

BQAS Certification Sdn Bhd

Company No: 1179994-X

MSPO Certification Services



MSPO CERTIFICATION SUMMARY REPORT

MAIN ASSESSMENT (STAGE 2) LUBUK PALAIE PLANTATION SDN BHD 2019

Project number:	BQAS/LPP/OPP/003	
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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT	
1.1 Company and Contact Details	
Company Name:	Lubuk Palaie Plantation Sdn Bhd
Business Address:	No. 171C, Ground Floor, Kampung Nyabor, 96000 Sibul, Sarawak
Contact Person:	Mr. Simon Sia Yuk Siong
Office Telephone:	084-325 478
E-Mail:	simonsiayuksiong@gmail.com.my
Web Site:	- Nil -
Other Certifications Held:	- Nil -
1.2 MSPO Membership & Certification Details	
MPOB License Number:	617496002000; expiry on 31/7/2019 for lot Makus anak Tukie 617490002000; expiry on 31/7/2019 for lot Sima anak Tukie 617497102000; expiry on 31/7/2019 for lot Nancy anak Anthony
Registered Client Name:	Lubuk Palaie Plantation Sdn Bhd
Certificate Number:	NA
Start Date of Certificate:	NA
End Date of Certificate:	NA
Date of Original Certification:	NA
Scope:	Certification of Oil Palm Plantation
Type Of Certification:	Single site <input checked="" type="checkbox"/>
Duration of Certificate:	5 Years from date of certification
1.3 Audit Details	
Dates of This Audit:	12 th to 13 th February 2019
Audit Number:	Main Assessment (Stage 2)
1.4 Audit Standard	
i. MSPO PART 3: General Principles for Oil Palm Plantations and Organised Smallholders (MS 2530-3: 2013) for Oil Palm Plantation.	
ii. MALAYSIAN SUSTAINABLE PALM OIL CERTIFICATION SCHEME (2018).	

1.5 Executive Summary

The LPP Plantation Sdn Bhd has established documents which includes policy, objectives, manual and procedures to demonstrate the fulfillment of MSPO Principles & Criteria requirements both in mill and plantation. Their sustainability team are responsible to ensure the effective implementation of all requirements.

No deviation from the audit plan, no significant issue impact on the audit programme and no outstanding issue unresolved.

1.5.1 Location of the Oil Palm Plantation

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
	Lubok Palaie Plantation Sdn Bhd	Lot 3541, Pasai Siong Tengah, Sibul, Sarawak	113°6'54.99 To 113°14.6'6.99"	2° 25' 41.5" To 2° 26' 19.6"	421.27	377.74
TOTAL					421.27	377.74

1.5.2 Statistics of the Plantation and Estimated Tonnes of FFB produced per year

OPP	Oil Palm Plantation	Estimated FFB/Year (MT) 2018	Planting Years	Cycle (Years)
	Lubok Palaie Plantation Sdn Bhd	6,058.47	2015	25
TOTAL		6,058.47		

Fresh Fruit Bunch (FFB) Output and Approximate Tonnages Certified

Actual Production from the last 12 Months (MT)	Actual Production for this Audit Year 2018 (MT)	Projected 12 Months Forecast Certified in this Report (MT)
4,355.52	6,058.47	7,179.39

1.5.3 Organized Smallholders or Out-growers, if applicable to this assessment

No associated smallholders

1.6 Location Map for this Certification Unit (refer to Appendix 1)

PART 2: AUDIT PROCESS**2.1 Audit Team**

Lead auditor:	Dominic Retan Giah
Team member 1:	Wilfred S. Landong (Auditor)
Team member 2:	Robert Tella Gunjom (Auditor-in-Training)

2.1.1 Qualifications of the Lead Auditor: Dominic Retan Giah

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Graduated with a Bachelor of Science in Wood Science & Technology, Colorado State University, Fort Collins; 1987, Diploma in Wood Technology, Institut Teknologi MARA (UiTM), Shah Alam; 1983, St Joseph School, Kuching, Sarawak; 1963-1975 .
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	<p>Implementation of QHSE MS (ISO 18001) in Saytech General Inspection Services Sdn Bhd in Oct. 2013.</p> <p>ISO14001 in Borneo Pulp & Paper Sdn Bhd (1997-2002) and in Sarawak Planted Forest Sdn Bhd (2008-2012).</p> <p>Course to attain competency on Scrubber Operation at Master Jaya Environmental Sdn Bhd training centre, Selangor in collaboration with the Environment Institute of Malaysia (EiMAS) from Feb. 29 to March 4, 2016 .</p> <p>HSE Leadership Training conducted in Sipitang SAMUR Project site by Petronas Project Management Team on October 8, 2015.</p> <p>MSPO Lead Auditor Course by DQS (Malaysia) in Setia Alam, Selangor from 26th to 30th Jan. 2015</p> <p>Seminar on Malaysian Sustainable Palm Oil at the Malaysian Palm Oil Board HQ in Bangi, Selangor; March 2014.</p> <p>Basic Offshore Safety Induction and Emergency Training (OPITO Approved), Miri; 29-31 May 2013</p> <p>Briefing on Malaysian Criteria & Indicators for Forest Management Certification (Forest Plantation) [MC&I (Forest Plantations)], SPF Training Centre, Bintulu; 22-23 Feb. 2011</p>

	<p>Industrial Coaches Training Course for the Implementation of National Dual Training System; by German Malaysian Institute & Jabatan Pembangunan Kemahiran; in Kuching; March 2010.</p> <p>Basic First Aid by Malaysian Red Crescent (Sarawak Branch); in Bintulu; 22nd Nov. 2009.</p> <p>Induction Course for EIA Consultants organized by Environment Institute of Malaysia & Department of Environment; in Kuching; 28-29 Oct. 2009.</p> <p>Seminar on Round-table on Sustainable Palm Oil in Bintulu organized by QA Plus Asia- Pacific S/B, held in Bintulu; 16 – 17 July 2009.</p> <p>Requirements for Chain-of-Custody by Malaysian Timber Certification Council; in KL; March 2005.</p> <p>ROC Corporate Directors Training Programme (inclusive of seminar on K-economy Finance), in Kuching; 25 October 2001.</p> <p>Managing Work Processes and Performance for Supervisors conducted by the Centre for Modern Management; in Bintulu; 6 – 7 September 2001.</p> <p>Training course for Sarawak Volunteer Service Corps conducted by the Chief Minister's Office and Camp Damai, Santubong; 3 – 29 September 1990.</p> <p>Graduate Entrepreneurial Development Programme (conducted by SEDC & the National Productivity Centre), in Kuching; Nov. 27, 1989 – Feb. 24, 1990.</p>
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<p>Training in the practical application of the MSPO criteria, and MSPO certification systems;</p>	<ol style="list-style-type: none"> 1. MSPO Lead Auditor Course by DQS (Malaysia) in Setia Alam, Selangor from 26th to 30th Jan. 2015. 2. Application of HSE requirements on a construction site at Sabah Ammonia Urea (SAMUR) plant, Sipitang, Sabah, and the constant need to observe safety SOPs and to adhere to the PTW (Permit to Work). 3. Implementation of QHSE MS (ISO 18001) in Saytech General Inspection Services Sdn Bhd in Oct. 2013. 4. ISO14001 in Borneo Pulp & Paper Sdn Bhd (1997-2002) and in Sarawak Plated Forest Sdn Bhd (2008-2012). 5. Seminar on Round-table on Sustainable Palm Oil in Bintulu organized by QA Plus Asia-Pacific S/B, held in Bintulu; 16 – 17 July 2009
<p>Successfully completion of an ISO 9000:19011 lead auditors course;</p>	<p>Pass the Lead Auditor Course the MSPO Lead Auditor Course by DQS (Malaysia) in Setia Alam, Selangor from 26th to 30th Jan. 2015.</p> <p>MSPO Annual Auditor Exchange 2018 (March 19-23, 2018) in Shah Alam, Selangor. MSPO Auditor Exchange 2016 (Aug. 29-30, 2016), Shah Alam, Selangor. MSPO Audit Planning Guideline issued by DQS</p>
<p>A supervised period of training in practical auditing against the MSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.</p>	<p>Conducted more than 15 days audit for MSPO since year 2016.. Completed 15 days on-site audits as Lead Auditor for MSPO P&C scheme.</p> <p>Auditing :</p> <ol style="list-style-type: none"> 1. SPOCs (where MSPO Standard MS 2530-2:2013 is applicable): independent smallholders under MPOB (in Sabah, Sarawak and Peninsular Malaysia) & Syarikat Peladang dan Perusahaan Minyak, Perak (a private family run business). 2. Plantations (applicable MSPO Standard MS 2530-3:2013) – SALCRA (organized smallholders), SOP Bhd, Ta Ann Holdings Bhd, WTK Holdings Bhd, JC Chang Bhd (Sabah), Genting Plantations (Sabah), BBC Plantation Sdn Bhd

