



# MSPO CERTIFICATION SUMMARY REPORT

**DURAWANG SDN BHD**

**SURVEILLANCE 02**

Remote Audit Date: 20/01/2022 – 21/01/2022

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# MSPO Certification Summary Report

Company Name: Durawang Sdn Bhd

Certifying Unit: Durawang Sdn Bhd

Client Number: 92-139

Audit Type: ASA 02

Mode of Audit: Remote



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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>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>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 an surveillance audit for its oil palm estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

### 1.1. Objective

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

### 1.2. Scope

The assessment is based on the documentation established by the Durawang Sdn Bhd.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

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

### 1.3. Appointment and qualification of team members

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

#### Qualification of the Lead Auditor: Ariff Bin Lokman

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;	Graduate in Plantation Industry and Management

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Requirement	Qualifications
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)	7 years working experience in oil palm plantation.
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS2530 series of standards for Lead Auditors
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 for MSPO scheme.
Field working experience in the palm oil sector or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Health and safety auditing on the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and Auditor for MSPO and RSPO scheme.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Attended High Conversation Value Assessment training	Successfully completed HCV – HCS for producers course.

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Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

### Qualification of Team Member(s)

Requirement	Name of Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Sheron Pui Ling Wui	Bachelor in Medical Science	Yes
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Sheron Pui Ling Wui	3 years working experience in QA, QMS and internal audit, and 3.8 years working experience in MSPO audit.	Yes
Successfully completed MPOCC endorsed lead auditor trainings	Sheron Pui Ling Wui	Successfully completed MS2530 series of standards for Lead Auditors	Yes

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Requirement	Name of Assessor	Qualification	Compliance
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 and appointed as auditor for MSPO scheme.	Yes
Field working experience in the palm oil sector or demonstrable equivalent	Sheron Pui Ling Wui	Qualified and appointed as auditor for MSPO scheme.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Sheron Pui Ling Wui	Qualified and appointed as auditor for MSPO scheme.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Sheron Pui Ling Wui	Successfully completed ISO 9001:2015 Lead Auditor course.	Yes
Health and safety auditing of the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Sheron Pui Ling Wui	Successfully completed ISO 45001:2018 Lead Auditor course.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Sheron Pui Ling Wui	Successfully completed Basic SA 8000 training	Yes
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Sheron Pui Ling Wui	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes

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Requirement	Name of Assessor	Qualification	Compliance
Completed High Conversation Value assessment	Sheron Pui Ling Wui	Attended and completed the HCV-HCS for producers online course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Sheron Pui Ling Wui	Able to communicate in Bahasa Malaysia, Mandarin and English.	Yes



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## 2. METHODOLOGY

The audit approach consists of the following steps:

- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews operational personnel, workers, contractors; review of documentation;
- Reporting
- Resolution of non-conformance (NC)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

### Surveillance Audit:

The surveillance audit 02 was conducted remotely on 20/01/2022 – 21/01/2022 covering the following activities but not limited to below:

Remote

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Virtual review of documentation established but not limited to below
  - Policies
  - Estate map
  - Land titles
  - Standard Operating Procedures
  - Work Flow Charts
  - Management Plans
  - Operating licenses and approvals
  - Operating records
  - Training records
  - Applicable Legislation Documents
- Virtual inspection of estate facilities and field activities;

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- Virtual interview operation personnel and field workers for understanding of work assigned;
- Virtual stakeholders communication; If required
- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit
- Work plans established;

### Remote 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 by means of virtual site inspections, observation of tasks and processes, interview workers and operation personnel, review of documentation and data. Checklists and questionnaires were used to guide the collection of information.

This Version 4.0 supersedes the Version 3.2 extension of Updated Circular dated 30th August 2021 Guidance on Remote Audits due to Covid-19 Pandemic Restrictions.

Referring to the latest announcement by the Government on the interstate travel approval for fully vaccinated individual “Pergerakan rentas negeri – dibenarkan bagi yang lengkap vaksin” on the 11th October 2021, the Accredited Certification Bodies (ACBs) and Certification Bodies (CBs) shall in their best position strive to ensure that an on-site audit by the Audit Team be conducted.

CBs to adhere to the National Security Council (NSC) announcement of the National Recovery Plan (NRP) and the Enhanced Movement Control Order (EMCO) by referring to their official website at : <https://www.mkn.gov.my/web/ms/covid-19/>.

### NRP

All MSPO 2530 Series & Supply Chain on-site MSPO audits are allowed on all the NRP Phases, with the following conditions: -

- a. 50% capacity meeting room space and following strict SOPs.
- b. For Peninsular - Crossing-state borders and districts must adhere to the conditions and SOPs set by the NSC.
- c. For the States of Sabah & Sarawak, the Crossing-state borders are only allowed from 1st November 2021 onwards and must adhere to the conditions and SOPs set by the respective state NSC guidelines.

### EMCO

- a. All MSPO 2530 Series & Supply Chain on-site audits are not allowed. The ACBs & CBs must conduct audit remotely.

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The remote audit shall be guided by ICT Tools as per IAF MD4:2018 and ISO 9001 Auditing Practices Group on Remote Audits 2020.

The communication tool applied for remote audit is Google meet, WhatsApp and Telephone.

For the ASA 02, Durawang Sdn. Bhd. has 1 estate. Therefore, no selection required.

**Table 2-1: 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 company located at Mile 4.5, Jalan Air Panas, 91024 Tawau, Sabah.

The details of the divisions as below:

Name of Divisions	Location	Coordinates
Brantian Div 1	KM72, Jalan Tawau- Keningau, Sabah.	4.493694°N 117.536528°E
Brantian Div 2	KM85, Jalan Tawau- Keningau, Sabah.	4.416139°N 117.553194°E
Brumas	KM44, Jalan Tawau- Keningau, Sabah.	4.737194°N 117.715611°E

#### 3.1. Production volume

Name of Divisions	Area (Ha)		Projected FFB Production (mt) (Jan 2022 to Dec 2022)
	Total*	Production**	
Brantian Div 1	99.39	97.73	1,000.00 mt
Brantian Div 2	31.57	30.48	300.00 mt
Brumas	100.20	97.57	1,500.00 mt
<b>Total</b>	<b>231.16</b>	<b>225.78</b>	<b>2,800.00 mt</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 Divisions

Year / Divisions	Brantian Div 1	Brantian Div 2	Brumas
1992	-	16.06	-
1994	-	11.93	-
1998	47.09	-	-
2000	50.64	-	-
2007	-	-	57.50
2008	-	-	40.07
2013	-	2.49	-
<b>Total Mature</b>	<b>97.73</b>	<b>30.48</b>	<b>97.57</b>
<b>Total Immature</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>97.73</b>	<b>30.48</b>	<b>97.57</b>

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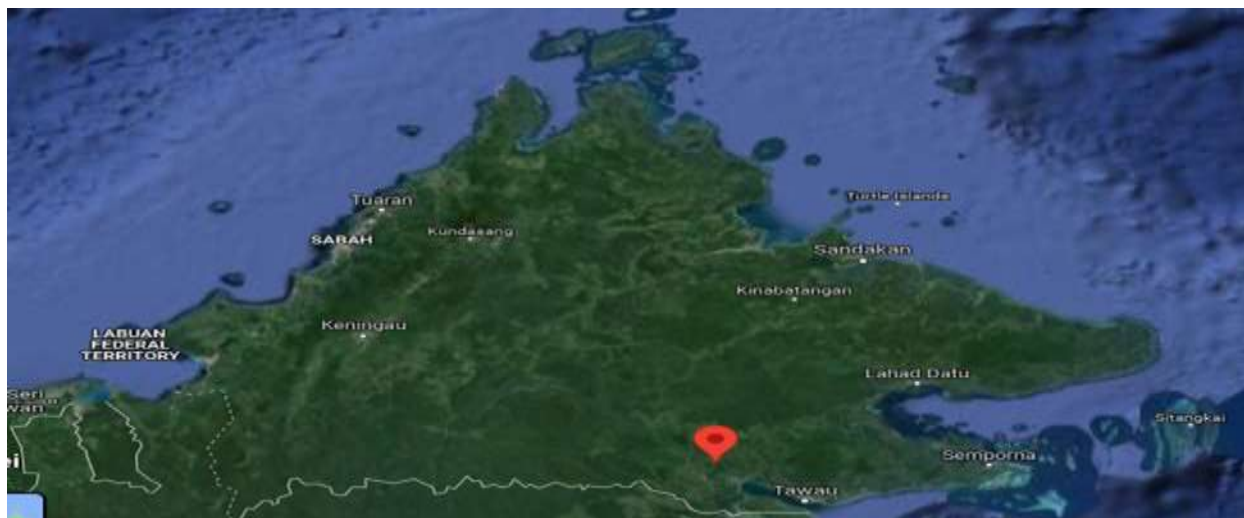


