615943004000	Expiry Date: 31-10-2020		
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:	60MT/Hour
OER Extraction Ratio: 20.70%	KER Extraction Ratio: 5.05%
PK Production Volume(actual) 2019: 8,464.54 MT	PK Production (estimate) 2020: 13,775 MT
Actual: 2019	Forecast: 2020
PK Average Pricing: RM1,536.25/MT	PK Average Pricing: RM1,290/MT
CPO Production Volume: 43,874.66 MT	CPO Production: 67,200 MT
CPO Pricing: RM2,006.04/MT	CPO Pricing: RM1,960/MT
FFB Volume: 220,407.77 MT	FFB Volume: 306,112 MT
Main Sources of FFB:	SALCRA Estates
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' 4.82" E111° 45' 20.44"
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	<ul style="list-style-type: none"> Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders Observation of process & activities Review of documentations & records Site visits Field inspections
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> Assessing past implementations from records, reports of the management system <p>Practice</p> <ul style="list-style-type: none"> Assessing current implementation from observing current practices <p>People</p> <ul style="list-style-type: none"> Assessing future maintenance from interviewing personnel on understanding & assessing competencies.

Surveillance Audit		Audit Findings Classification	
Term	Meaning	Description	
YES	Compliance	•	Fulfilled requirement of audited standard
OFI	Opportunity for improvements	•	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	•	Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	•	Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.



4.0. ASSESSMENT PROCESS

4.1. AUDIT TEAM

Assessment Stage	Name	Role
Surveillance Year 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

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: 10 07 2020 – 11 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 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 penambahakan 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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Internal Audit is planned and conducted annually. 2019 IA conducted on 20 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. 12 findings were recorded as issue of concern. Noted response to issue of concern on Traceability; letter of appointment as Traceability personnel to Cik Diklawilla anak Jawak as sample evidence of action taken.
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 was presented to & reviewed by SALCRA Management team led by the Plantation Development Manager.

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Management Review is conducted at least once a year by the MSPO Steering Committee chaired by the Plantation



requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

Development Manager.
 Viewed Minutes of meeting of MSPO steering committee dated 21 11 2019

Criterion 4.1.4: Continuous Improvement

Indicator	Requirement	Compliance	Findings
4.1.4.1 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 checked="" type="checkbox"/> OFI	Noted Mill Improvement program for FY 20/21 dated 6 July 2020 on <ul style="list-style-type: none"> ● ISO certification ● Construction of sump pit ● Installation of ESP [electrostatic precipitator] ● Methane Gas trapping ● CPO [crude palm oil] washing machine These action plans do not seem to consider the main social impact factor on continual improvement. Not evidenced in the tabulated plan. More detailed documentation may be required to ensure better understanding by all involved in implementing the plan.
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 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 gas trapper - environmental improvement to manage POME to provide renewable energy. ● CPO wash machine to enhance the oil and water separation in the milling process by de-emulsifying the third layer in the clarification tanks cleaning crude CPO of 3 MCPO [monochloro propane]

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 the following activities & communication with stakeholders' regarding MSPO and pertinent legal issues:</p> <ul style="list-style-type: none"> Briefing on MSPO introduction and Salcra;s policies to Mill stakeholders on 26th June, 2018. Attended by 51 stakeholders. Perjumpaan dengan pekebun kecil Engkelili and Lubok Antu on 24th April 2019. Briefing on MSPO and registration as FFB suppliers. <p>Conducted in Bahasa. Confirmed compliance</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>Viewed and noted:</p> <ul style="list-style-type: none"> Relevant Public information are posted at the entrance to Mill, at reception hall in main office, at ramp and appropriate mill sites [facilities] <p>Dual language used [as mode of communication]; bahasa and english. Confirmed compliance.</p>

