

MSPO SURVEILLANCE CERTIFICATION SUMMARY REPORT [YEAR 02] 2020



SALCRA

SARATOK PALM OIL MILL SDN BHD

Nanga Melupa, Saratok, Sri Aman, Sarawak



BQAS Certification [M] Sdn Bhd

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Accreditation No: ACB MSPO CB15



CERTIFIED ENTITY	SALCRA – SERIAN PALM OIL MILL	
MSPO Standards	<input type="checkbox"/> MS2530-3:2013 General Principles for Palm Oil Plantations & Organized Smallholders	
MSPO Standards	<input checked="" type="checkbox"/> MS2530-4:2013 General Principles for Palm Oil Mills	
Type of Certification:	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Group
Project Ref No:	BQ/SSAPOM/SVA2/07/2020	
MSPO Certificate No:	BQAS P4 023-6 0420	
MSPO Certificate Validity:	30 04 2018 – 29 04 2023	
HQ Office Address:	Wisma SALCRA, No 1, Lot 2220, Block 26, MTL D, Jalan Dato Mohd Musa, 94300, Kota Samarahan, Sarawak	
Contact Person / Job Title:	Mdm Patricia Chan	Sustainability Executive
Telephone / Mobile:	082 621 904	016 831 2705
Email / Website:	patriciachan@salcra.gov.my	
Site Address:	Lot 164, Block 15, Awik-Kerian Land District 95400 Saratok	
Contact Person / Job Title:	Mohd. Nur' Aizad Hakeim Abdullah	Mill Manager
Telephone / Mobile:	: 013-452 5890	019-865 6522
Email / Website	sapomill@yahoo.com	
CERTIFICATION BODY	BQAS CERTIFICATION [M] SDN BHD [1179994-X]	
Office Address:	Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak.	
Contact Person / Job Title:	Wilfred S Landong	Managing Director
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EXECUTIVE SUMMARY

SAPOM [Saratok Palm Oil Mill Sdn Bhd] is a subsidiary of SALCRA [Sarawak Land Consolidation Rehabilitation Authority].

This is a Surveillance Certification Report Year 2 [third year of certification] for SAPOM & scope is Individual certification of SAPOM under the Standards MSPO MS2530-4:2013 for Palm Oil Mills. BQAS [BQAS Certification Sdn Bhd] had been selected 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.

SAPOM is situated at Lot 164, Block 15, Awik-Kerian Land District 95400 Saratok Geo-coordinates N01° 42' 44.99" E111° 25' 35.35"; on 98 hectares land owned by SALCRA and leased to SAPOM.

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 SAPOM:

No of Employees

MPOB License No / Expiry date

Production Capacity

FFB supply base

Annual Production Quota

Projected volume of FFB processed for 2021

Extraction Ratio

Projected production volume for 2021

Projected pricing for 2020

• **168 employees: all locals**

• No: 5001 3510 4000 / Expiry: 30/10/2020

• 60 (MT) of fresh fruit bunch (FFB) per hour

• Mainly SALCRA owned plantations & other dealers, plantations & smallholders in Saratok, Roban and surrounding areas.

• 240,000 MT

• 254,000 MT

• Oil extraction ratio @ 20.5%

• Kernel extraction ratio @ 4.6%

• Crude Palm Oil @ : 53,340 MT

• Palm Kernel @ 12,700 MT

• CPO @ RM2,153 per MT

• PK @: RM1,928 per MT

The Surveillance Audit was conducted on 07 07 2020 to 08 07 2020; 2 Auditors ; 4 mandays. The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of SAPOM 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 2 findings. 1 NC [Non conformance] & 1 OFI [opportunity for improvements] on Criterion 4.6.4.Contractor & 4.5.3 Waste Management and Disposal

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

SAPOM has continuously complied & conformed to MSPO Certification standards, conditions & requirements. Conclusively, the Audit team therefore recommended that SAPOM 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"/>	Google Locations
		<input checked="" type="checkbox"/>	Mill Land Map
		<input checked="" type="checkbox"/>	Mill Layout