	3. Palm Oil Mills (applicable MSPO Standard MS 2530-3:2013) - SALCRA, Ta Ann Holdings Bhd, JC Chang (Sabah), SOP Bhd
MSPO endorsed lead auditors course.	Attended and successfully completed and passed the MSPO Lead Auditor Course by DQS (Malaysia) in Setia Alam, Selangor from 26 th to 30 th Jan. 2015.
Signed code of conduct.	Yes
General knowledge of:	
• MSPO P&C standards.	Yes
• BQAS organizational structure.	Yes
• BQAS quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• BQAS filing systems.	Yes
• CV available.	Yes

2.1.2 Qualifications of the Audit Team

Team Member Name	Qualifications
<p>Wilfred S. Landong</p> <p>PART 3: Principle 1 - 7)</p>	<p>Graduate qualification in Adv. Diploma in Business & Management UK, Degree in Marketing (CIM) UK, Masters in Marketing (UNN) UK.</p> <p>Successfully Completed The MSPO Lead Auditor Course and Passed The Examination In Conjunction With This Course Conducted by DQS Certification (M) Sdn. Bhd. On the 26th to 30th January 2015.</p> <p>2003-2012 GENERAL MANAGER</p> <p>Sarawak Forestry Corporation</p> <p>SFC is a Sarawak Gov't owned GLC principally involved in managing Sarawak Forests & Forests products.</p> <p>Principal accountabilities:</p> <ul style="list-style-type: none"> Led a 500+ strong staff headcount Manage Protected Areas / Biodiversity Conservation / Timber trade / logging activities Develop/market ecotourism products Manage local communities / issues ■ Enforcement of state ordinances, rules & regulations. ■ Revenue management ■ 9h/10th Malaysian Plan planning & implementation Project management <p>The job is very public in nature with very active interaction with gov't legislators, state and federal civil servant, private sector / industry players / stakeholders; also work in conjunction and active networking with both local and global NGO's. Led and manage the implementation of ISO 9001 / 14001.</p> <p>He was the General Manager of Sarawak Forestry corp S/B (SFC) from 2003 to 2012. This job is 2nd in command to the CEO/MD of the company.</p> <p>SFC was established by the Sarawak Gov't through the SFC Ordinance in 1995 with the objective of positioning Sarawak at the forefront • of sustainable forest management and conservation; the company was only made operational in 2003.</p> <p>As a pioneer staff and hold leadership responsibilities in formulating and implementing the company's organisation structure, policies, regulations and policies. In particular he was the custodian of accreditation and certification related to management of protected areas and biodiversity conservation.</p> <p>During his tenure of office the following certification were accomplished : ISO 9001 in 2004, ISO 14001 in 2004 and OHSAS 18001 in 2007</p>

	<p>These certifications were from Department of Standards Malaysia, United Kingdom Accreditation Services and Moody International Certification.</p> <p>These certifications propelled SFC on a fast forward track to be recognized and respected as a responsible conservation organization not only in Malaysia but also in the global fraternity.</p> <p>The learning acquired has helped and led to appointment to a number of positions in the global committees governing protected areas; most decorated one being a member of World Heritage Committee for Malaysia that led to the inscription of Lenggong Valley in Ipoh as Malaysia 4th World Heritage Site during the WHM in St Petersburg Russia in 2012.</p> <p>His job in SFC involves working in conjunction and collaboration with a very broad spectrum of public organisation as well as private sectors; in particular NREB (environmental board), DOE, NRE Ministry, timber companies, Palm oil institutions and planters etc.</p> <p>As such he is conversant with principal policies of the government related to EIA, wildlife regulations; at times my service and expertise was used for conflict resolutions.</p> <p>With regards to MSPO, he was qualified as a Lead Auditor in 2015 (as pioneer group)..</p> <p>Since then he has been involved in various forums and led briefing to especially the smallholders' community on the implementation of MSPO 2530.</p>
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2.1.3 Qualifications of the Audit Team

Team Member Name	Qualifications
<p>Robert Tella Gunyom</p>	<p><u>EDUCATION</u></p> <p>St. Elizabeth Primary School - 1967 - 1970 Siburan Primary School - 1971 - 1973 (Pass Common Entrance) Penrissen Secondary School - 1974 - 1976 (Sarawak Junior Cambridge) Penrissen Secondary School - 1977 - 1978 (Senior Cambridge)</p> <p>Greaser onboard merchant ship belonging to Sin Hong shipping: (1979 – 1981)</p> <p>Join The Royal Malaysian Navy (RMN) on 01st October 1981 intake 146 . Commission in RMN Reserved Special Duty (RSD) Officer Corp 1994. Retired from RMN on the 31 January 2007 after 25 years and 4 month of serving the nation rank Lieutenant Commander (LCdr.) RMN.</p> <p><u>SKILLS, CERTIFICATIONS AND AWARDS:</u></p> <p>a. Long Mine warfare Clearance Diving Officer (LMCDO), meaning I'm able to teach, supervise and dive with various types of diving equipments including experimental diving and activities such as: (1981-1992).</p> <ol style="list-style-type: none"> 1. Open Circuit SCUBA air and mix gases. 2. Close circuit pure Oxygen and mix gases. 3. Surface supplied SDDE, superlight 17 and KMB 10 diving equipment. 4. Bell Diving From diving tender. 5. Mine Warfare. 6. Mine hunting diving. 7. Explosive Ordnance Disposal. 8. Improvised Explosive Ordnance Devices. 9. Salvage, seabed grid searches, and Route Surveys. 10. Parachuting static and water jump. 11. Maritime Search and Rescue. 12. Underwater photography and videography 13. First Aid and Underwater Medicine. 14. Sea survival including Helicopter escape and rescue. 15. Under Water ship Hull repairs and inspection. <p>b. Clearance Diving Supervisor: (1992-1994).</p> <ol style="list-style-type: none"> 1) Train, supervised and managed my own team. 2) Conduct and supervise Hyperbaric Chamber operation. 3) Conduct Hyperbaric Oxygen treatment with Decompression chamber.

