

NESUS CERTIFICATION SDN BHD



MSPO CERTIFICATION SUMMARY REPORT

FOR

**BINTULU LUMBER DEVELOPMENT SDN
BHD (IGAN PALM OIL MILL)
(25223-M)**

Date: 12th OCTOBER 2024

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MSPO Certification Summary Report		
	Company Name:	Bintulu Lumber Development Sdn Bhd (25223-M)
	Certifying Unit:	Igan Palm Oil Mill
	Client Number:	NSC-94-05-23/MSPO (2)
	Audit Type:	Individual / Surveillance 1 Year 7 Audit

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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GMP	Good Milling Practices
GPS	Global Positioning System
GAP	Good Agriculture Practices
ISO	International Standard Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OFI	Opportunities For Improvement
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened and Endangered Species
SDS	Safety Data Sheet
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

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1. INTRODUCTION

Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill) has commissioned Nesus Certification Sdn Bhd to conduct **Surveillance 1 Audit (Cycle 2)** for its palm oil mill according to MS 2530-4:2013 Part 4 General Principles for Palm Oil Mills.

1.1. Objective

The objective of this **Surveillance 1(Cycle 2) Audit** audit was to assess the palm oil mill by an independent certification body with the aim for compliance of the standards.

1.2. Scope

Any changes in scope Yes ☐ No ☒

The certification was based on the documentation established by **Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)**. The supporting documents provided to the audit team as well as information received by means of interviews, background investigation and site assessment.

The documents and information were reviewed against the requirements and criteria based on MS 2530-4: 2013 Part 4 General Principles For Palm Oil Mills. Nesus Certification Sdn Bhd has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references were used as part of the assessment; the compliance of the requirements of the guidelines applied were checked.


1. Malaysian Sustainable Palm Oil Part 4: General Principles For Palm Oil Mills audit guidance;

1.3. Appointment and Qualification of team members

The audit team appointed consists of the team leader and team member(s). The team contributes to the review of documents, assessment of the project activity and preparation of this report.

Audit:	Date:	Audit Team	
Surveillance 1 (Cycle 2) Audit	27th August 2024	Lead Auditor	Jeffrey Denis Ridu; Certified MSPO SCCS Auditor (SGS Malaysia), Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Plantation Management (UPM), BS Agbusiness (Iowa State University, USA), DPIM (ITM Perlis); 25 years working experience related to palm oil; Site & documentation audit and interview based on Principles 1 to 6 of MS 2530-4:2013.
		Auditor 1	Abdul Khalik Arbi; MSPO Certified Lead Auditor, BSc. (Hons) Environmental Science, 18 years experiences working in Consultation (Environment, Safety and Health Aspect and Socio Aspect) in various industries such as Plantation, construction, master plan study. Science (USM); More than 10 years experience in agriculture and environment management field; Site & documentation audit and interview based on Principles 1 to 6 of MS 2530-4:2013.

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		Auditor 2 Dickens Mambu ; Certified MSPO SCCS Auditor (SGS Malaysia), Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Lead Auditor (DQS Certification), MSc Sustainable Land Use (Unimas), BSc (Hons) Conservation Biology (UMS), Exec. Diploma in Plantation Management (UTM); 15 years working experience related to palm oil; Site & documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.
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Clients Review:	Tiong Kuong Sii	Date:	
Peer Reviewer 1:	N/A	Date:	
Peer Reviewer 2:	N/A	Date:	
Certification Decision Panel:		Date:	
Approved by CM:	Mr Dickens Mambu	Date:	

5 Years Audit program

Planned month & year	SA1(Cycle 2) Date: 21/08/2024	SA2(Cycle 2) Date: -	SA3(Cycle 2) Date: -	SA4(Cycle 2) Date:	RA (Cycle 2) Date:
Internal audit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder consultation / survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of logo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Follow-up from previous audit finding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.1 MSPO Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.2 Internal audit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.3 Management review	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.4 Continual improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2.2 Transparent method of communication and consultation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2.3 Traceability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3.1 Regulatory requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3.2 Land use rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3.3 Customary rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.1 Social impact assessment (SIA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.2 Complaints and grievances	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.4 Employees safety and health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.5 Employment conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.6 Training and competency	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5.5 Natural water resources	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.6.1 Mill management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.6.4 Contractor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note:

Legend:

☒ - plan to cover & covered

S1 - Stage 1

SA - Surveillance assessment (not more than 12 months from certification decision date)


☐ - for uncover

S2 - Stage 2

RA - Reassessment (4 months before certificate expiry)

Audit Stage	SA1 (cycle 2)	SA2 (cycle 2)	SA3 (cycle 2)	SA4	RA (Cycle 2)
Year	7	8	9	10	11
Plan	11/8/2024	11/8/2025	11/8/2026	11/8/2027	11/8/2028
Actual	27/8/2024	-	-	-	-
Team Leader	Jeffrey Denis Ridu	-	-	-	-
PR 1	N/A	-	-	-	-
PR 2	N/A	-	-	-	-

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2. METHODOLOGY


The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, interviews with operational personnel, stakeholders and its contractors through phone call; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review (if any)
- Address Peer Review Comments (if any)
- Certification Decision Panel (CDP)
- Final approval and issuance of certificate.

Surveillance 1 (Cycle 2) Audit :

Surveillance 1 Audit (Cycle 2) audit was conducted on **27th August 2024**, which covers the following activities but not limited to below:

- On-site inspection, observations and inspections of mill facilities such as process, workshops, stores, wastewater treatment system, waste handling and disposal sites, workers and staff living quarters, receiving and delivery of products for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and close out of Minor non-conformance during **Re-Certification** audit;
- Assessment reporting;

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On-site Assessment

The audit of the mill was conducted according to the MS 2530-4:2013 Part 4 General Principles For Palm Oil Mills. However, BLD Igan Palm Oil Mill updated that the mill will proceed with the transition to MSPO New standard (MS 2530:3:2022) during the surveillance 2 audit in year 2025.

The methodology for objective evidence collection was through documentation review, monitoring data and site assessment. The audit evidence obtained was based on a sample of the information; thereby introducing an element of uncertainty. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were taken into account in the assessment.

Non-conformance:


On the basis of the desk review, evidences presented during the audits, non-conformance (NC) Major, Minor and Opportunities For Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded within 90 days from closing date of audit. For minor non-conformance, an action plan need to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be reviewed and verified during the next audit.

Site Sampling

Sampling Methodology and Risk Determination
Not applicable.

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3. ORGANIZATION INFORMATION

This report presents the results of the certification assessment at **Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)** on **27th August 2024** by Nesus Certification Sdn Bhd. The purpose was to assess the operations of **Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)** against the requirements of the Malaysian Sustainable Palm Oil (MSPO) certifications and readiness of the mill to implement on Malaysian Sustainable Palm Oil (MSPO) new standard.

Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill) commenced in year 2010, is a palm oil mill with a milling capacity of **90 MT/Hr**, operating at 2 shifts. **Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)** is applying the MS2530-4:2013 standard as the organization is committed to become a Sustainable Palm Oil Producer.

Table 1: Information of Mill Being Audited


Name of organization	Location	Coordinates	
		Lat.:	Log.:
Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)	Lot 559 Block 0, Kabang Land District, 96000 Sibu, Sarawak	2.4055	111.7886

Table 2: Mill Complex Area

Mill	Total Area (Ha)	Total ponds	Treatment plant	Water reservoir	Housing units
Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)	50.00 Ha	11	1	1	15