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>Procedure documented and viewed:</p> <ul style="list-style-type: none"> Internal & external communication procedure LAPOM2 - SOP 103 dated 11 05 2017 approved by Mill Manager <p>Verified compliance.</p>
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Joseph Ratan anak Nyandang [Mill Engineer] appointed as Wakil Kuasa untuk urusan MSPO 4 on 01 08 2017</p> <p>Verified and confirmed</p>
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Viewed in the file Kawalan Pembekal & Contractor list of stakeholders and various correspondences and communication with stakeholders'.</p> <p>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	Noted & viewed General procedure guidelines <ul style="list-style-type: none"> GPG 7.3 dated 01 09 2018 approved by General Manager; titled Traceability Procedure for FFB Production Traceability Procedure LAPOM2 - SOP 903 dated 11 05 2017 approved by Mill Manager. Verified compliance
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 type="checkbox"/> OFI	Viewed and verified the Mill Engineers daily checking report [preventive maintenance program checklist] on various checking stations <ul style="list-style-type: none"> Loading ramp - conveyor, power pack Steriliser & indexer Marshalling yard - Tipper & transfer carriage EFB plant & thresher, heavy press fibre conveyor etc. Mill Manager does inspection at random and at least 3 times a week
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	Cik Diklawilla anak Jawak appointed as Traceability Officer on 12 September 2018 to implement and maintain 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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed and examined the control document on Records of storage, sales, delivery or transportation of crude palm oil and palm kernel; Doc ref "Daily FFB/production & stock/dispatch statement" [sample doc dated 31 01 2020] & LAPOM2 Laboratory & Monthly Summary Production Report for April 2020. <ul style="list-style-type: none"> 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 LAPOM 2 updated as at February 2020. [signed and approved by Legal and Secretarial Officer on February 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	Viewed and verified file 'Legal and other Requirements'. 62 lists of relevant local, national and ratified international laws and regulations are maintained in the legal register including Sarawak Ordinances & regulation.
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 LAPOM 2 updated as at 03 08 2020 with new addition.
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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Joseph Ratan anak Nyandang [Mill Engineer] appointed as Legal Compliance Officer on 12 09 2018

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	Neighbouring land surrounding the Mill are largely owned by Salcra. As such there do not occur any infringement or diminishing of land use rights of other users.
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	Parcel of land of Mill sites is owned by SALCRA. Registered as Lot 31 Block 13 MARUP land survey plan no N9-27-215-21; registered as Mixed zone country land [21.8ha] registered on 29 th September 2004 lease expiring September, 2056.
4.3.2.3 2	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 / viewed 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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SALCRA [LAPOM] land are purchased / acquired by legal agreement and attested by legal instruments [land title issued by Land & Survey, Sarawak] Verified and viewed all land titles.

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 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 3	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 dated 1 st January 2020, is reported as per Social Impact Matrix. 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



			singed 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 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	There are two types of forms for complaints, grievances and suggestions used by the mill, a standardized used across all SALCRA mills; Complaints and Grievances Forms 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. ● Financial assistant in organizing events of the surrounding villages and churches as recorded in CSR folder ● Donation to Fire Victims of Rh Panjai Lepan, Sayat, amounting to RM3,268.20 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 4	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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>The occupational safety and health policy has been standardized across SALCRA plantation and mills, established on 9th 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). Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The last meeting was held on 25th June 2020 at LAPOM 2 Meeting room.</p> <p>The minute can be viewed at the Health and Safety file, however, every minute of meetings need to be given reference number and shall be dated.</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: LAPOM2-FRM 603.1, established on 05/09/2017, revised on 12/07/2019, approved and signed by the mill manager.
LA	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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The training program should be based on the findings of Chemical Health Risk Assessment (CHRA) ref: CK/OSH109-0226/17, established on 23 rd March 2017, conducted by Chemsain Konsultant Sdn Bhd.



	adequately trained on safe working practices; and ii) all precautions attached to products should be properly observed and applied.		
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 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	The SOP for chemical handling and storage can be viewed in file ref: LAPOM2-SOP 404, titled Chemical Control, established on 11/05/2017, 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.
G. 5	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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The last meeting was held on 25 th June 2020 at LAPOM 2 Meeting rooms. The minute can be viewed at the Health as Safety file, however, every minute of meetings need to be given reference number and shall be dated.



