



MSPO CERTIFICATION SUMMARY REPORT

KOPERASI PEMBANGUNAN BERSATU
SANDAKAN BERHAD

SURVEILLANCE 02

Remote Audit Date: 15/12/2021 – 16/12/2021

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MSPO Certification Summary Report

Company Name: Koperasi Pembangunan Bersatu Sandakan Berhad

Certifying Unit: Koperasi Pembangunan Bersatu Sandakan Berhad

Client Number: 92-143

Audit Type: ASA 02

Mode of Audit: Remote



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Abbreviations

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

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1. INTRODUCTION

Koperasi Pembangunan Bersatu Sandakan Berhad has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct an annual surveillance audit for its oil palm estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organized 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 Koperasi Pembangunan Bersatu Sandakan Berhad.

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 1 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: 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;	Graduate in Bachelor of Media Technology (Major in Broadcasting)

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Requirement	Qualifications
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)	6 years working experience in oil palm plantations.
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 and appointed as auditor for MSPO scheme.
Field working experience in the palm oil sector or demonstrable equivalent	6 years working experience in oil palm plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	6 years working experience in oil palm plantations. 2 years auditing experience.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, 14001 and 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, 14001 and 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.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.

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Requirement	Qualifications
Attended High Conversation Value Assessment training	Attended and completed the HCVHCS for producers online course.
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia, Mandarin and English.

Qualification of Team Member

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
Completed High Conversation Value assessment	Sheron Pui Ling Wui	Attended and completed the HCV-HCS for producers online course.	Yes

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Requirement	Name of Assessor	Qualification	Compliance
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 Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

Surveillance Audit:

Surveillance audit 02 was conducted remotely on 15/12/2021 to 16/12/2021 covering the following activities but not limited to below:

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Virtual review of documentation established but not limited to below
 - Policies
 - Estate(s) map(s)
 - Land title(s)
 - 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;
- Virtual interview operation personnel and field workers for understanding of work assigned;
- Reviewed revised and updated documentation established and implemented;

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- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit

Remote Assessment

The audit of the estate(s) 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, of documentation and data. Checklists and questionnaires were used to guide the collection of information.

In accordance to MPOCC Guidance on Remote Audits due to Covid-19 Pandemic Restrictions Version 4.0 dated 26/10/2021 with reference to the latest announcement by 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.

ALL ACBs and CBs are 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/> (EMCO).

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.

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 / Telephone call.

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Koperasi Pembangunan Bersatu Sandakan Berhad has 1 estate. Therefore, no selection required.

Table 2-1: Division(s) Selected

Name of Division	Coordinates
Mile 12	N 5° 54' 50.69", E 117° 58' 20.86"
Mile 26	N 5° 49' 23.28", E 117° 48' 4.03"

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

The certified estate is owned by Koperasi Pembangunan Bersatu Sandakan Berhad located at 1st floor Block C, Lot 9B, Old Slipway, Sandakan, Sabah.

The details of the divisions as below:

Name of Division	Location	Coordinates
Mile 12	Batu 12, Jalan Sungai Manila, Sandakan, Sabah	N 5° 54' 50.69", E 117° 58' 20.86"
Mile 26	Batu 26, Jalan Labuk, Sandakan, Sabah	N 5° 49' 23.28", E 117° 48' 4.03"

3.1. Production volume

Name of Division	Area (Ha)		Projected FFB Production (mt) (January 2021 to December 2021)
	Total*	Production**	
Mile 12	124.49	113.58	5,174.77
Mile 26	379.80	357.49	1,868.02
Total	504.29	471.07	7,042.79

*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 Division

Year / Division	Mile 26	Mile 12
1994	87.72	0.00
1998	27.24	105.60
2002	61.51	0.00
2006	39.50	0.00
2008	2.95	0.00
2010	78.40	0.00
2017	60.17	0.00
Total Mature	357.49	105.60
2019	0.00	7.98
Total Immature	0.00	7.98
Total	357.49	113.58

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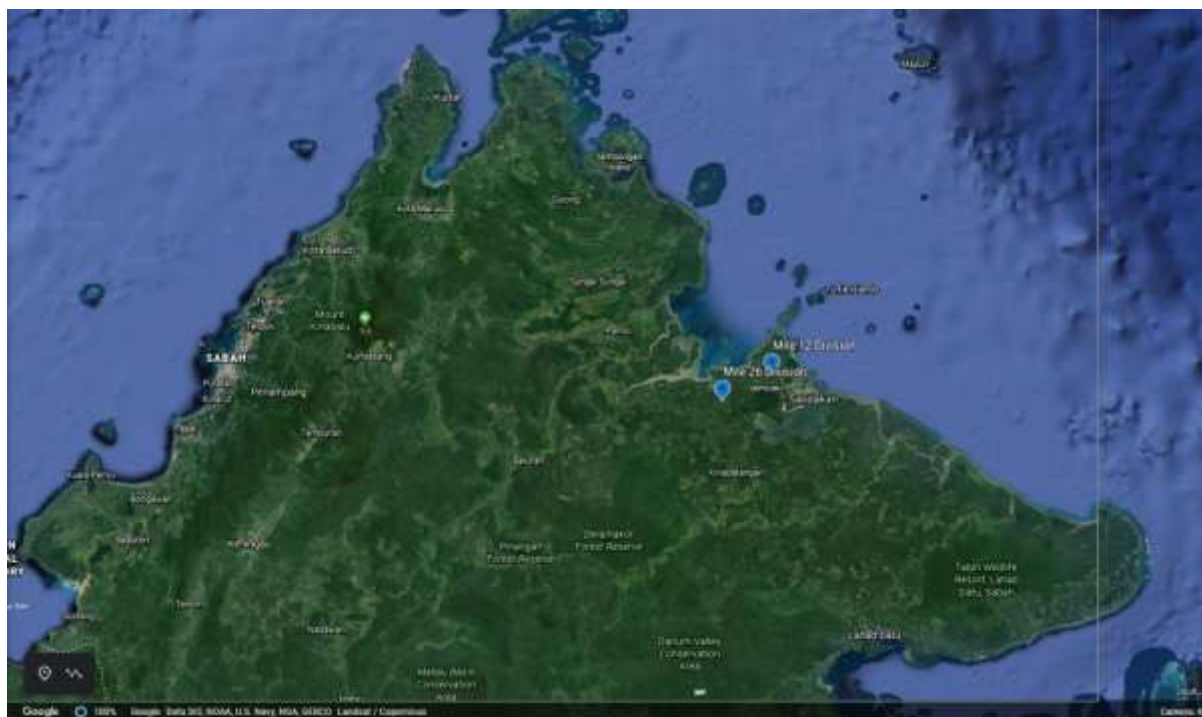
Mode of Audit: Remote



3.3. Replanting program for each division

Year of replanting	Planted area (ha) in each division		Total area to be replanted (ha)
	Mile 12	Mile 26	
2022	-	7.66	7.66
2023	-	32.97	32.97
2024	-	36.41	36.41
2025	-	11.59	11.59
TOTAL	0	88.63	88.63

