



# MSPO SURVEILLANCE CERTIFICATION REPORT [YEAR 03] 2021



## SALCRA

### BAU PALM OIL MILL SDN BHD

KM25, JALAN BAU-LUNDU, PO BOX 1818, 94007 BAU, SARAWAK



### BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2<sup>nd</sup> Floor, Block A, King Center,  
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Website: [www.bqas.com.my](http://www.bqas.com.my)

Accreditation No: ACB MSPO CB15



## MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021

SALCRA: BAU PALM OIL MILL SDN BHD

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

Ref No: BQ/SBPOM/SVA3/04/21

Standard: MS 2530-4:2013

15 07 2020

### CERTIFIED ENTITY

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/SBPOM/SVA3/04/21	
MSPO Certificate No:	BQAS P4 023-2 0420	
MSPO Certificate Validity:	30 04 2018 – 29 04 2023	
Main Office Address:	Wisma SALCRA, No 1, Lot 2220, Block 26, MTLD, Jalan Dato Mohd Musa, 94300, Kota Samarahan, Sarawak	
Contact Person / Job Title:	Puan Patricia Chan	Sustainability Executive
Telephone / Mobile:	082 621 904	016 831 2705
Email / Website:	patriciachan@salcra.gov.my	
Site Address:	KM 25, Jalan Bau –Lundu, P.O. Box 1818, 94007 Bau, Sarawak.	
Contact Person / Job Title:	Puan Penny Nyapay	Mill Manager
Telephone / Mobile:	019 819 2550	011 1608 7588
Email / Website	bapom01@salcra.gov.my	

### CERTIFICATION BODY

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

Office Address:	Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak.	
Contact Person / Job Title:	Managing Director	
Telephone / Mobile:	+6 082 572043	
Lead Auditor:	Wilfred S Landong	
Certifier:	Maxwell S Landong	

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### EXECUTIVE SUMMARY

BAPOM [Bau Palm Oil Mill Sdn Bhd] is a subsidiary of SALCRA [Sarawak Land Consolidation Rehabilitation Authority]. This is a Surveillance Certification Report Year 3 [fourth year of certification] for BAPOM & scope is Individual Certification under the Standards MSPO MS2530-4:2013 for Palm Oil Mills.

BAPOM is located at KM 25, Jalan Bau-Lundu, P.O. Box 1818, 94007 Bau, Sarawak. The Mill Site is situated at Geo-coordinates N01° 29' 22.48" E109° 58' 49.3"; approximately 25 kilometers from Bau Town; 60.834 hectares of Mixed Zone Country land; owned by SALCRA and rented to BAPOM.

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 BAPOM:

No of Employees	159 employees: all locals
MPOB License No / Expiry date	• No: 5003 6980 4000/ Expiry: 30 07 2021
Production Capacity	• 60 (MT) of fresh fruit bunch (FFB) per hour
FFB supply base	• Mainly SALCRA owned plantations & other dealers, plantations & smallholders in Bau-Lundu District
Annual Production Quota	• 300,000 MT
Actual volume of FFB processed for 2020	• 231,415 MT
Projected volume of FFB processed for 2021	• 300,000 MT
Extraction Ratio	• Oil extraction ratio @ 19.94%
	• Kernel extraction ratio @ 4.27%
Actual production volume for 2020	• Crude Palm Oil @ 45,410.54 MT
	• Palm Kernel @ 9672.84 MT
Projected production volume for 2021	• Crude Palm Oil @ 63,000 MT
	• Palm Kernel @ 11,885 MT
Projected pricing for 2021	• CPO @ RM2,107.00/MT
	• PK @ RM1,928/MT

The Surveillance Audit [onsite] was conducted on 12 – 13 04 2021; 2 Auditors; 4 mandays. The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of BAPOM 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.



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There were 6 findings; 1 NC [non-conformance] Minor & 5 OFI [opportunity for improvements]. CAR [corrective action reports] were raised on these findings; corrective actions were taken accordingly; and the CAR were closed out by the Lead Auditor on 01 07 2021.

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 BAPOM 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 BAPOM include treated water, domestic waste collection & disposal, electricity and telecommunication services.

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

### Management Changes: Mill Manager – Bau Palm Oil Mill Sdn Bhd

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

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

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Standard: MS 2530-4:2013

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**1.0. INFORMATION: CERTIFICATION ASSESSMENT**

1.1.	Type of Certification Assessment	<input type="checkbox"/>	Initial Certification / Main Audit
		<input type="checkbox"/>	Annual Surveillance Audit [Year 3]
		<input type="checkbox"/>	Re-certification Audit
1.2.	Scope of MSPO Certification	<input type="checkbox"/>	Sustainable Management of Palm Oil Mill with 60MT/Hour
1.3.	MSPO Standards	<input type="checkbox"/>	PART 4: MS2530-4:2013

**2.0. INFORMATION: CERTIFIED ENTITY**

Company Name	<b>SALCRA BAU PALM OIL MILL SDN BHD (BAPOM)</b>		
Company Registration No:	<b>1998 0101 3690 [469819-x]</b>		
Main Address:	KM 25, Jalan Bau –Lundu, 94000 Bau, Sarawak.		
Site Name:	<b>BAU PALM OIL MILL SDN BHD</b>		
Primary Function:	<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill	
Site Address:	KM 25, Jalan Bau –Lundu, 94000 Bau, Sarawak.		
Management Contact Details			
Name: Penny Nyapay	Mill Manager		
Mobile: 019 819 2550	Tel: 011 1608 7588	Email: bapom01@salcra.gov.my	
Name: Saul Ribai ak Paul	Mill Engineer		
Mobile: 013 578742	Email: saulr@salcra.gov.my		
Headcount:	Local: 159	Foreign: 0	Total: 159