### 3.3. Replanting program for each divisions

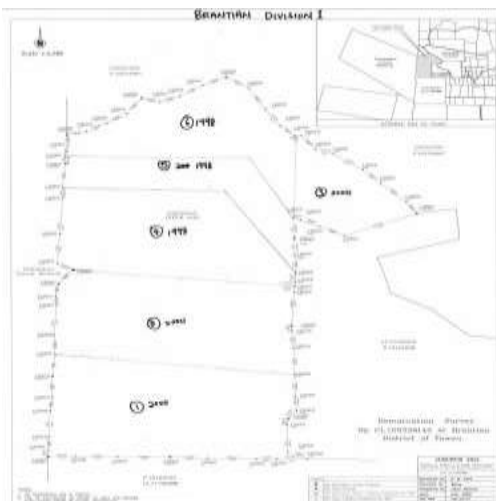
Year of replanting	Planted area (ha) in each divisions					Total area to be replanted (ha)
	2023	2025	2028	2030	2035	
Brantian Div 1		47.09 ha	50.64 ha			<b>97.73</b>
Brantian Div 2	16.06 ha	11.93 ha			2.49 ha	<b>30.48</b>
Brumas			40.07 ha	57.50		<b>97.57</b>
<b>TOTAL</b>	<b>16.06 ha</b>	<b>59.02 ha</b>	<b>90.71 ha</b>	<b>57.50 ha</b>	<b>2.49 ha</b>	<b>225.78</b>

### 3.4. Maps of Divisions Location

Brantian division 1 location map



Brantian division 1 block map



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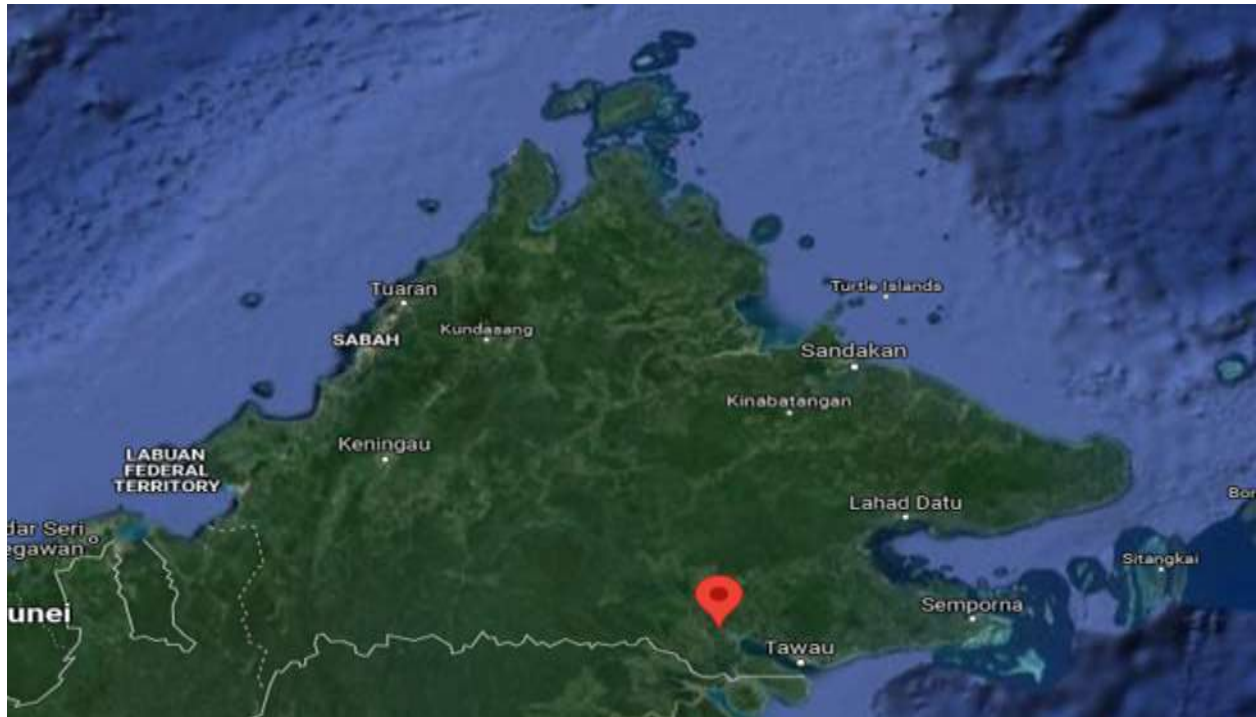
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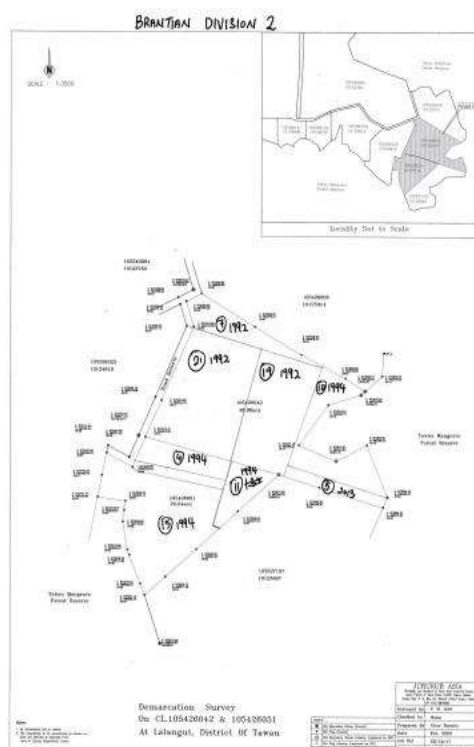
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## Brantian division 2 location map