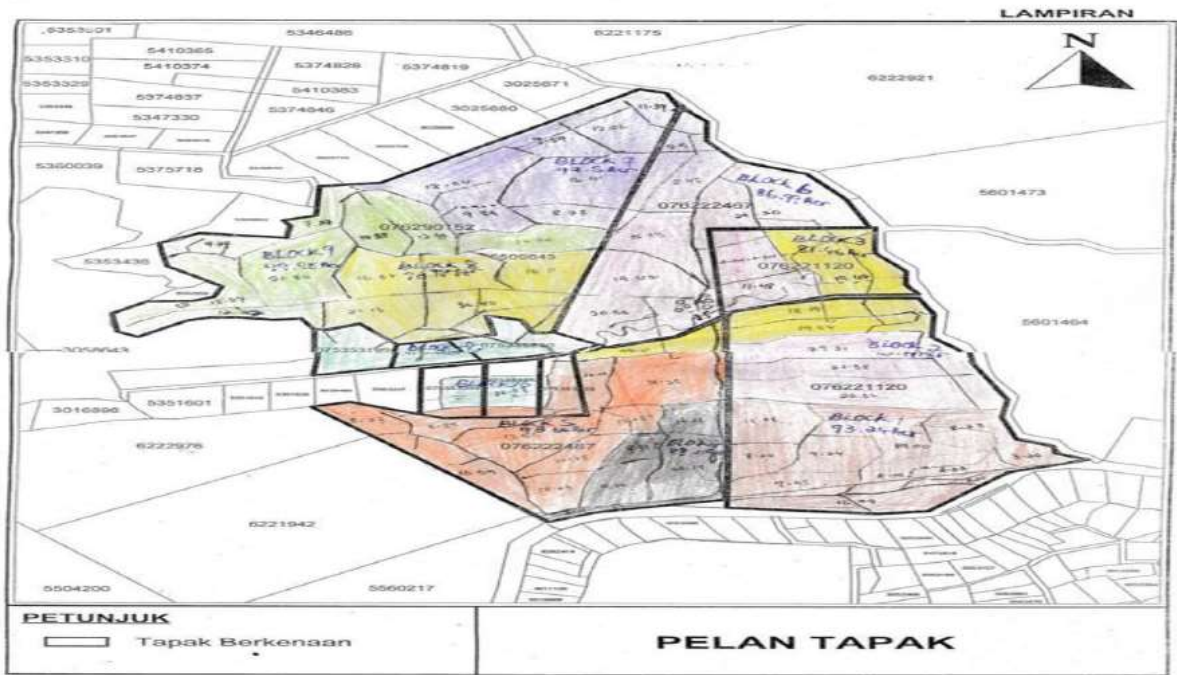
3.4. Maps of Division (s) Location



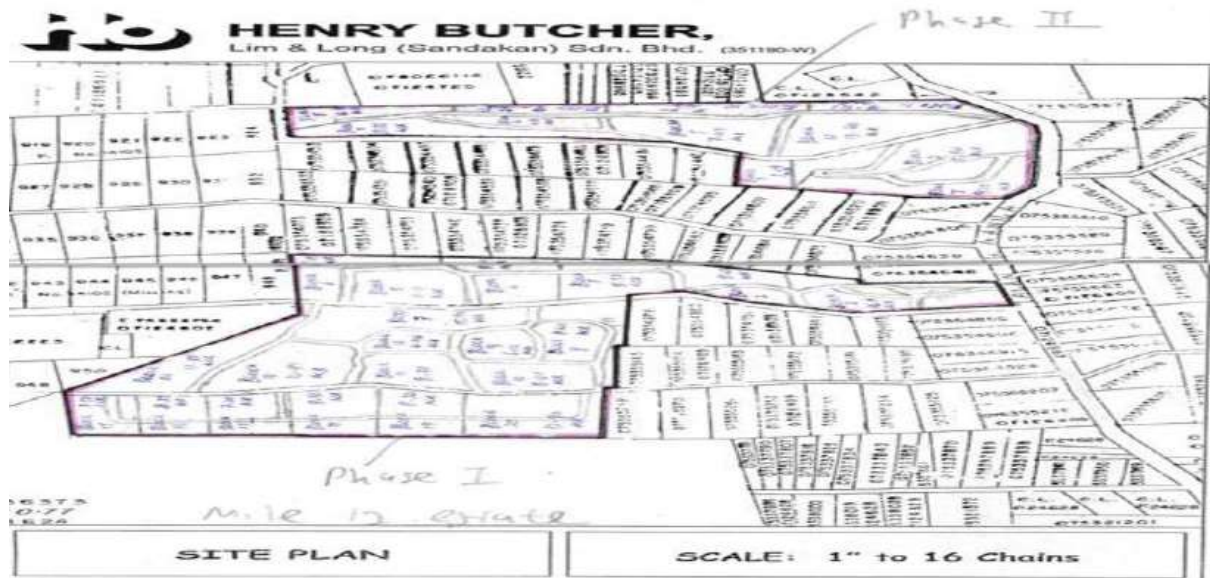
Map Mile 26 division

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Map Mile 12 division



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4. CERTIFICATION ASSESSMENT

Annual Surveillance 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. Annual Surveillance 02:

The remote surveillance audit 02 is conducted on 15/12/2021 to 16/12/2021 covering one estate with two divisions Mile 12 and Mile 26

During the last surveillance audit, there are no Major and Minor, 2 Opportunities for Improvement (OFI) are raised.

During the ASA 02 audit, there is 1 Major and 5 Opportunities for Improvement (OFI) are raised.