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: LAPOM-SOP 602, titled Emergency Preparedness and Response, established on 11/05/2017, 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 audit, there are about 10 certified First-Aider and required to be a least one First-Aider at every station. 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. The latest incident recorded was on 25/04/2020. 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 around 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Based on one the workers pay slips and employment contracts, Mr Donny anak Liap, worked as Mandore in the processing station, his wages of the month of June 2020 found to meet legal or industry minimum standards as per collective agreement.



	minimum wage.		
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	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.
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 Mr Donny anak Liap seem to be fair and signed by the Mill manager. 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 Mr Donny anak Liap was viewed to be in line with legal regulations and collective agreements.
4.4.5.10	Other forms of social benefits should	<input checked="" type="checkbox"/> Yes	Based on Mr Donny Anak Liap's employment



	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 type="checkbox"/> No <input type="checkbox"/> OFI	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 the Unit Head and Station Engineers using the LAPOM2-FRM xxx form.
4.4.5.11 6	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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	The are no child labor employed at the mill.



minimum age shall comply with local, state and national legislation. OFI

Criterion 4.4.6: Training & Competency

Indicator	Requirement	Compliance	Findings
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed in the file ref: LAPOM2-FRMxx titled Training Plan Year 2020, approved and 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) LAPOM2-FRM 603.3 : Borang latihan ERP-Dril Tumpahan/Kecemasan II) LAPOM2-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: LAPOM2-FRM 602.3 & FRMxx : Kecekapan, Latihan & Kesedaran, established and updated on 10 th January, 2020, 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The continuous training program for 2020 - 2021 can be viewed at the file ref: LAPOM2-FRM 102.2 titled ISO\14001-2015 & ISO 45001 PHYSICAL PROJECT PLANNING Plan Year 2020, dated 3 rd August 2018 and MASTERLIST PROJECT PLANNING dated 30 th December 2018, prepared by the Mill Engineer, approved and signed by the Mill Manager.

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	LAPOM2 environment policy was established on 1 st April 2020, approved and signed by the general manager, Mr Joseph Blandoi. The environmental management plan that is found

	be established, effectively communicated and implemented.		to be in compliance with existing environmental laws is communicated to the staff and being implemented based on the interviews with some staff.
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	<p>a) LAPOM2 environment policy was established on 1st April 2020, approved and signed by the general manager.</p> <p>b) Noted that LAPOM2-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 Form.</p>
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	It is Noted that document LAPOM-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 Social Impact Assessment (SIA) of Lubok Antu Palm Oil Mill 2 dated 01.01.2020. The Programmes are endorsed and signed by the Mill Engineer, Mr. Joseph Ratan.
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	<p>Verified that the documented training programme had been established and implemented in file LAPOM MSPO Part4 & MSPO SCCS - Training, January to December 2020.</p> <p>Trainings and briefings conducted include the following:</p> <ul style="list-style-type: none"> • Pengurusan Sisa Terjadual on 06.07-2020 • Latihan dalaman Pengurusan Bahan Buangan Terjadual dated 07.07 09 2020 • Latihan Tumpahan Bahan Kimia on 06.07.2020 • ERP Drill on 07.07.2020 • Pengenalan ISO & MSPO on 06.07.2020 • There is also a Training Matrix on Safety And health for Year 2020 • There were also several case studies



			and workshops being conducted in 2019 as recorded in the said File.
	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The File LAPOM MSPO Part4 & MSPO SCCS - TRAINING, (January to December 2020) also shows the records of regular meetings and discussions or consultation with employees in relation to environmental quality issues. In addition, on the job briefings were also conducted by the personnel to the workers.

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. Sighted (Non-Renewable Energy Folder) were several years of record keeping on the usage of fuel (diesel) and electricity. Based on the consumption of 2019, baseline budget for 2020 was established. For example, for 06.2020 the fuel budget was 7,800 liters, but the actual consumption was less or 4,964 liters giving a variance of 4,964 liters. A similar records of electricity usage are also kept for use to optimise electricity consumption.								
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	Noted in the Folder of Non-renewable Energy are the estimated Budget 2020, for Diesel and Electricity: <ul style="list-style-type: none"> • Diesel Budget 2020 – 172,146 liters • Electricity Budget 2020 - 842,931KWh 								
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 from 2017 to June 2020. For 2020 the use of RE is shown below: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Month</th> <th>FFB (MT)</th> <th>Fibre (14%)</th> <th>Shell (3%)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>14,579</td> <td>2041.1</td> <td>437.4</td> </tr> </tbody> </table>	Month	FFB (MT)	Fibre (14%)	Shell (3%)	Jan	14,579	2041.1	437.4
Month	FFB (MT)	Fibre (14%)	Shell (3%)								
Jan	14,579	2041.1	437.4								



