



MSPO CERTIFICATION SUMMARY REPORT

KILANG KELAPA SAWIT BUKIT PASIR
SDN BHD

SURVEILLANCE 03

Onsite Audit Date: 08/08/2022

TUV NORD (Malaysia) Sdn Bhd
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MSPO Certification Summary Report

Company Name: Kilang Kelapa Sawit Bukit Pasir Sdn Bhd

Certifying Unit: Kilang Kelapa Sawit Bukit Pasir Sdn Bhd

Client Number: 92-126

Audit Type: ASA 03

Mode of Audit: Onsite



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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 |
| ISO | International Standard Organisation |
| MPOB | Malaysian Palm Oil Board |
| MPOCC | Malaysia Palm Oil Certification Council |
| MSPO | Malaysia Sustainable Palm Oil |
| NC | Non Conformity |
| OSH | Occupational Safety and Health |
| P&C | Principle and Criteria |
| PK | Palm Kernel |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RSPO | Roundtable Sustainable Palm Oil |
| RTE | Rare, Threatened and Endangered Species |
| SA8000 | Social Accountability 8000 |
| SDS | Safety Data Sheet |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |
| WHO | World Health Organization |

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1. INTRODUCTION

Kilang Kelapa Sawit Bukit Pasir has commissioned TUV NORD (Malaysia) Sdn. Bhd. to conduct surveillance audit 03 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 audit is to assess palm oil mill by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation established by Kilang Kelapa Sawit Bukit Pasir Sdn Bhd.

The supporting documents provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MS 2530-4:2013 Part 4 General principles for palm oil mills. TUV NORD Malaysia 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 are used as part of the assessment; the compliance of the requirements of the guidelines applied are checked.

1. Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mill audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and Qualification of team members

The audit team appointed consists of the team leader and two team members. The team contributes to the review of documents, assessment of the project activity and preparation of this report.

Qualification of the Lead Auditor: Ariff Bin Lokman

| Requirement | Qualifications |
|---|--|
| Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; | Graduate in Plantation Industry and Management |

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| Requirement | Qualifications |
|--|---|
| vi) Business Management; or vii) Other relevant related fields | |
| At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science) | 7 years working experience in oil palm plantation. |
| Successfully completed MPOCC endorsed lead auditor trainings | Successfully completed MS2530 series of standards for Lead Auditors |
| Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years. | Qualified as Lead Auditor for MSPO scheme. |
| Field working experience in the palm oil sector or demonstrable equivalent | 7 years working experience in oil palm plantation. |
| Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use | 7 years working experience in oil palm plantation. |
| Successfully completed Quality Management Systems (QMS) ISO9001 standard | Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course. |
| Health and safety auditing on the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard | Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course. |
| Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes | Successfully completed SA 8000 Basic training and Auditor for MSPO and RSPO scheme. |
| Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard | Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course. |
| Attended High Conversation Value Assessment training | Successfully completed HCV – HCS for producers course. |

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| Requirement | Qualifications |
|--|---|
| Able to communicate in Bahasa Malaysia, English and / or any other local language. | Able to communicate in Bahasa Malaysia and English. |

Qualification of Team Members

| Requirement | Name of Assessor | Qualification | Compliance |
|--|-----------------------------------|--|------------|
| Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences.); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields | Navin Baskram | Bachelor in Biotechnology and Master in Environmental Management. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Graduate in Applied Science (Major In Agrobiology). | Yes |
| At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science) | Navin Baskram | Four (4) years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | 5 years working experience in oil palm plantations. | Yes |
| Successfully completed MPOCC endorsed lead auditor trainings | Navin Baskram | Successfully completed MS2530 series of standards for Lead Auditors | Yes |

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| Requirement | Name of Assessor | Qualification | Compliance |
|--|-----------------------------------|--|------------|
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed MS2530 series of standards for Lead Auditors. | Yes |
| Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes. | Navin Baskram | Qualified as auditor based on audit log. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Qualified as auditor based on audit log. | Yes |
| Field working experience in the palm oil sector or demonstrable equivalent | Navin Baskram | Four (4) years working experience in oil palm plantation. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | 5 years working experience in oil palm plantations. | Yes |
| Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use | Navin Baskram | Four (4) years working experience in oil palm plantation. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | 5 years working experience in oil palm plantations. | Yes |
| Successfully completed Quality Management Systems (QMS) ISO9001 standard | Navin Baskram | Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed ISO 9001:2015 Lead Auditor course. | Yes |
| Health and safety auditing of the estate processes and activities Or | Navin Baskram | Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course. | Yes |

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| Requirement | Name of Assessor | Qualification | Compliance |
|---|-----------------------------------|---|------------|
| Successfully completed Occupational, Health & Safety Management System ISO 45001 standard | Mohamad Norhisham Bin Mohd Salleh | Successfully completed ISO 45001:2018 Lead Auditor course. | Yes |
| Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes | Navin Baskram | Successfully completed Basic SA 8000 training. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed Basic SA 8000 training. | Yes |
| Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard | Navin Baskram | Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme | Yes |
| Completed High Conversation Value assessment | Navin Baskram | Attended and completed the HCV-HCS for producer online course. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Attended and completed the HCV-HCS for producer online course. | Yes |
| Able to communicate in Bahasa Malaysia, English and / or any other local language. | Navin Baskram | Able to communicate in Bahasa Malaysia and English. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Able to communicate in Bahasa Malaysia and English. | Yes |

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2. METHODOLOGY

The audit approach consists of the following steps:

- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- Reporting
- Resolution of non-conformance (NC)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

Surveillance

The surveillance audit conducted onsite on 08/08/2022 covering the following activities but not limited to below:

Onsite:

- Background investigation
- Review of documentation established but not limited to below
 - Policies
 - Mill location map
 - Land titles
 - Standard Operating Procedures including Mill Operation Manual
 - Work Flow Charts
 - Management Plans
 - Operating licenses and approvals
 - Operating records
 - Training records
 - Applicable Legislation Documents
- Inspection, observations and inspection of mill facilities and activities
- Interview operation personnel for understanding for the work assigned;

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- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised in last audit;
- Assessment reporting;

On-site

The audit of the mill is conducted according to the MS 2530-4: 2013 Part 4: General principles for palm oil mills.

The methodology for collection of objective evidences by means of physical site inspections, observation of tasks and processes; interview workers and operation personnel; review of documentation and data. Checklists and questionnaires are used to guide the collection of information.

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances and action plan 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.

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3. ORGANISATION INFORMATION

Kilang Kelapa Sawit Bukit Pasir Sdn Bhd is located at Jalan Kim Chee, Bukit Pasir, Muar Johor. The mill began operation in 1981 with an operating capacity of 50 MT per hour.

| Name of Mill | Location | Coordinates |
|---|---|------------------------|
| Kilang Kelapa Sawit Bukit Pasir Sdn Bhd | Jalan Kim Chee, Bukit Pasir, Muar Johor | N 2°5'6", E 102°41'53" |

3.1. Production volume

| Volume for the past year Jan 2021 to Dec 2021 | | | Actual volumes Jan 2022 to July 2022 | | | Projected volume Aug 2022 to Dec 2022 | | |
|--|-----------|-----------|---|-----------|---------------|--|----------|----------|
| FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| 251,090.00 | 47,042.00 | 15,316.00 | 171,011.2 3 | 32,304.02 | 10,260.6 7 | 47,913.34 | 8,197.03 | 2,874.73 |