	<p>c. LMCDO, manages and command teams of divers that are responsible directly to Regional Naval Commander: (1995-2003).</p> <p>d. PADI certification:</p> <ol style="list-style-type: none"> 1. PADI Rescue Diver No. 9608272103 (1996). 2. PADI Divemaster No. 461989 (1998). <p>e. Association of Diving Contractors International Cert. No. 11520. (2004).</p> <p>f. Sijil Majlis Latihan Vokasional Kebangsaan Malaysia. (2005)</p> <ol style="list-style-type: none"> 1. Surface supply diver level 2 cert No. A195676. 2. Supervisor for surface supply diver level 3 cert. No. A195677 <p><u>Units served while in service:</u></p> <p>b. Numerous capital ships and small ships including Combat Boat 90 (CB90).</p> <p>c. Headquarters Fleet Operational Command (HQ FOC) LUMUT.</p> <p>d. Headquarters Commander Naval Region 2 (HQ COMNAV2) LABUAN FT.</p> <p>e. Command and manage Naval Offshore Station (Spratels). (1996-2000).</p> <p>f. Commanding Residential Naval Officer (RNO) Kuching. (2003-2007).</p> <p><u>Working Experiences:</u></p> <p>a. Maritime Search and Rescue:</p> <ol style="list-style-type: none"> 1. KD Sri Perak – Off Natuna Island Waters (1983) 2. Royal Malaysian Air Force (RMAF) Caribou – Off Pu. Labuan (1995) 3. Sabah Shell Super Puma Helicopter – Off Pu. Tega waters (1995) 4. Keningau, Greg typhoon (1996) 5. Man Overboard (Every now and then) <p>b. Salvage:</p> <ol style="list-style-type: none"> 1. Salvage RMN Boat Terubok Off Pu. Bidan PENANG. (1990) 2. Salvage RMAF Caribou Off Pu. LABUAN. (1995) 3. salvage Kuala Belait Floating Dock in Brunei. 4. salvage Syin Yang Floating Dock at Bintulu Port, Bintulu. <p>Underwater Trenching, Chanel Construction and obstruction clearing. Mostly done while constructing the RMN Off shore station in the Spratels. Such as Pu. Layang-Layang (Swallow Reef), Erica Reef, Invistigator Reef, Marivelles Reef and Dallas Reef.</p>
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	<p>Sailing Experiences: Onboard capital ship I serve as ship's officer of the watch but I do command squadron of patrol craft such as the water jet CB 90 and other small craft. This is due to the nature of my job specialty, which does not require me to command or serve on larger vessels.</p> <p>EOD/IED: Surface and sub surface ordnance disposal was quite frequent, mostly happen in and around Labuan and Brunei Bay as assistant to the Police and public.</p> <p>Ship's hull inspection, photography, videography and propeller change in the water was almost an everyday affair servicing the RMN ship.</p> <p>As Staff Clearance Diving Officer for HQ COMNAV2 I was involved in planning and executing ship operation, among other operations which I'm not at liberty to disclose here, such as national security and anti-terrorism.</p> <p>HM ROYAL YATCH BRITANNIA with queen onboard, primary zone security at port Kelang during Commonwealth Head of Government Meeting (CHOGM) in 1989.</p> <p>As commanding officer for Residential Naval Officer in Kuching, I represent the Navy in Sarawak, involved with national and state function as co-coordinator with other government agency and private sector.</p> <p>As a Navy clearance Diver or better known as 'FROGMAN' and a military officer, I spent most of my time planning and executing anti sabotage and anti-terrorist operation especially against the notorious "ABU SAYYAF group in northern state of Sabah.</p> <p><u>Courses And Seminars</u></p> <p>Beside military training and courses I have undergone other courses which are applicable to the service such as:</p> <ol style="list-style-type: none">a. Total Quality Management (TQM)b. Integrated Logistic Support (ILS)c. Balance Score Card (BSC) for TQM.d. Oil spills Respond.e. HRD Train The Trainer (TTT) Cert No. TTT/21396.f. MSPO Auditor, MPOCC Cert. No. BT18-05. <p><u>Awards And Medals</u></p> <p>As recognition for service rendered the following are my medals and awards:</p> <ol style="list-style-type: none">a. Pingat Jasa Malaysia (PJM) - Federalb. Ahli Bintang Sarawak (ABS) – Sarawakc. Pingat Perkhidmatan Terpuji (PPT) – Sarawakd. Pingat Perkhidmatan Setia (PPS) – Federal
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- e. Pingat Perkhimatan Am (PPA) – Federal
- f. Pingat Sultan Selangor – Selangor

Languages: Able to speak, read and write the following languages fluently:

- a. English
- b. Malay
- c. Bidayuh
- d. Iban

Hobbies: Outdoor activities and travelling.

Reference 1

Name : Ramlan bin Mohamad Ali
Title : Tan Sri
Rank : Admiral RMN
Post: Chief of Navy (Retired)
Tel. # : 019-2744 405

Reference 2

Name : Nicholas Eugene Peterson
Title : Datuk
Rank : First Admiral RMN (Retired)
Tel. # : 019-3218 332

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93350, Kuching Sarawak,

2.2 Audit Methodology

2.2.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the BQAS Procedure Manual and the MSPO Program Manual for the auditors and Certifier. During the Audit the qualified BQAS auditors used the MSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and inspections in the plantation as summarized above.

Verification of effectiveness of taken corrective actions regarding previously identified nonconformities: None as this is a Stage 2 Audit assessment which has taken into consideration the actions taken by the plantation to resolve findings encountered in the Stage 1 Audit (conducted on 5th to 6th Dec. 2018).

Audit Agenda

Day 1: Feb. 12, 2018 (Tuesday) at the office of Lubuk Palaie Plantation Sdn Bhd, Sibuluh and Site Visit

Time	Subject; process	Reference	Unit; dept.	Participants	Auditor(s)
08:00	Opening Meeting	-	Plantation management	Plantation manage, representative & supervisors	DOM, WIL, ROB
08:30	Management commitment and responsibility <ul style="list-style-type: none"> • MSPO Policy binding smallholders • Continual improvement 	<u>MS 2530-3:2013</u> Principle 1, Principle 2,	Plantation management	Representative / appointed person-in-charge	WIL, ROB
08:30	Environment, natural resources, biodiversity and ecosystem services <ul style="list-style-type: none"> • Awareness of environmental impact • Use of renewable energy • Waste management and disposal • Natural water resources • Status of RTE species & high biodiversity value area • Zero burning practices 	<u>MS 2530-3:2013</u> Principle 5	Plantation management	Representative / appointed person-in-charge	DOM
09:30	Transparency for stakeholder <ul style="list-style-type: none"> • Transparency for traceability • Compliance to legal requirement • Awareness of compliance to applicable local, state, national and ratified international laws and regulations • Land use rights • Customary rights 	<u>MS 2530-3:2013</u> Principle 3	Plantation management	Representative / appointed person-in-charge	WIL, ROB
10:30	Social responsibility, health and safety employment conditions <ul style="list-style-type: none"> • Social impact assessment • Ability to respond to complaints and grievances • Employees safety and health: <ul style="list-style-type: none"> ○ Safety policy ○ HIRARC ○ Awareness training programme 	<u>MS 2530-3:2013</u> Principle 4	Plantation management	Representative / appointed person-in-charge	WIL, ROB
12:00	Lunch break				

13:00	<p>Site visit to observe the activity of harvesting, spraying, manuring, etc.</p> <p>Environment, natural resources, biodiversity and ecosystem services</p> <p>Best Practice</p> <p>Social responsibility, health, safety and employment condition</p> <p>Operational control (environmental, safety and health)</p> <p>Social Responsibility</p> <p>Landfill</p> <p>Compliance to legal</p> <p>Land used right</p> <p>Land entitlement</p> <p>Development of new planting</p>	<p><u>MS 2530-3:2013</u></p> <p>Principle 4,</p> <p>Principle 5,</p> <p>Principle 6,</p> <p>Principle 7.</p> <p><u>Checklist</u></p> <p>P4C2, P4C3, P5C1, P5C2, P5C3, P5C4, P5C6, P6C1, P6C3, P7</p>	Plantation management	Representative / appointed person-in-charge	All auditors
15:00	<p>Stakeholders Consultation – comprising internal & external stakeholders</p>	Taken from the LPP List of Stakeholders	Plantation management	Representative / appointed person-in-charge	All auditors
17:00	End of Audit Day 1	-	-	-	-

Day 2: Feb. 13, 2019 (Wednesday) at the office of Lubuk Palaie Plantation Sdn Bhd, Sibul