			Feb	16,437	2,301.2	493.1
			Mar	6,771	947.9	203.1
			Apr	11,149	1,560.8	334.4
			May	13,683	1,915.6	410.4
			Jun	20,654	2,891.6	619.6

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	The identification of waste products and sources of pollution have been conducted and the prepared list is verified by the Mill Engineer dated 08.07.2020 (Refer Waste management Folder). The waste list comprises: <ol style="list-style-type: none"> 1. Plastic bottle, food, drink container, etc.; 2. Food & drink paper wrapper; 3. Used Paper; 4. Old computer & printer; 5. Used Tyre; 6. Used Oil Filter; 7. Used vehicle / machinery battery; 8. Used Lubricating Oil; 9. Used Hydraulic Oil; and 10. Palm Oil Mill Effluent.
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: <ol style="list-style-type: none"> 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 type="checkbox"/> No <input checked="" type="checkbox"/> OFI	A waste management plan need to be properly documented
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	<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. In addition this GPG 7.5 are supplemented by: <ol style="list-style-type: none"> a) Jadual Ke 7 (Peraturan 13): Peraturan-Peraturan Kualiti Alam Sekililing (Buangan



	waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.		<p>Terjadual 1989)</p> <ul style="list-style-type: none"> - Kad maklumat SW305 (Minyak Pelincir Terpakai); - Kad Maklumat SW306 (Minyak Hidrolik Terpakai) <p>Also Peraturan-Peraturan Kualiti Alam Sekililing (Buangan Terjadual 2005)</p> <ul style="list-style-type: none"> - Kad Maklumat SW410 (Kain buruk, plastil, kertas atau turas yang dicermari dengan buangan terjadual). <p>b) Fifth Schedule (Regulation 11) EQA 1974 (EQ (Schedule Wastes) Regulation 2005 -Inventory of Schedule Wastes.</p> <p>c) Jadual Keempat (Peraturan 2) Buangan Terjadual Dengan Potensi ke Takserasian;</p> <p>d) Jadual Kedua: Notification of Scheduled Wastes (Regulation 3) EQA 1974; EQ (Scheduled Wastes Regulation 2005;</p> <p>e) EQ (Scheduled Wastes) Regulations 1989</p> <p>Sixth Schedule (Regulation 10) - Consignment Note for Scheduled Wastes.</p> <p>The Scheduled wastes are disposed of by selected Contractor.</p>
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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	As confirmed by mill management, domestic wastes from LAPOM 2 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, Engkillili or at Jalan Batu kaya, Lubok Antu.
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Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas

Indicator	Requirement	Compliance	Findings
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted that LAPOM2-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 Form has two main columns - Aspect & Impact Identification;



and Impacts Evaluation.

The Aspect and Impact Identification Column describes the:

- Activity/product/service;
- Type of Operation/Situation;
- Input (including Water, Energy, Resources);
- Output to Land, Water & Air;
- Impact.

The Impact Evaluation Column describe the criteria used to evaluate the significance of the impact which comprise legal severity, probability, Change, Damage, Interested parties, Public. The total score is calculated to determine the significance of the impacts.

The aspects and impacts of various operations are evaluated using the Form at its 20 Work Stations including OPerasi Menimbang Buah Sawit & Hasil, Stesen Penerimaan BTS (FFB), Loading Ram, Stesen Pengukusan BTS, Stesen Peleraian dan Tapak Pembuangan EFB, Stesen Pemerah & Penghadaman, Stesen Bilik Minyak, Stesen Kekeras & Isirong, Tangki Simpan Minyak Sawit, Loji Rawatan Effluent, Loji Rawatan Air merah, Dandang Tiub Air, Stesen Janakuasa, Makmal, Bengkel, Bahan Buangan Terjadual, Stor, Tangki Simpan Diesel, Mill Compound and Pejabat.

