

# MSPO CERTIFICATION SUMMARY REPORT

**LIMABAHAU SDN BHD**

**STAGE 2 – CERTIFICATION AUDIT**

Date: 03/09/2019

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# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



## Table of Contents

1		
1.	INTRODUCTION .....	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	4
2.	METHODOLOGY.....	8
	Table 2-1: List of Estates Selected	9
3.	ORGANISATION INFORMATION .....	11
3.1.	Production volume	11
3.2.	Planting Program for Each Estate	11
3.3.	Replanting program for each estate	12
3.4.	Maps of Company Location and Plantations	13
4.	CERTIFICATION ASSESSMENT .....	15
4.1.	Stage 2: Certification Audit	15
4.2.	Stakeholders' Consultation	15
4.3.	Summary of Assessment	17
4.4.	Status of Non-Conformities Previously Identified	36
4.5.	Detail of Audit Findings in last audit	37
4.6.	Detail of Audit Findings Identified During This Audit	37
5.	<b>CONCLUSION</b>	38
6.	<b>RECOMMENDATION</b>	39

## Abbreviations

<b>CHRA</b>	Chemical Health Risk Assessment
<b>CPO</b>	Crude Palm Oil
<b>CSR</b>	Corporate Social Responsibility
<b>DOE</b>	Department of Environment
<b>EFB</b>	Empty Fruit Bunch
<b>EIA</b>	Environment Impact Assessment
<b>FFB</b>	Fresh Fruit Bunch
<b>GAP</b>	Good Agricultural Practice
<b>GPS</b>	Global Positioning System
<b>ISCC</b>	International Sustainability & Carbon Certification
<b>ISO</b>	International Standard Organisation
<b>LSB</b>	Limabahau Sdn Bhd
<b>MSPO</b>	Malaysia Sustainable Palm Oil
<b>NC</b>	Non Conformity
<b>OSH</b>	Occupational Safety and Health
<b>P&amp;C</b>	Principle and Criteria
<b>PK</b>	Palm Kernel
<b>POME</b>	Palm Oil Mill Effluent
<b>PPE</b>	Personal Protective Equipment
<b>RSPO</b>	Roundtable Sustainable Palm Oil
<b>RTE</b>	Rare, Threatened and Endangered Species
<b>SA8000</b>	Social Accountability 8000
<b>SIA</b>	Social Impact Assessment
<b>SOP</b>	Standard Operating Procedure
<b>WHO</b>	World Health Organization
<b>MPOB</b>	Malaysian Palm Oil Board
<b>MPOCC</b>	Malaysia Palm Oil Certification Council
<b>SDS</b>	Safety Data Sheet

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd  
Certifying Unit: Limabahau Sdn Bhd  
Client Number: 92-114  
Audit Type: Stage 2 - Certification Audit



## 1. INTRODUCTION

Limabahau Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its group of 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 certification audit is to assess two estates of the group 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 MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantation 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 Plantation and Organised Smallholders audit guidance;

### 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.

#### Qualification of the Lead Auditor: Zul Hairi Bin Abu Hassan

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Graduate in Plantation Industry Management.
At least five (5) years of work experience in the oil palm sector or related field in consultancy /	9 years working experience in oil palm plantations.

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Requirement	Qualifications
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)	
Successfully completed MS 2530 series of standards training	Successfully completed MS2530 series 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 lead auditor based on audit log.
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	9 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	9 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed ISO 45001:2018 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.

### Qualification of Team Members

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,);	Ariff Bin Lokman	Graduate in Plantation industry management.	Yes
	Sheron Pui Ling Wui	Bachelor in Medical Science	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Requirement	Assessor	Qualification	Compliance
iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields			
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Ariff Bin Lokman	6 years working experience in oil palm plantations.	Yes
	Sheron Pui Ling Wui	Qualified as auditor base on audit log.	Yes
Successfully completed MS 2530 series of standards training	Ariff Bin Lokman	Successfully completed MS 2530 Auditor course.	Yes
	Sheron Pui Ling Wui	Successfully complete MSPO MS2530:2013 series LA 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.	Ariff Bin Lokman	Qualified as auditor base on audit log.	Yes
	Sheron Pui Ling Wui	Qualified as auditor base on audit log.	Yes
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.	Ariff Bin Lokman	Able to communicate in Bahasa Malaysia and English.	Yes
	Sheron Pui Ling Wui	Able to communicate in Bahasa Malaysia, Chinese and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Ariff Bin Lokman	6 years working experience in oil palm plantations.	Yes
	Sheron Pui Ling Wui	Qualified MSPO auditor. Have been conducting audit for both MSPO and RSPO	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Ariff Bin Lokman	6 years working experience in oil palm plantations.	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Requirement	Assessor	Qualification	Compliance
	Sheron Pui Ling Wui	Qualified as auditor for MSPO and RSPO scheme.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Ariff Bin Lokman	Successfully completed IMS 9001, 14001 and 45001 LA course.	Yes
	Sheron Pui Ling Wui	Successfully completed ISO 45001:2018 Lead Auditor course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Ariff Bin Lokman	Successfully completed SA 8000 Basic training	Yes
	Sheron Pui Ling Wui	Successfully completed Basic SA 8000 training. Qualified as auditor for MSPO and RSPO scheme.	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Ariff Bin Lokman	Successfully completed IMS 9001, 14001 and 45001 LA course.	Yes
	Sheron Pui Ling Wui	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



## 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
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

The certification is conducted in two stages in accordance to the certification procedure.

### Stage 1:

Stage 1 is conducted on 16/05/2019 that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
  - Group Operating Policies
  - Estate maps
  - Land titles
  - Standard Operating Procedures including Agricultural Manual
  - Work Flow Charts
  - Operating licenses and approvals
  - Operating records
  - Training records
  - Applicable Legislation Documents
- Interviews of relevant operation personnel



## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



- Assessment reporting

### Stage 2 Certification Audit:

Stage 2 certification audit is conducted on 08/07/2019 to 09/07/2019 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 Plantation 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 and their families, review of documentation and data. Checklists and questionnaires are used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For the stage 2 certification audit, there are 2 estates and no sampling applies. The 2 estates audited listed in Table 2-1 below:

**Table 2-1: List of Estates Selected**

Name of Estate	Coordinates
Limabahau	5°36,54.0" N 117°49'12.0"E
Ableman	5°45'43.2" N 117°47'13.2"E

### 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

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit

---



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: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



### 3. ORGANISATION INFORMATION

Limabahau Sdn Bhd is the group manager with the office located at Sandakan, Sabah to manage the plantations in the certification.