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

The audit findings if any, raised in this audit refer to Section 4.6 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 15/11/2021 to announce the audit of the certified unit. As at audit date on 15/12/2021 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>Koperasi Pembangunan Bersatu Sandakan Berhad (KPBSB) established MSPO Policy dated 02/01/2019 signed by Chairman.</p> <p>The policy established in both Bahasa Malaysia and English and review on the submitted photos, the policies are publicly available at estate office notice board.</p> <p>KPBSB has conducted company policies training includes MSPO Policy to the workers dated 02/10/2021 and external stakeholders dated 06/09/2021.</p> <p>Phone call interview with workers informed they understand on the MSPO Policy.</p>	Yes
4.1.1.2	<p>KPBSB established MSPO Policy dated 02/01/2019 signed by Chairman.</p> <p>The policy states continual improvement in every aspect of the principle whenever practical to ensure sustainability of the business.</p>	Yes
4.1.2.1	<p>KPBSB established SOP for Internal Audit doc no: KPBSB-SOP-01, rev no: 01, updated 11/09/2019 include the flow chart of internal audit planning and conducted. The internal audit planning once a year.</p> <p>The procedure states to identify the weak point and strong point at the audit.</p> <p>KPBSB has conducted internal audit dated 05/10/2021, 06/10/2021 and 07/10/2021.</p> <p>The weakness and recommendation or improvement plan has been identified and stated in the internal audit.</p> <p>Example:</p> <p>Strong points:</p> <ol style="list-style-type: none"> 1. Establishment of systematic documented information. 2. Build up the positive relationship with stakeholders. <p>Weakness points:</p> <ol style="list-style-type: none"> 1. Medical surveillance on workers has yet been done as at the date of internal audit. 2. The report for water quality test still pending as at the date of the internal audit report. <p>Medical surveillance report dated 13/10/2021 was available and review.</p>	Yes
4.1.2.2	<p>KPBSB established SOP for Internal Audit doc no: KPBSB-SOP-01, rev no: 01, updated 11/09/2019 include the flow chart of internal audit planning and conducted.</p> <p>The SOP describes the internal audit to be conduct once a year and will be review in management review meeting.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>KPBSB conduct internal audit dated 05/10/2021, 06/10/2021 and 07/10/2021. There are 2 non-conformities raised during the internal audit and have been addressed accordingly.</p> <p>Example of NCR:</p> <p>NCR: Pending water quality test result</p> <p>Action plan: Send water sample for quality test</p> <p>PIC: Estate manager</p> <p>Time frame: November 2021</p> <p>Review on the documentations, water quality test result was available dated 30/09/2021.</p>	
4.1.2.3	<p>KPBSB internal audit results are available and discuss in the management review dated 30/10/2021.</p>	Yes
4.1.3.1	<p>Management review meeting conducted on 30/10/2021 include discuss on the internal audit findings.</p> <p>Management review agenda minute meeting:</p> <ol style="list-style-type: none"> 1. MSPO issues arising and solution. 2. Internal audit discussion` 3. Opportunities for improvement 4. Conclusion. 	Yes
4.1.4.1	<p>KPBSB established Continual Improvement Plan dated 01/03/2019 and updated 01/09/2021 signed by Chairman.</p> <p>CIP topic discussed on safety & health, environmental and regulatory.</p> <p>Example: Safety & health matters</p> <p>Action: Provide vaccination to all workers and dependents</p> <p>Responsibility: Estate management</p> <p>Timeframe: October 20121</p> <p>Status: Vaccination of workers and dependents of 12 years above completed in October 2021.</p> <p>Review on the vaccination record, all workers and dependents have been vaccinated and completed 2nd dose.</p> <p>Example:</p> <p>Mile 12: 2nd dose completed on 09/10/2021</p> <p>Mile 26: 2nd dose completed on 18/10/2021</p>	Yes
4.1.4.2	<p>KPBSB established SOP for New Information, Techniques, Equipment dated 01/03/2019.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>The SOP has describe on:</p> <ol style="list-style-type: none"> 1. To identify and register all approved new information, techniques, equipment etc. 2. Valuation of new information, techniques and equipment too suit with the current practices. 3. Location selection for the experiment trial. 4. To train the operator or the employees involved. 5. To ensure that monitoring format of new implementation are revised and approved by chairman. <p>KPBSB conducted briefing on SOP for New Information, Techniques and Equipment to the workers dated 21/09/2021.</p>	
4.1.4.3	<p>KPBSB established SOP for New Information, Techniques, Equipment dated 01/03/2019.</p> <p>The SOP includes responsible person, training, implementation program and evaluation process.</p> <p>The SOP describes the resource such as training to be conducted while there is implementation of new technology, new information or new industry standards.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>KPBSB established Consultation and Communication Procedure, doc no: KPBSB-SOP-02, rev no: 01, dated 11/09/2019.</p> <p>The procedure describe any request of information from stakeholders will be response within one month.</p> <p>KPBSB updated list of stakeholders latest update 03/09/2021 include FFB mills, suppliers, contractors, government agencies, surrounding committee and NGOs.</p> <p>KPBSB conducted stakeholder's consultation meeting dated 06/09/2021 via email respond.</p> <p>Stakeholders meeting includes feedback form, company policies and others.</p>	Yes
4.2.1.2	<p>KPBSB established list of publicly available and confidential documents updated 01/11/2020.</p> <p>Example:</p> <p>List of publicly available documents:</p> <ol style="list-style-type: none"> 1. Company policies 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> 2. SOP 3. Incident record. 4. ERP plan. 5. PPE records. 6. Complaint and Grievances procedure <p>List of confidential documents:</p> <ol style="list-style-type: none"> 1. Employees personal file. 2. Pay slip. 3. Employees insurance. 4. SOCSO 	
4.2.2.1	<p>KPBSB established the SOP for Consultant and Communication, doc no: KPBSB-SOP-02 updated 11/09/2019.</p> <p>The procedure states the estate assistant manager is in-charge for the communication and consultation between KPBSB and stakeholders.</p> <p>KPBSB conducted briefing on Consultation and Communication procedure to workers on 02/10/2021 and stakeholders via email dated 06/09/2021.</p> <p>Review on the submitted photos of estate notice board, the KPBSB communicate the SOP with stakeholders by displaying the SOP at estate notice board.</p>	Yes
4.2.2.2	<p>KPBSB appointed estate manager as person in charge for person in-charge for consultation and communication dated 01/04/2019.</p>	Yes
4.2.2.3	<p>KPBSB updated list of stakeholders latest update 03/09/2021 include FFB mills, Suppliers, contractors, government agencies, surrounding committee and NGOs.</p> <p>The SOP Consultation and Communication describes the timeframe to attend any request received is within 30 days or 1 month.</p> <p>The SOP was brief to stakeholders attended the stakeholder's consultation on 06/09/2021 via email.</p> <p>Review the stakeholders feedback form, there is no information request.</p>	Yes
4.2.3.1	<p>KPBSB established SOP Traceability document number KPBSB-SOP-03 dated 01/03/2019 and updated 11/09/2019.</p> <p>The flow chart of FFB traceability describes as follows:</p> <ol style="list-style-type: none"> 1. Harvesting 2. Counting FFB 3. FFB loading 4. Weighbridge 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>5. FFB ramp</p> <p>6. Records data in estate system</p> <p>KPBSB established despatch slip for FFB delivery to mill / collecting center include information as follows:</p> <ol style="list-style-type: none"> 1. Date 2. Buyer 3. Lorry number 4. Driver name 5. MSPO certificate number 6. Delivery note number 7. FFB weight <p>KPBSB received weighbridge ticket from mill / collecting centre include the information as follows:</p> <ol style="list-style-type: none"> 1. Date 2. Seller 3. Lorry number 4. Driver name 5. Dispatch slip number by seller 6. Mill / collecting center ticket number 7. FFB weight 	
4.2.3.2	<p>KPBSB conducts regular inspection on traceability system during internal audit and monthly check by estate manager and traceability person in-charge.</p> <p>The internal audit conducted on 05/10/2021, 06/10/2021 and 07/10/2021 with no finding raised on traceability.</p>	Yes
4.2.3.3	<p>KPBSB appointed weighbridge clerks as person in charge for traceability system in Mile 12 and 26.</p>	Yes
4.2.3.4	<p>KPBSB established records of FFB sold and delivered.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Harvester record 2. FFB chit 3. Estate weighbridge ticket 4. Mill weighbridge ticket 5. FFB grading sheet 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>The SOP Traceability describes all records and documentation to keep for 7 years.</p> <p>Review on the records such as delivery chit to mill weighbridge are available. The unique number of estate delivery chit captured in mill weighbridge ticket.</p>	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>KPBSB established legal register updated 28/02/2021.</p> <p>Example of law and regulations:</p> <ol style="list-style-type: none"> 1. Malaysia Palm Oil Board Act 1998 2. Sabah Labour Ordinance Cap 67 3. Prevention and Control of Infectious Disease 1988 <p>Example list of applicable permits and licenses.</p> <ol style="list-style-type: none"> 1. MPOB license number 501396102000 validity period 01/04/2021 till 31/12/2021. 2. Jabatan Tenaga Kerja (JTK) Permit Potongan Daripada Gaji Pekerja approved for electricity deduction valid from 12/03/2021 till 11/03/2022. 	Yes
4.3.1.2	<p>KPBSB established legal register updated 28/02/2021.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Occupational Safety and Health Act 1994 2. Sabah Labour Ordinance Cap 67. 	Yes
4.3.1.3	<p>KPBSB legal register is established on 29/03/2019 latest updated on 28/02/2021.</p> <p>The update include the Workers' Minimum Standards of Housing and Amenities Act 446 (amended 2021).</p>	Yes
4.3.1.4	<p>KPBSB appointed person for updating legal register and licenses is the Association Secretary.</p>	Yes
4.3.2.1	<p>KPBSB land titles are country lease and provisional lease issues by Sabah Land Authority.</p> <p>Land used purpose: Agriculture crop of economic value.</p> <p>Land title tenure: 99 years.</p> <p>Therefore, will not diminish land use rights of other users.</p>	Yes
4.3.2.2	<p>KPBSB land titles are issued by Sabah Land Authority with of 99 years tenure and for agriculture crop of economic value.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.3	<p>KPBSB land title includes map stating the total area with boundary stone numbering.</p> <p>Photo review the boundary markers is marked with red color wooden stick.</p>	Yes
4.3.2.4	No dispute from previous owners since the KPBSB land titles are country or provisional leased issued by Sabah Land Authority.	Yes
4.3.3.1	<p>KPBSB land titles are country and provisional lease issued by Sabah Land Authority.</p> <p>No customary land titles listed in the summary of land titles.</p>	Yes
4.3.3.2	There is no customary right land lease or owned by KPBSB. Therefore, no maps established.	Yes
4.3.3.3	There is no customary land lease or owned by KPBSB. 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	<p>KPBSB established Social Impact Assessment (SIA) dated 15/09/2021.</p> <p>The SIA report includes feedbacks from internal and external stakeholders, impacts, action plan, person in charge and time frame.</p> <p>A summary of positive and negative impacts, mitigation plan promotes with timeline are included.</p> <p>Example of positive impact:</p> <p>Activity: Workers get electricity supply from Sabah Electricity Sdn. Bhd.</p> <p>Positive impact: Stable electricity supply for workers to perform daily routine</p> <p>Promoting / control measure: Monitor electricity usage</p> <p>Person in-charge: Assistant Manager</p> <p>Status: On-going.</p> <p>Review the electricity consumption record example Sept 2021 include the electricity usage for workers.</p> <p>Example of negative impact:</p> <p>Activity: Banana planting at government road reserve bordering estate area by surrounding villagers.</p> <p>Negative impact: Harvesters afraid to harvest at the border area as the villagers threatened if falling bunches damage their trees.</p> <p>Rectifying measure: Continue amicable discussion with villagers</p> <p>Person in-charge: Assistant Manager and Mandore</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Status: Workers have been briefed and understand how to harvest FFB at the estate bordering area.</p> <p>Review the training record 27/09/2021 includes harvesting.</p> <p>Phone call interview with the management informed, close monitoring by Mandore during harvesting work carry out at estate bordering area.</p>	
4.4.2.1	<p>KPBSB established SOP Complaint and Grievances document number KPBSB-SOP-14, updated on 11/09/2019.</p> <p>The flowchart describes;</p> <ol style="list-style-type: none"> 1. Complainant submit complaint form to field staff 2. Manager and assistant will investigate the complaint 3. Manager and assistant will assess the complaint 4. Manager and assistant will meet the complainant in person to solve the problem <p>Photo review complaint and grievances flowchart displayed at estate notice board.</p> <p>Phone interview with workers informed they understand the complaint and grievances procedure.</p>	Yes
4.4.2.2	<p>KPBSB established Flowchart for Complaint and Grievance document number KPBSB-SOP-14, updated on 11/09/2019.</p> <p>The flowchart describe the timeline to resolve the complaint is one month.</p>	Yes
4.4.2.3	<p>Photo review the KPBSB complaint form displayed at the estate notice board.</p> <p>Phone interview with workers informed they understand on complaint and grievances process.</p> <p>No complaint lodged to KPBSB from year 2019 until the audit date.</p>	Yes
4.4.2.4	<p>KPBSB photo review complaint form and SOP Complaint and Grievance are displayed at estate notice board.</p> <p>Phone interviewed with workers informed they understand and have been briefed on complaint and grievances procedure.</p> <p>Briefing for complaint and grievances conducted for external stakeholders dated 06/09/2021 and workers dated 21/09/2021.</p>	Yes
4.4.2.5	<p>KPBSB complaint record is review and maintained since year 2019. No complaint lodged to KPBSB until audit date.</p>	Yes
4.4.3.1	<p>KPBSB provide work opportunities on hiring local communities for estate operation such as office admin and mandore.</p>	Yes
4.4.4.1	<p>KPBSB established Occupational Safety and Health Policy updated on 15/04/2020 signed by Chairman.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy states the company committed to comply with health and safety requirements and manage activities with due consideration to the safety and health of any person who may be affected by company operations.</p> <p>Photo review the policy displayed at estate notice board.</p> <p>Briefing of Occupational Health & Safety Policy conducted on 02/10/2021 to all workers.</p> <p>Phone call interview workers informed they have been briefed on the Occupational Health & Safety Policy.</p>	
4.4.4.2	<p>a</p> <p>KPBSB conduct Occupational Health & Safety Policy briefing to workers on 02/10/2021 and external stakeholder on 06/09/2021.</p> <p>Review on the submitted photos observed the policy is display on the estate notice board.</p> <p>Phone called interview with workers informed they understand on the Occupational Health & Safety Policy.</p>	Yes
	<p>b</p> <p>KPBSB established HIRARC updated on 20/03/2020 includes all estate operations.</p> <p>HIRARC consists of activity, hazard, risk, existing controls, risk rating, additional controls and person in charge</p> <p>Example:</p> <p>Activity: Chemical spraying</p> <p>Hazard: Chemical vapor</p> <p>Risk: Asphyxiate</p> <p>Existing control: Safety briefing and wear appropriate mask</p> <p>Recommended control: Continuous training on SOP, monitoring, medical surveillance</p> <p>Person in-charge: Estate assistant</p> <p>Workers handle chemicals are sent for medical surveillance on 07/10/2021.</p> <p>Review on the medical surveillance records workers are fit to continue their job for chemical spraying and manuring.</p> <p>Phone interview with chemical spraying workers feedback they have gone for medical surveillance.</p>	Yes
	<p>c i</p> <p>KPBSB conducted training for SOP includes safe work practices for estate operations.</p> <p>Example:</p> <ul style="list-style-type: none"> SOP Harvesting, Spraying, Manuring and PPE dated 27/09/2021. 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Phone call Interview with workers informed they understand on the safe work practices.	
c ii	<p>KPBSB SDSs are kept at chemical and fertilizer stores.</p> <p>Review on the submitted photos observed SDS are available in English and Bahasa Malaysia language.</p> <p>Example:</p> <p>SDS glyphosate dated 05/12/2019.</p> <p>SDS Sentry dated 03/04/2020.</p> <p>Review on the submitted photos observed, store arrangement was in good condition. The store was locked and only person in charge will allow enter. Proper chemical placement and labelling.</p> <p>Signage of warning and hazard is in place.</p>	Yes
d	<p>KPBSB established record of PPEs issuance and review on the records is maintained and updated.</p> <p>Example PPE issuance records dated 23/09/2021 for chemical sprayers is review.</p> <p>Workers are provided with appropriate PPEs with reference to HIRARC and CHRA for the work activities.</p> <p>Review on the submitted photos observed workers are wearing PPE based on their job scope.</p> <p>Phone interview with workers informed they understand the use of PPE.</p>	Yes
e	<p>KPBSB established SOP Chemical Handling document number KPBSB-SOP-09 dated 01/03/2019.</p> <p>Chemical storage and handling SOP briefed to workers on 21/09/2021.</p> <p>Phone interview with workers informed they understand on the SOP.</p> <p>Review on the submitted photos of chemical store observed chemical products are store in original label and packing.</p>	Yes
f	KPBSB appointed estate assistant as person in-charge for safety and health.	Yes
g	<p>KPBSB has a total number of 20 workers. Therefore, below the minimum requirements to have an OSH committee in accordance to DOSH requirements. However, KPBSB still conduct safety and health meeting on yearly basis.</p> <p>Latest safety and health meeting conducted on 25/09/2021 with participants of both employer and employee representatives and</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	includes agenda of safety and health, vaccination and COVID-19 issues.	
h	<p>KPBSB established Emergency Response Plan (ERP) dated 01/02/2019.</p> <p>Established ERP includes Chemical Spillage, Accident, Fire, Flood and Poisoning.</p> <p>Review on the submitted photos ERP and emergency contact number displayed at estate notice board.</p> <p>Briefing of safety and ERP conducted on 21/09/2021.</p>	Yes
i	<p>KPBSB store clerk is a competent first aider and attended first aid training conducted by Bulan Sabit Merah Malaysia Sandakan dated 23/06/2019.</p> <p>KPBSB conducted first aid briefing dated 01/10/2021.</p> <p>Review on the submitted photos observed first aid kits are available at the work site and maintained by the first aider.</p>	Yes