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

2.0. INFORMATION: CERTIFIED ENTITY

INFORMATION		CERTIFIED ENTITY	
Company Name & Registration No:		SARATOK PALM OIL MILL SDN BHD (SAPOM) / 251441-M	
Main Address:		Wisma SALCRA, No. 1, Lot 2220, Block 26, MTLD Jalan Datuk Mohd Musa, 94300, Kota Samarahan, Sarawak, Malaysia	
Site Name:		SARATOK PALM OIL MILL SDN BHD (SAPOM)	
Primary Function:		<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill
Site Address:		Lot 164, Block 15, Awik-Kerian Land District 95400 Saratok	
Management Contact Details			
1.	Name: Mohd. Nur' Aizad Hakeim Abdullah	Job Title: Mill Manager	
	Mobile: 019-865 6522	Tel: 013-452 5890	Email: sapomill@yahoo.com
2.	Name: Risni Duad	Job Title: Mill Engineer	
	Mobile: 013-843 5343	Tel: 000 0000000	Email: sapomill@yahoo.com
Headcount:		Staff: 36	General Workers: 132 Total: 168
MS 2530-4:2013 General Principles for Palm Oil Mills			
MPOB License No: 500135104000		Expiry Date: 31/10/2020	
Scope of Activity:			
1. Menjual & Mengalih FFB, PK, CPO, SPO#			
2. Membeli & Mengalih FFB, PK, CPO, SPO#			
3. Menyimpan PK, CPO, SPO#			
4. Mengilang FFB#			
Production Capacity:		60MT/Hour (240,000 MT of FFB per year)	
OER Extraction Ratio: 20.5%		KER Extraction Ratio: 4.6%	
PK Production Volume(actual) 2020:		PK Production (estimate) 2021:	



3,090 MT (Jan-Jun 2020)	12,700 MT (Jan-Dec 2021)
PK Pricing (actual) 2020: RM1,487/MT	PK Pricing (forecast) 2021: RM1,928/MT
CPO Production Volume(actual) 2020: 13,786.57 MT (Jan-Jun 2020)	CPO Production (estimate) 2021: 53,340 MT (Jan-Dec 2021)
CPO Pricing (actual) 2020: RM2,441/MT	CPO Pricing (forecast) 2021: RM2,153/MT
FFB Volume(actual) 2020: 68,137 MT (Jan-Jun 2020)	FFB Volume (estimate) 2021: 254,00 MT (Jan-Dec 2021)
Main Sources of FFB:	SALCRA estates 31%, Outsider 69%
Land Status: Ownership:	<input checked="" type="checkbox"/> Rented <input type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture
Other Sustainability Certification: MSPO SCCS	Geo-Coordinates: N 01° 44' 10.32" E 111° 21' 10.22"
Validity/Date of Certification:	30 04 2018 – 29 April 2023

3.0. ASSESSMENT METHODOLOGY

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

Information gathering Data collection from	Interviews – staffs, contractors, local communities, FFB suppliers & other stakeholders <ul style="list-style-type: none"> • Observation of process & activities • Review of documentations & records • Site visits • Field inspections
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Assessment method	Paper <ul style="list-style-type: none"> • Assessing past implementations from records, reports of the management system Practice <ul style="list-style-type: none"> • Assessing current implementation from observing current practices People <ul style="list-style-type: none"> • Assessing future maintenance from interviewing personnel on understanding & assessing competencies.
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Surveillance Audit		Audit Findings Classification	
Term	Meaning	Description	
YES	Compliance	•	Fulfilled requirement of audited standard
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	Dominic Retan	Lead Auditor
	Robert Tella	Auditor

4.2. AUDIT PLAN

4.2.1. AUDIT OBJECTIVES

Surveillance Audit

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

4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS

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

Assessment were performed at:

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



4.2.2.2. Assessment Program

Date: 07 07 2020 – 08 07 2020

No of Auditors: 2

No of Mandays: 4

- | | |
|-------|---|
| 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	The SALCRA MSPO Policy, available in English and Malay, signed by the GM Mr Joseph Blandoi on April 1, 2020 is prominently displayed on the office noticeboard, the guard house, the weighbridge office and the plant site.
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	The SALCRA MSPO Policy is applicable to all operations with a general statement "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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SAPOM was last audited on 29/10/2019. The summary of audit findings indicates 6 issues of concern and no non-conformance.
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted SALCRA Operating Procedures No. GPG 7.1 MSPO (Internal Audit), approved by the previous GM Datu Vasco Sabat Singkang in 01/10/2018. The summary in the internal audit report prepared by the audit team (Valerian Sibat and Jeffrey Billy indicated that SAPOM was operating in compliance with MSPO except for some improvement.
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	The report was made available in the management review meeting (called the MSPO Committee Meeting) conducted on 21/11/2019.

Criterion 4.1.3: Management review

Indicator	Requirement	Compliance	Findings
4.1.3.1	The management shall periodically	<input checked="" type="checkbox"/> Yes	The previous management review meeting

review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

- No
 OFI

(MSPO Steering Committee) was conducted in Nov. 21, 2019 where the previous internal audit report of April 25-26, 2019 was included in a summary of MSPO2530-3 findings for the whole of SALCRA. Audited entities were advised to rectify the Internal audit findings within the time frame given.