## Brantian division 2 block map





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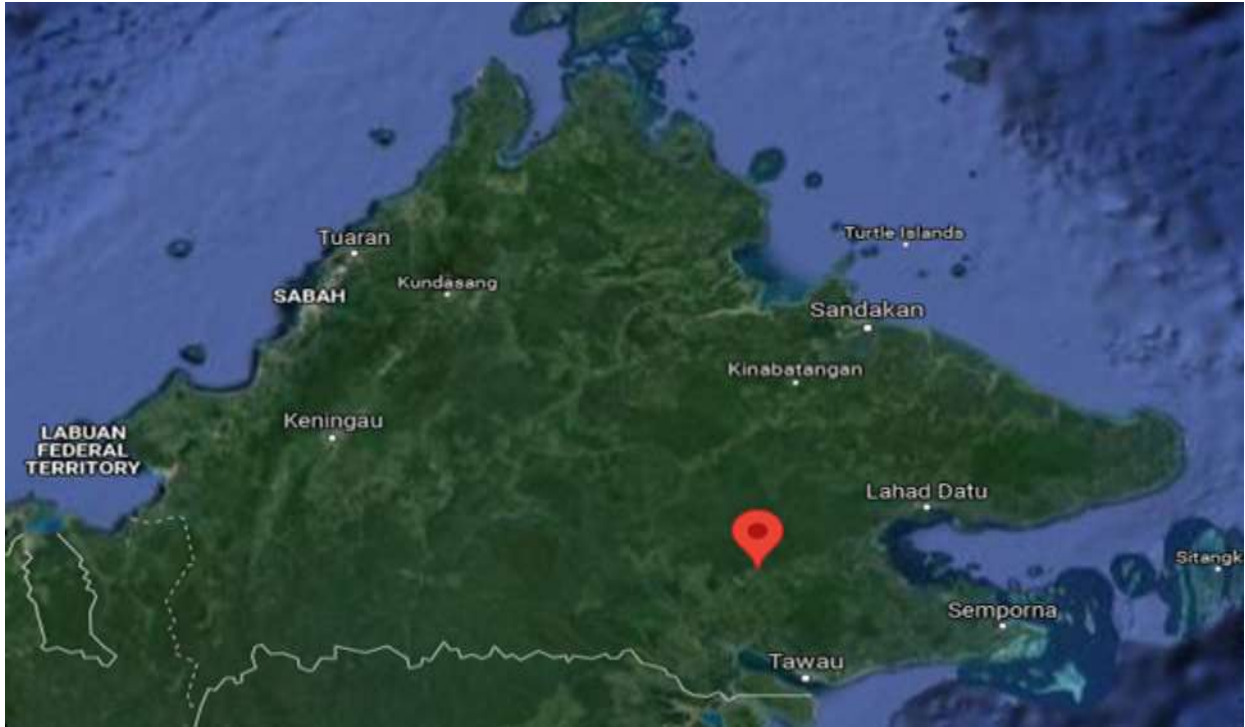
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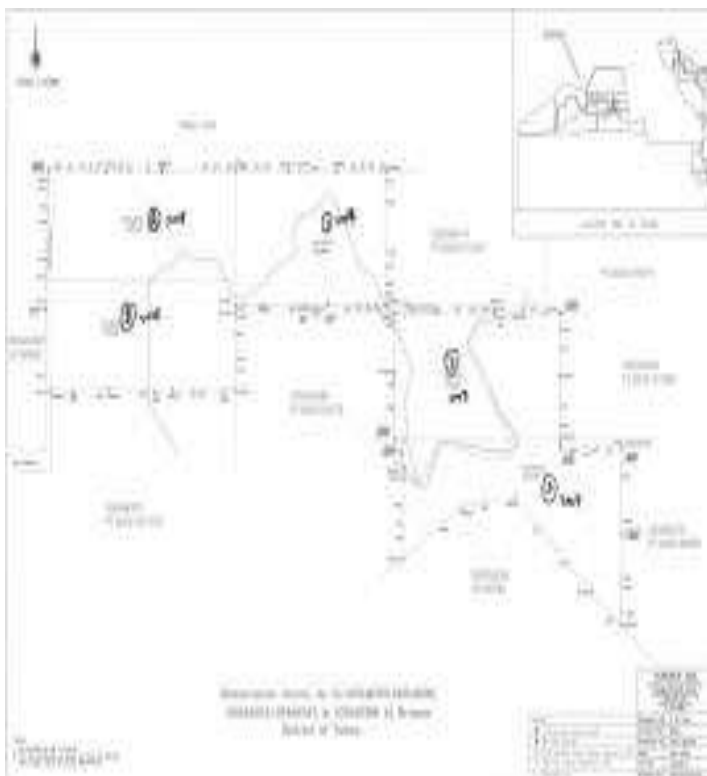
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## Brumas division location map



## Brumas division block map



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## 4. CERTIFICATION ASSESSMENT

### 4.1. ASA 02

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

#### 4.1.1. Surveillance:

The surveillance audit is conducted on 20/01/2022 to 21/01/2022 covering Durawang Sdn Bhd.

During the last surveillance audit, there are 1 Major, 0 Minor, and 3 Opportunities for Improvement (OFI) are raised.

During this surveillance 02 audit, the major non-compliance raised in the last audit, the audit team has review by means of virtual photo inspection of estate, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the estate management. The corrective measures implemented could be verified as appropriate.

The major non-conformances raise during the last surveillance audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken.

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

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

Therefore, there is no physical stakeholders consultation conducted for this surveillance audit.

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 20/12/2021 to announce the audit of the certified unit. As at audit date on 20/01/2022 there are no comments received.

### 4.3. Summary of Assessment

#### Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6



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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 signed by Director.</p> <p>Photo review the MSPO Policy is displayed at estate notice board in Bahasa Malaysia and English languages.</p> <p>DSB conducted MSPO Policy briefing to workers on 01/12/2021 till 02/12/2021.</p> <p>Phone call interviewed with workers informed they have been briefed on MSPO Policy.</p>	Yes
4.1.1.2	<p>DSB established MSPO Policy dated 01/07/2019 signed by Director 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 01/10/2019 describes objective and scope of internal audit as below:</p> <p>Objective: To assess and ensure the Management System implemented is effective through periodic internal audit.</p> <p>Scope: The internal audit shall cover all principles and criteria required by MSPO or any system certification process.</p> <p>DSB conduct the internal audit once a year.</p> <p>Latest internal audit on 10/12/2021 using self-inspection and internal assessment checklist.</p>	Yes
4.1.2.2	<p>DSB conducted internal audit dated 10/12/2021 using self-inspection and internal assessment checklist.</p> <p>Internal audit summary report dated 10/12/2021 is review with 2 minor non-conformities raised and all non-conformities have been addressed accordingly.</p> <p>Example:</p> <p>Internal Audit Finding: The management has yet to conduct Environmental Meeting for year 2021.</p> <p>Root cause analysis: No meeting was carry out due to restriction of SOP. However, the meeting will be conducted on 18/12/2021.</p> <p>Action taken: Environmental meeting was conducted on 18/12/2021.</p> <p>Status: completed.</p> <p>Further verify by review the environmental meeting minutes dated 18/12/2021.</p>	Yes
4.1.2.3	<p>DSB conduct management review meeting dated 13/01/2022 include internal audit results.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.3.1	<p>DSB conduct the management review meeting once a year after the internal audit.</p> <p>Latest management meeting conducted on 13/01/2022.</p> <p>Agenda:</p> <ul style="list-style-type: none"> <li>Follow up the previous meeting minutes</li> <li>Internal audit results</li> <li>Feedback from relevant interested parties includes complains, grievances and disputes.</li> <li>Traceability system</li> <li>SIA</li> <li>Safety and health aspect</li> <li>Environmental aspect</li> <li>Financial / budget plan.</li> </ul>	Yes
4.1.4.1	<p>DSB established Continuous Improvement Plan (CIP) dated 01/01/2022 includes social, environmental and safety &amp; health.</p> <p>Example: Environment</p> <p>Improvement action: To ensure the prohibited open burning in plantation activity and housing area</p> <p>Action: To conduct walk around inspection and housing inspection.</p> <p>Time frame: On-going</p> <p>PIC: Manager and supervisor</p> <p>Status: Done and continue monitor</p> <p>Photo review on housing and operation site there is no open burning observed. Phone call interview with estate manager feedback DSB prohibited open burning and inspection conducted within estate to ensure no open burning.</p>	Yes
4.1.4.2	<p>DSB established SOP New Technology and New Information dated 01/06/2021 as a system to improve practices in line with new information and techniques or new industry standards and technology.</p>	Yes
4.1.4.3	<p>DSB established SOP New Technology and New Information dated 01/06/2021 as a system to improve practices in line with new information and techniques or new industry standards and technology.</p> <p>The SOP describe process for implementation new technology:</p> <ul style="list-style-type: none"> <li>Identification and valuation</li> <li>Implementation, monitoring and control. (include the training, evaluation)</li> </ul>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Phone call interview with the management informed there is no new technology or technique implemented at the moment.	

