

# MSPO CERTIFICATION SUMMARY REPORT

**DURAWANG SDN BHD**

**STAGE 2 – CERTIFICATION AUDIT**

Date: 12-13/12/2019

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# MSPO Certification Summary Report

Company Name: Durawang Sdn. Bhd.

Certifying Unit: Durawang Sdn. Bhd.

Client Number: 92-139

Audit Type: Stage 2 - Certification Audit



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## 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>DSB</b>	Durawang Sdn Bhd
<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>ISO</b>	International Standard Organisation
<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

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## 1. INTRODUCTION

Durawang Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd. to conduct a certification audit for its 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 the Durawang Sdn. Bhd. estate 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 estate.

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 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 one team member. 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 in training: Chan Shi Lie

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 Bachelor of Media Technology (Major in Broadcasting)

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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)	
Successfully completed MS 2530 series of standards training	6 years working experience in oil palm plantations.
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. Conducted more than 6 on-site audit with more than 20 man-days.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Qualified as auditor based on audit log.
Field working experience in the palm oil sector, or demonstrable equivalent	Able to communicate in Bahasa Malaysia, Mandarin and English.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	6 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 18001 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 IMS ISO 9001, 14001 and 45001 LA course.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed SA 8000 Basic training
	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.

### Qualification of Team Member

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture;	Sheron Pui Ling Wui	Bachelor in Medical Science	Yes

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Requirement	Assessor	Qualification	Compliance
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			
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)	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	Sheron Pui Ling Wui	Successfully complete MS 2530:2013 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.	Sheron Pui Ling Wui	Qualified as 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.	Sheron Pui Ling Wui	Able to communicate in Bahasa Malaysia, Mandarin and English	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Sheron Pui Ling Wui	Qualified as MSPO auditor.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Sheron Pui Ling Wui	Qualified as auditor for MSPO scheme.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Sheron Pui Ling Wui	Successfully completed ISO 45001:2018 Lead Auditor course.	Yes

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Requirement	Assessor	Qualification	Compliance
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Sheron Pui Ling Wui	Successfully completed Basic SA 8000 training. Qualified as auditor for MSPO scheme.	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Sheron Pui Ling Wui	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes

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## 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 audit is conducted in 2 stages in accordance to the certification procedure.

### Stage 1:

Stage 1 is conducted on 26/08/2019 at Durawang Sdn. Bhd. office 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
- Assessment reporting



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### Stage 2:

Certification audit was conducted on 12/12/2019 to 13/12/2019 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 estate 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 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 certification audit, Durawang Sdn. Bhd. has 1 estate. Therefore, no selection required.

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

Name of Estate	Coordinates
Durawang Sdn Bhd.	4.494167 N 117.5375 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 closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

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### 3. ORGANISATION INFORMATION

Durawang Sdn. Bhd. Is an oil palm plantation located at Mile 4.5, Jalan Air Panas, 91024 Tawau, Sabah.

The details of the estate as below:

Name of Estate	Location	Coordinates
Durawang Sdn. Bhd.	Mile 4.5, Jalan Air Panas, Tawau, Sabah	4.494167 N 117.5375 E

#### 3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) ( Jan 2020 to Dec 2020)
	Total*	Production**	
DSB	231.20	227.33	2,000.00
<b>Total</b>	<b>231.20</b>	<b>227.33</b>	<b>2,000.00</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

Estate: DSB	Year
1992	16.06
1994	11.93
1998	58.75
2000	40.64
2007	57.50
2008	39.96
2013	2.49
<b>Total Mature</b>	<b>227.33</b>
<b>Total Immature</b>	<b>0</b>
<b>Total</b>	<b>227.33</b>

#### 3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in estate					Total area to be replanted (ha)
	2023	2025	2028	2030	2035	
DSB	16.06	70.68	98.14	39.96	2.49	227.33
<b>TOTAL</b>	<b>16.06</b>	<b>70.68</b>	<b>98.14</b>	<b>39.96</b>	<b>2.49</b>	<b>227.33</b>

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## 3.4. Maps of Company Location and Plantation

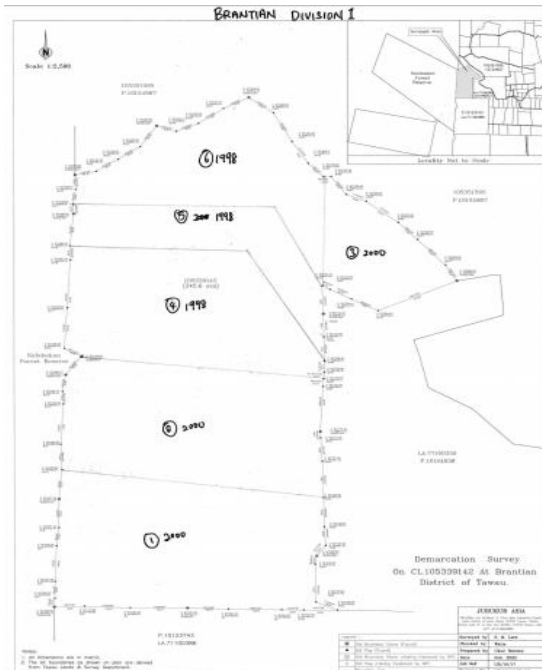


Figure i: Brantian division

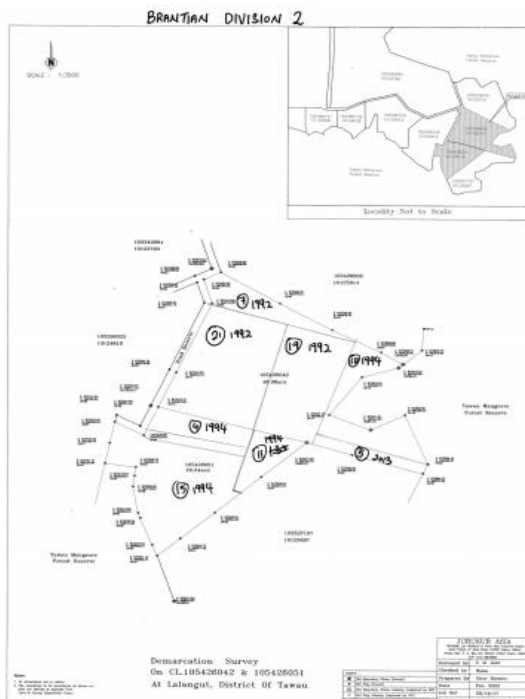


Figure ii: Brantian division

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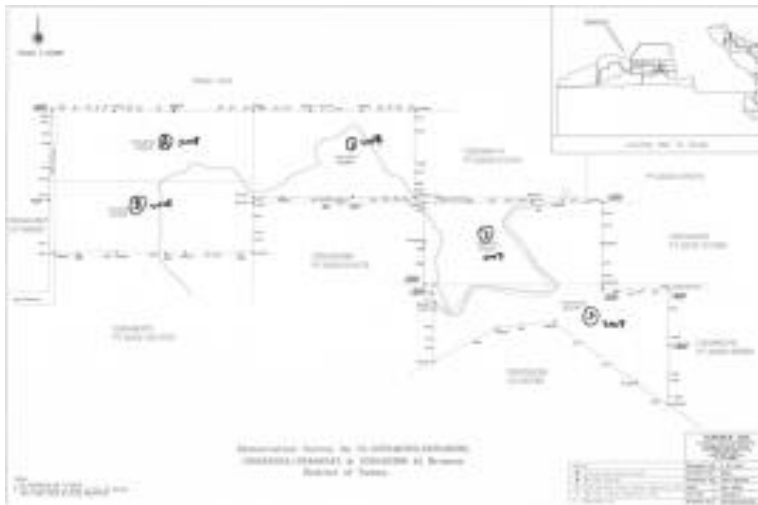


Figure iii: Brumas Division

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### 4. CERTIFICATION ASSESSMENT

#### 4.1. Certification Audit

The objective of the audit is to assess the activities of the estate 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

Durawang 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 26/08/2019 at Durawang Sdn. Bhd. covering the following activities:

- Onsite interviews and inspections;
- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of findings found during Stage I audit;

##### 4.1.2. Stage II:

The Stage II audit is conducted on 12/12/2019 to 13/12/2019 covering 1 estate.