The details of the 2 estates as below:

Name of Estate	Location	Coordinates
Limabahau	Batu 45, Jalan Sandakan/Lahad Datu	5°36,54.0" N 117°49'12.0"E
Ableman	Batu 34, Jalan Sandakan/Lahad Datu	5°45'43.2" N 117°47'13.2"E

#### 3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (Jan 2019 to Dec 2019)
	Total*	Planted**	
Limabahau estate	204.64	187.78	4,681.00
Ableman	72.32	70.30	1,110
<b>Total</b>	<b>276.96</b>	<b>258.08</b>	<b>5,791.00</b>

\*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	Limabahau	Ableman
2006	17.05	-
2007	0	-
2008	8.63	-
2009	0	-
2010	10.73	-
2011	11.08	5.39
2012	27.48	-
2013	32.15	-
2014	17.78	-
2015	0	17.33
<b>Total Mature</b>	<b>124.09</b>	<b>22.72</b>
Year 3 - 2016	31.85	13.86
Year 2 - 2017	31.03	33.72
Year 1 -2018	0	0
<b>Total Immature</b>	<b>62.68</b>	<b>47.48</b>
<b>Total Oil Palm</b>	<b>187.78</b>	<b>70.30</b>

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit

---



The 1<sup>st</sup> planting for Limabaahu is in year 1993 with 1<sup>st</sup> replanting in year 2006. Albeman 1<sup>st</sup> planting is in year 1992 with 1<sup>st</sup> replanting in year 2011.

### 3.3. Replanting program for each estate

No replanting program for the next 5 years.

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

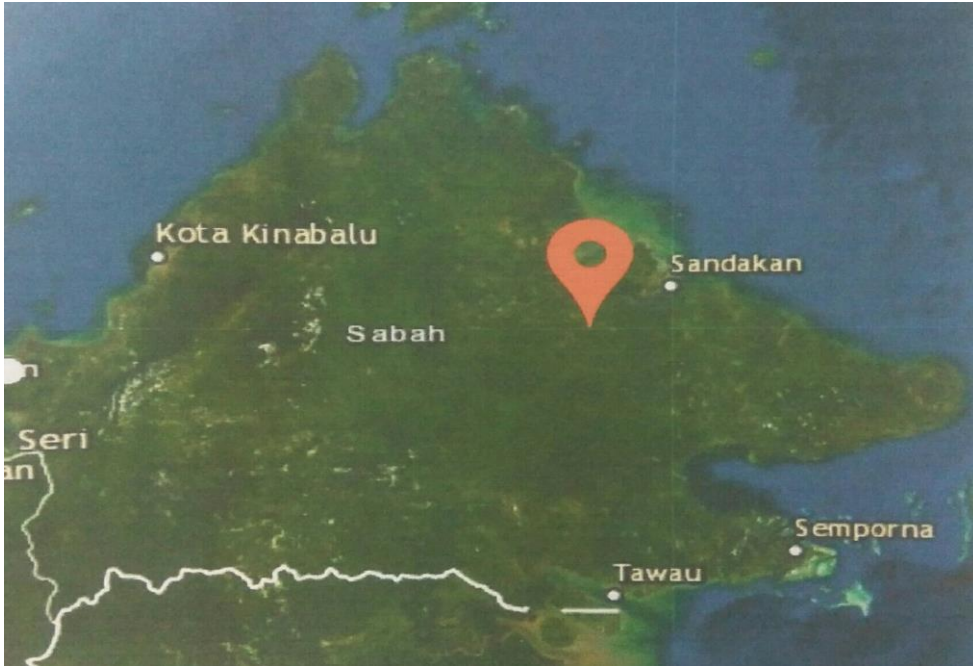
Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

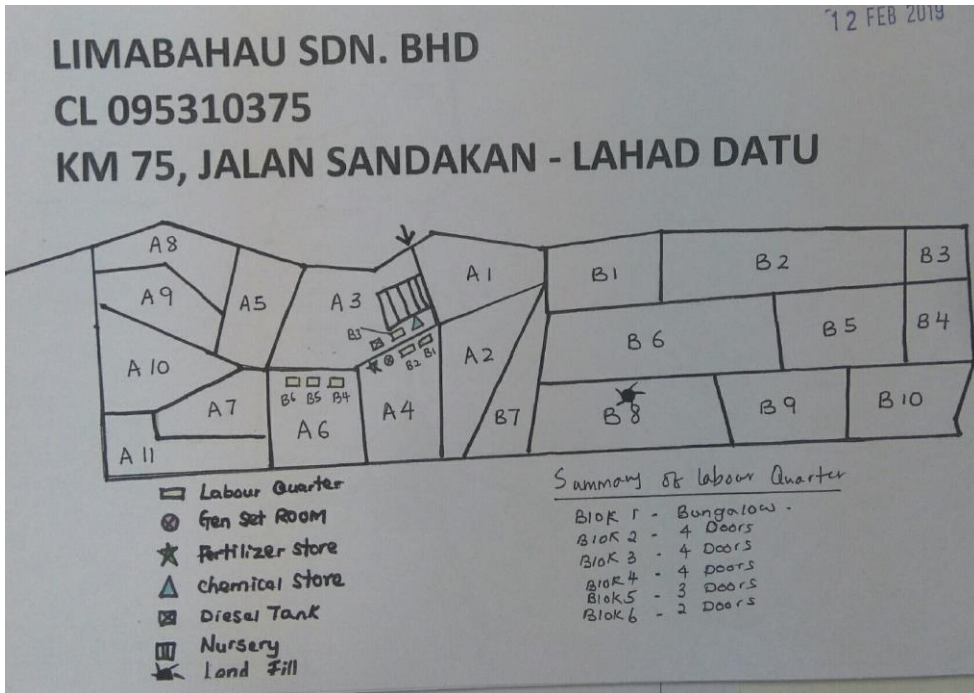
Audit Type: Stage 2 - Certification Audit



