



MSPO CERTIFICATION SUMMARY REPORT

KEUNGGULAN LADANG SDN. BHD.

SURVEILLANCE 03

Onsite Audit Date: 05/12/2022 – 06/12/2022

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MSPO Certification Summary Report

Company Name: Keunggulan Ladang Sdn. Bhd.

Certifying Unit: Keunggulan ladang Sdn. Bhd.

Client Number: 92-142

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	Malaysian 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	Malaysian Palm Oil Certification Council
SDS	Safety Data Sheet
KLSB	Keunggulan Ladang Sdn Bhd

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1. INTRODUCTION

Keunggulan Ladang Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct a surveillance audit for its oil palm estate according to MS 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this surveillance three (03) 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 Keunggulan Ladang Sdn. Bhd.

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

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

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

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

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

1.3. Appointment and qualification of team members

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

Qualification of the Lead Auditor: Navin Baskram

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;	Bachelor in Biotechnology and Master in Environmental Management.

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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)	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	Successfully completed MS2530 series of standards for Lead Auditors.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as auditor based on audit log.
Field working experience in the palm oil sector or demonstrable equivalent	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.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Four (4) years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, 14001, 45001 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 9001, 14001, 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture. or	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.

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Requirement	Qualifications
Successfully completed Environmental Management Systems ISO 14001 standard	
Attended High Conversation Value Assessment training	Attended and completed the HCV assessors' 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

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	Khairul Anwar Bin Ismail	Graduate In Agricultural 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)	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor trainings	Khairul Anwar Bin Ismail	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead	Khairul Anwar Bin Ismail	Qualified and appointed as Lead auditor for MS2530 scheme.	Yes

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Requirement	Name of Assessor	Qualification	Compliance
Auditor for MSPO or equivalent sustainability certification schemes.			
Field working experience in the palm oil sector or demonstrable equivalent	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 9001, 14001, 45001 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	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 45001:2018 Lead Auditor course.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Khairul Anwar Bin Ismail	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	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes
Completed High Conversation Value assessment	Khairul Anwar Bin Ismail	Attended and completed the HCV-HCS for producers online course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Khairul Anwar Bin Ismail	Able to communicate in Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

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

Surveillance Audit:

The surveillance audit three (03) was conducted onsite from 05/12/2022 – 06/12/2022 covering the following activities but not limited to below:

Onsite:

- Background investigation;
- Review of documentation established but not limited to below:
 - Policies;
 - Estate(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 ;
- Onsite visit, observations and inspection of estate(s) facilities and field activities;
- Interview operation personnel and field workers for understanding of work assigned;

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- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit;
- Assessment reporting.

On-site Assessment

The audit of the estate is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence 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.

For the surveillance three (03) audit, Keunggulan Ladang Sdn. Bhd. has 1 estate. Therefore, no selection required.

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

Keunggulan Ladang Sdn. Bhd. is an oil palm plantation company located at Lot 6, 1st floor, Block C, Hong Tong Centre, Mile 4, Jalan Penampang, 88300, Kota Kinabalu, Sabah.

The details of the estate(s) or divisions as below:

Name of Estate	Location	Coordinates
Keunggulan Ladang Sdn. Bhd.	Mile 19, Labuk Road, Sandakan, Sabah.	5.871111 N , 117.87806 E

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (Dec 2022)
	Total*	Production**	
Keunggulan Ladang	124.35	110.98	200
Total	124.35	110.98	200

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate or Division

Year / Estate	KLSB
2000	31.12
2010	45.16
Total Mature	76.28
2021	34.70
Total Immature	34.70
Total	110.98

3.3 Replanting program for each estate or division

Year of replanting	Planted area (ha)	Total area to be replanted (ha)
	Keunggulan Ladang Sdn. Bhd.	
2028	31.12	31.12
2038	45.16	45.16

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3.4 Maps of Estate Location



Figure 1: KLSB GPS location

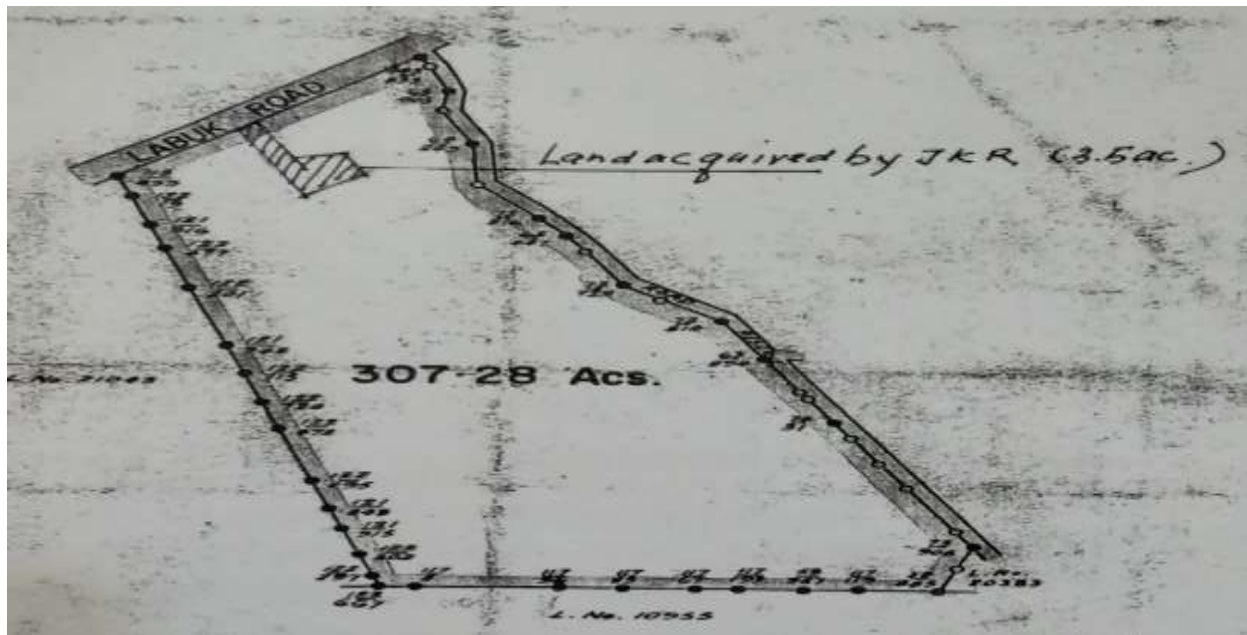


Figure 2: KLSB Estate Map

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4. CERTIFICATION ASSESSMENT

4.1. ASA 03

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

4.1.1. Surveillance Three (03) Audit:

The surveillance three (03) audit is conducted from 05/12/2022 to 06/12/2022 covering one estate – Keunggulan Ladang Sdn. Bhd.

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

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

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 04/11/2022 to announce the audit of the certified unit. As at audit date on 05/12/2022 there are no comments received.

