



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT [YEAR 02] 2021

Lubok Palaie Plantation Sdn Bhd (1012799-A)

No. 171C, Ground Floor, Kampung Nyabor, 96000 Sibul, Sarawak



BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2nd Floor, Block A, King Center, Simpang Tiga,
93350, Kuching, Sarawak.

Tel: 082 572 043

Email: bqascertification@gmail.com

Website: www.bqas.com.my

Accreditation No: ACB MSPO CB15



MSPo SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

Lubok Palaie Plantation Sdn Bhd
(1012799-A)

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

Ref No: BQ/LPP/SVA2/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

CERTIFIED ENTITY

| | |
|-------------------------------|---|
| MSPo Standards | <input checked="" type="checkbox"/> MS2530-3:2013 General Principles for Palm Oil Plantations & Organized Smallholders |
| Type of Certification: | <input checked="" type="checkbox"/> Individual |
| Project Ref No: | BQ/LPP/SVA2/06/21 |
| MSPo Certificate No: | BQAS 002 |
| MSPo Certificate Validity: | 01 06 2019 – 31 05 2024 |
| HQ Office Address: | No 171C, Ground Floor, Kampung Nyabor, 96000, Sibul Sarawak |
| Contact Person / Job Title: | Simon Sia Yuk Siong Manager |
| Telephone / Mobile: | 084 325 478 019 838 2408 |
| Email / Website: | simonsiayuksiong@gmail.com lubokpalaie@gmail.com |
| Site Address: | Lot 3541, Jalan Pasai Siong, 96000, Sibul, Sarawak |

CERTIFICATION BODY

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

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

Disclaimer:

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TABLE OF CONTENTS

| NO | DESCRIPTION | PAGES |
|------|--|----------------|
| | Executive Summary | 4 - 5 |
| 1. | Information: Certification Assessment | 6 |
| 2. | Information: Certified Entity | 6 - 7 |
| 3. | Assessment Methodology | 7 - 8 |
| 4. | Assessment Process | 8 - 10 |
| 4.1. | Audit Team | |
| 4.2. | Audit Plan | |
| 5. | Summary of Assessment Results | 10 - 11 |
| 5.1. | Key Findings | |
| 5.2. | Summary Statement: Lead Auditor | |
| 5.3. | Acknowledgement: Certified Entity | |
| 5.4. | Corrective Actions: Certified Entity | |
| 6. | Official Sign-off | 12 |
| 6.1. | Assessment Recommendation: Lead Auditor | |
| 6.2. | Assessment Review: Technical Reviewer | |
| 7. | Conclusion | 13 |
| 7.1. | Certification: BQAS Management | |
| 7.2. | Plan: Next Surveillance Assessment | |
| 8. | Attachments | Nil |



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

Lubok Palaie Plantation Sdn Bhd
(1012799-A)

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

Ref No: BQ/LPP/SVA2/06/21

Standard: MS 2530-3:2013

Remote Audit

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EXECUTIVE SUMMARY

LADANG LUBOK PALAIE [LLP], the certified entity, is owned by **Lubok Palaie Plantation Sdn Bhd**.

LLP is located at **Lot 3541, Jalan Pasai Siong, 96000, Sibul, Sarawak**. The Plantation Site is situated at **Geo-coordinates N 002.43035° E 111.94510°**; 3 parcels of land; **421.27 hectares** of total certified area; on NCR land owned by local communities; operated and managed by **LPPSB** vide a Rental Agreement.

This is a **Surveillance [Remote] Audit [Year 2]**, 3rd year of certification to assess performance & maintenance of the management system & continued certification of **LLP** under the Standard MSPO2530-3:2013 General Principles for Plantations & Organized Smallholders & scope is **Individual Certification**.

Guidance documents for this Remote Audit is MPOCC Version 3 Updated Circular [22 March 2021]
Guidance on remote audits due to Covid 19 Pandemic Restrictions.

Risk Assessment was conducted and it was determined prior to conducting the audit that **LLP** is categorized as between **low to medium risk entity** and qualify to be audited remotely.

ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc.

The assessment method follows principles of 3P (Paper, Practice & People)

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion.