### 3.4. Maps of Company Location and Plantations



Sabah Map



Limabahau Map

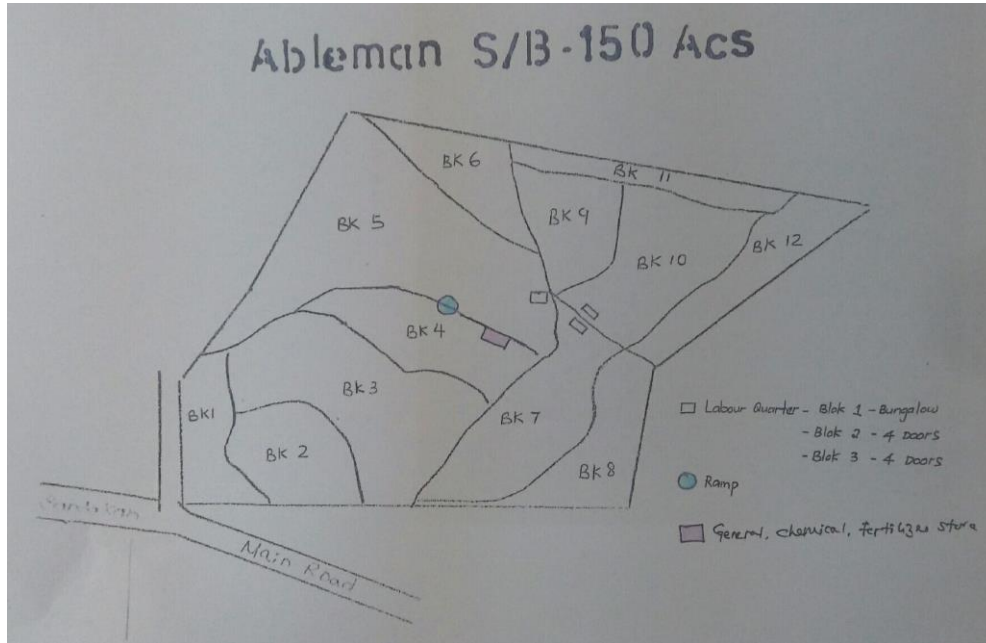
# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Ableman estate

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



## 4. CERTIFICATION ASSESSMENT

### 4.1. Stage 2: Certification Audit

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. Stage 1 Audit:

The objective of the stage 1 is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which

- do not have any certification or
- those having management system certification e.g. ISO, COP.

These organization shall undergo both Stage I and II audit

Limabahau Sdn Bhd do not has any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard

The Stage I audit is conducted on 15/05/2019 at the Sandakan office covering the following activities:

- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of findings found;

#### 4.1.2. Stage 2 Certification Audit:

The Stage 2 certification audit is conducted on 08/07/2019 to 09/07/2019 covering 2 estates – Limabahau and Ableman.

During the Stage 2 audit, there are 0 Major, 0 Minor, 1 Opportunities for Improvement (OFI) raised.

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

The audit findings if any, raised in this audit refer to Section 4.5 of this report.

### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 08/06/2019 as to accommodate stakeholder's consultation meeting for Limabahau Sdn Bhd to provide comments. As at audit date on 08/07/2019 to 09/07/2019 there are no comments received.

Invitation letters are sent on 08/06/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 08/07/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



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 could confirm they have attended meetings with the company on MSPO certification.
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' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.  
The local communities could confirm the company has provide assistance and 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 could confirm they are 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 confirmed they are aware of the MSPO audit through invitation letters and public announcement made by the company.	Positive comments towards the Limabahau management.
2	Social issues	No communities and neighbouring estates attended. Therefore no input.	No further action required.



## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
3	Type of land title – Country Leased, Provisional Leased, Native title	Participants are no local communities, therefore no input to confirm.	No further action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Participants commented with MSPO certification will improve livelihood of workers.	Positive comments towards the Limabahau management.
5	Does MSPO largely benefits the local community?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
6	Environmental understanding	Stakeholders are not local communities, therefore no comments on this topic	No further action required.
7	Awareness towards species, habitats, and high conservation values	Stakeholders are not local communities, therefore no comments on this topic	No further action required.
8	Are there any plantation management practices that affect you?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders commented there should be no conflict by the management topic.	Positive comments towards the Limabahau management.
10	Do you have any suggestions for management?	Limabahau could share MSPO knowledge implementation.	Positive comments towards the Limabahau management.

### 4.3. Summary of Assessment

Principle and Criteria Assessment Summary
<p>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</p>

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Limabahau Sdn Bhd (LSB) group established MSPO Policy dated 25/02/2019 signed by Managing Director.</p> <p>The policy includes commitment to continual improvement in sustainability practise.</p>	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Policy is displayed at office notice boards LSB and Ableman. Training for policy conducted on 27/02/2019 to all workers.</p> <p>Interview during site visit, the workers understand the MSPO policy.</p>	
4.1.1.2	<p>The MSPO policy dated 25/02/2019 states commitment to complying with the MSPO requirement and continual improvement by harnessing its resource of people, processes and technology to ensure the continuous production of oil palm product in sustainable manner.</p>	Yes
4.1.2.1	<p>LSB group established SOP internal audit doc no: LB-4.1.2-1 dated 20/04/2019 with a flow chart indicating the internal audit process.</p> <p>Stated in the SOP the frequency for internal audit is once a year.</p> <p>Internal audit conducted on 08/05/2019, result of internal audit indicate there are non-conformities and closed out in June 2019</p>	Yes
4.1.2.2	<p>LSB group established SOP internal audit dated 20/04/2019.</p> <p>Sighted summary of internal audit state the strong and weak points. example</p> <p>Strong point: Good company policies establish</p> <p>Weak point: Empty chemical container inventory records</p>	Yes
4.1.2.3	<p>Internal audit results made available in the management review meeting dated 11/06/2019.</p>	Yes
4.1.3.1	<p>Management review conducted on 11/06/2019 with agenda includes.</p> <p>Internal audit result</p> <p>Other matters</p> <p>The frequency for management review is once a year after internal audit.</p>	Yes
4.1.4.1	<p>Continual Improvement Plan (CIP) established dated 01/03/2019.</p> <p>Topic discuss in the CIP include environmental, social and safety.</p> <p>Example:</p> <p>Social</p> <p>Activity: labour quarter change of roofing</p> <p>Unit: 2</p> <p>Time frame: 2 years</p> <p>Completion date: 31/03/2021</p> <p>PIC: Group Estate Manager</p> <p>Environment:</p> <p>Activity: Genset permit application</p> <p>Unit: 1</p>	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