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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

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	Keunggulan Ladang Sdn Bhd (KLSB) established MSPO policy dated 15/05/2019 signed by Director. MSPO policy is displayed at the estate notice board and available in Bahasa Malaysia and English. KLSB carried out briefing on MSPO policy to estate workers dated 28/11/2022. Field interviews with sampled workers informed they have been briefed on MSPO policy.	Yes
4.1.1.2	KLSB established MSPO policy dated 15/05/2019 signed by Director states that KLSB is committed for continual improvement practice by harnessing its resources of people processes and technology in order to ensure the continuous production of oil palm products in a sustainable manner.	Yes
4.1.2.1	KLSB conduct the internal audit once a year as stated in the internal audit SOP. Latest internal audit carried out on 25/11/2022 with 2 non-conformities raised and all non-conformities have been addressed accordingly. Example: Finding: SOP Signboard broken due to raining; Root cause: Heavy Rain; Action plan: To replace the new copy of SOP; Time-frame: 1 week; Status: Completed. Site inspection at estate information board area, the new copy of SOP had been replaced.	Yes
4.1.2.2	KLSB conduct the internal audit once a year as stated in the internal audit SOP. Latest internal audit carried out on 25/11/2022 with 2 non-conformities raised and all non-conformities have been addressed accordingly.	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Summary of the internal audit is established with root cause and corrective action plan of the non-conformities.</p> <p>Example:</p> <p>Finding: SOP Signboard broken due to raining;</p> <p>Root cause: Heavy Rain;</p> <p>Action plan: To replace the new copy of SOP;</p> <p>Time-frame: 1 week;</p> <p>Status: Completed.</p> <p>Site inspection at estate information board area, the new copy of SOP had been replaced.</p>	
4.1.2.3	<p>KLSB conduct management review meeting dated 28/11/2022 include internal audit result.</p>	Yes
4.1.3.1	<p>KLSB conduct the management review meeting once a year after the internal audit.</p> <p>Latest management meeting carried out on 28/11/2022.</p> <p>Agenda:</p> <ul style="list-style-type: none"> • Company Policy and SOP; • Training Matrix; • Internal Audit Result. 	Yes
4.1.4.1	<p>KLSB established Continuous Improvement Plan (CIP) on July 2022 includes social, environmental and safety & health.</p> <p>Example: Safety & health</p> <p>Improvement action: Sending the workers for medical surveillance check-up;</p> <p>Expected outcome: To minimize the working risk;</p> <p>Time-frame: on going;</p> <p>Review and monitor: To make sure all the workers that dealing with chemical are fit to work;</p> <p>PIC: Estate Manager.</p> <p>Reviewed medical surveillance record dated 16/11/2022, 2 chemical handlers (sprayers & manures) had been send to Klinik Perdana for medical surveillance check-up.</p> <p>Field interviews with sampled workers informed they had been send for medical surveillance check-up dated 16/11/2022.</p>	Yes
4.1.4.2	<p>KLSB established flowchart New Information, Techniques and Equipment dated 15/05/2021 as a system to improve practices in line with new information and techniques or new industry standards and technology.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.4.3	<p>KLSB established flowchart New Information, Techniques and Equipment dated 15/05/2021 as a system to improve practices in line with new information and techniques or new industry standards and technology.</p> <p>The flowchart indicates necessary resources including budget and training will be provided if applicable and feasible for adoption.</p> <p>Site interviews with the estate management informed there is no new technology or technique implemented at the moment.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>KLSB established list of stakeholders updated 20/11/2022.</p> <p>The list of stakeholders include:</p> <ul style="list-style-type: none"> • Government agencies • Non-governmental organization • Suppliers • Neighboring estates <p>The external stakeholders meeting carried out via email dated 25/11/2022.</p> <p>Stakeholders meeting includes feedback form, company policies, complaint and grievances and others.</p>	Yes
4.2.1.2	<p>KLSB established list of publicly available documents updated on 25/03/2021.</p> <p>Example of documents:</p> <p>Non-confidential:</p> <ul style="list-style-type: none"> • Company policies • Complaint and Grievance procedure • MPOB license <p>Confidential:</p> <ul style="list-style-type: none"> • Workers contract agreement • Financial Report • Pay slips 	Yes
4.2.2.1	<p>KLSB established SOP for consultation and communication date 15/05/2021.</p> <p>The flow chart describes:</p> <ul style="list-style-type: none"> • Communication to employee and other stakeholders. • Enquiry or issue from employee and other stakeholders. 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>The external stakeholders meeting carried out via email and invitation letter dated 25/11/2022.</p> <p>The external stakeholders meeting include agenda on social feedback form, company policies and others.</p>	
4.2.2.2	<p>KLSB appointed estate manager as person in charge for handling communication and consultation with stakeholders.</p> <p>Reviewed the appointment letter dated 16/04/2021.</p>	Yes
4.2.2.3	<p>KLSB established list of stakeholders dated 12/11/2020 and latest updated on 25/11/2022.</p> <p>The SOP consultation and communication describes the timeframe to attend any request received within 14 working days.</p> <p>The external stakeholders meeting carried out via email dated 25/11/2022.</p> <p>Review the stakeholders feedback form, there is no information requested.</p>	Yes
4.2.3.1	<p>KLSB established the SOP Traceability dated 15/03/2021.</p> <p>The SOP describes information from Field Record Book and Delivery Note (DN) required for FFB delivery.</p> <p>KLSB use FFB Delivery note while transporting FFBs from estate to mills.</p> <p>Review in the delivery note includes DN number, mill name, date and time delivery, vehicles number, driver name and acknowledgement.</p> <p>Site interviews with admin officer informed DN issued for FFB delivery and all information recorded in FFB production record.</p>	Yes
4.2.3.2	<p>KLSB conducts regular inspections of traceability system during internal audit and monthly check by the estate manager and admin officer.</p> <p>The internal audit carried out on 25/11/2022 with no findings raised on traceability.</p>	Yes
4.2.3.3	<p>KLSB appointed admin officer as person in charge for traceability system.</p> <p>Reviewed the appointment letter dated 16/04/2021.</p>	Yes
4.2.3.4	<p>KLSB documented and maintained records of sales and FFB delivery to the mill.</p> <p>Review records of sales and delivery of FFBs documented from January to November 2022.</p> <p>Review in the delivery note includes DN number, mill name, date and time delivery, vehicles number, driver name and acknowledgement.</p> <p>Weighbridge ticket includes ticket number, date, crop supplier, vehicle number, transporter, product, time, weight, DN number and acknowledgement.</p> <p>Review on the records such as delivery chit to mill weighbridge are available. Unique number of estate DN captured in mill weighbridge ticket.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	SOP communication and consultation describes records keeping for 3 years retention period.	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>KLSB List of permits and licenses updated 15/10/2022.</p> <p>Permits and licenses are reviewed.</p> <p>Example:</p> <ul style="list-style-type: none"> Trading license validity period until 30/06/2023; MPOB License remain valid until 30/06/2023. 	Yes
4.3.1.2	<p>KLSB established list of related law and regulations updated on 18/04/2022. The register includes the related act and regulation applicable to estate.</p> <p>Example:</p> <ul style="list-style-type: none"> Land ordinance (Sabah cap 68); Malaysia Palm Oil Board Act 1998; Prevention and Control of Infectious Disease Act 1988 (Declaration of infection Local Areas Order 2020); Environment Protection Enactment 2002. 	Yes
4.3.1.3	<p>KLSB established list of related law and regulations latest updated on 18/04/2022.</p> <p>Latest updated legal requirement is as below:</p> <p>Example:</p> <ul style="list-style-type: none"> Minimum Wages Order 2022. 	Yes
4.3.1.4	<p>KLSB appointed admin officer as person in charge to update legal documents, regulations and licenses.</p> <p>Reviewed the appointment letter dated 16/04/2021.</p> <p>No changes to person in charge.</p>	Yes
4.3.2.1	<p>KLSB land title are Country Lease issued by Sabah States Land and Survey Office.</p> <p>There is no diminish the land use rights of other users.</p>	Yes
4.3.2.2	<p>KLSB land title are Country Lease issued by Sabah States Land and Survey Office.</p> <p>The land titles is leased for 99 years leased period. There is no customary sub-lease land.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.3	KLSB land title are Country Lease issued by Sabah States Land and Survey Office. There is no customary right land lease or owned by KLSB. Therefore, no maps established.	Yes
4.3.2.4	There is no customary land leased or owned by KLSB. Therefore, no FPIC or negotiated documents established.	Yes
4.3.3.1	KLSB land title are Country Lease issued by Sabah States Land and Survey Office. The land titles is leased for 99 years leased period. There is no customary sub-lease land.	Yes
4.3.3.2	KLSB land title are Country Lease issued by Sabah States Land and Survey Office. There is no customary right land lease or owned by KLSB. Therefore, no maps established.	Yes
4.3.3.3	There is no customary land leased or owned by KLSB. 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	KLSB established Social Impact Assessment dated 11/10/2022. The SIA report includes feedbacks from internal and external stakeholders, impacts, action plan, person in charge and time frame or status. A summary of positive and negative impacts, mitigation plan promotes with timeline are included. Example Negative impact: The income of the workers (harvesters) is reduced because of the replanting activity; Action taken: Replace the work with maintenance works such as slashing, road maintenance and manuring; PIC: Estate Manager; Time Frame: 3 years; Status: Continue implementation. Review the harvesters check roll for the month November 2022, all harvesters are provided with replacement works such as road maintenance work and slashing activities.	Yes
4.4.2.1	KLSB established SOP complaint and grievances dated 15/03/2021. The SOP describes as following:	Yes