3.2. Maps of Mill Location



Figure 1

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Figure 2

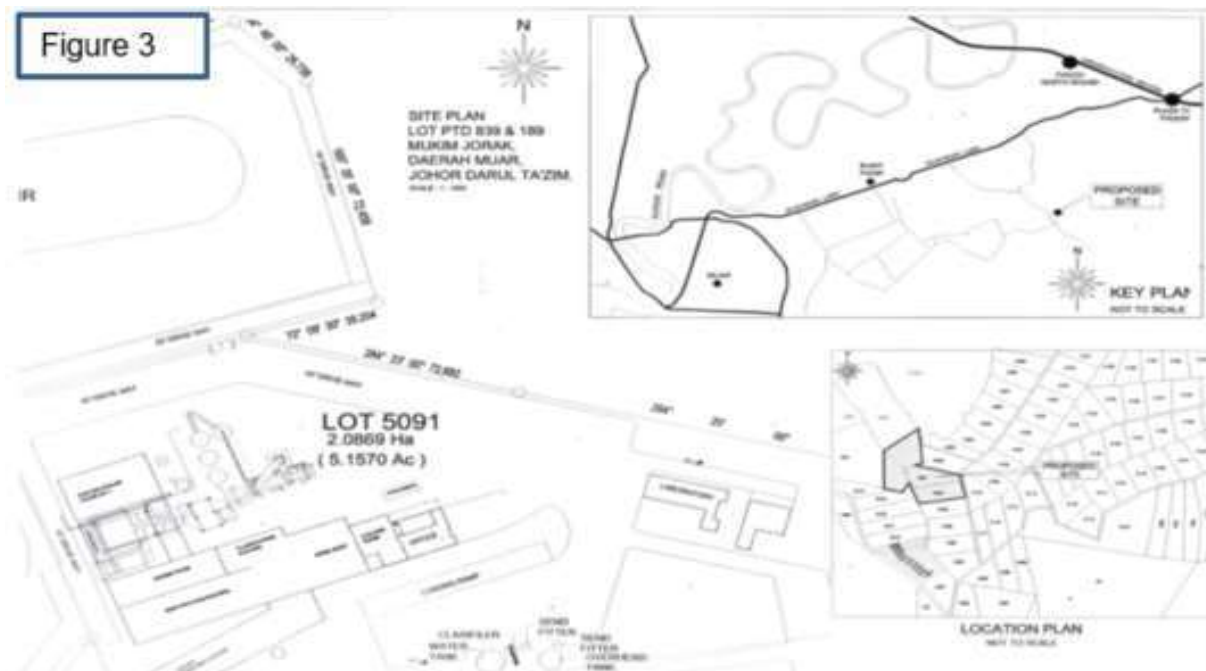


Figure 3

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4. CERTIFICATION ASSESSMENT

4.1. ASA 03

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 Audit 03:

The surveillance 03 audit is conducted on 08/08/2022.

During the last remote surveillance audit, there are 2 Major, 0 Minor, 2 Opportunities for Improvement (OFI) are raised

During this surveillance 03 audit, the major non-compliance raised in the last audit, the audit team has review by means of physical inspection of mill, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the estate management. The corrective measures implemented could be verified as appropriate.

The major non-conformances raise during the last surveillance audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The number of audit findings raised in this audit refer to Section 4.6 of this audit report.

4.2. Stakeholders' Consultation

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

Therefore, there is no physical stakeholders consultation conducted for this surveillance audit TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 08/07/2022 to announce the audit of the certified unit. As at audit date on 08/08/2022 there are no comments received.

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4.3. Summary of Findings

| Principle and Criteria Assessment Summary | |
|---|--|
| <p>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 criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-4. The summary of the assessment can be seen below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below</p> | |

| Principle 1: Management Commitment & responsibility | | |
|---|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.1.1.1 | <p>Kilang Kelapa Sawit Bukit Pasir (KKSBP) established MSPO Policy dated 01/04/2019 signed by Company Director.</p> <p>The policy is available in dual languages which are English and Bahasa Malaysia.</p> <p>The policy is publicly displayed at mill notice board and post guard notice board.</p> <p>Policies training for workers and staff conducted on 02/06/2022.</p> <p>During site interviews with sampled general workers, workshop attendant and oil room worker, informed they are aware on MSPO policy and its requirements.</p> | Yes |
| 4.1.1.2 | <p>KKSBP established MSPO Policy dated 01/04/2019 signed by Company Director.</p> <p>The policy states KKSBP's commitment to provide adequate resources towards sustainability of palm oil business by implementing MSPO system and continuous improvement on sustainability development.</p> <ul style="list-style-type: none"> • Management commitment and responsibility; • Transparency; • Compliance to legal requirement; • Social responsibility, health, safety and employment conditions; • Environment, natural resources; • Best practices. | Yes |
| 4.1.2.1 | <p>KKSBP has established SOP for internal audit document number SOP-MP1-Management Procedure/1, revision 1/1, dated issued 01/04/2019.</p> <p>The procedure describes the audit will be conducted at least once a year before third party external audit.</p> <p>Latest internal audit conducted from 15/07/2022 to 16/07/2022. There is no non-conformity and two opportunities for improvement raised during the internal audit.</p> | Yes |

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| Principle 1: Management Commitment & responsibility | | |
|---|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.1.2.2 | <p>KKSBP has established SOP internal audit document number: SOP-MP1-Management Procedure/1, revision 1/1, dated issued 01/04/2019.</p> <p>Latest internal audit conducted from 15/07/2022 to 16/07/2022. There is no non-conformity and two opportunities for improvement raised during the internal audit.</p> <p>Therefore, no corrective actions established.</p> <p>Internal audit conducted covered all principles of MSPO P&C requirements.</p> | Yes |
| 4.1.2.3 | <p>KKSBP conducted management review meeting on 17/07/2022. Internal audit results were discussed in the management review meeting minutes.</p> | Yes |
| 4.1.3.1 | <p>KKSBP established SOP Management Review document number, MP 02, issue / revision 1/1 dated 01/04/2019.</p> <p>The procedure describes the management review will be conducted at least once a year.</p> <p>Latest management review conducted on 17/07/2022 with agenda as follows:</p> <ul style="list-style-type: none"> i) Actions of previous meeting; ii) MSPO certification status; iii) Manual, Policy and procedure status; iv) Results of internal audits; v) Preventive and corrective action status; vi) Recommendation for improvement. <p>Example:</p> <p>AOC03 : Indicator 4.5.3.2 Major;</p> <p>Outcome / decision: The management has complied by upgrading the biogas system;</p> <p>Status: Completed.</p> <p>Site observation, sighted the biogas system well established.</p> | Yes |
| 4.1.4.1 | <p>KKSBP updated Continuous Improvement Plan for year 2022.</p> <p>The CIP includes social, environment, operation and safety and health.</p> <p>CIP established for social describes:</p> <ul style="list-style-type: none"> 1. Activities; 2. Person In charge (PIC); 3. Purpose; 4. Strategic direction; | Yes |

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| Principle 1: Management Commitment & responsibility | | |
|--|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>5. Risk/opportunity; 6. Budget; 7. Timeline; 8. Status; 9. Result; 10. Remarks.</p> <p>Example: Activities: Main road routine maintenance; PIC: MSPO Chairman; Purpose: Maintain safety of the road accessibility; Strategic direction: Engagement of contractor; Risk: Potholes on road will be hazardous at night; Budget: Approved; Timeline: September 2022; Status: Ongoing; Result: Reviewed as ongoing basis; Remarks: Photos of ongoing work will be captured and sent to group chat. During site inspection observed main road to KKSBP is in good condition.</p> | |
| 4.1.4.2 | <p>KKSBP established flow chart of new technology implementation. As of audit date, no new technology implemented. Last new technology "Advanced Oxidation and Flootation" was implemented in 2019. During site interview with Effluent operator informed has been briefed and trained on the new technology.</p> | Yes |

| Principle 2: Transparency | | |
|----------------------------------|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.2.1.1 | <p>KKSBP conducted internal stakeholders meeting dated 14/06/2022 include agenda such as minimum wages, company policies and complaint and grievances procedure. KKSBP communicate with external stakeholders via email on 25/07/2022 include agenda such as MSPO SCCS, MS 2530-4:2013 Part 4 General principles for palm oil mills, environment, legal requirements and company policies.</p> | Yes |
| 4.2.1.2 | KKSBP establish list of public and confidential available documents. | Yes |