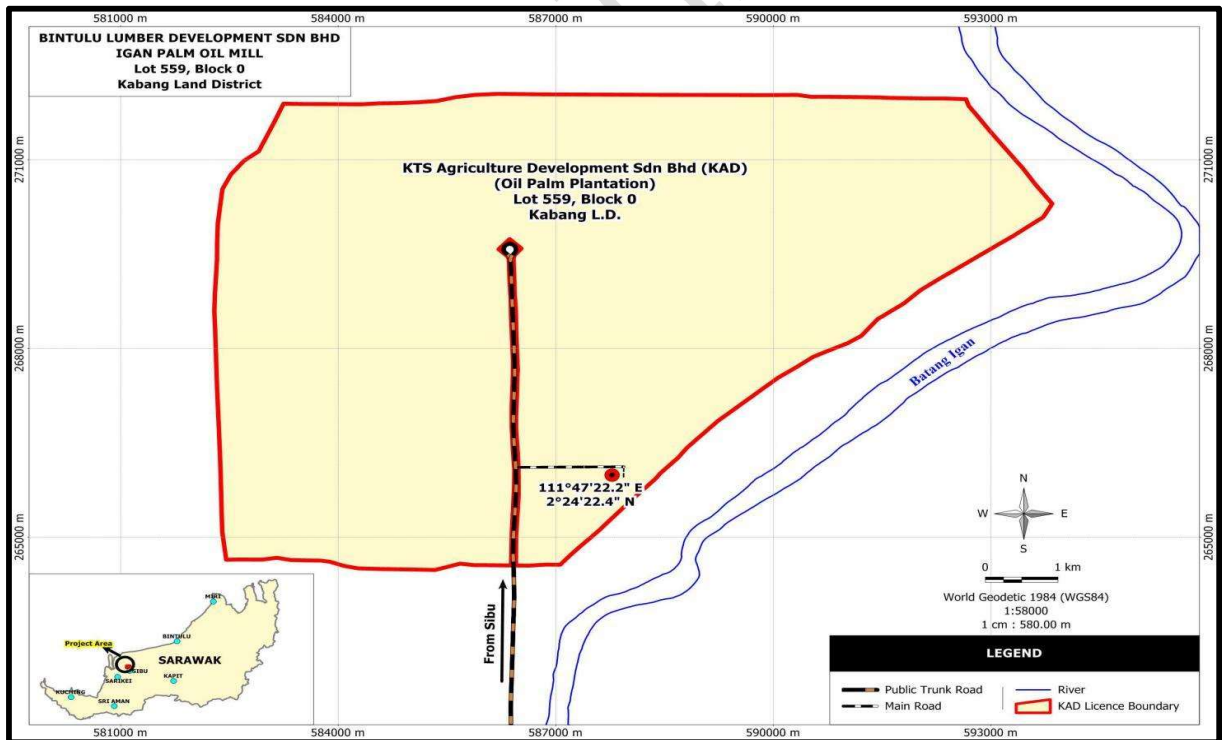
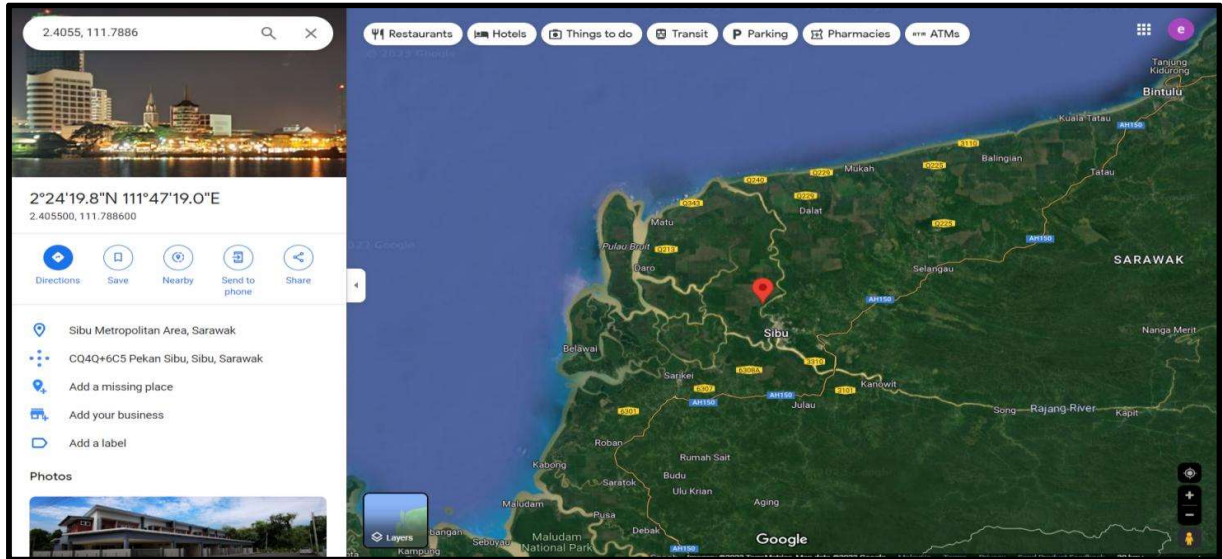
Table 3: Mill Processing Data

	Previous Actual FY 2023			Projection FY 2024		
	FFB Processed	CPO	PK	FFB Processed	CPO	PK
MT	421,252.74	85,020.15	15,964.50	423,500	85,971	16,093
OER (%)		20.18			20.30	
KER (%)			3.79			3.8


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Location Map of the Production Unit

Location Map of the Facilities Unit(Igan Palm Oil Mill),in the District of Sibü, Sarawak



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4. AUDIT ASSESSMENT**4.1. Surveillance 1 Audit (Cycle 2)**

The objective of the audit is to assess the activities of the mill are in compliance with MS 2530-4:2013 Part 4 General Principles For Palm Oil Mills.