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>DSB established list of stakeholders updated 10/12/2021.</p> <p>The list of stakeholders include:</p> <ul style="list-style-type: none"> <li>• Government agencies</li> <li>• Non-governmental organization</li> <li>• Suppliers</li> <li>• Neighboring estates</li> </ul> <p>The stakeholders meeting conducted via tele-conference-email dated 05/01/2022 due to COVID-19.</p> <p>Stakeholders meeting includes feedback form, company policies and others.</p>	Yes
4.2.1.2	<p>DSB established list of publicly available documents updated on 31/12/2021.</p> <p>Example of documents:</p> <p>Non-confidential:</p> <ul style="list-style-type: none"> <li>• Company policies</li> <li>• Company SOPs</li> <li>• MPOB license</li> </ul> <p>Confidential:</p> <ul style="list-style-type: none"> <li>• Financial Report</li> <li>• Bank statement.</li> </ul>	Yes
4.2.2.1	<p>DSB established SOP consultation and communication dated 01/10/2019.</p> <p>The procedures describes purpose and scope describes as followings:</p> <p>Purpose: This document is to define procedures for stakeholder's communication. It includes effective arrangements for communicating with stakeholders in relation to social, health, and safety and environmental and MSPO related issues. It also includes communication on policies and HSE performance and other related information based on the organization needs and the needs of interested parties. This procedure also specified guidelines for stakeholders' consultation.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Scope: Applicable to all communications and consultation with stakeholders within the framework of Durawang Sdn Bhd MSPO management system for oil palm plantation.</p> <p>The external stakeholders meeting conducted via tele-conference-email and invitation letter dated 05/01/2022 due to COVID 19.</p> <p>The external stakeholders meeting include agenda on social feedback form, company policies and others.</p> <p>The internal stakeholders meeting conducted in 18/12/2021 include agenda safety and health, company policies, environmental and social.</p>	
4.2.2.2	<p>DSB appointed estate manager as person in charge for handling communication and consultation with stakeholders.</p>	Yes
4.2.2.3	<p>DSB established list of stakeholders dated 15/01/2021 and latest updated on 03/01/2022.</p> <p>The SOP consultation and communication describes the timeframe to attend any request received within 30 working days.</p> <p>The stakeholders meeting conducted via tele-conference-email and invitation letter dated 05/01/2022 due to COVID-19.</p> <p>Review the stakeholders feedback form, there is no information request.</p>	Yes
4.2.3.1	<p>DSB established the SOP Traceability dated 01/10/2019.</p> <p>Traceability SOP describes as follows:</p> <ul style="list-style-type: none"> <li>• FFB harvested</li> <li>• FFB transporting</li> <li>• FFB send to POM (Delivery note)</li> <li>• Farm tractor / lorry back to estate (Mill weighbridge ticket)</li> <li>• Estate (FFB record)</li> </ul> <p>KLSB use FFB Delivery note while transporting FFBs from estate to mills.</p> <p>Review in the delivery note includes DN number, mill name, date delivery, vehicles number, driver name and acknowledgement.</p>	Yes
4.2.3.2	<p>DSB conducts regular inspections of traceability system during internal audit and monthly check by the estate manager.</p> <p>The internal audit conducted on 10/12/2021 with no findings raised on traceability.</p>	Yes
4.2.3.3	<p>DSB appointed estate manager as person in charge for traceability system.</p>	Yes
4.2.3.4	<p>DSB documented and maintained records of sales and FFB delivery to the mill.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>The SOP Traceability dated 01/10/2019 describes all records will be kept for 7 years.</p> <p>Review records of sales and delivery of FFBs documented from January to December 2021.</p> <p>Review in the delivery note includes DN number, mill name, date delivery, vehicles number, driver name and acknowledgement.</p> <p>Weighbridge ticket from mill includes ticket number, date, crop supplier, vehicle number, transporter, product, time, weight, DN number and acknowledgement.</p> <p>Review on the records such as delivery note to mill weighbridge are available. Unique number of estate DN captured in mill weighbridge ticket.</p>	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>DSB established list of related law and regulation updated 12/07/2021.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>Malaysian Palm Oil Board Act 1998</li> <li>Sabah Labour Ordinance Cap 67</li> <li>Wildlife Conservation Enactment 2000</li> </ul> <p>Permits and licenses are reviewed.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>MPOB License 820401001021 validity period for 5 years from 12/08/2020 to 31/07/2025.</li> </ul>	Yes
4.3.1.2	<p>DSB established list of related law and regulations updated 12/07/2021. The register includes the related act and regulation applicable to estate.</p> <p>Example of legal documents:</p> <ul style="list-style-type: none"> <li>Land ordinance (Sabah cap 68)</li> <li>Prevention and control of Infectious Disease Act 1988 Regulation &amp; Order 2020.</li> </ul>	Yes
4.3.1.3	<p>DSB established legal register and updated on 12/07/2021.</p> <p>Remote document reviewed on the legal register and phone call interview with estate manager informed the legal register is updated annually and when necessary.</p>	Yes
4.3.1.4	<p>DSB appointed Estate Manager as person in charge to update legal documents, regulations and licenses.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.1	DSB land titles are country lease issued by Sabah Land Authority with a tenure of 99 years. Therefore, no diminish land use rights of other users.	Yes
4.3.2.2	DSB land titles are country leased issued by Sabah land Authority with a tenure of 99 years. The actual usage of land is cultivation of agricultural crops of economic value as stated in the land titles.	Yes
4.3.2.3	Remote document reviewed on DSB land titles confirmed map included with information of total area, location and boundary stone numbering. Virtual photo verification confirmed boundary marker is marked with a boundary stone and wooden stick.	Yes
4.3.2.4	No dispute from previous owners since DSB 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	<b>Minor Non-conformity No:1:</b> During remote document review, there is no Social Impact Assessment (SIA) has been conducted.	No
4.4.2.1	DSB established Complaint and Grievance SOP dated 01/10/2019. The procedure describe complaint will be handle by estate manager and resolved within 30 working days. Review on photos of complaint box and grievance procedure is available outside the estate office. Phone call interview with workers informed they understand the complaint and grievances procedure.	Yes
4.4.2.2	DSB established Complaint and Grievance SOP dated 01/10/2019 describes any complaints or grievances received to be resolve within 30 days. Review the complaint records, no complaint lodged from year 2019 till the audit date.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.2.3	<p>Remote photo review the DSB complaint form and box displayed at estate notice board.</p> <p>Phone call interview with workers informed they understand on complaint and grievances process.</p> <p>No complaint lodged to DSB from year 2019 till the audit date.</p>	Yes
4.4.2.4	<p>DSB photo review complaint form and box displayed at estate notice board.</p> <p>Phone call interviewed with workers informed they understand and have been briefed on complaint and grievances procedure.</p> <p>Briefing for complaint and grievances conducted to workers dated 02/12/2021.</p>	Yes
4.4.2.5	<p>DSB complaint record is review and maintained since year 2019. No complaint lodged until audit date.</p>	Yes
4.4.3.1	<p>DSB provides job opportunity to local communities for estate operation such as lorry driver.</p>	Yes
4.4.4.1	<p>DSB established Safety and Health Policy dated 01/10/2019 signed by Director.</p> <p>Remote photos review confirmed, the Safety and Health Policy is display at estate notice board.</p>	Yes
4.4.4.2	<p>a</p> <p>Safety and Health Policy established dated 01/10/2019 and display at estate notice board.</p> <p>Briefing on policies to workers conducted on 02/12/2021.</p> <p>Phone call interview with workers informed they have been briefed on the policy established.</p>	Yes
	<p>b</p> <p>DSB established HIRARC dated 10/11/2020 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> <p>Example:</p> <p>Activity: Harvesting in tall palm area</p> <p>Hazards: Fallen palm debris &amp; FFB fallen from high palm</p> <p>Risk and Effects: Eye Injury , fracture or sprain and possible fatality</p> <p>Risk Assessment: Consequence:2; Likelihood: 2; risk rating 4</p> <p>Existing Control: Continuous safety awareness in harvesting operation, report any damage harvesting poles to supervisor, Close monitoring of cutters cutting position in the field</p> <p>PIC: Supervisor &amp; mandore</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Risk Assessment after Control: Consequence: 2; Likelihood 1; Risk Rating: 2</p> <p>Risk Description: Low</p> <p>Phone call interview with DSB harvesters informed they understand the risk of specific task.</p>	
c i	<p>DSB conducted briefing on safe work practices to workers on 02/12/2021.</p> <p>The training include PPE, Emergency evacuation procedure, fire extinguisher and operation safety and health procedure.</p> <p>Phone call interview with workers informed they have been briefed of Safety and Health Policy and working procedure.</p>	Yes
c ii	<p>Remote photos review at DSB stores, SDSs for chemicals, fertilizers and lubricants are available.</p> <p>SDS is available in both English and Bahasa Malaysia.</p> <p>Remote photos review, the store is in good condition and locked. The arrangement of liquid chemical placed in tray below and powder chemical placed on top. All chemicals have original labelling.</p>	Yes
d	<p>DSB provide appropriate PPE to the workers according to CHRA and HIRARC recommendation.</p> <p>Records of PPEs issuance dated 08/01/2022 is reviewed with workers signature.</p> <p>During photo review, chemical sprayers are provided with proper PPEs according to HIRARC and CHRA recommendations.</p> <p>Example: Apron, rubber hand glove, safety boot, mask, safety glass and helmet.</p>	Yes
e	<p>DSB established Chemical Handling Procedure dated 10/09/2019.</p> <p>The SOP describes all chemicals must be arrange properly based on the type of chemicals and only authorized personnel allowed to enter the chemical store.</p> <p>Review on the chemical store photos observed trays are provided for storage of chemical product.</p>	Yes
f	<p>DSB estate manager appointed as person in charge for safety and health dated 01/11/2021.</p>	Yes
g	<p>DSB has 9 workers. Therefore, below the minimum requirement to have OSH Committee in accordance to DOSH requirement. Therefore, no quarterly meeting required.</p> <p>DSB discussed safety and health issue during OSH meeting dated 18/12/2021 attended by estate workers.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Agenda of meeting includes:</p> <ul style="list-style-type: none"> <li>• Safe working procedure</li> <li>• Safety and health</li> <li>• PPE</li> <li>• Fire extinguisher</li> <li>• First aid.</li> </ul> <p>Minutes of the discussion and the attendance record are reviewed.</p>	
h	<p>DSB established procedures for emergency and reporting as below:</p> <ul style="list-style-type: none"> <li>• Incident Reporting &amp; Investigation procedure dated 01/10/2019 for accident reporting and handling.</li> <li>• Emergency Preparedness &amp; Response procedure dated 10/10/2019 for emergency handling.</li> </ul> <p>ERP briefed to the estate workers during estate meeting conducted on 18/12/2021.</p> <p>Remote photo review, emergency procedure and contact number is established and display at estate notice board.</p> <p>Remote document 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 dated 23/06/2019 attended by DSB estate manager.</p> <p>The emergency procedure and contact number is established and display at estate notice board.</p> <p>Remote photo review, first aid kit is available at the estate office.</p>	Yes
j	<p>DSB establish Incident reporting form.</p> <p>Accident record book and JKKP forms are reviewed. There are no major injuries as per audit date.</p> <p>JKKP 8 report submission dated 15/01/2022 with no accident case sighted in the report.</p>	Yes
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>Remote photos review confirmed, the policy is displayed at estate notice board in English and Bahasa Malaysia language.</p> <p>Phone call interview with workers informed they have been briefed of the policy.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