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| Principle 2: Transparency | | |
|---------------------------|--|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>Example of public documents:</p> <ul style="list-style-type: none"> Annual stakeholders meeting Complaint and grievance records <p>Example of confidential documents:</p> <ul style="list-style-type: none"> Land titles Standard operating procedures | |
| 4.2.2.1 | <p>KKSBP established SOP communication, document number: SOP-MP5-Management procedure/5, revision 1/1 dated 01/04/2019 for handling of internal and external communication and consultation with stakeholders with regards to MSPO requirements and mill operations.</p> <p>The SOP describes the period to respond feedback received from stakeholders is within 2 weeks.</p> | Yes |
| 4.2.2.2 | <p>KKSBP appoints Assistant Mill Manager as the representative for the consultation and communication dated 01/04/2022.</p> | Yes |
| 4.2.2.3 | <p>KKSBP established list of stakeholder's updated year 2022 includes contractors, suppliers, local communities, government agencies and NGOs.</p> <p>As per audit date, there is no request by stakeholders received.</p> | Yes |
| 4.2.3.1 | <p>KKSBP established SOP traceability document number SOP-MP 10-Traceability/10, revision 1/1 dated 01/04/2019.</p> <p>SOP describes:</p> <ul style="list-style-type: none"> Assistant Mill Manager as person in charge for oversee the traceability process. Sequence of traceability from receiving of FFB until dispatch of CPO and PK. <p>Documents of receiving FFB</p> <ul style="list-style-type: none"> Delivery ticket / dispatch slip from supplier Weighbridge ticket <p>Documents of delivering CPO & PK</p> <ul style="list-style-type: none"> Weighbridge ticket, PK dispatch note Weighbridge ticket, authorization note, and dispatch note | Yes |
| 4.2.3.2 | <p>KKSBP conducted internal audit on 15/07/2022 to 16/07/2022 as mechanism for traceability inspection.</p> <p>Results of internal audit on traceability is review and no findings raised.</p> | Yes |
| 4.2.3.3 | <p>KKSBP appointed Assistant Mill Manager as a person in charge for monitoring and implementing traceability requirement dated 01/04/2022.</p> | Yes |

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| Principle 2: Transparency | | |
|---------------------------|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.2.3.4 | <p>KKSBP established monthly records of storage, sales and delivery.</p> <ul style="list-style-type: none"> Summary of daily records of FFB purchase as of 07/08/2022. Invoice summary CPO Invoice summary PK Summary of Daily dispatch for CPO and PK <p>Delivered palm products are traceable to FFB suppliers and crosscheck with delivery notes, weighbridge tickets issued against weighbridge tickets from sellers.</p> <p>Weighbridge tickets from FFB supplier is review. The ticket consist of the following information;</p> <ul style="list-style-type: none"> MPOB license Ticket number Date Vehicle number Product Weight Graded OER. <p>Weighbridge tickets for CPO and PK despatch are review that consists following information:</p> <ul style="list-style-type: none"> Date Ticket number Vehicle number Contract number Product Weight. | Yes |

| Principle 3: Compliance to legal requirements | | |
|---|---|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.3.1.1 | <p>KKSBP updated license and permit master list updated 25/03/2022.</p> <p>Example of permit and license:</p> <ul style="list-style-type: none"> MPOB CPO License No: 500133404000 valid from 01/08/2022 until 31/07/2023 Air receiver, JH PMT 90833, valid from 23/12/2021 to 22/03/2023 | Yes |

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| Principle 3: Compliance to legal requirements | | |
|---|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | <ul style="list-style-type: none"> Fire Services Certificate , No: JBPM:JH/7/094/2022 valid until 23/01/2023 | |
| 4.3.1.2 | <p>KKSBP has established List and Summary of Applicable Laws and Regulations dated 01/06/2022. The establish list include the applicable clauses.</p> <p>Example:</p> <ul style="list-style-type: none"> Factory and Machinery Act 1967 (Act 139) Employees' Minimum Standard of Housing, Accommodations and Amenities Act 1990 (Amendment 01/02/2021) Minimum Wage Order (amendment) 2022 | Yes |
| 4.3.1.3 | <p>KKSBP update the list of legal documents on 01/06/2022.</p> <p>Latest updated list of legal documents includes:</p> <ul style="list-style-type: none"> Employees' Minimum Standard of Housing, Accommodations and Amenities Act 1990 (Amendment 01/02/2021). Minimum Wage Order (amendment) 2022. | Yes |
| 4.3.1.4 | <p>The Mill Engineer is the person in charge to update any changes as and when available dated 01/04/2020.</p> | Yes |
| 4.3.2.1 | <p>KKSBP land titles are freehold issued by Pejabat Tanah dan Galian Johor.</p> <p>Land use stated are medium industrial area for Palm Oil Mill.</p> | Yes |
| 4.3.2.2 | <p>KKSBP is the legal owner of the land titles. Stated in the grant, land is owned by Kilang Kelapa Sawit Bukit Pasir Sdn. Bhd.</p> <p>Titles are available at KKSBP Office and was reviewed and verified.</p> | Yes |
| 4.3.2.3 | <p>KKSBP land titles include "Borang B2 Pelan Tanah" which has the land map information and locality.</p> <p>Example:</p> <p>State: Johor</p> <p>District: Muar</p> <p>Pekan: Mukim Jorak</p> <p>Lot number: 5091</p> <p>Total area: 2.087 hectare.</p> | Yes |
| 4.3.2.4 | <p>KKSBP land titles are issued by the Pejabat Tanah dan Galian Johor.</p> <p>Review on stakeholders meeting conducted and mill complaints records indicates, there is no land disputes raised.</p> | Yes |
| 4.3.3.1 | <p>KKSBP land titles are issued by the Pejabat Tanah and Galian Johor.</p> | Yes |

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| Principle 3: Compliance to legal requirements | | |
|---|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | Review on the land titles documents no dispute of the land found. | |
| 4.3.3.2 | KKSBP land titles are issued by Pejabat Tanah dan Galian Johor, Review on the land titles documents, there are clear demarcation of boundary. | Yes |
| 4.3.3.3 | KKSBP land titles are issued by Pejabat Tanah dan Galian Johor. Review on the land titles documents, no issue on land use rights. Thus, no FPIC or negotiation records is required. | Yes |

| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.4.1.1 | <p>KKSBP established Social Impact Assessment (SIA) dated 19/07/2022.</p> <p>SIA Objectives as follows:</p> <ul style="list-style-type: none"> Identify social impact and social consequences result from the mill operations. Minimized social negative impact and maximizing the positive impacts. Communicate the social impact assessment processes to stakeholders and compliance to MSPO requirements. <p>The survey include internal and external stakeholders such as workers and suppliers.</p> <p>Example of positive impacts:</p> <ul style="list-style-type: none"> Increase human resource quality Create new employment Better road conditions Increase buying ability <p>Example of negative impacts:</p> <ul style="list-style-type: none"> Air pollution caused by emission Differences between local workers and foreign workers. | Yes |
| 4.4.2.1 | <p>KKSBP Complaint and Grievance procedure states timeline to resolve complaint and grievance within 14 days.</p> <p>There are no complaints lodge for year 2022 till the audit date.</p> <p>Site interview with general workers, workshop attendant and oil room worker informed they understand of complaint and grievance procedure.</p> | Yes |
| 4.4.2.2 | KKSBP established complaint form and made available at the mill guardhouse. | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | | |
|--|--|--|-----|
| Indicator | Summary of Assessment | Compliance | |
| | Complaint box is available and accessible for employees and stakeholders to make complaints. | | |
| 4.4.2.3 | <p>KKSBP compliant form and box is available and accessible at the mill guardhouse.</p> <p>Complaint and grievance procedure briefing conducted on 09/06/2022.</p> <p>Site interview with general workers, store clerk, oil room worker and workshop attendant informed they understand of complaint and grievance procedure.</p> | Yes | |
| 4.4.2.4 | <p>Review on the complaint book, no complaint is lodged from the past 24 months till the audit date.</p> <p>The complaint book is available at mill office and can be access upon request.</p> <p>Site interview with general workers, store clerk, oil room worker and workshop attendant confirmed no complaint lodge.</p> | Yes | |
| 4.4.2.5 | <p>KKSBP Complaint and Grievance procedure states timeline to resolve complaint and grievance within 14 days.</p> <p>There are no complaints lodge for year 2022 till the audit date.</p> <p>Site interview with general workers, store clerk, oil room worker and workshop attendant informed they understand of complaint and grievance procedure.</p> | Yes | |
| 4.4.3.1 | KKSBP hired local communities for office clerk and mill operation. | Yes | |
| 4.4.4.1 | <p>KKSBP established Safety and Health Policy, dated 01/02/2019 sign by Company Director.</p> <p>Site interview with general workers, store clerk, oil room worker and workshop attendant informed they understand and aware on Safety and Health policy.</p> | Yes | |
| 4.4.4.2 | a | <p>KKSBP established Safety and Health Policy, dated 01/04/2019 sign by Company Director.</p> <p>Site visit to housing compound, office and workshop indicate the Safety and Health policy is displayed at the notice boards.</p> <p>Briefing of safety and health policy conducted on 09/05/2022.</p> <p>Site interview with workshop attendant and general workers informed they has been briefed on the safety and health policy.</p> | Yes |
| | b | <p>KKSBP established Hazard Identification, Risk Assessment, and Risk Control (HIRARC) for the mill operations, dated 21/05/2022.</p> <p>The HIRARC includes activity, type of hazards, potential risks, control measure, risk rating, additional control and PIC.</p> <p>Example of HIRARC:</p> | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>Engine room-turbine</p> <p>Activity: Turbine service and alternator.</p> <p>Type of hazard: Inappropriate handling of grading tools.</p> <p>Potential risks: Injuries and wounds</p> <p>Control measure: Provide PPE such as ear plug, safety helmet, safety shoes and glove.</p> <p>Risk rating: 3</p> <p>Additional control: Provide training of PPE.</p> <p>PIC: Assistant or staff</p> <p>Further verification on PPE records verified PPE such as safety shoes and gloves are issued to workers, dated 09/05/2022.</p> | |
| c. i | <p>KKSBP established Annual Training Programme for 2022.</p> <p>Training in the programme includes:</p> <ul style="list-style-type: none"> • OSH policy. • Mill SOPs. • Emergency response plan and fire drill. <p>Example of briefing conducted:</p> <ul style="list-style-type: none"> • Safety and PPE training dated 09/05/2022 • Chemical spillage dated 23/06/2022 • Emergency response plan and fire drill dated 23/06/2022 | Yes |
| c. ii | <p>KKSBP copies of SDS available and displayed at stores and laboratory.</p> <p>Example of SDSs:</p> <ul style="list-style-type: none"> • Charge AC 121-AP dated 22/06/2020 | Yes |
| d | <p>KKSBP established HIRARC states PPE required for the activities.</p> <p>Example:</p> <p>Location: Engine Room.</p> <p>PPE required: Ear plug and safety shoes.</p> <p>Review on the PPE issuance record dated July 2022, PPEs provided to workers are safety helmet, safety shoes and ear plug.</p> <p>Site interview with general workers, store clerk, oil room worker and workshop attendant informed they provided PPEs for the assigned task according to HIRARC.</p> | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|--|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | KKSBP provides workers face mask as part of safety precaution and prevention from infectious diseases. | |
| e | <p>KKSBP established SOP for chemical handlings, doc no.: SOP-MP12-Chemical handling dated 11/04/2019.</p> <p>The SOP describes the handling and storage process.</p> <p>Briefing on chemical spillage handling dated 23/06/2022.</p> <p>Site interview with store clerk informed she understand the chemical handling and storage process.</p> | Yes |
| f | KKSPB appoints the Mill Manager as person in-charge of safety and health. | Yes |
| g | <p>KKSPB conducts Occupational Safety and Health meeting on quarterly basis.</p> <p>The last two quarters meeting held on 04/03/2022 and 23/05/2022.</p> <p>Workers representative are involved in the meeting.</p> <p>Review the OSH meeting minutes there is no accident or injury case.</p> | Yes |
| h | <p>KKSBP established Emergency Respond Plan (ERP) for year 2022.</p> <p>Emergency contact details displayed at the mill notice board.</p> <p>The ERP established includes assessment on:</p> <ul style="list-style-type: none"> • Fire • Explosion in plant • Spillage • Tank leakage • Pipe burst • Utilities failure • Industrial accident • Pollution • Black smoke form boiler • Pandemic outbreak <p>KKSBP established COVID-19 flowchart on mitigation measures to be taken the includes:</p> <ul style="list-style-type: none"> • Daily body temperature reading • Workplace and housing sanitation programme. | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| | <ul style="list-style-type: none"> Control of exit and entering premises. | |