During the Stage II audit, there are 6 Majors, 1 Minor and 10 Opportunities for Improvement (OFIs) are raised. The Major non-conformances raise during the audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken. Action plan is submitted for Minor non-conformance with implementation review during the next audit.

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 4.6 of this report.

#### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 04/11/2019 as to accommodate stakeholder's consultation meeting for Durawang Sdn. Bhd to provide comments. As at audit date on 12/12/2019 there are no comments received.

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Invitation letters are sent on 04/11/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 12/12/2019 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 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 are 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 of MSPO audit via invitation letter received.	Positive comment.
2	Social issues	Interview stakeholders are not local communities.	No action required.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
		Therefore, no input of this topic	
3	Type of land title – Country Leased, Provisional Leased, Native title, Customary Land	Interview stakeholders are not local communities. Therefore, no action input of this topic.	No action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Interview stakeholders are not local communities. Therefore, no action input of this topic.	No action required.
5	Does MSPO largely benefits the local community?	Interview stakeholders are not local communities. Therefore, no action input of this topic.	No action required.
6	Environmental understanding	Interview stakeholders are not local communities. Therefore, no action input of this topic.	No action required.
7	Awareness towards species, habitats, and high conservation values	Interview stakeholders are not local communities. Therefore, no action input of this topic.	No action required.
8	Are there any plantation management practices that affect you?	Interview stakeholders are not local communities. Therefore, no action input of this topic.	No action required.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders confirmed estate has taken effort to meet the MSPO requirements.	Positive comment
10	Do you have any suggestions for management?	Suggestion to install estate signboard at the main entrance	DSB to improve.

### 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>

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Durawang Sdn. Bhd. (DSB) established MSPO policy dated 01/07/2019 sign by Director.</p> <p>The MSPO policy is publicly available in estate notice board in Bahasa Malaysia and English languages.</p> <p>Briefing on the MSPO policy conducted during stakeholders meeting dated 25/09/2019.</p> <p>Interviewed with stakeholders they are aware of MSPO policy and its implementation.</p>	Yes
4.1.1.2	<p>The MSPO policy states DSB to provide good agricultural practice and ensuring commitment to continuous improvement of the management system.</p> <p>DSB shall ensure palm oil product in compliance with Malaysia Sustainability Palm Oil MS 2530 series requirement.</p>	Yes
4.1.2.1	<p>DSB established internal audit procedure dated 03/10/2019 describes objective and scope of internal audit as below:</p> <ul style="list-style-type: none"> <li>• Objective: To assess and ensure the Management System implemented is effective through periodic internal audit.</li> <li>• Scope: The internal audit shall cover all principles and criteria required by MSPO or any system certification process.</li> </ul> <p>DSB conducted internal audit on 03/10/2019 using self-inspection and internal assessment checklist.</p>	Yes
4.1.2.2	<p>DSB conducted internal audit dated 03/10/2019 using self-inspection and internal assessment checklist.</p> <p><b>MJR NC01</b></p> <p>Internal audit conducted on 03/10/2019. Following found</p> <ol style="list-style-type: none"> <li>Assessment did not include documentation</li> <li>Strength and root cause of non-conformities not identified.</li> <li>Corrective action not addressed.</li> </ol>	No
4.1.2.3	<p>DSB conducted Management review meeting on 15/10/2019 include discussion of internal audit result.</p>	Yes
4.1.3.1	<p>DSB conducts management review on 15/10/2019. Management review will be conduct once a year after the internal audit.</p> <p>Management review meeting agenda includes:</p> <ol style="list-style-type: none"> <li>Audit result (Internal and external audits)</li> <li>Non conformities and corrective actions</li> <li>Result of inspection of traceability system.</li> <li>Training need analysis status</li> <li>Opportunities for improvement</li> </ol>	Yes
4.1.4.1	<p>DSB established CIP dated 01/12/2019.</p>	Yes



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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>CIP topics:</p> <ul style="list-style-type: none"> <li>i. Pesticides</li> <li>ii. Environmental</li> <li>iii. Waste reduction</li> <li>iv. Pollution and emission</li> <li>v. Social impacts</li> <li>vi. Health and Safety</li> <li>vii. Legal compliance and transparency</li> <li>viii. General (Forward planning)</li> </ul> <p>Example:</p> <p>2.0 Environment</p> <p>Improvement action: Protection and preservation of buffer zones on replanting areas.</p> <p>Expected outcome: All watercourse through the plantation areas have buffer zone and to be maintain or preserved the current or future replanting area.</p> <p>Time frame: On going</p> <p>Review and monitor: Evidence of established buffer zones (observation) and continuously monitor</p> <p>PIC: Estate manager and supervisor</p>	
4.1.4.2	<p>DSB established SOP and flow chart of identification and implementation of new information and technique or new industry standards and technology dated 10/10/2019.</p> <p>The SOP describe process for implementation new technology:</p> <ul style="list-style-type: none"> <li>• Identification (Identify, evaluate and trail)</li> <li>• Implementation and control. (Training, Implementation and monitoring)</li> </ul> <p>No new techniques or new technology use currently at DSB.</p>	Yes
4.1.4.3	<p>DSB established flowchart for new technology information and technique dated 10/10/2019.</p> <p>The flow chart describes:</p> <ul style="list-style-type: none"> <li>• Call supplier to introduce product</li> <li>• Proposal of product</li> <li>• Planning-location of study pilot</li> <li>• Demo schedule</li> <li>• Evaluation of pilot study/financial &amp; risks</li> <li>• Decision to proceed</li> </ul>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"><li>• Establish work procedure</li><li>• Implementation</li><li>• Monitoring for further improvement</li></ul>	

