



MSPO CERTIFICATION SUMMARY REPORT

LAMAG PLANTATION SDN BHD

STAGE 2 – CERTIFICATION AUDIT

Date: 03/12/2019

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MSPO Certification Summary Report

Company Name: Lamag Plantation Sdn Bhd

Certifying Unit: Lamag Plantation Sdn Bhd

Client Number: 92-117

Audit Type: Stage 2 - Certification Audit



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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
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
PPE	Personal Protective Equipment
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

Lamag Plantation Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct an certification audit for its Sg. Pin, Mile 53 oil palm estates according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this certification audit is to assess the two estates by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the Lamag Plantation 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 MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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

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

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

1.3. Appointment and qualification of team members

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

Qualification of the Lead Auditor: Zul Hairi Bin Abu Hassan

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Graduate in Plantation Industry Management.

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Requirement	Qualifications
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	9 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530 series auditors training
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as lead auditor based on audit log.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	9 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	9 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed ISO 45001:2018 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.

Qualification of Team Members

Requirement	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	Muhammad Khairul Anuar Bin Azizul Hasan	Graduate in Plantation industry management.	Yes

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Requirement	Assessor	Qualification	Compliance
Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields			
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Muhammad Anuar Bin Hasan Khairul Azizul	7 years working experience in oil palm plantations.	Yes
Successfully completed MS 2530 series of standards training	Muhammad Anuar Bin Hasan Khairul Azizul	Successfully completed MS 2530 Auditor course.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Muhammad Anuar Bin Hasan Khairul Azizul	Qualified as auditor base on audit log.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and / or any other local language.	Muhammad Anuar Bin Hasan Khairul Azizul	Able to communicate in Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Muhammad Anuar Bin Hasan Khairul Azizul	7 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Anuar Bin Hasan Khairul Azizul	7 years working experience in oil palm plantations.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Muhammad Anuar Bin Hasan Khairul Azizul	Successfully completed IMS 9001, 14001 and 45001 LA course.	Yes

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Requirement	Assessor	Qualification	Compliance
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Muhammad Anuar Bin Hasan Khairul Azizul	Successfully completed SA 8000 Basic training	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Muhammad Anuar Bin Hasan Khairul Azizul	Successfully completed IMS 9001, 14001 and 45001 LA course.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

The certification audit is conducted in two stages in accordance to the certification procedure.

Stage 1:

Stage 1 is conducted on 18/06/2019 at Sandakan office that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Group Operating Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures including Agricultural Manual
 - Work Flow Charts
 - Operating licenses and approvals
 - Operating records
 - Training records
 - Applicable Legislation Documents
- Interviews of relevant operation personnel

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- Assessment reporting

Certification Audit:

Certification Audit was conducted on 10/10/2019 to 11/10/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

On-site Assessment

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

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

Lamag Plantation Sdn Bhd has 4 estates. For this certification audit, the selected estates are based on the formula $S = 0.8\sqrt{n}$ where S = sample size and n = number of estates which is in accordance to MSPO certification procedure.

Based on the formula, the sample size for the estate $S = 0.8\sqrt{4} = 2$, therefore, 2 estates are selected. However, 3 estates are inter-connected, therefore, 4 estates are assessed and inspected as listed in Table 2-1 below:

Table 2-1: List of Estates

	Name of Estates	Location	Coordinates
Sg. Pin Area	Briacres Development Sdn Bhd	Sg. Pin, Kinabatangan	5°23'22.1"N 117°48'13.3"E
	Pemborong Lamag Sdn Bhd	Sg. Pin, Kinabatangan	5°23'21.2"N 117°48'54.9"E
	Desentra Corporation Sdn Bhd	Sg. Pin, Kinabatangan	5°22'58.7"N 117°47'03.2"E

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Mile 53 Area	Andamy Plantations Sdn Bhd	Mile 53, Jln Sandakan-Telupit	5°41'26.9"N 117°30'31.1E
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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

Lamag Plantation Sdn Bhd is an oil palm plantation company located at Sandakan, Sabah.

The details of the 4 estates as below:

Area	Name of Estate	Location	Coordinates
Sg. Pin	Briacres Development Sdn Bhd	Sg. Pin, Kinabatangan	5°23'22.1"N 117°48'13.3"E
	Pemborong Lamag Sdn Bhd	Sg. Pin, Kinabatangan	5°23'21.2"N 117°48'54.9"E
	Desentra Corporation Sdn Bhd	Sg. Pin, Kinabatangan	5°22'58.7"N 117°47'03.2"E
Mile 53	Andamy Plantations Sdn Bhd	Mile 53, Jln Sandakan-Telupit	5°41'26.9"N 117°30'31.1E