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

MPOB License No: 5003 6980 4000	Expiry Date: 31.07.2021
<b>Scope of Activities:</b>	
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: 19.94%	KER Extraction Ratio: 4.27%
PK Production Volume(actual) 2020: 9672.84 MT	PK Production (estimate) 2021: 11,885 MT
<b>Actual: 2020</b>	<b>Forecast: 2021</b>



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PK Average Pricing: RM1494.49/MT	PK Average Pricing: RM1,928/MT
CPO Production Volume: 45,410.54 MT	CPO Production Volume: 63,000 MT
CPO Pricing: RM2,693.82/MT	CPO Pricing: RM2,107.00/MT
FFB Volume: 231,415 MT	FFB Volume: 300,000 MT
Main Sources of FFB:	SALCRA Estates, Agrogreen Venture SB and other collection centers in Bau Lundu District.
Land Status / Ownership:	Total land size: 60.834 HC Owned by SALCRA and rented to Bau Palm Oil Mill Sdn Bhd
Geo-Coordinates:	N01° 29' 22.48" E109° 58' 49.3"
Validity/Date of Certification:	14 04 2018 to 13 04 2023
FFB Suppliers: 620 [companies & individuals]	Date Established: Year 2003

### 3.0. ASSESSMENT METHODOLOGY

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

Information gathering	Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders
Data collection from	<ul style="list-style-type: none"> <li>• Observation of process &amp; activities</li> <li>• Review of documentations &amp; records</li> <li>• Site visits</li> <li>• Field inspections</li> </ul>
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> <li>• Assessing past implementations from records, reports of the management system</li> </ul> <p>Practice</p> <ul style="list-style-type: none"> <li>• Assessing current implementation from observing current practices</li> </ul> <p>People</p> <ul style="list-style-type: none"> <li>• Assessing future maintenance from interviewing personnel on understanding &amp; assessing competencies.</li> </ul>

Surveillance Audit		Audit Findings Classification
Term	Meaning	Description
YES	Compliance	<ul style="list-style-type: none"> <li>• Fulfilled requirement of audited standard</li> </ul>



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

#### 4.2. AUDIT PLAN

##### 4.2.1. AUDIT OBJECTIVES

###### Surveillance Audit Year 03

- Changes to the certified client and its management system
- Verification continuous management system implementation
- Review of effectiveness of measures arising from the previous audit (if applicable)
- Confirmation of fulfillment of certification requirements
- Enquiries on aspects of certification (Complaints)
- Review of any client's statements with respect to its certified operations (e.g. promotional material, website, use of BQAS logos and marks, use of the certificate)
- Customer specific requirements





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## 4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS

MS2530-4:2013 | General Principles for Palm Oil Mills

### 4.2.2.1. Assessment Sites

Assessments were performed 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: 13 – 14 04 21

No of Auditors: 2

No of Mandays: 4

Day 1

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

Day 2

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



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- 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. AUDIT REPORT

	<b>Ref No: BQ/SBPOM/SVA3/04/21</b>
<b>Standard(s):</b>	<input type="checkbox"/> MS 2530-1 <input type="checkbox"/> MS 2530-2 <input type="checkbox"/> MS 2530-3 <input checked="" type="checkbox"/> MS 2530-4
Other Standard and/or Edition:	<b>MSPO SCCS</b>

<b>INFORMATION:</b>	<b>CERTIFICATION BODY</b>	
Name:	BQAS Certification [M] Sdn Bhd [11799994-x]	
Address:	Lot 7823, Sublot 6, 2 <sup>nd</sup> Floor, Block A, Kings' Centre, Simpang Tiga, 93350, Kuching, Sarawak.	
Contact:	Email: bqassb@gmail.com	Tel: +6 082 572 043
	Whatsapp: +6 017 814 1112	Website: www.bqas.com.my
Surveillance Audit Date:	<b>12 – 13 04 2021</b>	Audit Duration: <b>4</b> man-days
BQAS Audit Team:	Name	Role in the Audit
	Wilfred Landong	Lead Auditor
	Duke Ladin	Auditor

## 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"/> <b>Compliance</b> <input type="checkbox"/> OFI	Salcra – BAPOM MSPO Policy is maintained and available vide document



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		<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	dated 01 04 2020; signed by the 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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO Policy last paragraph states: [to ensure sustainable development and continuous improvement].

### Criterion 4.1.2: Internal Audit

Indicator	Requirement	Compliance	Findings
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted Internal Audit are scheduled and conducted at least on an annual basis. Internal Audit for 2021 was conducted on 24 03 2021.
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SOP for Internal Audit – documented – ref no: GPG 7.1 For IA conducted on 24 03 2021 – viewed the Internal Audit report ref SAL/SU/MSPO/1/2/2; 3 IOC – issue of concerns raised
4.1.2.3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	IA report for 24 03 21 were presented to Mill management and reviewed on 24 03 21

### Criterion 4.1.3: Management review

Indicator	Requirement	Compliance	Findings
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Management Review is conducted at least once a year by the MSPO Steering Committee chaired by the Plantation Manager. Viewed Minutes of meeting of MSPO steering committee dated 26 08 2020. Minutes of meeting comprehensively addressed and action on findings of Salcra surveillance Audit 2 conducted in June 2020.