<b>Principle 1: Management Commitment &amp; responsibility</b>		
Indicator	Summary of Assessment	Compliance
	Time frame: 1 year Completion Date: 31/03/2020. PIC: Group Estate Manager Safety and health: Activity: CHRA Time frame: 1 year Completion Date:31/03/2020 PIC: Sustainability Coordinator.	
4.1.4.2	LSB group established SOP new information, technique, equipment dated 12/03/2019. The SOP describe process for implementation of new technology: <ul style="list-style-type: none"> <li>• Identification</li> <li>• Implementation and control.</li> </ul> No new techniques or new technology used currently at LSB and Ableman.	Yes
4.1.4.3	LSB group established SOP new information, technique, equipment dated 12/03/2019. The SOP describe process for implementation of new technology. The flowchart in the SOP include training must conduct for implementation of any new technology.	Yes

<b>Principle 2: Transparency</b>		
Indicator	Summary of Assessment	Compliance
4.2.1.1	LSB group established Consultation and Communication Procedure dated 20/04/2019. LSB group established the list of stakeholders dated 15/03/2019 that include surrounding communities, government authorities, suppliers, mills, and NGOs. Sighted stakeholder request and response record book with request for information by stakeholder dated 24/06/2019 and response within 14 days in accordance to the consultation and communication procedure. External stakeholder meeting conducted on 30/04/2019 and internal Stakeholder meeting conducted on 27/02/2019 include the briefing on this procedure. Interview with worker at LSB and Ableman indicate that they are aware of the procedure.	Yes
4.2.1.2	LSB group established List of Transparency and Information Document dated 20/04/2019.	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>The list categorized transparency documents and confidential documents. Transparency documents are documents can be shared with stakeholders while confidential documents are for internally and need approval from management when any request.</p> <p>The list is presented during stakeholders meeting dated 30/04/2019.</p> <p>External stakeholders meeting conducted on 30/04/2019 and internal Stakeholders meeting conducted on 27/02/2019 include the briefing on this List Of Transparency and Information Document.</p> <p>Interviewed workers at LSB and Ableman understand on the list.</p>	
4.2.2.1	<p>LSB group established Consultation and Communication procedure dated 20/04/2019.</p> <p>The procedure states the Group Estate Manager is in charge of the communication and consultation.</p> <p>Sighted stakeholders meeting conducted on 30/04/2019 include briefing on this SOP.</p> <p>Interviewed workers are aware of their procedure.</p>	Yes
4.2.2.2	<p>LSB group organisation chart indicate the Group Estate Manager is appointed as sustainability leader who will be in charge for stakeholders consultation and communication.</p> <p>Sighted the stakeholders meeting minutes indicate the person in charge is the sustainability leader.</p>	Yes
4.2.2.3	<p>LSB groups established List of stakeholders dated 15/03/2019.</p> <p>Consultation and Communication indicate that any request from stakeholders to be resolve within 14 days.</p> <p>External stakeholders meeting conducted on 30/04/2019 and Internal stakeholder meeting conducted on 27/02/2019 did not have any request from stakeholder.</p>	Yes
4.2.3.1	<p>LSB group established SOP for Traceability doc no: LB-4.2.3 dated 20/04/2019 for FFB delivery from field to mill.</p> <p>Stated in the flow chart</p> <ul style="list-style-type: none"> <li>• Field/harvester bunches</li> <li>• Loading chit/ loader</li> <li>• Delivery note to mill</li> <li>• Record FFB in sale book</li> <li>• Weighbridge ticket from mill</li> </ul>	Yes
4.2.3.2	<p>LSB group conducted Internal audit on 08/05/2019 that include traceability system. There are no findings for traceability.</p>	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.3	LSB group appointed the group estate manager as person in charge for traceability systems dated 10/04/2019.	Yes
4.2.3.4	<p>LSB group established records of sales and delivery verified by group estate manager on a daily basis. The records are kept for a period of 7 years.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. FFB log book.</li> <li>2. FFB weighbridge ticket.</li> </ol> <p>Review on the records such as harvesting chit to mill weighbridge are available. Unique identification number in the delivery note is stated in mill weighbridge ticket.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>LSB group established legal register dated 01/04/2019.</p> <p>LSB group established list of permit and licenses.</p> <p>Example:</p> <p>Trading licenses still in validity period.</p> <p>Example of legal register and regulations:</p> <ul style="list-style-type: none"> <li>• Akta Lembaga Minyak Sawit 1998</li> <li>• Akta Syarikat 1965</li> </ul>	Yes
4.3.1.2	LSB has established list of legal register and regulations dated 01/04/2019.	Yes
4.3.1.3	The legal register is established on 25/03/2019 and latest updated on 01/04/2019.	Yes
4.3.1.4	Organization chart states group admin manager is person in charge for updating legal documents, regulations and licenses.	Yes
4.3.2.1	<p>LSB land titles are state leased issue by Sabah Land Authority as country leased and provisional leased.</p> <p>Type of activity states for agriculture crop of economic value.</p> <p>Land title tenure is 99 years.</p>	Yes
4.3.2.2	<p>Land title states owner is LSB group and issued by Sabah land authority.</p> <p>Land use rights for agriculture.</p> <p>Land title tenure is 99 years.</p>	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



<b>Principle 3: Compliance to legal requirements</b>		
Indicator	Summary of Assessment	Compliance
4.3.2.3	Land title includes map stating the total area with boundary stone numbering. During site verification, boundary marker is marked with a boundary stone and wooden stick at LSB and Ableman.	Yes
4.3.2.4	No dispute from previous owners since the land titles are country or provisional leased issued by Sabah Land Authority.	Yes
4.3.3.1	LSB group land titles are country and provisional leased issued by Sabah Land Authority. No customary land titles listed in the summary of land titles.	Yes
4.3.3.2	There is no customary right land leased or owned by LSB group. Therefore, no maps established.	Yes
4.3.3.3	There is no customary land leased or owned by LSB group. Therefore, no FPIC or negotiated documents established.	Yes