4.1.1. Surveillance 1 Audit (Cycle 2)

The **Surveillance 1 Audit (Cycle 2)** audit was conducted on **27th August 2024**. During the **Surveillance 1 Audit (Cycle 2)** audit, there were **3 Major** being raised. The non-conformance raised during the audit were closed out by means of documents review that were established, revised and implemented appropriately and preventive actions taken by the mill.

During this audit, the minor non-compliance raised in the previous annual surveillance audit has been reviewed by the audit team by means of inspection of mill activities by photos provided, conducted interviews, reviewed and verified documents that were established, corrected and implemented appropriately by the mill team. The corrective measures implemented were verified as appropriate.


For details of the assessment, refer to the summary of assessment for each indicator in section 4.4 of this report.

4.2. Stakeholders' Consultation

Nesus Certification Sdn Bhd, has notified the stakeholders as to accommodate stakeholder's consultation and communication for **Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)** to provide comments. As at audit date on **27th August 2024**, there were no adverse comments received.

Table 5: Stakeholder Consultation for Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)

Stakeholders Categories	Stakeholder's Input / Comments	Clients Feedback / Response
<u>Government Agency</u> MR. Hasmadi Osman Department of Environmental (DOE)	Have communicated with mill. No issues.	Continue to maintain the good relationship.
<u>Contractor</u> Mr Ngu Kuong Hui Teleng Trading Sdn Bhd	Happy with doing business with the mill. Any issues can be settled through appropriate channel.	There is a two-way communication between two parties.
<u>Worker representative</u> Nancy Ak Hillary Kalong	Happy working at the mill with good remuneration and facilities provided.	Workers are generally well taken care of as a way to retain good workers.
Neighbouring Villages/Local Cumunity Mr. Ngadi Ujah Patrick Nally Anak Ali Victoria Square	Have communicated with mill. No issues.	Continue to maintain the good relationship.

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4.3. SUMMARY OF FINDINGS


Principle and Criteria Assessment Summary

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits where all criterion will be assessed. Evidences are sought for conformity with the MSPO 2530-4:2013. The summary of the assessment can be seen below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non-conformity is found. Summary of the non-conformity can be found below.

4.4 COMMENT ON COMPLIANCE STATUS, POSITIVE OBSERVATION & OPPORTUNITIES FOR IMPROVEMENT


Principle	Description	Comment	Conformity
Principle 1	Management Commitment & Responsibility	<p><u>Policy on Implementation of MSPO</u></p> <p>The company has established and maintained the MSPO policy dated on 1st January 2018 signed by Acting General Operation Manager. The policy is being communicated through several ways such as by displaying the policy at office, mill and labour quarters. It is also being communicated to the employees during muster call. The policy emphasizes the company's commitment towards sustainable development and continuous improvement in milling operation.</p> <p>NC No.1 Major, 4.4.1.1 In general, it was found that all policies have not been updated. This is in view of changes in the top management.</p>	Major non conformances have been raised.
		<p><u>Internal Audit</u></p> <p>Internal Audit was planned to be conducted at least once not exceeding a year period. It was carried out from 09th - 10th July 2024 for BLD Igan Palm Oil Mill. Based on the internal audit report, 1 finding has been raised by the lead auditor. It was sighted document for corrective action request dated as Control no.: 001/24</p> <p>In the corrective action it contains:</p> <ol style="list-style-type: none"> 1. Part 1: Details 2. Part 2: Description of Finding 3. Part 3: Investigation of Root cause 4. Part 4: Corrective action 5. Part 5: Verification (Lead Auditor) 6. Closing evidence. 	