### Criterion 4.1.4: Continuous Improvement



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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"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Action Plan for Continual Improvement had been implemented in the year 2020 noted in doc. Among key projects:</p> <ol style="list-style-type: none"> <li>1. Production – increase productivity</li> <li>2. Social – mill workers remunerations, FFB supplier – transportation incentive, community – building chapel.</li> <li>3. Environmental - Domestic waste management, methane trapping, smoke particulate filtering system, pulp and paper plant [expected 2021]</li> </ol> <p><b>However at the time of Audit, CIP – continuous improvement plan for 2021 for BAPOM is not available for viewing / or undocumented yet.</b></p>
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>SALCRA practices the BSC [balance scorecard] system in monitoring and managing among others improvement, adoption and implementation of new practices.</p> <p>A team in HQ determines policies &amp; strategies &amp; plans and the Management Team at BAPOM is responsible for implementation.</p> <p>In compliance.</p>

### PRINCIPLE 2: TRANSPARENCY

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

Indicator	Requirement	Compliance	Findings
4.2.1.1	The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Ref General procedure guideline No: GPC 7.2 Consultation &amp; Communication. Dated 01 09 2018. For BAPOM – Manual Prosedur BAPOM – SOP 104 – Komunikasi is also relevant.</p>



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			FFB Support Group Committee established in 2019 is still used and effective as a communication and engagement forum between BAPOM & FFB suppliers & stakeholders. Communication [oral & written] are in English, Bahasa and other local dialect [use of social media platform]
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Management documents made publicly available include: <ul style="list-style-type: none"> <li>• MSPO policies</li> <li>• Licenses, certificates</li> <li>• Complaints &amp; grievances form</li> <li>• Records of request</li> <li>• Safety &amp; health plan</li> <li>• Fire evacuation plan</li> </ul> Notices and information are made available in various locations [Mill entrance, Mill Office, workshop etc.]

### 4.2.2: Transparent Method of Communication & Consultation

Indicator	Requirement	Compliance	Findings
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	General procedure guideline No: GPC 7.2 Consultation & Communication established dated 01 09 2018 to handle relevant stakeholders. Viewed & verified
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1	<input type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mill Manager, Mdm. Penny Nyapay appointed as BAPOM Consultation & Communication PIC with effect from 01 03 2021
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	<input type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and viewed in MSPO 2 file the following are maintained and updated: <ul style="list-style-type: none"> <li>• List of stakeholders</li> <li>• Minutes of meetings and briefing with Mill's stakeholders [viewed Briefing notes &amp; MOM dated 30 07 2018 attended by 71 stakeholders]</li> </ul> Due to restrictions / movement control order imposed during the Covid



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Standard: MS 2530-4:2013

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Pandemic there are no stakeholders' engagement in 2020.

### 4.2.3: Traceability

Indicator	Requirement	Compliance	Findings
4.2.3.1	The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Traceability procedure No BAPOM – SOP 901 Version 1 dated 09 06 2020 noted and viewed covering the following aspects: <ul style="list-style-type: none"> <li>• Security</li> <li>• Weighbridge</li> <li>• Pemandu shovel</li> <li>• Loading ramp operator</li> <li>• Sterilizer operator</li> <li>• Tipper operator</li> <li>• Stesen pelera</li> <li>• Stesen pemerah</li> <li>• Penapis bergetar</li> <li>• Pencerna</li> <li>• Operator bilik minyak</li> <li>• Sludge tank</li> <li>• Decanter feed tank /decanter</li> <li>• Pengering hampagas</li> <li>• Cake breaker conveyor</li> <li>• depericarper</li> </ul>
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Mill engineers conduct daily inspections at various work stations and processes & does daily CPO & PK stock take; and the Mill Manager at least twice 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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Encik Moye Birik appointed as Traceability Representative with effect from 01 02 2019 and is responsible for implementing and maintaining the traceability system. At this audit Mr Moye remain as Traceability Representative; same employee is still responsible during this audit
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	Viewed and examined the control document on Records of storage, sales, delivery or transportation of crude palm



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		<input type="checkbox"/> NC - Major	<p>oil and palm kernel; Doc ref "Daily FFB/production &amp; stock/dispatch statement"</p> <p>[sample doc dated 11 04 2021</p> <ul style="list-style-type: none"> <li>• Sales – refinery weighbridge receipts</li> <li>• Transporter – SOP weighing station/CPO dispatch procedure/ palm kernel dispatch procedure</li> </ul> <p>Verified all records are maintained and monitored.</p> <p>All documents approved by Mill Manager</p>
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### 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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified Legal register for BAPOM updated as at February 2020. [signed and approved by Legal and Secretarial Officer on February 2019] Note: no further update since Feb 2020
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirement register.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	42 Acts, Ordinance, Laws and Regulations [relevant] listed in the legal register. Sarawak Forest Ordinance had been included in the legal register; [finding during last audit]
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified Legal register for BAPOM updated as at February 2020 with new addition: Sarawak Forest Ordinance
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mr. Donny Ju appointed as Legal Monitoring Officer on 01 02 2019. At this Audit, Mr. Donny is still the Officer appointed.

#### Criterion 4.3.2: Land Use Rights

Indicator	Requirement	Compliance	Findings
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4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No recorded occurrence of complaints on land rights issue with local communities of Kpg Stenggang, Kpg Stom Muda, Kpg Sipadah, Kpg Raso etc. since last Audit. Noted during this audit, landowners farming activities occur next to workers quarters unhindered.
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SALCRA [the parent organization] is owner of the Mill land. [total of 60.834 hectares]. Mill itself is situated at: <ul style="list-style-type: none"> <li>• Geo coordinate N01° 29' 03.036" E109° 59' 47.5".</li> <li>• Land status: Country land</li> <li>• Land Title: Stungkor land Lot 21 / Block 9</li> <li>• Land size 13.152ha</li> <li>• leasehold</li> </ul> The above same information remained unchanged during this audit.
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Inspected / viewed Legal perimeter boundary marker located @ Geo coordinate N01° 28' 49.0" E109° 58' 47.5". Verified clearly demarcated [with belian peg] and visibly maintained on the ground. This boundary marker defined the boundary between Mill workers quarters and land owned by local community
4.3.2.4	Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	SALCRA [BAPOM] lands are purchased / acquired by legal agreement and attested by legal instruments [land title issued by Land & Survey, Sarawak] Verified and viewed all land titles. No changes on land status since last audit 2020.