| i | <p>KKSBP appoints two staffs attended first aid training conducted by St John Ambulance Malaysia.</p> <p>First aid kits are available at labour quarters, operation site and office.</p> <p>Review the latest first aid kit checking record dated 11/07/2022.</p> | Yes |
| j | <p>KKSBP JKPP 8 reported in for year 2021 is review, dated on 28/07/2022.</p> <p>Accident record review and interview with store clerk and workshop attendant informed no accident occur from last audit date till the audit date.</p> <p>OSH meeting March and May 2022 states there is no accident or COVID case reported.</p> | Yes |
| 4.4.5.1 | <p>KKSBP established Employment Policy dated 01/04/2019 signed by Company Director.</p> <p>The policy states company will not engage in or support discriminatory based on race, caste, national origin, religion, disability, gender, sexual orientation or political affiliation.</p> <p>Site interview with general workers, store clerk and workshop attendant informed there are no issue is raised related to human right.</p> | Yes |
| 4.4.5.2 | <p>KKSBP established Employment Policy dated 01/04/2019 signed by Company Director.</p> <p>The policy states company will not engage in or support discriminatory based on race, caste, national origin, religion, disability, gender, sexual orientation or political affiliation.</p> <p>Review on complaint record, no related cases reported from year 2020 till the audit date.</p> <p>Site interview with general workers, store clerk and workshop attendant informed there are no discrimination occurs in their work place.</p> | Yes |
| 4.4.5.3 | <p>KKSBP mills established employment agreement for workers in line with legal requirement.</p> <p>Document review on employment agreement verify RM57.69 per day. Payslip review which includes, daily pay rate and overtime are verify and comply with Minimum Wages Order 2022.</p> <p>Overtime is paid at rate of one and a half times the hourly rate of pay on normal working days and two times the hourly rate on rest day.</p> <p>The employment agreement is in Bahasa Malaysia language version which able to understand by the Indonesian workers.</p> | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|--|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>Site interview with store clerk and workshop attendant informed they are briefed on the employment agreement.</p> <p>Site interview with store clerk and workshop attendant informed they are mutually agreed with daily rate as describe in the employment agreement.</p> | |
| 4.4.5.4 | <p>KKSBP monitored contractor's workers' pay rate.</p> <p>Sighted payslip for contractor 'A' Engineering worker for the month of June 2022 with rate mutually agreed by both parties is in accordance to Minimum Wages Order 2022.</p> <p>Example: Worker's 'A' Month: June 2022 Wages is above minimum wages of RM 1,500 per month.</p> | Yes |
| 4.4.5.5 | <p>KKSBP established list of workers that includes name, date of birth, date of join, nationality and gender.</p> | Yes |
| 4.4.5.6 | <p>KKSBP established employment agreement with workers.</p> <p>The document includes information on workers particulars, salary rate, working time and annual leaves.</p> <p>The employment agreement is signed by workers and mill manager.</p> <p>Site interview with general workers, store clerk and workshop attendant informed they received copy of employment agreement.</p> | Yes |
| 4.4.5.7 | <p>KKSBP used punch card system for recording working hours and overtime for staff and workers.</p> <p>Working hours are available and displayed at mill notice board.</p> <p>Site interview with general workers, store clerk and workshop attendant informed they understand the working hours.</p> | Yes |
| 4.4.5.8 | <p>KKSBP established working hours and displayed in office notice board.</p> <p>Shift A: 7:00 am to 3:00pm Shift B: 3:00pm to 11:00pm Break time: Shift A: 12:00pm to 1:00pm Shift B: 7:00pm to 8:00pm</p> <p>Site interview with general workers, store clerk, oil room worker and workshop attendant informed they are aware and observed the working hours provided by mill.</p> | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.4.5.9 | <p>KKSBP established pay slips includes company name, worker name, worker no, department, basic salary, work restday, public holiday, overtime, SOCSO from employer, deduction, gross salary and net salary.</p> <p>STPSB mills established payslip as document to record the wages and overtime of the workers.</p> <p>Review on payslip for July 2022, daily rate paid at RM57.69 to workers as describe in employment agreement.</p> <p>Site interviewed with store clerk and workshop attendant informed the salary paid is in line with legal requirement.</p> | Yes |
| 4.4.5.10 | <p>KKSBP provides social benefits such as:</p> <ul style="list-style-type: none"> • Medical claim. • Annual bonuses based on company discretion. | Yes |
| 4.4.5.11 | <p>KKSBP provides housing for workers. The housing compound are in accordance to Workers Minimum Standards of Housing and Amenities Act 1990 (Act 446).</p> <p>Facilities such as worship place and grocery shop located nearby the housing areas.</p> | Yes |
| 4.4.5.12 | <p>KKSBP established Sexual Harassment policy dated 01/04/2019 signed by Company Director. Review on company policies is display on mill notice board.</p> <p>Review the complaint record no complaint lodge as of audit date.</p> <p>Site interview with general workers, store clerk and workshop attendant informed no case of violent or sexual harassment in their working place.</p> | Yes |
| 4.4.5.13 | <p>KKSBP established Social and Employment policy dated 01/04/2019 signed by Company Director. The policy statement includes a statement "The employer respect the right of all employees to form or join trade unions of their choice."</p> <p>Review the workers meeting dated 23/05/2022 include agenda of SOP complaint and grievance, housing, PPE, and employee performance review.</p> <p>Site interview with general workers, store clerk, and workshop attendant informed they understand their right to join the union, however they have no interest to join the trade union such as Malaysian Trades Union Congress.</p> | Yes |
| 4.4.5.14 | <p>KKSBP established Social Policy sign by Company Director dated 01/04/2019 states forbidding any children and young person's labor exploitation.</p> <p>Review on workers list and site interview with general workers, store clerk, and workshop attendant indicate no children or young person hired by KKSBP.</p> | Yes |