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>DSB established stakeholder list dated 03/07/2019.</p> <p>Stakeholders list includes neighbouring estates, NGOs, Government agencies and Millers</p> <p>Stakeholders meeting conducted on 25/09/2019 include below topics:</p> <ul style="list-style-type: none"><li>i. Briefing and introduction of Company policies</li><li>ii. Briefing and introduction on MSPO P&amp;C</li><li>iii. Briefing on complaint &amp; grievance and communication &amp; consultation procedure</li><li>iv. Question and answer</li><li>v. AOB</li></ul> <p>Review on the minute of meetings there is no request information from stakeholders.</p>	Yes
4.2.1.2	<p>DSB established list of publicly available documents and confidential documents dated 20/11/2019.</p> <p>Public documents:</p> <ul style="list-style-type: none"><li>i. Company policies</li><li>ii. SOPs</li><li>iii. License</li></ul> <p>Confidential documents:</p> <ul style="list-style-type: none"><li>i. Bank statement</li><li>ii. Worker's payslip</li><li>iii. Business plan</li></ul>	Yes
4.2.2.1	<p>DSB established flowchart consultation and communication document no: D-MSPO-P2-11/19 dated 20/11/2019.</p> <p>The communication method as following:</p> <ul style="list-style-type: none"><li>• Written method / circular</li><li>• Bulletins</li><li>• Meeting</li><li>• Training / talk / briefing</li></ul>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Complaint and grievance procedure</li> <li>Stakeholders request and response book (within 14 days)</li> </ul> <p>Interviewed with stakeholders informed they are aware and briefed on consultation and communication flow chart during stakeholders meeting on 25/09/2019.</p>	
4.2.2.2	<p>DSB appointed Estate Manager as communication officer dated 30/10/2019.</p> <p>Stakeholder interviewed confirmed person in charge for consultation and communication.</p>	Yes
4.2.2.3	<p>DSB established stakeholders list latest review on 03/07/2019.</p> <p>Stakeholders meeting conducted on 25/09/2019. Review on stakeholders minutes of meeting no feedback or comment received from stakeholders.</p> <p><b>MJR NC02</b></p> <p>Internal stakeholders meeting conducted did not include environment, safety and health and social.</p>	No
4.2.3.1	<p>DSB established SOP and flow chart for traceability dated 02/10/2019.</p> <p>Traceability flow chart describes as follows:</p> <ul style="list-style-type: none"> <li>FFB harvested</li> <li>FFB loading to farm tractor or lorry</li> <li>FFB send to POM (FFB delivery note, date, vehicle number, year planting, total bunches and driver name)</li> <li>Farm tractor / lorry back to estate (Mill weighbridge ticket: date, net weight, year planting, DN number, MPOB license number and bunches)</li> <li>Estate (FFB record)</li> </ul>	Yes
4.2.3.2	<p>DSB conducted internal audit dated 03/10/2019 cover inspection of traceability with no findings raised.</p>	Yes
4.2.3.3	<p>DSB appointed Director as person responsibility for traceability system dated 30/10/2019.</p>	Yes
4.2.3.4	<p>DSB conduct traceability inspection on weekly and monthly basis. DSB will cross checked the documents with estate delivery notes against FFB receipt summary report.</p> <p>Latest inspection conducted on 12/11/2019 by Estate Manager.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>DSB established list of permits, licences and legal documents dated 01/12/2019.</p> <p>Example of license and permits:</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	MPOB license valid from 01/02/2019 until 31/01/2020. Example of legal documents: Minimum Wage Order 2018 Environmental Quality Act 1974	
4.3.1.2	DSB established list of legal documents dated 01/12/2019. Example: Malaysia Palm Oil Board Act 1998 Wildlife Conservation Act 2010	Yes
4.3.1.3	The legal register is established dated 01/12/2019. The list will be update when necessary.	Yes
4.3.1.4	DSB appoint Estate manager as person responsible for updating legal documents, regulations and licenses dated 30/10/2019.	Yes
4.3.2.1	DSB land titles are country lease issued by Sabah Land Authority as country leased. Therefore, will not diminish land use rights of other users.	Yes
4.3.2.2	DSB land titles are country lease issued by Sabah Land Authority with a tenure of 99 years and for cultivation of oil palm.	Yes
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.	Yes
4.3.2.4	No dispute from previous owners since the land titles are country lease issued by Sabah Land Authority.	Yes
4.3.3.1	DSB land titles are country lease 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 DSB. Therefore, no maps established.	Yes
4.3.3.3	There is no customary land leased or owned by DSB. Therefore, no FPIC or negotiated documents established.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	DSB established SIA dated 02/09/2019. The SIA includes feedback information from external stakeholders meeting conducted on 25/09/2019.  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 PIC in the table.	No

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The positive impacts are continuously promoted while negative impacts are mitigated within a time frame to carry out the action and included in CIP for monitoring.</p> <p>The SIA will be reviewed once a year with feedback from stakeholders.</p> <p><b>Minor NC03</b></p> <p><b>SIA established dated 02/09/2019 does not include the assessment for internal stakeholders.</b></p>	
4.4.2.1	<p>DSB established Complaint and Grievance SOP dated 01/10/2019.</p> <p>The procedure describe complaint will be handle by estate manager and resolved within 30 working days.</p> <p>The procedure is displayed in notice board.</p> <p>Site interview with field workers, they understand the process to make complaint or grievance when required.</p>	Yes
4.4.2.2	<p>DSB established Complaint and Grievance SOP dated 01/10/2019 describes any complaints or grievances received to be resolve within 30 days.</p> <p>Review on the complaint records, no complaint lodged as of audit date.</p> <p>Interview with workers confirmed they understand the complaint process.</p>	Yes
4.4.2.3	<p>The complaint and grievance form is available at the estates notice board that can be access by workers and stakeholders.</p>	Yes
4.4.2.4	<p>DSB conducted external stakeholders meeting on 25/09/2019 include complaint and grievance procedure.</p> <p>During interview with workers they aware complaint could be lodged at any time.</p>	Yes
4.4.2.5	<p>Review of complaint records there are no complaints lodged as at audit date.</p>	Yes
4.4.3.1	<p>DSB provides job opportunity to local communities for estate operation.</p>	Yes
4.4.4.1	<p>DSB established Safety and Health policy dated 01/10/2019 signed by Director and available at estate notice boards.</p>	Yes
4.4.4.2	<p>a Safety and Health policy established dated 01/10/2019 and display at notice board.</p>	Yes
	<p>b DSB established HIRARC dated 03/01/2019 includes all relevant field activities.</p> <p>The HIRARC table include activity, hazards, risk and effects, risk assessment, existing control, PIC, risk assessment after control and date review.</p>	Yes
	<p>c i Training program for 2019 – 2020 is established dated 20/11/2019 includes training for PPE, first aid and safety work practices.</p> <p>Example of training conducted for fire extinguisher on 28/11/2019.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
c ii	<p>SDS for chemicals and fertilizers are available at chemical and fertilizer stores.</p> <p>Example:</p> <p>Glyphosate QPA 41% dated 23/05/2019</p> <p>Store is in good condition and locked. Sighted arrangement of liquid chemical placed in tray below and powder chemical placed on top.</p> <p>All chemicals have original label and in original packaging.</p>	Yes
d	<p>During site visit all workers are provided with proper PPEs for the assigned task according to HIRARC.</p> <p><b>Major NC04</b></p> <p><b>No documented records for issuance of PPEs to workers.</b></p>	No
e	<p>DSB established Chemical Handling Procedure dated 01/10/2019.</p> <p><b>Major NC04</b></p> <p><b>CHRA is not conducted. However, the action plan in CIP dated 01/12/2019 time frame in next year June 2020.</b></p>	No
f	<p>Estate manager is appointed as person in charge for safety and health dated 30/10/2019.</p>	Yes
g	<p>DSB has less than 40 workers. Therefore, not required to conduct quarterly safety and health meeting according to DOSH requirements.</p> <p><b>Major NC04</b></p> <p><b>No safety &amp; health meeting conducted between management and employees.</b></p>	No
h	<p>DSB established procedures for emergency and reporting as below::</p> <ol style="list-style-type: none"> <li>1. Incident Reporting &amp; Investigation procedure dated 01/10/2019 for accident reporting and handling.</li> <li>2. Emergency Preparedness &amp; Response procedure dated 10/10/2019 for emergency handling.</li> </ol> <p>Map of emergency assembly point and contact details available at office and housing notice boards.</p> <p>Review on Incident reporting form, no incident or accident occurs as of audit date.</p>	Yes
i	<p>First aid training conducted by Malaysian Red Crescent Sandakan District Centre dated 23/06/2019 attended by estate manager.</p> <p><b>Major NC04</b></p> <p><b>Emergency contact and procedure is not displayed at the estate notice board. ERP and first aid briefing not conducted</b></p>	No