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Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> The general complaints and grievances submitted will be handle by estate manager or officer and resolved within 1 week; The complaints related to staff and workers will be handle by estate manager to be resolved within 2 weeks; The complaint not able to be handle by estate manager will be elevated and sent to director to be resolved within 1 month. <p>Complaint and grievances flowchart displayed at estate notice board.</p> <p>Field interviews with sampled workers informed they understand the complaints and grievances procedure.</p>	
4.4.2.2	<p>KLSB established SOP complaint and grievances dated 15/03/2021.</p> <p>The SOP describes as following:</p> <ul style="list-style-type: none"> The general complaints and grievances submitted will be handle by estate manager or officer and resolved within 1 week; The complaints related to staff and workers will be handle by estate manager to be resolved within 2 weeks; The complaint not able to be handle by estate manager will be elevated and sent to director to be resolved within 1 month. <p>Reviewed complaints record dated 20/05/2022.</p> <p>Complaint: Worker quarters is in dirty condition and drain are clogged with garbage;</p> <p>Action : To send workers to clean the worker quarter and clean the clogged drain;</p> <p>Completion date: 23/05/2022.</p> <p>Field interviews with sampled workers informed the worker quarters and clogged drain had been clean by estate workers.</p> <p>Complaints resolved within timelines as per SOP.</p>	Yes
4.4.2.3	<p>KLSB complaint form and box are displayed at estate notice board.</p> <p>Field interviews with sampled workers informed they understand on complaint and grievances process.</p>	Yes
4.4.2.4	<p>KLSB complaint form and box are displayed at estate notice board.</p> <p>Field interviews with sampled workers informed they understand and have been briefed on complaint and grievances procedure.</p> <p>Briefing for complaint and grievances carried out to estate workers dated 28/11/2022.</p>	Yes
4.4.2.5	<p>Document review on KLSB complaint record book, all complaints lodged from year 2019 till the audit date are documented</p>	Yes
4.4.3.1	<p>KLSB provide work opportunities on hiring local communities for estate office admin and field supervisor.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.4.1	<p>KLSB established Safety and Health Policy dated 15/05/2019 signed by Director.</p> <p>The policy is available in Bahasa Malaysia and English and is displayed at office notice board.</p> <p>Briefing on the company policy to estate workers carried out on 28/11/2022 including S&H policy.</p> <p>KLSB communicate with external stakeholders on the OSH policy via stakeholders feedback form and attachment of OSH policy dated 25/11/2022.</p>	Yes
4.4.4.2	<p>a</p> <p>KLSB established Safety and Health Policy dated 15/05/2019 signed by Director.</p> <p>The policy is available in Bahasa Malaysia and displayed at office notice board.</p> <p>Briefing on the company policy to estate workers carried out on 28/11/2022 including S&H policy.</p> <p>KLSB communicate with external stakeholders on the OSH policy via stakeholders feedback form and attachment of OSH policy dated 25/11/2022.</p> <p>Field interviews with sampled workers informed they are understand the policy established.</p>	Yes
	<p>b</p> <p>KLSB established HIRARC dated 28/04/2021 for all field activities.</p> <p>The HIRARC table includes activity, hazard, risk, existing and additional control and risk rating.</p> <p>Example:</p> <p>Activity: FFB Loading;</p> <p>Hazard: Loaded FFB;</p> <p>Risk: Loaded FFB will hit the workers;</p> <p>Existing control: Ensure workers wear appropriate PPE;</p> <p>Additional control: Regular monitoring by mandore to ensure workers wear PPE.</p> <p>Review on the PPE issuance record, workers are provided with helmet, safety boot and hand glove.</p> <p>Field interviews with sampled workers informed they have received the PPEs provided by the company.</p>	Yes
	<p>c i</p> <p>KLSB established training program dated 10/10/2021.</p> <p>Example of training and briefing carried out:</p> <ul style="list-style-type: none"> • Emergency briefing dated 11/04/2022; • Chemical spraying dated 24/04/2022; 	Yes