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| Principle 4: Social Responsibility, health, safety and employment conditions | | |
|---|--|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.4.6.1 | <p>KKSBP established Annual Training Program year 2022.</p> <p>Review on the training records include attendance list, photos and training material is available and maintained.</p> <p>Example of training conducted:</p> <ul style="list-style-type: none"> • Safety and PPE training dated 09/05/2022 • Chemical spillage dated 23/06/2022 • Emergency response plan and fire drill dated 23/06/2022 | Yes |
| 4.4.6.2 | <p>KKSBP established Training Need Analysis for staffs and workers based on the job descriptions.</p> <p>Example: Ramp attendant</p> <p>Training required: Safety training, ramp SOP training, fire drill.</p> | Yes |
| 4.4.6.3 | <p>KKSBP establish annual training program for year 2022.</p> <p>Example:</p> <ol style="list-style-type: none"> i. Emergency drill (Fire / Chemical Spillage) on April 2022 ii. Emergency drill (Tank / Pipe burst) on May 2022 iii. Scheduled wastes handling on November 2022 iv. Chemical handling on Sept 2022 | Yes |

| Principle 5: Environment, natural resources, biodiversity and ecosystem services | | |
|---|---|------------|
| Indicator | Summary of Assessment | Compliance |
| 4.5.1.1 | <p>KKSBP established Environmental Policy dated 01/02/2018 signed by Company Director.</p> <p>The policy describes:</p> <p>Environmental compliance by ensuring operation complies with applicable environment regulation, legislations, customer requirement.</p> <p>During site visit, observed policy displayed on mill notice boards.</p> <p>The policy is available in dual languages which are English and Bahasa Malaysia.</p> <p>KKSBP conducted policy briefing to workers on 02/06/2022.</p> <p>KKSBP established Environmental Management Plan updated on 19/05/2022.</p> <p>Example of content:</p> <p>Area: FFB Intake;</p> <p>Major Aspect: Smoke emission from FFB lorry/ tractor;</p> | Yes |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services | | |
|--|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>Negative Impact: Air pollution;</p> <p>Management control: To advise outside transporter to have regular maintenance for their vehicles;</p> <p>PIC: Assistant Manager.</p> <p>During site observation, observed vehicles of outsiders were well maintained.</p> <p>Site interview with lorry drivers informed vehicles are maintained in a regular basis.</p> | |
| 4.5.1.2 | <p>a</p> <p>KKSBP established Environmental policy dated 01/02/2018 signed by Company Director.</p> <p>The Environmental Management Plan (EMP) updated on 19/05/2022.</p> <p>The established environmental objectives are:</p> <ol style="list-style-type: none"> 100% compliance to licensing requirements; Not more than 600Litre of scheduled waste under code SW 305 generated at every 6 month. <p>The environmental objectives remained with no changes as of audit date.</p> | Yes |
| | <p>b</p> <p>KKSBP established Environment Aspect Impact Assessment (EIA) register updated on 25/04/2022.</p> <p>EIA covered all operation.</p> <p>Aspect and impact analysis of all operations establish in the EIA.</p> <p>The EIA consist of environmental aspect, risk, environmental impacts, rating and legal requirements.</p> <p>The environment aspect impact describes area, aspect, impact, risk, opportunity, situation, significant rating, and legal requirement.</p> <p>Example of content:</p> <ol style="list-style-type: none"> Area: Depericarper; Environmental Aspect: Noise from nut polishing drum; Impact: Noise Pollution; Risk: Health hazard; Situation: Normal; Significant rating: 10; Legal requirement: FM (Noise exposure Regulation 1989). | Yes |
| 4.5.1.3 | <p>KKSBP EMP include action to mitigate negative impact and promote positive impacts.</p> | No |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>Example:</p> <ol style="list-style-type: none"> Area: Depericarper; Environmental Aspect: Noise from nut polishing drum; Impact: Noise Pollution; Risk: Health hazard; Situation: Normal; Significant rating: 10; Legal requirement: FM (Noise exposure Regulation 1989). <p>Reviewed and verified boundary noise monitoring report dated 21/06/2022.</p> <p>The report concluded that noise has not exceeded noise limits during day and night.</p> <p>Major Non-Conformity 1</p> <p>KKSBP established environment management plan updated on 19/05/2022. However, the plan does not include promotion of positive impacts.</p> | |
| 4.5.1.4 | <p>KKSB Environmental issues are covered in CIP 2022.</p> <p>The CIP describes;</p> <ol style="list-style-type: none"> Focus Area: Particulate dust, ambient air quality and noise monitoring; Strategies: Engaging DOE certified consultancy agency; Activities: Engaging DOE certified consultancy agency; Resources: Environment Consultant; PIC: Mill manager; Timeline: Ongoing; Completion date: Ongoing; Measure of success: No compounds or non-conformity from DOE. <p>Reviewed and verified latest stack emission monitoring report and ambient air monitoring report both dated 14 March 2022.</p> <p>Both reports concluded that sources of emissions are within parameters.</p> | Yes |
| 4.5.1.5 | <p>KKSBP establish training program titled "Annual Training Program Year 2022".</p> <p>Training for workers on environment was carried out as below:</p> <ul style="list-style-type: none"> Environmental Policy dated 02/06/2022; Chemical Spillage dated 23/06/2022; | Yes |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services | | |
|--|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | <ul style="list-style-type: none"> Mill SOP and scheduled waste training dated 09/06/2022. | |
| 4.5.1.6 | <p>KKSBP's latest environmental committee meeting was conducted on 01/03/2022.</p> <p>The frequency of the environmental meetings are annually.</p> <p>The meeting was participated by the mill management and worker representatives.</p> <p>Reviewed meeting minutes, agenda and attendance sheet signed by the participants.</p> <p>The meeting covered topics such as effluent management, oil trap management and required environmental trainings.</p> <p>Site interviews with sampled general workers, workshop attendant and oil room worker informed worker representatives from every department participate in meetings organized by the mill management.</p> | Yes |
| 4.5.2.1 | <p>KKSBP established records of diesel per tonne CPO and electricity usage per tonne FFB process from 2019 to 2022.</p> <p>Baseline values for diesel usage has been set on yearly basis.</p> <p>Diesel per tonne CPO is higher in year 2021 compared to the average baseline value.</p> <p>This is due to increase in capacity of belt press for desludging anaerobic pond where transportation of lorry were used for disposal of sludge cakes.</p> <p>Electricity per tonne FFB process for year 2021 is higher compared to 2020 due boiler induction fan problem causing switch of certain operations electricity support from boiler to state grid.</p> <p>Monitoring of usage of electricity and diesel is on monthly basis.</p> <p>Reviewed and verified monthly diesel and electricity usage record for May 2022.</p> | Yes |
| 4.5.2.2 | <p>KKSBP budget for diesel and electricity consumption for the year for year 2022 has been reviewed and verified.</p> <p>Actual usage of fuel is higher compared to the budget for previous financial year. This is due machinery breakdowns and due boiler induction fan problem causing switch of certain operations electricity support from boiler to state grid.</p> <p>Monitoring of diesel usage per ton CPO and electricity usage per tonne FFB process is on annual basis while there are records of monitoring on a monthly basis.</p> | Yes |
| 4.5.2.3 | <p>KKSBP use fiber and kernel shell as renewable fuel for boiler to generate for steam for mill operation and power generation.</p> | Yes |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| | Reviewed in the CIP, the erection of methane biogas plant to capture methane gas for electricity generation purposes is in construction stage. | |
| 4.5.3.1 | <p>KKSBP has been established waste management plan prepared by mill manager updated 19/07/2022.</p> <p>Waste identification and source of pollution has been addressed;</p> <ol style="list-style-type: none"> Type of waste: Engine oil and hydraulic oil; Source of waste: Vehicle maintenance. | Yes |
| 4.5.3.2 | <p>a</p> <p>KKSBP established waste management plan updated on 19/07/2022.</p> <p>Type of waste identified: Empty chemical containers;</p> <p>Ways to reduce pollution: Empty chemical containers are disposed using DOE approved contractors within 180 days of waste generation.</p> | Yes |
| | <p>b</p> <p>KKSBP wastes generated from milling operation are identified and documented in the waste management plan.</p> <p>Stated in the plan palm kernel shell, EFB mesocarp fibres is to be used as fuel for boiler operation. Excess EFB will be sold to third party.</p> <p>During site visit, observed mesocarp fibres used as fuel for boiler operation.</p> | Yes |
| 4.5.3.3 | <p>KKSBP has established SOP for Chemical handlings.</p> <ol style="list-style-type: none"> SOP Chemical handlings, SOP-MP12 issue/revision 01/01 dated 15/11/2018. SOP Schedule waste, SOP number MP 15, issue/revision 01/01/ dated 15/11/2018. SOP describes on reference schedule waste to comply with EQA regulation 2005 amended 2007. <p>List of identified scheduled waste is establish in the SOP including SW 102, SW103, SW305, SW 306, SW 404, SW 408, SW 409, SW 410 and SW 422.</p> <p>List of scheduled waste established in the waste management plan including engine oil, hydraulic oil, empty chemical container, oil filter and drums.</p> <p>Monitoring plan has describes to call vendor every 6 months or when waste generates exceeds 20mt, whichever comes first for SW 305 and SW 306.</p> <p>Reviewed and verified scheduled waste disposal records on 10/02/2022.</p> <p>Mill's competent person for scheduled waste is the Mill Engineer.</p> | Yes |
| 4.5.3.4 | <p>KKSBP established waste management plan dated 19/07/2022 includes disposal plan for domestic waste in the waste management plan.</p> | Yes |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services | | |
|--|--|------------|
| Indicator | Summary of Assessment | Compliance |
| | <p>Domestic waste: used paper, plastic bottles / containers / rubbish.</p> <p>Action plan: Domestic waste collection at 2 times per week by Muar Municipal Council.</p> <p>Site interviews with sampled general workers, workshop attendant and oil room worker informed that domestic waste is disposed by the Muar Municipal Council and waste is collected 2 times per week by the municipal council.</p> | |
| 4.5.4.1 | <p>KKSBP established environment management plan updated 19/05/2022.</p> <p>Assessment monitoring for polluting activities such as Isokinetic stack emission for Oxide of Sulfur and Oxide of Nitrogen for PM10, PM2.5, NO₂, SO₂, CO and CO₃ has been carried out according to the DOE license specifications and results of emissions are within the respective specifications.</p> <p>Greenhouse gas emission from boiler mainly total particulate matter, is monitored by Continuous Emission Monitoring System (CEMS) reporting on a daily basis.</p> <p>Reviewed and verified CEMS monitoring record for May and June 2022.</p> <p>OER reports for particulate matter and opacity is within parameters set by the Department of Environment.</p> | Yes |
| 4.5.4.2 | <p>KKSBP established action plan to reduce identified significant pollutant and emission for smoke emissions, dust particulates and opacity.</p> <p>The action plan includes monitoring and continuous improvement programme to reduce the potential source of GHG Emission.</p> <p>Example:</p> <p>To install biogas plant</p> <p>Implementation: Installation is still at planning stage;</p> <p>Target: By year 2030.</p> | Yes |
| 4.5.4.3 | <p>KKSPB POME is treated by traditional open ponding system.</p> <p>Monthly analysis of POME is carried out by an external laboratory.</p> <p>Sampled test conducted on 23/06/2022 with the BOD result is below permissible limit of 20 mg/l under the specifications of the DOE licence for KKSBP.</p> <p>The treated POME is discharge to the waterways according to DOE requirements.</p> <p>The DOE licence has been reviewed and verified.</p> <p>Reviewed and verified records of effluent discharge sent to DOE.</p> <p>Mill's competent person for effluent treatment plant management is the Mill Manager.</p> | Yes |