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p><b>to workers. First aid is not available at major activities such as harvesting, chemical spraying. Records to monitor the usage of first aid kits is not establish.</b></p>	
j	<p>DSB established record book for accidents and injuries. No report of any major and minor injuries.</p> <p><b>Major NC04</b></p> <p><b>DSB has not register with JKPP.</b></p>	No
4.4.5.1	<p>DSB established Social Policy dated 01/07/2019 signed by Director.</p> <p>The policy statement Respect and protect the fundamental of Human Rights as stated in Universal Declaration of Human Rights of the United Nations.</p> <p>The policy is displayed at notice boards in English and Bahasa Malaysia languages.</p> <p>During site interview with workers, they are aware of the policy.</p>	Yes
4.4.5.2	<p>DSB established Social Policy dated 01/07/2019 signed by Director.</p> <p>The policy statement the company does not engage in or support discriminatory practices and provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion nationality, social origin or any other distinguishing characteristics.</p> <p>DSB established Employment policy dated 01/07/2019 signed by Director.</p> <p>The policy states company is committed to support the non – discrimination employment policy, which provides equal career development opportunities to all individuals.</p> <p>The policy is available in English and Bahasa Malaysia language displayed at estate notice board.</p>	Yes
4.4.5.3	<p>DSB established the Employment policy dated 01/07/2019 signed by Director.</p> <p>The policy states 'All workers to be paid based on Minimum Wage Order as gazetted by Malaysia Government'.</p> <p>DSB established contract agreement for workers in accordance to Sabah Labour Ordinance and Minimum Wage Order 2018.</p> <p>The contract agreement states the pay rate of RM42.31 per day in accordance to the Minimum Wage Order 2018.</p> <p>The pay slip indicates the worker's pay in line with Minimum Wage Order 2018.</p>	Yes
4.4.5.4	<p>DSB does not engage contractors for any field operations. Therefore, no contractor worker wage available for review.</p>	Yes
4.4.5.5	<p>DSB established list of workers that contain name, gender, date of birth, date joined, job description and nationality.</p> <p>Document review and site interview confirmed all workers are permanent employed.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.6	<p>DSB established worker contract for every worker recruited.</p> <p>The management provide fair contract that has been signed by both parties.</p> <p><b>Major NC05:</b></p> <p><b>During document review and interview with workers, working contract is not brief, signed by workers and a copy of employment contract is not provided.</b></p>	No
4.4.5.7	<p>DSB use check roll to capture and monitor workers working hours</p> <p>The working hours for estate starts from 7:00am to 3:00pm with rest time from 11:00am to 12:00pm.</p> <p>Working hours and overtime stated in working contract.</p> <p>Overtime rate according to Sabah Labour Ordinance requirements of 1.5 times hourly y rate for normal overtime and 2.0 time daily hourly 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>Working hours publicly available at notice boards.</p> <p>The working hours is from 7:00 am to 3:00 pm</p> <p>The break time is between 11:00 am to 12:00 am</p> <p>The overtime is based on mutual basis.</p> <p>Interview with workers, they are aware of overtime rate.</p>	Yes
4.4.5.9	<p>DSB established working hours table and displayed at notice board.</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 Minimum Wage Order 2018.</p>	Yes
4.4.5.10	<p>DSB provides benefits to workers such as free medical care, housing, water and electricity.</p>	Yes
4.4.5.11	<p>DSB workers housing follow the industry best practices.</p> <p>Site observation on the worker living quarters has basic amenities such as water, electricity, toilet and kitchen.</p>	Yes
4.4.5.12	<p>DSB established Social Policy dated 01/07/2019 signed by Director.</p> <p>The policy states:</p> <ul style="list-style-type: none"> <li>To prevent sexual harassment and violence against women workers and other community.</li> <li>Prohibit any form of domestic violence.</li> </ul> <p>The policy is displayed at notice boards.</p> <p>No complaint lodged for issue related to sexual harassment.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.13	DSB established Social Policy dated 01/07/2019 signed by Director. The policy states respect employee's right and freedom to form or join trade union. During the interview with workers there is no union form in DSB.	Yes
4.4.5.14	DSB has established the Employments policy dated 01/07/2019 signed by Director. The policy states estate will recruit workers with age of 18 years and above. Employees list review all workers are above 18 years.	Yes
4.4.6.1	DSB established training programme 2019 and 2020 dated 20/11/2019. <b>Major NC06:</b> <b>Training not conducted to workers except fire extinguisher training.</b>	No
4.4.6.2	Training need analysis and training matrix established for staff, mandore and workers. The training need analysis is based on job type.	Yes
4.4.6.3	Training programme is established dated 20/11/2019 for year 2019 and 2020.	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	DSB established environmental policy dated 01/07/2019 signed by Director. The policy states that DSB is committed to minimizing the environmental impact of its operations and understands the importance of conserving natural resources. DSB shall strive to promote environmental improvement wherever practical that will ensure a sustainable future. Sighted policy displayed on estate notice board and available in both English and Malay language. DSB established Environmental Aspect & Impact Procedure dated 01/10/2019.	Yes
4.5.1.2	a DSB established environmental policy dated 01/07/2019 signed by Director include objectives as stated below: <ul style="list-style-type: none"> <li>• Complying with all applicable environmental laws and regulation</li> <li>• Implement zero burning</li> <li>• No open burning</li> <li>• Educating and supervising employees to minimize adverse environmental impacts in agriculture operations</li> <li>• Prevent pollution, reduce waste and consumption of resources and commit to recovery and recycling</li> </ul>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Preserving and developing riparian buffer zone and areas of conservation.</li> <li>Communicating and encouraging stakeholders and employees to constantly practice and care for the environment</li> <li>Implementing good agricultural and management practiced to reduce soil erosion and to prevent land degradation.</li> </ul>	
	<p>b DSB established Environment Aspect Impact Assessment and Environmental Management Plan dated 15/10/2019.</p> <p>Example:</p> <p>Activity: Fertilizer application</p> <p>Environmental aspect: Potential of fertilizer spillage</p> <p>Mitigation/ improvement plan: To apply fertilizer during the correct timing</p> <p>Monitoring plan: To monitor on quarterly basis</p> <p>PIC: Estate manager</p>	Yes
4.5.1.3	<p>DSB established Environment Aspect Impact Assessment and Environmental Management Plan dated 15/10/2019 include negative impacts and to promote positive impacts.</p> <p>Example:</p> <p>Activity: Rotten bunches</p> <p>Negative impact: Rotten bunches run-off into water course during time of decaying</p> <p>Positive impacts: Rotten bunches can enhance soil nutrients during decaying</p> <p>Action plan, monitor and CIP: Mandore and FFB checker should monitor on FFB evacuation and make sure no rotten bunches delivered</p>	Yes
4.5.1.4	<p>DSB established CIP dated 01/12/2019 include promote positive impact.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>Waste reduction: Recycling of items produce across the company, time frame on-going process</li> <li>Continuously educating the employees, contractors and smallholders on the need to reduce and stop open burning and ensure domestic rubbish is segregated and correctly placed in landfill sites, time frame on-going process</li> </ol>	Yes
4.5.1.5	<p>DSM briefed workers on policy and objectives of the environmental management and improvement plans during morning muster roll-call.</p> <p>Interview workers informed they are aware on environmental issue.</p> <p>Example:</p> <p>Not allow to carry any activities for chemical spraying and manuring at buffer zone area.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.6	DSB conducted meeting with workers on 25/09/2019 to discuss on environmental issue such as protection of wildlife, zero burning and protection of waterways.	Yes
4.5.2.1	DSB established 3 years baseline year 2016 to 2018 for diesel consumption r dated 01/10/2019.  Diesel usage is for farm operations, delivery of FFBs to mill and genset for power generation is monitored monthly and annually.  The plan to reduce usage of diesel is included in the Environmental Management Plan to conduct regular maintenance for tractors and trucks.	Yes
4.5.2.2	DSB established annual diesel usage for year 2019 to 2021 dated 01/10/2019. Diesel consumption is monitored on monthly and annual for ton FFB per litre of diesel.  Diesel usage for year 2019 compared to baseline is lower..	Yes
4.5.2.3	DSB does not practice renewable energy currently.	Yes
4.5.3.1	DSB established Waste Management Plan dated 3/10/2019 identifying the category of waste as solid, liquid and waste.  .Example:  Solid  Type of waste: Empty chemical container  Source of waste: Chemical spraying activity  Location: Field	Yes
4.5.3.2	a DSB established waste identification, environmental impacts, mitigation plans and CIP dated 01/10/2019 had include source of waste, pollution and monitoring plan  Example:  Identification of waste: Rotten Bunches  Plan and Monitor: Staff in charge to monitor and maintain low harvesting intervals.  <b>Major NC 07</b>  <b>During site visit at Brumas division it was observed:</b>  <b>1. Used engine oil kept outside the lubricant store without covered</b>  <b>2. Interviewed with worker found that used engine oil disposed in the field. This is no according to the waste identification and disposal method under EAIA and Management plan dated 15/10/2019. Used engine oil shall be disposed by authorized contractor.</b>	No
	b Waste generated that could be recycle or reused include in sources and types of waste list.  For example:	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Sources: Workshops</p> <p>Types of waste: Tyre</p> <p>Method: Reuse for culverts, flowers pots</p>	
4.5.3.3	<p>DSB established chemical handling procedure dated 01/10/2019 describe defines and established control necessary to ensure proper handling, usage of chemical hazardous to health from procurement stage to to disposal.</p> <p>In addition, DSB adopt the SDS for handling of used chemicals and disposal.</p> <p>During onsite inspection, there are no used chemicals stored or disposed.</p>	Yes
4.5.3.4	<p>DSB established SOP for disposal empty chemical container dated 01/10/2019.</p> <p>The SOP describes:</p> <ol style="list-style-type: none"> <li>1. All empty chemical containers shall be triple rinsing before disposed.</li> <li>2. After triple rinsed all empty chemical containers shall be punctured and kept at designated store before disposed by authorized collector.</li> </ol>	Yes
4.5.3.5	<p>DSB disposed domestic waste at designated landfill.</p> <p>Site visit observed landfill area is far from housing site.</p>	Yes
4.5.4.1	<p>DSB established Waste Management Plan dated 01/11/2019 describes the waste category as Gaseous, Solid, and Liquid</p> <p>The source, type of wastes and polluting emissions are describe in each table.</p> <p>Example:</p> <p>Gaseous</p> <p>Source: Landfills</p> <p>Type of Waste: Gas Emission</p> <p>Pollutant Emissions: Methane and Carbon Dioxide</p> <p>Disposal Method: None</p> <p>Solid:</p> <p>Source: Manuring</p> <p>Type of Waste: Fertiliser Bags</p> <p>Pollutant Emissions: Methane.</p> <p>Disposal method; Reused for loose fruits collection</p> <p>Liquid:</p> <p>Source: Workshop</p> <p>Type of Waste: Used Engine Oil</p>	Yes