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Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Chemical mixing dated 24/04/2022. <p>Attendance records and photos of the training are available and reviewed.</p>	
c ii	<p>KLSB SDS's for chemicals and fertilizers are available at estate office and store.</p> <p>Example: Chemical: Kallium, Muriat Kalium, Sylvite.</p> <p>Onsite visit at chemical store, it is built with adequate ventilation and in good condition. Stores are locked and only authorized person allowed to enter. Appropriate safety signage is in place.</p> <p>Reviewed medical surveillance record dated 16/11/2022, two (2) chemical handlers (sprayers & manures) had been send to Klinik Perdana for medical surveillance check up</p> <p>Field interviews with sampled workers informed they had been send for medical surveillance check-up on 16/11/2022.</p>	Yes
d	<p>KLSB provide appropriate PPE to the workers according to CHRA and HIRARC recommendation.</p> <p>Records of PPEs issuance dated 28/11/2022 is reviewed with workers signature.</p> <p>Chemical sprayers are provided with proper PPEs according to HIRARC and CHRA recommendations.</p> <p>Example: Apron, rubber hand glove, safety boot, mask, safety glass and helmet;</p> <p>CHRA report reference No: HQ/11/ASS/00/298-2019/192 dated 02/10/2019.</p>	Yes
e	<p>KLSB established SOP, KLSOP-OP11 'Prosedur Pengurusan Bahan Kimia, Racun dan Baja' dated 02/01/2019 for chemical handling.</p> <p>The SOP describes all chemicals must be arrange properly based on the type of chemicals and only authorized personnel allowed to enter the chemical store.</p> <p>Site inspection at the chemical store observed trays are provided for storage of chemical product if there are spillage occurs.</p>	Yes
f	<p>KLSB assigned Admin Officer as persons in charge for safety and health.</p> <p>Appointment letter dated 15/03/2020 is review.</p> <p>PIC has attended First Aid and Introduction CPR dated 13/10/2022.</p>	Yes

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Indicator	Summary of Assessment	Compliance
g	<p>KLSB has 6 workers. Therefore, below the minimum requirement to have OSH Committee in accordance to DOSH requirement. Therefore, no quarterly meeting required.</p> <p>KLSB discussed safety and health issue during OSH meeting dated 12/05/2022 attended by estate workers.</p> <p>Agenda of meeting includes:</p> <ul style="list-style-type: none"> • Estate policy; • Safe working procedure; • S&H, PPE; • Workers briefing on MSPO policy; • Fire extinguisher; • First aid; • Complaint form; • Assembly point. <p>Minutes of the discussion and the attendance record are available for reviewed.</p>	Yes
h	<p>KLSB established Emergency Respond Plan June 2020 includes accident, burning, emergency and fire.</p> <p>ERP briefed to the estate workers dated on 11/04/2022.</p> <p>Emergency precautions are available at genset room and general store.</p> <p>Site visit sighted fire extinguisher are available at genset room, workers quarters and chemical store.</p>	Yes
i	<p>KLSB appoint Admin Officer as estate first aider and appointment letter dated 15/03/2020.</p> <p>Emergency contact number list is displayed at estate notice board.</p> <p>First aid kit is available at the estate office and chemical store.</p>	
j	<p>KLSB establish Incident Investigation Report dated November 2022 to record any case accident and injury happen.</p> <p>Review on the report indicate no accident from January 2022 until the audit date.</p> <p>Interview with estate management and workers informed there is no accident in the estate.</p> <p>JKKP 8 form for 2021 submitted to DOSH on 11/01/2022 with no accident reported.</p>	Yes
4.4.5.1	<p>KLSB established Human Rights Policy dated 15/05/2019 signed by Director.</p>	Yes

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Indicator	Summary of Assessment	Compliance
	<p>The policy states company commitment to respect and support the universal declaration of human rights by the united nations for all workers, contractors, indigenous, local community and anyone affected by our operation.</p> <p>The policy is displayed at estate notice board.</p> <p>KLSB carried out Human Rights policy briefing to estate workers on 28/11/2022.</p> <p>Field interviews with sampled workers informed they understand the Human Rights policy.</p>	
4.4.5.2	<p>KLSB established Equal Opportunity Policy dated 15/05/2019 signed by Director.</p> <p>The policy described 'employer ensure equal opportunities in the work place hiring, access to training, promotion, termination or retirement will be implemented based on business needs, job requirement and individual qualification regardless to race, religion, or gender, political opinion and nationality.</p> <p>The policy is displayed at estate notice board.</p> <p>Field interviews with sampled workers informed they understand the Equal Opportunity policy.</p>	Yes
4.4.5.3	<p>KLSB established contract agreement for workers in accordance to Sabah Labour Ordinance.</p> <p>The contract agreement states the pay rate of RM 7.22 per hour in accordance to the Minimum Wage Order 2022. The working contracts are signed by workers and management.</p> <p>KLSB established list of piece rate.</p> <p>Example: Harvesting RM 37/ MT.</p> <p>Reviewed sampled harvester pay slips and against check roll for the month of November 2022, the wages paid as per agreeable piece rates of harvesting.</p>	Yes
4.4.5.4	<p>Field interviewed with sampled workers and estate management informed KLSB did not engage any contractors for operation activities. Therefore, no contractor worker wages monitoring required.</p>	Yes
4.4.5.5	<p>KLSB established list of workers dated November 2022, consists of name, gender, date of birth, date joined, job description and wages.</p>	Yes
4.4.5.6	<p>KLSB established workers contract for every worker recruited and signed by both parties.</p> <p>Work Contract details in accordance to Sabah Labour Ordinance (Sabah Cap.67) requirements that include overtime pay rate, annual leave, public holidays, sick leave and working hours.</p> <p>Workers are briefed on the terms and conditions, wage, position of the work contract and copy is provided.</p>	Yes