j	<p>KPBSB established record of accident and injuries, no accident reported since last audit date.</p> <p>KPBSB conduct OSH meeting on 25/09/2021 include agenda on reporting for accident or injuries cases.</p> <p>Annual accident report, JKPP 8 for year 2020 submitted to DOSH on 17/01/2021 with no accident reported.</p>	Yes
4.4.5.1	<p>KPBSB established Human Resources and Social Policy dated 11/09/2019 signed by Chairman.</p> <p>Photo review the policy is displayed at estate notice board.</p> <p>KPBSB is committed to practice good human resources and social practices for all employee by adhering to the following:</p> <ol style="list-style-type: none"> 1. Comply with the Labour Ordinance (Sabah Cap. 67) and all related statutes, laws and regulations 2. Provide equal opportunity and treatment to all employees 3. No discriminatory practices based on race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics 4. Provide good living quarters with basic amenities 5. Prohibit employment of child and forced labour 6. Prohibit any form of domestic violence 7. Promote and enhance quality of life and wellbeing of the employees and communities 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>8. Freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Social Policy was briefed to external stakeholders through email dated 06/09/2021 and workers dated 02/10/2021.</p> <p>Phone interview with workers informed they understand the Social Policy.</p>	
4.4.5.2	<p>KPBSB established Human Resources and Social Policy dated 11/09/2019 signed by Chairman.</p> <p>Photo review the policy is displayed at estate notice board.</p> <p>KPBSB is committed to practice good human resources and social practices for all employee by adhering to the following:</p> <ol style="list-style-type: none"> 1. Provide equal opportunity and treatment to all employees 2. No discriminatory practices based on race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. <p>Phone interview with workers informed they understand the social policy.</p>	Yes
4.4.5.3	<p>KPBSB established contract agreement includes list of piece rate, hourly and daily rate work.</p> <p>Contract agreement signed by management and workers.</p> <p>KPBSB issue a memo for revision of daily rate work to follow Minimum Wages Order 2020 dated 31/01/2020.</p> <p>The memo state the new pay rate for daily rate is RM46.15 per day and RM 5.77 per hourly rate in accordance to Minimum Wages Order 2020.</p> <p>Major Non-conformity No.1:</p> <p>Review the KPBSB employment contract states the paid public holiday as determined by the management. KPBSB established list of public holiday 2021 states the workers is entitle for 14 paid holidays include the Sabah Governor's Birthday and Prophet Muhammad's Birthday.</p> <p>The Sabah Labour Ordinance section 103. (1) Every employee shall be entitled to a paid holiday at his ordinary rate of pay on the following days in any one calendar year:</p> <p>(a) On fourteen gazette public holidays as specified under the holidays ordinance (Sabah)</p> <p>Review the October 2021 pay slips and payroll for workers no.8 and workers no.9. These workers have not been paid for the 2 public holidays for Sabah Governor's Birthday on 02/10/2021 and Prophet Muhammad's Birthday on 19/10/2021.</p>	No
4.4.5.4	<p>KPBSB monitor FFB transport contractor worker wages by payment voucher based on verbal agreement rates between the contractor and the worker. This is further confirmed via phone interview with KPBSB manager.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Reviewed on the payment voucher of the contractor's worker for the month of 02/09/2021 the wages paid is according to agreed rates.	
4.4.5.5	KPBSB established list of workers that contain name, gender, date of birth, date joined, job description and wages.	Yes
4.4.5.6	KPBSB established worker contract for every worker recruited and signed by both parties. Workers are briefed on the terms and conditions, wage, position of the work contract and copy is provided. Phone call interviewed with workers informed they have been briefed on the contract terms and conditions and received a signed copy.	Yes
4.4.5.7	KPBSB use the attendance record book to monitor workers reporting work and working hours for each day. Photo review the working hours is display at the notice board. Overtime rate according to Sabah Labour Ordinance 1967 requirement of 1.5 times hourly rate for normal overtime and 2.0 times hourly rate for rest day. Phone interview with workers informed they understand working hours and overtime rates. Workers informed they are briefed on the working hours when they sign the contract agreement.	Yes
4.4.5.8	KPBSB established working hours and displayed at estate notice board. Working hours: 7:00 am to 4:00 pm Break time: 12:00 pm – 1:00 pm. Phone interview with workers informed they understand on estate working hours.	Yes
4.4.5.9	KPBSB provide pay slip to all workers documenting wage for the month, deduction and any overtime performed. Document review KPBSB have 'JTK Permit Potongan Daripada Gaji Pekerja' approved for electricity deduction valid from 12/03/2021 till 11/03/2022. Workers are paid either piece rate or daily rate. Phone call interviewed with workers informed they understand the working hours and overtime rates, however no OT required in the estate.	Yes
4.4.5.10	KPBSB provides benefits for both local and foreign workers such as medical cost, sick leave, SOCSO and public holidays.	Yes
4.4.5.11	KPBSB adopt industry best practices for living quarters. Photo review confirm the basic amenities such as recreational area, toilet, water and electricity are provided.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.12	<p>KPBSB established Sexual Harassment Policy dated 02/01/2019 signed by Chairman.</p> <p>Photo review the policy is displayed at estate notice board.</p> <p>The policy states KPBSB is committed to provide a safe work environment which is conducive, safe and free from sexual harassment. Sexual harassment is unwelcomed conduct of a sexual nature, which makes a person feel offended, humiliated and/or intimidated.</p> <p>Complaint record review no related complaint lodged for sexual harassment and violence.</p> <p>Phone interviews with workers informed no sexual harassment cases occurred in KPBSB.</p>	Yes
4.4.5.13	<p>KPBSB established Human Resources and Social Policy dated 11/09/2019 signed by Chairman.</p> <p>The policy state KPBSB is committed to freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Worker meeting conducted 25/09/2021 attended by workers and management.</p> <p>Phone interview with workers informed there is no union form in KPBSB. However, worker informed the worker meeting conducted annually as communication tools between workers and management team.</p>	Yes
4.4.5.14	<p>KPBSB established Human Resources and Social Policy dated 11/09/2019 signed by Chairman.</p> <p>The policy state KPBSB is committed to practice good human resources and social practices for all employee by adhering to the following;</p> <ul style="list-style-type: none"> • Prohibit employment of child and forced labour. <p>Document review on the employee list confirmed all estate workers above 18 years old.</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 KPBSB.</p>	Yes
4.4.6.1	<p>KPBSB established annual training program for year 2021 dated 17/02/2021.</p> <p>Training program include:</p> <ol style="list-style-type: none"> 1. Company policies 2. SOPs 3. First aid 4. Environmental 5. Safety and health. 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example of briefing records:</p> <ol style="list-style-type: none"> 1. Briefing of ERP, SOP complaint and grievance, and SOP new information, technique and equipment dated 21/09/2021. 2. First aid dated 01/10/2021. 3. SOP Harvesting, SOP Spraying, SOP Manuring and PPE dated 27/09/2021. 	
4.4.6.2	<p>KPBSB established training need analysis dated 17/02/2021 according to type of job.</p> <p>Example:</p> <p>Harvester need to attend briefing for company policies, SOP Harvesting, ERP, safety and health, first aid and environmental.</p> <p>Phone call interviewed with workers informed training have been provided to them according to their job task.</p>	Yes
4.4.6.3	<p>KPBSB established continuous training program for year 2021.</p> <p>The training were planned for whole year includes company policies, SOPs, first aid, environmental and safety and health.</p> <p>Example of training program:</p> <ul style="list-style-type: none"> • First aid on October 2021. 	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>KPBSB established Environmental Policy dated 02/01/2019 signed by Chairman.</p> <p>The policy states;</p> <p>In protecting the environment and enhancing biodiversity, we shall undertake the following</p> <ol style="list-style-type: none"> 1. Meet all environmental rules and regulation in oil palm industry 2. Zero burning on all oil palm cultivation activities 3. Educating and enhancing awareness of stakeholders pertaining to protection of the environment and biodiversity through regular training and communication. <p>Review on the submitted photos, the Environmental Policy is displayed at estate notice board.</p> <p>KPBSB briefed workers on Environmental Policy dated 02/10/2021.</p> <p>Phone call interview with workers informed they understand the company Environmental Policy.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.2	<p>a KPBSB established the Identification and Evaluation of Environment Aspects and Impacts latest updated on 19/02/2020.</p> <p>Identification and Evaluation of Environment Aspects and Impacts include the objective and environmental policy as stated below;</p> <ol style="list-style-type: none"> 1. Meet all environmental rules and regulation in oil palm industry 2. Zero burning on all oil palm cultivation activities 3. Educating and enhancing awareness of stakeholders pertaining to protection of the environment and biodiversity through regular training and communication. 	Yes
	<p>b KPBSB established the Identification and Evaluation of Environment Aspects and Impacts latest updated on 19/02/2020.</p> <p>Example:</p> <p>Activity: Fertilizer application</p> <p>Aspect: Empty fertilizer bags</p> <p>Impact: Land pollution</p> <p>Control measure: Empty fertilizer bags to be reused for loose fruits collection activity.</p> <p>Phone call interview with the workers informed they will reused the empty fertilizer bags for loose fruits collection.</p>	Yes
4.5.1.3	<p>KPBSB established Environmental Aspects and Impacts include the negative impacts and control measures to promote the positive impacts.</p> <p>Activity: Chemical spraying</p> <p>Environmental Aspect: Used pesticide containers</p> <p>Negative impact: Land pollution</p> <p>Control measure: Stored at schedule waste store.</p> <p>Review on the submitted photos observed KPBSB stored empty chemical containers at designated area.</p> <p>Phone call interview with the workers feedback the empty chemical containers will be stored at designated area after triple rinsed.</p> <p>Activity: Cutting of frond</p> <p>Positive impact: Land fertile</p> <p>Control measure: Cutting frond are places between palm row as organic fertilizer.</p> <p>Phone call interview with workers informed the cutting fronds will be stacked between the palm rows.</p>	Yes
4.5.1.4	<p>KPBSB established Continuous Improvement Plan (CIP) updated on 10/09/2020 include improvement plan for environment.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Example: Environment aspect</p> <p>Action :To monitor disposal of empty chemical containers</p> <p>Responsibility : Estate manager</p> <p>Timeframe: Ongoing.</p> <p>Review on the empty chemical disposal records are available and maintained.</p>	
4.5.1.5	<p>KPBSB established Annual Training Plan for 2021, document number: KPBST-T01, dated 17/02/2021 includes training on Environment Policy.</p> <p>The Environmental Policy training conducted on 02/10/2021.</p>	Yes
4.5.1.6	<p>KPBSB conducted the environmental meeting between management and workers on 25/09/2021.</p> <p>The meeting agenda includes:</p> <ol style="list-style-type: none"> 1. Awareness of the environmental impacts 2. Discussion and feedback on any issue related to environmental. <p>Phone call interview with workers feedback they have attend the environmental meeting and discuss on environmental issues.</p>	Yes
4.5.2.1	<p>KPBSB established three years fossil fuel baseline for the purpose of monitoring from 2018 to 2020.</p> <p>Review on the diesel usage for year 2020 are slightly higher than year 2021 due to the road repair and drainage sanitation activities in year 2020.</p>	Yes
4.5.2.2	<p>KLSB established annual budget for usage of diesel for farm operations and delivery of FFB.</p> <p>The actual diesel usage is monitored monthly and compared against the budget.</p> <p>The actual diesel records and projection for year 2021 updated until September 2021 is reviewed. The diesel usage are slightly lower as compared to the projection due to the low crop production.</p>	Yes
4.5.2.3	<p>KPBSB does not practice renewable energy for their estate.</p> <p>Review on the submitted photos, phone call interview with estate management and workers informed there is no used of any renewable energy.</p>	Yes
4.5.3.1	<p>KPBSB established Waste Management Plan revision 02, dated 01/03/2020.</p> <p>The waste management plan established includes the types of waste, item description, location/source and action taken.</p> <p>Example:</p> <p>Liquid waste</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Sources: Workshops</p> <p>Type of waste: Used lubricants</p> <p>Solid waste</p> <p>Sources :Workshop</p> <p>Type of waste: Used batteries and tyres</p>	
4.5.3.2	<p>a KPBSB established Waste Management Plan revision 02, dated 01/03/2020.</p> <p>Source of waste and pollution is identifying in the waste management plan.</p> <p>For example:</p> <p>Source of waste: Workshop</p> <p>Type of waste: Solid waste</p> <p>Pollution: Land and water ways pollution</p> <p>Source of waste: Household</p> <p>Type of waste: Liquid waste - sewage</p> <p>Pollution: Land and water ways pollution</p> <p>Source of waste: Heavy machineries – farm tractors</p> <p>Type of waste: Gaseous waste – CO₂</p> <p>Pollution: Air pollution</p>	Yes
	<p>b KPBSB established Waste Management Plan revision 02, dated 01/03/2020.</p> <p>The waste management plan includes type of waste generated that could be recycle or reused.</p> <p>Example:</p> <p>Waste generated: Empty Fertilizer bags</p> <p>Disposal method: Reused for loose fruit collections</p>	Yes
4.5.3.3	<p>KPBSB established SOP for Chemical Handlings dated 01/03/2019.</p> <p>The procedure describes as follows:</p> <ol style="list-style-type: none"> 1. Handlings of chemical before starting the work 2. Handlings of chemical while the work 3. Handlings of chemical after the work <p>KPBSB established SOP for Disposal of Schedules Waste revision 00, dated 01/03/2019.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The procedure describes to ensure the quantity is not more than 20mt and storage not longer than 180 days.</p> <p>Review on the e-SWIS submission records as of November 2021 stated quantity of empty chemical containers generated are 0.2520 mt.</p>	
4.5.3.4	<p>KPBSB established SOP Management of Schedules Waste revision 00, dated 01/03/2019.</p> <p>The flow chart in the SOP describes the flow of empty chemical containers disposal includes steps as follow:</p> <ol style="list-style-type: none"> 1. e-SWIS registration 2. Empty chemical containers disposal record/inventory 3. Labelling. <p>All the reused empty chemical container will go through the triple rinse procedure before used.</p> <p>Review on the submitted photos observed the empty chemical containers are labelled and arranged properly.</p>	Yes
4.5.3.5	<p>KPBSB domestic wastes are disposed at dedicated landfill.</p> <p>The landfill located 500 m from housing 500 m from waterways.</p> <p>Picture evidence of landfill review via photos that it was far from water source and housing compound.</p> <p>Review on the estate map, phone call interview with KPBSB management and workers informed the landfill area was far from the water source and worker's housing area.</p>	Yes
4.5.4.1	<p>KPBSB established Waste Management Plan revision 02, dated 01/03/2020.</p> <p>Example sources and type of wastes identified:</p> <ol style="list-style-type: none"> 1. Liquid waste: Used lubricants 2. Solid waste: Empty fertilizer bags 3. Gaseous waste: Carbon monoxide produce by FFB tractors <p>Example: Waste: Empty fertilizer bags Source: Fertilizer application Disposal method: Reused for loose fruit collection activity</p>	Yes
4.5.4.2	<p>KPBSB established Inventory and Mitigation GHG for estate dated 01/03/2020.</p> <p>The disposal and treatment method for each type of waste generated had been listed as below example:</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services															
Indicator	Summary of Assessment	Compliance													
	<p>Activity: FFB transporting – Farm tractors</p> <p>Emission: Diesel combustion</p> <p>Mitigation measures: To ensure switch off the engine when waiting and periodically scheduled maintenance.</p> <p>Review on the maintenance record dated 31/10/2021 is maintained and updated.</p>														
4.5.5.1	<p>a</p> <p>KPBSB established Water Management Plan dated 19/12/2019 include source and usage of water.</p> <p>Source of water and its usage:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Source</th> <th>Usage</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Mile 12</td> <td>Rain Water</td> <td>Weed spraying, washing PPE, triple rinsing</td> </tr> <tr> <td>Pipe water</td> <td>Drinking, cooking, bathing</td> </tr> <tr> <td rowspan="2">Mile 26</td> <td>Rain Water</td> <td>Weed spraying, washing PPE, triple rinsing</td> </tr> <tr> <td>Pipe water</td> <td>Drinking, cooking, bathing</td> </tr> </tbody> </table>	Estate	Source	Usage	Mile 12	Rain Water	Weed spraying, washing PPE, triple rinsing	Pipe water	Drinking, cooking, bathing	Mile 26	Rain Water	Weed spraying, washing PPE, triple rinsing	Pipe water	Drinking, cooking, bathing	Yes
Estate	Source	Usage													
Mile 12	Rain Water	Weed spraying, washing PPE, triple rinsing													
	Pipe water	Drinking, cooking, bathing													
Mile 26	Rain Water	Weed spraying, washing PPE, triple rinsing													
	Pipe water	Drinking, cooking, bathing													
	<p>b</p> <p>KPBSB conducted water quality test by external party to monitor in and outgoing water for Mil 26 division dated 30/09/2021.</p> <p>Review on the water quality test report test result indicates river quality are within the permissible level.</p> <p>Phone call interview with the KPBSB management and workers informed the buffer zone areas are well maintain and no fertilizer or chemical application allowed to be carry out near the waterway.</p>	Yes													
	<p>c</p> <p>KPBSB establish Water Management Plan listed method of ensuring optimization of water.</p> <ol style="list-style-type: none"> Rain water collected and used for chemical spraying activities Construction of drains in the field. <p>The Water Management Plan under clause 6.3 describes the collection of wain water used for washing and mixing chemical for spraying.</p> <p>Phone call interview with workers feedback that they will collect the rain water and use for chemical premix activity.</p>	Yes													
	<p>d</p> <p>KPBSB established buffer zone along the river at Mile 26 division.</p> <p>Review on picture evidences observed the buffer zones are maintained for river and surrounding the area.</p>	Yes													