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Indicator	Summary of Assessment	Compliance
	<p>Pollutants Emissions: Carbon Dioxide</p> <p>Disposal Method: 3<sup>rd</sup> party authorised DOE contractor</p>	
4.5.4.2	<p>DSB established waste identification, environmental impacts; mitigate plans and CP dated 01/10/2019 include plan to reduce significant pollutions and emissions.</p> <p>Example:</p> <p>Pollution from empty fertilizer beg</p> <p>Action plan: To wash and reused for loose fruit collection</p>	Yes
4.5.5.1	<p>a DSB established water management plan dated 10/10/2019.</p> <p>The water management plan describes the water usage and sources of supply.</p> <p>Example:</p> <p>Usage: Domestic</p> <p>Source of water: Rain water</p> <p>Usage: Field operation</p> <p>Source of water: Pits and rain water</p>	Yes
	<p>b DSB does not have streams or natural waterways passing through the estate. Therefore, no monitoring established for outgoing water.</p>	Yes
	<p>c DSB established Water Management Plan dated 01/10/2019 has include estimation of water usage requirement as guideline to monitor usage of the water.</p> <p>Dug pits and pond to collect for the estate operation.</p>	Yes
	<p>d Field observation and review of estate map there are no rivers or streams within the estate. Therefore, no buffer zone or riparian required to establish.</p>	Yes
	<p>e DSB estate does not has river or stream. There is no riparian zone. Therefore not required to establish plan for restoration.</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	<p>During field inspection, no waterways sighted. Therefore, no monitoring required for outgoing water.</p>	Yes
4.5.5.3	<p>DSB practise rain harvesting for domestic use.</p> <p>Ponds and pits dug to capture rainwater for field operations.</p>	Yes
4.5.6.1	<p>a DSB established Environmental policy dated 01/07/2019 states that DSB to comply with Wildlife Conservation Enactment 1997 and consistently monitor wildlife within estate area.</p> <p>DSB established list of wildlife dated 10/10/2019.</p> <p>Example:</p> <p>i. Monitor Lizard</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	ii. Long Tailed Macaque	
	<p>b DSB established list of sighted animals in the estate as below:</p> <p>Date sighted: 23/11/2019</p> <p>Location: Brumas estate</p> <p>Wildlife sighted: Lizard monitor</p> <p>Date sighted: 01/12/2019</p> <p>Location: Brantian estate</p> <p>Wildlife sighted: wild boar</p>	Yes
4.5.6.2	<p>a DSB established Environmental policy dated 01/07/2019 states that DSB to comply with Wildlife Conservation Enactment 1997 and consistently monitor wildlife within estate area.</p> <p>DSB established list of wildlife dated 10/10/2019 include type of protected wildlife with penalty.</p> <p>Haiwan dilindungi sepenuhnya Bahagian 1 Jadual 1 dibawah Enakmen Pemuliharaan Hidupan Liar 1997, Denda kepada sesiapa yang didapati memburu haiwan dilindungi sepenuhnya akan dikenakan penjara tidak kurang daripada 6 bulan dan tidak melebihi 5 tahun.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Sumatra Rhinoceros</li> <li>2. Proboscis Monkey</li> <li>3. Long Tailed Macaque</li> </ol> <p>Site visit observed signboard on no hunting installed at the estate boundary next to forest area.</p>	Yes
	<p>b DSB established Environmental policy dated 01/07/2019 states discourage any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts</p>	Yes
4.5.6.3	<p>DSB established Environmental policy dated 01/07/2019 states that DSB to comply with Wildlife Conservation Enactment 1997 and consistently monitor wildlife within estate area.</p> <p>DSB established monitoring record and latest monitoring on 01/12/2019 is review.</p> <p>Date sighting: 01/12/2019</p> <p>Wildlife sighted: Wildboar</p>	Yes
4.5.7.1	<p>DSB established Environmental policy dated 01/07/2019 signed by Director states that Implement zero burning on all oil palm cultivation activities for new planting and replanting.</p> <p>During site visit sighted signage "Dilarang membakar"</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.7.2	No palm disease observed during site inspection that required burning for treatment. Therefore, no special approval for open burning from relevant authorities.	Yes
4.5.7.3	No palm disease observed during site inspection that required burning for treatment. Therefore no application for approval of controlled burning/..	Yes
4.5.7.4	DSB adopted 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 site visit there was no replanting activity.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	DSB adopted Field Book Oil palm planting volume 1, 2 & 3 as SOP for best management practices.  DSB established SOP dated 01/10/2019 for FFB harvesting, pesticide handling, chemical spraying, fertilizer application and PPE.  Interview with workers inform SOP briefing provided	Yes
4.6.1.2	DSB adopted field handbook for immature oil palm, volume 2 series number: ISBN 981-04-1433-1 as guideline for planting at slopes.  Page 54 describes:  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><li>• Increase water infiltration.</li><li>• Conserve moisture and increase water infiltration.</li><li>• Provide each palm with equal access to light, nutrients and water.</li></ul> The guideline includes soil management on steep terrains and planting of cover crops.	Yes
4.6.1.3	DSB established permanent block markers for each block that include block number and block size.	Yes
4.6.2.1	DSB established financial and budget plan for 4 years from 2019 to 2022 dated 20/10/2019.  The content of financial plan includes: <ul style="list-style-type: none"><li>• Financial Projection</li><li>• Long Term Management Plans</li><li>• FFB – Budget &amp; Projection Operation Cost</li></ul>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"><li>Replanting programme</li></ul>	
4.6.2.2	DSB established annual replanting programme dated 01/10/2019 from year 2023 to 2035.	Yes
4.6.2.3	DSB established financial and budget plan for year 2019 to 2022 includes: <ul style="list-style-type: none"><li>FFB projection MT.</li><li>Yield/Ha MT/Ha.</li><li>FFB Price forecast/MT.</li><li>Estate operation cost.</li><li>Planting material.</li></ul>	Yes
4.6.2.4	The monthly profit and loss report is implemented with goals and objectives are monitored regularly on monthly basis.	Yes
4.6.3.1	DSB established pricing mechanism for purchasing of fertilizers and chemicals. DSB purchased chemical and fertilizer from supplier using quotation method. Example quotation dated 15/02/2019 accepted by both parties.	Yes
4.6.3.2	DSB purchase fertilisers and chemicals using quotation duly agreed by both parties on the terms and conditions. Payments is made timely as agreed as per quotation.	Yes
4.6.4.1	DSB does not engage contractors. Therefore, no documents established.	Yes
4.6.4.2	DSB does not engage contractors. Thus, no contract agreement available for review.	Yes
4.6.4.3	DSB does not engage contractors. Therefore, no agreement established.	Yes
4.6.4.4	DSB does not engage contractors. Therefore, no documents established.	Yes