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		<p>The document can be verified in Corrective Action File. This requirement was clearly indicated in the Internal Audit Procedure developed. Internal Audit Report produced at the end of the audit and brought up to the management and reviewed accordingly.</p> <p><u>Management Review</u></p> <p>Management Review is scheduled to be conducted once a year after internal audit has been conducted. It is noted that the management review for BLD Igan POM was conducted on July 2024 discussing on the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification;</p> <ol style="list-style-type: none"> 1) The Status Actions from previous management reviews. 2) Changes in external and internal issues that are relevant to the MSPO management system, including. 3) The suitability of existing MSPO Policy. 4) Information on the performance & effectiveness of the MSPO management system. 5) The adequacy of current resources. 6) Opportunities for improvement. <p><u>Continual Improvement</u></p> <p>The company has identified Continual Improvement Plan for several criteria such as environmental, social, safety and health. The progress of each identified improvement plan is being monitored closely by the management.</p> <p>The mill management will organize a meeting / discussion with relevant personnel to evaluate the practicality, function effectiveness and suitability.</p>	
Principle 2	Transparency	<p><u>Transparency of documents relevant to MSPO requirements</u></p> <p>The mill management will communicate all information requested by relevant stakeholders through mill. This will be based on types of inquiry. All information relating to external stakeholder will be responded by HQ top management.</p> <p>From the Mill's procedure on Complaints & Grievances (IPOM-L3-SR02) revision 1</p>	Complied.

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		<p>dated 11/5/2018 and the Procedure on Local Sustainable Development (IPOM-L3-SR03) dated 01/12/2017, the management has introduced QR code for sexual harassment & Workplace bullying.</p> <p>Management documents for the mill are made publicly available upon request.</p> <p><u>Transparent method of communication and consultation</u></p> <p>Igan Pom has established a Procedure on Local Sustainable Development (IPOM-L3-SR03) dated 01/12/2017 for consultation and communication with the relevant stakeholders. The document also includes a flow chart of "Request Info from Stakeholders and responses".</p> <p>It was observed that the stakeholder lists was recently updated, Document control No.: IPOM-L3-TM03/F01, revision 2.</p> <p><u>Traceability</u></p> <p>The company had established Traceability as part of Standard Operating Procedure. Traceability procedure was sighted with Control No.: IPOM-L3-TM04, issue date on 01/12/2017. The procedure was designed to show the actual implementation thus reducing the needs for frequent inspection. Nevertheless, appointed person in charge is to ensure the system is being implemented continuously. All records and documents related to traceability are being maintained accordingly as required by the procedure.</p> <p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel is maintained and sighted in the Daily Report. Traceability check done once a year by Traceability officer. As evidence, the mill management had conduct Traceability System Inspection to implement and maintain the requirements for traceability, latest dated 29.06.2024.</p>	
Principle 3	Compliance to legal requirements	<p><u>Regulatory requirements</u></p> <p>The mill operation is in compliance with the applicable of local state, national and ratified international laws and regulations. The mill appointed legal officer who is responsible to monitor on the compliance. Should there be any changes, the mill management shall be informed to make adjustment accordingly.</p>	Complied.

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		<p>Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill) Sample; MPOB Licence: Igan Palm Oil Mill; Lot 559 Block 0, Kabang Land District, 96000 Sibul, Sarawak; FFB Processing, CPO and PK Production; Licence No: 556533004000; Validity: 01/01/2024 - 31/12/2024</p> <p><u>Legal land use rights</u> It was observed, Igan Palm Oil Mill rent this land from KTS Agriculture Development Sdn Bhd. The legal acquisition was proven via tenancy agreement between KTS Agriculture Development Sdn Bhd.</p> <p><u>Customary rights</u> The legal acquisition was proven via availability of land title from Land and Survey Sarawak.</p>	
Principle 4	Social responsibility, health, safety and employment condition	<p><u>Social Impact Assessment</u></p> <p>Social Impact Assessment Report dated June 2024 was seen. The latest info in the SIA was for year 2024 among others are: The SIA following the latest SIA document by MSPO SIA guideline. The report included <u>Social impact:</u> (1) <u>Positive:</u> I. Job opportunities to 60.7% Sarawakians. II. Support local business - Niah. (2) <u>Negative:</u> I. Health risks - Covid-19 from foreign workers. II. New workers - lack of skills. <u>Mitigations:</u> I. Health screening. II. On-the-job training continuous on S&H, job & environment.</p> <p><u>Complaints and grievances</u></p> <p>Standard Operating Procedure Complaints and grievances procedure is available.</p> <p>Bintulu Lumber Development Sdn Bhd has developed a system to respond on sexual harassment & bullying in Igan Palm Oil Mill</p>	Major non conformances have been raised.