GHG Measurement (Ref: GHG Emission Assessment File)

LAPOM 2 also calculated GHG emission from fuel usage, Electricity and Industrial process (POME). The estimated GHG Value for the period Jan 2020 to Dec 2020 is shown below:

Material	Total	Unit	EF	GHG V
Electricity	327961	KWH	0.89	291885
Diesel	65744	Liter	3.14	206436
POME	56017	KG	0.16	8963
EFB dumping	19653	KG	1.13	22208
Total				529492

Source of EF - ISC20511-03-15, V2.3EU; Biograce 2011; IFEU 2009; BLE 2010; Stitchnote et.AI (2010) & IFEU 2009.



The GHG Value for 2019 - 1,375,495 & 2018 - 656691.

Other EF used include: Chemical -10.97;
 Lubricant - 0.95; Petrol - 3.17;
 Fertilizer (field application):
 N2O - 4.87; P2O5 - 1.01; K2O -0.57; MgO -1.06;
 CaO - 0.13.

Effluent Discharge Flow Rate

Noted also the daily rate of effluent discharge.
 For Jan-Jun 2020 the effluent volume was 51,124 Cu. M with the percentage to effluent of 61.39% from the FFB process of 83,272 MT.

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 11.06.2020 is shown below.

Parameters	Inlet	Outlet
pH	8.32	8.47
COD mg/L	1,351	901
BOD mg/L	33	5
SS mg/L	44	18
TS mg/L	3,108	1,206
NH3-N mg/L	3.08	2.66
Total N mg/L	20.34	15.72
O&G	3.5	2.0

Based on the quarterly return report for First Quarter (01.01.2020 to 31.03.2020) the analysis results show the followings:

a) Quarterly Production data

- i) Total CPO produced: 2,605.51 MT;
- ii) Total FFB Processed :12,595.61 MT;
- iii) Total Metered Water Consumption: 12,595.61 cu. M

b) Quarterly Result Summary

- i) The results for the parameters stated above are within the threshold limits.

Stack Emission Monitoring

Stack emission is being monitored on daily basis (Ref: File Stack Sampling & Smoke Density) as per requirement of the EQ (Clean Air)



			Regulations 2014 to ensure that the Second Schedule Emission Limit (150g/cu.m) is complied with.
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 respective LAPOM file endorsed by the Mill Manager.
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	The information in regards to POME, can be viewed in the Process Flow of the POME Treatment Plant Operation (LAPOM TETP File). It shows compliance with standards as stipulated in the relevant Environment Quality. The average final discharge of treated effluent as of 2019 was 177,207 cu.M, which is within the limits of state and national policies and regulations.

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There is Water Management Plan (WMP) already established in order to promote the 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 (Penny ak Nyapay) on 13 December 2017.
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 WMP is comprehensive in its monitoring of monthly water usage (cu.M) by various process including for boiler operation (14440), engine room operation (557), kernel plant operation (835), Press station operation (1949), housing usage (7103) and other usage (200). 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	The daily discharge is monitored. This gives the average final discharge of treated effluent as of 2019 was 177,207 cu.M, which 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 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 10 November 2017.
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	The process of open discharge of POME into a drainage that lead to Sungai Merio and monitoring of various water quality parameters can be viewed in file ref: TETP (Final Discharge Report).

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' : - POM 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.
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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	<p>Management Plan for LAPOM 2 is documented on annual basis. Viewed LAPOM 2 Management Plan (Budget) for 2020.</p> <p>Budget Framework:</p> <ul style="list-style-type: none"> • Zero based and Activity based Budgeting technique • Use of Balanced Scorecard Management System Strategic Planning time frame - 5 Years. <p>Sighted and verified.</p>

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	<p>SALCRA product & services pricing is the responsibility of Marketing & Sales Dept @ HQ.</p> <p>FFB purchase price:</p> <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. <p>CPO / PK pricing computation is also issued monthly from HQ.</p> <p>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.</p>
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Viewed and Verified Contract Agreement with :</p> <ol style="list-style-type: none"> 1. Salcra Jaya Sdn Bhd on transportation of CPO dd 23 January 20-17. 2. Teras Maju Enterprise Contract Agreement with LAPOM2, dd 17 June 2020. 3. Master Palm Enterprise wioth LA{POM2, dd 29th June 2018 - Purchase of Palm Kernel Shell (PKS). 4. Koperasi Permodalan Salcra Sarawak