### Criterion 4.3.3: Customary Rights

Indicator	Requirement	Compliance	Findings
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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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable

**PRINCIPLE 4: SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION**

**Criterion 4.4.1: Social impact assessment (SIA)**

Indicator	Requirement	Compliance	Findings
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Social Impact Assessment documentation was prepared by Perunding Armada Sdn Bhd on September 2018. It is a comprehensive document that included impact identification and mitigations.

**Criterion 4.4.2: Complaints and grievances**

Indicator	Requirement	Compliance	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The system dealing with complaints and grievances followed the SOP documented in the file ref: BAPOM - SOP 104, established on 1 <sup>st</sup> March 2008, signed and approved by the mill 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 type="checkbox"/> Compliance <input checked="" type="checkbox"/> <b>OFI</b> <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The system is proven to have resolves disputes in effective manner based on the collection of 'Borang Aduan Kerosakan Kuarters' dan 'Borang Aduan/Pertanyaan Pelawat'. The latest complaint was on 2 <sup>nd</sup> October 2020.



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			However, timeline of each steps / process should be mentioned in the SOP as guideline.
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	BAPOM used 2 types of complaints and grievances form in which 'Borang Aduan Kerosakan Kuarters' is for the quarters residents and 'Borang Aduan/Pertanyaan Pelawat' for the Mill worker and stakeholders. Both forms can be obtained at the mill main office.
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There is a WhatsApp group called BAPOM FFB Support Committee established on 8 <sup>th</sup> February 2019 by the Mill management in which the members are the representative of the surrounding area. The mentioned social medium is used for distribution of information and announcements from the management and also used as a tool for complaints and grievances or suggestion by the surrounding communities.
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Complaints and solutions within the past 24 months were compile in the 'Borang Aduan' folders.

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

Indicator	Requirement	Compliance	Findings
4.4.3.1	Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The biggest contribution that the mill contribute to the development of local communities is by providing jobs opportunities to the local youths. As stated in the CSR documented in the folder ' <b>Corporate Social Responsibility 2017</b> ', that BAPOM is not doing any financial donations unless upon considered request. The latest donation recorded was to SMK Senibong on the 5 <sup>th</sup> July 2018.

### Criterion 4.4.4: Employees' safety and health

Indicator	Requirement	Compliance	Findings
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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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The occupational safety and health policy and plan viewed in the folder social responsibility, health, safety and employment conditions: MSPO 4. Those files found to be in-line with Occupational Safety and Health Act 1967 and Factories and Machinery Act 1967 (Act139). Site visit to the workshops and the laboratory found that the policies and SOP were attached at the notice boards at the mentioned places. Workers at the Mill will be given Toolbox Talk on PPE and emergency.
4.4.4.2	The occupational safety and health plan shall cover the following:		
A.	A safety and health policy, which is communicated and implemented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Safety and health policies can be viewed in the folder social responsibility, health, safety and employment conditions: MSPO 4. The policy for safety and health that had been standardized at all SALCRA mills was established 9 <sup>th</sup> March 2020, endorsed by the General Manager. Tool box briefing was done daily for the mill workers by the head of unit. The documented records can be seen in the Toolbox Talk Record General Mill Upkeep and Lab Upkeep 2021.
B.	The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The operation risks have been assessed and well documented in the file ref: BOPAM - FRM 603.1 in the HIRARC folder. The document was established in 2010 and updated in 2014, 2018 and the latest update was in 2019.
C.	An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	As for workers exposed to the chemicals, the training program design for chemical handling should be based on Chemical Health Risk Assessment (CHRA) prepared by Alpine Consultant Sdn Bhd CHRA Assessor on 24 <sup>th</sup> March, 2016 and HIRARC.



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	<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>		<p>Employees involved in chemical handling were adequately trained based on their Training record as stated in the form BAPOM -FRM 301.5. The latest training program viewed was on the <b>29<sup>th</sup> September, 2020</b>, attended by Process Operators, Boilers, Lab Operators and Effluent Treatment Plant Operators. Safety Data Sheet was found attached at the front of Chemical Stores, Water Treatment Plan and Laboratory.</p>
D.	<p>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).</p>	<p><input checked="" type="checkbox"/> <b>Compliance</b></p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p>	<p>On site visit, the workers and staffs were using appropriate PPE while working. Mask, lab robes, protective glasses were seen at the laboratory in accordance to CHRA and HIRARC assessment.</p> <p>PPE usage was always being reminded to the workers during daily toolbox meeting at every stations.</p>
E.	<p>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.</p>	<p><input checked="" type="checkbox"/> <b>Compliance</b></p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p>	<p>The SOP for handling chemicals described in the Chemical Control manual ref: BAPOM - SOP 504, with the latest revision on 20<sup>th</sup> September 2011, approved and signed by the Mill manager 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.</p>
F.	<p>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.</p>	<p><input checked="" type="checkbox"/> <b>Compliance</b></p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p>	<p>Workers' safety and health was the responsible of the Mill's Safety and Health Committee (AJKKP) headed by the Mill Manager as the Chairman, in which the Mill's Manager was appointed by the Main (HQ) Safety and Health Committee on the</p>