Criterion 4.1.4: Continuous Improvement

Indicator	Requirement	Compliance	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Continual improvement is monitored in Action Plan Tracking Doc. Ref. 1.4.1, Issue Date: 9.1.2018 approved by the Mill Manager Mr Mohd Nur' Azad Hakeim Abdullah on 27/06/2020. It lists out 6 Action Items: <ol style="list-style-type: none"> To consider utilization of the cake decanter in other industries. Reduce noise level at the ripple mill. Reduce noise level in the generator room Reduce noise level at the depericarper To capture and utilize methane gas to generate electricity for us in housing and boiler Monitoring of black smoke and release of ash from boiler no. 2 (30MT)
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mainly through a system of sending staff and workers for training with contractors, suppliers and manufacturers as had been done through: <ol style="list-style-type: none"> Alfa Laval for the commissioning of the desludging system Aldec 75, Yong CL Engineering for the supply, delivery, installation, testing, commissioning and guarantee of the smoke particulate filtering / trapping system for SAPOM. Information on rules and procedures is disseminated during training and pre-work safety briefing.

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	In compliance; noted that the MSPO Policy and others (Safety & Health, Environment, Social Policy & Objectives, Sexual Harassment) are available in both English and Malay.
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	These policies are on display on the office noticeboard, the guard house, the weighbridge office and the plant site. Other documents also available for public viewing in the office include trade licenses, approval certificates from DOSH and DOE.

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	SAPOM has established its General Procedure Guideline No. GPG 7.2 on Correspondence and Correspondence (Internal and External) approved by GM Mr Joseph Blandoi on 15/03/2020.
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	The Mill Manager Mr Mohd Nur' Aizad Hakeim Abdullah is appointed as the mill representative for Consultation and Communication in a letter from the Chief Operation Officer Mr Sikin Sentok dated 01/01/2020 ref. no. 11/SPOM/ADM-2/(06).
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>Sighted updated SAPOM List of Stakeholders as of June 2020 comprising:</p> <ol style="list-style-type: none"> 1. SALCRA own estates (4 estates: Roban South OPE, Saratok OPE, Roban North OPE & Saribas OPE); 2. FFB outside estates (4 plantations); 3. FFB mini estates (11 estates); 4. FFB dealers (47); 5. Longhouses (6); 6. FFB smallholders (209) <p>Total of 339 stakeholders in all.</p>

4.2.3: Traceability

Indicator	Requirement	Compliance	Findings
4.2.3.1	The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted SAPOM General Procedure Guideline No. GPG 7.3 on Traceability Procedure for FFB Production approved by the previous GM Datu Vasco Sabat Singkang on 01/10/2018.</p> <p>Attachment: Flow Chart on FFB Harvesting Edition A, Amendment: 1, Date: 01/09/2018.</p>
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The daily record of deliveries to 4 refineries serves as an Inspection on traceability. A monthly summary serves as a cross reference. Sample sighted: logbook for CPO delivery to Bintulu Edible Oil Sdn Bhd on 30/06/2020 on 2 tankers QMX 2703 (net mill weight 30,510 liters) and QMW 1683 (nett mill weight 31,640 liters).</p>
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	<p>The Mill Engineer Mr Risni anak Duad is appointed as the mill Traceability Officer in a letter from the previous Mill Manager Mr Ubang Balang dated 03/10/2020 ref. no. 17/SPOM/ADM-2/(02).</p>
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>As described above, complete with delivery tanker no., DO no., mill weight, transaction no. and the weight at any of 4 refineries in Bintulu.</p> <p>Sighted SAPOM invoice to Kirana Palm Oil Refinery Sdn Bhd dated 30/06/2020 for delivery of CPO 206.75 MT. With CPO price at RM2,315/MT, the the total amount invoiced is RM478,729.63.</p>