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		<p>which is via QR code.</p> <p>NC No.2 Major, 4.4.2.2</p> <p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. It was ineffectively implemented.</p> <p>Complaint on house repair sighted on 07/08/2024. However, it was observed that there was no action taken recorded to date. Also sighted at the quarters, service request form that there was no acceptance of action has been taken by the complainant.</p> <p><u>Commitment to contribute to local sustainable developments</u></p> <p>The mill management has been actively helping and contributing to the local communities in vicinity. Observed all CSR records were retained appropriately by the mill.</p> <p><u>Employees safety and health</u></p> <p>Safety and health policy was incorporated within MSPO General policy. The latest Safety and health statement was signed by Managing Director on 10th March 2023.</p> <p>Occupational Safety and Health Plan for year 2023 was sighted during the audit.</p> <p>NC No.3 Major, 4.4.4.2</p> <p>The implementation of safety and health aspects was found lacking. From the site visit and document review, it was sighted the following;</p> <ol style="list-style-type: none"> 1. It was observed several mill operators were not using PPE (Ear Plug) while working. 2. First aid training to mill workforce was found not conducted since 2023. 3. Job training for new workers (Exp: Mill lab Assistance was found not done) 4. Workplace inspection as found not covering specific areas for health components. Example; canteen&housing 5. Safety committee was found loose. It was observed that 6 committee members never attended the meeting for Q1 -Q3, without valid reasons. 6. One accident was recorded on 10/03/2024, in which the person was granted 7 days leave by GH Sib. This accident was reported in the safety & health meeting in May 2024. However, there was no investigation on the accident and HIRARC was also found not 	
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		<p>adequately reviewed.</p> <p>7. It was also observed that grading hazard was not assessed in the HIRARC.</p> <p>8. The regulator control gauges of hose pressure and tank pressure of acetylene and oxygen were found not released to zero when not in use.</p> <p>9. It was observed working instruction and safe work procedure for several laboratory activities involving chemical application was found not available.</p> <p>Emergency Preparedness & Response (IPOM-L3-SHO5) also sighted to include Emergency Response Plan, Fire & Explosion, Spill Control, Natural Occurrence, Emergency Response Committee, Emergency Team Responsibility, Investigation & Reporting and Emergency Drill.</p> <p>The JKPP8 has been submitted for BLD Igan Palm Oil Mill on January 2024.</p> <p><u>Employment conditions</u></p> <p>At Igan Palm Oil Mill, the policy on Good Social Practices is available. The top management of BLD Igan Palm Oil is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the "Human Right Policy".</p> <p>Based on observation and interview session, it was noted that there are no discriminatory practices in the mill.</p> <p>Management ensured that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. Records of time recording system that makes working hours and overtime transparent for both the employees and employers. Wages and overtime payment documented on the pay slips were in line with legal regulations and collective agreements.</p> <p>Among other social benefit offered by the mill management are housing with subsidised electricity and water, transportation to town after payday, Sports facilities, Free medical at nearest Clinic, emergency transport to General Hospital Sibu, annual party, accident insurance and etc. The workers informed that accommodation provided by the employer are in good condition, no broken or damage parts, clean surrounding, smooth drainage system.</p>	
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		<p>A policy on no sexual harassment and all forms of violence was available. No cases of sexual harassment were reported. There is a gender committee headed by the secretary of OSH committee.</p> <p>The organization has no objection in respect of workers' right to join union or equivalent to facilitate collective bargaining. Workers also verified no such objection from management of the organization.</p> <p>No underage worker is being employed in the mill as per company Policy on No Child Labour and company records.</p> <p>Training and competency Sighted training plan for 2024 being developed into several programme. Training needs analysis was established prior to developing training programme. Noted from the training needs, the mill has identified the applicability of each training type against job functions available. Igan Palm Oil Mill has established a form, Personnel Training Record to evaluate the workers understanding of the training.</p>	
Principle 5	Environment, natural resources, biodiversity and ecosystem services	<p>Environmental management programme</p> <p>The management has provided Sustainability Policy which included environment component. The policy signed by Acting General Operation Manager dated 24th April 2018.</p> <p>A program to promote the positive impacts was indicated in the continual improvement plan and also being included into environmental monitoring plan of the mill.</p> <p>The management has provided evidence on compliances on existing regulatory requirements based on 'Technical Guidance Document on <i>Performance Monitoring of Air Pollution Control System</i>':</p> <ol style="list-style-type: none"> 1) Jadual Pematuhan, no. license 005534, validity 1st January 2024 – 31st December 2024. Implementation toward this license as follows: 2) Conduct quarterly monitoring for Stack Emission Monitoring, for year 2024 as to date, two quarters (1st & 2nd) report was sighted. Both within the compliance limit by license. 	Complied