The following are pertinent information on **LADANG LUBOK PALAIE [LLP]**:

| | |
|--------------------------------------|--|
| No of Employees | • 45 employees: local & foreign |
| MPOB License No / Expiry date | • No: 6174 9000 2000, 6174 9600 2000, 6185 4700 2000; Expiry: 31 07 2022 |
| Date of Establishment | • 2012 |
| Certified Area | • 421.27 hectares |
| FFB Actual Production Volume 2020 | • 8393.10 MT |
| FFB Estimated Production Volume 2021 | • 9206.00 MT |

The Surveillance Audit was conducted on 06 - 07 06 2021; 2 Auditors; 4 mandays.



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

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Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of **LLP** management systems.

Assessments were done on management system documentation & compliance, estates facilities and palm oil cultivation activities & operations. Information & data were systematically gathered & documented from online interviews, realtime photos as evidence & review of documentations and records.

There was only **1 finding classified as NC Minor [minor non-conformance] on Criterion 4.5.1: Environmental management plan**. Corrective action report was raised on **07 06 2021** and closed out on **20 08 2021**.

In this Audit, the Auditors also determined that actions to be taken on findings in SVA01 had been implemented satisfactorily and in compliance with requirements of the Standards.

Estate employees are remunerated in compliance with Employment Act & minimum wage regulations; and living & housing conditions in the staff housing and facilities continue to comply with standard requirements of health & safety regulations & the relevant Housing Act.

Available amenities in **LLP** include treated water, electricity, telecommunication services and waste disposal services.

LLP management systems has continuously improved, complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that **LLP** certification under MSPO Standards MS2530-3:2013 Part 3 – General Principles for Oil Palm Plantations & Organized Smallholders to be continued and maintained.

1.0. INFORMATION: CERTIFICATION ASSESSMENT

| | | | |
|------|----------------------------------|-------------------------------------|--|
| 1.1. | Type of Certification Assessment | <input type="checkbox"/> | Initial Certification / Main Audit |
| | | <input checked="" type="checkbox"/> | Annual Surveillance Audit [Year 2] |
| | | <input type="checkbox"/> | Re-certification Audit |
| 1.2. | Scope of MSPO Certification | <input checked="" type="checkbox"/> | Production of Sustainable Fresh fruit Bunch from: |
| | | | Total Planted Areas Total Certified Areas |
| | Ladang Lubok Palaie | | 421.27 hectares 421.27 hectares |
| 1.3. | MSPO Standards | <input type="checkbox"/> | PART 3: MS2530-3:2013 |

**MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021****Lubok Palaie Plantation Sdn Bhd**
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Remote Audit

Report Date: 03 09 2021

2.0. INFORMATION: CERTIFIED ENTITY

| | |
|----------------------------|---|
| Company Name & Reg No: | Lubok Palaie Plantation Sdn Bhd (1012799-A) |
| Main Address: | No. 171C, Ground Floor, Kampung Nyabor, 96000 Sibul, Sarawak |
| Site Name: | Ladang Lubok Palaie |
| Primary Function: | <input checked="" type="checkbox"/> Plantation/Organized Smallholders |
| Site Address: | Lot 3541, Pasai Siong Tengah, Sibul, Sarawak |
| Management Contact Details | |

| | | |
|------------|-----------------------------|--|
| 1. | Name: Simon Sia Yik Siong | Job Title: Management Representative |
| | Mobile: 019 838 2408 | Tel: 084 325 478 |
| | | Email: lubokpalaie@gmail.com simonsiyuksiong@gmail.com |
| 2. | Name: Darren Ting Lik Cheng | Job Title: Estate Manager |
| | Mobile: 016 899 1552 | Tel: 084 325 478 |
| | | Email: darren1552@gmail.com |
| Headcount: | Local: 6 | Foreign Workers: 39 |
| | | Total: 45 |

MS 2530-3:2013 General Principles for Plantations & Organized Smallholders

| | |
|--|--|
| MPOB License No: 617490002000 (in the name of Sima Anak Tukie at 133.48 ha) | Expiry Date: 31 07 2022 |
| MPOB License No: 617496002000 (in the name of Makus Anak Tukie on 128.49 ha) | Expiry Date: 31 07 2022 |
| 618547002000 (in the name of Duchan Anak Makus on 159.3 ha) | Expiry Date: 31 07 2022 |
| Scope of Activity: Menjual & Mengalih FFB# | |
| Date of Establishment: 2012 | Geo-Coordinates: N 002.43035 E 111.94510 |
| Certified Area: 421.27 ha | Planted Area: 421.27 ha (variation due to ground-based survey method used and planting distance) |
| FFB Production (actual) 2020: 8393.10 MT | FFB Production (estimate) 2021: 9260.00MT |
| Sources of FFB: Own Estate | Main FFB purchaser: Melati Agro Sdn Bhd, Sibul |
| No of Planting Blocks: 37 | No of Palm trees: 60,284 |
| Palm Species: Golden Hope & AAR Hybrid (from Applied Agricultural Resources - associate company of KLK & Boustead) | Age Range of Palm Trees: 5-9 years |
| Topography: Undulating | Soil Type: Mineral soil & some peat |
| Land Status: Ownership: NCR land | <input checked="" type="checkbox"/> Rented <input type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture |
| Validity/Date of Certification: 01 06 2019 to 31 05 2024 | Other Sustainability Certification: None |

BQAS – | All aspects of the Audit are considered Confidential



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

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

Ref No: BQ/LPP/SVA2/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

3.0. ASSESSMENT METHODOLOGY

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

| | |
|--|--|
| Information gathering Data collection | <ul style="list-style-type: none"> ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc. |
| Assessment method | <p>Paper</p> <ul style="list-style-type: none"> Assessing past implementations from records, reports of the management system <p>Practice</p> <ul style="list-style-type: none"> Assessing current implementation from evidence collection on current practices <p>People</p> <ul style="list-style-type: none"> Assessing future maintenance from interviewing online the auditee personnel on understanding & assessing competencies. |

| Surveillance Audit | | Audit Findings Classification | |
|--------------------|------------------------------|-------------------------------|---|
| Term | Meaning | Description | |
| YES | Compliance | • | Fulfilled requirement of audited standard |
| OFI | Opportunity for improvements | • | Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization |
| NO (minor NC) | Minor non conformity | • | Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system |
| NO (major NC) | Major non conformity | • | Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area of last assessment that are not effectively addressed will be classified as major NC. |



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

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Ref No: BQ/LPP/SVA2/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

4.0. ASSESSMENT PROCESS

The assessment process was preceded by/with **Risk Assessment of the certified entity** to determine that the Audited Entity qualify to be audited vide **Remote Audit**. BQAS had assessed that surveillance audit 02 of **Ladang Lubok Palaie** is classified as **low to medium risk**.

4.1. AUDIT TEAM

| Assessment Year | Name | Role |
|----------------------|-----------------|--------------|
| Surveillance Year 02 | Wilfred Landong | Lead Auditor |
| | Douglas Alau | Auditor |

4.2. AUDIT PLAN

4.2.1. AUDIT OBJECTIVES

Surveillance Audit Year 02

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

4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS

| | |
|---------------|---|
| MS2530-3:2013 | General Principles for Plantations & Organized Smallholders |
|---------------|---|

4.2.2.1. Assessment Sites

Remote Assessments were performed on:

- Documentations & records
- Estate – field sites / activities
- Estate – processes, stores, waste & water management, workshop and related facilities
- Staff facilities – housing, amenities etc.



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

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Ref No: BQ/LPP/SVA2/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

4.2.2.2. Assessment Program

Date: 06 - 07 06 21

No of Auditors: 2

No of Mandays: 4

Day 1

- Opening Meeting
- Review Certification Audit Report Year 02
- Documentation Audit / Record Review
- Estates – facilities review (chemical, schedule waste stores, workshop, etc.)
- FFB evacuation process

Day 2

- Assessment/review of staff/workers housing & living conditions, facilities & amenities, domestic waste treatment etc.
- Documentation Audit continued
- Closing meeting
- Presentation of Audit Checklist / Report

4.2.2.3. Assessment Parameters

- Evaluate implementation, including effectiveness of the management system
- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies
- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements
- Traceability of FFB
- Use of PPE / Safety & Health training program
- Revisit other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers' quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

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Remote Audit

Report Date: 03 09 2021

5.0. SUMMARY OF ASSESSMENT RESULTS

5.1. KEY FINDINGS

Table:

| Principles | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| No of NC: Major | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| No of NC: Minor | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| No of OFI: Opportunity for Improvement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |

Finding No 1

Criterion 4.5.1: Environmental management plan

| | | | |
|----|---|---|---|
| B. | The aspects and impacts analysis of all operations. | <input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC – Minor <input type="checkbox"/> NC - Major | Four areas of plantation operations are identified and analysed for aspects and impacts: <ul style="list-style-type: none"> • Scheduled waste store, • Vehicle workshop, • Pest & diseases control (chemical calibration & mixing) and • Pest & diseases control (pesticides and • chemical spraying), <p>NC Minor Chemical mixing area still work in progress</p> |
|----|---|---|---|



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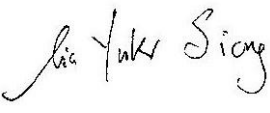
Remote Audit

Report Date: 03 09 2021

5.2. AUDIT CONCLUSION

| | Summary Statement of Lead Auditor | Signature |
|--|---|--|
| | <p>The purpose of this Surveillance Audit 02 is to evaluate the implementation, including effectiveness, of Lubok Palaie Plantation Sdn Bhd – Ladang Lubok Palaie [LLP] management systems and that the requirement of the Standards MS2530-3:2013 is fulfilled.</p> <p>There was only one (1) finding in this Surveillance audit 02: classified as Minor NC [non-conformance]. LLP had continuously conformed and complied to the requirements of the MSPO Standards.</p> <p>In conclusion, the Auditors recommend the Certification Ladang Lubok Palaie [LLP] under the MS2530-3:2013 Part 3 General Principles for Organized Smallholders and Palm Oil Plantation be maintained</p> |  Wilfred Landong Date: 08 06 2021 |

5.3. ACKNOWLEDGEMENT BY CERTIFIED ENTITY

| Acknowledgement by Auditee | Signature |
|--|---|
| <p>This is to acknowledge and confirm the Surveillance Remote Audit [SVA02] Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.</p> |  Simon Sia Manager 09 06 2021 |

5.4. CORRECTIVE ACTION REPORTS & CLOSURE

Corrective Action Report was raised on 08 06 2021

CAR was closed out by Lead Auditor on 20 08 2021



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

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Standard: MS 2530-3:2013

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6.0. OFFICIAL SIGN OFF

6.1. ASSESSMENT RECOMMENDATION BY LEAD AUDITOR

Based on the Findings/Action taken by Auditee/Closures above, **Lubok Palaie Plantation Sdn Bhd – Ladang Lubok Palaie [LLP]** had been able to demonstrate and improved on its continual compliance to and with requirements of the MSPO MS2530-3:2013 Standard: General Principles for Plantations & Organized Smallholders. Therefore, it is recommendation of the Audit team that the Certification of **LLP** under MSPO MS2530-3:2013 Standard be maintained.

Wilfred S Landong
Date: 30 07 2021

6.2. ASSESSMENT REVIEW BY TECHNICAL REVIEWER

STATEMENT & CONFIRMATION

I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of the Report in its' entirety. I confirm that, to the best of my knowledge the information and conclusions included in this report have been prepared in compliance with the Standards requirements; and done in good faith and that the Lead Auditor recommendations had been based upon this information. I, hereby confirm that, **Lubok Palaie Plantation Sdn Bhd – Ladang Lubok Palaie [LLP]** Certification under the Standard MS2530-3:2013 be maintained.

Signed:

Maxwell S Landong
29 08 2021



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT Year 02: 2021

Lubok Palaie Plantation Sdn Bhd
(1012799-A)

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

Ref No: BQ/LPP/SVA2/06/21

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Remote Audit

Report Date: 03 09 2021

7.0. CONCLUSION

7.1. CERTIFICATION: BQAS MANAGEMENT

In reference to MS 2530-3:2013, the BQAS Management hereby approved of:

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

7.2. PLAN FOR NEXT SURVEILLANCE AUDIT

SVA 03 – tentatively to be in MAY/JUNE, 2022.

8.0. ATTACHMENTS

Nil

FOOTNOTES

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