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	<p>The office noticeboard displays various permits and written approvals from relevant authorities such DOE and DOSH on the installation and use of equipment for operations.</p> <p>In addition, the Register of Legal Requirements Borang: SAPOM - FRM 102.1 monitors the compliance status on the requirements of the Environmental Quality Act (Clean Air) 1978.</p>
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirement register.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The SALCRA List of Legal Register Doc. No. MSPO 4.3.1.2, Effective Date: Feb. 2020, Issue No. 1, Revision No. 1 (containing the List of Acts, Regulations, Guidelines and Codes of Practices was last updated on 10/01/2020) comprises 42 items including:</p> <ul style="list-style-type: none"> ● Laws of Sarawak - Ordinance No. 3 of 1976 Sarawak Land Consolidation and Rehabilitation Authority Ordinance, 1976 ● Laws of Malaysia Act 265 Employment Act 1955. ● Laws of Sarawak Chapter 76 (1958 Ed.) Labour Ordinance ● Laws of Sarawak Chapter 26 Wild Life Protection Ordinance, 1998
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	<p>The SALCRA List of Acts, Regulations, Guidelines and Codes of Practices was last updated on 10/01/2020.</p> <p>The review is done once a year or soon after the law is gazetted. Notice on changes or updates is given by the SALCRA Legal & Secretarial Officer (Ms Angela Jinget) at HQ.</p> <p>The mill monitors its legal requirements on environmental matters.</p>
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>The management representative (focal person in ISO terminology) at the mill is Mr Risni Duad via appointment letter ref. No.</p>



	the changes in regulatory requirements.	<input type="checkbox"/> OFI	56/SPOM/ADM/-2 (07) dated Jan. 01, 2019 from the Mill Manager Mr Mohd. Nur' Aizad Hakeim Abdullah.
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Criterion 4.3.2: Land Use Rights

Indicator	Requirement	Compliance	Findings
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SAPOM is renting the land for its mill from SALCRA vide Memorandum of Sub-Lease dated 17/02/2097 from SALCRA (being the registered proprietor of the Lease of State Land) of 98 hectares in the Awik-Krian Land District Lot 563 in Block 15.
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	Sighted: 1. Memorandum of Sub-Lease dated 17/02/2097 between SALCRA (being the registered proprietor of the Lease of State Land) and Saratok Palm Oil Mill Sdn Bhd (as the Sublessee). 2. Lease of State Land on 104.4 hectares (for 60 years from 1996 to 2056) dated 17/02/1997 subleased to Saratok Palm Oil Mill Sdn Bhd. 3. Lease of State Land for 60 years on 98 hectares (with the 'historical site' (site of an old longhouse) excised out) issued to SALCRA (as the registered proprietor) dated 18/04/2008.
Marked on 4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The mill site is within the State Land leased to SALCRA bounded with fencing. The leased land is demarcated with permanent features such as Sg Krian on the north-west boundary, its tributary Sg Malupa on the south west and the Betong-Sarikei highway to the east.
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	No dispute with the locals. There had been cultivation before the mill establishment but SALCRA had acquired the land and the owners compensated. Documentation on this event is available at HQ.

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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not applicable There are no NCR land within the land lease. Relations with residents from neighbouring longhouses is cordial as they provide the pool of manpower for the mill.
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	Locality map sighted: Factory Layout and Arrangement of Effluent Treatment and Disposal System prepared by MINSEC Engineering Services Sdn Bhd for SALCRA Scale: 1:2,500 Date drawn: July 1993
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 Documents relating to previous settlement with farmers within the leased land are available at the SALCRA HQ.

PRINCIPLE 4:	SOCIAL RESPONSIBILITY, HEALTH, SAFETY, & EMPLOYMENT CONDITION
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Criterion 4.4.1: Social impact assessment (SIA)

Indicator	Requirement	Compliance	Findings
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SIA report done by environmental consultant Perunding Armada. Mitigation plan are available and implemented while promoting positives impact. Ref. SIA report dated August 2018 Document sighted and verified.

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	System available, sighted verified. Complaint forms: HR 7 Employment Relation. Complaint and grievances book. General Procedure guideline No. GPG 7.4 dated 01 st Sept 2018.
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	All complaints and grievances in register book have been resolved and recorded. Document sighted and verified.
4.4.2.3	A complaint form should be made available at the premises, where	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Complaint and grievances forms are readily available at all times.

	employees and affected stakeholders can make complaints.	<input type="checkbox"/> OFI	
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	Existence of such system are made aware and explain in meetings with employees and stake holders. Minute and pictures sighted.
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	All complaints and grievances within the past 24 months have been resolved.

Criterion 4.4.3: Commitment to contribute to local sustainable development

Indicator	Requirement	Compliance	Findings
4.4.3.1	Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Records of CSR commitment to contribute to local sustainability development available and sighted.