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>All vegetation are preserved and prohibited from any cultivation and plantation maintenance activities for example, manuring, harvesting, and chemical spraying.</p> <p>Training for buffer zone conducted by estate dated 02/10/2021.</p> <p>Phone call interview with workers informed they understand chemical spraying and fertilizer activities are prohibited to be carry out at the buffer zone area.</p>	
	<p>Review on the submitted photos of KPBSB buffer zone observed the buffer zone is maintained well with signboards.</p> <p>Chemical spraying and fertilizer application activities are not allowed to be carry out at buffer zone area.</p> <p>Phone call interview with workers feedback they understand on protection of buffer zone.</p>	Yes
	<p>f Review on the submitted photos of KPBSB, phone call interview with KPBSB management and workers informed there is no bore well constructed.</p>	Yes
4.5.5.2	<p>Review on the KPBSB field photos observed there are no bunds or weirs constructed across the river in Mile 26.</p> <p>Phone call interview with KPBSB management and workers informed there is no construction of bunds and dams.</p>	Yes
4.5.5.3	<p>Review on the submitted photos of KPBSB worker housings observed rain gutter are installed to collect the rain water.</p> <p>Phone call interview with KPBSB management and workers informed they practice rain harvesting for housing and office use.</p>	Yes
4.5.6.1	<p>a KPBSB established High Biodiversity Value Assessments dated 22/04/2019 include the assessments on the existing flora and fauna in KPBSB area.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Black Flying Squirrel (<i>Aeromys tephromelas</i>) 1. Crab –eating macaque 2. Large treeshrew (<i>Tupaia tana</i>) 3. Pigeons 4. Doves 5. Red jungle fowl. <p>Review on the submitted photos observed list of wildlife was display at estate notice board.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>b KPBSB established High Biodiversity Value Assessments dated 22/04/2019 include the assessments on the existing flora and fauna in KPBSB area.</p> <p>List of wildlife sighted:</p> <ol style="list-style-type: none"> 1. Wild boar 2. Snake 3. Monkey. <p>Training for biodiversity and environment conducted for all workers on 02/10/2021.</p> <p>Phone call interview with the workers informed they understand that wildlife are legally protected.</p>	Yes
4.5.6.2	<p>a KPBSB established the High Biodiversity Value Assessments dated 22/04/2019 include action plan and recommendation.</p> <p>Example:</p> <p>Issue: Hunting will become the major issues with the existence of the access road. The road will provide an easy access to the hunter to go</p> <p>Mitigation measure: Signage prohibiting hunting is recommended to alert people on the wildlife protection initiative by the estate's management</p> <p>Monitoring: Well maintain the signage.</p> <p>Review on the submitted photos observed the signage for no hunting, capturing and penalty according to legal requirements.</p> <p>Phone call interview with workers informed they understand on the wildlife and environment protection. Any sighting wildlife will be directly report to management.</p>	Yes
	<p>b KPBSB established Environmental Policy dated 02/01/2019 signed by Chairman.</p> <p>The policy describes its objective as follow;</p> <ul style="list-style-type: none"> • Educating and enhancing awareness of stakeholders pertaining to protection of the environment and biodiversity through regular trainings and communication. <p>Biodiversity and environment training was conducted on 02/10/2021.</p> <p>Phone call interview with workers feedback they understand on the wildlife protection and penalty for hunting and capturing any wildlife.</p>	Yes
4.5.6.3	<p>KPBSB established monitoring record of sighted wildlife.</p> <p>Latest updated on 29/11/2021, the worker sighted monitor lizard.</p>	Yes
4.5.7.1	<p>KPBSB established Environmental Policy dated 02/01/2019 signed by Chairman.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The policy states that to implement zero burning on all oil palm cultivation activities.</p> <p>Review on the submitted photos, there are no sign of open burning observed at worker housing area and landfill.</p>	
4.5.7.2	<p>Phone call interview with KPBSB management and workers and review on the field photos confirmed, there are no disease observed at field operations that required treatment by burning method.</p>	Yes
4.5.7.3	<p>KPBSB established Environmental Policy dated 02/01/2019 signed by Chairman include zero burning.</p> <p>Phone call interview with KPBSB management and workers, review on the KPBSB field photos confirmed, there are no infected oil palms observed at field operations that required treatment by burning method.</p> <p>Therefore, there is no application for approval of controlled burning required.</p>	Yes
4.5.7.4	<p>KPBSB established SOP for Replanting revision 01, dated 01/03/2019 includes activities such as, felling, chipping and stacking.</p> <p>No replanting activities in KPBSB as audit date.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>KPBSB established list of SOPs for field operations dated 01/03/2019 as follows:</p> <ol style="list-style-type: none"> 1. 'Menuai Buah Sawit' document number KPBSB-SOP-06 2. 'Meracun Rumpai', document number KPBSB-SOP-07 3. 'Kerja-Kerja Mengangkut BTS', document number KPBSB-SOP-10 4. 'Memandu Kenderaan', document number KPBSB-SOP-12 dated <p>Training of the SOPs conducted to all estate workers.</p> <p>Example: Date: 02/10/2021 Type of training:</p> <ol style="list-style-type: none"> 1. SOP and Safety Working Procedure for Harvesting and FFB Loading 2. SOP and Safety Working Procedure for Manuring 3. SOP and Safety Working Procedure for Spraying. <p>Phone call interview with workers informed they understand on the training conducted.</p>	Yes