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			17 <sup>th</sup> August 2018, letter of appointment ref: 20-2018/SAL/EPD/OSH/3.
G.	The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The latest meeting for AJKKP documented was on 26 <sup>th</sup> May 2020, viewed in the folder 'Minit Mesyuarat AJKKP'. The minutes of the meetings suggested that the suggestion and complaints of the employees were discussed and rectified in two-way communication.
H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> <b>OFI</b> <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Accident and emergency procedures can be seen in the file ref: BAPOM - SOP 602 and was found attached at every available notice board around the mill compound. The SOP was established in 1<sup>st</sup> May 2008 with the latest revision in 20<sup>th</sup> July 2020, approved and signed by the Mill Manager.</p> <p>Briefing on Log-Out and Tag-Out (LOTO) also can be seen in file Ref: BAPOM - FRM 301.4 with the latest revision was in 23<sup>rd</sup> November 2019.</p> <p><b>As part of accident prevention, LOTO need to be incorporated in the SOP.</b></p>
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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Currently, a total of 30 persons have been trained as First Aider by Malaysia Red Crescent with the latest trained was in 30<sup>th</sup> March 2019. Their certificates can be seen in the folder 'Rekod Kehadiran Kursus'. There are at least 2 first aider at every stations.</p> <p><b>It is recommended that First Aid equipment be also made available at the staff and workers quarters</b></p>
J.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI	Records of all accidents were kept properly in accordance to 'Peraturan 10, peraturan Keselamatan dan Kesihatan



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### Criterion 4.4.5: Employment conditions

Indicator	Requirement	Compliance	Findings
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The priority for SALCRA Mill's as stated in its Social Policy and Objectives, is 'SALCRA is committed, as far as practicable; to improve the quality of life of the rural communities participating in its land development programme'. The policy was approved and signed by SALCRA general Manager on 8 <sup>th</sup> 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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	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 minimum wage.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Federal Government Gazette on workers minimum wages revision on 29 <sup>th</sup> April 2016 was distributed throughout SALCRA mills and plantation and implemented on 29 <sup>th</sup> July, 2016 as sited in the minute of Board of Directors meeting file ref: Minute No. 15/2016. As shown in the wages slips of Mr. Ambrus Dawi Anak Miga for the month of February, 2021, meet legal or industry minimum standards as per Collective Agreements.



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4.4.5.4.	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There is no indication that the Mill management involved in the salary scheme of its contractors except SALCRA JAYA Sdn Bhd which is a subsidiary of SALCRA.
4.4.5.5.	The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	As shown in employment contract of Emmanuel Enggong Anak Nickson Luta, there are information that included full names, gender, date of birth, date of entry, a job description, wage and the period of employment.
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The contract of Mr Emmanuel Enggong was signed by the workers and the mill manager. A copy was given to the workers as his references especially on the term and conditions of employment.
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The working hours and breaks as showed in the salary and daily paid worker slips, are viewed to be complying with the legal regulations and collective agreements.
4.4.5.9	Wages and overtime payment documented on the pay slips shall be	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI	Wages and overtime documented on the pay slips as shown in Mr Ambrus Dawi





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	in line with legal regulations and collective agreements.	<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	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 and improvement of social surroundings.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The latest mill wide bonus (3 months) was on March 2021. According to the workers employment contract, the workers are entitled to:</p> <ol style="list-style-type: none"> <li>1. 14 days annual sick leaves with half day pay.</li> <li>2. Accident leave of 60 days annually, with full pay.</li> <li>3. Free accommodation.</li> <li>4. Free medical at government and government appointed clinics and hospitals.</li> <li>5. Bonuses and overtimes</li> <li>6. Trainings for work improvements</li> </ol>
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> <b>NC - Minor</b> <input type="checkbox"/> NC - Major	<p>The quarters are habitable and being provided with basic amenities and facilities. <b>However, the maintenances and cleanliness of the quarters / compounds need improvement.</b></p> <p><b>At the workers quarters there are presence of improper and hazardous extension of electrical wires &amp; fittings that could cause electrical short-circuits, fire and serious harm / damage to workers quarters and its occupants.</b></p>
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The policy for Sexual Harassment can be viewed in the folder social responsibility, health, safety and employment conditions, established on 8<sup>th</sup> November 2017, approved and signed by the General Manager.</p>
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>There is no indication or documented in the Mill policies in regards to employee freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. The right for the employees to negotiate their work</p>





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	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.		conditions was through the discussion in the AJKKP meetings.
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No evidence of child labor being practiced.

### Criterion 4.4.6: Training & Competency

Indicator	Requirement	Compliance	Findings
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	All suppliers required to attained policies and safety briefing before they can start entering the work places. The latest of such briefing recorded in the form ref: BAPOM-FRM 301.9 dated 19 <sup>th</sup> February 2020 with Yong C L Engineering Sdn Bhd employees.
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programs in order to provide the specific skill and competency required to all employees based on their job description.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Competency and training requirements for employees and workers based on job description can be viewed in the form ref: BAPOM-FRM 301.2 in which the latest revision was on 17 <sup>th</sup> February 2021.
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The training programs for the year 2020 - 2021, can be viewed in the folder social responsibility, health, safety and employment conditions.

## PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES

### Criterion 4.5.1: Environmental management plan



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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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Environmental and Sustainability Policy was formulated on 1 <sup>st</sup> April 2020, approved and signed by the General Manager. The introduction of the policy in SALCRA is committed to achieve sustainability in all its venture by incorporating good environmental management practices that balances economic, social and environmental progress in all its activities. The policy can be found pinned on every Notice Boards located around the Mill.
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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The environmental policy and objectives can be viewed at the folder Environment, Natural Resources, Biodiversity and Ecosystem Services: Principal 5 dated 1 <sup>st</sup> April 2020. The aspect and impact analysis can be found in the file ref: BAPOM -FRM 601.1 dated 11 <sup>th</sup> April 2020 signed and approved by Environmental Monitoring Representative (Officer).
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	An environmental improvement plan for mitigation of negative impact was found written in document titled Proposed Economic and Environmental Sustainability Research Project dated September 2017 and endorsed by Chief Operating Office. As for monitoring and implementation of the plan can be sighted in the document titled SOP: <ul style="list-style-type: none"> <li>● BAPOM-SOP 601, Identification of Environmental Aspects And Evaluation of Environmental Impacts dated 1<sup>st</sup> April 2008</li> <li>● BAPOM-SOP 701, Environmental Monitoring and Measurement dated 8<sup>th</sup> May 2008</li> </ul>