Time	Subject; process	Reference	Unit; dept.	Participants	Auditor(s)
08:00	<p>Social responsibility, health and safety employment conditions</p> <ul style="list-style-type: none"> • Employees safety and health: <ul style="list-style-type: none"> ○ PPE, Safety & health PIC ○ Chemical handling SOP ○ Safety & health committee ○ First aid kit, trained first aider & accident records • Employment conditions: <ul style="list-style-type: none"> ○ Mutual agreement ○ Equal opportunity ○ Workers' pay meet legal standards ○ Habitable living quarters ○ Child labour • Training & competency <ul style="list-style-type: none"> ○ Training programmes & records ○ Training need analysis ○ Continuous training programmes for job function & responsibility 	<p><u>MS 2530-3:2013</u></p> <p>Principle 4</p>	Plantation management	Representative / appointed person-in-charge	WIL, ROB
08:00	<p>Best practices</p> <ul style="list-style-type: none"> • Implementation of best practices • Visual identification or reference system for each field of planting • Transparent and fair price dealing 	<p><u>MS 2530-3:2013</u></p> <p>Principle 6</p>	Plantation management	Representative / appointed person-in-charge	DOM
10:00	<p>Development of new planting (if applicable)</p> <ul style="list-style-type: none"> • No planting on land with high biodiversity value • Soil survey • Planting on steep terrain, marginal and fragile soils 	<p><u>MS 2530-3:2013</u></p> <p>Principle 7</p>	Plantation management	Representative / appointed person-in-charge	DOM
12:00	Lunch Break				
13:00	Cross check input gathered during on site visit	-	-	-	All auditors
14:00	Audit Discussion	-			All auditors
15:00	Closing Meeting	-	Plantation management	Plantation manager, representative & supervisors	All auditors
16:00	Q & A session				All auditors
17:00	End of Audit	-	-	-	-

PART 3 ASSESSMENT FINDINGS

3.1 Lead Auditor's Summary and Recommendation for Certification

During the audit process, the auditors had extensive interviews session with Estate Managers, stakeholders and local communities that took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed to certify in MSPO principles and criteria.

There were no complaints received during the field assessment and during interview with the external stakeholders. Up to the time of writing this report, there were neither feedbacks nor comments received from the other external stakeholders and community leaders. Since received the MSPO certification, the management adequately practicing the respect of human rights and as evidence, there isn't discrimination of workers at workplace and no land disputes and issues with local communities.

The management continually monitoring the established KPI / objectives that significantly rules the achievement of company's corporate policy on MSPO.

Assessment Outcome: Certification Recommendation

In reference to **MS 2530-3:2013** , the audit team recommends for:

- Issuance of the certificate.
- Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.**
- Maintenance of the certificate.
- Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.
- Not applicable, due to extraordinary type of report.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.

Signed:

Name: Dominic Retan Giah

Date: 23rd April 2019

3.2 Summary of the findings by Principles and Criteria

- Over the 5-year period of the life of the certificate, there will be four (4) annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- Each finding is tabulated by each principle and criteria with sighted evidence. Details as per the following table.

Certification Assessment

Introduction

This report is prepared by BQAS to describe the preparedness of Lubuk Palaie Plantation Sdn Bhd (henceforth to be referred to as LPP) to be certified by Malaysian Sustainable Palm Oil in accordance to the **MS 2530-3:2013, Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholders (MS 2530-3:2013)**.

Stage 1 had been carried out from 5th to 6th December 2018 to meet with the requirement of MSPO certification procedure. The result showed that the organization has demonstrated their readiness to go for certification.

Stage 2 Audit was conducted from 12th to 13th February 2019 according to MS 2530-3:2013 standard reference. After having undergone the Stage 2 audit successfully, the organization showed that they were running and operating under a sustainability management system.

The audit criteria used are the certification standards as documented in the audit schedule as well as the current management system documentation of the company.

Executive Summary

After the Stage 1 Audit, there was a general awareness among the LPP management and staff on the commitment toward improving transparency and the need to follow up on the continual improvement plans. The management, staff and workers were generally supportive and eager to participate in the management system toward sustainability through MSPO.

Commitment shown by the LPP management toward MSPO was evident through the display of MSPO Policy documents at the plantation office and which can be further enhanced by posting these at stores and workshops. There was a general awareness on the need for documentation on actions taken and plans on continual improvement.

There was an understanding on the need to maintain proper records and to communicate information to all stakeholders. Up to the time of the Stage 2 Audit, no complaints and grievances had been recorded although the suggestion box was available outside the plantation office. This might be attributed to the company's commitment to local sustainable development through interaction by the management and staff with the resident communities..

Staff and workers had been given awareness briefing on safety and health including usage of proper PPE. Good compliance was noted towards worker safety and health and employment conditions. As noted in the LPP Training Programme 2019, in-house training courses were planned to be conducted between March and November 2019 for workers to attain competency. Among such courses were Chemical Safety, Spray Training and Harvesting.

The LPP Environmental Management Policy was posted on the office wall and was to be displayed at the soon-to-be completed guard house. It indicated an awareness to protect wildlife and the conservation of their habitats. Posters of rare, threatened and endangered species from the Sarawak Forestry Corporation were displayed in the office. There was also a generally good adherence to proper waste management and disposal as noted by the maintenance of a landfill site within the plantation block far away from any watercourse. The LPP estate was also mulling on the disposal of domestic waste through the RO-RO bin system of the Sibu city municipal scavenging service.

Overall LPP is implementing a management system that is fulfilling the requirements of the MSPO standards with some improvement areas as outlined in Section 5 below.

Stakeholders' Consultation

Two representatives from the LPP List of Stakeholders were selected to be interviewed.

The stakeholders met generally held a positive outlook on the interaction between Lubuk Palaie Plantation and the local community including its own workers. The grievance of TR Iboi over land claims may be a perception issue but this has been brought up for the attention of the management to address.

Additional strengths and improvement potential

Listing of **strengths**, as presented in the closing meeting

- 1) *Slope protection seen at the estate camp – good application of used tyres*

- 2) *Efficiency of spraying – changing from CKS (compact knapsack sprayer) to using mist blower for more effective application of insecticides*
- 3) *Presentable living quarters – migrant workers are provided with decent accommodation and facilities*

Listing of **improvement potential**, as presented in the closing meeting

- 1) *Consider to improve on the format of the Internal Audit Report.*
- 2) *Review relevance of implementation to SOP & utilize forms provided.*
- 3) *The Minutes of the MR meeting may be further enhanced if the 'Action by' column was dated.*
- 4) *SOP/Flowchart already designed may be more meaningful if implemented and used.*
- 5) *Worker safety & health issues may be better taken care of by an appointed person in charge.*
- 6) *Enhance access to first aid for workers in the quarters and at the work site apart from availability in the office.*
- 7) *To ensure safety, install an insulating cover for the wiring on the generator at Labour Line 2.*
- 8) *The negative and positive impacts of all operations may be better viewed in a tabular format for ease of reference and retrieval for monitoring.*
- 9) *Segregation and recycling of waste may be better improved with proper training of workers on waste management and disposal.*
- 10) *Review and update the SOP on the list of scheduled waste generated.*
- 11) *Awareness of wildlife may be better appreciated by putting up 'No Hunting' signage at appropriate locations within the estate.*
- 12) *Consider to maintain a register and location of wildlife seen or heard in the plantation.*