Criterion 4.4.4: Employees safety and health

Indicator	Requirement	Compliance	Findings
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Occupational safety policy plan available and in line Occupational Safety and Health act 1994 and Factories and Machinery Act. Policy sighted and implemented. Good finding: ample safety signage sighted in the plant area.
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	Safety and Health policy available, communicated and implemented
B.	The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Risk on all operation are assessed and documented. Refer: SAPOM-DOC OH&S 601 dated 20 th June 2019.
C.	An awareness and training programme which includes the following requirements for employees	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Awareness annual training programme developed including safety and health aspects. Records of training and records of



	<p>exposed to chemicals used at the palm oil mill:</p> <p>i) all employees involved are adequately trained on safe working practices; and</p> <p>ii) all precautions attached to products should be properly observed and applied.</p>	<input type="checkbox"/> OFI	<p>attendant sighted.</p> <p>i). adequate training on safe working practices are conducted. Attendance recorded and sighted.</p> <p>All Safety Data Sheet on all product are available and communicated to relevant employees</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Personal Protective Equipment are provided free of charge by the management as identified by HIRARC.</p> <p>Evidence of issuance of PPE in files are sighted.</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Standard Operating Procedures for handling of chemicals to ensure proper and safe handling and storage in accordance to OSH established.</p> <p>Refer: SAPOM-SOP 402 dated 01-09-09</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>An officer is appointed to be responsible for workers safety and health.</p> <p>Refer Letter of appointment: 24/SPOM/ADM-3 dated 01st march 2019.</p> <p>Document sighted and verified.</p>
G.	<p>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</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>OSH Committee meeting conducted to discuss matters and issues that affect their bussiness related their employees safety and health and welfare. Minute of meeting are taken and any remedial action taken are recorded.</p> <p>Refer: OSH Committee meeting minute, dated 25th June 2020.</p>



	employees and any remedial actions taken shall be recorded.		
H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Accident and emergency procedures exist and understood by all employees. Refer: SAPOM-SOP OS&H 602 dated 14-04-19
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	Employees trained in First Aid equipment are available at worksite record of training and training material are available and sighted. First aid box and accident guideline available, no expired medicine sighted. Ref: 1. SAPOM-SOP OS&H 602 dated 14-04-19. 2. 17/SPOM/ADM(09) dated 27 th Ogos 2018.
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	All records of accident are kept and available and sighted. Last accident 14 th Sept. 2019. Total no. of accident in 2019 are 2 in nos. no accident in 2020.

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	Policy established and practiced and sighted. Evidence of good social practice are seen in in sight visit and interviews of stakeholders. Policy signed by top management Mr. Joseph Blandoi dated 01st April.
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	All workers are given equal opportunity and statement established. Statement are display on noticeboard and communicated to employees during meeting. Policy signed by top management Mr. Joseph Blandoi dated 01 st April.
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Employees pay and condition meet the legal industry minimum standard. Evidence in: a. Payslip. b. Surat Penyelarasan Gaji pekerja. c. Proposed Implementation of minimum wages order No. MC 01/2019 dated 29/01/2019.

			d. Offer letter.
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	All contractors are ensure by the management to comply with the employment act in relation to minimum wages. Refer: SAPOM/10/TENDER/2018. dated 11 th march 2019.
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	Accurate records all employees including seasonal workers sighted
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	Copies of all employment contract signed by both parties available, verified and sighted.
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	Time recording system established and verified by the following: a. Punch Card. b. Check roll.
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	Working hours and break in time records comply with legal regulations and collective agreements. Working hours and overtimes verified.
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	Existing wages and overtimes payment reflected in payslip and punch card meets legal requirement. Document sighted and verified.
4.4.5.10	Other forms of social benefits should	<input checked="" type="checkbox"/> Yes	The following social benefits are given to



	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	employees: a. Subsistence allowance. b. Incentives depending mills annual profit. c. Free treated water to the mill quarters. d. Good performance incentives and payment.
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Terrace house standard, conducive living quarters. Electricity paid by occupants while treated water sare supplied free of charge.
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	Sexual harassment and violence policy established and implemented by posting it on noticeboard and constant reminder during weekly assembly. There are NO history of case of sexual harassment and violence in the organization. Document sighted and verified.
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	Rights of all employees are respected and reflected in Social Policy and Objectives, signed by top management Mr. Joseph Blandoi dated 01 st April 2020. Document sighted and verified.
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No children or young person employed by the management, list of workers and employees available sighted and verified.

Criterion 4.4.6: Training & Competency

Indicator	Requirement	Compliance	Findings
4.4.6.1	All employees and contractors shall be appropriately trained. A training	<input checked="" type="checkbox"/> Yes	Training programmes developed and conducted for all employees and contractors.



	programme shall include regular assessment of training needs and documentation, including records of training.	<input type="checkbox"/> No <input type="checkbox"/> OFI	Evidence in attendance, photos and training contents/material sighted and verified. Last training done on 01/10/2019. No training done on 2020 due to COVIT 19 MCO enforcement.
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	TNA conducted and plan prior to implementation of the training programme. Training Need Analysis sighted and verified. Refer: 4.6.1 dated 09.01.2018.
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	Annual Training programme developed and conducted for all employees about their jobs function. Records and evidence of training available, sighted and verified. Document signed by top management dated 02/01/2020. Reference: SAPOM-FRM 301.6 dated 03/08/09.