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Principle 5: Environment, natural resources, biodiversity and ecosystem services

| Indicator | Summary of Assessment | Compliance |
|-----------|--|------------|
| 4.5.5.1 | <p>a</p> <p>KKSBP updated water management plan updated on 19/05/2021. No changes to water management plan.</p> <p>The plan has identified source of water and water usage.</p> <p>Source of raw water: Pumping from Sungai Panchor.</p> <p>Water usage: Mill processing activities</p> <p>KKSBP obtained permit for water abstraction. Sighted exgratia payment for water abstraction by Badan Kawal Selia Air Johor (BAKAJ) on 20/07/2022.</p> <p>Water for workers housing from Syarikat Air Johor (SAJ).</p> | Yes |
| | <p>b</p> <p>KKSBP POME is treated using traditional ponding system.</p> <p>Outgoing water from the mill effluent tested by SAMM accredited external laboratory on 01/07/2022 were reviewed and verified.</p> <p>All results are within specifications for BOD, COD, Total Nitrogen, Ammonical Nitrogen, Total Solids, Suspended Solids, Oil & Grease, Volatile Fatty Acids and Total Alkalinity.</p> <p>Example:</p> <p>BOD is below 20 mg/l for analysis conducted on 23/06/2022.</p> <p>Final discharge is monitored on a monthly basis and reported to DOE.</p> | Yes |
| | <p>c</p> <p>KKSBP established water management plan updated on 19/05/2021. No changes to water management plan.</p> <p>The plan describes water monitoring as follows:</p> <ol style="list-style-type: none"> To monitor water extract through flow meter at water pump; To record daily use of water on daily basis and summarize on month end. <p>The water usage for mill operation is monitor on monthly basis. Flow meter at water pump is maintained in a good conditions.</p> <p>Water usage records for year 2022 has been shared and reviewed.</p> <p>Water for worker housing from Syarikat Air Johor (SAJ).</p> | Yes |
| 4.5.5.2 | <p>KKSBP treat POME using (IETS) Industrial Effluent Treatment Plant) system and discharge into watercourse.</p> <p>Final discharge of POME analysis result dated 23/06/2022 is reviewed and the result for BOD is below 20mg/l in accordance to DOE discharge limits.</p> <p>Review on certificates of analysis dated 23/06/2022 result as below:</p> <p>BOD mg/L: 13</p> <p>Suspended Solid mg/L: 35;</p> | Yes |

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Principle 5: Environment, natural resources, biodiversity and ecosystem services

| Indicator | Summary of Assessment | Compliance |
|-----------|-----------------------|------------|
| | pH Value: 8.6 | |

Principle 6: Best Practices

| Indicator | Summary of Assessment | Compliance |
|-----------|---|------------|
| 4.6.1.1 | <p>KKSBP established SOPs for Good Milling Practices for palm oil mill operation dated 18/04/2019.</p> <p>Example of SOPs established;</p> <ul style="list-style-type: none"> • FFB grading; • Sterilization process; • Threshing process; • Press station; • Boiler station. <p>Example:</p> <ul style="list-style-type: none"> • SOPs training for workers conducted on 02/06/2022. • Safety briefing and PPE for workers carried out on 09/05/2022 • ERP training for workers carried out on 23/06/2022 <p>Site interviews with general workers, oil room worker and workshop attendant informed they has been briefed on SOPs conducted by Mill Engineer.</p> | Yes |
| 4.6.1.2 | <p>KKSBP implement best practices;</p> <p>Example:</p> <ul style="list-style-type: none"> • Ambient Air Monitoring carried out on 14/03/2022. • CEMS monitoring below the 150mg/m3 for total PM and below 20% for opacity; • Weighbridge calibration carried out on 02/11/2021. • Boiler man is first grade permitted to operate boiler and is knowledgeable on boiler operations. • Mill Manager holds a first grade steam certificate. | Yes |
| 4.6.2.1 | <p>KKSBP established 2 years business plan for year 2021 and 2022.</p> <p>The business plan includes:</p> <ul style="list-style-type: none"> • FFB Processed and CPO production. • Profit and loss accounts. • FFB cost and processing expenditures. | Yes |

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| Principle 6: Best Practices | | |
|-----------------------------|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | <ul style="list-style-type: none"> Capital expenditure. Depreciation. OER, KER Mill improvement capital expenditure. <p>The budget includes:</p> <ul style="list-style-type: none"> CPO sale price/mt; PK sale price/mt; FFB price/mt. <p>Document review on monthly reporting for July 2022 include target that are achievable by KKSBP.</p> | |
| 4.6.3.1 | <p>KKSBP established documentation for product purchasing updated on 29/07/2022.</p> <p>Example:</p> <p>Purchase order for machinery dated 18/07/2022 was reviewed.</p> <p>Information stated in quotation and purchase order is product description, quantity, unit of measurement and unit price.</p> <p>Sighted invoice dated 22/07/2022 as evidence of completion of service.</p> <p>Payment has been done on 22/07/2022.</p> | Yes |
| 4.6.3.2 | <p>KKSBP established contract agreement with CPO transporters 01/01/2019.</p> <p>The contract period is for three (3) years.</p> <p>The contract agreement includes:</p> <ul style="list-style-type: none"> Agreement / Duration; Undertakings by transporter; Undertaking by company; Payment; Termination; Notices; Time; Cost; Agreement Binding Upon Successors-in-title; Transportation charges. | Yes |

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| Principle 6: Best Practices | | |
|-----------------------------|---|------------|
| Indicator | Summary of Assessment | Compliance |
| | The agreement is acknowledge by both parties. Latest payment for service has been carried out on 31/07/2022. | |
| 4.6.4.1 | Contract agreement between KKSBP with CPO transporters dated 01/01/2019 is review. The contract stated mill encourage continuous commitment towards a sustainable industry by ensuring oil palm product are produced in a sustainable manner adhering to the MSPO requirements. Evidence of COVID-19 screening of all individuals entering the premise with records of information such as name, company/address, and purpose of visit has been shared and reviewed. KKSBP provide an information chit before entering premises and will return back to guard post prior to leaving the premise. Training for contractors for Covid-19 SOP was carried out on 02/06/2022. | Yes |
| 4.6.4.2 | Contract agreement between KKSBP with CPO transporters is documented and signed by both parties. The agreement describes the service, terms of payment and conditions. | Yes |
| 4.6.4.3 | KKSBP has issued a notice to transport contractors on compliance acceptance of external auditors to verify assessments through physical inspections if needed on 08/12/2019. There is no changes in the notice to transport contractors as audit date. | Yes |

4.4. Status of Non-Conformities Previously Identified

| | |
|--|---|
| | The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have been implemented to address the identified audit findings. |
| X | The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified. |
| | The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised. |
| | No non-conformity raised in previous audit. |
| <p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out or repeated, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p> | |