3.6 Assessment Results	
Current scope of registration:	Individual unit certification
The management system is effective and fulfils the requirements:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> Only partly – see corrective action plans <input type="checkbox"/> No – see corrective action plans
Number of findings & corrective actions:	Major non-conformities: 0 Minor non-conformities: 4 Opportunities for Improvement (OFI): 12 <input checked="" type="checkbox"/> Corrective action will be implemented & reviewed for effectiveness as agreed by <u>13/04/2019</u>.
On-site verification of non-conformities needed via follow-up/ special assessment:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The agreed corrective actions of the previous assessment are:	<input checked="" type="checkbox"/> effectively implemented <input type="checkbox"/> not effectively implemented Remark: <input checked="" type="checkbox"/> not applicable
The current registration certificate was reviewed and found to be accurate.	<input type="checkbox"/> Yes <input type="checkbox"/> No Expiry date: _____ Remark: <input checked="" type="checkbox"/> not applicable
The registered firm mark and accreditation body mark are being used appropriately.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable Remark: <input checked="" type="checkbox"/> not applicable
The overall system performance for the past certification cycle demonstrates the continued effectiveness of the system. (two criteria for evaluation)	<input type="checkbox"/> Yes, records indicate achievement of established objectives and continuous improvement <input type="checkbox"/> Yes, trends of corrective action records indicate effectiveness and continuous improvement <input type="checkbox"/> No, see remarks and corrective action plan Remark: <input checked="" type="checkbox"/> not applicable
Internal audits and corrective action records show continued conformance of the management system to selected standard.	<input type="checkbox"/> Yes <input type="checkbox"/> No, see remarks Remark: <input checked="" type="checkbox"/> not applicable

In the past certification period, similar findings were identified repeatedly.	<input type="checkbox"/> Yes, see remarks <input type="checkbox"/> No Remark: <input checked="" type="checkbox"/> not applicable
In the past certification period, the certification was placed under probation or suspension or special audits were performed to address deficiencies.	<input type="checkbox"/> Yes, see remarks <input type="checkbox"/> No Remark: <input checked="" type="checkbox"/> not applicable

3.7 Audit Report Detail

Report prepared on 23/04/2019, by

Lead Auditor: Dominic Retan Giah

For combined/ integrated audit

Standard: MS 2530-3: 2013

Auditor:
Standard:

[more audit team member]

Date

Technical Reviewer on behalf of BQAS

Confidentiality

The content of this report and all information received in association with the audit of the subject organization will be maintained in the strictest confidence by the members of the audit team and by BQAS, in accordance with prior agreement.

3.8 Summary of the findings by Principles and Criteria

- Over the 5-year period of the life of the certificate, there will be four (4) annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- Each finding is tabulated by each principle and criteria with sighted evidence. Details as per the following table.

Principle 1: Management commitment and responsibility		
Criterion by Audit	Indicator	Malaysian Sustainable Palm Oil (MSPO) Policy
1.1	1.1.1	IA Report 20-24/09/2018
	1.1.2	Submitted for their Review
Criterion by Audit	Standard	Internal audit
1.2	1.2.1	Internal Auditor appointed 09.08.18 OFI: IA Report format to be improved
	1.2.2	IA Report 20-24/09/2018
	1.2.3	Submitted for their Review
Criterion by Audit	Standard	Management review
1.3	1.3.1	OFI: 1) SOP & forms were not used or implemented 2) Action by column in the Minutes of the MR meeting was not undated.
Criterion by Audit	Standard	Continual improvement
1.4	1.4.1	Incorporated into SEIA Report Dec 2017
	1.4.2	Asst. Manager attended SOPPOA/MPOB workshop Feb 2018. CKS Sprayer change to Mist Blower – more efficient
	1.4.3	2 persons attended training
Principle 2: Transparency		
Criterion by Audit	Summary	Transparency of information and documents relevant to MSPO requirements
2.1	2.1.1	Dual language documentations (Bahasa & English)
	2.1.2	Where appropriate and applicable management documents are made public. And displayed.

Criterion by Audit	Summary	Transparent method of communication and consultation
2.2	2.2.1	Complaint & Grievance Procedures 05/02/2018
	2.2.2	Management Official appointed at operating level
	2.2.3	Lists of stakeholders updated 16.01.19 Stakeholders meeting EIA done September 2017
Criterion by Audit	Summary	Traceability
2.3	2.3.1	SOP established and documented since 2018
	2.3.2	OFI: SOP/Flowchart etc designed but not used or implemented (since 2018).
	2.3.3	NC: the Traceability Officer has not been appointed yet.
	2.3.4	Evidence noted that records are maintained
Principle 3: Compliance to legal requirements		
Criterion by Audit	Summary	Regulatory requirements
3.1	3.1.1	All operations in compliance
	3.1.2	Evidence: legal register kept
	3.1.3	Legal register up to date
	3.1.4	Management Official appointed to monitor. (Human Resource Manager)
Criterion by Audit	Summary	Land use rights
3.2	3.2.1	No evidence of diminished rights of other users
	3.2.2	Described in Management Agreement between Landowners & Investor dated 7 th August 2012
	3.2.3	Evidence on the ground
	3.2.4	Described in Management Agreement between Landowners & Investor dated 7 th August 2012
Criterion by Audit	Summary	Customary rights
3.3	3.3.1	Described in Management Agreement between Landowners & Investor dated 7 th August 2012
	3.3.2	Map provided

	3.3.3	Reference: Management Agreement between Landowners & Investor dated 7 th August 2012
Principle 4: Social responsibility, health, safety and employment condition		
Criterion by Audit	Summary	Social impact assessment (SIA)
4.1	4.1.1	Evidence: SEIA Report – December, 2019
Criterion by Audit	Summary	Complaints and grievances
4.2	4.2.1	SOP established & documented 08/2018
	4.2.2	OFI: Conflict resolution procedures not in SOP
	4.2.3	Complaint Box displayed at front of office premises
	4.2.4	OFI: No evidence of briefing being done to employees or communities
	4.2.5	No complaints noted thus far.
Criterion by Audit	Summary	Commitment to contribute to local sustainable development
4.3	4.3.1	Program conducted. 21/07/19
Criterion by Audit	Summary	Employees safety and health
4.4	4.4.1	Evidence: documentation dated 9/10/2018
	4.4.2	<p>a) Evidence: documentation dated 9/10/2018</p> <p>Safety Officer not appointed yet</p> <p>1st Aid Kit only available in office. Not at worksite</p> <p>Training program conducted. 13.03.2018</p> <p>e) NC: As per the SOP for Fertilizer Storage (LPPSB / MSPO / SOP/023) and for the Handling of Chemicals (LPPSB / MSPO / SOP/036) the CSDS should be displayed for ease of reference but this was not available in the fertilizer store and the chemical store.</p>

Criterion by Audit	Summary	Employment conditions
4.5	4.5.1	Policy and SOP established 09.10.18
	4.5.2	Policy and SOP established 09.10.18
	4.5.3	Compliance met
	4.5.4	Evidenced in payslip
	4.5.5	Master checklist given
	4.5.6	Evidenced in workers contract
	4.5.7	SOP / Forms well documented but not implemented
	4.5.8	Evidenced in workers contract
	4.5.9	Evidenced in workers contract
	4.5.10	Evidenced in workers contract
	4.5.11	1 staff at site provided with basic amenities. Water. & Electricity OFI: Consider to ensure a safe cover wiring for the generator at the Labour Line 2.
	4.5.12	SOP 28/09/2018
	4.5.13	Evidence: Policy 14.05.2018
	No underage employed. Policy 14.05.18	
Criterion by Audit	Summary	Training and competency
4.6	4.6.1	Training conducted. 02/2018
	4.6.2	Evidenced: training program
	4.6.3	Evidenced: training program

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Criterion by Audit	Summary	Environmental management plan
5.1	5.1.1	LPP Environmental Management Policy prepared by Mr Kong Chong Lung & signed by Mr Tang Lee Nang dated 29/01/2018. The policy will also be displayed at the guard house, currently under construction.
	5.1.2	Environmental policy described as above, containing 5 objectives (legal compliance, continual improvement in sustainable management, minimizing adverse environmental effects arising from plantation activities, improving efficiency of resource utilization & minimizing pollution). Four areas of plantation operations are identified and analyzed for aspects and impacts: scheduled waste store, vehicle workshop, pest & diseases control (chemical calibration & mixing) and pest & diseases control (pesticides and chemical spraying),
	5.1.3	Elements of the environmental improvement plan are covered in the Chapter 5 Environmental Monitoring Program of the Social Impact Assessment Impact for Lubuk Palaie Plantation (Dec. 2017). The residual impacts are water pollution, habitat loss & biodiversity change and social issues. OFI: Consider to compile in a tabular format for ease of reference and retrieval.
	5.1.4	The continual improvement plan is not available although LPP has a commendable improvement programme to increase the efficiency and effectiveness of the pesticide application (changing from compact knapsack sprayer [CKS] to mist blower). NC: The continual improvement plan is not documented.
	5.1.5	Sighted LPP Training Programme 2019 listing out 5 in-house courses to be conducted beginning March to Nov. 2019. The courses are: 1) Chemical safety 2) Spray training 3) Manuring training 4) Harvesting training 5) Machinery & vehicle safety
	5.1.6	LPP safety & health committee last conducted its meeting on 30/10/2018 but no minutes were recorded (although a pictorial record is provided). Environmental issues were also discussed. NC: the LPP SH & E committee should provide minutes of meeting it conducts.