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Principle 6: Best Practices																								
Indicator	Summary of Assessment			Compliance																				
4.6.1.2	<p>KPBSB established SOP for Replanting document number KPBSB-SOP-16, revision 01, dated 01/03/2019 including terrace construction.</p> <p>SOP describes:</p> <ol style="list-style-type: none"> 1. Terracing shall be done mechanically over areas that determined by the management. 2. Terracing shall be carried out along the contour. Distance between terraces shall be indicated by pegs along the contour as determined by the management. 3. Terrace shall be constructed to a minimum width of 4.3 meters. 4. Properly compacted stop bund shall be constructed on the terraces at intervals of 20 meters. 5. The internal end of each blind terrace shall be connected to the nearest terrace above or below it and that all the external ends of terrace shall be connected properly to the roads. <p>KPBSB established Soil Pollution Management Plan, document number KPBSB-ENV-03 dated 01/03/2019 for managing soil erosion.</p> <p>The management plan describes:</p> <ol style="list-style-type: none"> 1. To ensure hilly area constructed with terraces 2. To plant cover crop at the terrace area <p>Review on the field photographs indicates terrace constructed at the hilly area and cover crop planted along the terraces.</p>			Yes																				
4.6.1.3	<p>KPBSB established block marker for each block include details such as phase number, block number, total area and planting year.</p>			Yes																				
4.6.2.1	<p>KPBSB has established business management plan for 3 years from 2020 to 2022.</p> <p>The plan has includes general charges, upkeep cost and harvesting cost.</p>			Yes																				
4.6.2.2	<p>KPBSB established replanting program for 4 years from 2022 to 2025.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Division</th> <th>Block</th> <th>Total area</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>Mile 26</td> <td>1A</td> <td>18.93 acres</td> </tr> <tr> <td>2023</td> <td>Mile 26</td> <td>3</td> <td>81.46 acres</td> </tr> <tr> <td>2024</td> <td>Mile 26</td> <td>4</td> <td>89.96 acres</td> </tr> <tr> <td>2025</td> <td>Mile 26</td> <td>5A</td> <td>28.65 acres</td> </tr> </tbody> </table>			Year	Division	Block	Total area	2022	Mile 26	1A	18.93 acres	2023	Mile 26	3	81.46 acres	2024	Mile 26	4	89.96 acres	2025	Mile 26	5A	28.65 acres	Yes
Year	Division	Block	Total area																					
2022	Mile 26	1A	18.93 acres																					
2023	Mile 26	3	81.46 acres																					
2024	Mile 26	4	89.96 acres																					
2025	Mile 26	5A	28.65 acres																					
4.6.2.3	<p>KPBSB established business management plan for 2019 – 2021.</p> <p>The business plan has includes the following;</p> <ol style="list-style-type: none"> 1. Planting material 2. Crop projection 			Yes																				

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> 3. Cost of production / Mt. 4. FFB price forecast 5. YPH. 	
4.6.2.4	<p>KPBSB established report for income and expenditure accounts as at September 2021.</p> <p>The report includes expenditure on general chargers, upkeep work, harvesting cost, FFB production, FFB price per ton and net profit.</p>	Yes
4.6.3.1	<p>KPBSB purchase chemical and fertilizer from the recognized supplier.</p> <ol style="list-style-type: none"> 1. Estate request quotation from supplier 2. Purchase order to be issued out as per quoted price 3. Supplier issue delivery note and invoice when delivering the product 4. Issue out payment voucher to supplier when payment made 5. Estate will received invoice as a proof of payment made <p>Example:</p> <p>Quotation for fertilizer dated 16/08/2021, purchase order dated 16/08/2021 and invoice dated 14/09/2021 are reviewed.</p>	Yes
4.6.3.2	<p>KPBSB purchase products and services such as chemical, fertilizer and working tools using a quotation and purchase order system.</p> <p>The payment made based on terms and conditions stated in the quotation provided by supplier and issuance of purchase order to acknowledge and confirmation of agreed price.</p>	Yes
4.6.4.1	<p>KPBSB engaged contractor for FFBS transportation.</p> <p>Contract agreement dated 01/10/2021 between KPBSB and FFB transporter is review.</p> <p>Review on the contract agreement has include statement of MSPO requirement.</p> <ol style="list-style-type: none"> 1. The contractor shall agrees to be interviewed and assessed by MSPO auditors appointed by the Society and to provide the required information and information as part of the MSPO requirement. 2. The contractor shall understand and comply with all regulatory requirement and also the relevant MSPO principles and their corresponding criteria and indicator in his dealing with the society. <p>KPBSB communicate with contractor on MSPO awareness via letter dated 06/09/2021.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.4.2	KPBSB engaged contractor for FFBs transportation, review on the contract agreement dated 01/10/2021 signed by both KPBSB representative and contractor.	Yes
4.6.4.3	KPBSB established contract agreement dated 01/10/2021 includes terms and conditions states the contractor has to comply to the MSPO requirements and subject to be audited by the appointed Certification Body.	Yes
4.6.4.4	KPBSB established the records for monitoring work performed by the contractor is duly signed by both parties upon completion of the tasks. Payment invoice is verify by estates management team prior payment is made. Example payment voucher for contractor dated 01/07/2021. The payment was made in accordance with contract agreement terms and conditions.	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>KPBSB 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.</p> <p>The 1st planting is conducted on 1994 until 2010, the latest replanting in year 2019 for 7.89 ha.</p> <p>Therefore, no biodiversity assessment required.</p>	Yes
4.7.1.2	<p>KPBSB 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.</p> <p>The 1st planting is conducted on 1994 until 2010, the latest replanting in year 2019 for 7.89 ha.</p> <p>The replanting in year 2019 is less than 100 ha. Therefore, no PMM required.</p>	Yes
4.7.2.1	<p>KPBSB planting statement and maps are review, there is no peat land observed. Review on the submitted field photos observed there is no peat land occur within the estate.</p>	Yes
4.7.3.1	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no SEIA conducted.</p>	Yes
4.7.3.2	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no SEIA conducted.</p>	Yes
4.7.3.3	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no SEIA conducted.</p>	Yes
4.7.3.4	<p>There are no smallholder's scheme in KPBSB certification. Therefore, not applicable.</p>	Yes
4.7.4.1	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no soil map established.</p>	Yes
4.7.4.2	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no topography map established.</p>	Yes
4.7.5.1	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no map established and no permit available.</p>	Yes
4.7.5.2	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no plan established.</p>	Yes
4.7.5.3	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no soil map established.</p>	Yes
4.7.6.1	<p>KPBSB planting statement is review and there is no new planting conducted. Therefore, no FPIC conducted and no communities affected.</p>	Yes