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (January to December 2020)
	Total*	Production**	
Sg. Pin Area			
Briacres Development Sdn Bhd	784.42	724.81	16,000
Pemborong Lamag Sdn Bhd	200.90	200.00	4,200
Desentra Corporation Sdn Bhd	387.70	313.47	6,600
Mile 53 Area			
Andamy Plantations Sdn Bhd	356.10	104.41	2,400
Total	1,729.12	1,342.69	28,800

*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

Year / estate	Briacres Development Sdn Bhd	Pemborong Lamag Sdn Bhd	Desentra Corpotation Sdn Bhd	Andamy Plantations Sdn Bhd
1996	712.67	200.00	-	-
1998	12.14	-	188.59	-
2005	-	-	-	104.41
2006	-	-	34.00	-
2015	-	-	32.77	-

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2016	-	-	51.52	-
Total Mature	724.81	200.00	306.97	104.41
2017	-	-	6.50	-
Total Immature	0	0	6.50	0
Total	724.81	200.00	313.47	104.41

3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in each estate				Total area to be replanted (ha)
	Briacres Development Sdn Bhd	Pemborong Lamag Sdn Bhd	Desentra Corpotation Sdn Bhd	Andamy Plantations Sdn Bhd	
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	200.00	-	-	200.00
2022	231.88	-	-	-	231.88
2023	271.95	-	-	-	271.95
TOTAL	503.83	200.00	-	-	703.83

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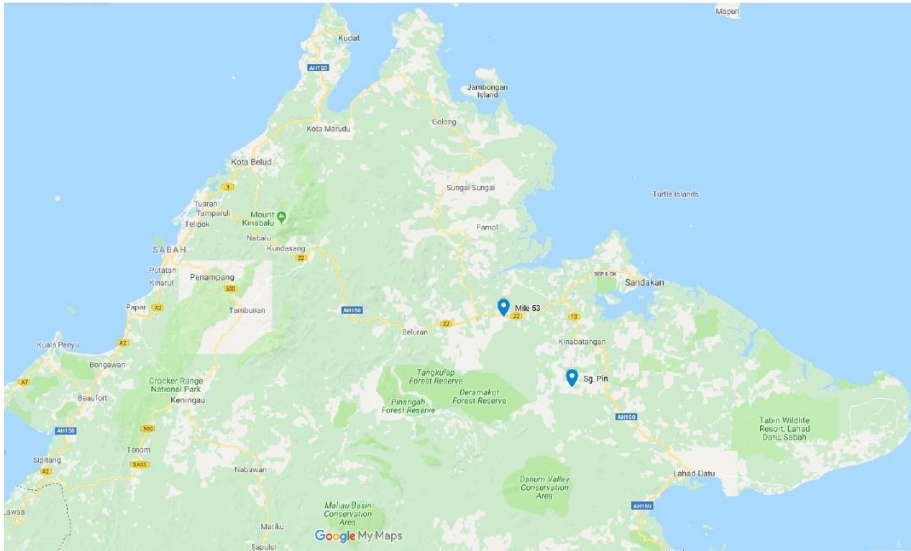
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3.4. Maps of Company Location and Plantations



Sabah Map



Sg Pin Area - Briacres Development Sdn Bhd, Pemborong Lamag Sdn Bhd, Desentra Corporation Sdn Bhd

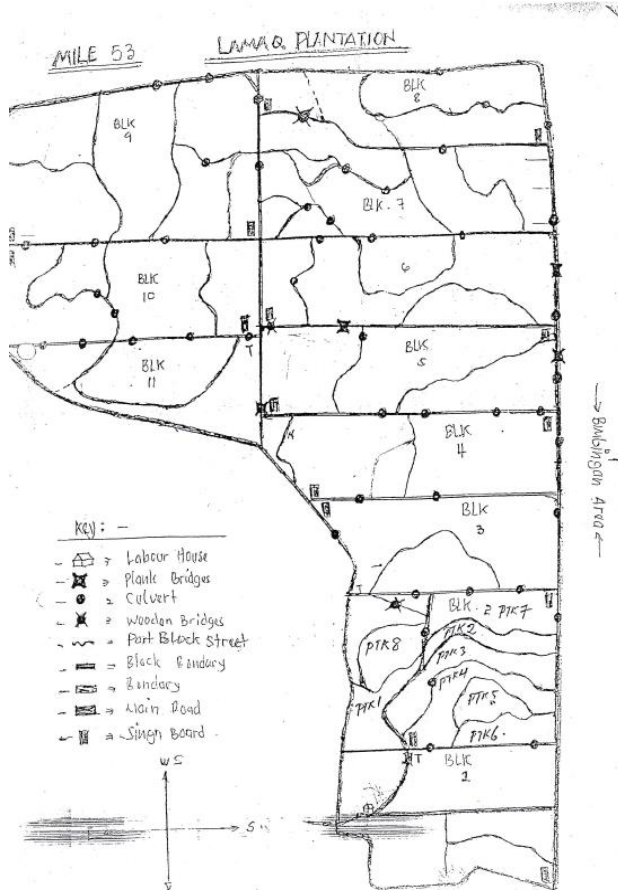
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Mile 53 Area - Andamy Plantations Sdn Bhd

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4. CERTIFICATION ASSESSMENT

4.1. Certification Audit

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

4.1.1. Stage 1 Audit:

The objective of the stage 1 audit is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which

- do not have any certification or
- those having management system certification e.g. ISO, COP.