Criterion by Audit	Summary	Efficiency of energy use and use of renewable energy
5.2	5.2.1	Depicted as a convex graph for March - June 2018 (starting at 20,846 litres for Mar '18 to 17,641 litres for June '18) and also compared against an average baseline value of 17,976 litres.
	5.2.2	Noted bar graph of Diesel Consumption Trend for Year 2016 - 2018. for fuel consumed by BBC Estate V, VI and VII Sdn Bhd including 2 transport companies Hong Yet Dev. Sdn Bhd Tong Yen Transport Sdn Bhd. Average daily consumption for Jan.'18: 709.87 litres; April '18: 602.47 litres; Year to date as at May '18: 634.75 litres.
	5.2.3	Not applicable
Criterion by Audit	Summary	Waste management and disposal
5.3	5.3.1	LPPSB/MSPO/SOP/033, issue no. 1, issue date 27/10/2018 lists out 8 types of waste: <ul style="list-style-type: none"> 1) Scheduled waste 2) Empty chemical containers 3) Household rubbish disposal 4) Line site wastewater 5) Pruned fronds 6) Felled palms 7) Used clinical syringes 8) Scrap iron 9) Used tyres 10) Empty fertilizer bags
	5.3.2	Sighted: SOP for Water Management LPPSB/MSPO/SOP/017, issue no. 1, issue date: 07/05/2018. a) Sources waste and pollution are as above. b) Mitigation measures for the waste include handling as per DOE requirements, recycling, disposal into landfill or stacked in field for composting. No burning is allowed. OFI: to educate workers on segregation and recycling of waste.
	5.3.3	LPPSB/MSPO/SOP.034, issue no. 1, issue date 31/10/2018. The SOP lists out 2 types of waste from operations: used lubricant and used spent hydraulic oil. The scheduled waste inventory is updated monthly into eSWIS by Mr Simon Sia. OFI: consider to update the SOP as in the eSWIS inventory (Feb. 2019 submission for January disposal), 4 types of waste were recorded (SW 305, SW 306, SW 409 & SW 410) and another type was used oil (contaminated diesel & other waste oils) – SW 311.
	5.3.4	Empty chemical containers are triple washed to be reused as containers for lubricating oil. Used containers are disposed as

		SW 409 through a licensed scheduled waste collector TLM Tiasa Sdn Bhd.
	5.3.5	Domestic waste is disposed into a land fill as per the SOP on waste management LPPSB/MSPO/SOP/033. The present land fill (excavated on 15/12/2018) is located on a high ground in the estate, well away from the nearest watercourse and the nearest drain is more than 100m away. Future plan: the estate is mulling the disposal of domestic waste through the Sibul town scavenging service.
Criterion by Audit	Summary	Reduction of pollution and emission
5.4	5.4.1	Not applicable. Based on the social-environmental impact assessment, the most likely and pertinent impact is reduction on water quality.
	5.4.2	Not applicable as the SOP is available only for solid waste, scheduled waste and domestic waste.
Criterion by Audit	Summary	Natural water resources
5.5	5.5.1	<p>The water management plan is still being established as time is needed for monitoring and gathering data. However, the lack of such a plan indicated that there was no major impact on operations based on the following observations:</p> <ul style="list-style-type: none"> a) Based on the meter reading from Lembaga Air Sibul, the consumption per month is a consistent 25 litres (RM5/month bill). However, this figure is deemed inaccurate as the water meter is suspected to be faulty. b) Monitoring of water quality has been conducted once in 2018. Sampling was done on 19/03/2018. Among the parameters tested, BOD was 26 mg/litre at Water sample 1 (downstream of LPP). At WS2 (upstream), the BOD was not detected (ND<2) mg/litre. c) Rain harvesting is very much in evidence at the 2 sites of the quarters for workers where 2 x 400-litre HDPE tanks (blue in colour). Workers use the water for washing while drinking water is collected in carboys from the office taps. Only the office is supplied with piped water from the Lembaga Air Sibul. d) Riparian zone that was visited in Block 1B was well demarcated with standing vegetation along the Block boundary. e) The block boundary stops at the riparian zone. Thus there no planting on the bank of the river. f) No bore wells were used.
	5.5.2	Not applicable.

	5.5.3	Rain water is harvested at the living quarters for workers for use in washing. Drinking water is obtained from the Sibul Water Board and supplied to the estate office and the living quarters.
Criterion by Audit	Summary	Status of rare, threatened, or endangered species and high biodiversity value area
5.6	5.6.1	Sighted posters on wildlife (protected and fully protected) from the Sarawak Forestry Corporation. Deer and some hornbills were also sighted in the plantation.
	5.6.2	Noted signage for No Felling & No Open Burning at the compound of the estate office. OFI: to consider putting up 'No Hunting" signage at appropriate locations within the estate.
	5.6.3	OFI: Consider to maintain a register and location of wildlife seen or heard in the plantation.
Criterion by Audit	Summary	Zero burning practices
5.7	5.7.1	Not in practice
	5.7.2	Not applicable at this stage.
	5.7.3	Not in practice
	5.7.4	Not applicable at this stage.
Principle 6: Best practices		
Criterion by Audit	Summary	Site management
6.1	6.1.1	Sighted SOPs covering all operations such as: <ul style="list-style-type: none"> • Manuring (LLPSB/MSPO/SOP/001) • Estate Upkeep & Cultivation (LLPSB/MSPO/SOP/002) • Pests and Diseases (LLPSB/MSPO/SOP/003)
	6.1.2	LPP occupies a flat lowland beside the Pasai river with small patches of high ground. Sighted pits scattered among palms on slopes to conserve water. All access roads had side drains.
	6.1.3	Each block was marked with a placard stating year of planting and size of the block.

Criterion by Audit	Summary	Economic and financial viability plan
6.2	6.2.1	<p>Sighted LPP Budgeted Summary Income & Expenditure Cost FY 2019</p> <p>Total Operating Income for 2019 is expected at RM2,618,351.61 (rising from RM195,912.16 in Jan. 2019 to RM264,902.36 in Dec. 2019).</p> <p>Total Production Cost is expected to be RM2,710,068.47 (rising from RM130,151.31 in Jan. 2019 to RM145,299.55 in Dec. 2019).</p> <p>FFB revenue is assumed at RM393/MT.</p> <p>Annual cost per hectare is expected at RM6,425.47 while annual revenue is expected at RM6,208.01.</p> <p>As such a loss is expected by year end 2019 at RM311,481.79.</p>
	6.2.2	Not applicable now.
	6.2.3	<p>Included in the above-mentioned Budgeted Summary is the Breakdown of General Overhead Expenditure.</p> <ul style="list-style-type: none"> a) Two types of FFB planting materials are used: Golden Hope and Hybrida b) FFB sales by month c) FFB price fluctuates by month from RM383 in Jan. to RM413 in March 2019, ending the year at RM393. d) Average FFB price forecast for 2019 is RM378/MT. e) Total Operating Income for 2019 is expected at RM2,618,351 while the Total Production Cost is expected to be RM2,710,068.47, resulting a loss of RM311,481.79 by year end 2019.
	6.2.4	Monitored in the Accounts Section on a monthly basis to enable rectification to be made following any deviation from the plan. The data from the field on FFB production is used.
Criterion by Audit	Summary	Transparent and fair price dealing
6.3	6.3.1	Based on the price at Ta Ann Manais Palm Oil Mill & BLD oil mill. Sample sighted statement from Ta Ann Kimanis POM issued to LPP (ref. no. MO/LPP/1901-01) for January 2019.
	6.3.2	Sample sighted: Contract for Sale and Purchase of FFB from BLD (igan Palm Oil Mill) to LPP ref. no. BLDIGPOM/CA/KK/150806b-01 dated 06/08/2015, effective 06/08/2016 until 31/07/2016 unless terminated by either party giving 1 month's notice prior to expiry of that period.