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> <p>Phone call interview with workers informed they have been briefed on the policy and they informed no discrimination practice at work place.</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 employment contract for workers in accordance to Sabah Labour Ordinance and Minimum Wage Order 2020.</p> <p>The employment contract include the agreed piece rate or daily rate and salary during holiday &amp; medical leave. The salary during holiday and medical leave is paid on daily rated.</p> <p>Review on the pay slips and payroll, workers are paid according to the agreed daily rate or piece rate.</p>	Yes
4.4.5.4	<p>DSB does not engage contractors for any DSB estate operations and services. Therefore, no contractor worker wage available for review. Thus, no pay slip for contractor’s workers available.</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>Remotely reviewed the list of workers confirmed, all information are established.</p>	Yes
4.4.5.6	<p>DSB established worker contract for every worker recruited and signed by both parties.</p> <p>Work Contract details in accordance to Sabah Labour Ordinance requirements that include overtime pay rate, annual leave, public holidays, medical leave and working hours.</p> <p>Workers are briefed on the terms and conditions, wage, position of the work contract and copy is provided.</p> <p>Phone call interviewed with workers informed they briefed on the contract terms and conditions and received a signed copy.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.7	<p>DSB established check roll records system to monitor workers reporting to work and after works.</p> <p>Photo review the working hours is display at the notice board.</p> <p>Overtime rate according to Sabah Labour Ordinance requirement of 1.5 times hourly rate for normal overtime and 2.0 times hourly rate for rest day.</p> <p>Phone call interview with workers informed they understand working hours and overtime rates.</p> <p>Workers informed they are briefed on the working hours when they sign the contract agreement.</p>	Yes
4.4.5.8	<p>DSB established working hours and breaks time.</p> <p>Photo review, working hours is displayed at notice board.</p> <p>Working hours:</p> <p>Working Time: 7.00am – 11.00am</p> <p>Rest: 11.00am – 12.00pm</p> <p>Working Time: 12.00pm – 3.00pm.</p> <p>Phone call interview with workers and cross check payslip confirmed no overtime offered to workers. They understand the working hours, rest time and overtime time rate.</p>	Yes
4.4.5.9	<p>DSB provide payment voucher to all workers documenting wage for the month and any overtime performed.</p> <p>Workers are paid either piece rate or daily rate.</p> <p>Phone call interview with workers informed they understood the wages provided by company and they are given copy of payslips for their reference.</p>	Yes
4.4.5.10	<p>DSB provides benefits for both local and foreign workers such as medical cost, annual leave, sick leave, SOCSO and public holidays as listed in the employment contract.</p>	Yes
4.4.5.11	<p>DSB workers housing follow the industry best practices.</p> <p>Remote photos review confirmed the worker living quarters provided with clean water, electricity and basic amenities.</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>Review on photos provided confirmed the policy is displayed at notice board.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Complaint record review no related complaint lodged for sexual harassment and violence.	
4.4.5.13	<p>DSB established Social Policy dated 01/07/2019 signed by Director.</p> <p>The policy states respect employee's right and freedom to form or join trade union.</p> <p>No trade union formed or established at DSB.</p> <p>Phone call interviewed with workers informed no union form in DSB.</p>	Yes
4.4.5.14	<p>DSB established the Employments Policy dated 01/07/2019 signed by Director.</p> <p>The policy states estate will recruit workers with age of 18 years and above.</p> <p>Reviewed the summary list of workers and phone call interview with workers confirmed there is no employment of children or young persons in the estate. All workers are above 18 years prior joining DSB estate.</p>	Yes
4.4.6.1	<p>DSB established training programme 2021 - 2022 dated 30/11/2021.</p> <p>The training program includes:</p> <ul style="list-style-type: none"> <li>• Company policies</li> <li>• Safe work SOPs</li> <li>• First aid</li> <li>• Complaint and grievance SOP</li> <li>• COVID-19</li> </ul> <p>Example of training conducted:</p> <ul style="list-style-type: none"> <li>• COVID-19 training conducted on 02/12/2021</li> <li>• Company policies training conducted on 02/12/2021</li> </ul>	Yes
4.4.6.2	<p>DSB establish individual training evaluation for workers according to the job description.</p> <p>Remote document reviewed on training need analysis and training matrix is established for staff, mandore and workers. The training need analysis is based on job type.</p>	Yes
4.4.6.3	<p>DSB established continuous training program for year 2022.</p> <p>The training is planned for whole year according to the established activity SOP, which include social, environmental and safety aspects.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>DSB established Environmental Policy dated 01/07/2019 signed by Director.</p> <p>Photo review the Environmental Policy is displayed at estate notice board.</p> <p>DSB conducted Environmental Policy briefing to workers on 01/12/2021 – 02/12/2021.</p> <p>Phone call interview with workers informed they have been briefed on the Environmental Policy.</p>	Yes
4.5.1.2	<p>a DSB established Environmental Policy dated 01/07/2019 signed by Director include objectives as stated below:</p> <ul style="list-style-type: none"> <li>• Complying with all applicable environmental laws and regulation</li> <li>• Implement zero burning in planting and replanting activities</li> <li>• No open burning is allowed in the estate</li> <li>• Educating and supervising employees to minimize adverse environmental impacts in agriculture operations</li> <li>• Prevent pollution, reduce waste and consumption of resources ad commit to recovery and recycling</li> <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>	Yes
	<p>b DSB established Environment Aspect Impact Assessment and Environmental Management Plan dated 01/12/2021.</p> <p>Example:</p> <p>Activity: Chemical spraying</p> <p>Environmental Aspect: Potential for runoff of chemicals</p> <p>Environmental Impact: Might cause pollution to water</p> <p>Improvement Plan: Follow SOPs and PPE, chemical handling and application.</p> <p>Monitoring Plan: Done and on-going process by monthly monitoring plan</p> <p>PIC: Estate Manager</p> <p>Review the briefing record for safe work practices procedures and chemical handling dated 01/12/2021 – 02/12/2021.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Phone call interview with chemical sprayers informed they have been briefed on the chemical handling SOP, PPE usage and application techniques to prevent pollution to water courses.	
4.5.1.3	<p>DSB established Environment Aspect Impact Assessment and Environmental Management Plan dated 01/12/2021.</p> <p>Example:</p> <p>Activity: Manuring</p> <p>Negative impact: Fertilizer carry out for field manuring activity cause generate of waste such as fertilizer bag.</p> <p>Control or action: Reuse the fertilizer bag for loose fruit collection.</p> <p>Plan: Continue current practices</p> <p>PIC: Estate manger</p> <p>Phone call interview with worker informed they understand of manuring technique and reused back the fertilizer bag for loose fruit collection.</p>	Yes
4.5.1.4	<p>DSB established CIP dated 01/01/2022 include the improvement plan for environment.</p> <p>Example:</p> <p>Promote Recycle, 3R station</p> <p>Plan: To set up 3R station and increase awareness of workers for recycling</p> <p>Action: 3R station was set up in housing and store area</p> <p>Status: On-going</p> <p>PIC: Estate manager.</p> <p>Training of company SOPs include recycling dated 01/12/2021 – 02/12/2021.</p> <p>Phone call interview with workers feedback they understand the important of recycle and practices accordingly.</p>	Yes
4.5.1.5	<p>DSB conducted company policies training to workers include Environmental Policy dated 01/12/2021 – 02/12/2021.</p> <p>Phone interview with workers feedback they have been briefed on the Environmental Policy.</p>	Yes
4.5.1.6	<p>Environmental meeting for DSB conducted on 18/12/2021. The meeting agenda includes:</p> <ul style="list-style-type: none"> <li>• Briefing on no opening meeting</li> <li>• Diesel usage</li> <li>• Wildlife and no hunting</li> <li>• Discussion and feedback on any issue relate to environment.</li> </ul>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	The meeting is conducted once a year involving estate management and workers.	
4.5.2.1	<p>DSB established baseline value for diesel consumption from 2018 to 2020 as a guideline to monitor and compare actual diesel usage in year 2021.</p> <p>Remote document reviewed the diesel consumption record for year 2021 confirmed diesel usage is above the average baseline value due to new road maintenance operation.</p> <p>DSB established energy management plan dated 01/12/2021 to reduce diesel consumption dated describe as follows:</p> <ul style="list-style-type: none"> <li>Regular maintenance for generator set, machinery and vehicles to reduce wastage of diesel consumption.</li> </ul> <p>Vehicle maintenance record review confirm the latest maintenance services conducted on 08/01/2022 and 10/01/2022.</p>	Yes
4.5.2.2	<p>DSB established diesel consumption for year 2021 and monthly diesel consumption report to monitor the usage of diesel against the baseline.</p> <p>Reviewed on the actual diesel usage for the month of January until December 2021 confirmed it is monitored on monthly basis and compared against the baseline.</p> <p>Diesel consumption for year 2021 is higher due to the low FFB production and the high road maintenance operations.</p>	Yes
4.5.2.3	Based on field photos and interview with estate management confirmed DSB currently did not used any renewable energy system.	Yes
4.5.3.1	<p>DSB established waste identification and management plan dated 01/12/2021.</p> <p>There are 3 categories of wastes which are gaseous, solid and liquid.</p> <p>Example:</p> <p>Liquid wastes Sources: Household (domestic) Type of liquid waste: Sewage</p> <p>Gaseous wastes Sources: Frond Type of gaseous waste: Methane gas.</p> <p>Solid wastes Sources: Household Type of solid waste: Plastic, waste food, paper, glass, cardboard, canes and can.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.3.2	a DSB established waste identification and management plan dated 01/12/2021.  The assessment includes type of waste and plan as below: Type of waste: Empty pesticide containers Plan: Triple rinsing of container and recycle.  Photos verification confirmed the empty pesticide containers reuse for chemical spraying activities and proper arrange in the store.  Phone call interview with workers informed they have been briefed on SOP Triple rinse and reuse the empty chemical containers for chemical spraying activities.	Yes
	b DSB established waste management plan dated 01/12/2021 includes re-cycle, reuse and reduced of wastes.  Example of solid waste: Item: Empty fertilizer bag Source: Fertilizer application Plan: Reused for loose fruit collection.  Phone call interview with workers informed they reuse the fertilizer bag for loose fruit collection after the fertilizer bags been triple rinsed.	Yes
4.5.3.3	DSB established SOP Waste Disposal dated 01/10/2019 describes identification of scheduled waste, training for handling of scheduled waste, collection of scheduled waste, storage and disposal of scheduled waste.  Review the empty pesticides container record dated 01/01/2022 the amount of empty pesticides container recorded to be reuse for chemical spraying activities.  In addition, DSB adopt the SDS for handling of used chemicals and disposal.  Phone call interview with worker informed they have been briefed of the SOP Waste Disposal.	Yes
4.5.3.4	DSB established Triple Rinse SOP dated 20/02/2020 for disposal empty chemical container.  The SOP describes handling and disposal of empty chemical containers includes triple rinsing, punctured or reused for chemical premix purposes and kept at designated store.  Photo verification on chemical store and phone call interview with chemical sprayers confirmed the used chemical containers marks with "X" and reuse for chemical premix purposes only.	Yes
4.5.3.5	DSB domestics wastes are disposed at designated landfill sites with distance far from housing and water source.	Yes