<b>Principle 4: Social Responsibility, health, safety and employment conditions</b>		
Indicator	Summary of Assessment	Compliance
4.4.1.1	LSB group established SIA dated 30/04/2019. The SIA includes information from survey and meeting feedback from internal and external stakeholders. The SIA includes a summary of positive and negative impacts and the timeline to monitor for completion. The action and implementation is the responsibility of the Group Estate Manager. The positive impacts are continuously promoted while negative impacts are mitigation with a time frame to carry out the action and include in CIP for monitoring. The SIA will be reviewed once a year with feedback from stakeholders.	Yes
4.4.2.1	LSB group established Complaint and Grievance procedure dated 01/02/2019. The procedure is displayed in notice board in estates. The procedure states that any complaint received by Mandore should be resolve within 3 days. If Mandore is not able to resolve it will be elevated to group estate manager to resolve within 13 days. Site interview with field workers for both Limabahau and Ableman estates workers understand the process to make complaint or grievance when required.	Yes
4.4.2.2	LSB group established complaint and grievance form.	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Complaint record is review with no complaint lodged in both estates as of audit date.  Workers interview confirmed no complaint lodged as of audit date at LSB and Ableman.	
4.4.2.3	The complaint and grievance form is available at the office notice board that can be access by all workers and stakeholders.	Yes
4.4.2.4	LSB group conducted briefing to workers on 27/02/2019 that include complaint and grievance procedure..  The external stakeholder conducted on 30/04/2019 include the complaint and grievance procedure.  During interview with workers they are able to demonstrate their awareness on the procedure and complaint could be lodged at any time both estates.	Yes
4.4.2.5	Review of complaint records there are no complaints lodged as at audit date.	Yes
4.4.3.1	LSB group provides job opportunity to local communities for estate operation and office admin work.	Yes
4.4.4.1	Safety and Health policy dated 25/02/2019 signed by Managing Director.  The policy is available at the office notice boards.  Records of briefing on safety policy and PPE usage conducted on 27/02/2019.	Yes
4.4.4.2	a. The safety and health policy is available at the notice boards.  Workers are briefed on the policy on 27/02/2019	Yes
	b. Risk assessment HIRARC established dated 15/03/2019, doc no: LB-4.4.4-4 Includes all relevant field activities The HIRARC table include activity, hazards, risk and effects, risk assessment (consequence, likelihood, risk rating), existing control, PIC, risk assessment after control and date review.  Example Activity: Pruning near power lines Hazard: Electrocution fatality Risk: 12 (High) Existing: clear palm along power wire, training and briefing	
	c. i: Records of training on safety and PPE usage conducted to workers on 04/03/2019 sighted.	
	c. ii. SDS is available at the store.	

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example: SDS for chemical magnesium oxide effective date 02/01/2018. SDS in English and Bahasa Malaysia. Store is in good condition and locked. Sighted arrangement of liquid chemical placed in tray below and powder chemical t placed on top. All chemicals have original labelling.</p>	
	<p>d. Records of PPEs issuance are maintained and sighted. Example:</p> <ul style="list-style-type: none"> <li>• helmet</li> <li>• sickle cover</li> <li>• chisel cover</li> <li>• apron</li> </ul> <p>During site visit all workers are provided with proper PPEs for the assigned task according to HIRARC and CHRA. CHRA is conducted by certified assessor report reference No: HQ/11/ASS/00/289-2019/007 dated 25/05/2019.</p>	
	<p>e. LSB group established SOP 'Penyimpanan Dan Pengurusan Bahan Kimia' dated 25/03/2019. LSB group adopts the SDS for handling of chemicals and storage</p>	
	<p>f. Organization chart is reviewed and the person in charge for safety and health is the Group estate manager.</p>	
	<p>g. The latest OSH meeting conducted on 21/06/2019. The meeting agenda includes work safety, PPE, harvesting, premix of chemical and accidents / injuries. There are no accidents and injuries reported. Meeting minutes and attendance records sighted.</p>	
	<p>h. LSB group established emergency respond plan dated 01/02/2019 suing a flowchart. LSB group established fire emergency plan dated 01/02/2019 using a flowchart. Emergency contact numbers and fire plan available at notice boards.</p>	
	<p>i. The estate in-charge and workers are trained in first aid on 23/06/2019. All operation has first aid box.</p>	



## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	j. LSB group established record book for accidents and injuries. No reported of any major injuries. Sighted JKKP registration dated 14/05/2019 for year 2019.	
4.4.5.1	<p>LSB group established Good Social Practice policy dated 25/02/2019 and signed by Director.</p> <p>The policy states Respect and protect the fundamental of Human Rights as stated in Universal Declaration of Human Rights of the United Nations.</p> <p>The policy displayed at notice is available in English and Bahasa Malaysia language.</p> <p>Training of social policy conducted on 27/02/2019 for all workers.</p> <p>During site verification and interview with workers at both estates, they are aware of the policy.</p>	Yes
4.4.5.2	<p>LSB group established the Good Social policy dated 25/02/2019 that states company does not engage in or support discrimination practices and provide equal opportunity regardless race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>The policy is displayed at notice board.</p> <p>During interview with workers at both estates they confirmed there is no discrimination practices.</p>	Yes
4.4.5.3	<p>LSB group established contract agreement for workers in accordance to Sabah Labour Ordinance.</p> <p>The contract agreement states the pay rate of RM5.37 per hour in accordance to the minimum wages 2018. The working contracts are signed by workers and management.</p> <p>The check roll and pay slip review indicate the worker pay is in line with Minimum Wage Regulation 2018.</p>	Yes
4.4.5.4	LSB group did not engage any contractors, therefore, no contractor worker wage not available for review.	Yes
4.4.5.5	<p>LSB group established list of workers that contain name, gender, date of birth, date joined, job description and others.</p> <p>Document review and site interview confirmed all workers are permanent employed.</p>	Yes
4.4.5.6	<p>LSB group established worker contract for every worker recruited.</p> <p>The management provide fair contract that has been signed by both parties.</p> <p>The worker is briefed on the working contract terms and conditions, wage, position and copy is provided.</p>	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	During site interview with workers confirmed they are briefed on the contract terms and conditions and received a copy after signed.	
4.4.5.7	<p>LSB group established the 'Masa Kerja Di Ladang' and displayed at notice board near morning assembly area.</p> <p>The working hours for estate starts from 5:30am to 2:00pm with rest time from 11:00am to 11:30am.</p> <p>Workers time recording via morning muster check roll. Working hours and overtime stated in working contract. Overtime rate according to Sabah labour ordinance requirements of 1.5 times daily rate for normal overtime and 2.0 time daily rate for rest day and public holidays.</p> <p>Interview with workers, they are aware on the working hours and overtime rate.</p>	Yes
4.4.5.8	<p>LSB group established the 'Masa Kerja Di Ladang' and displayed at the notice board.</p> <p>The working hours from 5:30am to 2:00pm with rest time from 11:00am – 11:30am.</p> <p>Reviewed on the pay slip, contract and check roll of workers for working hours and OT complied with legal regulations.</p> <p>During field visit workers feedback they understand the working hours and overtime time. Worker confirmed the wage paid is in line with legal requirements.</p>	Yes
4.4.5.9	<p>Pay records are reviewed to crosscheck the wage paid is in line with legal regulations and working contracts.</p> <p>The wages records from April and May 2019 sighted are according to the Minimum Wage Order 2018.</p> <p>Interview with workers at both estates they understood the wages and overtime paid.</p>	Yes
4.4.5.10	LSB group provide benefits to workers such as medical care, SOCSO, housing, water and electricity.	Yes
4.4.5.11	<p>LSB group housing follow the industry best practices.</p> <p>Site observation on the worker living quarters has basic amenities such as water, electricity and gardening area.</p>	Yes
4.4.5.12	<p>LSB group established Good Social Practice policy dated 25/02/2019. The policy includes prevent sexual harassment and any others forms of violence against women, workers, and community.</p> <p>The policy is displayed at notice boards.</p> <p>The policy briefing conduct to workers conducted on 27/02/2019.</p>	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	No complaint lodged for related issue.	
4.4.5.13	<p>Good Social Policy dated 25/02/2019 states Respect employees that have rights and freedom to form or join trade union.</p> <p>During the interview with workers there is no union form in LSB group. However, worker meeting is conducted annually as communication tools between workers and management team.</p> <p>LSB group conducted workers' meeting on 21/06/2019. The meeting attended by management team and all workers.</p>	Yes
4.4.5.14	<p>LSB group Good Social policy dated 25/02/2019 states Ensure no child or young person under age 18 shall be or permitted to be, engaged in any employment other that those allowed by the laws.</p> <p>Worker personal file and workers master list review indicate no child labour employed by the estates.</p> <p>Onsite observation, no child labour or young person employed by estates. All workers are above 18 years prior joining the estates.</p>	Yes
4.4.6.1	<p>LSB group established training plan 2019 dated 01/02/2019.</p> <p>Trainings are provided to staff and workers.</p> <p>Example of training conducted:</p> <p>Policies briefing, PPE, complaint and grievance procedure on 27/02/2019.</p> <p>Spraying training 27/03/2019.</p>	Yes
4.4.6.2	<p>LSB group estates established training based on job task.</p> <p>Training matrix is establish for individual worker to identify training need for each worker.</p> <p>Example of training matrix, has allocation for all related training for chemical applical workers.</p>	Yes
4.4.6.3	<p>Continuous training program plan for year 2019 dated 01/02/2019 and year 2020 dated 17/05/2019 establish for all workers based on job function.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>LSB group established Environmental policy, dated 25/02/2019 signed by Company Director.</p> <p>The policy is made available at office notice board in both Bahasa Malaysia and English.</p>	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>LSB group established environmental aspect and impacts assessment, dated 12/04/2019.</p> <p>Environment policy training conducted on 27/02/2019.</p> <p>Environmental Committee meeting is conducted on 21/06/2019. Sighted meeting minutes on environmental issues discussed such as management of scheduled wastes and monitoring.</p>	
4.5.1.2	<p>LSB group established Environmental policy, dated 25/02/2019 sign by Company Director.</p> <p>The objective is committed to minimize the environmental impacts of its operations and understands the importance of conserving naturel resources. We shall strive to promote environmental improvements whenever practical that will ensure a sustainable future.</p> <p>LBS group established environmental aspect and impacts assessment dated 12/04/2019.</p> <p>Example:</p> <p>Empty fertilizer bag</p> <p>Negative impacts: improper disposal of fertilizer bag</p> <p>Action plan, monitoring and CIP: triple wash and keep in the store</p> <p>Positive impact: Reused for loose fruit collection and collecting wastes and recycle bag</p>	Yes
4.5.1.3	<p>The environmental aspect and impacts assessment established dated 12/04/2019 include negative impact and promote the positive.</p> <p>Example:</p> <p>Empty Pesticide Containers.</p> <p>Negative impact: Wastes pollution - Improper disposal of used empty chemical container Positive impact: Empty chemical container can be reused and reduce scheduled wastes.</p> <p>Monitoring: On-going. Be reused the empty chemical container for carrying water for spraying , flower pot, dustbin</p>	Yes
4.5.1.4	<p>LSB group established EAIA where the positive impact are promoted.</p> <p>Example:</p> <p>Empty Fertilizer Bag</p> <p>Positive Impact</p> <p>Reused for loose fruit collection and collecting wastes and recycle bag</p> <p>Monitoring: Training provide to the workers and ongoing.</p>	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.5	LBS group conducted Policies and SOPs Training for the workers and staff dated 27/02/2019.	Yes
4.5.1.6	LBS group conducted environmental meeting dated 21/06/2019. The meeting include workers to discuss environmental issue.	Yes
4.5.2.1	LSB group established baseline for diesel consumption records dated 01/04/2019 for 3 years from 2016 to 2018.  The baseline is a guideline to monitor and compare against the actual usage.  Sighted records high usage of diesel on 2016 and 2017 due to replanting activities at the estate.	Yes
4.5.2.2	LSB group established the non-renewable energy estimates from 2019 to 2021 date 01/04/2019.  LSB group established records of diesel consumption on monthly basis for comparison against estimates.	Yes
4.5.2.3	LSB group does not practice renewable energy for the estates.	Yes
4.5.3.1	LSB group established source and type of wastes list dated 10/05/2019. 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. LSB group established source and type of wastes list dated 10/05/2019. Example: Source: Industrial activities Type of solid waste Chemical containers Source: Fertilisers Type of gaseous waste: Gas Gas: Nitrogen Oxides, Methane	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	b. Empty chemical containers are reused for pre-mix chemicals, rotten bunch and fronds to enhance soil nutrients, plastics, paper, metal and glass are segregated and sold to generate income.	
4.5.3.3	LSB group established SOP work safety for chemical handling document no. 4.6.1-10 dated 01/03/2019 and adopt SDS for handling of used chemicals to manage any balance chemical will be stored for next application.  Stock balance records sighted.	Yes
4.5.3.4	LSB group established SOP work safety for empty pesticides containers handling dated 05/05/2019.  The SOP describe:  <ol style="list-style-type: none"> <li>1. No reuse of empty schedule waste except for planting pot or as waste collector bin.</li> <li>2. Empty schedule waste containers are to save in scheduled waste store.</li> <li>3. Triple rinsing for all used empty containers before stored at schedule waste stores.</li> </ol> During visit at chemical store sighted the empty chemical container has been rinsed, mark (X) with red colour and reused for spraying activities.	Yes
4.5.3.5	LSB group has established SOP Domestic wastes segregated for recycling and those cannot be recycle will be dispose at landfill.  Domestic waste dispose at landfill.  Designated of landfill locations away from housing and waterways.  Domestic waste collection program sighted for twice per week for both estates. Landfill has established signage for awareness regarding safety at the landfill area.	Yes
4.5.4.1	LSB group established assessment for all pollution activities, dated 10/05/2019  Example:  Solid waste: fertilizer bag,  Monitoring plan: Washing and re-use for collecting losses fruits  Liquid waste: used lubricant oil.  Monitoring plan: Proper monitoring, storage and disposal as schedule waste of used lubricants.  Gases waste: genset, vehicle.  Monitoring Plan: Monitor the maintenance service.	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.4.2	<p>Waste management plan established dated 15/03/2019. The plan includes the action plan for significant pollutant and emission.</p> <p>Example:</p> <p>Pollution from inner fertilizer bags.</p> <p>Action plan: washing and reuse for collecting loose fruits</p> <p>Emissions: Methane from fertilizer residue</p>	Yes
4.5.5.1	<p>a. LSB group established water management plan dated 15/04/2019.</p> <p>The water source are from dug pond and rain.</p> <p>The usage of water as follows:</p> <p>Pond: estate operations for chemical application and nursery</p> <p>Rain: Domestic usage.</p>	Yes
	<p>b. LSB group both estates do not have streams, rivers or waterways within the estates. Therefore, no monitoring establish for outgoing water.</p>	
	<p>c. LSB group establish rainfall records to management water usage for housing quarters and field operations.</p> <p>Empty chemical containers rinsing water are recycle for pre-mix.</p> <p>Ponds are constructed to store water for field application during drought season.</p>	
	<p>d. Field observation and review on estate maps there are no rivers or streams within the audited estates. Therefore, no buffer zone or riparian established.</p>	
	<p>e. The audited estates do not have river or streams. Therefore not applicable.</p>	
	<p>f. During site visit at housing areas, LSB group do not use bore wells for water supply.</p>	
4.5.5.2	<p>During field inspection sighted no streams or rivers in the estate. Therefore, this requirement is not applicable.</p>	Yes
4.5.5.3	<p>LSB group practices rain harvesting for domestics used.</p> <p>Slit pits are used to capture rainwater for palm irrigation.</p>	Yes
4.5.6.1	<p>LSB group established the monitoring record to manage wild life and ecosystem 2019.</p>	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The record is displayed on estate notice board and workers are briefed during morning muster.</p> <p>During site interview, worker aware on the protected wild life and feedback to management when any animal sighted.</p>	
	<p>LSB group monitor wildlife in and surrounding of the estates.</p> <p>The list is displayed at the notice board.</p> <p>Example of wildlife found is wild boar.</p>	
4.5.6.2	<p>LSB group established the plan 'Bersama – sama Memerangi Pemburuan Haram'.</p> <p>The plan include the Wildlife department guideline such as hunting protected animal penalty. The plan is displayed on notice board.</p> <p>During site interview, workers aware of the wildlife conservation and confirmed they feedback on animal observe in estate to the management.</p>	Yes
	<p>LSB group established Environment Policy dated 25/02/3019 states company committed to minimizing the environmental impact of its operations and understands the importance of conserving natural resource.</p> <p>Point 7 in policy states educating and enhancing awareness to protection of environment and biodiversity of all related stakeholders through trainings and communication.</p> <p>The pictorial wildlife list is displayed at notice board.</p> <p>Internal and external stakeholder briefed on wildlife conservation during stakeholders meeting on 27/02/3019 and 30/04/2019 respectively.</p>	
4.5.6.3	<p>LBS establish monitoring records to monitor wildlife in and around the estates.</p> <p>Monitoring record dated 23/03/2019 is review.</p>	Yes
4.5.7.1	<p>LSB group established Zero burning policy dated 25/02/2019 signed by Director.</p> <p>The policy describes zero burning activities of any kind except when necessary written prior approval from the relevant authorities. This includes domestic waste, agricultural waste and biomass or by products generated by the estates.</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 application for open burning from the relevant authorities</p>	Yes
4.5.7.3	<p>LSB group has establish Policy of zero burning, dated 25/02/2019 signed by Company Director.</p>	Yes



# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	There are no application documents sighted for controlled burning.	
4.5.7.4	LBS group adopt the field handbook for immature oil palm, volume 2 series number: ISBN 981-04-1433-1 as a guideline to conduct new planting and replanting practices.  During file visits, the replanted blocks in year 2017 where palms are felled and chipped. No sign of burning observed	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	LSB group established SOP for best practice example: <ol style="list-style-type: none"> <li>1. Harvesting SOP doc no: 4.6.1-5, dated 01/03/2019.</li> <li>2. SOP spraying operation, doc no: 4.6.1-1, dated 01/03/2019.</li> <li>3. SOP fertilizer operation doc no: 4.6.1-3, dated 01/03/2019.</li> <li>4. SOP work safety for genset doc no: 4.6.1-9, dated 01/03/2019.</li> </ol> Training conducted. Example: <ol style="list-style-type: none"> <li>1. PPE for safety dated 27/02/2019.</li> <li>2. SOP for field operation dated 27/03/2019.</li> <li>3. Chemical mixing dated 27/03/2019.</li> </ol>	Yes
4.6.1.2	LSB group adopt Field handbook oil palm series volume 2 immature dated 1999, doc no: ISBN: 981-04-1433-1 as guidelines for planting at slopes.  Page 54 states Terraces of platform are constructed in steeper areas in order to: <ul style="list-style-type: none"> <li>• Facilitate effective establishment, maintenance and harvesting of palms.</li> <li>• Minimize soil erosion.</li> <li>• Reduce rainwater runoff and nutrient losses.</li> </ul> Procedure: To prevent erosion, cover plant should be established on slopes as soon as possible after land clearing.  On slope <math><6^\circ</math>, contour bunds of varying configurations can be constructed to control surface water flow and improve water infiltration. Platform may be required in places.	Yes