Criterion by Audit	Summary	Contractor
6.4	6.4.1	Not applicable , as no contractors are hired. All maintenance works are conducted by in-house resources.
	6.4.2	Not applicable
	6.4.3	Not applicable
	6.4.4	Not applicable
Principle 7: Development of new plantings		
Criterion by Audit	Summary	High biodiversity value
7.1		No new planting. Not Applicable
		Not Applicable
Criterion by Audit	Summary	Peat land
7.2		Not Applicable
Criterion by Audit	Summary	Social and Environmental Impact Assessment (SEIA)
7.3		Not Applicable
		Not Applicable
		Not Applicable
		Not Applicable
Criterion by Audit	Summary	Soil and topographic information
7.4		Not Applicable
		Not Applicable
Criterion by Audit	Summary	Planting on steep terrain, marginal and fragile soils

7.5		Not Applicable
		Not Applicable
		Not Applicable
Criterion by Audit	Summary	Customary land
7.6		Not Applicable
		Not Applicable
		Not Applicable
		Not Applicable
		Not Applicable
		Not Applicable
		Not Applicable
		Not Applicable

3.9 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC numbering is comprised of 2 parts that denote the year in which the NC was raised and the sequential number.

The following NC's were raised for this audit.

3.9.1 Non-Conformities Identified during this Audit

NC number:	NC-01		
Client name:	Lubuk Palaie Plantation Sdn Bhd		
Date raised:	13 th Feb. 2019		
Major or Minor:	Minor Non-Conformity	Site:	Lubuk Palaie Plantation
Raised by:	Dominic Retan Giah	Deadline:	13 th April 2019
MSPO Clause 4.2.3.3:			
Aspect of the standard: Traceability			
The management should identify and assign suitable employees to implement and maintain the traceability system.			
Evidence of non-conformity:			
<i>During the audit, it was found that the appointment letter for the Traceability Officer was not available.</i>			
2. Classification to be completed by Auditor			
Minor nonconformity nc2	<input checked="" type="checkbox"/>	Major nonconformity NC1	<input type="checkbox"/>
Type of follow up	<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)		
Date: 13 th Feb. 2019	Lead Auditor: Dominic Retan Giah		
Review of evidence submitted to BQAS:			
Immediate measure and corrective accepted – signed copy of the appointment letter for the Traceability Officer.			

Conclusion by BQAS: N/A	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN)	
ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Auditor signature:	Date: 23 rd April. 2019

3.9.2 Non-Conformities Identified during this Audit

NC number:				NC-02			
Client name:				Lubuk Palaie Plantation Sdn Bhd			
Date raised:				13 th Feb. 2019			
Major or Minor:		Minor Non-Conformity		Site:		Lubuk Palaie Plantation	
Raised by:		Dominic Retan Giah		Deadline:		13th April 2019	
MSPO Clause 4.5.1.4							
Aspect of the standard: Environmental management plan							
A programme to promote the positive impacts should be included in the continual improvement plan.							
Evidence of non-conformity:							
<i>The continual improvement plan (on the use of the mist blower) was not documented.</i>							
Dominic R. Giah							
Lead Auditor							
Date: 13 th Feb. 2019							
Evidence of Conformity:							
<i>The SOP for continual improvement plan was prepared.</i>							
Review of evidence submitted to BQAS:							
<i>Any improvement plan to be verified during next surveillance audit.</i>							
Conclusion by BQAS:							
N/A							

NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN)	
ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Assessor signature:	Date: 23 rd April 2019

3.9.3 Non-Conformities Identified during this Audit			
NC number:	NC-03		
Client name:	Lubuk Palaie Plantation Sdn Bhd		
Date raised:	13 th Feb. 2019		
Major or Minor:	Minor Non-Conformity	Site:	Lubuk Palaie Plantation
Raised by:	Dominic Retan Giah	Deadline:	13th April 2019
MSPO Clause 4.5.1.6			
Aspect of standard: Environmental management plan			
Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.			
Evidence of non-conformity:			
During the audit, it was found that the Lubuk Palaie Plantation Safety, Health & Environment committee did not record its minutes of meeting.			
Dominic R. Giah			
Lead Auditor			
Date: 13 th Feb. 2019			
Evidence of Conformity:			
Action plan (notice of meeting, agenda & format of minutes) accepted. To be verified during next surveillance audit.			
Review of evidence submitted to BQAS:			
Evidence of immediate measure sighted - draft of minutes of meeting held on 18/03/2019.			
Conclusion by BQAS:			

N/A	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN)	
ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Assessor signature:	Date: 23 rd April. 2019

3.9.4 Non-Conformities Identified during this Audit			
NC number:	NC-04		
Client name:	Lubuk Palaie Plantation Sdn Bhd		
Date raised:	13 th Feb. 2019		
Major or Minor:	Minor Non-Conformity	Site:	Lubuk Palaie Plantation
Raised by:	Dominic Retan Giah	Deadline:	13 th April 2019
MSPO Clause 4.4.4.2.e			
Aspect of standard: Employees safety and health			
The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.			
Evidence of non-conformity:			
During the audit, it was found that the CSDS were not displayed in the fertilizer store and the chemical store, therefore not in accordance with the SOP for Fertilizer Storage (LPPSB / MSPO / SOP/023) and for the Handling of Chemicals (LPPSB / MSPO / SOP/036).			
Dominic R. Giah			
Lead Auditor			
Date: 13 th Feb. 2019			
Evidence of Conformity:			
Evidence of immediate measure sighted - CSDS for use in the Fertilizer Store and the Chemical Store.			
Review of evidence submitted to BQAS:			

Action plan accepted. Actual display in the respective stores to be verified during next surveillance audit.	
Conclusion by BQAS: N/A	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN)	
ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature:	Date: 23 rd April 2019

3.10 Observations Raised During this Audit

Following observation raise during this audit: Not Applicable

Client name:	
Date raised:	
Raised by:	
Aspect of standard	
No issues raised.	
Assessors Signature	Date

Client name:	
Date raised:	
Raised by:	
Aspect of standard	
Assessors Signature	Date

3.11 Audit Report Detail

Report prepared on 23/04/2019, by

Lead Auditor: Dominic Retan Giah

Standard: MS 2530-3: 2013

For combined/ integrated audit

Auditor:

Standard:

[more audit team member]

Date

Technical Reviewer on behalf of BQAS

Confidentiality

The content of this report and all information received in association with the audit of the subject organization will be maintained in the strictest confidence by the members of the audit team and by BQAS, in accordance with prior agreement.

PART 4: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of next audit

The provisional date for the next audit is: February 2020

4.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any (only for stage 2)

All major NCs to be closed by: Not applicable

All minor NCs to be closed by: 13th April 2019

4.3 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders were either informed by the client or by BQAS.