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<b>Principle 7: Development of new planting</b>		
Indicator	Summary of Assessment	Compliance
4.7.1.1	DSB planting statements and estate maps are review. The 1 <sup>st</sup> planting in Year 1992 and latest planting in Year 2013. There is no new planting.	Yes
4.7.1.2	DSB planting statements, estate maps and land titles are review. The 1 <sup>st</sup> planting in year 1992 and latest planting in year 2013. There is no replanting and new planting Therefore, no EIA or PMM required to establish.	Yes
4.7.2.1	DSB planting statements and maps are review, there is no peat land. Site observation there is no peat land within the estates.	Yes
4.7.3.1	DSB planting statements and estate maps are review. 1 <sup>st</sup> planting in Year 1992 and latest planting in Year 2013. There is no new planting. Therefore, no SEIA establish.	Yes
4.7.3.2	DSB planting statements and estate maps is review. 1 <sup>st</sup> planting in Year 1992 and latest planting in Year 2013. There is no new planting. Therefore, no SEIA establish.	Yes
4.7.3.3	DSB planting statement and estate maps are review. 1 <sup>st</sup> planting in Year 1992 and latest planting in Year 2013. There is no new planting. Therefore, no SEIA establish.	Yes
4.7.3.4	There is no smallholders' scheme in DSB certification. Therefore, not applicable.	Yes
4.7.4.1	DSB planting statements are review. There is no new planting. Therefore, no soil map establish.	Yes
4.7.4.2	DSB planting statements are review, 1 <sup>st</sup> planting in 1992 and latest planting in 2013. There is no new planting. Therefore, no topography map establish.	Yes
4.7.5.1	DSB planting statements are review, there is no new planting. Therefore, no maps establish and no permits available.	Yes
4.7.5.2	DSB planting statements are review. There is no new planting. Therefore, no plan establish.	Yes
4.7.5.3	DSB planting statements are review, there is no new planting. Therefore, no soil map established.	Yes
4.7.6.1	DSB planting statements are review, there is no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	DSB planting statements are review, there is no new planting. There are no sacred sites, therefore, no management plan establish.	Yes
4.7.6.3	DSB planting statements are review, there is no new planting. Therefore, no SOP establish.	Yes

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4.7.6.4	DSB planting statements are review, there is no new planting. Therefore, no assessment established.	Yes
4.7.6.5	DSB planting statements are review, there is no new planting. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.6	DSB planting statements are review, there is no new planting. Therefore, no system establish for calculating the compensation for distribution	Yes
4.7.6.7	DSB planting statements are review, there is no new planting. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.8	DSB planting statements are review, there is no new planting. Therefore, no communities affected.	Yes

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

X	The stage 1 audit findings 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.
	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 findings corrective action are review during stage 2 certification audit process.

#### 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,	6	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number 1	
Indicator # and Description	4.1.2.2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.
Location:	Durawang Sdn. Bhd.