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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Phone call interview with estate manager and document reviews on map confirmed landfill located 500 meter away from housing and water sources. The landfill signage is installed for awareness regarding safety at the landfill.	
4.5.4.1	<p>DSB establish list for sources and type of wastes dated 01/12/2021.</p> <p>Example source and wastes:</p> <ul style="list-style-type: none"> <li>• Fronds - Methane</li> <li>• Farm Tractors – Carbon dioxide.</li> <li>• Fertilizer Bags - Nitrogen oxide.</li> </ul>	Yes
4.5.4.2	<p>DSB establish list for sources and type of wastes dated 01/12/2021.</p> <p>Example:</p> <p>Source: Farm tractors, FFB trucks</p> <p>Type of pollution: Smoke, Carbon monoxide.</p> <p>Action plan: Periodically service of estate vehicles.</p> <p>Farm tractor maintenance record review the latest maintenance conducted on 08/01/2022 and 10/10/2022. The previous service record on 08/12/2021.</p> <p>Phone call interview with farm tractor driver confirm the vehicles service by monthly basis.</p>	Yes
4.5.5.1	<p>a DSB established Water Management Plan dated 01/01/2022.</p> <p>There are two types of water source and usages for DSB:</p> <ul style="list-style-type: none"> <li>• Rain water – domestic use and estate operations.</li> <li>• Water catchment/ pond – operation.</li> </ul>	Yes
	<p>b DSB established water management plan dated 01/01/2022 has identified source of water for domestic and estate operation.</p> <p>Field photos review and phone call interview with estate management confirmed DSB do not have streams, river or waterways within the estate area.</p> <p>Therefore, no monitoring of outgoing water established.</p>	Yes
	<p>c DSB practices rain harvesting for domestic usage at workers housing and operation activity such as for chemical spraying.</p> <p>Photo verification at worker housing and phone call interview with workers informed water from rain harvesting are uses for washing clothes and cleaning purposes.</p> <p>All empty chemical containers washing and rinsing water is recycle for premiss usage.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Phone call interview with worker informed the rinsing water from the empty chemical container is reuse for chemical premix.	
	d Photo verification and DSB estate maps review confirmed there are no rivers or streams within the estate. Therefore, no buffer zone or riparian required to establish.	Yes
	e Photo verification and DSB estate maps review confirmed there are no rivers or streams within the estate. Therefore, no plan for vegetation restoration required.	Yes
	f Phone call interview with DSB estate management and photos reviewed confirmed there is no bore wells constructed in DSB.	Yes
4.5.5.2	DSB estate maps review and phone call interview with estate manager and workers confirmed no waterway or river passing through the estate. Hence, no construction of bunds, weirs and dams sighted in DSB estate.	Yes
4.5.5.3	DSB established water management plan dated 01/01/2022 describes that rain harvesting is practices by estate for domestic uses.  Photo verification of worker housing and phone call interview with workers confirmed rain water was collected in water tank for domestic usage.	Yes
4.5.6.1	a DSB established Environmental Policy dated 01/07/2019 states DSB to comply with Wildlife Conservation Enactment 1997 and consistently monitor wildlife within estate area.  DSB established list of wildlife dated 10/10/2020.  Example: <ul style="list-style-type: none"> <li>• Wild boar</li> <li>• Squirrel.</li> </ul> DSB established list of wildlife sighted.  Example of wildlife sighted in DSB: <ul style="list-style-type: none"> <li>• Lizard monitor.</li> </ul> Phone call interview with the workers informed any sighted wildlife they will report to the management.  Photos review signage of no hunting and type of wildlife are displayed at estate.	Yes
	b DSB established list of wildlife dated 10/10/2020.  Photo verification of DSB estate notice board confirmed the policy and type of protected animal species according to Sabah wildlife schedule 1, 2 & 3 are properly displayed.  Example of wildlife sighted by workers in DSB are monitor lizard and wild boar.	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Phone call interview with workers informed they have been briefed on wildlife protection and no hunting.	
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 10/10/2020 include type of protected wildlife with penalty.</p> <p>Field photos of signage 'no haunting' are display in field to warn people of any poaching activities.</p>	Yes
	<p>b DSB established Environmental Policy dated 01/07/2019 states that discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.</p> <p>Briefing of Environmental Policy and wildlife conducted on 18/12/2021.</p> <p>Phone call interview with workers informed they have been briefed on no hunting.</p>	Yes
4.5.6.3	<p>DSB established monitoring record of wildlife.</p> <p>Example workers sighted wild board dated 17/12/2021 at block 18.</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>Photo verification of landfill and housing area confirmed signage "Dilarang membakar" is installed and no sign of burning practised.</p>	Yes
4.5.7.2	Phone call interview with estate manager and photo verification of DSB field blocks condition confirmed no disease observed at field operations that required burning method to be treated. Therefore, no special approval for open burning from relevant authorities.	Yes
4.5.7.3	Phone call interview with estate manager and photo verification of DSB field block condition confirmed no disease observed at field operations that required burning method to be treated. Therefore, no application for approval of controlled burning.	Yes
4.5.7.4	<p>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.</p> <p>Remote document reviewed on replanting programme and phone call interview with estate in-charge informed no replanting activity for year 2021 and 2022.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>DSB adopted Field Book Oil palm planting volume 1, 2 &amp; 3 as SOP for best management practices.</p> <p>DSB established SOP dated 01/10/2019 for FFB harvesting, pesticide handling, chemical spraying and fertilizer application.</p> <p>Phone call interview with workers and briefing record confirmed SOPs briefing conducted on 01/12/2021 – 02/12/2021.</p> <p>Photo verification on field block condition confirmed best practices are implemented such as fronds are stacked.</p>	Yes
4.6.1.2	<p>DSB adopted field handbook for immature oil palm, volume 2 series number: ISBN 981-04-1433-1 as guideline for planting at slopes.</p> <p>The guideline includes soil management on steep terrains, planting of cover crops, planting on slope, degree and management plan to prevent soil erosion.</p> <p>Phone call interview with estate manager and workers informed no planting on hilly area and steep terrains.</p> <p>Photo verification at DSB blocks and document reviewed on estate map confirmed there is no planting on slopes.</p>	Yes
4.6.1.3	<p>DSB established block marker for each block includes details such as block number, field size and year of planting.</p>	Yes
4.6.2.1	<p>DSB established documented financial and budget plan for 4 years from 2019 till 2022 includes:</p> <ul style="list-style-type: none"> <li>• Financial projection</li> <li>• Long Term Management Plans</li> <li>• Expected FFB output</li> <li>• Oil Palm Mature – Budget &amp; Projection Operation Cost</li> <li>• Replanting programme</li> </ul>	Yes
4.6.2.2	<p>DSB established planting statement include the replanting program dated 20/11/2021 with first replanting plan on year 2023.</p>	Yes
4.6.2.3	<p>DSB established documented financial and budget plan for 4 years from 2019 till 2022 includes:</p> <ul style="list-style-type: none"> <li>• Financial projection</li> <li>• Cost per ton</li> <li>• Expected FFB output</li> <li>• Price forecast</li> <li>• Expenses</li> </ul>	Yes
4.6.2.4	<p>DSB established the monthly monitoring for the FFB production. Documents reviewed on the monthly FFB production year 2021.</p>	Yes