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		<p>3) <i>Pengurusan Pelupusan Tandan Kosong</i> (PPTK), need to inform Department of Environment (DOE) via "Borang JAS PPTK-1" together with relevant engineering drawing. The submission was done by Mill Processing Manager together with record of disposal of EFB with period of January – December 2023.</p> <p>The environmental Impact and Aspect Assessment Document title : IPOM-L3-SH01/F01 includes Aspect Identification, Impacts, Current Control, Risk Assessment and Risk Control.</p> <p>The mill management has provided environmental risk assessment that incorporates mitigation measures through risk assessment analysis.</p> <p>The management has provided record on environmental meeting by the Environmental performance Monitoring Committee. The management has provided record on environmental meeting by the Environmental performance Monitoring Committee (EPMC). EPMC meeting was conducted via quarterly basis, for Year 2024 1st Q (Conducted on 20.03.2024) and 2nd Q (Conducted on 18.06.2024) was sighted</p> <p><u>Efficiency of energy use and use of renewal energy</u></p> <p>The management has provided Improvement Plan which included biogas project to capture biogas for power generation and to reduce the release of methane gas into atmosphere. On the Energy Optimization Plan, the management has provided diesel consumption record that shows diesel usage for 2024.</p> <p>The management showed evidence using turbine for mill processing with water usage record. The water usage for mill processing (turbine) can assist in reducing usage of diesel consumption especially during high crop period.</p> <p><u>Waste management and disposal</u></p> <p>List of all waste products and sources of pollution were identified and documented appropriately. Waste management plan was established containing identification and monitoring of waste sources. For each identified waste source, the mill has determined the appropriate measures to ensure all wastes generated in the mill are</p>	
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		<p>being handled responsibly.</p> <p>Program to promote positive impacts A) Recycling of waste product through mulching of Empty Fruit Bunches (EFB), decanter cake and bunch ash.</p> <p>Relevant Standard Operating Procedure of Handling of Used Chemical has been established which covered the aspects of handling labeling, storing and disposal to ensure they meet the local authority requirements.</p> <p>The Waste Management Plan document guidance looks into the type of wastes and waste recycling.</p> <p><u>Reduction of pollution and emission</u></p> <p>Environment Monitoring report (stack-latest : 2nd Qtr (Jun 2024) Stack Emission Monitoring Report, Report Ref: SE/IGAN/SS/June23/2Q Boiler No.2 & Incinerator No.1&2, based on record were below the allowable limit of 400mg/m³. It was observed the Green House Gas Emission Monitoring record was made available via IPOM-L3-ENO01/F01 for Jan - Dec 2023. GHG Emission for January - July 2024 are monitored monthly and was observed.</p> <p><u>Natural water resources</u></p> <p>The management has provided the water testing analysis for drinking water. Document Title : Natural Water Resources : IPOM/L3/EN04. From the analysis, it was noted that the domestic water quality was within the permitted limit for water consumption based on National Water Quality Standards Malaysia (NWQS).</p> <p>Boiler water monitored monthly. The overall monitoring of the implementation of water management plan is done by the Mill Manager.</p> <p>Sighted of records on POME test report with latest report May, June & July 2024. From the record, POME final discharge limits is in accordance with the DOE final discharge limits. The POME Certificate of Analysis</p>	
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		<p>sighted as follows:</p> <p>Lab No. EL/WE/24/1288, dated 18 July 2024</p> <p>Lab No. EL/WE/24/1064, dated 19 June 2024</p> <p>Lab No. EL/WE/24/0821, dated 17 May 2024</p>	
Principle 6	Best practices	<p><u>Mill management</u> The management has provided SOP on Mill Operations with regards to MSPO. The SOP will be amended by the Head of Mill and approved by Top Management represented by Act. General Operation Manager.</p> <p>Visit to the laboratory, boiler station and engine room verified that SOP were displayed to increase awareness on best management practices.</p> <p>The monitoring of the mill process and records are to ensure compliance to policies, procedures in relation to mill operations, financial, OSH, welfare and others.</p> <p><u>Economic and financial viability plan</u> The management has provided 6 years production projection for year 2024-2028 (in MT). The projection of production versus actual production is monitored by Mr Simon Chiong Jong Song, Mill Processing Manager and Mr. John Lo, Senior Mill Manager.</p> <p><u>Transparent and fair pricing dealing</u> The mill management receives FFB from internal as well as from external suppliers. There are 32 registered suppliers: Collection centers (3); Own estates (1); Outsiders (11); Smallholders (17).</p> <p>It was observed that pricing mechanism for Igan Palm Oil Mill for FFB purchase are spelt out in the Contract Agreement. Similarly for the sale of Crude Palm Oil and Palm Kernel Oil are spelt out in the Contract Agreement. However, they follow the pricing set by MPOB and any changes will be informed by MPOB.</p> <p>A Contract for Sale and Purchase of Fresh Fruit Bunches (FFB) is seen for Koperasi Penanam Sawit Mampan Daerah Meradong Sarikei Berhad dated 30/12/2022 Ref. No. BLDIPOM/CA/DLL/2301005.</p> <p><u>Contractor</u> Contract Agreement do not contain any</p>	Complied.