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Non Conformity Number 1			
<b>Description of Finding / Objective Evidence:</b>			
Internal audit conducted on 03/10/2019. Following found			
1. Assessment did not include documentation.			
2. Strength and root causes of non-conformities not identified.			
3. Corrective action not addressed.			
<b>Classification</b>	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
<b>Raise by:</b>	Chan Shi Lie	<b>Date Raise:</b>	13/12/2019
<b>Deadline for implementation</b>		12/02/2020	
<b>Root Cause Analysis (by company):</b>			
i. Internal audit has been conducted however the audit does not include assessment for documentation.			
ii. Identification of strength and root causes of non-conformities does not include in the internal audit summary.			
iii. Corrective action does not clearly stated in the internal audit summary.			
<b>Correction (by company):</b>			
i. Durawang Sdn. Bhd. had conducted another internal audit to cover the documentation assessment after the certification audit. Internal audit assessment for documentation was conducted on 14/12/2019.			
ii. Strength, root cause of nonconformity and corrective action were included in the internal audit report dated 14/12/2019.			
<b>Corrective / Preventive Action (by company)</b>			
i. To ensure internal audit assessment cover documentation and site by using the internal audit checklist for self-assessment and documentation.			
ii. To ensure internal audit report addressed properly the root cause for nonconformity, include the strength and necessary corrective action taken.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
Internal audit checklist and report dated 14/12/2019 include strength, nonconformity and corrective action plan.			
The evidence submitted sufficient to close the nonconformity.			
Implementation will be verify in next audit			
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Name of Lead Auditor in training:</b> Chan Shi Lie		<b>Date of Closure:</b> 12/03/2020	
<b>Review of Implementation</b>			
<b>Name of Lead Auditor / Auditor:</b>		<b>Date of Review:</b>	

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Non Conformity Number 2			
<b>Indicator # and Description</b>	4.2.2.3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.		
<b>Location:</b>	Durawang Sdn. Bhd.		
<b>Description of Finding / Objective Evidence:</b>			
Internal stakeholders meeting conducted did not include environment, safety and health and social.			
<b>Classification</b>	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
<b>Raise by:</b>	Chan Shi Lie	<b>Date Raise:</b>	13/12/2019
<b>Deadline for implementation</b>		12/02/2020	
<b>Root Cause Analysis (by company):</b>			
Stakeholder meeting had been conducted but there was no two communication to discuss on environment, safety & health and social issues.			
<b>Correction (by company):</b>			
Durawang Sdn Bhd. had conduct meeting with internal stakeholders on 10/01/2020. The meeting was mainly discuss on MSPO procedure, provide training, Q&A session with working which related to their concern on environment, social and safety & health.			
The same topic will be discussed with external during meeting with external stakeholder in 2020.			
<b>Corrective / Preventive Action (by company)</b>			
To ensure that topic related to environmental, safety & health, social, MSPO procedure, company policies and SOPs to be presented and discuss during the stakeholder meeting and to be minute and recorded.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
Review on the minute meeting dated 10/01/2020 include internal stakeholders and topics of discussion are social, environmental and safety and health.			
The evidence submitted sufficient to close the nonconformity.			
Will further review in next audit			
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Name of Lead Auditor in training:</b> Chan Shi Lie		<b>Date of Closure:</b> 12/03/2020	
<b>Review of Implementation</b>			
<b>Name of Lead Auditor / Auditor:</b>		<b>Date of Review:</b>	

Non Conformity Number 3	
<b>Indicator # and Description</b>	4.4.1.1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
<b>Location:</b>	Durawang Sdn. Bhd.

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Non Conformity Number 3			
<b>Description of Finding / Objective Evidence:</b>			
SIA established dated 02/09/2019 does not include the assessment for internal stakeholders.			
<b>Classification</b>		<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor	
<b>Raise by:</b> Sheron Pui Ling Wui		<b>Date Raise:</b> 13/12/2019	
<b>Deadline for implementation</b>		Next surveillance audit	
<b>Root Cause Analysis (by company):</b>			
SIA assessment is conducted however assessment does not include internal stakeholders as misunderstanding on category of personal to be participate in the assessment.			
<b>Correction (by company):</b>			
Durawang Sdn Bhd. had conduct meeting with internal stakeholders on 10/01/2020. The meeting was mainly discuss on MSPO procedure, provide training, Q&A session with working which related to their concern on environment, social and safety & health. The same topic will be discussed with external during meeting with external stakeholder in 2020.			
<b>Corrective / Preventive Action (by company)</b>			
To ensure that SIA assessment for Durawang Sdn. Bhd. cover for both external and internal assessment. Data collecting method will be collected and minuted in stakeholder's minute meeting.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
DSB submitted action plan states SIA conducted on 10/012020 involved internal stakeholders The evidence submitted sufficient to close the nonconformity. Implementation will be review in next audit			
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Name of Auditor:</b> Sheron Pui Ling Wui		<b>Date of Closure:</b> 12/03/2020	
<b>Review of Implementation</b>			
<b>Name of Lead Auditor / Auditor:</b>		<b>Date of Review:</b>	

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Non Conformity Number 4	
<b>Indicator # and Description</b>	<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC)</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals</p>
<b>Location:</b>	Durawang Sdn. Bhd.
<b>Description of Finding / Objective Evidence:</b>	
<p>Review on documents :</p> <p>i. No documented records for issuance of PPEs to workers.</p> <p>ii. CHRA is not conducted. However, the action plan in CIP dated 01/12/2019, time frame in next year June 2020.</p> <p>iii. No safety and health meeting conducted between management and employees.</p> <p>iv. Emergency contact and procedure is not displayed at the estate notice board. ERP and first aid briefing not conducted to workers.</p> <p>v. First aid is not available at major activities such as harvesting, spraying. Records to monitor the usage of first aid kits is not establish.</p> <p>vi. DSB has not register with JKPP.</p>	
<b>Classification</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
<b>Raise by:</b>	Sheron Pui Ling Wui <b>Date Raise:</b> 13/12/2019
<b>Deadline for implementation</b>	12/02/2020
<b>Root Cause Analysis (by company):</b>	

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Non Conformity Number 4	
<ul style="list-style-type: none"><li>i. PPE issuance record is not establish.</li><li>ii. CHRA still pending but proposed to be carry in next June 2020.</li><li>iii. Safety and health meeting for Durawang Sdn Bhd is yet to be conduct.</li><li>iv. Emergency procedure and contact is not displayed at estate. No briefing given to workers on ERP and first aid.</li><li>v. First aid kits and records of usage does not available at estate major activities.</li><li>vi. Pending registration for Durawang Sdn Bhd JKPP.</li></ul>	
<b>Correction (by company):</b>	
<ul style="list-style-type: none"><li>i. PPE record established dated 15/01/2020 to monitor the usage of the PPE.</li><li>ii. Durawang Sdn Bhd. Had received a quotation from CHRA assessor on 15/02/2020 and had signed accept the proposal on 18/02/2020 to conduct CHRA in 2020.</li><li>iii. Safety and health meeting conducted on 15/01/2020 had include training and briefing related to SOPs, safety and health matters, environmental matters and social matters.</li><li>iv. Durawang Sdn Bhd has established emergency procedure and contact list dated 01/02/2020 and had displayed at estate notice board.</li><li>v. Durawang Sdn Bhd had purchased the first aid kits. All major activities has kept a box of first aid kits and record book of usage.</li><li>vi. Registration for MyKKP had been done for Durawang Sdn Bhd, reference number: JKPP8/60989/2019 on 14/02/2020.</li></ul>	
<b>Corrective / Preventive Action (by company)</b>	
<ul style="list-style-type: none"><li>i. Periodically check monitor and check on the PPE usage record, first aid kits and record of usage.</li><li>ii. To ensure the emergency procedure and contact always available for the workers to access.</li><li>iii. To ensure that CHRA report is completed and available during the next internal and external audit.</li><li>iv. To follow up with JKPP on status of MyKKP and to update information when necessary.</li></ul>	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
<ul style="list-style-type: none"><li>i. Records for PPE issuance establish using the PPE issuance form.</li><li>ii. Review on the quotation and confirmation letter dated 15/02/2020 from CHRA assessor to conduct CHRA by 18/02/2020.</li><li>iii. Review the safety and health minutes of meeting dated 15/01/2020 attended by management and workers.</li><li>iv. Emergency procedure and contact list dated 01/02/2020 displayed at the notice board. ERP and first aid briefing conducted on 15/01/2020.</li><li>v. Implementation on first aid kits at major estate activities will be review during next surveillance audit.</li><li>vi. Copy of JKPP application, reference number: JKPP8/60989/2019 dated 14/02/2020 submitted.</li></ul> <p>The evidence submitted sufficient to close the nonconformity.</p> <p>The Implementation will be review in next audit.</p>	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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Non Conformity Number 4	
<b>Name of Auditor:</b> Sheron Pui Ling Wui	<b>Date of Closure:</b> 12/03/2020
<b>Review of Implementation</b>	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Review:</b>