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<b>Principle 6: Best Practices</b>		
Indicator	Summary of Assessment	Compliance
	The business plan is monitored through profit and loss statement on monthly and yearly basis for year 2021.	
4.6.3.1	DSB manage purchasing of products by receiving quotation from seller. Documents reviewed and verified the quotation for purchasing of chemicals that states the proposed price with purchasing order issued based on the agreed price.	Yes
4.6.3.2	DSB purchases of products and services such as purchasing of tools, chemicals and fertilizers using a quotation and purchase order system. The payment is made based on terms and conditions stated in the quotation provided by the supplier and issuance of payment voucher as acknowledge and record of payment.	Yes
4.6.4.1	DSB does not engaged contractors for field operations, transportation and others services. Therefore, no records of briefing established.	Yes
4.6.4.2	DSB does not engage any contractors. Therefore, no contract agreement established	Yes
4.6.4.3	DSB does not engage any contractors. Therefore, no contract agreement established	Yes
4.6.4.4	DSB does not engage any contractors. Therefore, no contract agreement established.	Yes

<b>Principle 7: Development of new planting</b>		
Indicator	Summary of Assessment	Compliance
4.7.1.1	DSB planting statements is review. There is no new planting conducted. Review on the submitted photos observed there is no new planting conducted within the estate. The 1st planting is conducted on year 1992, the latest planting in year 2013. Therefore, no biodiversity assessment required.	Yes
4.7.1.2	DSB planting statements is review. There is no new planting conducted. The 1st 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 statement and maps are review, there is no peat land observed.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Review on the submitted field photos observed there is no peat land within the estate.	
4.7.3.1	DSB planting statement is review and there is no new planting conducted. Therefore, no SEIA conducted.	Yes
4.7.3.2	DSB planting statement is review and there is no new planting conducted. Therefore, no SEIA conducted.	Yes
4.7.3.3	DSB planting statement is review and there is no new planting conducted. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no smallholder's scheme in DSB certification. Therefore, not applicable.	Yes
4.7.4.1	DSB planting statement is review and there is no new planting conducted. Therefore, no soil map established.	Yes
4.7.4.2	DSB planting statement is review and there is no new planting conducted. Therefore, no topography map established.	Yes
4.7.5.1	DSB planting statement is review and there is no new planting conducted. Therefore, no map established and no permit available.	Yes
4.7.5.2	DSB planting statement is review and there is no new planting conducted. Therefore, no plan established.	Yes
4.7.5.3	KLSB planting statement is review and there is no new planting conducted. Therefore, no soil map established.	Yes
4.7.6.1	DSB planting statement is review and there is no new planting conducted. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	DSB planting statement is review and there is no new planting conducted. There is no sacred sites, therefore no management plan established.	Yes
4.7.6.3	DSB planting statement is review and there is no new planting conducted. Therefore, no SOP established.	Yes
4.7.6.4	DSB planting statement is review and there is no new planting conducted. Therefore, no compensation and agreement established.	Yes
4.7.6.5	DSB planting statement is review and there is no new planting conducted. Therefore, no assessment established.	Yes
4.7.6.6	DSB planting statement is review and there is no new planting conducted. Therefore, no system establish for calculating the compensation for distribution.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.6.7	DSB planting statement is review and there is no new planting conducted. Therefore, no compensation plan established.	Yes
4.7.6.8	DSB planting statement is review and there is no new planting conducted. Therefore, no communities affected.	Yes