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			Monitoring of the plan and mitigations have been made in which the latest report was in May, 2020. The report is in file ref: BAPOM - FRM 103.1.
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Programme for promoting positive impact on the environment is incorporated in folder Environment, Natural Resources, Biodiversity and Ecosystem Services: Principle 5:</p> <ul style="list-style-type: none"> <li>Proposed Economic and Environmental Sustainable Research Project formulated in 2017</li> <li>Identification &amp; Management of Wastewater year 2017</li> <li>Action plan to reduce Fresh Water Usage revision year 2018</li> <li>Identification &amp; Management of Wastewater revision year 2018</li> <li>Contingency Plan during Water Shortage year 2017</li> </ul> <p>Efforts were made as seen on the annual assessment report on Domestic waste, GHG Emission Calculation report, fuel and electricity consumption report and Objectives and targets reports as of May, 2020.</p>
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<ul style="list-style-type: none"> <li>According to the Annual Training Plan 2020 - 2021, the training on environmental sighted were:</li> <li>Taklimat Semula Kesedaran terhadap ISO 14001:2015 &amp; Polisi Alam Sekitar</li> <li>Taklimat Aspek &amp; Impak Alam Sekitar</li> <li>Latihan Kesedaran dan Interpretasi ISO 14001:2015 kepada Petugas Baru, Pelajar, Kontraktor dan yang ada berkaitan dengan kilang.</li> <li>Latihan Praktikal Drill Tumpahan minyak di Kolam Effluent</li> </ul>



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			<ul style="list-style-type: none"> <li>• Latihan Praktikal Drill Tumpahan Minyak di Tangki Penyimpanan</li> <li>• Latihan Praktikal Drill Tumpahan Minyak di Bilik Minyak &amp; Kilang</li> <li>• Latihan Praktikal Drill Tumpahan Minyak Pelincir di Bengkel</li> <li>• Latihan Praktikal Drill Tumpahan Minyak Terpakai di Stor Bahan Buangan Terjadual</li> <li>• Latihan Praktikal Drill Tumpahan Diesel</li> <li>• Latihan Praktikal Drill Tumpahan Bahan Kimia/Minyak Pelincir.</li> </ul>
4.5.1.6	Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Meetings on environments awareness was incorporated in the safety and health meetings in which the latest meeting was on 31 <sup>st</sup> March 2021.

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

Indicator	Requirement	Compliance	Findings
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Documented reports showed the yearly consumption of fuel and electricity of the year 2018, 2019, 2020 and up to March 2021.
4.5.2.2	Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> <b>OFI</b> <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<b>Fuel (Liter):</b> 2018 - 167,698 2019 - 202,904 2020 - 244,235  <b>Electricity (kWh):</b> 2018 - 283,818 2019 - 283,669 2020 - 299,703



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			<p><b>The above data indicated consecutive increase of non-renewable energy for the past 3 years; reflecting measures undertaken to reduce consumption of non-renewable energy may need to be reassessed / reconsidered.</b></p>
4.5.2.3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The mill has its own turbine powered by steam generated by the boilers, as an energy for the mill. Also, the mill has its own water treatment station in which it has 2 water reservoirs than can last for 3 months during dry seasons.

### 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"/> <b>Compliance</b> <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Identification of waste products and sources can be viewed in the file Identification of Waste Products and Sources of Pollution from Oil Palm Mill in the folder Environment, Natural Resources, Biodiversity and Ecosystem Services.</p>
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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Waste management plan developed and implemented.</p> <p>Identification and monitoring was done; ref file Waste Assessment year 2018, 2019 and 2020.</p> <p>Palm oil fiber and kernel is used to power the closed furnace that will boil the boilers that produced steam to move the turbine for electricity.</p> <p>The EFB are composed as fertilizer.</p>
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	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The flow chart viewed in the file Chemical Control Manual ref: BAPOM-SOP 504 established 20 <sup>th</sup> September 2011 and Operational Control of Schedule Wastes Manual ref: BAPOM-SOP 505 established on 8 <sup>th</sup> May 2008, both approved and signed by the Environmental Managerial



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	ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.		Representative, indicated that the SOP for handling of used chemicals and schedule waste adhere to legal requirement.
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted compliance</p> <p>The SOP for domestic waste can be viewed in the file Operational Control of General Waste Manual ref: BAPOM-SOP 515 dated 2<sup>nd</sup> April 2017, signed and approved by Environmental Managerial Representative.</p>

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

Indicator	Requirement	Compliance	Findings
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The assessment of all polluting activities can be viewed in the file Identification of Environmental Aspect and Evaluation of significance form Ref: BAPOM-FRM 601.1 established on 11<sup>th</sup> April 2020. Assessment and monitoring were made; ref:</p> <ul style="list-style-type: none"> <li>Domestic Waste Assessment Form</li> <li>GHG Emission Calculation</li> <li>Fuel and Electricity Consumption</li> </ul>
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>An action plan to reduce identified significant pollutants and emissions can be viewed in file Objectives and Targets Ref: BAPOM-FRM 103.1.</p> <p>The current significant implementation is the construction of Methane Trapping or Biogas Treatment Plan that was completed on December, 2020.</p>
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	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>POME flow chart found in the file Flow Diagram of Tertiary effluent Treatment Plant in the folder Environment, Natural Resources, Biodiversity and Ecosystem Services indicated that di discharge methods and limits is in accordance to the</p>