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	Field interviews with sampled workers informed they has been briefed on the contract terms and conditions and received a signed copy.	
4.4.5.7	<p>KLSB use the attendance record book to monitor workers reporting to work and working hours on daily basis.</p> <p>The working hours is display at the estate notice board.</p> <p>Overtime rate according to to Sabah Labour Ordinance (Sabah Cap.67) requirement of 1.5 times hourly rate for normal overtime and 2.0 times hourly rate for rest day.</p> <p>Field interviews with sampled workers informed they understand working hours and overtime rates.</p>	Yes
4.4.5.8	<p>KLSB established working hours and breaks time.</p> <p>Working hours is displayed at notice board:</p> <p>Attendance 6:15 am – 6:30 am;</p> <p>Working 6:30 am – 10.00 am;</p> <p>Rest 10.00 am -11.00 am;</p> <p>Continue 11.00 am – 2.30pm.</p> <p>Field interviews with sampled workers and cross check payslip confirmed no overtime offered to workers. They understand the working hours, rest time and overtime time rate.</p>	Yes
4.4.5.9	<p>KLSB provide payment voucher to estate workers documenting wage for the month and any overtime performed.</p> <p>Workers are paid either piece rate or daily rate.</p> <p>Field interviews 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>KLSB provides benefits for both local and foreign workers such as medical cost, annual leave, sick leave, SOCSO and public holidays as listed in the employment contract.</p>	Yes
4.4.5.11	<p>KLSB adopt industry best practices on workers housing.</p> <p>Site visit at workers worker quarters sighted they are provided with basic amenities such as water, electricity, kitchen and toilet.</p>	Yes
4.4.5.12	<p>KLSB established Sexual Harassment, Violence policy dated 15/05/2019 signed by Director.</p> <p>The policy is displayed at estate notice board.</p> <p>The policy described company is committed to provide safe, supporting and respectful working environment free from sexual harassment, violence and abuse where all employees shall be treated with dignity, courtesy and respect.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Complaint record is review, no complaint lodged for sexual harassment and violence.	
4.4.5.13	<p>KLSB established Policy Freedom of Association and right to collective bargaining policy dated 15/05/2019 signed by Director.</p> <p>The policy states the employment respect the rights of employment to join of their choice subject to the provisions of relevant national legislation.</p> <p>The worker meeting carried out on 12/08/2022 attended by workers and management.</p> <p>Field interviews with sampled workers informed there is no union form in KLSB. However, estate workers informed the workers meeting carried out annually as communication tools between workers and management team.</p>	Yes
4.4.5.14	<p>KLSB established Child Labour policy dated 15/05/2019 signed by Director.</p> <p>The policy states that employer and contractor shall not employ or promote the use of child labour and shall take appropriate measure to prevent the use of such labour in connection with their activities. Remedial action with appropriate follow up action shall be employed if any child labour case is discovered to protect the welfare of the child.</p> <p>Reviewed the summary list of workers and field interviews with sampled workers confirmed there is no employment of children or young persons in the estate. All workers are above 18 years prior joining the audited estates.</p>	Yes
4.4.6.1	<p>KLSB established training program for year 2022 dated 10/10/2021.</p> <p>The training program includes:</p> <ul style="list-style-type: none"> • Company policies; • Safe working practices SOPs; • First aid; • Complaint and grievance SOP. <p>Example of training carried out:</p> <p>Company policies, first aid training and SOPs dated 28/11/2022.</p>	Yes
4.4.6.2	<p>KLSB establish individual training evaluation for workers according to the job description.</p> <p>Example:</p> <p>Harvester need to attend briefing for company policies, SOP harvesting, safety, employment, environmental awareness, waste management.</p> <p>Field interviews with sampled workers informed training have been provided to them according to their job task.</p>	Yes
4.4.6.3	KLSB established continuous training program for year 2022.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
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	<p>The training is planned for whole year according to the established activity SOP, which include social, environmental and safety aspects.</p> <p>Example of training programme:</p> <ul style="list-style-type: none"> • Company policies, first aid training and SOPs on November 2022; 	

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>KLSB established Environmental Policy dated 15/05/2019 signed by Director.</p> <p>The policy states “adhere and conform to all environmental legislation of the country”.</p> <p>During site visit, observed the environmental policy displayed at office notice board.</p> <p>KLSB briefed awareness on environmental policy to all workers on 29/09/2022.</p> <p>Field interviews with sampled workers informed they are aware and understand the company environmental policy.</p>	Yes
4.5.1.2	<p>a KLSB established Environmental Policy dated 04/05/2019 signed by Director.</p> <p>The objective describes:</p> <ul style="list-style-type: none"> • Adhere and confirm on to all environmental legislation in the country; • To educate employee and business partner on environmental awareness; • Adopt and implement best management practice for environment. 	Yes
	<p>b KLSB established Environmental Impact and Aspect Assessment and action plan, updated on 12/05/2022.</p> <p>Example of aspect and impact:</p> <p>Activity: Chemical spraying;</p> <p>Aspect: Over spraying or over dosage of chemical usage applied;</p> <p>Environment impacts: Land pollution;</p> <p>Risk score: 4</p> <p>Control measure: Premixing based o specified dosage;</p> <p>Post control risk score: 2</p> <p>Risk description: Low.</p> <p>Filed interview with estate mandore informed that pre mixing is carried out using dosage recommended by chemical label.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.3	<p>KLSB established Environmental Impact and Aspect Assessment and action plan, updated on 12/05/2022.</p> <p>Example of aspect and impacts:</p> <p>Example of details in EAIA:</p> <p>Activity: Replanting;</p> <p>Negative impact: Soil erosion; air pollution;</p> <p>Positive impact: Control in land expansion and land clearance;</p> <p>Control measure: Supervising and monitoring by mandore and supervisor;</p> <p>During field visit, observed replanting area is well maintained with cover crops to prevent soil erosion.</p> <p>Besides, observed previous palms are felled and chipped and no burning has been applied for replanting activities.</p>	Yes
4.5.1.4	<p>KLSB establish Continuous Improvement Plan (CIP) updated on 01/07/2022 include the improvement plan for environment.</p> <p>Example:</p> <p>Continuous training/briefing for waste segregation;</p> <p>Timeline: Every month;</p> <p>Monitoring: Continuous monitoring at bin provided for workers;</p> <p>Person in charge: Estate Manager;</p> <p>Training record for chemical sprayers conducted on 29/09/2022 is reviewed.</p> <p>Field interviews with sampled workers informed they were regularly informed regarding waste segregation and understand the importance of waste segregation and open burning of domestic waste.</p>	
4.5.1.5	<p>KLSB conducted company policy training for the workers which include environmental policy dated 29/09/2022.</p> <p>Field interviews with sampled workers informed they have been briefed and trained on environmental issued such as no open burning, etc.</p>	Yes
4.5.1.6	<p>Environmental meeting for KLSB conducted on 20/06/2022.</p> <p>Topics of discussion cover worker quarters maintenance, zero burning, awareness on environmental management related to operational activities.</p> <p>The meeting is conducted once a year involving estate management and workers.</p>	Yes
4.5.2.1	<p>KLSB establish 4 years baseline record from year 2019 to 2022 updated on 03/12/2022.</p> <p>The diesel consumption records from year 2019 to 2021 are used as baseline for monitoring diesel usage in year 2022.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Reviewed diesel consumption records at November 2022 is slightly higher than November 2021 due to the higher FFB production.	
4.5.2.2	<p>KLSB established annual budget for usage of diesel for farm operation 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 2022 updated until November 2022 is reviewed.</p> <p>The diesel usage are slightly higher as compared to the projection due to higher FFB production.</p>	Yes
4.5.2.3	<p>Based on site interview with Estate Manager, informed there is no use of renewable energy.</p> <p>This is mainly due to cost constriction.</p>	Yes
4.5.3.1	<p>KLSB established list of source and type of wastes updated on 05/06/2020.</p> <p>There are 3 categories of wastes which are gaseous, solid and liquid.</p> <p>Example:</p> <p>Liquid wastes: Sewage;</p> <p>Sources: Household (domestic);</p> <p>Type of solid waste: Chemical containers;</p> <p>Sources: Chemical Store;</p> <p>Gaseous wastes: Carbon Monoxide;</p> <p>Sources: Vehicles.</p>	Yes
4.5.3.2	<p>a KLSB established Waste Identification, environmental impacts, mitigation plans and continuous improvement plans updated on 10/10/2022.</p> <p>The assessment includes type of wastes and monitoring plan as below:-</p> <p>Example:</p> <p>Waste Pollutant: Rotten Bunches;</p> <p>Negative impact: Rotten bunches liquor run off into water courses during time of decomposition;</p> <p>Plan and monitoring programs: Staff/ Mandore and FFB checker should monitor FFB evacuation and make sure no bunches rotten unevaluated.</p> <p>During field visits, observed no rotten bunches or left out bunches at field blocks.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>b</p> <p>KLSB include type of waste generated that could be re-cycle or reused in list of source and waste type updated on 10/10/2022.</p> <p>Example:</p> <p>Solid waste: Empty fertilizer bags;</p> <p>Reused: Empty fertilizer bags reused for loose fruit collections.</p> <p>During field visit and interviews with sampled workers, observed empty fertilizer bags are reused for loose fruit collections during harvesting.</p>	Yes
4.5.3.3	<p>KLSB established SOPs on managing chemicals and fertilizer.</p> <ul style="list-style-type: none"> SOP Chemical and Fertilizer, doc. no. KLSOP-OP11 Rev. 00 dated 02/01/2019. <p>The SOP describes on storage, handling, issuance, usage, safety precaution, before operation, during operation and after operation;</p> <ul style="list-style-type: none"> SOP for Disposal of empty chemical containers, doc.no.KLSOP-OP16, rev no.00 dated 02/01/2019. <p>The SOP described empty chemical container shall be tripled rinse prior disposed or reused. Disposal of empty chemical container shall be collected by authorized licensed scheduled waste collector.</p> <p>Filed interviews with sampled workers informed empty chemical containers will be reused for chemical spraying and premix activities and office worker quarters beautification.</p> <p>During site visit, observed empty chemical containers segregated for premixing purposes.</p> <p>Estate vehicles are serviced by outsourced contractors. No storage of hydraulic and lubricant oils at site.</p>	Yes
4.5.3.4	<p>KLSB established SOP for Disposal of empty chemical containers, doc.no.KLSOP-OP16, rev no.00 dated 02/01/2019.</p> <p>The SOP described empty chemical container shall be tripled rinse prior disposal or reused.</p> <p>During site visit, observed empty chemical containers segregated for premixing purposes.</p>	Yes
4.5.3.5	<p>KLSB manage domestic wastes by disposed to public waste center at Mile 16 outside the estate on regular basis of once or twice a week.</p>	Yes
4.5.4.1	<p>KLSB establish list for sources and type of gaseous from wastes, updated on 10/10/2022.</p> <p>Example source and wastes:</p> <ul style="list-style-type: none"> Fronds - Methane; Farm Tractors – Carbon dioxide, Carbon Monoxide; Fertilizer - Nitrogen Dioxide. 	Yes

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Indicator	Summary of Assessment	Compliance
4.5.4.2	<p>KLSB establish list for sources and type of gaseous from wastes, updated on 10/10/2022.</p> <p>Example of action plan and monitoring:</p> <p>Source:</p> <p>Farm tractors, FFB trucks;</p> <p>Type of pollution:</p> <p>Smoke, Carbon monoxide, Carbon Dioxide;</p> <p>Action plan:</p> <p>Periodically service of estate vehicles.</p> <p>Estate vehicle inspection service records are maintained and reviewed. Latest inspection carried out on 05/04/2022.</p>	Yes
4.5.5.1	<p>a</p> <p>There are two types of water source and usages for KLSB:</p> <ul style="list-style-type: none"> • Rain water – domestic use and estate operations. • Treated water from Jabatan Air Negeri Sabah – domestic use. 	Yes
	<p>b</p> <p>There is no water testing being carried out at KLSB because there is no gazetted river flowing through the estate or along the estate boundary.</p> <p>There is stream flowing through the estate. Buffer zones has been maintained along the streams to ensure no water pollution.</p>	Yes
	<p>c</p> <p>KLSB managed their water by monitoring and procedure established.</p> <p>Example:</p> <p>Record book for water consumption with latest updated on 31/10/2022 is reviewed.</p>	Yes
	<p>d</p> <p>KLSB establish buffer zone along the stream passing through the estate.</p> <p>Buffer zones has been maintained along the streams to ensure no water pollution.</p> <p>Field interviews with sampled workers informed they understand no chemical spraying and fertilizing activities allowed to be carried out at buffer zone area.</p>	Yes
	<p>e</p> <p>There is stream flowing through the estate. Buffer zones has been maintained along the streams to ensure no water pollution.</p> <p>During field visit, observed no signs of natural vegetation removed from buffer zones.</p>	Yes
	<p>f</p> <p>Site visit and interviews with sampled workers and management confirmed no bore well is used for water supply.</p>	Yes

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Indicator	Summary of Assessment	Compliance
4.5.5.2	Site visit and interviews with sampled workers and management confirmed no construction of bunds, weirs and dams across main rivers or waterways passing through the estate.	Yes
4.5.5.3	During site visit at workers quarters, observed installation of water tanks for rain water harvesting.	Yes
4.5.6.1	a Workers are briefed on 20/09/2022 on SOP for Wildlife Management. KLSB is not located next to any forest area. The estate is located along the main road and surrounded by estates. KLSB has identified type of wildlife in the estate as follow: <ul style="list-style-type: none"> - Monitor lizard; - Jungle fowl; - Snake; - Rat; - Squirrel; - Pangolin. Filed interviews with sampled workers informed any sighted wildlife they will report to the management.	Yes
	b KLSB established Rare, Threatened and Endangered Species Policy dated 15/05/2019 sign by Director. The policy states on company commitment to comply with laws and regulation related to protection and conservation of RTE species. Reviewed records of wildlife sighted for year 2022, no sightings were reported.	Yes
4.5.6.2	a KLSB established SOP on Wildlife document no. KLSOP –OP22 dated 02/01/2019 describes prohibition on hunting or capturing of wildlife. Observed notice of no hunting dated 25/09/2022 at estate notice boards.	Yes
	b KLSB established Rare, Threatened and Endangered Species Policy dated 15/05/2019 sign by Director. The policy states on company effort to prevent the poaching activity. Filed interviews with sampled workers informed they understand on protection on wildlife and penalty for hunting and capturing any wildlife.	Yes
4.5.6.3	KLSB had established monitoring record of animal. Reviewed records of wildlife sighted for year 2022, no sightings were reported. Observed notice of no hunting dated 25/09/2022 at estate notice boards. Workers are briefed on 20/09/2022 on SOP for Wildlife Management.	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.7.1	<p>KLSB establishes zero burning policy dated 04/05/2019 signed by Director.</p> <p>During site visit at worker quarters, observed no signs of open burning.</p> <p>Field interviews with sampled workers informed they have been briefed and understand the company policy on zero burning.</p>	Yes
4.5.7.2	<p>Site interview with Estate Manager and field visit confirmed, there are no disease observed at field operations that required treatment by burning method.</p>	Yes
4.5.7.3	<p>KLSB established policy of zero burning dated 04/05/2019 signed by Director.</p> <p>Site interview with Estate Manager and field visit confirmed, there are no infected oil palms observed at field operations that required treatment by burning method. Therefore, no application for approval of controlled burning.</p>	Yes
4.5.7.4	<p>No replanting has been carried out for year 2022.</p> <p>Therefore no verification of felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched palm trunks.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>KLSB establish list of SOPs for its field operations dated 02/01/2019 as follows:</p> <ul style="list-style-type: none"> • Safe work for general work document number KLSOP-OP5, revision 0; • Safe work at replanting area document number KLSOP-OP7 revision 0; • Safe work for manuring operation document number KLSOP-OP18, revision 0. <p>Training for harvesting SOP and manuring SOP conducted on 20/09/2022.</p> <p>Field interviews with sampled workers informed they understand the estate SOPs and have been trained and briefed regarding the matter.</p>	Yes
4.6.1.2	<p>KLSB adopted field handbook for immature oil palm, volume 2 series number: ISBN 981-04-1433-1 as a SOP guideline for planting within permitted levels on sloping land.</p> <p>During field visit, GPS of highest peak captured and reviewed against Malaysia GPS website, altitude is lower than 300 M sea level.</p>	Yes
4.6.1.3	<p>KLSB established permanent block marker for each block includes details such as block number, field size and year of planting.</p> <p>Example:</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Block: H; Acre: 20.38; Year of Planting: 2010; Total Palms: 1141.	
4.6.2.1	KLSB established documented financial plan for 3 years from 2022 to 2024. The content of financial plan includes: <ul style="list-style-type: none"> • Financial Projection; • Long Term Management Plans; • Oil Palm Mature – Budget & Projection Operation Cost; • Replanting programme. 	Yes
4.6.2.2	KLSB establish replanting program latest updated 20/10/2021 with 1 st program on 2021 and next will be in 2049. No replanting to be carried out in year 2022.	Yes
4.6.2.3	KLSB established documented financial plan for 3 years from 2022 to 2024. <ul style="list-style-type: none"> • Planting material; • Cost per ton; • Expected FFB output; • Yield per ha; • Price forecast. • Reviewed and verified progress report for October 2022 on profit and loss. 	Yes
4.6.2.4	KLSB established the monthly monitoring for the FFB production. Documents reviewed on the monthly FFB production year 2022. The business plan is monitored through profit and loss statement on monthly and yearly basis. Latest report for the month of October 2022 is reviewed.	Yes
4.6.3.1	KLSB manage purchasing of products by receiving quotation from vendor. Documents reviewed and verified the delivery order for purchasing of chemical dated 31/10/2022. Since chemicals are purchased in small quantities, there is no quotations. Chemicals are purchased directly from local vendor F& K Agri Enterprise.	Yes
4.6.3.2	KLSB manage purchasing of products by receiving quotation from vendor. Documents reviewed and verified the delivery order for purchasing of chemical dated 31/10/2022.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Since chemicals are purchased in small quantities, there is no quotations. Chemicals are purchased directly from local vendor F& K Agri Enterprise. Reviewed payment records for purchase of chemicals on 31/10/2022, payments are made in timely manner.	
4.6.4.1	KLSB does not engaged contractors for field operations, transportation and others services. Therefore, no records of briefing established.	Yes
4.6.4.2	KLSB does not engage any contractors. Therefore, no contract agreement established	Yes
4.6.4.3	KLSB does not engage any contractors. Therefore, no contract agreement established	Yes
4.6.4.4	KLSB does not engage any contractors. Therefore, no contract agreement established.	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>KLSB planting statements is reviewed. There is no new planting conducted.</p> <p>During field visit, observed there is no new planting conducted within the estate.</p> <p>The 1st planting is conducted on 2000, the latest replanting conducted on February 2021 for 34.70 ha.</p> <p>Therefore, no biodiversity assessment required.</p>	Yes
4.7.1.2	<p>KLSB planting statements is reviewed. There is no new planting conducted.</p> <p>During field visit, observed there is no new planting conducted within the estate.</p> <p>The replanting in February 2021 is 34.70 ha less than 100 ha. Therefore, no PMM required.</p>	Yes
4.7.2.1	<p>KLSB planting statement and maps reviewed, there is no peat land observed.</p> <p>During field visit, observed there is no peat land occur within the estate.</p>	Yes
4.7.3.1	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no SEIA conducted.</p>	Yes
4.7.3.2	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no SEIA conducted.</p>	Yes
4.7.3.3	<p>KLSB planting statement is reviewed 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 KLSB certification. Therefore, not applicable.</p>	Yes
4.7.4.1	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no soil map established.</p>	Yes
4.7.4.2	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no topography map established.</p>	Yes
4.7.5.1	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no map established and no permit available.</p>	Yes
4.7.5.2	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no plan established.</p>	Yes
4.7.5.3	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no soil map established.</p>	Yes
4.7.6.1	<p>KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no FPIC conducted and no communities affected.</p>	Yes
4.7.6.2	<p>KLSB planting statement is reviewed and there is no new planting conducted. There is no sacred sites, therefore no management plan established.</p>	Yes

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4.7.6.3	KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no SOP established.	Yes
4.7.6.4	KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no compensation and agreement established.	Yes
4.7.6.5	KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no assessment established.	Yes
4.7.6.6	KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no compensation plan established.	Yes
4.7.6.8	KLSB planting statement is reviewed and there is no new planting conducted. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

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

4.5. Detail of Audit Findings in last audit

AUDIT OUTCOME		
During last Audit	3	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number 1	
Indicator # and Description	4.4.1.1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
Location:	KLSB
Description of Finding / Objective Evidence:	

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Non Conformity Number 1	
<p>KLSB established SIA dated 15/10/2021.</p> <p>Review the SIA found:</p> <ul style="list-style-type: none"> The social assessment does not include the social impact for replanting. The social impacts does not categorize correctly into negative and positive impacts. The social survey form is use only for external stakeholders, no evidence of survey form for internal stakeholders recorded. 	
Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui Date Raise: 14/12/2021
Deadline for implementation	Action plan to be submit latest by 13/01/2022
Root Cause Analysis (by company):	
SIA forget to include social impact for replanting, categorize negative and positive impact and social survey form for internal stakeholders.	
Correction (by company):	
To use the social survey form for internal stakeholders and include the social impact replanting into SIA. To ensure all the negative and positive impacts are correctly categorized.	
Corrective / Preventive Action (by company)	
PIC to update SIA will take note to include replanting and used social survey form for internal stakeholders.	
Review of Correction & Corrective / Preventive Action	
<p>Review the action plan dated 11/01/2022.</p> <p>The action plan describes the SIA will update in October 2022 includes the followings:</p> <ul style="list-style-type: none"> The use of social survey form when conduct survey for internal stakeholders. Social impact for replanting Social impact will categorize correctly into negative and positive impacts. <p>Action plan is accepted, the implementation will review in next surveillance audit.</p>	
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: Sheron Pui Ling Wui	Date of Closure: 11/01/2022
Review of Implementation	
<p>Reviewed the SIA updated on 11/10/2022 included replanting and categorization into negative and positive impacts.</p> <p>Reviewed the social survey form for internal and external stakeholders dated 20/05/2022.</p> <p>Based on review on documents, the implementation is deemed adequate.</p>	
Name of Auditor: Khairul Anwar Bin Ismail	Date of Review: 05/12/2022

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Non Conformity Number 2	
Indicator # and Description	4.4.5.3 Management shall ensure that employees' 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 provide some discretionary income based on minimum wage.
Location:	KLSB
Description of Finding / Objective Evidence:	
Review the employment contracts states as follows: <ul style="list-style-type: none"> • The workers are entitle for 14 paid holidays include the Sabah Governor's Birthday and Prophet Muhammad's Birthday. • If the workers agrees work at paid public holiday the workers is entitled for 3 times wages rate than the normal wage rate. Review the October 2021 payslips and payroll for workers no.3, no.4, no.5 and no.6. These workers work on the 2 public holidays for Sabah Governor's Birthday on 02/10/2021 and Prophet Muhammad's Birthday on 19/10/2021. However, the wages are paid at the normal wage rate.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui
Date Raise:	14/12/2021
Deadline for implementation	13/02/2022
Root Cause Analysis (by company):	
KLSB staff forget to record and pay the paid holiday.	
Correction (by company):	
KLSB staff to double check all the payment for October 2021.	
Corrective / Preventive Action (by company)	
The paid holiday for October 2021 has been paid to workers in December 2021 salary payment.	
Review of Correction & Corrective / Preventive Action	
Review the worker's payslips dated 08/01/2021 includes the payment for October 2021 two public holidays for Sabah Governor's Birthday on 02/10/2021 and Prophet Muhammad's Birthday on 19/10/2021 with total amount of RM92.40.	
The action taken is appropriate the 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: Sheron Pui Ling Wui	Date of Closure: 11/01/2022
Review of Implementation	
Reviewed the worker's payslips dated 04/12/2022 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 total amount of RM 173.10.	
The action taken is appropriate the close the non-conformity.	

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Non Conformity Number 2	
Name of Auditor: Khairul Anwar Bin Ismail	Date of Review: 05/12/2022

Non Conformity Number 3	
Indicator # and Description	4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.
Location:	KLSB
Description of Finding / Objective Evidence:	
KLSB conducted the external stakeholders on 05/11/2021 via email however the communication does not includes the SOP consultation and communication, all company policies and SOP complaint and grievances.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui Date Raise: 14/12/2021
Deadline for implementation	13/02/2022
Root Cause Analysis (by company):	
KLSB communication with stakeholders forget to include SOP consultation and communication, all company policies and SOP complaint and grievances.	
Correction (by company):	
Re-email all the documents to all the stakeholders.	
Corrective / Preventive Action (by company)	
KLSB PIC for stakeholders will take note on communication with stakeholders should include company policies, SOP consultation and communication and SOP complaint and grievances.	
Review of Correction & Corrective / Preventive Action	
Review the email sent to external stakeholders dated 08/01/2022 includes the company policies, SOP consultation and communication and SOP complaint and grievances. The evidence submitted is appropriate 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: Sheron Pui Ling Wui	Date of Closure: 11/01/2022
Review of Implementation	
Reviewed the email sent to external stakeholders dated 25/11/2022 includes the company policies, SOP consultation and communication and SOP complaint and grievances. Based on review on documents, the implementation is deemed adequate.	
Name of Auditor: Khairul Anwar Bin Ismail	Date of Review: 05/12/2022

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Non Conformity Number 4	
Indicator # and Description	4.5.1.2 The environmental management plan shall cover the following: b) The aspects and impacts analysis of all operations.
Location:	KLSB
Description of Finding / Objective Evidence:	
KLSB established Environmental impacts, mitigations plans and continuous improvement plans include the aspects and impacts analysis of estate operations dated 15/09/2021. There are replanting activities carried out in January and February 2021, however aspect and impacts analysis was not conducted.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Chan Shi Lie Date Raise: 14/12/2021
Deadline for implementation	13/02/2022
Root Cause Analysis (by company):	
Replanting activities forget to include in the assessment.	
Correction (by company):	
KLSB conduct and include the aspect and impacts analysis for replanting activities in the document.	
Corrective / Preventive Action (by company)	
PIC update for the Environmental impacts, mitigations plans and continuous improvement plans will ensure the assessment include replanting activities.	
Review of Correction & Corrective / Preventive Action	
Review the Environmental impacts, mitigations plans and continuous improvement plans updated 11/01/2021, replanting is included in the assessment. The evidence submitted is appropriate 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 Auditor: Chan Shi Lie	Date of Closure: 13/01/2022
Review of Implementation	
Reviewed and verified Environment Impact and Aspect (EIA) updated on 12/05/2022. All main operational activities are captured in latest updated EIA. No replanting activities for year 2022. The implementation is deemed sufficient.	
Name of Lead Auditor: Navin Baskram	Date of Review: 05/12/2022

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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,	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.4.2	The occupational safety and health plan shall cover the following: g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly.	Office	KLSB could improve the Safety and Health meeting agenda to include accident reports.
2.	4.5.1.2	The environmental management plan shall cover the following: b. The aspects and impacts analysis of all operations.	Office	KLSB could improve EIA to include operations at stores.

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5. CONCLUSION

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

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

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3:2013 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:	124.35 Ha
Certified FFBS January to November 2022:	1,721.17 Mt
Project FFBS December 2022:	200 Mt

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6. RECOMMENDATION

The audit team conduct a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

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

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policies and objectives.

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

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

Puchong, 16/12/2022

Navin Baskram
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 28/12/2022

Muhammad Khairul Anuar
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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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