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

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
X	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.
	No non-conformity raised in previous audit.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out or repeated, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p>	

### 4.5. Detail of Audit Findings in last audit

AUDIT OUTCOME		
During last Audit	1	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Non Conformity Number < 1 >			
<b>Indicator # and Description:</b>	4.6.1.3 A visual identification or reference system shall be established for each field (Major).		
<b>Location:</b>	Field		
<b>Description of Finding / Objective Evidence:</b>			
Referring to Opportunity for Improvement (OFI) raised in last audit related to improving the block marker in details, the existing block marker not updated with the information of year planted, total hectare planted and planting material.			
For example: Virtual photo verification confirmed Brantian Div 1 Estate block marker stated B1N6 painted on the palm trunk base without information of year planted, total hectare planted and type of progeny.			
<b>Classification</b>	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
<b>Raise by:</b>	Joseph Sim Siaw Seng	<b>Date Raise:</b>	19/01/2021
<b>Deadline for implementation</b>	19/03/2021		

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Non Conformity Number < 1 >	
<b>Root Cause Analysis (by company):</b>	
<p>Insufficient of manpower (workers) and block marking materials to update the existing block marker.</p> <p>Mandore on leave since March 2020, he hasn't come back as COVID-19 occurs. Existing workers unable to take over his job responsibilities to update the block marker's information.</p>	
<b>Correction (by company):</b>	
<p>Estate manager installed block marker include block number, total hectare planted, year planted and type of progeny at Brantian Estate block B1N6.</p>	
<b>Corrective / Preventive Action (by company)</b>	
<p>Estate management has included the action to update the existing block marker's information in the continuous improvement plan dated 01/03/2021.</p> <p>Estate manager will monitor the progress of updating the block marker's information monthly. Another mandore is assigned to update the existing block marker accordingly.</p>	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
<p>Photo verification on the block marker at Brantian Div 1 confirmed the existing blocker marker is updated with block number, total hectare planted, year planted and type of progeny as below:</p> <p>Block number: B1N6</p> <p>Planted area: 6.11 acre</p> <p>Year planted: 1998</p> <p>Type of progeny: Sawit Kinabalu (DXP)</p> <p>Document reviewed on the Continuous Improvement Plan dated 01/03/2021 describe mandore will update the block marker's information progressively and monitored by estate manager.</p> <p>The evidence provided and implementation could be considered as appropriate.</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
<b>Name of Lead Auditor:</b> Joseph Sim Siaw Seng	<b>Date of Closure:</b> 15/03/2021
<b>Review of Implementation</b>	
<p>Photo review the block marker at Brantian Division 1 includes the information of block number, planted area, year planted and progeny as below:</p> <p>Block number: Block 1, number 1</p> <p>Planted area: 3.12 acre</p> <p>Year planted: 2000</p> <p>Progeny: Sawit Kinabalu (DxP)</p> <p>Phone call interview with estate manager and workers feedback all the block markers include the information required.</p> <p>The evidence provided confirmed the implementation is appropriate.</p>	



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Non Conformity Number < 1 >	
<b>Name of Auditor:</b> Sheron Pui Ling Wui	<b>Date of Review:</b> 21/01/2022

### 4.6. Detail of Remote Audit Findings Identified during this audit

REMOTE AUDIT OUTCOME		
<b>During this remote audit,</b>	0	<b>MAJOR Non-Conformities</b>
	1	<b>MINOR Non-Conformities</b>

Non Conformity Number < 01 >			
<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. (MINOR)		
<b>Location:</b>	Office		
<b>Description of Finding / Objective Evidence:</b>			
During remote document review, there is no Social Impact Assessment (SIA) has been conducted.			
<b>Classification</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Raise by:</b>	Ariff Bin Lokman	<b>Date Raise:</b>	21/01/2022
<b>Deadline for implementation</b>		21/02/2022	
<b>Root Cause Analysis (by company):</b>			
Lack of awareness of the management towards this issue.			
<b>Correction (by company):</b>			
SIA report recommendation will be review and implement by the management.			
<b>Corrective / Preventive Action (by company)</b>			
1. Update in the Continuous Improvement Plan (CIP) to include SIA report with timeline for implementation.			
2. Appoint assessor (3 <sup>rd</sup> party) to conduct SIA on site. (Refer to attached letter Ref: SB/SIA/22/01)			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
Review on Continuous Improvement Plan (CIP), the action plan for closure of minor-non conformity has been established dated 21/02/2022.			
Social Impact Assessment will include input from external and internal stakeholders and schedule to be conducted on 24/02/2022 and the report will be acquired by March 2022.			
Base on evidences received, the minor-non conformity is closed.			
Implementation will be verify on next surveillance 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	

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Non Conformity Number < 01 >	
<b>Name of Lead Auditor:</b> Ariff Bin Lokman	<b>Date of Closure:</b> 21/02/2022
Review of Implementation	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Review:</b>

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	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	Office	DSB may improve the description of internal audit frequency for internal SOP.
2.	4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company	Office	DSB may consider improve CIP on foreign workers legalising status.
2.	4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	Office	DSB may improve the agenda for remote stakeholders meeting.
3.	4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for	Office	DSB may improve the SOP Traceability to include all the documents involved.

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Nr.	Indicator	Description	Location	Opportunity for Improvement
		traceability of the relevant product(s).		
4.	4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:  Assessment of water usage and sources of supply	Office	DSB may improve the description of water usage in water management plan.

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### 5. CONCLUSION

Durawang Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance 02 audit consisting of one estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The minor non-conformances action plans are submitted and accepted. The implementation of Minor NC 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 General principles for Oil Palm Plantations and Organised Smallholders.

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 estate:	1
Total certified production area:	225.78 Ha
Project FFBS January to December 2022:	2,800.00 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

	Recommended for Certification
X	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 06/02/2022

Ariff Bin Lokman  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 25/02/2022

Cheong, Chun Yuen (Robert)  
TUV NORD (Malaysia) Sdn Bhd  
Certifier / Approver

## **MSPO Certification Summary Report**

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### **7. LIST OF STAKEHOLDERS**

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

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

This report is sent by the certification body to the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

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

Salvo clause:

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

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

Annex / Enclosures

Annex / corresponding audit documentation	<input checked="" type="checkbox"/> P&C Audit Report / Checklists <input checked="" type="checkbox"/> Audit Plan
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