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

Criterion 4.5.1: Environmental management plan

Indicator	Requirement	Compliance	Findings
4.5.1.1	An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted: SALCRA Environmental and Sustainability Policy signed by the GM Mr Joseph Blandoi dated April 1, 2020. It is displayed on the office noticeboard, at the weighbridge and in the plant area. Aspects of the policy are regularly communicated during the daily tool box meeting before work.
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A) The SALCRA Environmental Policy strives to: 1) Meet applicable legislative requirements 2) Minimise or eliminate pollution or adverse effects on the environment 3) Provide a safe and secure working environment for its employees and relevant

			<p>stakeholders</p> <p>4) Educate and provide training to its employees and relevant stakeholders on environment and biodiversity.</p> <p>5) Continuously improve effective environmental management programmes and system through periodic review of the policy to meet current needs.</p> <p>Aspect and Impact Analysis is carried out on 24 stations / operations. The impact of each operation is monitored year by year based on the major activity or service carried out. For example at the Raw Water Treatment Plant, the intake of water has a high impact due effect on the environment.</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	<p>The Continual improvement in Action Plan Tracking Doc. Ref. 1.4.1, Issue Date: 9.1.2018 seeks to promote positive impacts and reduce negatives ones:</p> <ol style="list-style-type: none"> To consider utilization of the cake decanter in other industries. Reduce noise level at the ripple mill. Reduce noise level in the generator room Reduce noise level at the depericarper To capture and utilize methane gas to generate electricity for us in housing and boiler <p>Monitoring of black smoke and release of ash from boiler no. 2 (30MT)</p>
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	<p>Sighted: Objectives and Targets (SAPOM - FRM 103.1; Tarikh dikeluarkan 01-09-2009 for: Compliance Status of O&T in the short term programme for the period Nov. 2018 to Nov. 2019 for</p> <ol style="list-style-type: none"> Final discharge Smoke emission High noise levels Chemical usage Use of renewable and non-renewable



			<p>resources</p> <p>a) Diesel</p> <p>b) Water</p> <p>Compliance Status of O&T in the long term programme for the period Nov. 2010 to Nov. 2019 for</p> <p>1. Utilization of waste (kernel shell and decanter cake)</p> <p>2. Release of methane from anaerobic ponds</p> <p>3. Smoke emission from stack</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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Training programmes developed and conducted for all employees and contractors. Evidence in attendance, photos and training contents/material sighted and verified. An training programme on environmental management system ISO14001:2015 was conducted on 18/09/2019 attended by 32 workers from 8.00 pm top.15 pm. An earlier one was conducted the same day at 1.00 pm for 9 workers.</p> <p>Last training done on 01/10/2019.</p> <p>No training done on 2020 due to COVIT 19 MCO enforcement.</p>
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"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The mill environmental committee which also serves as the management review meets once a year. Its last meeting was on 03/10/2019 attended by 13 staff (including the Mill Manager) and workers. Among the items discussed were:</p> <ul style="list-style-type: none"> ● Status of action by the previous management on operational control, action to address risk & opportunities regarding vehicles during loading & unloading of FFB and release of smoke from vehicles; ● Internal & external issues with environmental management ● Status of achieving environmental objectives ● Organizational environmental performance ● Adequacy of resources



			<ul style="list-style-type: none"> ● Communication and feedback from stakeholders ● Opportunity for continual improvement <p>Based on the HQ-accepted planner, the next meeting is scheduled for 17/09/2020.</p>
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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 time frame. 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	SAPOM maintains a record of the consumption of non-renewable energy. The base period used is the consumption pattern in the preceding year. The cumulative total for fuel & electricity consumption for Jan - April 2020 is as follows: Mill (all vehicles): 10, 428 liters Genset (for electricity): 79, 138 liters Others (portable water pump & fuel for forklift at the collection in Selalang & Senuilau) : 61 liters Electricity consumed in the processing area: Jan - April 2020: 2,723.19 kWh.
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	The latest statement on diesel and electricity is as of May 2020: <ul style="list-style-type: none"> ● Diesel consumption: 20,263 liters (as compared to 20,081 liters in May 2019) ● Electricity usage: 608.1 kW (as compared to 2,246 kW in May 2019)
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	SAPOM is equipped with a steam turbine to generate electricity for self-sufficiency in energy. With low crop expected this year, there may be insufficient fuel (mesocarp) for the boiler resulting in more diesel usage. Fortunately, the price of diesel is still comparatively low now. The low crop is due to the establishment of a competing mill in Selalang which draws away a huge number of FFB suppliers who had traditionally been SAPOM's suppliers.