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>Type of soil problem:</p> <p>Soil on steep terrain ( Land above 25° or 50% steep)</p> <p>Manage the problematic soil, soil on steep terrain, ensure that terraces are well constructed, ensure that cover crops are established, Use empty fruit bunches.</p>	
4.6.1.3	LSB group established permanent block markers for each block that include block number, block size, date of planting and planting material.	Yes
4.6.2.1	<p>LSB group established financial and budget updated on 30/06/2019 for 4 years from 2019 to 2022.</p> <p>The content of financial plan includes;</p> <ul style="list-style-type: none"> <li>• Financial Projection</li> <li>• Long Term Management Plans</li> <li>• Oil Palm Mature – Budget &amp; Projection Operation Cost</li> <li>• Replanting programme</li> </ul>	Yes
4.6.2.2	LSB group established annual replanting programme dated 01/01/2019 from year 2028 to 2039.	Yes
4.6.2.3	<p>LSB group established long-term plan &amp; financial projection for year 2019-2022 includes:</p> <ol style="list-style-type: none"> <li>1. FFB projection MT.</li> <li>2. Yield/Ha MT/Ha.</li> <li>3. FFB Price forecast/MT.</li> <li>4. Estate operation cost.</li> <li>5. Planting material.</li> </ol>	Yes
4.6.2.4	The management plan implemented with the goals and objectives are monitored regularly for the profit and loss.	Yes
4.6.3.1	<p>LSB group purchase chemical from the supplier. Quotation dated 15/02/2019 sighted and accepted by both parties.</p> <p>The agreement describes the product pricing and payment terms.</p>	Yes
4.6.3.2	<p>LSB group documented records of quotation agreed by both parties on the terms and conditions.</p> <p>Payments are made on a monthly basis in timely manner.</p> <p>Sighted payment made according to quotation terms and conditions.</p>	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



<b>Principle 6: Best Practices</b>		
Indicator	Summary of Assessment	Compliance
4.6.4.1	LBS group does not engage contractors. Therefore, no documents established.	Yes
4.6.4.2	LSB group does not engage contractors. Thus, no contract agreement available for review.	Yes
4.6.4.3	LSB group does not engage contractors. Therefore, no agreement established	Yes
4.6.4.4	LSB group does not engage contractors. Therefore, no documents established.	Yes

<b>Principle 7: Development of new planting</b>		
Indicator	Summary of Assessment	Compliance
4.7.1.1	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1 <sup>st</sup> replanting starting from 2006. Therefore, no new planting in both estates.	Yes
4.7.1.2	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1 <sup>st</sup> replanting starting from 2006 until 2017. The replanted area for each year in each estate is verified on the planted hectare does not exceed 100ha. Therefore, no PMM require to establish.	Yes
4.7.2.1	Planting statement, estates maps and land titles are reviewed. There are no peat land in both estates.	Yes
4.7.3.1	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1 <sup>st</sup> replanting starting from 2006 until 2017. Therefore, no SEIA established.	Yes
4.7.3.2	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1 <sup>st</sup> replanting starting from 2006 until 2017. Therefore, no SEIA established.	Yes
4.7.3.3	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1 <sup>st</sup> replanting starting from 2006 until 2017. Therefore, no SEIA established.	Yes
4.7.3.4	There are no smallholders in the certification. Therefore, not applicable.	Yes
4.7.4.1	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1 <sup>st</sup> replanting starting from 2006 until 2017. Therefore, no soil map established.	Yes

## MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.4.2	Planting statement, estates maps and land titles are reviewed. Both the estates are in the 1st replanting starting from 2006 until 2017. Therefore, no topography map established.	Yes
4.7.5.1	Planting statement, estates maps and land titles are reviewed. There are no new plantings, therefore not applicable.	Yes
4.7.5.2	Planting statement, estates maps and land titles are reviewed. There are no new plantings, therefore no plans establish.	Yes
4.7.5.3	Planting statement, estates maps and land titles are reviewed. There are no new plantings, therefore no documents establish.	Yes
4.7.6.1	Planting statement, estate maps and land titles are reviewed. There are no new planting, therefore no FPIC conducted.	Yes
4.7.6.2	Planting statement, estate maps and land titles are reviewed. There are no new plantings, therefore no management plan establish to maintain scared sites.	Yes
4.7.6.3	Planting statement, estate maps and land titles are reviewed. There are no new plantings, therefore, no documents established.	Yes
4.7.6.4	Planting statement, estate maps and land titles are reviewed. There are no new plantings, therefore, no documents established.	Yes
4.7.6.5	Planting statement, estate maps and land titles are reviewed. There are no new plantings, therefore, no documents established.	Yes
4.7.6.6	Planting statement, estate maps and land titles are reviewed. There are no new plantings, therefore, no documents established.	Yes
4.7.6.7	Planting statement, estate maps and land titles are reviewed. There are no new plantings, therefore, no documents established.	Yes
4.7.6.8	Planting statement, estate maps and land titles reviewed and there are no new plantings. Therefore, no impact to local communities.	Yes

### 4.4. Status of Non-Conformities Previously Identified

X	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
	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.

# MSPO Certification Summary Report

Company Name: Limabahau Sdn Bhd

Certifying Unit: Limabahau Sdn Bhd

Client Number: 92-114

Audit Type: Stage 2 - Certification Audit



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

Stage 1 audit corrections to the documents and actions are reviewed during stage 2 certification 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,	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

No.	Indicator	Location	Opportunity for Improvement
1.	4.4.2.3	Estates	The management could consider to improve way of complaint form submission.

## 5. CONCLUSION

Limabahau Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct stage 2 certification audit for its 2 estates according to MSPO 2530-3:2013 Part 3 General principles for Plantations and Organised Smallholders.

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	Estates
Total certified production area:	276.96	Ha
Certified FFBs January to June 2019:	2,393.95	Mt
Projected FFBs July to Dec 2019	3,691.00	Mt

## 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.

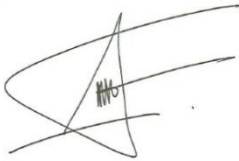
The structure of the audit is in accordance with the audit plan included in this summary report as annex.

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

<input checked="" type="checkbox"/>	Recommended for Certification
<input type="checkbox"/>	Recommended for Continuity of Certification
<input type="checkbox"/>	Recommended for Suspension of Certification

Puchong, 03/09/2019



Zul Hairi Bin Abu Hassan  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 03/09/2019



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

## 7. LIST OF INTERVIEWEES

**Table 7-1: List of Interviewed Persons and Stakeholders**

No.	Name	Organisation / Function
1.	Lim Lee Fong	EMPA
2.	Tay Che An@ Michael	Malsa Group



**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 or weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

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

Salvo clause:

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

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

**Annex / Enclosures**

Annex /  
corresponding audit documentation

- P&C Audit Report / Checklists
- Audit Plan
- Additional annexes, number