Berhad with LAPOM2, dd 20th December 2018 - Purchase of Sludge Oil.
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"> Annual Training Plan on MSPO SEPOM FRM 301.6A – briefing to Contractors conducted in March, 2019. Contractor Agreement LAPOM DOC 401.1 dd 02 01 11 entitled "Keperluan Keselamatan, Kesihatan, Alam Sekitar, Keselamatan Makanan dan Kualiti untuk pembekal dan contractor" 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 : <ol style="list-style-type: none"> Salcra Jaya Sdn Bhd on transportation of CPO dd 23 January 2017. 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 Auxiliary police RAMP by Grader Mill sites – by Mill Engineer Office – Finance & Admin Viewed all related documentations. In compliance

5.2. SUMMARY OF FINDINGS

Principles	P1	P2	P3	P4	P5	P6	Total
No of OFI: Opportunity for Improvement	1	0	1	3	1	0	6
No of NC: Non-Conformance	0	0	0	0	0	0	0
Total	1	0	1	3	1	0	6

Criterion 4.1.4: Continuous Improvement

1.

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 checked="" type="checkbox"/> OFI	<p>Noted Mill Improvement program for FY 20/21 dated 6 July 2020 on</p> <ul style="list-style-type: none"> • ISO certification • Construction of sump pit • Installation of ESP [electrostatic precipitator] • Methane Gas trapping • CPO [crude palm oil] washing machine <p>These action plans do not seem to consider the main social impact factor on continual improvement. Not evidenced in the tabulated plan. More detailed documentation may be required to ensure better understanding by all involved in implementing the plan.</p>

Criterion 4.3.2: Land Use Rights

2.

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	<p>Inspected / viewed 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.</p>

Criterion 4.4.1: Social impact assessment (SIA)

3.

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	<p>Social Impact Assessment of Lubok Antu Oil Pam Mill dated 1st January 2020, is reported as per Social Impact Matrix. The actual Social Impact Assessment is unavailable. Social component is not documented.</p>

Criterion 4.4.4: Employees safety and health	4.
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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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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). Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The last meeting was held on 25 th June 2020 at LAPOM 2 Meeting room. The minute can be viewed at the Health and Safety file, however, every minute of meetings need to be given reference number and shall be dated.
4.4.4.2	The occupational safety and health plan shall cover the following:		
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Safety and Health issues were discussed and documented in the Occupational Safety and Health Committee minutes of meeting. The last meeting was held on 25 th June 2020 at LAPOM 2 Meeting rooms. The minute can be viewed at the Health and Safety file, however, every minute of meetings need to be given reference number and shall be dated.

Criterion 4.4.5: Employment conditions	5.
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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. <ul style="list-style-type: none"> ● However, the inhabitants should take care of the cleanliness of the compounds especially the drains.[blocked drain]. ● Chicken sheds were found too close to the living quarters, health hazard to



residents.

- Domestic waste were also found being thrown indiscriminately around the living quarters.
- Empty Chemical Drum sighted at housing compound

Criterion 4.5.3: Waste management and disposal
6.

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

5.3. STAKEHOLDERS' CONSULTATION REPORT

Note: Stakeholders' Consultation for LAPOM 1 & 2 are combined.

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	<input checked="" type="checkbox"/> Yes	Notionally yes, as noted in the LAPOM2

	stakeholder list?	<input type="checkbox"/> No	List of Stakeholders.
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	Needs further improvement especially with respect to communication between the mill and the local communities.
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 been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8.	Is the issue stated above being brought to the audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

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>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 2 management systems • To confirm that Lubok Antu Palm Oil Mill 2 [LAPOM2] 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>3 NC reported as findings in the Surveillance Audit Year 1 were verified as closed out.</p> <p>Overall, it is concluded that LAPOM2 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 LAPOM2 under the Standards be continued. The findings [OFI] and corrective action report however had to be closed out.</p>	 Wilfred S Landong Date: 11 07 2020

5.5. ACKNOWLEDGEMENT BY AUDITEE	Job Title: Mill Manager	Signature
<p>This is to acknowledge and confirm the Audit Visits/Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.</p>		 Puan Penny Nyapay Mill Manager Date: 11 07 2020

5.6. CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY

Corrective Action Reports were raised on 11 07 2020

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