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	SAPOM lists out 12 waste types: <ol style="list-style-type: none"> 1. Plastic bottle, food & drink containers 2. Food & drink paper wrapper



		<input type="checkbox"/> OFI	3. Used paper 4. Old computer & printer 5. Used oil filter 6. Used machinery/vehicle battery 7. Used lubricating oil 8. Used hydraulic 9. Used chemical container 10. Palm oil effluent 11. Empty fruit bunches 12. Palm kernel shell
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution; b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	In its Waste Management Plan checked by the Mill Manager on 30/06/2020, SAPOM identifies 3 major categories of wastes: 1. Scheduled waste (used lubricating oil, empty chemical container and used battery) 2. Domestic waste (plastic bottle & container and food & drink wrapper) 3. Palm oil mill waste (palm oil mill effluent and empty fruit bunch) For the time being, some PKS has been sold as fuel. EFB is dumped as landfill in the vicinity of the mill.
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Sighted: SAPOM -SOP 403, No. Isu: 01, Tarikh Dikeluarkan: 01-09-09. Currently used chemicals disposed by SAPOM comprised of spent lubricants (SW 305) and used hydraulic oils (SW 306). Record of disposed scheduled waste is maintained in the e-SWIS. Sighted June 2020 for scheduled waste inventory in May 2020 Used chemical containers are stored for collection by the chemical supplier. OFI: Consider to deploy spill kit to cater to spillage outside the containment of the scheduled waste store.
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	The domestic waste from the mill is collected by the mill waste disposal service for dumping at the Saratok municipal landfill. Domestic waste from the SAPOM housing area is collected bt the Saratok municipal service. Good finding: the placement of recycle bins



near the worker rest shed was a thoughtful gesture to encourage proper disposal of domestic waste.

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	The GHG emission calculation is conducted on an accumulative basis for electricity, diesel, POME treatment in open pond and EFB dumping. For the period Jan-Mar 2020, the respective GHG value is as follows: Electricity: 1,838.38 (5,505.10 in Mar 2019) Diesel: 214,443.16 (161,317.50 in Mar 2019) POME treatment in open pond: 7,963,110.00 (5,962,400.00 in Mar 2019) EFB dumping: 15,551,060.00 in Mar. 2019)
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted SAPOM Lapuran Petunjuk Prestasi Alam Mesra (Environmental Performance Indicators Report) on smoke emissions, final discharge from the ponds, quality of river water upstream and downstream of the discharge point, quality of water in the monsoon drain, usage of chemicals (water treatment plant, effluent ponds, boiler water treatment and scheduled waste) for the period Jan - April 2020.
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The quality of the water upstream and downstream of the discharge point of treated POME is monitored to ensure compliance. Samples are collected on a monthly by an external laboratory for testing. Latest certificates dated 25/06/2020 by Evo Chemical Analysis & Consultancy indicated that one of the parameters BOD is 3 ppm for upstream sample, 5 for downstream and 3 for the final discharge. The DOE limit is 20 ppm, indicating that SAPOM is in compliance.

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SAPOM utilises water from Sg Malupa which is stored in the mill reservoir. The raw water is treated before being used in the boiler. The plan is incorporated in the SAPOM Production

	resources (surface and ground water). The water management plan may include:		Sales Volume and Product Quality for Year 2020.
A.	Assessment of water usage and sources.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The usage of water is recorded in the meter at the Water Treatment Plant. The consumption for April 2020 is 8,386 MT as captured in the SAPOM Production Sales Volume and Product Quality for Year 2020 (Jan to May).
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	SAPOM identifies the location of outgoing water and implements a treatment / containment system (in 3 phases) prior to disposal (either by reusing, recycling or final discharge). The locations are: <ol style="list-style-type: none"> 1. Processing stations 2. Boiler 3. Laboratory 4. Process ramp 5. \workshop 6. FFB ramp 7. Linesite & office 8. Washrooms.
	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	Water from these locations is diverted to either the tertiary treatment plant, monsoon drain or the drain after settling of solid waste.
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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Not applicable

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	Appropriate standard operating procedures available consistently implemented and monitored. Refer: SAPOM-FRM 201.4 dated 25/09/18.
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	List of every standard operating procedure is available, practiced and implemented at all times. Awareness and annual training programme developed including safety and health aspects. Records of training and records of attendant sighted. Adequate training on safe working practices are conducted and Attendance recorded inline with best practices.