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	be in accordance with the respective state and national policies and regulations.		Sarawak and national policies and regulations.
<b>Criterion 4.5.5: Natural water resources</b>			
Indicator	Requirement	Compliance	Findings
4.5.5.1.	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:		
A.	Assessment of water usage and sources.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Assessment of water usage is made daily as shown in the Records of Flowmeter to clarifier station, Mill and Stenggang Estate.
B.	Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Flow diagram of Effluent Treatment Pond from sludge from mill to the final discharge to Sungai Tong can be found in the folder Environment, Natural Resources, Biodiversity and Ecosystem Services showed the processes of cleaning the water sources.
	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 type="checkbox"/> Compliance <input checked="" type="checkbox"/> <b>OFI</b> <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<b>Findings:</b> <b>Some parts of the water pipes and valves at the pump house are badly rusted and corroded; require urgent attention to ensure the corrosion [hazard] is rectified to prevent occurrences of leakages and other effects on water quality etc.</b>
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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Flow diagram of Effluent Treatment Pond and Flow Diagram of Tertiary Effluent Treatment Plant indicated the the mill practices the gradually phases in accordance to state and national regulations.



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## 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"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Followings are the SOP on Best Management Practices doc [created, appropriately documented and consistently implemented and monitored since 08 03 2018]:</p> <ul style="list-style-type: none"> <li>• BAPOM-SOP 101, Legal and Other Regulatory Requirements dated 01 03 08</li> <li>• BAPOM-SOP 102, Legal and others Regulatory Requirement dated 01 03 08</li> <li>• BAPOM-SOP 103, Objectives, Targets, and Programs dated 01 04 08</li> <li>• BAPOM-SOP 104, Internal and External Communication dated 24 09 2008</li> <li>• BAPOM-SOP 105, Corrective Action dated 23 08 08</li> <li>• BAPOM-SOP 106, Preventive Action dated 23 08 08</li> <li>• BAPOM-SOP 107, Internal Audit dated 01 03 2010</li> <li>• BAPOM-SOP 108, Management Review dated 08 09 08</li> <li>• BAPOM-SOP 201, Control of Documents dated 02 01 2010</li> <li>• BAPOM-SOP 202, Control of records dated 02 01 2010</li> <li>• BAPOM-SOP 301, Competence, Training and Awareness dated 02 01 2010</li> <li>• BAPOM-SOP 401, Control Of Suppliers and Contractor dated 08 05 08</li> <li>• BAPOM-SOP 501, Development of Operational Control Plans dated 01 04 08</li> <li>• BAPOM-SOP 502, Operational control of effluent treatment plant dated 08 05 08</li> <li>• BAPOM-SOP 504, Chemical Control dated 20 09 2011</li> </ul>





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		<ul style="list-style-type: none"><li>• BAPOM-SOP 505, Operational Control of schedule wastes dated 08 05 08</li><li>• BAPOM-SOP 506, Operational control of solid waste dated 08 05 08</li><li>• BAPOM-SOP 507, Control of diesel usage dated 08 05 08</li><li>• BAPOM-SOP 508, Control of water usage dated 08 05 08</li><li>• BAPOM-SOP 509, Control of Effluent Pond Cleaning dated 08 05 08</li><li>• BAPOM-SOP 510, Mill Maintenance Implementation dated 08 05 08</li><li>• BAPOM-SOP 511, Cleaning and Sanitation dated 08 05 08</li><li>• BAPOM-SOP 512, Design and Facilities dated 08 05 08</li><li>• BAPOM-SOP 513, Control of Production, Storage and Transportation of Products dated 08 05 08</li><li>• BAPOM-SOP 514, Operational Control of Vehicle Usage dated 08 05 08</li><li>• BAPOM-SOP 515, Operational control of General waste dated 02 04 17</li><li>• BAPOM-SOP 516, Operational control Electricity Usage dated 03 04 17</li><li>• BAPOM-SOP 601, Identification of Environmental Aspects and Evaluation of Environmental Impacts dated 01 04 08</li><li>• BAPOM-FRM 602.1, Fire Drill dated 01 07 08</li><li>• BAPOM-FRM 602.2, EPR drill dated 01 07 08</li><li>• BAPOM-FRM 602.3, Incident Report dated 02 01 2010</li><li>• BAPOM-FRM 602.3, Enviromental Emergency Report dated 01 07 08</li><li>• BAPOM-SOP 604, Establishing, Implementing and Maintaining Safe Work Procedure dated 02 01 10</li></ul>
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			<ul style="list-style-type: none"> <li>BAPOM-SOP 701, Environmental Monitoring and Measurement dated 08 05 08</li> <li>BAPOM-SOP 702, Evaluation of compliance dated 08 05 08</li> <li>BAPOM-SOP 703, Calibration dated 08 05 08</li> <li>BAPOM-SOP 801, Procedure dated 28 09 17</li> </ul> <p>No changes noted since last audit [2020]</p>
4.6.6.2	All palm oil mills shall implement best practices.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified best practices documented &amp; implemented. Ref docs: Document 1 of MANUAL PROSEDURE (SOP MANUAL) vide 36 SOP.</p> <p>No changes noted since last audit [2020]</p>

### Criterion 4.6. 2: Economic and financial viability plan

Indicator	Requirement	Compliance	Findings
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified, documented &amp; implemented vide Ref docs: MANAGEMENT BUDGET FOR YEAR 2020 AND FORECAST YEAR 2021</p> <ul style="list-style-type: none"> <li>Budget Parameter year 2020</li> <li>FFB Projection Budget year 2020</li> <li>Profit and Loss Statement year 2020</li> <li>Profit and Loss Account by Month Phasing year 2020</li> <li>Balance Sheet as at 31<sup>st</sup> December 2020</li> <li>Cashflow Statement for the yar Ended 31<sup>st</sup> December 2020</li> <li>CAPEX 2020(Approved)</li> <li>Processing and Maintenance Summary</li> <li>Administration Summary</li> <li>Processing and Maintenance Expenditure</li> <li>Administration Expenditure (monthly phasing)</li> </ul> <p>Administration Expenditure (worksheet)</p>



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2022 forecast would be made available in June 2021.