Subject raised	Company response and proposed action to be taken	Audit team findings
Overlapping land claims	To be clarified one on one	Communication with stakeholders

4.4 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of BQAS Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:		Signature
Name:	Simon Sia Yuk Siong	
Position:	Management Representative	
Date:	23 rd April 2019	

4.5 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:		Signature
Name:	Dominic Retan Giah	
Position:	Lead Auditor	
Date:	23 rd April 2019	

4.6 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:		Signature
Name:		
Position:		
Date:		

Name:		Signature
Position:		
Date:		

PART 5 : APPENDICES**Appendix 1 : Location Map for this Certification Unit**

From 1.9 - see attached location maps(s)

Figure 1: Map for the Lubuk Palaie Plantations Sdn Bhd which encompass the location of the land holding of the 3 owners (Makus Tukie, Sima Tukie and Nancy Anthony) in relation to Sibul city



Figure 2: Map of Lubuk Palaie Plantation by MPOB Licences (in the name of the Individual Land Owners)

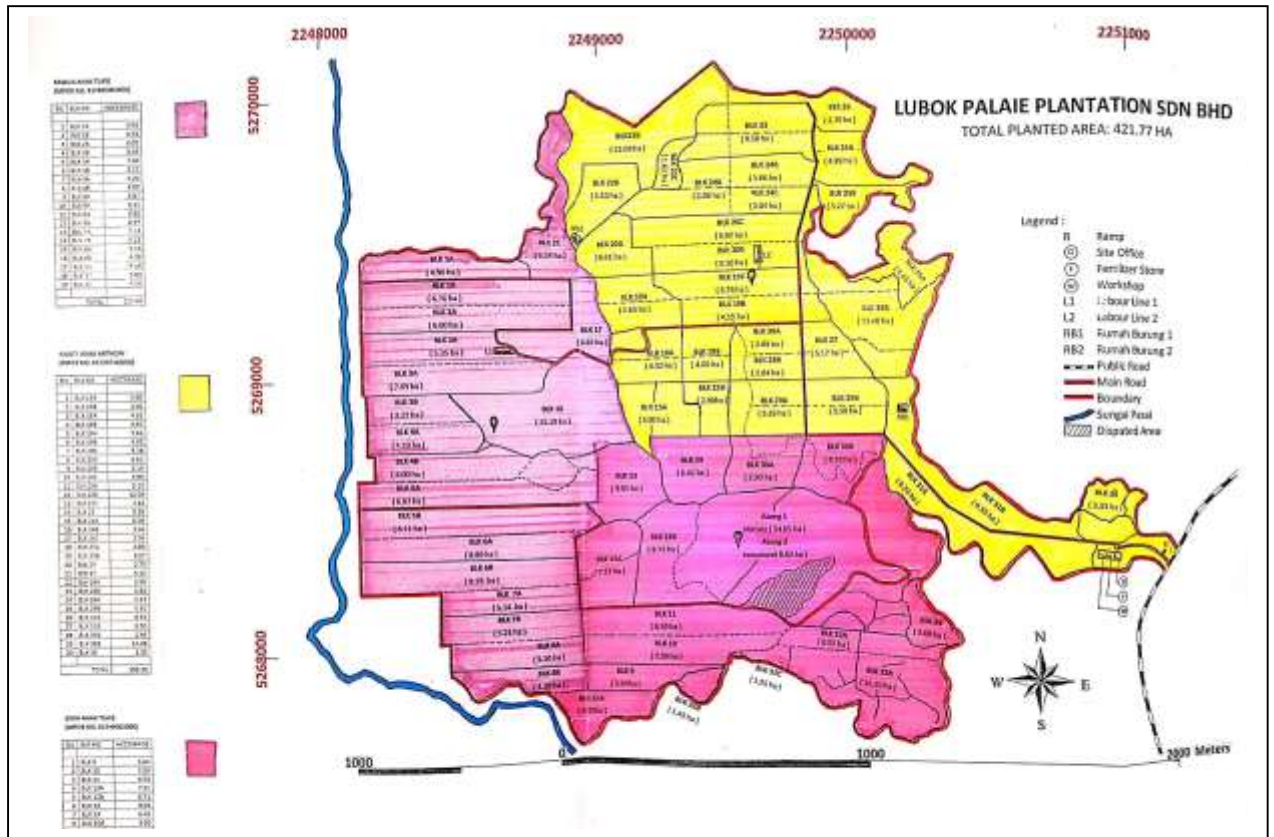
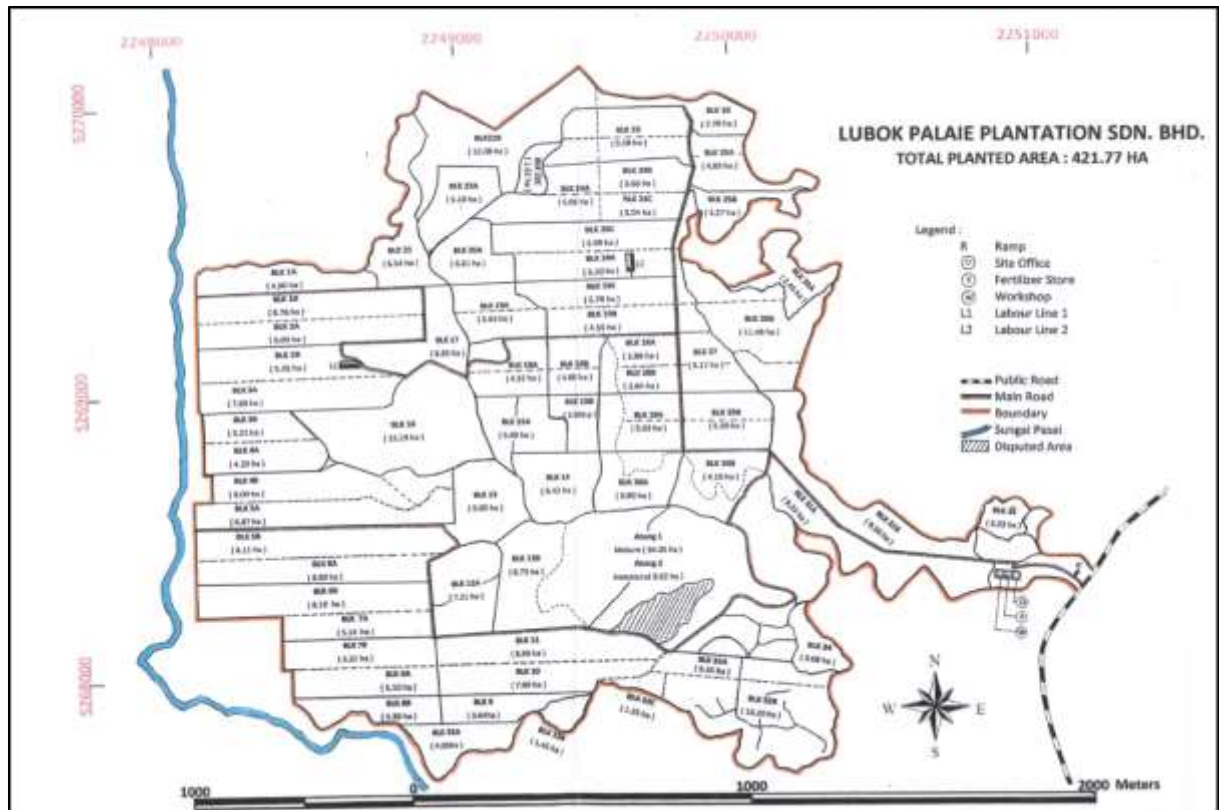


Figure 3: Block Map of Lubok Palaie Plantations



Appendix 2 : Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	BQAS
BQAS	BQAS Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MDC	MDC Publishers Sdn Bhd (Company Name)
MPOB	Malaysian Palm Oil Berhad
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health

OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SA8000	Social Accountability 8000
Sdn Bhd	Sendirian Berhad
SIA	Social Impact Assessment
SOCSO	Social Security Organisation
SOP	Standard Operating Procedure
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization