

MSPO CERTIFICATION SUMMARY REPORT

ABEDON SDN. BHD.

SURVEILLANCE 02

Date: 02-05/03/2020

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MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	4
2.	METHODOLOGY	7
3.	ORGANISATION INFORMATION	9
3.1.	Production volume	9
3.2.	Planting Program for Each Estate	9
3.3.	Replanting program for each estate	10
3.4.	Maps of Company Location and Plantations	10
4.	CERTIFICATION ASSESSMENT	14
4.1.	Annual Surveillance Audit 02	14
4.2.	Stakeholders' Consultation	14
4.3.	Summary of Assessment	16
4.4.	Status of Non-Conformities Previously Identified	39
4.5.	Detail of Audit Findings in last audit	39
4.6.	Detail of Audit Findings Identified During This Audit	39
5.	CONCLUSION	42
6.	RECOMMENDATION	43
7.	LIST OF INTERVIEWEES	44
	Annex / Enclosures	45

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



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
GAP	Good Agricultural Practice
GPS	Global Positioning System
ISCC	International Sustainability & Carbon Certification
ISO	International Standard Organisation
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
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
WHO	World Health Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
KHB	Kretam Holdings Berhad
SDS	Safety Data Sheet
ASB	Abedon Sendirian Berhad

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



1. INTRODUCTION

Abedon Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its two oil palm estates according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this surveillance audit is to assess the Abedon estates by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the group office and estates.

The supporting documents are 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 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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 out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team members

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

Lead Auditor in Training: Mohd Nur Amin Bin Mohd Halim

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following <ol style="list-style-type: none">1. Agriculture;2. Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);3. Engineering, Process Technology;4. Energy Management, Quality Management;5. Social Sciences and/or Anthropology;6. Business Management; or7. Other relevant related fields	Graduate in Office Management & Technology.

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Requirement	Qualifications
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)	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.
Successfully completed MS 2530 series of standards training	Successfully completed MS 2530 series of standards training
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 auditor for MSPO scheme.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	6 years 10 months of working experience in managing sustainability for oil palm industry for both upstream and downstream division.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	6 years 10 months of working experience in managing sustainability for oil palm industry for both upstream and downstream division.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS ISO 9001, 14001, 45001 LA course training attended.
Good Milling Practices for example palm oil milling working experience or demonstrate equivalent.	Graduate in Office Management & Technology.

Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
	Mohamad Norhisham bin Mohd Salleh	Graduate in Agrobiology	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Requirement	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	Sheron Pui Ling Wui	Bachelor in Medical Science	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)	Mohamad Norhisham bin Mohd Salleh	5 years working experience in oil palm plantation.	Yes
	Sheron Pui Ling Wui	3 years' experience in QA, QMS, Internal audit. 1.5 year experience in MSPO audit.	Yes
Successfully completed MS 2530 series of standards training	Mohamad Norhisham bin Mohd Salleh	Successfully completed MS 2530 series of standards training	Yes
	Sheron Pui Ling Wui	Successfully completed MS 2530 series of standards training	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.	Mohamad Norhisham bin Mohd Salleh	Qualified as lead auditor for MSPO scheme.	Yes
	Sheron Pui Ling Wui	Qualified as lead auditor for MSPO scheme.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Mohamad Norhisham bin Mohd Salleh	Able to communicate in Bahasa Malaysia and English.	Yes
	Sheron Pui Ling Wui	Able to communicate in Bahasa Malaysia, Mandarin and English.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



2. METHODOLOGY

The audit approach consists of the following steps:

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

Annual Surveillance 02:

Annual surveillance 2 is conducted on 02/03/2020 to 05/03/2020 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

On-site Assessment

The audit of the estates is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For the surveillance audit, the selected estates was based on the formula $S = 0.8\sqrt{n}$ where S = sample size and n = number of estates which is in accordance to MSPO certification procedure.

Based on the formula, the sample size for the estate $S = 0.8\sqrt{2} = 1.13$, therefore round up to the next integral of 2 estates. Thus, a total of 2 estates selected for the onsite assessment and inspection as listed in Table 2-1 below:

Table 2-1: List of Estates Selected

Name of Estate	Coordinates
Kolopis Estate	N 5.297778°, E 117.9567°
Tanaki Estate	N 5.329722°, E 117.9383°

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 raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



3. ORGANISATION INFORMATION

Abedon Sdn. Bhd., located at Off 56 KM, Jalan Lahad Datu – Sandakan, 90200 Kinabatangan, Sabah. Tanaki and Kolopis Estates are owned by Abedon Sdn. Bhd.

The details of the 2 estates as below:

Name of Estate	Location	Coordinates
Kolopis Estate	Off 56 KM, Jalan Lahad Datu-Sandakan, 90200, Kinabatangan, Sabah.	N 5.297778°, E 117.9567°
Tanaki Estate	Off 56 KM, Jalan Lahad Datu-Sandakan, 90200, Kinabatangan, Sabah.	N 5.329722°, E 117.9383°

3.1. Production volume

Name of Estate	Area (Ha)		FFB Production (mt) (Jan 2019 to Dec 2019)	Projected FFB Production (mt) (Jan 2020 to Dec 2020)
	Total*	Production**		
Kolopis	2,489.86	2,085.14	33,480.46	31,336.95
Tanaki	2,628.03	2,261.25	36,029.47	33,885.95
Total	5,117.89	4,346.39	69,509.93	65,222.89

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate

Year / estate	Kolopis Estate	Tanaki Estate
1994	0	369.71
1995	248.46	358.10
1996	417.15	243.97
2000	0	554.05
2010	0	95.07
2012	391.95	0
2013	466.44	0
2015	261.14	0
2016	0	39.52
2017	0	47.32
Total Mature	1,785.14	1,707.74
Year 2 - 2018	0	330.30
Year 1 - 2019	300.31	223.21
Total Immature	300.31	553.51

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Total Production Area	2,085.14	2,261.25
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3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in each estate		Total area to be replanted (ha)
	Kolopis Estate	Tanaki Estate	
2020	248.15	369.71	617.86
2021	0	602.07	602.07
2022	417.15		417.15
2024	0	554.05	554.05
TOTAL	665.30	1,525.83	2,191.13

3.4. Maps of Company Location and Plantations

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02

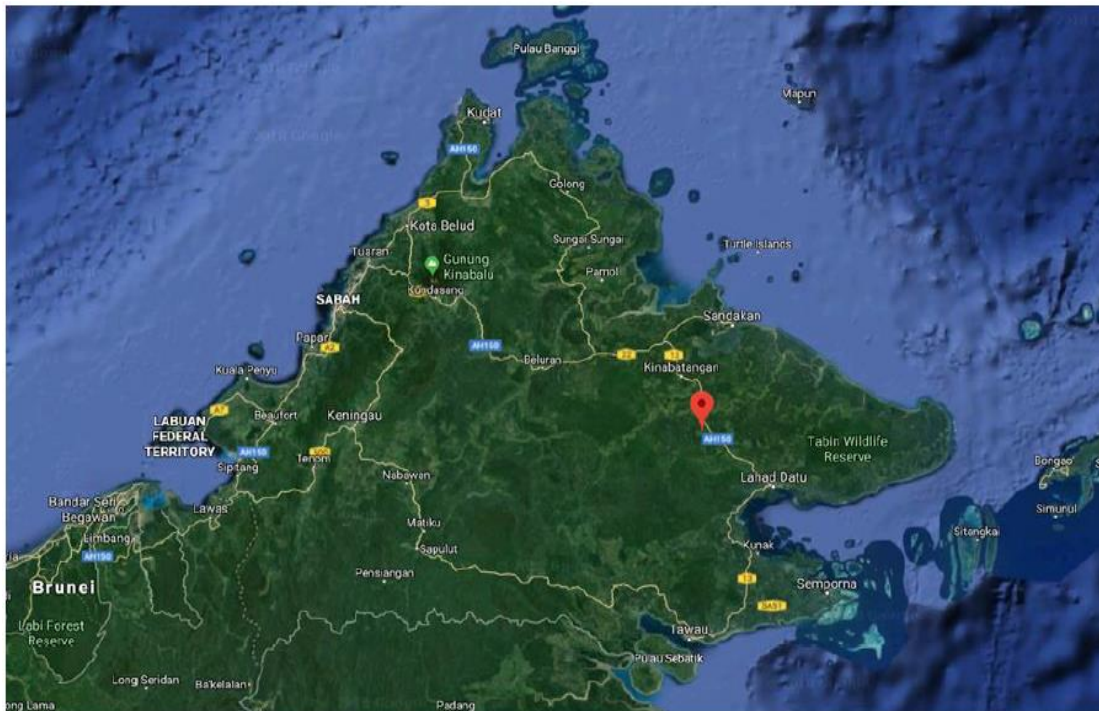
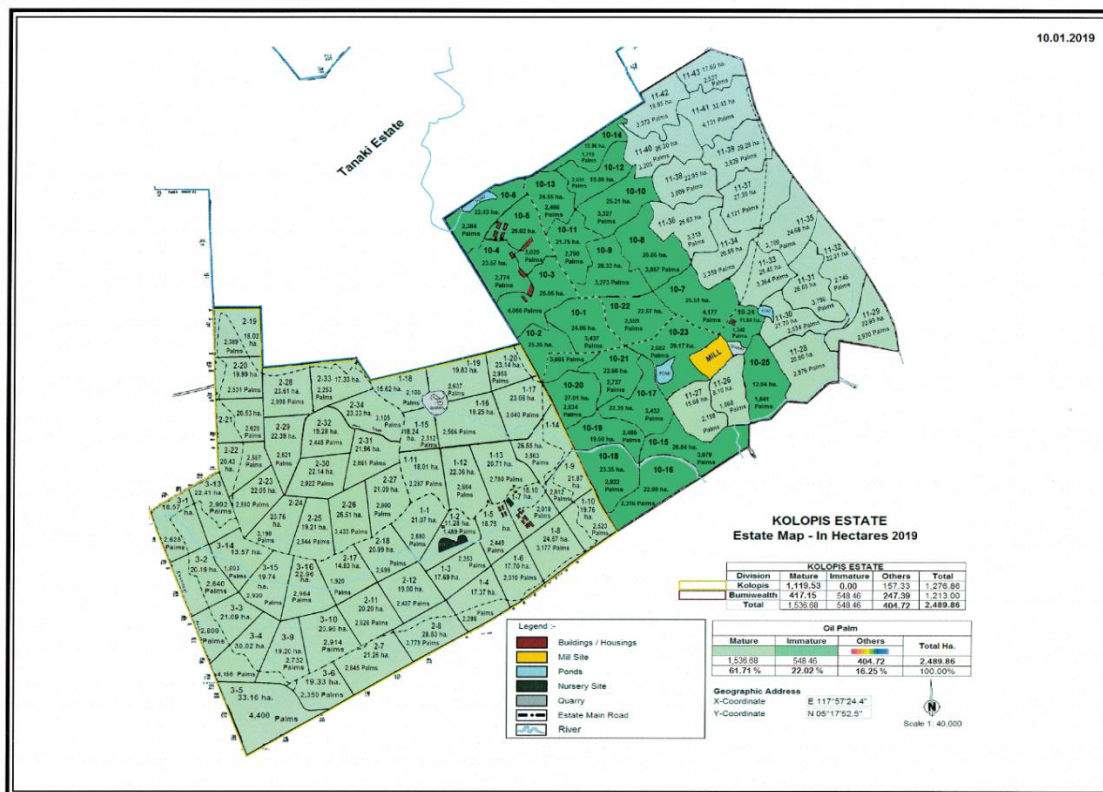


Figure 1: Location Map of Kolopis Estate and Tanaki Estate.



MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02

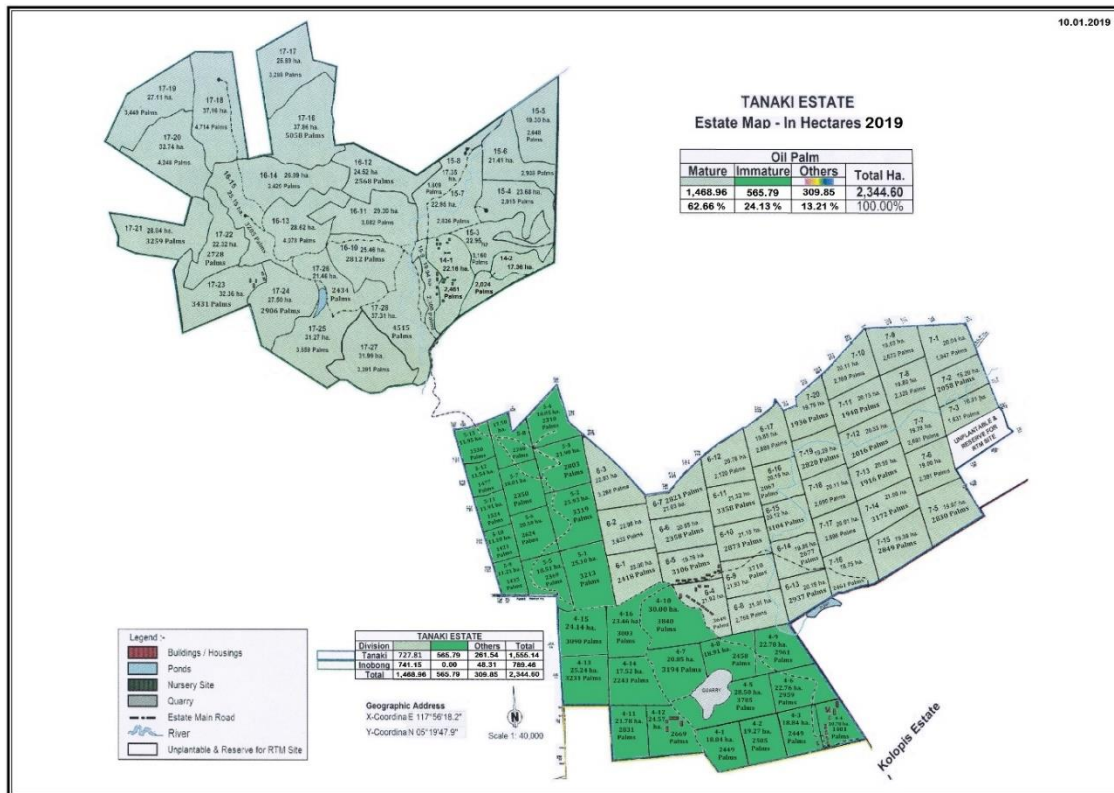


Figure 3: Tanaki Estate Map (Tanaki Division and Inobong Division)

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02

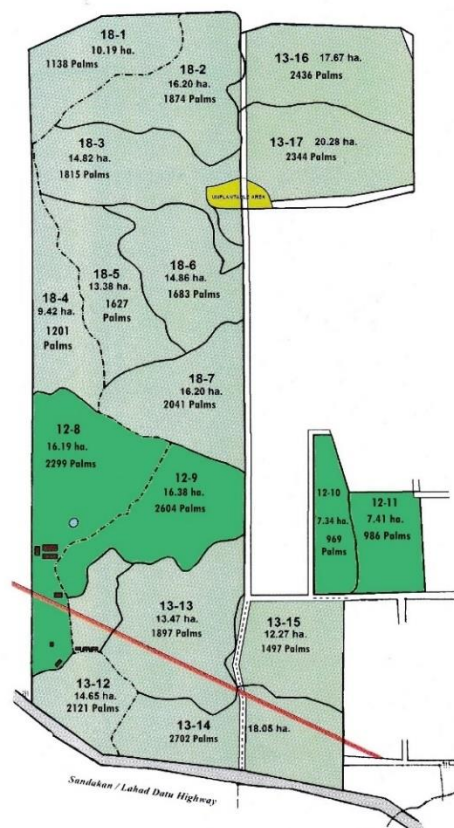


10.01.2019

TANAKI ESTATE Segama Division

Estate Map - In Hectares 2019

TANAKI ESTATE				
Division	Mature	Immature	Others	Total
Segama	191.46	47.32	44.65	283.43



Legend :-	
	Buildings / Housings
	Ponds
	Estate Main Road
	East Coast Transmission Grid
	Road Reserve
	Unplantable Area

Oil Palm			
Mature	Immature	Others	Total Ha.
191.46	47.32	44.65	283.43
67.55 %	16.70 %	15.75 %	100.00%

Geographic Address

X-Coordinate E 118°11'24.0"

Y-Coordinate N 05°09'13.4"



Figure 4: Tanaki Estate (Segama Division).

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



4. CERTIFICATION ASSESSMENT

4.1. Annual surveillance 2

The objective of the audit is to assess the activities of the estates are in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

4.1.1. Surveillance Audit:

The surveillance audit is conducted on 02/03/2020 to 05/03/2020 covering two selected estates – Kolopis Estate and Tanaki Estate.

During the surveillance, there is 1 Major and 3 Opportunities for Improvement (OFIs) are raised. The Major non-conformance raise during the audit are closed out by means of documents review with corrective and preventive actions taken by Abedon Sdn Bhd.

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

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

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 22/01/2020 as to accommodate stakeholder's consultation meeting for Abedon Sdn. Bhd., to provide comments. As at audit date on 02/03/2020 there are no comments received.

Invitation letters are sent on 22/01/2020 to invite relevant stakeholders to attend a local stakeholders' consultation on 02/03/2020 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of MSPO certification.
2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
The stakeholders invited to the meeting by invitation letter from the company on MSPO annual surveillance audit.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint
The stakeholders able to feedback on the information of complaint procedure from management that available with logbook and form at company office to lodge with any complaints or suggestions.

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.

The local communities able to answer that the company provide support to communities.

4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information

The contractors who provides maintenance and service, attended briefing on MSPO requirements.

There no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholders invited for attended the MSPO audit via invitation letter received.	No action required
2	Social issues	Stakeholders attended are local communities. They informed there are no social issues occur or lodged to the management.	No action required.
3	Type of land title – Country Leased, Provisional Leased, Native title, Customary Land	Stakeholders attended are local communities. They informed there are no land issues occur or lodged to the management.	No action required
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders attended are local communities. They inform local are hired to work in the estate.	No action required
5	Does MSPO largely benefits the local community?	Stakeholders informed job opportunities provided by Abedon Estates	No action required
6	Environmental understanding	Stakeholders attended meeting informed they have not encounter any negative impacts from the estates operation.	Stakeholders understood basic environmental requirement
7	Awareness towards species, habitats, and high conservation values	Stakeholders are aware on the wildlife surrounding the estates. They inform no hunting of any wildlife.	Stakeholders have basic awareness on wildlife.

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
8	Are there any plantation management practices that affect you?	Stakeholders informed there is no management practices affecting them.	Positive feedback
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders informed the management had taken effort to meet the MSPO requirements.	Positive feedback.
10	Do you have any suggestions for management?	Stakeholders suggest to improve on the communication between the management and surrounding communities.	. Request by stakeholders is highlighted to the estates managements..

4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below

Principle 1: Management Commitment & responsibility

Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>KHB Lahad Datu region adopted KHB group Sustainability policy dated 02/01/2019 signed by Chief Executive Officer.</p> <p>The policy statements describe as below:</p> <ol style="list-style-type: none"> 1. Commitment to adhere to all relevant laws, and MSPO certification principles and criteria that will ensure a sustainability future and continuous improvement. 2. Ensure the protection and conservation to the high Conservation Value (HCV) areas and all resources. 3. Ensure no deforestation by implementing High Carbon Stock (HCS) Approach Methodology. <p>The policy is publicly available and display at notice board, workers quarters, guard house and company website.</p>	Yes
4.1.1.2	<p>KHB Lahad Datu region adopted KHB group Sustainability policy dated 02/01/2019 signed by Chief Executive Officer.</p> <ol style="list-style-type: none"> 1. The policy statement Commitment to adhere to all relevant laws, and MSPO certification principles and criteria's that will ensure a sustainability future and continuous improvement. 	Yes
4.1.2.1	KHB Lahad Datu region adopted KHB group SOP for internal audit, procedure number KHB/G/SOP-49 revision 03 dated 09/02/2018.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	The procedure describes internal audit to be conducted every year. .	
4.1.2.2	<p>Internal audit conducted at Tanaki on 28/01/2020 and Kolopis Estate on 29/01/2020.</p> <p>The internal audit consists of two categories:</p> <ol style="list-style-type: none">1. Physical audit: Field visit to sites, example; operation.2. Documentation audit: review on both estates documentations and records. <p>Results of internal audit:</p> <ol style="list-style-type: none">1. Kolopis Estate: 14 physical findings and 2 documents findings.2. Tanaki Estate: 13 physical findings and 18 documents findings. <p>All physical and documentation audit findings are closed successfully on 17/02/2020 for both Tanaki and Kolopis Estates.</p>	Yes
4.1.2.3	<p>Internal audit results are presented in the management review meeting conducted on 29/01/2020.</p> <p>The outcome of the internal audit and status of action plan included in the management review.</p>	Yes
4.1.3.1	<p>Management review is conducted on 29/02/2020.</p> <p>The agenda of the management review include:</p> <ol style="list-style-type: none">1. Last year external audit results2. Results of the internal audit and status of action plan for Tanaki Estate audited on 28/01/2020 and Kolopie Estate audited on 29/01/2020..	Yes
4.1.4.1	<p>KHB Lahad Datu region establish Continuous Improvement Plan dated 0/12/2018.</p> <p>The plan includes topics :</p> <ol style="list-style-type: none">1. Pesticide.2. Environment.3. Waste reduction.4. Social Impacts.5. Health and safety6. Legal compliance and transparency. <p>The CIP includes improvement action, review and monitoring and person in charge for follow up purposes.</p> <p>Sample of CIP for Kolopis Estate</p> <p>Improvement action: To include budgeting for planting jungle tree work.</p> <p>Expected outcome: Proper budgeting account for planting jungle tree work.</p> <p>Time frame: 2020</p> <p>Review and monitoring: Capex 2020</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Location: Kolopis Div. Bumiwealth Div., Tanaki Div.1, Inobong Div. 2 and Segama Div. 3. Status of Review Date: Work for planting jungle tree included under Environment in CAPEX 2019 & 2020.	
4.1.4.2	KHB Lahad Datu region adopted KHB Group SOP on new information, techniques, and equipment, SOP number: KHB/G/SOP-46 dated 09/02/2018. The SOP describes : 1. Identification of new technology via identification and evaluation of new information, technique, and equipment. 2. Implementation of new technology via training and monitoring report for effectiveness.	Yes
4.1.4.3	The SOP on New Information, techniques, and equipment number KHB/G/SOP-48 dated 09.02/2018 describe training of personnel to be conducted as part of implementation and control.	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	KHB Lahad Datu region group stakeholders meeting conducted on 28/06/2019. The meeting agenda includes safety procedures, ERP, MSPO requirements, social, environment, company policies, communication and consultation procedure, complaint and grievance procedure, information request procedure and sexual harassment reporting process. The meeting minutes record stakeholders requesting for information on the stakeholders meeting and respond by the management representative during the meeting. Request for information form is established dated 01/06/2015 available in all estates. Example stakeholder request information on 05/04/2018 is respond by management to the request on the same day. During site interview workers understand the policy and information displayed on the notice boards. Estate manager informed information will be share upon request. Method of disseminating the information will be through stakeholders meeting and display at notice boards.	Yes
4.2.1.2	KHB Lahad Datu region established List of Documents and Transparency Status dated 03/06/2019. Example of publicly available documents Complaint and Grievance Procedure 1. All company policies.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Example of confidential document is financial report.	
4.2.2.1	<p>KHB Lahad Datu Region adopt KHB group Communication and Consultation Procedure dated 01/08/2018.</p> <p>This procedure states Estate Manager / Senior Estate Manager or Chief Plantation Officer in charge on the communication and consultation with stakeholders.</p> <p>The purpose of this procedure is to maintain open and transparent methods of consultation and communication with all stakeholders and any other affected or interested parties.</p> <p>Flow chart for consultation and communication process displayed at estates notice board.</p> <p>The procedure is briefed during stakeholders meetings conducted on 28/06/2019..</p>	Yes
4.2.2.2	KHB Lahad Datu Region appointed the Senior Estate Manager as the person in charge for communication with stakeholders.	Yes
4.2.2.3	<p>KHB Lahad Datu region adopt KHB group SOP Stakeholder Engagement / Negotiation document number KHB/G/SOP-35 dated 05/05/2017.</p> <p>The procedure describe the list of stakeholders will be updated twice a year or when it is required.</p> <p>KHB Lahad Datu region list of stakeholders dated 23/01/2020 includes Government Agencies, NGOs, School, Neighbour Estates, Suppliers, Village Representatives, and Internal Stakeholders.</p> <p>Latest group stakeholders meeting conduct on 28/06/2019 includes MSPO.</p>	Yes
4.2.3.1	<p>KHB Lahad Datu region adopt KHB Group SOP for traceability document number KHB/G/SOP-57 revision 0 dated 01/12/2017.</p> <p>The procedure describes the control guideline for all stages of FFB production as below.</p> <ol style="list-style-type: none"> 1. The senior estate manager/ estate manager shall be overall in-charge of the implementation of the procedure and assistant manager/ admin shall be responsible for taking all records and updated accordingly. 2. Traceability records shall be kept for 5 years. <p>The traceability documents as follows:</p> <ol style="list-style-type: none"> 1. FFB weighbridge tickets 2. FFB daily processing records 3. FFB log book 	Yes
4.2.3.2	<p>KHB Lahad Datu Region estates conduct monthly checks of the traceability documents by the estate admin staff.</p> <p>Internal audit conducted on 29/01/2020 for all sites within KHB Lahad Datu region. There are no findings in traceability.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.3	<p>KHB Lahad Datu region established SOP for traceability, document number KHB/G/SOP-57 revision 0, revision dated 01/12/2017 states the person in charge for traceability:</p> <ol style="list-style-type: none">1. Senior Estate Manger / Estate Manager in charge of implementing procedure.2. Assistant Manager / staff shall assist Estate manager in implementing of procedure.3. Assistant Manager / staff responsible for taking all records and updated accordingly.	Yes
4.2.3.4	<p>The SOP for traceability, implementation and monitoring describes the traceability documents as follows.</p> <ol style="list-style-type: none">1. FFB weighbridge ticket.2. FFB log book. <p>Traceability documents such as field / harvesting block docket to mill weighbridge for all divisions are available and crosscheck for the unique identification number</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>KHB Lahad Datu region estates established list of license and follow up on updates on validity of each license.</p> <p>Example of updated licenses:</p> <ol style="list-style-type: none">1. Business license valid until 31/12/2020 issued by Pejabat Daerah Kinabatangan.2. MPOB license valid from 01/12/2019 until 30/11/2020.3. License air receiver valid from 05/09/2019 until 24/12/2020.	Yes
4.3.1.2	<p>KHB Lahad Datu region established List of Related Laws, Regulations and Guidelines dated 07/02/2019.</p> <p>Example of laws and regulations applicable to estate:</p> <ol style="list-style-type: none">1. Sabah Land Ordinance Chapter 682. Minimum Wage Order 2018.3. Sabah Labour Ordinance Chapter 67.4. Occupational Safety and Health Act 1994 (Act 514).	Yes
4.3.1.3	<p>KHB Lahad Datu region adopted KHB group SOP Mechanism for implementation of legal requirements and system for tracking changes in laws, document number KHB/G/SOP-36 revision number 02 dated 09/02/2018.</p> <p>The SOP describe:</p> <ol style="list-style-type: none">1. Flowchart for mechanism of implementation of legal requirements which includes steps in updating.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>2. Evaluate the effectiveness of the changes in laws.</p> <p>3. To assesses the current practices and suggest changes (if any) in consultation with the head of plantation/mill.</p>	
4.3.1.4	<p>KHB Lahad Datu region adopt KHB Group SOP Mechanism for Implementing of Legal requirements and system for Tracking Changes in Laws, document number: KHB-G-SOP-36, revision 4, dated 09/02/2018.</p> <p>The SOP states Human Resource and Sustainability team is responsible in updating and tracking changes in laws.</p>	Yes
4.3.2.1	<p>KHB Lahad Datu region estates are country lease issued by Director of Lands and Surveys, Kota Kinabalu Land Office, Sabah with tenure of 99 years therefore do not diminish the land user rights of others.</p> <p>There is no land issue raised during stakeholders meeting conducted during the audit.</p>	Yes
4.3.2.2	<p>KHB Lahad Datu region estates are country lease issued by Director of Lands and Surveys, Kota Kinabalu Land Office, Sabah for the purpose of the cultivation of oil palm with a land tenure of 99 years.</p>	Yes
4.3.2.3	<p>KHB:Lahad Datu region estates land titles have map with size, lot number, location and specific boundary markers to denote the boundary.</p> <p>Site verification on boundary stones are well maintained. .</p>	Yes
4.3.2.4	<p>KHB Lahad Datu region land titles are issued by Director of Lands and Surveys Sabah. No land disputes therefore, FPIC is not required.</p>	Yes
4.3.3.1	<p>KHB Lahad Datu region estates are country lease for 99 years and no customary land.</p>	Yes
4.3.3.2	<p>There is no customary rights land leased by KHB Lahad Datu region. Therefore, no maps established</p>	Yes
4.3.3.3	<p>KHB Lahad Datu region established Free, Prior Informed Consent (FPIC) procedure, document number KHB/G/SOP-54, revision number 01, revision dated 09/02/2018.</p> <p>KHB Lahad Datu region are country lease issued by Director of Lands and Surveys, Sabah.</p> <p>No land issues occur, therefore, FPIC not required.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>KHB Lahad Datu region establish Social Impact assessment cover applicable issues related to both estates.</p> <p>The SIA include information from survey with internal and external stakeholders.</p> <p>The SIA includes a summary of positive and negative impacts and the time bound plan to monitor for completion.</p> <p>The SIA will be review once a year with feedback from stakeholders.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Social Impact assessment and time bound plan established as follow:</p> <ol style="list-style-type: none"> 1. Kolopis Estate 2019 dated 01/02/2019. 2. Tanaki Estate 2019 dated 08/02/2019. 	
4.4.2.1	<p>KHB Lahad Datu region adopt KHB Group Complaint & Grievance procedure, doc no. KHB-HR-P05 rev. 02 dated 01/08/2018 in both English and Bahasa Malay languages.</p> <p>The procedure describes investigation and resolution within 30 working days. However, if the issue cannot be resolved internally dispute will be referred to arbitration panel as agreed by both parties within 30 working days.</p> <p>Two forms establish for internal or external stakeholders to submit complaint.</p> <ol style="list-style-type: none"> 1. Complaint and grievance form dated 01/06/2017. 2. Appeal form dated 01/06/2017. <p>Complaint procedure displayed at notice boards for both Kolopis and Tanaki Estates.</p> <p>Site interview with field workers at Tanaki and Kolopis estate inform they understand the process to make complaint or grievance as and when required.</p>	Yes
4.4.2.2	<p>KHB Lahad Datu region adopt KHB Group Complaint & Grievance Procedure doc no. KHB-HR-P05 rev. 02 dated 01/08/2018 in both English and Bahasa Malay languages.</p> <p>A flowchart in the SOP describing the steps and timelines to resolve any complaints or grievance received</p> <p>Any complaint received will be resolved within 10 days by the site management.</p> <p>When an appeal is requested will be forwarded to the Director within 10 days.</p> <p>The Director will review and resolved within 30 days.</p> <p>When the appeal is not resolved, it will be channel for arbitration within 30 days to external parties and manage by the Human Resources department.</p> <p>Complaint records are review with no complaints lodged as at audit date.</p> <p>Interview with estate management informed complaint received shall be resolved in timely manner. Workers Interview informed no complaints lodged as of audit date.</p>	Yes
4.4.2.3	<p>KHB Lahad Datu region adopt KHB Group Borang Aduan / Rungutan KHB-HR-P05/F01 dated 01/06/2017 and Borang Rayuan KHB-HR-P05/F02 dated 01/06/2017.</p> <p>The complaint form and complaint box available at office, guard house, muster ground and stores.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	The complaint box is checked weekly for any complaints lodged.	
4.4.2.4	<p>KHB Lahad Datu estates conducted briefing on complaint procedure on 25/01/2019 at Kolopis estate and on 29/09/2018 for Tanaki estate attended by all levels of workers and staff.</p> <p>During Interview with workers and their dependents they understand the complaint procedure and can lodged at any time.</p> <p>During stakeholders consultation, stakeholders informed aware on complaint process.</p>	Yes
4.4.2.5	Complaint records for year 2017 are available and well maintained.	Yes
4.4.3.1	<p>KHB Lahad Datu region provide job opportunity to local communities such operating business in estates compound, employ locals as general workers and office administrative work.</p> <p>Both Kolopis and Tanaki estate provide contributions to local communities. Example supports to local schools.</p>	Yes
4.4.4.1	<p>KHB Lahad Datu region adopted KHB Group Safety and Health policy dated 01/04/2019 signed by Chief Executive Officer.</p> <p>The policy is available and display at notice boards, housing areas and clinic.</p>	
4.4.4.2	<p>a</p> <p>KHB Lahad Datu region adopted KHB group Safety and Health Policy dated 01/04/2019 signed by Chief Executive Officer.</p> <p>Safety and health policy available at estates office, housing compound, clinic and entrance area.</p> <p>Stakeholders consultation meeting conducted on 28/06/2019 and are briefed on Safety and Health Policy.</p>	Yes
	<p>b</p> <p>KHB Lahad Datu region established Operational Safety Management Plan (OSMP) revised dated 01/06/2019.</p> <p>The HIRARC table includes;</p> <ol style="list-style-type: none"> 1. Risk identification 2. Risk rating 3. Existing control 4. Risk control proposal (Administration and Engineering control) 5. Person in charge 6. Risk assessment after implementation of control measures. <p>The HIRARC includes all estates activities</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Manuring 2. Harvesting 3. Spraying 	No

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>4. Skid tank</p> <p>5. Loose fruit collection.</p> <p>Major Non-conformity 01:</p> <p>KHB Lahad Datu region has revised HIRARC on 01/06/2019. The LTAs occur in August 2019 at Kolopis Estate and November 2019 at Tanaki Estate are not included in the HIRARC established.</p>	
c i	<p>KHB Lahad Datu region established and implemented training programme for year 2019 and 2020.</p> <p>Example training conducted on year 2019 and 2020:</p> <ol style="list-style-type: none"> 1. Chemical application dated 27/06/2019. 2. Fertilizer application dated 19/02/2020. 	Yes
c ii	<p>SDSs for chemicals and fertilisers are available at store and office.</p> <p>Chemicals and fertilizer are stored appropriately with sufficient ventilation.</p> <p>Original labels are intact to the chemical containers and fertilisers.</p>	Yes
d	<p>KHB Lahad Datu region adopted KHB group SOP sprayer, doc number KHB/SOP-16/S7H-09 revised on 07/11/2018.</p> <p>The procedure stated list of PPE:</p> <ol style="list-style-type: none"> 1. Goggle 2. Face mask 3. Apron 4. Safety boots <p>PPE issuance records for the month of January and February 2020 are reviewed.</p> <p>Example:</p> <p>Chemical Sprayer: rubber glove, mask, apron and safety boots.</p> <p>Harvester: Safety helmet and safety boots.</p> <p>CHRA conducted by licensed CHRA Assessor, dated 03/05/2018.</p> <p>Medical surveillance for chemical sprayer conducted twice a year.</p> <p>Latest medical test conducted on 23/08/2019.</p> <p>Result of medical tests workers cholinesterase test are within acceptable range.</p>	Yes
e	<p>KHB Lahad Datu region adopted KHB group SOP for chemical storage, doc number: KHB/G/SOP-16, revision dated 09/02/2018.</p> <p>The procedure describe:</p> <ol style="list-style-type: none"> 1. All chemicals are in original containers. 	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>2. New packaging must contain all information of the original label.</p> <p>3. Obsolete PPP are documented and securely stored.</p>	
f	<p>KHB Lahad Datu region appointed Tanaki Estate and Kolopis Assistant Managers as group Safety Coordinator to oversee the health and safety aspects of all operations activities on their respective estates.</p> <p>The appointed person has attended training to qualify as safety and health officer.</p>	Yes
g	<p>KHB Lahad Datu region conduct OSH meeting on quarterly basis. Latest Group Safety and Health meeting conducted on 23/01/2020..</p>	Yes
h	<p>KHB Lahad Datu region established ERP with a flow chart to manage emergency in estates.</p> <p>Example of emergency plan:</p> <ol style="list-style-type: none"> 1. ERP for fire. 2. ERP for flooding. 3. ERP for chemical spillage. <p>Emergency Response Plan with emergency contact details displayed at estates notice board.</p>	Yes
i	<p>First aid training conducted on 05/09/2019 and 07/02/2019.</p> <p>Field mandors are trained and qualified as first aiders.</p> <p>First aid kits available at work sites, stores and estates offices</p> <p>Emergency contact details number available at first aid boxes.</p>	Yes
j	<p>KHB Lahad Datu region established records of injuries and accidents and reported in quarterly safety and health meeting.</p> <p>JKKP 8 reporting for year 2019 submitted on 13/01/2020 for Tanaki Estate and on 07/01/2020 for Kolopis Estate</p>	Yes
4.4.5.1	<p>KHB Lahad Datu region adopted KHB group Social Policy dated 03/01/2017 signed by Chief Executive Officer.</p> <p>The policy state Prohibit any form of forced or trafficked labour or unlawful employment of people.</p> <p>Policy is displayed at notice boards and available in English and Bahasa Malaysia.</p> <p>Onsite interview with workers informed aware of company policies. Workers informed both estates' management respect human rights.</p> <p>Policies trainings conducted as below:</p> <ol style="list-style-type: none"> 1. All Division workers in Kolopis estate dated 07/09/2019 2. All Division workers in Tanaki estate dated 25/07/2018 	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.2	<p>KHB Lahad Datu region adopted KHB Group Code of Conduct and Human Right Policy dated 03/01/2017 signed by Chief Executive Officer.</p> <p>The policy includes statement provides fair and equal employment opportunities for all employees.</p> <p>Policy is displayed in notice boards available in English and Malay languages.</p> <p>During interview with workers they inform no discrimination practice in the work place and treated fairly.</p> <p>Site Interview with female workers informed no sexual discrimination at the estates and equal opportunity provided.</p> <p>The mandore for chemical spraying and manuring activates are women.</p>	Yes
4.4.5.3	<p>KHB Lahad Datu region established contract agreement for workers. The contract agreement is in accordance with applicable laws and regulations of Sabah Labour Ordinance and Minimum Wage Order 2018.</p> <p>Both local and foregin workers are provided with a contract agreement sign between company and workers.</p> <p>Pay within rate of Minimum Wage Order 2018.</p>	Yes
4.4.5.4	<p>KHB Lahad Datu region monitors contractor workers' wages to meet legal requirements by means of obtaining copies of the pay slip.</p> <p>The workers are paid either on daily rate or monthly rate according to Minimum Wage Order 2018 or mutually agreed piece rate</p> <p>Contractor workers' pay slip review and wage is according to the agreed rate.</p>	Yes
4.4.5.5	<p>KHB Lahad Datu region established list of workers contains worker name, gender, date of birth, date of entry, wage, employment period and job tasks assigned.</p>	Yes
4.4.5.6	<p>KHB Lahad Datu region established worker contract for every worker hired.</p> <p>Contract agreements are in two languages Bahasa Malaysia and English for better understanding by foreign workers.</p> <p>Each worker is briefed on the contract agreement terms and conditions, wage, benefits, job task and a copy provided.</p> <p>Onsite interview with workers informed a copy of contract provided and understand the content in the contract agreement.</p>	Yes
4.4.5.7	<p>KHB Lahad Datu region apply the morning muster roll call to record workers reporting to work and capture the number of working hours per day. .</p> <p>The working for the estate starts from 6.00am to 2,00pm with rest time from 10:30 to 11:00am.</p> <p>The working hours is displayed at muster ground and store area.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Working overtime when required will be paid according to Sabah Labour Ordinance of 1.5 times of hourly rate for normal work days and 2 times hourly rate for rest days or public holidays.</p> <p>Interviewed workers informed aware of the working hours, rest hours, overtime rate for normal day and public holiday.</p>	
4.4.5.8	<p>KHB Lahad Datu region adopt KHB Group SOP Working Hours, revision number 04 dated 09/02/2018.</p> <p>In the SOP a flow chart describes working hours from 5:30am to 2:00pm and with a statement daily rated workers were requested to work on extra hours after 2:00pm they will entitle for overtime pay.</p> <p>Reviewed on the pay slip and check roll of worker for working hours and OT comply with legal regulations.</p> <p>Interviewed workers inform they understand the working hours and confirmed they are paid according to legal requirements.</p>	Yes
4.4.5.9	<p>Workers pay slip documented according to Minimum Wage Order 2018 and work contracts.</p> <p>Workers are paid based on agreed tasks or piece rate or daily or hourly rate. In the event the piece rate cannot be achieved due to low crop season the management will assigned additional duties within the working hours to reach the minimum wage.</p> <p>Pay records for 2019 are reviewed to crosscheck the wage paid is according to the Minimum Wage Order 2018 at RM1,100.00 for monthly wage or RM42.31 for daily rate or RM5.37 for hourly rate or piece rate according to the rate stated in the work contract..</p>	Yes
4.4.5.10	<p>KHB Lahad Datu region provide benefits to workers medical, SOCSO, housing, water, f electricity, transport, schools for foreign workers children, child care centre, religious worship place, sport amenities and contributions for festive seasons.</p>	Yes
4.4.5.11	<p>KHB Lahad Datu region housing follow industry best practices for living quarters.</p> <p>Site observation the living quarters have basic amenities of water, electricity, sport and recreational area, clinic, crèche and gardening area.</p>	Yes
4.4.5.12	<p>KHB Lahad Datu region adopt KHB Group Social Policy dated 03/01/2017 signed by Chief Executive Officer.</p> <p>The policy describe on ensuring the procedure is in place to prevent sexual harassment.</p> <p>The policy is display at notice boards of office and housing area.</p> <p>Review on complaints records indicate no cases of sexual harassment.</p> <p>Complaint and grievance records reviewed and confirmed no complaints made on sexual harassment or violence.</p> <p>Interview with female workers informed no sexual harassment case happen and aware on sexual harassment or violence reporting system.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.13	<p>KHB Lahad Datu region adopt KHB group established Code of Conduct and Human Right Policy dated 03/01/2017 signed by Chief Executive Officer.</p> <p>This policy states Respect the right of freedom of association.</p> <p>Each estate established their own JCC committee as a platform of communication between workers and management.</p> <p>Example JCC conducted at Tanaki estate on 21/12/2018.</p>	Yes
4.4.5.14	<p>KHB Lahad Datu region adopt KHB Group Social Policy with a statement "ensure that NO child (a person under the age of 15 years) or young person (who has attained the age of 15 years but has not attained the age of 18 years) shall be or permitted to be, engaged in any employment other than those allowed by the law.</p> <p>Review of workers master list, no workers are below 18 years at the time of joining.</p> <p>Onsite observation, no child labour or young person employed by the estates. All the workers are above 18 years prior joining the estates.</p>	Yes
4.4.6.1	<p>KHB Lahad Datu region estates established training program for year 2020.</p> <p>Example training:</p> <ol style="list-style-type: none"> 1. Snake species and safety guideline dated 30/01/2020 2. Emergency response plan dated 10/12/2019 	Yes
4.4.6.2	<p>KHB Lahad Datu region estates establish individual training evaluation according to the job description. List of training with allocation for related trainings to all workers.</p>	Yes
4.4.6.3	<p>KHB Lahad Datu region estates established Training Programme for 2020.</p> <p>Example training programme:</p> <ol style="list-style-type: none"> 1. Safety and Health 2. General training 3. SOP training 	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>KHB Lahad Datu region adopted KHB group Environmental Policy dated 02/01/2018 signed by Chief Executive Officer.</p> <p>KHB group Environmental Policy states KHB Group is committed to minimizing the environmental impact of its operations and understands the importance of conserving natural resources. We shall strive to promote environmental improvement whenever practical that will ensure sustainable future.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>In protect the environment and enhancing biodiversity we shall undertake the followings:</p> <ol style="list-style-type: none"> 1. Operate within the framework of statutory and regulatory requirements or relevant laws, RSPO, ISCC and MSPO certification principles and criteria. 2. Implement zero burning on all oil palm cultivation activities. 3. All precautions are followed for safe use of agrochemicals in plantation and mill activities. 4. Act in accordance with current plantation industry approaches. 5. Manage the organisation to reduce its environmental impact and GHG emissions. 6. Apply considered planning and appropriate resourcing to the protection of the community and environment from potential adverse impacts of environmental change resulting from our plantation activities. 7. Educating and enhancing awareness pertaining to protection of the environment and biodiversity of all related stakeholders through regular trainings and communication. <p>The policy is made available at the notice boards of main office, estates office and other work operation areas.</p> <p>KHB Lahad Datu region established Environmental Aspect and Impact Assessment and Environmental Management Plan dated 30/01/2020.</p> <p>The plan includes the relevant laws and regulations</p>	
4.5.1.2	<p>a KHB Lahad Datu region adopted KHB group Environmental Policy dated 02/01/2018 signed by Chief Executive Officer.</p> <p>KHB Lahad Datu region established EAIA and Environmental Management Plan year 2020 dated 30/01/2020.</p> <p>The objectives as follows:</p> <ol style="list-style-type: none"> 1. To ensure a continuous awareness of the need to check and monitor key environmental components for KHB Lahad Datu Region and take appropriate remedial measures to avoid environmental degradation. 2. To protect the environment of KHB Lahad Datu Region from neglect, mismanagement and irresponsible activities in palm oil operations. 3. To ensure conformation to all the activities are within the law and legislation of state and nation. 	Yes
	<p>b KHB Lahad Datu region established Environmental Aspect and Impact Assessment (EAIA) and Environmental Management Plan (EMP) dated 30/01/2020.</p> <p>The EAIA include all operations e.g. fertilizer application, weeds control, workshop operations and etc.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The EAIA study of environmental aspects and impacts with following:</p> <ol style="list-style-type: none"> 1. Environmental Impact Assessment – Evaluation for Criteria Chart 2. Table identifying the activity, Aspects, Impacts, Ranking, mitigation / improvement plan, monitoring plan and responsibility. 	
4.5.1.3	<p>The Environmental Aspect And Impacts Assessment established dated 30/01/2020.</p> <p>The table describing the activity, environmental aspects environmental impacts, ratings, mitigation / improvement plan, monitoring plan and responsible person.</p> <p>Example:</p> <p>Activity: Fertiliser Application.</p> <p>Aspect: Potential of phytotoxicity.</p> <p>Impact: GHG Emission.</p> <p>Mitigation / Improvement Plan: To follow the fertilizer recommendation program.</p> <p>Monitoring plan: On-going.</p> <p>Responsibility: Estate Manager</p>	Yes
4.5.1.4	<p>The Environmental Aspect And Impacts Assessment established dated 30/01/2020.</p> <p>Example of negative impact:</p> <p>Item: Used lubricant oil.</p> <p>Impact: Spillage of lubricant oil lead to pollution of environment.</p> <p>Plan: Proper monitoring, storage and disposal of used lubricant.</p> <p>CIP: To plan disposal schedule for used oil.</p> <p>Further check with the records latest schedule waste collected by authorized collector on 16/01/2020.</p> <p>Example of positive impact:</p> <p>Item: Empty fertilizer bag.</p> <p>Impact: Recycle and reused for loose fruit collection.</p> <p>Plan: Making sure number of bag match with record every time after manuring process.</p> <p>CIP: Folded fertilizer bag and kept together in store.</p>	Yes
4.5.1.5	<p>KHB Lahad Datu region established the training program include environmental training for year 2019 and year 2020 dated 04/01/2019 and 03/01/2020.</p> <p>Training for Environmental Policy conducted on 23/09/2019.</p> <p>Briefing of scheduled waste, buffer zone, recycle and landfill dated 25/06/2019.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	During site interview workers feedback they are understand the Environmental Policy.	
4.5.1.6	Environmental meeting conducted by estate manager on 25/06/2019 and 19/12/2019 attended by management and workers. Reviewed environmental meeting minutes topics discussed such as scheduled waste management and monitoring.	Yes
4.5.2.1	KHB Lahad Datu region establish baseline for diesel consumption for 3 years from 2016 to 2018. The baseline is a benchmark to compare against the actual usage of fuel per metric ton FFB produced. The fuel consumption records for January to December 2019 is review. The actual diesel consumption compared against baseline is lower Latest Fuel efficiency improvement plan is established dated 03/02/2020. The plan includes: Consider using motor oil that are high in reducing frictions. Regular checking on vehicle to detect early sign of breakdown. All genset operations must strictly follow the schedule of running hours.	Yes
4.5.2.2	KHB Lahad Datu region establish budget for fuel consumption dated 03/02/2020. The fuel consumption established including farm tractor, lorry or truck, supervision car, contractor fuel consumption, electrical and heavy machinery.	Yes
4.5.2.3	KHB Lahad Datu region estates do not use renewable energy either from solar, biomass or biogas sources currently.	Yes
4.5.3.1	KHB Lahad Datu region Environmental Aspect and Impact Assessment and Environmental Management Plan date of review 30/01/2020 includes waste identification and disposal method. Example: Solid waste Source: Empty chemical container. Waste Type: Scheduled waste. Liquid waste Source: Vehicle / transport. Waste Type: Used oil. GHG waste Source: Vehicle / transport. Waste Type: Smoke emission.	Yes
4.5.3.2	a KHB Lahad Datu region established Environmental Aspect and Impact Assessment and Environmental Management Plan date of review 30/01/2020 include waste identification and disposal method.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>EMP describes waste identification and disposal method listing the table type of waste source, location, disposal method, document related and responsibility</p> <p>Source of wastes and pollutions – harvesting area, premixing chemical area, estate clinic, workshop store and etc. Monitoring sources of pollution are the responsibility of estate management team.</p> <p>Reuse of empty chemical containers for chemical application activities, rotten bunch and fronds for enhancing soil nutrients, recycling of plastics, paper, metal and glass to generate income.</p>	
	<p>b KHB Lahad Datu Region established Waste Management Plan included in EAIA & Environment Management Plan year 2020 dated 30/01/2020.</p> <p>Source of waste and pollution identify the wastes to be recycle or reuse.</p> <p>Example:</p> <p>Waste: Empty pesticide containers.</p> <p>Impact: Water contamination.</p> <p>Plan: All empty chemical containers must be triple rinsing before disposal or keep in store.</p> <p>CIP: Triple rinsing training, monitor recycling program, disposal of empty chemical containers.</p> <p>Site visits observed the empty chemical containers are re-used for spraying activities.</p>	Yes
4.5.3.3	<p>KHB Lahad Datu region adopted KHB group SOP Chemical Handling, doc no KHB/G/SOP – 13 rev 05 dated 25/06/2018.</p> <p>The procedure is for proper handling, storage and disposal of chemical to protect the environment.</p> <p>KHB Lahad Datu region adopted KHB group SOP Surplus Chemical handlings, document number: KHB/G/SOP-15 dated 09/02/2018. The procedure describe on any surplus of pre mixed will be transport back into pre- mix area and will be used for next day activity.</p> <p>During inspection of chemical stores there are no obsolete chemicals and crosscheck with the stock card.</p>	Yes
4.5.3.4	<p>KHB Lahad Datu region adopted KHB group SOP Empty Chemical Containers disposal, Doc. No. KHB/G/SOP-18 rev. 04 dated 09/02/2018 to manage empty chemical containers disposal.</p> <p>The SOP describe the steps of activities that include triple rinsing, container cap to be removed to prevent reused for other purposes, puncture and marked.</p> <p>Unused chemical containers are disposal by 3rd party DOE authorized scheduled waste collector. Reviewed delivery note of scheduled wastes collected</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>KHB Lahad Datu region adopt KHB group SOP Chemical Handling document number KHB/G/SOP-13 dated 25/06/2018. The procedure describes empty chemical containers to be disposed by license agent.</p> <p>Review records of empty containers as at February 2020 and the delivery note of scheduled wastes dated 16/01/2020 issued by 3rd party contractor for empty containers collected.</p>	
4.5.3.5	<p>KHB Lahad Datu region domestic wastes disposed at landfill.</p> <p>Designated landfill locations are away from housing on high ground, fenced, with no burning signage and open and closed dates.</p>	Yes
4.5.4.1	<p>KHB Lahad Datu Region established Waste Management Plan is include in the EAIA & Environment Management Plan year 2020 dated 30/01/2020.</p> <p>The waste list established identify the source of wastes as solids, liquids and gases.</p> <p>Example:</p> <p>Solid waste: Fertilizer bag,</p> <p>Monitoring plan: Re-use for collecting losses fruits</p> <p>Liquid waste: Used lubricant oil.</p> <p>Monitoring plan: Proper monitoring, storage and disposal as schedule waste of used lubricants.</p> <p>Gases waste: GHG from genset and vehicle carbon monoxide and nitrous oxide.</p> <p>Monitoring Plan: Monitor the maintenance service records</p>	Yes
4.5.4.2	<p>KHB Lahad Datu Region Waste Management Plan include in the EAIA & Environment Management Plan year 2020 dated 30/01/2020.</p> <p>The plan includes the action plan for significant pollutants and emissions.</p> <p>Example:</p> <p>Objective: Reduction of GHG emissions.</p> <p>Monitoring plan: Monitoring daily usage of fossil fuel.</p> <p>Action plan: To improve fuel efficiency of transport vehicles.</p>	Yes
4.5.5.1	<p>a KHB Lahad Datu region established Water Management Plan dated 31/01/2020 with following commitment:</p> <ol style="list-style-type: none"> 1. Establish and maintain security patrolling and observation for water catchment area. 2. Establish and maintain buffer zones for rivers and water catchment area. 3. Prevent and monitor the pollution of the waterways within the estate. <p>The water source for estates operations and domestic usage is from water catchment and rain water.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>b KHB Lahad Datu region conduct water quality test for inlet and outlet of streams flowing through the estate.</p> <p>Water quality tests and analysis conducted every six months by external 3rd party laboratory. Test results are reviewed and comply with WHO requirements.</p> <p>Onsite visit the water sampling area has installed a signage as the sampling collection points.</p> <p>Site verification domestic discharge water to the estates</p>	Yes
	<p>c KHB Lahad Datu region established Water Management Plan dated 31/01/2020. The rainfall data is capture in the plan for monitoring of operation and domestic usage.</p> <p>Triple rinse water from empty chemical containers are reuse for pre-mix.</p> <p>Ponds are constructed to store water for field application during drought season.</p>	Yes
	<p>d KHB Lahad Datu region installed signage at buffer / riparian zones.</p> <p>Workers are briefed on environmental topics such as buffer zone restriction and environment protection dated 12/02/2020.</p> <p>Interviewed workers informed they understood chemical application and fertilizing activities are prohibited to be carry out at buffer zone area.</p>	Yes
	<p>e Field observation indicates there are no vegetation removed from riparian zones.</p> <p>Riparian zones are well maintained.</p>	Yes
	<p>f During site visit at housing areas, there are no bore wells used for water supply.</p>	Yes
4.5.5.2	During field inspections there are no construction of bunds, weirs and dams across main river flowing in both estates.	Yes
4.5.5.3	KHB Lahad Datu region has rain harvesting practice at the labour line, workshop, and chemical mixing areas.	Yes
4.5.6.1	<p>a KHB Lahad Datu region established Baseline Biodiversity Assessment and Planning For Unplanted Area, Water Catchment Area and Buffer Zones dated 10/01/2018.</p> <p>The assessment has identify the type of fauna found in the unplanted areas, buffer zones and riparian reserves.</p> <p>Type of fauna found such as different insect species, birds and animals (wild boar, long tail monkeys, and wild cats).</p> <p>The list of sighted wild life are in comparison to the Sabah Wildlife Conservation list where all wildlife are protected under Sabah law.</p> <p>The assessment conducted include the surrounding smallholders areas.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>During site interview, workers inform when sighted any wildlife to feedback to the estate management.</p> <p>Site visit confirm the signage of No hunting or capturing of protected wildlife is installed.</p>	
	<p>b KHB Lahad Datu region monitor wildlife in and surrounding the estates.</p> <p>The signage of wildlife animal and no hunting is installed in the field.</p> <p>Example: Biawak.</p> <p>There are no wildlife sighted within the estate during field visit.</p>	Yes
4.5.6.2	<p>a KHB Lahad Datu region established Baseline Biodiversity Assessment and Planning For Unplanted Area, Water Catchment Area and Buffer Zones dated 10/01/2018 next review on April 2020.</p> <p>The wildlife and no hunting signage installed in the field describe the illegal hunting is not allowed in accordance to 'Enakmen Pemeliharaan Hidupan Liar 1997' and related punishment.</p> <p>During site interview, workers understand on wildlife conservation. They informed any wildlife sighted to feedback to estate management.</p>	Yes
	<p>B Signage installed to inform public and workers on no hunting and capturing of any wildlife.</p> <p>Record of animal species sighted in estates dated 12/04/2019 and 30/09/2019 is reviewed.</p>	Yes
4.5.6.3	<p>KHB Lahad Datu region established Baseline Biodiversity Assessment and Planning For Unplanted Area, Water Catchment Area and Buffer Zones dated 10/01/2018 next review on April 2020 include the wildlife management plan.</p> <p>Monitoring plan is established to monitor the respective areas either monthly, quarterly or yearly.</p> <p>The monitoring records to monitor wildlife in and around the estate is established and recorded in the Biodiversity Assessment and identification report.</p>	Yes
4.5.7.1	<p>KHB Lahad Datu Region establish Policy of zero burning dated 07/01/2015 approved by Chief Plantation Officer.</p> <p>The policy states there shall be no open burning of any kind except where deemed necessary with the prior approval of the relevant authorities. This includes domestic waste, agricultural waste, and biomass or by-products generated by the estates and palm oil mills.</p> <p>During on site verification at field operation at replanting area, domestic wastes landfill sites and labour quarters no open burning activities found.</p>	Yes
4.5.7.2	<p>There are no serious palm diseases sighted during the field visits that require burning. Therefore, no special approval for open burning from the relevant authorities.</p>	Yes
4.5.7.3	<p>KHB Lahad Datu Region establish Zero Burning Policy, dated 07/01/2015 approved by Chief Plantation Officer include no open burning.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



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

Indicator	Summary of Assessment	Compliance
	There are no application documents for approval of controlled burning sighted.	
4.5.7.4	<p>KHB Lahad Datu Region establish Zero Burning Policy dated 07/01/2015 approved by Chief Plantation Officer.</p> <p>The policy states for our replanting programme, we follow zero burning as per Malaysian Law A1102 Act / Environment Quality Act 2001.</p> <p>KHB Lahad Datu Region established SOP Replanting, document number KHB/G/SOP-07 dated 09/02/2018.</p> <p>The procedure states fell palms will be shredded or chipped method.</p> <p>During the field visits at replanted area old palms are felled and chipped, no sign of open burning observed in the field.</p>	Yes

Principle 6: Best Practices

Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>KHB Lahad Datu region established relevant SOPs and appropriately documented:</p> <ol style="list-style-type: none"> 1. SOP on Harvesting 2. SOP on safe fertilizer application. 3. SOP appropriate distant during chemical application I. 4. SOP buffalo cart manual. <p>All operation activities are monitored by mandore to ensure that workers follow the SOP accordingly.</p>	Yes
4.6.1.2	<p>KHB Lahad Datu region adopted KHB group SOP Soil Conservation - Terracing document number KHB/G/SOP-07 latest revision on 09/02/2018.</p> <p>The procedure describe:</p> <ol style="list-style-type: none"> 1. Stacked palm between terrace to minimize erosion 2. Establishment of terrace after road construction. 3. Established terrace with ideal distance range of 7.9 to 9.2m. <p>KHB Lanad Datu Region installed signage on non-permitted activities such as chemical spraying and manuring on buffer zone area. The area is marked with coloured poles to remind workers they are in the buffer zone.</p>	Yes
4.6.1.3	<p>KHB Lahad Datu region estates maps have field block numbers.</p> <p>Information stated on the block marker is block number and year of planting.</p>	Yes
4.6.2.1	<p>KHB Lahad Datu region established Long Term Financial Projection 2018 - 2024 for its estates.</p> <p>The budget include crop projection, and facilities improvement on housing compounds and stores.</p>	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.2.2	KHB Lahad Datu region establish replanting programme for year 2019 – 2024 for all divisions of Kolopis and Tanaki estates.	Yes
4.6.2.3	<p>KHB Lahad Datu region established Long Term Financial Projection 2018 - 2024.</p> <p>The document includes:</p> <ol style="list-style-type: none">1. Long term plan FFB production and Forecast 2019 -2029.2. Capital Expenditure for Tanaki and Kolopis Estate.3. FFB and CPO price forecast.4. Cost of sales.	Yes
4.6.2.4	KHB Lahad Datu region established budget for fiscal year 2020 and monitored through monthly progress report for comparing budget and actual amount.	Yes
4.6.3.1	<p>KHB Lahad Datu region estates outsourced road maintenance, FFB transportation replanting works to 3rd party contractors.</p> <p>Work Agreement for replanting and subsequence upkeep works signed by both parties with the agreed terms and conditions.</p> <p>The agreement describes the service period, rates and payment terms.</p>	Yes
4.6.3.2	<p>KHB Lahad Datu region estates outsourced road maintenance, FFB transportation replanting works to 3rd party contractors.</p> <p>The contract states the rate, terms of payment, period of contract and duly signed by both parties.</p> <p>Payment are according to the agreed rate and payment conditions stated in the contract.</p>	Yes
4.6.4.1	<p>The contractor and workers are briefed on the company MSPO policies and requirements on 15/05/2019.</p> <p>Contractors and contractor's workers interviewed informed they are briefed on MSPO requirements.</p>	Yes
4.6.4.2	Contract agreements are duly signed and accepted by both parties	Yes
4.6.4.3	The contract agreement include a statement, contractors to comply with the standards in sustainability certification such as MSPO and subject to be audited by respective Certification Body.	Yes
4.6.4.4	KHB Lahad Datu region monitored work progress by means of site visit or delivery records for completion of work tasks.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	KHB Lahad Datu region established planting statements for its estates. First planting in year 1995 and latest replanting commence in year 2019. There is no new planting in KHB Lahad Datu region estates. Therefore, no assessment for high biodiversity value conducted.	Yes
4.7.1.2	KHB Lahad Datu region estates planting statements and maps are review. There are replanting in both Kolopis and Tanaki Estates KHB Lahad Datu region has conducted EIA and approved by the Department of Environment. The "Surat Aku Janji" is issued by Department of Environment for monitoring of the replanting area. KHB Lahad Datu region established Environmental Monitoring and Compliance dated September 2019 to monitor the environment in accordance to "Surat Aku Janji". The monitoring is conducted by third party consultant	Yes
4.7.2.1	KHB Lahad Datu region estates planting statement and map is review. There is no peat land sighted.	Yes
4.7.3.1	KHB KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.2	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.3	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no involvement of smallholder's scheme in KHB Lahad Datu region certification. Therefore, not applicable.	Yes
4.7.4.1	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no soil map established.	Yes
4.7.4.2	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no topography map established.	Yes
4.7.5.1	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no map established and permits available.	Yes
4.7.5.2	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no plan established.	Yes
4.7.5.3	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no soil map established.	Yes
4.7.6.1	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no FPIC conducted and no communities affected	Yes
4.7.6.2	KHB Lahad Datu region planting statement is review and there is no new planting. There are no sacred sites within the estates, therefore, no management plan established.	Yes
4.7.6.3	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no SOP established.	Yes
4.7.6.4	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no compensation and agreement established.	Yes

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



4.7.6.5	KHB Lahad Datu region planting statement s review and there is no new planting. Therefore, no assessment established.	Yes
4.7.6.6	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no system established for calculating the compensation for distribution.	Yes
4.7.6.7	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no compensation plan established	Yes
4.7.6.8	KHB Lahad Datu region planting statement is review and there is no new planting. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions 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.
	Not applicable. No non-conformity raised in previous audit.
<i>Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.</i>	
<i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i>	

4.5. Detail of Audit Findings in last audit

No major and minor non-conformities raised on last audit.

4.6. Detail of Audit Findings Identified During This Audit

This section gives an overview of the non-conformities raised during this audit.

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

Non Conformity Number < 1 >	
Indicator # and Description	4.4.4.2: An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. (MAJOR) b) The risks of all operations shall be assessed and documented
Location:	All Estates
Description of Finding / Objective Evidence:	
KHB Lahad Datu region has revised HIRARC on 01/06/2019. The LTAs occur in August 2019 at Kolopis Estate and November 2019 at Tanaki Estate are not included in HIRARC established.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Non Conformity Number < 1 >	
Raise by:	Mohamad Norhisham Bin Mohd Salleh
Date Raise:	05/03/2020
Deadline for implementation	60 days – 04/05/2020
Root Cause Analysis (by company):	
<p>The revision on HIRARC for estate level have been conducted on August 2019 for Kolopis estate and November 2019 for Tanaki estate.</p> <p>However, the revision of HIRARC for Group level (Abedon Sdn Bhd) will be only conducted in June 2020 because the Group level HIRARC is only reviewed annually as per stated in the Occupational Safety Management Plan (OSMP) handbook established by Abedon Sdn Bhd since 1st October 2017.</p>	
Correction (by company):	
<p>The HIRARC for LTAs occurs in August 2019 for Kolopis and November 2019 for Tanaki have been reviewed respectively by the estates management.</p> <p>Immediate revision will be made to the risk assessment management guidelines in the OSMP Handbook (Page 14).</p>	
Corrective / Preventive Action (by company)	
<p>The Management will established a Revision History for every HIRARC at respective estates in order to monitor the revision and identify any changes occur to the Risk Assessment established.</p> <p>The respective estate are now will review the HIRARC immediate as per stated in the OSMP handbook guidelines (Page 14).</p> <p>To avoid confusion in OMSP handbook reviewing, the HIRARC assessment will only be made available at the respective estate and no longer included in the OSMP handbook.</p>	
Review of Correction & Corrective / Preventive Action	
<p>KHB Lahad Datu region has revised the HIRARC for Kolopis Estate on 05/03/2020 and Tanaki Estate on 05/03/2020 with the LTAs occur in August 2019 at Kolopis estate and in November at Tanaki estate.</p> <p>The risk assessment factors conducted, addition risk control proposal included to reduce the risk, The risk has reduced with the additional control measures.</p> <p>Based on evidences submitted the non-conformity is closed.</p> <p>The implementation will be review in next audit.</p>	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Mohamad Norhisham Bin Mohd Salleh	Date of Closure: 27/03/2020
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. (MAJOR)	All estates	Estate management could consider improve on monitoring of water tanks in housing compound.
2.	4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	All estates	Estates could consider improve the list of workers representative in the Environmental meeting.
3.	4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations	Tanaki estate	Estate could improve the electricity improvement plan to monitor usage of electricity.

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



5. CONCLUSION

Abedon Sdn. Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance 01 audit for its two estates according to MSPO 2530-3:2013 Part 3 General principles for Plantations and Organised Smallholders.

There is one Major NC raise 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-Part 3:2013.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

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

Total certified number of estates:	2	
Total certified production area:	4,346.39	Ha
Certified FFBs January to December 2019:	69,509.93	Mt
Certified FFBs January to February 2020:	8,271.89	Mt
Project FFBs March to December 2020	56,951.00	Mt

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



6. RECOMMENDATION

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

The structure of the audit is in accordance with the audit plan included in this summary report as annex.

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 policies 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, 20/04/2020

Mohd Nur Amin Bin Mohd Halim
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader in Training

Puchong, 20/04/2020

Nur Amanina Zahir
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



7. LIST OF INTERVIEWEES

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation / Function
1.	John Payre	Pongo Alliance – NGO
2.	Ag. Abu Bakar Bin Ag. Tengah	MPKK Kg. Sri Takala
3.	Saguni	Kg Paris 1
4.	Pucdi Sideng	Kg. Paris 2
5.	Lo Nyuk Voo	Contractor
6.	Hasanuddin Lato	Kg. Sri Takala, Paris 2
7.	Misnah Ambang	Kg. Paris 1

MSPO Certification Summary Report

Company Name: Abedon Sdn. Bhd.

Certifying Unit: Abedon Sdn. Bhd.

Client Number: 92-044

Audit Type: Annual Surveillance Audit 02



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

This report is sent to the certification body or bodies, 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 of 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 / Checklists
- ☒ Audit Plan
- ☐ Additional annexes, number