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4.7.6.2	KPBSB 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	KPBSB planting statement is review and there is no new planting conducted. Therefore, no SOP established.	Yes
4.7.6.4	KPBSB planting statement is review and there is no new planting conducted. Therefore, no compensation and agreement established.	Yes
4.7.6.5	KPBSB planting statement is review and there is no new planting conducted. Therefore, no assessment established.	Yes
4.7.6.6	KPBSB planting statement is review and there is no new planting conducted. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	KPBSB planting statement is review and there is no new planting conducted. Therefore, no compensation plan established.	Yes
4.7.6.8	KPBSB 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.
	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.
X	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	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

4.6. Detail of Remote Audit Findings Identified during this audit

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

REMOTE AUDIT OUTCOME		
	1	MAJOR Non-Conformities

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During this remote audit,	0	MINOR Non-Conformities
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Non Conformity Number 1	
Indicator # and Description:	4.4.5.3 Management shall ensure that employee's pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and
Location:	KPBSB
Description of Finding / Objective Evidence:	
<p>Review the KPBSB employment contract states the paid public holiday as determined by the management. KPBSB established list of public holiday 2021 states the workers is entitle for 14 paid holidays include the Sabah Governor's Birthday and Prophet Muhammad's Birthday.</p> <p>The Sabah Labour Ordinance section 103. (1) Every employee shall be entitled to a paid holiday at his ordinary rate of pay on the following days in any one calendar year:</p> <p>(a) On fourteen gazette public holidays as specified under the holidays ordinance (Sabah)</p> <p>Review the October 2021 pay slips and payroll for workers no.8 and workers no.9. These workers have not been paid for the 2 public holidays for Sabah Governor's Birthday on 02/10/2021 and Prophet Muhammad's Birthday on 19/10/2021.</p>	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Wui Ling
Date Raise:	16/12/2021
Deadline for implementation	15/02/2021
Root Cause Analysis (by company):	
There is an oversight by the management to ensure the payroll processing clerk to include the Public Holiday pay in the hourly rated and piece-rated workers' payroll calculation.	
Correction (by company):	
The Company has paid back the two Public Holiday pays for October 2021 to the respective workers on as evidenced by the payslips in December 2021.	
Corrective / Preventive Action (by company)	
The management has undertaken briefings to the estate payroll clerk as well as the town office accounts staff on the Public Holiday pay calculation to avoid any recurrence.	
Review of Correction & Corrective / Preventive Action	
<p>Review the payslips record of December 2021 for workers no.8 and no.9 the 2 public holidays for Sabah Governor's Birthday on 02/10/2021 and Prophet Muhammad's Birthday on 19/10/2021 paid with the amount of RM 46.15 per day.</p> <p>KPBSB has also paid the Christmas public holiday dated 25/12/2021 to the workers.</p> <p>The evidence provided is accepted to close the non-conformity.</p>	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Sheron Pui Ling Wui	Date of Closure: 06/01/2022

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Non Conformity Number 1

Review of Implementation

Name of Lead Auditor / Auditor:	Date of Review:
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Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.1.1.1	A policy for the implementation of MSPO shall be established	Estate	KPBSB may consider improve the awareness of MSPO.
2.	4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification	Office	KPBSB may consider improve the agenda of management review meeting.
3.	4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	Estate	KPBSB may consider improve workers awareness on complaint and grievance SOP.
4.	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.	Office	KPBSB may consider improve the employment contract information such as number of days of holiday entitlement, rest day and rates for overtime work.
5.	4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	Estate	KPBSB may consider improve on monitoring of wildlife.

MSPO Certification Summary Report

Company Name: Koperasi Pembangunan Bersatu Sandakan Berhad

Certifying Unit: Koperasi Pembangunan Bersatu Sandakan Berhad

Client Number: 92-143

Audit Type: ASA 02

Mode of Audit: Remote



5. CONCLUSION

Koperasi Pembangunan Bersatu Sandakan Berhad has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit consisting of its estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There is 1 Major NC raise and closed out successfully.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3:2013 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(s):	1
Total certified production area:	471.07 Ha
Certified FFBs January to November 2021:	6,392.79 Mt
Project FFBs December 2021:	650 Mt

MSPO Certification Summary Report

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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, 16/01/2021

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

Puchong, 25/01/2021

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

- P&C Audit Report / Checklists
- Audit Plan