4.5. Detail of Audit Findings Identified during last audit

| |
|----------------------|
| AUDIT OUTCOME |
|----------------------|

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| | | |
|--------------------------|---|-------------------------------|
| During last Audit | 2 | MAJOR Non-Conformities |
| | 0 | MINOR Non-Conformities |

| Non Conformity Number < 1 > | | | |
|---|---|--------------------------------|------------|
| Indicator # and Description: | 4.4.5.9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. | | |
| Location: | Office | | |
| Description of Finding / Objective Evidence: | | | |
| The worker payslips found the oil room operator worker no.61 working more than maximum overtime hours 104 at May 2021 and July 2021 however based on Employment (Limitation of Overtime Work) regulation 1980 limit of overtime work shall be a total of 104 hours in any one month. | | | |
| Classification | <input checked="" type="checkbox"/> Major | <input type="checkbox"/> Minor | |
| Raise by: | Sheron Pui Ling Wui | Date Raise: | 17/08/2021 |
| Deadline for implementation | 16/10/2021 | | |
| Root Cause Analysis (by company): | | | |
| Mill management investigated found that worker at the critical station with overtime more than 104HR, and this is happened when the operator needs to cover that post when the operator of the next shift is absent since some critical station required highly experienced workers. E.g.: Oil room, Sterilizer, Press Station. | | | |
| Correction (by company): | | | |
| Mill management immediately held a discussion with shift supervisor to verify and justify the needs of over time. Shift supervisor and workers had been notified about the limitation of overtime hours that cannot be more than 104hours. Payslip of August 2021 is confirm oil room operator overtime not exceed 104 hours. | | | |
| Corrective / Preventive Action (by company) | | | |
| Mill management have start implement workers overtime monitoring by using employee attendance checklist to precisely monitor each worker's total over time collected and reviewed weekly. | | | |
| Review of Correction & Corrective / Preventive Action | | | |
| Review the oil room operator No. 61 payslip for August 2021 confirmed overtimes within overtime limit hours which is 96.50 hours. | | | |
| KKSBP monitor workers overtime by monitor employee attendance checklist to ensure monthly total overtime hours not exceed 104 hours. | | | |
| The non-conformity corrective action is appropriately implemented and closed. | | | |
| Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| Name of Lead Auditor: Sheron Pui Ling Wui | Date of Closure: 13/09/2021 | | |
| Review of Implementation | | | |

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| Non Conformity Number < 1 > | |
|---|---|
| <p>Reviewed sampled workers' payslip for July 2022. The overtime rate for normal working day is 1.5 and for weekend is 2.0.</p> <p>Reviewed sampled workers overtime hours are within 104 hours per month.</p> <p>Based on document review and site interviews with mill management and sampled workers, the implementation is considered sufficient.</p> | |
| <p>Name of Auditor: Mohammad Norhisham Bin Mohd Salleh</p> | <p>Date of Review: 09/08/2022</p> |

| Non Conformity Number < 2 > | |
|--|---|
| <p>Indicator # and Description:</p> | <p>4.5.1.6 Management shall organize regular meetings with workers where concerns of workers about environmental quality are discussed.</p> |
| <p>Location:</p> | <p>Office</p> |
| <p>Description of Finding / Objective Evidence:</p> | |
| <p>KKSBP has carried out environmental meeting on 17/05/2021. However, there were no evidence of workers participation in the meeting.</p> | |
| <p>Classification</p> | <p><input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor</p> |
| <p>Raise by:</p> | <p>Navin Baskram</p> |
| <p>Date Raise:</p> | <p>17/08/2021</p> |
| <p>Deadline for implementation</p> | <p>16/10/2021</p> |
| <p>Root Cause Analysis (by company):</p> | |
| <p>Environmental meeting was carried out but only participated by Mill manager, Engineers, office staff and each of head department and not included workers.</p> | |
| <p>Correction (by company):</p> | |
| <p>Mill had conducted a second environmental meeting for the year 2021 and include workers together as a participant dated 01/09/2021.</p> | |
| <p>Corrective / Preventive Action (by company)</p> | |
| <p>Mill workers will be invited on regular basis twice a year for environmental meeting.</p> | |
| <p>Review of Correction & Corrective / Preventive Action</p> | |
| <p>Review the environmental meeting records and participation list dated 01/09/2021 the meeting attended by management and workers.</p> <p>The non-conformity corrective action is appropriately implemented and closed.</p> | |
| <p>Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> |
| <p>Name of Auditor: Navin Baskram</p> | <p>Date of Closure: 13/09/2021</p> |
| <p>Review of Implementation</p> | |

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| Non Conformity Number < 2 > | |
|---|--------------------------------------|
| KKSBP's latest environment committee meeting was conducted on 01/03/2022. The meeting was participated by the mill management and worker representatives. Reviewed meeting minute, agenda and attendance sheet signed by the participants. The meeting covered topics such as effluent management, oil trap management and required trainings. Site interview with sampled mill operators informed worker representatives from every department participate in meetings organised by the mill management. | |
| Name of Auditor: Navin Baskram | Date of Review: 09/08/2022 |

4.6. Detail of Onsite Audit Findings Identified during This Audit

| ONSITE AUDIT OUTCOME | | |
|---------------------------|---|------------------------|
| During this onsite audit, | 1 | MAJOR Non-Conformities |
| | 0 | MINOR Non-Conformities |

| Non Conformity Number 1 | | | |
|--|---|--------------------------------|------------|
| Indicator # and Description | 4.5.1.3 An environment improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. | | |
| Location: | Office | | |
| Description of Finding / Objective Evidence: | | | |
| KKSBP established environment management plan updated on 19/05/2022. However, the plan does not include promotion of positive impacts. | | | |
| Classification | <input checked="" type="checkbox"/> Major | <input type="checkbox"/> Minor | |
| Raise by: | Navin Baskram | Date Raise: | 09/08/2022 |
| Deadline for implementation | 08/10/2022 | | |
| Root Cause Analysis (by company): | | | |
| Environmental management plant published by KKSBP not include promotion of positive impact only negative impact were stated. | | | |
| Correction (by company): | | | |
| To promote positive impact in every criteria mentioned in environmental management plant. | | | |
| Corrective / Preventive Action (by company) | | | |
| To review every criteria in environmental management plant and promote positive and negative impact | | | |
| Review of Correction & Corrective / Preventive Action | | | |

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Non Conformity Number 1

KKSBP has revised the Environment Management Plan updated on 17/08/2022.
The revised environment management plan includes positive impacts for all operations.
Thus, the submitted evidence is seemed adequate to close the non-conformity raised.
Review of implementation will be carried out during next surveillance audit.

Closed: Yes No

Site verification : Yes No

Name of Auditor:

Navin Baskram

Date of Closure:

18/08/2022

Review of Implementation

Name of Lead Auditor / Auditor:

Date of Review:

| Nr. | Indicator | Description | Location | Opportunity for Improvement |
|-----|-----------|---|----------|---|
| 1. | 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. | Office | KKSBP could improve internal audit reporting to include strong and weak points of operations and implementations. |
| 2. | 4.1.3.1 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. | Office | KKSBP could improve management review to include discussions on previous external audit findings and status of action plans with timelines. |
| 3. | 4.4.1.1 | Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. | Office | KKSBP could improve on SIA assessment to include action plans. |
| 4. | 4.4.4.2 | The occupational safety and health plan shall cover the following: j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals | Office | KKSBP could improve mechanism on monitoring legal compliance. |

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| Nr. | Indicator | Description | Location | Opportunity for Improvement |
|-----|-----------|---|----------|---|
| 5. | 4.4.6.1 | All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. | Office | KKSBP could improve on training programme schedule. |

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5. CONCLUSION

Kilang Kelapa Sawit Bukit Pasir Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct ASA 03 audit for its mill according to MSPO 2530-4:2013 Part 4 General principles for palm oil mills.

There is 1 Major NC raised in this audit and closed out successfully.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-4:2013. Part 4 General principles for palm oil mills.

As a result of this audit, the audit team confirms that:

| | | |
|--|-----------|----|
| Certified CPO January to July 2022: | 32,304.02 | mt |
| Certified PK January to July 2022: | 10,260.67 | mt |
| Projected CPO August to December 2022: | 8,197.03 | mt |
| Project PK August to December 2022: | 2,874.73 | mt |

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6. RECOMMENDATION

The audit team conducted a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used were interviews, observations, sampling of activities and review of documentation and records.

The structure of the audit was in accordance with the audit plan included in to this summary report.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policy and objectives.

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

| | |
|---|---|
| | Recommended for Certification |
| X | Recommended for Continuity of Certification |
| | Recommended for Suspension of Certification |

Puchong, 25/08/2022

Ariff Bin Lokman
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 29/08/2022

Muhammad Khairul Anuar
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent by the certification body to the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities or weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- P&C Audit Report / Checklist(s)
- Audit Plan