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

Indicator	Requirement	Compliance	Findings																		
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Pricing mechanism is administered by the Marketing & Sales Dept of SALCRA HQ; issued monthly to mill management. Noted that BAPOM had effectively implemented. Average pricing for March 2021 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Item</th> <th>RM/mt</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>FFB</td> <td>763.86</td> </tr> <tr> <td>2</td> <td>CPO ex-Mill</td> <td>3678.88</td> </tr> <tr> <td>3</td> <td>PK ex-mill</td> <td>2223.00</td> </tr> <tr> <td>4</td> <td>OER</td> <td>19.5%</td> </tr> <tr> <td>5</td> <td>KER</td> <td>4.25%</td> </tr> </tbody> </table> Verified by Doc P6 Best Practices		Item	RM/mt	1	FFB	763.86	2	CPO ex-Mill	3678.88	3	PK ex-mill	2223.00	4	OER	19.5%	5	KER	4.25%
	Item	RM/mt																			
1	FFB	763.86																			
2	CPO ex-Mill	3678.88																			
3	PK ex-mill	2223.00																			
4	OER	19.5%																			
5	KER	4.25%																			
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	<input type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and verified Contractor Agreement between BAPOM and Salcra Jaya BAPOM/07/Tender/2017 dated 4 07 2018; on transportation of CPO and PK; ex-mill to refineries in Sarawak. Noted that the Contract is fair, legal and transparent and agreed payments shall be made in a timely manner [monthly basis]																		

**Criterion 4.6.4: Contractor**

Indicator	Requirement	Compliance	Findings
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified that all contractors were given briefing and training on MSPO requirement at least once annually. Viewed MSPO training brief to 27 contractors on 23 11 2019 on Safety, MSPO & OHSAS.
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and verified in Contractor Agreement with Salcra Jaya BAPOM/07/Tender/2017 dated 4 07 2018.



## MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021

SALCRA: BAU PALM OIL MILL SDN BHD

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

Ref No: BQ/SBPOM/SVA3/04/21

Standard: MS 2530-4:2013


15 07 2020

4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	During this audit, mill management approved of MSPO auditors to conduct physical inspection as and where relevant.
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	<input checked="" type="checkbox"/> <b>Compliance</b> <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mill manager & mill engineers are responsible for the observance of the control points and verification of performance and approval of works of contractor

### 5.2. SUMMARY OF FINDINGS

Principles	P1	P2	P3	P4	P5	P6	Total
No of NC: Major	0	0	0	0	0	0	0
No of NC: Minor	0	0	0	1	0	0	1
No of OFI: Opportunity for Improvement	1	0	0	2	2	0	5
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>6</b>

### 5.3. AUDIT CONCLUSION

Summary Statement of Lead Auditor	Signature
<p>The purpose of this Audit is to evaluate the implementation, including effectiveness, of client management systems; and to confirm that client management system continued to fulfil requirements of the MSPO Standards 2530-4:2013.</p> <p>There were 6 findings during the audit; 1 Minor NC &amp; 5 OFI.</p> <p>The Lead Auditor confirm that the Audit was conducted accordingly in conformance to BQAS/MSPO auditing procedures and process and any findings were objectively investigated and evidenced.</p> <p>Other than the findings stated above it is the Auditors opinion that BAPOM had continually and effectively maintained its' management system; generally fulfilling all requirements of MSPO Standards 2530-4:2013.</p>	 Wilfred S Landong Date: 13 04 2021



# MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021


SALCRA: BAU PALM OIL MILL SDN BHD

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Standard: MS 2530-4:2013

15 07 2020


5.5.	Acknowledgement by Auditee	Job Title:	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: 13 04 2021

5.6	Closure of Corrective Action Report


Corrective Action Reports were raised on 13 04 2021

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

6.0.	OFFICIAL SIGN-OFF

6.1.	Assessment Recommendation by Lead Auditor	Signature
	<p>Based on the Findings/Action taken by Auditee/Closures above, BAPOM – Bau Palm Oil Mill Sdn Bhd 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. It is also observed that the change in Mill Manager continue to strengthen the integrity of the management system</p> <p>Therefore, it is recommendation of the Audit team that the Certification of BAPOM under MSPO MS2530-4:2013 Standard be maintained.</p>	 Wilfred S Landong Date: 15 07 2021

6.2.	Technical Reviewer
	Review Statement

<p>I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of the Report in its' entirety.</p> <p>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.</p> <p>I, hereby confirm that, the Certification of Bau Palm Oil Mill Sdn Bhd under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.</p>	 Maxwell Stephen 20 07 2021
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## MSPO SURVEILLANCE CERTIFICATION REPORT Year 03: 2021

SALCRA: BAU PALM OIL MILL SDN BHD

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

Ref No: BQ/SBPOM/SVA3/04/21

Standard: MS 2530-4:2013

15 07 2020

### 7.0. CONCLUSION

### 7.1. Certification: BQAS Management

#### 7.1. CERTIFICATION: BQAS MANAGEMENT

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

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

### 7.2 Next Surveillance Assessment Plan

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

### 8.0. Appendices / Attachments

Nil

#### FOOTNOTES

All audit findings are based on a sampling process, targeted towards reliable evidence for effective implementation and compliance of the management system. Where applicable findings and required corrective action were or will be agreed upon with the responsible managers or management representatives, steps have been or will be defined to resolve such non-conformity. Further business aspects may exist, positive or negative, which have not been reviewed by the audit team. It is the organization's responsibility to investigate and evaluate the potential impact and scope of findings, thus continuously ensuring full compliance to the applied standard(s).