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		<p>clause on MSPO. However, there is an MSPO Terms and Conditions for Contractor (Ref: Form No. IPOM-L3-HR01/F01).</p> <p>The contractor agreements are available for:</p> <ol style="list-style-type: none"> 1. Kunciraya Sdn Bhd for transporting of FFB; 2. Fung Jaya Agro Sdn Bhd for sale and purchase of FFB; 3. Koperasi Penanaman Sawit Mampan Daerah Selangau Sibu Bhd for sale and purchase of FFB. 	
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Based on the audit, it was apparent that:

The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system	✓
The management review process is adequate and effective.	✓
The organization has met its objectives and targets and monitored progress towards their achievement.	✓
The management system documentation confirms with the requirements of the MSPO audit standard.	✓

4.5 PREVIOUS AUDIT FINDINGS – IF APPLICABLE

Nonconformity identified during previous audits has been corrected and the corrective action continues to be effective	✓
Not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.	NIL

4.6 EXISTING CERTIFICATION

Currently are being certified to other certification schemes as below

Current Certification (Please tick the certification you are currently certified)			
	ISO 9001		HACCP
	EMS 14001		RSPO
	OHSAS 18001/ISO 45001		ISCC
	ISO 22001	x	Others: MSPO 2530 - 4
	None		

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4.7 AUDIT SUMMARY AND RECOMMENDATION

The audit team concludes that the organization fulfilled the requirements of the MS 2530-4:2013 standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

The audit team recommends that, MSPO certificate to be continued by submission and accept the corrective action plan and evidence of NCRs within the stipulated time frame to **Bintulu Lumber Development Sdn Bhd (Igan Palm Oil Mill)**.

Signed for and on behalf of
Nesus Certification Sdn Bhd



.....
(Jeffrey Denis Ridu)

Lead Auditor

Date: 15 October 2024

ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY AND CONFIRMATION OF AUDIT FINDINGS

This is to acknowledge and confirm the audit described in this report and the acceptance of the contents and findings in this audit report.


Signed for and on behalf of
Bintulu Lumber Development Sdn
Bhd (Igan Palm Oil Mill)



.....
(Tiong Kuong Sii)
Manager

Date: 31 October 2024

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APPENDIX A: AUDIT FINDINGS

Refer to the Attachment (Appendix A)

APPENDIX B: CORRECTIVE ACTION PLAN & EVIDENCE

Refer to the Attachment (Appendix B)

APPENDIX C: AUDIT PLAN

Refer to the Attachment (Appendix C)

End of Report