



MSPO CERTIFICATION SUMMARY REPORT

KOPERASI PEMBANGUNAN BERSATU
SANDAKAN BERHAD

SURVEILLANCE 03

Audit Date: 07/12/2022 – 08/12/2022

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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 03

Mode of Audit: Onsite



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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: Khairul Anwar Bin Ismail

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 Agricultural Science

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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)	5 years working experience in oil palm plantations
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS 2530 series standards for Lead Auditors.
Carried out 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	5 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001 Lead Auditor 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 45001 Lead Auditor 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 14001 Lead Auditor course.

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Requirement	Qualifications
Attended High Conversation Value Assessment training	Attended and completed the HCV-HCS for producers online course.
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
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	Navin Baskram	Bachelor in Biotechnology and Master in Environmental Management.
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)	Navin Baskram	Four (4) years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body.
Successfully completed MPOCC endorsed lead auditor trainings	Navin Baskram	Successfully completed MS2530 series of standards for Lead Auditors.
Carried out 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.	Navin Baskram	Qualified as auditor based on audit log.
Field working experience in the palm oil sector or demonstrable equivalent	Navin Baskram	Four (4) years working experience in oil palm plantation and two (2) years'

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Requirement	Name of Assessor	Qualification
		experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Navin Baskram	Four (4) years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Navin Baskram	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Health and safety auditing of the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Navin Baskram	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Navin Baskram	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Navin Baskram	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Completed High Conversation Value assessment	Navin Baskram	Attended and completed the HCV assessors' course.
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Navin Baskram	Able to communicate in Bahasa Malaysia and English.

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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 03 was carried out onsite on 07/12/2022 to 08/12/2022 covering the following activities but not limited to below:

Onsite:

Background investigation

- Review of documentation established but not limited to below
 - Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures;
 - Work Flow Charts;
 - Management Plans;
 - Operating licenses and approvals;
 - Operating records;
 - Training records;
 - Applicable Legislation Documents
- Onsite visit, observations and inspection of estate(s) facilities and field activities;
- 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;
- Assessment reporting;

Onsite Assessment

The audit of the estate is carried out 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 physical 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

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

Table 2-1: Estate 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 estates are 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 2022 to December 2022)
	Total*	Production**	
Mile 12	124.49	113.58	2,000.00
Mile 26	379.80	357.09	5,100.00
Total	504.29	470.67	7,100.00

*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	87.27	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	357.04	105.60
2019	0.00	7.98
Total Immature	0.00	7.98
Total	357.04	113.58

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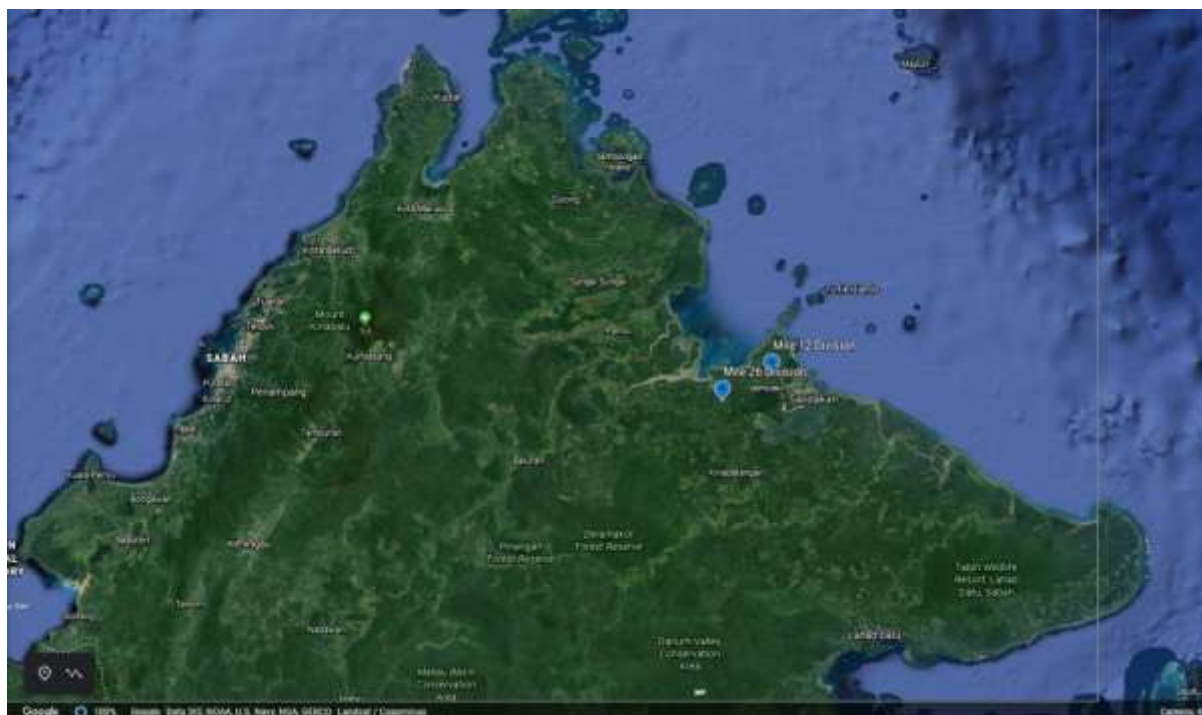
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3.3. Replanting program for each division

Year of replanting	Planted area (ha) in each division		Total area to be replanted (ha)
	Mile 12	Mile 26	
2022	-	-	-
2023	-	34.01	34.01
2024	-	9.15	9.15
2025	-	11.59	11.59
TOTAL	0	54.75	54.75

3.4. Maps of Divisions Location



Map Mile 26 and Mile 12 division

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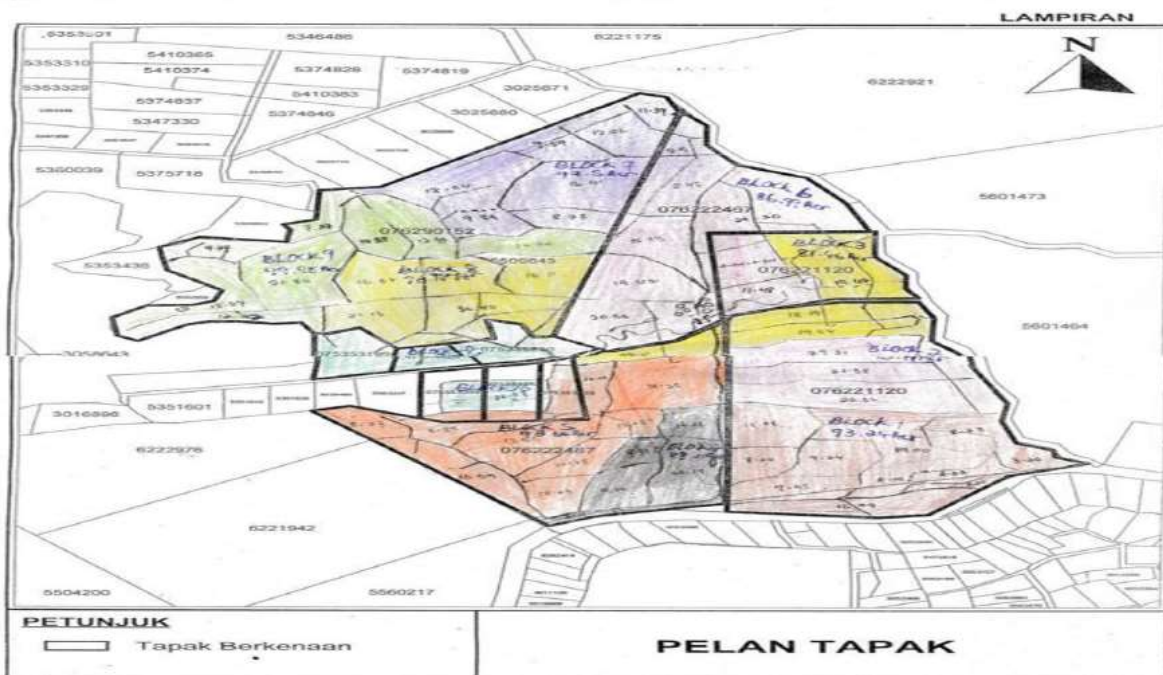
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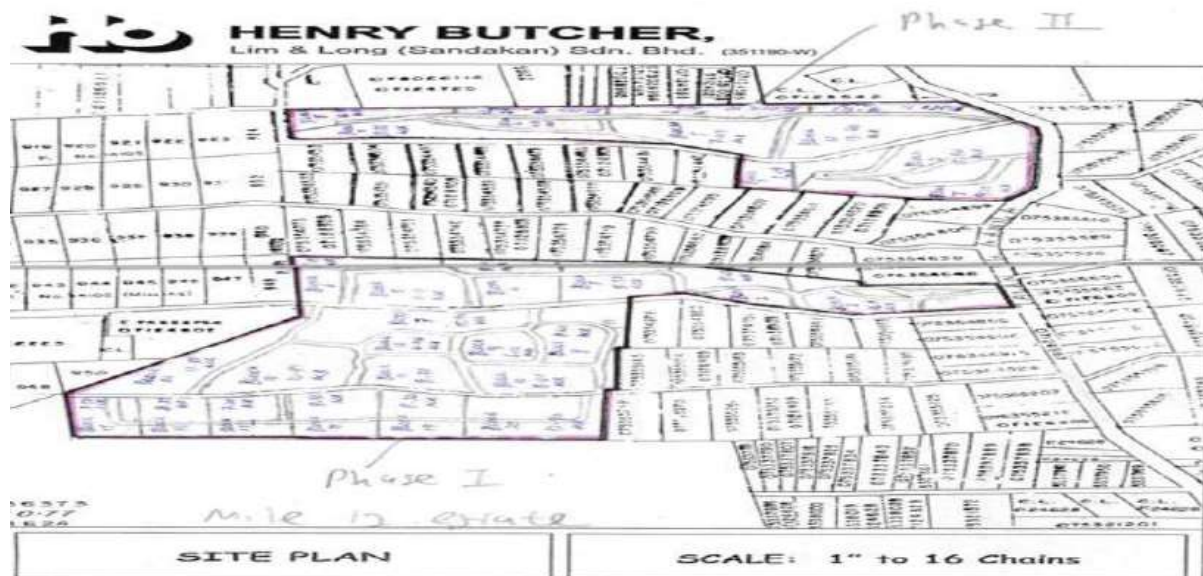
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Map Mile 26 division



Map Mile 12 division

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4. CERTIFICATION ASSESSMENT

4.1. Annual Surveillance 03

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 03:

The surveillance audit 03 is carried out on 07/12/2022 to 08/12/2022 covering one estate with two divisions, Mile 12 and Mile 26.

During the last surveillance audit, there are 1 Major, 0 Minor and 5 Opportunities for Improvement (OFI) are raised.

During the ASA 03 audit, there is 2 Major and 2 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 carried out for this surveillance audit.

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 07/11/2022 to announce the audit of the certified unit. As at audit date on 07/12/2022 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>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 the policies are publicly available at estate office notice board.</p> <p>KPBSB has carried out company policies training includes MSPO Policy to the workers dated 06/10/2022 and external stakeholders dated 14/09/2022.</p> <p>Field interview with sampled 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 carried out. 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 carried out internal audit dated 12/10/2022 - 13/10/2022.</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> <ul style="list-style-type: none"> • Establishment of systematic documented information; • Social responsibility towards workers in terms of providing; basic amenities and subsidies • Build up the positive relationship with stakeholders. <p>Weakness points:</p> <ul style="list-style-type: none"> • Management could consider improving the clearing of weeds and wild bushes and the path access in certain blocks which are newly matured in Mile 12 estate to facilitate the block access and harvesting process of the harvesters. 	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 carried out.</p> <p>The SOP describes the internal audit to be conduct once a year and will be review in management review meeting.</p> <p>KPBSB conduct internal audit dated 12/10/2022 - 13/10/2022.</p> <p>No NC raised during the internal audit.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.2.3	KPBSB internal audit results are available and discuss in the management review dated 29/10/2022.	Yes
4.1.3.1	<p>Management review meeting carried out on 29/10/2022 include discuss on the internal audit findings.</p> <p>Management review agenda minute meeting:</p> <ul style="list-style-type: none"> • MSPO issues arising and solution; • Internal audit discussion; • Opportunities for improvement; • Conclusion. 	Yes
4.1.4.1	<p>KPBSB established Continual Improvement Plan dated 01/03/2019 and updated 03/10/2022 signed by chairman.</p> <p>CIP topic discussed on safety & Health, environmental, regulatory.</p> <p>Example: Social</p> <p>Action: Improve workers awareness on complaint and grievance SOP by continuous briefing;</p> <p>Responsibility: Estate management;</p> <p>Timeframe: October 2022;</p> <p>Status: Completed;</p> <p>Review the complaint and grievance training carried out on 03/10/2022.</p>	Yes
4.1.4.2	<p>KPBSB established SOP for new information, techniques, equipment dated 01/03/2019.</p> <p>The SOP has describe on:</p> <ul style="list-style-type: none"> • To identify and register all approved new information, techniques, equipment etc; • Valuation of new information, techniques and equipment too suit with the current practices; • Location selection for the experiment trial; • To train the operator or the employees involved; • To ensure that monitoring format of new implementation are revised and approved by chairman. <p>KPBSB carried out briefing on SOP for new information, techniques and equipment to the workers dated 03/10/2022.</p>	Yes
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>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	The SOP describes the resource such as training to be carried out while there is implementation of new technology, new information or new industry standards.	

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 has established list of stakeholders latest update 14/09/2022.</p> <p>The list of stakeholders has includes:</p> <ol style="list-style-type: none"> 1. Palm Oil mill; 2. Supplier; 3. Contractors; 4. Government agencies; 5. Surrounding committee; 6. NGO. <p>KPBSB has carried out stakeholder's consultation meeting dated 14/09/2022 via email. Sighted invitation letter to stakeholders carried out by email respond.</p> <p>Feedback from stakeholder received and no issue of complaint sighted.</p>	Yes
4.2.1.2	<p>KPBSB has 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 policy; 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; 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>3. Employees insurance;</p> <p>4. EPF/SOCSO.</p>	
4.2.2.1	<p>KPBSB has established the SOP for consultant and communication, doc no: KPBSB-SOP-02 updated 11/09/2019.</p> <p>The flowchart stated as below details:</p> <ol style="list-style-type: none"> 1. "Perkara atau isu stakeholders yang di bangkitkan harus di siasat terlebih dahulu oleh pengurus atau penolong pengurus estate"; 2. "Membuat penilaian terhadap aduan yang di terima"; 3. "Bersemuka dengan pengadu bagi menyelesaikan aduan"; 4. "Permintaan maklumat daripada stakeholders' harus diselesaikan dalam jangka masa satu bulan daripada tarikh permohonan di terima". <p>KPBSB establish the communication and consultation form dated on 01/03/2019.</p> <p>The SOP was briefed to stakeholders during stakeholder's consultation on 14/09/2022 via email.</p>	Yes
4.2.2.2	<p>KPBSB has appointed Estate Assistant Manager as person in charge for transparency of information and document dated 01/04/2019.</p> <p>Sstakeholders' were informed of the appointed person during the stakeholder's meeting on 14/09/2022.</p>	Yes
4.2.2.3	<p>KPBSB list of stakeholders including contractors, suppliers, local community, government agencies and palm oil mill updated on 14/09/2022 reviewed.</p> <p>Reviewed the consultation and communication record. Feedback from stakeholder received and no issue of complaints sighted.</p> <p>The SOP was brief to stakeholders attended the stakeholder's consultation on 14/09/2022 via email. There is no information request during the stakeholders meeting.</p>	Yes
4.2.3.1	<p>KPBSB has established SOP traceability document number KPBSB-SOP-03 dated 01/03/2019 and updated 11/09/2019.</p> <p>The SOP includes flow chart of FFB traceability as below:</p> <ul style="list-style-type: none"> • Harvesting; • Counting FFB; • FFB loading; • Weighbridge; • FFB ramp; • Records data in estate system. 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Mile 26:</p> <p>Mill: Malsa Corporation Sdn Bhd;</p> <p>Ticket number: C0181060;</p> <p>MSPO License: 501396102000;</p> <p>Date : 0410/2022;</p> <p>Nett Weight: 10, 880 kg</p> <p>Estate weighbridge ticket (Dispatch Slip)</p> <p>Estate: KPBSB Mile 26;</p> <p>Ticket number: 000662;</p> <p>Dated:04/10/2022;</p> <ul style="list-style-type: none"> • Weight: 11,050 Kg. 	
4.2.3.2	<p>The inspection of traceability system carried out on monthly basis by appointed person incharge who is weighbridge clerks. Reviewed appointment letter dated 01/04/2019 for Mile 26 and Mile 12.</p> <p>Sighted the inspection record for November 2022 for Mile 12 and Mile 26.</p>	Yes
4.2.3.3	<p>KPBSB appointed weighbridge clerk as person in charge for transparency of information and document for mile 26 dated 01/04/2019 and mile 12 dated 01/04/2019.</p>	Yes
4.2.3.4	<p>KPBSB has established records of FFB sold and delivered.</p> <ul style="list-style-type: none"> • Harvester record; • FFB chit; • Estate weighbridge ticket; • Mill weighbridge ticket; • FFB grading sheet. <p>The unique number is the estate delivery number or estate weighbridge ticket number.</p> <p>Example:</p> <p>Record for the month of October 2020</p> <p>Collecting center: Syarikat Luboh Palm;</p> <p>Date: 14/10/2020;</p> <p>Ticket no.: 000144;</p> <p>Collecting Center weight: 4,020 Kg;</p> <p>D/O no: 006461.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Mile 12 Division weighbridge ticket:</p> <p>Weighbridge ticket no: 006461;</p> <p>Date: 14/10/2020;</p> <p>Estate weight: 4,019 Kg;</p> <p>Review the SOP traceability, all the records and documentation to keep for 7 years.</p>	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>Reviewed and verified list of licenses and permits as below:</p> <ol style="list-style-type: none"> MPOB license number 501396102000 for KPBSB valid for one (1) year from 01/04/2022 to 31/03/2023; Jabatan Tenaga Kerja Sabah has approval menggajikan pekerja bukan pemastautin, license number: JTK.H.SDK.600-4/1/1/01261/001326 valid from 12/03/2022 to 11/03/2023; Trading license for KPBSB serial number: 273717, application number: R22485/2012 valid from 01/01/2022– 31/12/2022; Diesel permit doc no: KPDNHEP.SDN.34/2020 (SK) for 18,000 L from 18/08/2021 to 17/08/2024; JTK Permit potongan daripada gaji pekerja seksyen 113(4), ordinan buruh (sabah bab 67), no siri: JTKSBH/PMT/113/2021/0321 valid from 17/09/2021 – 16/09/2023. <p>Major NC 01</p> <p>KPBSB has established legal register updated on 15/09/2022. During field visit, visited the oil palm nursery and observed nursery is well established.</p> <ul style="list-style-type: none"> However, no nursery license has been obtained from MPOB for oil palm nursery establishment in estate. 	No
4.3.1.2	<p>KPBSB has established list of laws and regulations latest updated on 15/09/2022.</p> <p>Stated in the list as follows:</p> <ol style="list-style-type: none"> Environment quality act 1974; Employment act 1955; Occupational safety and health act 1994; Minimum Wages Order 2022; Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) Regulations 2020 and related Covid-19 	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	SOPs issued by Majlis Keselamatan Negara and Sabah State Government; 6. Pesticides Act 1974.	
4.3.1.3	<p>KPBSB has established list of laws and regulations prepared by secretary latest updated on 15/09/2022.</p> <p>KPBSB established the SOP Mechanism of Tracking changes in law dated 11/09/2019.</p> <p>The SOP describes when they is changes in law the management team to follow up the changes to evaluate the effect of the change in laws, and to assess the current practices and suggest changes if any.</p> <p>Example of latest changes in law updated in legal register is Minimum Wages Order 2022.</p>	Yes
4.3.1.4	KPBSB has appointed secretary as person in charge of track and update the regulatory requirement on 01/04/2019. Reviewed appointment letter.	Yes
4.3.2.1	<p>The land titles are CL and PL issued by the state land office for the purpose of the cultivation of tree bearing edible fruit and agricultural crop of economic value.</p> <p>KPBSB has 9 lots of land title for Mile 26 division and 54 lots of land title for mile 12 Sungai Manila division.</p> <p>Example:</p> <ol style="list-style-type: none"> Land title 075353025, CL, validity 01/01/1974 – 31/12/2072; Land title 075353196, CL, validity period 01/01/1974 – 31/12/2072; Land title 075353203, CL, validity period 01/01/1974 – 31/12/2072. 	Yes
4.3.2.2	<p>KPBSB establish land title list states Koperasi Pembagunan Bersatu Sandakan Berhad is the legal owner stated in the land title approved by State of Sabah Land authority and for the purpose of the cultivation of tree bearing edible fruit and agricultural crop of economic value.</p> <p>The tenure of the land is 99 years lease.</p> <p>Reviewed and verified land titles CL 075353025, CL 075353196 and CL 075353203.</p>	Yes
4.3.2.3	During field visit at Mile 26, block 07, observed boundary stone clearly demarcated.	Yes
4.3.2.4	<p>KPBSB land are purchased from previous owner have been approved for transfer by State Land Department.</p> <p>Therefore, no disputes found during document review. The land are country lease and provisional lease to KPBSB issued by state land authority.</p> <p>No disputes found during document review.</p>	Yes
4.3.3.1	Land title from Sabah Land Authority there is no customary land.	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Type of land title are country lease and provisional lease The land tenure was for the period of is 99 years.	
4.3.3.2	Land title from Sabah Land Authority there is no customary land. Type of land title are country lease and provisional lease The land tenure was for the period of is 99 years. Therefore, not applicable.	Yes
4.3.3.3	Land title from Sabah Land Authority there is no customary land. Sighted land title transfer from person to KPBSB. The land transfer was acknowledge by both party. No FPIC agreements available.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	KPBSB established Social Impact Assessment (SIA) dated 30/09/2022. The SIA report includes feedbacks from internal and external stakeholders, impacts, action plan, person in charge and time frame. A summary of positive and negative impacts, mitigation plan promotes with timeline are included. Example of positive impact: Activity: Workers get electricity supply from Sabah Electricity Sdn. Bhd; Positive impact: Stable electricity supply for workers to perform daily routine; Promoting / control measure: Monitor electricity usage; Person in-charge: Assistant Manager; Status: On-going; Review the electricity consumption record example Sept 2022 include the electricity usage for workers.	Yes
4.4.2.1	KPBSB established SOP complaint and grievances document number KPBSB-SOP-14, updated on 11/09/2019. The flowchart describes; <ul style="list-style-type: none"> • Complainant submit complaint form to field staff; • Manager and assistant will investigate the complaint; • Manager and assistant will assess the complaint; • Manager and assistant will meet the complainant in person to solve the problem. Complaint and grievances flowchart displayed at estate notice board.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
	Field interview with sampled workers informed they understand the complaint and grievances procedure.		
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>KPBSB complaint form displayed at the estate notice board.</p> <p>Field interview with sampled 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 complaint form and SOP complaint and grievance are displayed at estate notice board.</p> <p>Field interview with sampled workers informed they understand and have been briefed on complaint and grievances procedure.</p> <p>Briefing for complaint and grievances carried out for external stakeholders dated 14/09/2022 and workers dated 03/10/2022.</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> <p>KPBSB provide contract opportunities for local contractor for the FFB transportation</p>	Yes	
4.4.4.1	<p>KPBSB established Occupational Safety and Health Policy updated on 15/04/2020 signed by Chairman.</p> <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>The policy displayed at estate notice board.</p> <p>Briefing of occupational health & safety policy carried out on 06/10/2022 to all workers.</p> <p>Field interview with sampled workers informed they have been briefed on the occupational health & safety policy.</p>	Yes	
4.4.4.2	a	<p>KPBSB conduct occupational health & safety policy briefing to workers on 06/10/2022 and external stakeholder on 14/09/2022.</p> <p>The policy is display on the estate notice board.</p> <p>Field interview with sampled workers informed they understand on the occupational health & safety policy.</p>	Yes
	b	<p>KPBSB established HIRARC updated on 20/03/2022 includes all estate operations.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<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 mas;</p> <p>Recommended control: Continuous training on SOP, monitoring, medical surveillance;</p> <p>Person in-charge: Estate assistant;</p> <p>Review PPE issuance record dated 14/09/2022.</p> <p>Workers handle chemicals are sent for medical surveillance on 04/10/2022.</p> <p>Review on the medical surveillance records workers are fit to continue their job for chemical spraying and manuring.</p>	
c i	<p>KPBSB carried out 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 05/10/2022. <p>Field interview with sampled workers informed they understand on the safe work practices.</p>	Yes
c ii	<p>KPBSB SDSs are kept at chemical and fertilizer store.</p> <p>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>Onsite visit at chemical store, 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 14/09/2022 for chemical sprayers is review.</p>	No

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Field interviews with sampled workers informed, PPE provided by the estate management.</p> <p>Major NC 1</p> <p>Reviewed Koperasi Pembangunan Bersatu Sandakan Berhad (KPBSB) Chemical Health Risk Assessment (CHRA) dated 05/09/2022 stated for spraying and manuring activity recommended to supply operator with wellington boots.</p> <p>Review the PPE issuance record dated 14/09/2022, no evidence of wellington boots had been provided to workers.</p> <p>Field interview with sampled workers confirmed wellington boots had not been replaced since 2019.</p>	
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 03/10/2022.</p> <p>Field interview with sampled workers informed they understand on the SOP.</p> <p>Onsite visit at chemical store observed chemical products are store in original label and packing.</p>	Yes
f	<p>KPBSB appointed estate assistant as person in-charge for safety and health.</p>	Yes
g	<p>KPBSB has a total number of 24 workers. Therefore, below the minimum requirements to have an OSH committee in accordance to DOSH requirements.</p> <p>KPBSB conduct safety and health meeting on yearly basis.</p> <p>Latest safety and health meeting carried out on 25/09/2022 with participants of both employer and employee representatives and includes agenda of safety and health, vaccination and COVID 19 issues.</p>	Yes
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>ERP and emergency contact number displayed at estate notice board.</p> <p>Briefing of safety and ERP carried out on 03/10/2022.</p>	Yes
i	<p>KPBSB store clerk is a competent first aider and attended first aid training carried out by Bulan Sabit Merah Malaysia Sandakan dated 23/06/2019.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>KPBSB carried out first aid briefing dated 03/10/2022.</p> <p>First aid kits are available at the work site and maintained by the first aider.</p>	
	<p>j</p> <p>KPBSB established record of accident and injuries, no accident reported since last audit date.</p> <p>KPBSB conduct OSH meeting on 25/09/2022 include agenda on reporting for accident or injuries cases.</p> <p>Annual accident report, JKKP 8 for year 2021 submitted to DOSH on 12/01/2022 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>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> <ul style="list-style-type: none"> • Comply with the Labour Ordinance (Sabah Cap. 67) and all related statutes, laws and regulations; • Provide equal opportunity and treatment to all employees; • No discriminatory practices based on race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics; • Provide good living quarters with basic amenities; • Prohibit employment of child and forced labour; • Prohibit any form of domestic violence; • Promote and enhance quality of life and wellbeing of the employees and communities; • Freedom of association and the effective recognition of the right to collective bargaining. <p>Social Policy was briefed to external stakeholders through email dated 14/09/2022 and workers dated 06/10/2022.</p> <p>Field interview with sampled workers informed they understand the social policy.</p>	Yes
4.4.5.2	<p>KPBSB established Human Resources and Social Policy dated 11/09/2019 signed by Chairman.</p> <p>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> <ul style="list-style-type: none"> • Provide equal opportunity and treatment to all employees; 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> No discriminatory practices based on race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. <p>Field interview with sampled workers informed they understand the social policy.</p>	
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 2022 dated 01/05/2022.</p> <p>The memo state the new pay rate for daily rate is RM 57.69 per day and RM 7.21 per hourly rate in accordance to Minimum Wages Order 2022.</p> <p>Field interview with sampled workers informed they had been briefed on the list of piece rate and agreed with the pay rate.</p> <p>The pay slip indicates the workers' pay in line with agreed hourly rate or list of piece rate.</p>	Yes
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.</p> <p>Reviewed on the payment voucher of the contractor's worker for the month of 01/10/2022 the wages paid is according to agreed rates.</p>	Yes
4.4.5.5	<p>KPBSB established list of workers that contain name, gender, date of birth, date joined, job description and wages.</p>	Yes
4.4.5.6	<p>KPBSB established worker contract for every worker recruited and signed by both parties.</p> <p>Workers are briefed on the terms and conditions, wage, position of the work contract and copy is provided.</p> <p>Field interview with sampled workers informed they have been briefed on the contract terms and conditions and received a signed copy.</p>	Yes
4.4.5.7	<p>KPBSB use the attendance record book to monitor workers reporting work and working hours for each day.</p> <p>The working hours is display at the notice board.</p> <p>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.</p> <p>Field interview with sampled 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

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.8	<p>KPBSB established working hours and displayed at estate notice board.</p> <p>Working hours: 7:00 am to 4:00 pm; Break time: 12:00 pm – 1:00 pm.</p> <p>Field interview with sampled workers informed they understand on estate working hours.</p>	Yes
4.4.5.9	<p>KPBSB provide pay slip to all workers documenting wage for the month, deduction and any overtime performed.</p> <p>Document review KPBSB have 'JTK Permit Potongan Daripada Gaji Pekerja' approved for electricity deduction valid from 12/03/2021 till 16/09/2023.</p> <p>Workers are paid either piece rate or daily rate.</p> <p>Field interview with sampled workers informed they understand the working hours and overtime rates, however no OT required in the estate.</p>	Yes
4.4.5.10	<p>KPBSB provides benefits for both local and foreign workers such as medical cost, sick leave, SOCSO and public holidays.</p>	Yes
4.4.5.11	<p>KPBSB adopt industry best practices for living quarters.</p> <p>The basic amenities such as recreational area, toilet, water and electricity are provided.</p>	Yes
4.4.5.12	<p>KPBSB established Sexual Harassment Policy dated 02/01/2019 signed by Chairman.</p> <p>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>Field interview with sampled 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 carried out 14/09/2022 attended by workers and management.</p> <p>Field interview with sampled workers informed there is no union form in KPBSB. However, worker informed the worker meeting carried out annually as communication tools between workers and management team.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
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 field interview with sampled 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 2022 dated 17/03/2022.</p> <p>Training program include:</p> <ul style="list-style-type: none"> Company policies ; SOPs; First aid; Environmental; Safety and health. <p>Example of briefing records:</p> <ul style="list-style-type: none"> Briefing of ERP, SOP complaint and grievance, and SOP new information, technique and equipment dated 03/10/2022; First aid dated 14/10/2022; SOP harvesting, SOP spraying, SOP manuring and PPE dated 05/10/2022. 	Yes
4.4.6.2	<p>KPBSB established training need analysis dated 17/03/2022 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>Field interview with sampled 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 2022.</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 2022. 	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance	
4.5.1.1	<p>KPBSB established Environmental policy revision 00, updated 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>KPBSB established the Identification and Evaluation of Environment Aspects and Impacts updated on 14/01/2022.</p> <p>Identification and Evaluation of Environment Aspects and Impacts included the Activity, Environmental aspect, type of impact and control measure.</p> <p>Example of the EAIA :</p> <p>Activities : Landfill;</p> <p>Environment Aspect : Generation of leachate, liquid that drains or leaches from the dumpsite;</p> <p>Environment Impacts : Water, air and land pollution;</p> <p>Mitigation/improvement plan: Waste in the dumpsite is compacted using tractor and covered with soil when the dumpsite is nearly full;</p> <p>Person in charge: Estate assistant.</p> <p>Training for workers on environmental policies has been carried out on 06/10/2022.</p>	Yes	
4.5.1.2	a	<p>KPBSB established the Identification and Evaluation of Environment Aspects and Impacts latest updated on 14/01/2022.</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
	b	<p>KPBSB established the Identification and Evaluation of Environment Aspects and Impacts latest updated on 14/01/2022.</p> <p>Aspects and Impacts for all estates operation is identified.</p>	Yes

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

Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> • Admin; • Manuring; • Upkeep/weeding; • Harvesting; • Fertilizer store; • Chemical store; • Workshops; • Workers quarters; • Nursery; • Replanting. <p>Example: Activities : Landfill; Environment Aspect : Generation of leachate, liquid that drains or leaches from the dumpsite; Environment Impacts : Water, air and land pollution; Severity score: 16 Significance: Significant; Mitigation/improvement plan: Waste in the dumpsite is compacted using tractor and covered with soil when the dumpsite is nearly full; Person in charge: Estate assistant.</p>	
4.5.1.3	<p>The Environmental Aspects and Impacts established includes the negatives impacts and control measures to promote the positive ones.</p> <p>Example positive impact: Station/Area: Harvesting; Activity: Cutting of frond; Aspect: Stacking of fronds; Type of impact: Positive impact: Control measure: Cutting frond are places between palm rows as organic fertilizer.</p> <p>Example negative impact: Station/Area: Harvesting; Activity: Delayed harvesting; Aspect: Harvesting of rotten bunches and leachate flowing to nearby stream;</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services										
Indicator	Summary of Assessment	Compliance								
	Type of impact: Negative impact: Control measure: Follow harvesting plan based on “manual Pengredan Buah Kelapa Sawit MPOB”.									
4.5.1.4	KPBSB established the CIP for environment, updated on 06/01/2022. Example: Action :To improve wildlife monitoring; Responsibility : Estate Assistant; Timeframe: Ongoing. Review on the empty chemical disposal records are available and maintained.	Yes								
4.5.1.5	KPBSB has established annual training plan for 2022, document number: KPBST-T01, dated 17/03/2022. The plan has includes training on environment policy. The environmental policy and plan training carried out by Secretary, dated on 06/10/2022.	Yes								
4.5.1.6	KPBSB has carried out the quarterly environmental meeting between management and workers on 24/09/2022. The meeting had discussed about housekeeping and cleanliness of worker quarters, waste management and stream water analysis.	Yes								
4.5.2.1	KPBSB established the diesel consumption monitoring record from 2019 until 2021. For the past three years, total diesel usage are: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>Total diesel (Liter)</th> </tr> </thead> <tbody> <tr> <td>2020 (October 2020)</td> <td>31,55.60</td> </tr> <tr> <td>2021 (October 2021)</td> <td>38,677.14</td> </tr> <tr> <td>2022 (October 2022)</td> <td>35, 003.52</td> </tr> </tbody> </table> Diesel usage for year 2022 until October 2022 is lower compared to October 2021. This is mainly due to less usage of machineries for activities such as road repairs, etc. KPBSB is using an electricity from the grid. Reviewed records of electricity used from grid for the year 2020 to 2022. Electricity consumption for 2022 vs 2021 is comparable in terms of YTD average.	Year	Total diesel (Liter)	2020 (October 2020)	31,55.60	2021 (October 2021)	38,677.14	2022 (October 2022)	35, 003.52	Yes
Year	Total diesel (Liter)									
2020 (October 2020)	31,55.60									
2021 (October 2021)	38,677.14									
2022 (October 2022)	35, 003.52									
4.5.2.2	Annual budget for diesel consumption had been established for 2022 and monthly compared with the actual consumption. Diesel usage for year 2022 is within the budget range mainly due to less usage of machineries for activities such as road repairs, etc.	Yes								
4.5.2.3	KPBS does not practice renewable energy for their estate.	Yes								

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

Indicator	Summary of Assessment	Compliance					
4.5.3.1	<p>KPBSB has established waste management plan revision 02, dated 01/03/2020.</p> <p>The waste management plan includes the types of waste, item description, location/source and action taken.</p> <p>For example :</p> <p>Solid waste (Domestic waste)</p> <p>Sources :</p> <p>Office, Workshops, Store, Shop;</p> <p>Type of waste: Domestic rubbish.</p>	Yes					
4.5.3.2	<p>a KPBSB has 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>Solid waste (Domestic waste)</p> <p>Sources :</p> <p>Office, Workshops, Store, Shop;</p> <p>Type of waste: Domestic rubbish.</p> <p>Action plan: Collection schedule, create awareness on hygiene.</p>	Yes					
	<p>b KPBSB has established waste management plan revision 02, dated 01/03/2020.</p> <p>The waste management plan includes:</p> <table border="1" data-bbox="408 1543 1201 1767"> <thead> <tr> <th>Waste generated</th> <th>Recycle/reused</th> </tr> </thead> <tbody> <tr> <td>Empty Fertilizer Bag</td> <td>Collect loose fruits</td> </tr> <tr> <td>Cutting old fronds</td> <td>Moisturize the soil and decomposed as organic fertilizer</td> </tr> </tbody> </table>	Waste generated	Recycle/reused	Empty Fertilizer Bag	Collect loose fruits	Cutting old fronds	Moisturize the soil and decomposed as organic fertilizer
Waste generated	Recycle/reused						
Empty Fertilizer Bag	Collect loose fruits						
Cutting old fronds	Moisturize the soil and decomposed as organic fertilizer						
4.5.3.3	<p>KPBSB has established SOP for chemical handlings revision 00, dated 01/03/2019.</p> <p>The procedure describes:</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. 	Yes					

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Used lubricant oils from vehicles are collected by service contractors. Empty chemical containers are triple rinsed and reused for chemical premixing.	
4.5.3.4	<p>KPBSB established SOP management of schedules waste revision 00, dated 01/03/2019.</p> <p>Used lubricant oils from vehicles are collected by service contractors. Empty pesticide containers are triple rinsed and reused for chemical premixing.</p> <p>During site visit, observed empty pesticide containers are triple rinsed and marked with "X" in red.</p> <p>Empty pesticide containers which are triple rinsed and punctured are also reused for worker quarters beautification purposes.</p>	Yes
4.5.3.5	<p>Domestic wastes had been disposed at dedicated landfill at Mile 26 and as for Mile 12 there are designated bins provided by the local council.</p> <p>The landfill is located 500 m from housing and 500 m from waterways.</p> <p>During field visit at Mile 26, observed landfill is well maintained with appropriate open and close date.</p>	Yes
4.5.4.1	<p>KPBSB has established waste management plan revision 02, dated 01/03/2020.</p> <p>Example sources and type of wastes identified:</p> <ul style="list-style-type: none"> • Liquid waste - Used lubricants; • Solid waste – empty pesticide containers; • Gaseous waste – Carbon monoxide produced by FFB tractors. 	Yes
4.5.4.2	<p>KPBSB established Inventory and Mitigation GHG for estate revision 00, dated 01/03/2020.</p> <p>The disposal and treatment method for each type of waste generated had been listed as below example:</p> <p>Activity: FFB Transportation;</p> <p>Operation: Transportation;</p> <p>Emission: Carbon Monoxide;</p> <p>Mitigation measures:</p> <ul style="list-style-type: none"> • Vehicles use for transportation only; • Switch off the engine when waiting; • Periodic scheduled maintenance. 	Yes
4.5.5.1	<p>a</p> <p>KPBSB established Water Management Plan revision 00, updated 19/12/2019.</p> <p>Source of water and its usage a below:</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Indicator	Summary of Assessment			Compliance
	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	
b	Water quality tests carried out to monitor in and outgoing water carried out by external laboratory, Testing Services (Sabah) Sdn. Bhd. dated on 20/09/2022 to ensure no contamination of waterways. WQI results for outlet water is clean with reference to DOE Water Quality Classification Based On Water Quality Index.			Yes
c	The water management plan established has listed method of ensuring optimization of water as below: <ul style="list-style-type: none"> • Front stacking to increase soil moisture; • Construction of drains in the field; • Planting of legume cover crops on terrace area. During field visit, observed field drains and silt pits constructed for water management.			Yes
d	During field visit, observed buffer zones are maintained for all stream/ river and water catchment area. All vegetation are preserved and prohibited from any cultivation and plantation maintenance activities for example, manuring, harvesting, and spraying. Training for buffer zone carried out by estate on 06/10/2022.			Yes
e	During field visit, observed buffer zones are maintained for all stream/ river and water catchment area. All vegetation are preserved and prohibited from any cultivation and plantation maintenance activities for example, manuring, harvesting, and spraying.			Yes
f	During field and site visit, observed no use bore wells for water supply.			Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.5.2	During field visit, observed no bunds and weirs constructed by estate.	Yes
4.5.5.3	KPBSB practices rain water harvesting by providing water storage tanks to be placed at worker quarters.	Yes
4.5.6.1	a KPBSB has established High Biodiversity Value Assessments dated 22/04/2019. The assessments is to study the existing of flora and fauna in the proposed area. Below is the example of identified rare, threatened, or endangered species (RTE) : 1. Black Flying Squirrel (Aeromys tephromelas); 1. Crab –eating macaque; 2. Large treeshrew (Tupaia tana); 3. Pigeons; 4. Doves; 5. Red Junglefowl.	Yes
	b KPBSB has established High Biodiversity Value Assessments dated 22/04/2019. The assessments is to study the existing of flora and fauna in the proposed area. Below is the example of identified rare, threatened, or endangered species (RTE) : 1. Black Flying Squirrel (Aeromys tephromelas); 2. Crab –eating macaque; 3. Large treeshrew (Tupaia tana); 4. Pigeons; 5. Doves; 6. Red Junglefowl. Conservation status of wildlife identified according to IUCN is least concerned.	Yes
4.5.6.2	a KPBSB has established the High Biodiversity Value Assessments dated 22/04/2019. Management action plans are as below: Issue: Hunting will become the major issues with the existence of the access road;	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<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>Status: Completed.</p> <p>Sighted the signage for no hunting, capturing and penalty according to legal requirements during field visit.</p> <p>During field interviews with workers confirmed that they are aware of biodiversity area RTE.</p>	
	<p>b KPBSB has established environmental policy revision 00, dated 02/01/2019 signed by Chairman.</p> <p>The policy has describes its objective;</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>Training for Biodiversity for all workers on 06/10/2022.</p> <p>Field visit and interviews, confirmed that worker are aware of biodiversity area RTE.</p>	Yes
4.5.6.3	<p>Records of wildlife discovery in estate is established for year 2022.</p> <p>Sighted in the records date, name of wildlife, person found and action plan.</p> <p>Training for Biodiversity for all workers on 06/10/2022.</p> <p>Field visit and interviews, confirmed that worker are aware of biodiversity area RTE.</p>	Yes
4.5.7.1	<p>KPBSB has established environmental policy revision 00, dated 02/01/2019 signed by Chairman.</p> <p>The policy has describes;</p> <ul style="list-style-type: none"> Zero burning on all oil palm cultivation activities <p>During field visit, observed no burning at housing and landfill area.</p>	Yes
4.5.7.2	<p>There are no serious palm diseases sighted during the field visits that require burning. Therefore, no special approval for open burning from the relevant authorities.</p>	Yes
4.5.7.3	<p>There are no serious palm diseases sighted during the field visits that require burning.</p> <p>There are no application documents sighted for controlled burning.</p>	Yes
4.5.7.4	<p>KPBSB has established SOP for replanting revision 01, dated 01/03/2019.</p> <p>The SOP includes activities such as, felling, chipping and stacking.</p> <p>No replanting activities as audit date.</p>	Yes

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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. <p>Training of the SOPs carried out to all estate workers.</p> <p>Example:</p> <p>Date: 06/10/2022</p> <p>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>Field interview with sampled workers informed they understand on the training carried out.</p>	Yes
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> <ul style="list-style-type: none"> • Terracing shall be done mechanically over areas that determined by the management; • Terracing shall be carried out along the contour. Distance between terraces shall be indicated by pegs along the contour as determined by the management; • Terrace shall be constructed to a minimum width of 4.3 meters; • Properly compacted stop bund shall be constructed on the terraces at intervals of 20 meters; • 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> <ul style="list-style-type: none"> • To ensure hilly area constructed with terraces; 	Yes

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Principle 6: Best Practices																						
Indicator	Summary of Assessment	Compliance																				
	<ul style="list-style-type: none"> To plant cover crop at the terrace area. <p>Field visit confirmed terrace constructed at the hilly area and cover crop planted along the terraces.</p>																					
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 2 years from 2022 to 2023.</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 3 years from 2023 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>2023</td> <td>Mile 26</td> <td>1A</td> <td>18.54</td> </tr> <tr> <td>2023</td> <td>Mile 26</td> <td>4B</td> <td>65.50</td> </tr> <tr> <td>2024</td> <td>Mile 26</td> <td>4A</td> <td>22.61</td> </tr> <tr> <td>2025</td> <td>Mile 26</td> <td>5A</td> <td>28.65</td> </tr> </tbody> </table>	Year	Division	Block	Total area	2023	Mile 26	1A	18.54	2023	Mile 26	4B	65.50	2024	Mile 26	4A	22.61	2025	Mile 26	5A	28.65	Yes
Year	Division	Block	Total area																			
2023	Mile 26	1A	18.54																			
2023	Mile 26	4B	65.50																			
2024	Mile 26	4A	22.61																			
2025	Mile 26	5A	28.65																			
4.6.2.3	<p>KPBSB established business management plan for 2012 – 2023.</p> <p>The business plan has includes the following;</p> <ol style="list-style-type: none"> Planting material; Crop projection; Cost of production/ mt; FFB price forecast; YPH; 	Yes																				
4.6.2.4	<p>KPBSB established report for income and expenditure accounts as at October 2022.</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"> Estate request quotation from supplier; Purchase order to be issued out as per quoted price; Supplier issue delivery note and invoice when delivering the product; Issue out payment voucher to supplier when payment made; Estate will received invoice as a proof of payment made. <p>Example:</p>	Yes																				

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Quotation for fertilizer dated 08/06/2022, purchase order dated 08/06/2022 and invoice dated 12/07/2022 are reviewed.	
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> <ul style="list-style-type: none"> The contractor shall agrees to be interview and assessed by MSPO auditors appointed by the Society and to provide the required information and information as part of the MSPO requirement; 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 14/09/2022.</p>	Yes
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	<p>KPBSB established the records for monitoring work performed by the contractor is duly signed by both parties upon completion of the tasks.</p> <p>Payment invoice is verify by estates management team prior payment is made.</p> <p>Example payment voucher for contractor dated 31/10/2022. The payment was made in accordance with contract agreement terms and conditions.</p>	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 carried out. The 1st planting is carried out on 1960 until 1994, the latest replanting in year 2019 for 28.13 ha. Therefore, no biodiversity assessment required.</p>	Yes
4.7.1.2	<p>KPBSB planting statements is review. There is no new planting carried out. The 1st planting is carried out on 1960 until 1994, the latest replanting in year 2019 for 28.13 ha. No replanting carried out for year 2022. Therefore, no PMM required.</p>	Yes
4.7.2.1	<p>KPBSB planting statement and maps are review, there is no peat land observed. Field visit confirmed 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 carried out. Therefore, no SEIA carried out.</p>	Yes
4.7.3.2	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no SEIA carried out.</p>	Yes
4.7.3.3	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no SEIA carried out.</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 carried out. Therefore, no soil map established.</p>	Yes
4.7.4.2	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no topography map established.</p>	Yes
4.7.5.1	<p>KPBSB planting statement is review and there is no new planting carried out. 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 carried out. Therefore, no plan established.</p>	Yes
4.7.5.3	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no soil map established.</p>	Yes
4.7.6.1	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no FPIC carried out and no communities affected.</p>	Yes
4.7.6.2	<p>KPBSB planting statement is review and there is no new planting carried out. There is no sacred sites, therefore no management plan established.</p>	Yes
4.7.6.3	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no SOP established.</p>	Yes
4.7.6.4	<p>KPBSB planting statement is review and there is no new planting carried out. Therefore, no compensation and agreement established.</p>	Yes

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4.7.6.5	KPBSB planting statement is review and there is no new planting carried out. Therefore, no assessment established.	Yes
4.7.6.6	KPBSB planting statement is review and there is no new planting carried out. 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 carried out. Therefore, no compensation plan established.	Yes
4.7.6.8	KPBSB planting statement is review and there is no new planting carried out. 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	
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:	

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Non Conformity Number 1	
<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 06/10/2022 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:	08/12/2022
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 06/10/2022 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
Review of Implementation	
<p>Review the worker's payslips dated 06/12/2022 includes the payment for November 2022 three (03) public holidays for Election days on 18/11/2022 & 19/11/2022 and New Government Public holiday on 28/11/2022 with amount of RM 57.70 per day and doubled paid for working on holiday.</p> <p>Based on review on documents, the implementation is deemed adequate.</p>	
Name of Auditor: Khairul Anwar Bin Ismail	Date of Review: 08/12/2022

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4.6. Detail of Onsite Audit Findings Identified during this audit

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

ONSITE AUDIT OUTCOME		
During this Onsite audit,	2	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Non Conformity Number 1			
Indicator # and Description:	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations		
Location:	Office		
Description of Finding / Objective Evidence:			
<p>KPBSB has established legal register updated on 15/09/2022. During field visit, visited the oil palm nursery and observed nursery is well established.</p> <p>However, no nursery licence has been obtained from MPOB for oil palm nursery establishment in estate.</p>			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Navin Baskram	Date Raise:	08/12/2022
Deadline for implementation		07/02/2022	
Root Cause Analysis (by company):			
<p>The management is not aware of the MPOB circular letter ref. (5) 04/C/P/NKD/656-1 dated 13 August 2021 which requires oil palm estate to apply nursery licence even though the seedlings cultivated are for own planting use. Previously, the nursery licence application was created for the “menjual dan mengalih” and “menyimpan” categories. An additional category “menghasilkan” was created since the date of the circular letter.</p>			
Correction (by company):			
<p>KPBSB has submitted the MPOB nursery licence application on 10 December 2022.</p>			
Corrective / Preventive Action (by company)			
<p>KPBSB shall ensure the MPOB nursery licence to be obtained and renewed annually and all licensing conditions to be adhered to.</p>			
Review of Correction & Corrective / Preventive Action			
<p>Reviewed and verified MPOB licence application dated 10/12/2022, payment dated 08/12/2022 and confirmation of application dated 10/12/2022 for nursery licence.</p> <p>The original licence will be further verified during the next audit.</p> <p>The evidence submitted is sufficient to closure 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: Navin Baskram		Date of Closure: 21/12/2022	

MSPO Certification Summary Report

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Non Conformity Number 1	
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 02	
Indicator # and Description:	4.4.4.2 The occupational safety and health plan shall cover the following: d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). (MAJOR)
Location:	KPBSB Estate
Description of Finding / Objective Evidence:	
Reviewed Koperasi Pembangunan Bersatu Sandakan Berhad (KPBSB) Chemical Health Risk Assessment (CHRA) dated 05/09/2022 stated for spraying and manuring activity recommended to supply operator with wellington boots. Review the PPE issuance record dated 14/09/2022, no evidence of wellington boots had been provided to workers. Field interview with sampled workers confirmed wellington boots had not been replaced since 2019.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Khairul Anwar Bin Ismail Date Raise: 08/12/2022
Deadline for implementation	07/02/2023
Root Cause Analysis (by company):	
The management had overlooked the replacement of wellington boots.	
Correction (by company):	
The management had purchased wellington boots for identified workers involved in spraying and manuring activity on 12 December 2022. The workers had received the boots on as per the acknowledged receipt list dated 12 December 2022.	
Corrective / Preventive Action (by company)	
KPBSB shall monitor the list of PPE issuance from time to time to ensure timely replacements of PPE are undertaken.	
Review of Correction & Corrective / Preventive Action	

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Non Conformity Number 02	
Reviewed the delivery note and invoices for 9 set of wellington boots purchasing dated 14/12/2022 and 13/12/2022.	
Reviewed the wellington boot issuance record to the workers dated 15/12/2022.	
The evidence provided is accepted to close the non-conformity.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Lead Auditor: Khairul Anwar Bin Ismail	Date of Closure: 20/12/2022
Review of Implementation	
Name of Lead Auditor:	Date of Review:

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Office	KPBSB could improve the SIA survey method for internal stakeholders.
2.	4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	Estate	KPBSB could improve the workers quarter inspection effectiveness for house cleanliness and water leakage.

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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 are 2 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 carried out 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:	504.29 Ha
Certified FFBs January to November 2022:	5,725.00 Mt
Project FFBs December 2022:	1,375.00 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, 15/12/2022

Khairul Anwar Bin Ismail
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 29/12/2022

Mohamad Norhisham Bin Mohd Salleh
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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7. LIST OF STAKEHOLDERS

No stakeholders' consultation carried out 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