Non Conformity Number 5			
<b>Indicator # and Description</b>	4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.		
<b>Location:</b>	Durawang Sdn. Bhd.		
<b>Description of Finding / Objective Evidence:</b>			
During document review and interview of workers, working contract is not brief, signed by workers and a copy of employment contract is not provided.			
<b>Classification</b>	<input checked="" type="checkbox"/> Major		<input type="checkbox"/> Minor
<b>Raise by:</b>	Sheron Pui Ling Wui	<b>Date Raise:</b>	13/12/2019
<b>Deadline for implementation</b>	12/02/2020		
<b>Root Cause Analysis (by company):</b>			
Working contract is not given to the workers before they start working with Durawang Sdn Bhd since lacked of information on working contract issue.			
<b>Correction (by company):</b>			
Work contract is established and had include details such as workers name, passport number, type of job, payment rate, OT rate, public holiday entitlement, working hours and rest time, maternity leave, retirement and etc. A copy of work contract is provided to workers.			
<b>Corrective / Preventive Action (by company)</b>			
To ensure that any new worker will need to briefed and signed the work contract before start working with estate. List for workers will be update as when as necessary to monitor and ensure all workers have been provided with work contract, briefed on the content and kept a copy for their safekeeping.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
DSB established working contract dated 01/01/2020 duly signed by worker. The evidence submitted sufficient to close the nonconformity. Effective implementation will be verify in next audit.			
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Name of Auditor:</b> Sheron Pui Ling Wui	<b>Date of Closure:</b> 12/03/2020		
<b>Review of Implementation</b>			



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Non Conformity Number 5	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 6	
Indicator # and Description	4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.
Location:	Durawang Sdn. Bhd.
Description of Finding / Objective Evidence:	
Training not conducted to workers except fire extinguisher training.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui
Date Raise:	13/12/2019
Deadline for implementation	12/02/2020
Root Cause Analysis (by company):	
Durawang Sdn. Bhd. have not conduct any training except training for fire extinguisher due to the lack of resources or training material.	
Correction (by company):	
Durawang Sdn. Bhd. conduct training on 20/01/2020 had include training for estate operation such as harvesting, manuring chemical spraying, and etc.	
Corrective / Preventive Action (by company)	
Establish list of training to be conduct for workers and to monitor from time to time.	
Review of Correction & Corrective / Preventive Action	
DSB established training program for 2020 with training for harvesting, manuring and chemical spraying conducted on 20/01/2020.	
The evidence submitted sufficient to close the nonconformity.	
Will further review implementation in next audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor:	Date of Closure:
Sheron Pui Ling Wui	12/03/2020
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

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Non Conformity Number 7			
<b>Indicator # and Description</b>	4.5.3.2 A waste management plan to avoid or reduce pollution shall be developed and implemented.		
<b>Location:</b>	Durawang Sdn. Bhd.		
<b>Description of Finding / Objective Evidence:</b>			
During site visit at Brumas division it was observed:- 1. Used engine oil kept outside the lubricant store without covered 2. Interviewed with worker found that used engine oil is disposed in the field. This is no according to the waste identification and disposal method under EAIA and Management plan dated 15/10/2019. Used engine oil shall be disposed by authorized contractor.			
<b>Classification</b>	<input checked="" type="checkbox"/> Major		<input type="checkbox"/> Minor
<b>Raise by:</b>	Chan Shi Lie	<b>Date Raise:</b>	13/12/2019
<b>Deadline for implementation</b>		12/02/2020	
<b>Root Cause Analysis (by company):</b>			
Lack of knowledge and information on disposal method of the used engine oil.			
<b>Correction (by company):</b>			
All used engine oil is kept in storage room with proper covered. Contamination site had been cleared and training has been given to all workers on the right way of disposed used engine oil dated 20/01/2020. Record of scheduled waste established include used engine oil.			
<b>Corrective / Preventive Action (by company)</b>			
To ensure that all used engine oil is disposed correctly and to monitor and inspect during the internal audit site check. Record of scheduled waste are to be updated on periodically basis. Continuous training related to disposal of scheduled waste based on the training list. This is to ensure that workers are fully understand and on the disposal method.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
Review on training record conducted 20/01/2020 include awareness on disposal of used engine oil. Records of scheduled waste is updated From documents submitted the contaminated site is cleared and used engine oil kept in lubricant store. The submitted documents sufficient to close the nonconformity. Further verification will be review on next audit.			
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Name of Lead Auditor in training:</b> Chan Shi Lie		<b>Date of Closure:</b> 12/03/2020	
<b>Review of Implementation</b>			
<b>Name of Lead Auditor / Auditor:</b>		<b>Date of Review:</b>	

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Nr.	Indicator	Location	Opportunity for Improvement
1	4.1.4.1	DSB	Management may consider improve on continuous improvement plan.
2.	4.3.1.2	DSB	Management could consider improve on the list of regal register with applicable clauses.
3	4.3.2.3	DSB	Management could consider improve on boundary markers detail record.
4	4.4.2.3	DSB	Management could consider improve on grievance form submit method by allocated complaint box.
5	4.4.5.5	DSB	Management could consider improve on frequency of updating worker list.
6	4.4.5.9	DSB	Management could consider improve on the piece rate list or motion study details.
7	4.5.3.2	DSB	Management may consider improve on empty chemical container labelling.
8	4.5.3.5	DSB	Management could consider improve on signboard at landfill area.
9	4.5.6.1 (a)	DSB	Management may consider improve in monitoring on wildlife.
10	4.6.1.3	DSB	Management could consider improve block marker details. E.g. area and year planted.

## MSPO Certification Summary Report

Company Name: Durawang Sdn. Bhd.

Certifying Unit: Durawang Sdn. Bhd.

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### 5. CONCLUSION

Durawang Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There are 6 Major NCs raise and closed out successfully. All minor non-conformances action plans are submitted and accepted. The implementation of Minor NC(s) will be review and verify during the next audit.

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:	1	
Total certified production area:	231.20	Ha
Certified FFBs January to November 2019:	2,961.47	Mt
Project FFBs December 2019	300.86	Mt
Project FFBs January to December 2020	2,000.00	Mt

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

Puchong, 30/03/2020

Chan Shi Lie  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 30/03/2020

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

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### 7. LIST OF INTERVIEWEES

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

No.	Name	Organisation / Function
1.	Hong Chee Chiang	Hong Geok Ming Holdings Sdn Bhd / Director
2.	Stephen M.	Kapilit Estate / Assistant Manager
3.	Norhadyansah A.	Sabah Softwood Sdn. Bhd.
4.	Samsualan N	Sabah Softwood Sdn. Bhd. / Junior Assistant Manager
5.	Paul Chong	Mawang Estate / Estate Manager
6.	Jumardin N.	Mawang Estate / Assistant Manager

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### 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