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	a. Business management plan and annual budget projection plan for: 2020 – 269,860 2021 – 300,000 2022 – 340,000 2023 – 360,000 b. Previous year performance 2019 - 205,260.12

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	Existing mechanism of determining pricing is acceptable. Evidence of mechanism being implemented in weigh bridge ticket. Document sighted and verified. Sales and purchase agreement sighted and verified. Evidence of timely payment every 4days for small holder and weekly for outsiders or cash term. Payment receipts sighted and verified.
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	All contracts issued are fair, legal and transparent to the other party signing the



shall be made in a timely manner.	<input type="checkbox"/> OFI	contract. All payment are made in timely manner as per agreed term. Document evidence of payment records sighted and verified.
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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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Contractor are aware and knowledgeable regarding MSPO and its requirement. Evidence during interview and other records of briefing and communication document. Document sighted and verified. NC: A tanker attendant or driver (a contractor worker) was seen on top of a tanker during CPO loading in inappropriate attire (helmet, T-shirt & shorts with no sight of safety shoes).
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	Relevant contract signed with contractors sighted and verified. Contractor interviewed and verified the signed contract.
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	Contractors agreed to be assessed and interviewed by approved MSPO auditors to verify assessments through physical inspection.
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<ul style="list-style-type: none"> a. Superintending officer or representative are responsible for the observance of the control points applicable to the tasks perform by the contractor. b. Weighbridge and security check point. c. Mill Engineer will verify on behalf of superintending officer.

5.2. SUMMARY OF FINDINGS

5.2.1. SUMMARY OF FINDINGS

Principles	P1	P2	P3	P4	P5	P6	Total
No of OFI: Opportunity for Improvement	0	0	0	0	1	0	1
No of NC: Non-Conformance	0	0	0	0	0	1	1
Total	0	0	0	0	1	1	2

Criterion 4.5.3: Waste management and disposal

Indicator	Requirement	Compliance	Findings
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Sighted: SAPOM -SOP 403, No. Isu: 01, Tarikh Dikeluarkan: 01-09-09.</p> <p>Currently used chemicals disposed by SAPOM comprised of spent lubricants (SW 305) and used hydraulic oils (SW 306). Record of disposed scheduled waste is maintained in the e-SWIS. Sighted June 2020 for scheduled waste inventory in May 2020</p> <p>Used chemical containers are stored for collection by the chemical supplier.</p> <p>OFI: Consider to deploy spill kit to cater to spillage outside the containment of the scheduled waste store.</p>


Criterion 4.6.4: Contractor


Indicator	Requirement	Compliance	Findings
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>Contractor are aware and knowledgeable regarding MSPO and its requirement. Evidence during interview and other records of briefing and communication document.</p> <p>Document sighted and verified.</p> <p>NC: A tanker attendant or driver (a contractor worker) was seen on top of a tanker during CPO loading in inappropriate attire (helmet, T-shirt & shorts with no sight of safety shoes).</p>

5.3. STAKEHOLDERS' CONSULTATION REPORT

The 4 stakeholders interviewed expressed appreciation for the establishment of SAPOM as it has provided employment and business opportunities for the locals in the surrounding area. The contractor involved in the removal and dumping of EFB was concerned about the thick layer of accumulated EFB hampering the movement of his heavy trucks and looked forward to a solution to expedite effective disposal of the waste. This issue had been brought up to the attention of the mill manager who acknowledged that the providing a solution was in the job scope of the contractor.



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 Saratok Palm Oil Mill management systems To confirm that Saratok Palm Oil Mill 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. 4 NC reported as findings in the Surveillance Audit Year 1 were verified as closed out.</p> <p>Overall, it is concluded that SAPOM management systems continue to fulfil the requirements of the MSPO Standards MS2530-4:2013.</p> <p>It is the Audit opinion that the Certification of SAPOM under the Standards be continued. The findings [OFI] and corrective action report however had to be closed out.</p>		<p>Dominic Retan Giah Date: 08 07 2020</p> 


5.5. ACKNOWLEDGEMENT BY AUDITEE	Signature: Mill Manager
<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>	 Mohd. Nur' Aizad Hakeim Abdullah Date: 08/07/2020

5.6. CORRECTIVE ACTIONS REPORTS & ACTION TAKEN BY CERTIFIED ENTITY

Corrective Action Reports were raised on 08 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

<p>Based on the Findings/Action taken by Auditee/Closures above, SAPOM – Saratok 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.</p> <p>Therefore, it is recommended that the Certification of SAPOM be maintained.</p>	 Dominic Retan Giah 30 08 2020
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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 Saratok Palm Oil Mill Sdn Bhd 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

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).