These organization shall undergo both Stage I and II audit

Lamag Plantation Sdn Bhd do not has any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard

The Stage I audit is conducted on 18/06/2019 at Lamag Plantation Sandakan office covering the following activities:

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

4.1.2. Stage 2:

The Stage 2 audit is conducted on 10/10/2019 to 11/10/2019 covering two selected estates – Sg. Pin estate and Mile 53 estate.

During the Stage 2 audit, there are no conformities raised. Six 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

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 10/09/2019 as to accommodate stakeholder's consultation meeting for Lamag Plantation Sdn Bhd to provide comments. As at audit date on 10/10/2019 there are no comments received.

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Invitation letters are sent on 10/09/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 10/10/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of MSPO certification.
2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
The stakeholders could confirm they have attended meetings with the company on MSPO certification.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint
The stakeholders' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.
The local communities could confirm the company has provide assistance and support to communities.
4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information
The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

There no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholders confirmed they are aware of the MSPO audit through invitation letters and public announcement made by the company.	Positive comments towards the Lamag management.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
2	Social issues	No communities and neighbouring estates attended. Therefore no input.	No further action required.
3	Type of land title – Country Leased, Provisional Leased, Native title	Participants are no local communities, therefore no input to confirm.	No further action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders are not local communities, therefore no comments on this topic	No further action required..
5	Does MSPO largely benefits the local community?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
6	Environmental understanding	Stakeholders are not local communities, therefore no comments on this topic	No further action required.
7	Awareness towards species, habitats, and high conservation values	Stakeholders are not local communities, therefore no comments on this topic	No further action required.
8	Are there any plantation management practices that affect you?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders commented there should be no conflict by the management topic.	Positive comments towards the Lamag management.
10	Do you have any suggestions for management?	Lamag could share MSPO knowledge implementation.	Positive comments towards the Lamag management.

4.3. Summary of Assessment

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

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Lamag Plantation Sdn Bhd (LPSB) group established MSPO Policy dated 22/05/2019 signed by Managing Director.</p> <p>The policy includes commitment to continual improvement in sustainability practise.</p> <p>Policy is displayed at office notice boards at Sg Pin and Mile 53 Estates. Training for policy conducted on 02/04/2019 and 27/08/2019 at both estates to all workers.</p> <p>Interview during site visit, the workers understand the MSPO policy.</p>	Yes
4.1.1.2	<p>The MSPO policy dated 22/05/2019 states LPSB group is committed towards sustainable development, continuous improvement and implementation of the Malaysia Sustainable Palm Oil (MSPO).</p>	Yes
4.1.2.1	<p>LPSB group established SOP internal audit flow chart doc no: 4.1.2.2, revision 1 dated 29/03/2019 indicating the internal audit process.</p> <p>Stated in the SOP the frequency for internal audit is once a year.</p> <p>Internal audit conducted on 06/09/2019 and 05/09/2019 at both estates. Result of internal audit there are non-conformities and closed out in within 2 month.</p> <p>Internal audit has summary of strong and weak points on findings raised.</p>	Yes
4.1.2.2	<p>LPSB group established SOP internal audit dated 29/03/2019.</p> <p>Sighted summary of internal audit of strong and weak points.</p> <p>Example:</p> <p>Strong point: dustbin has been prepared for all labour quarters.</p> <p>Weakness point: external stakeholder meeting not conducted.</p> <p>The non-conformities raised and closed out.</p>	Yes
4.1.2.3	<p>Stage 1 external audit results are made available in the management review meeting dated 28/06/2019 and discussed in the management review.</p>	Yes
4.1.3.1	<p>Management review conducted on 28/06/2019 with agenda includes.</p> <p>Stage 1 external audit results</p> <p>Other matters</p> <p>The frequency for management review is once a year after internal audit.</p>	Yes
4.1.4.1	<p>Continual Improvement Plan (CIP) established doc no: 4.1.4.1, revision 1 dated 10/06/2019.</p> <p>Topics discuss in the CIP include environmental, social and safety & Health.</p> <p>Example:</p> <p>Environmental</p> <p>Activity: Oil trap at workshop</p> <p>Unit: 1</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Time frame: 1 years</p> <p>Completion date: To be confirm</p>	
4.1.4.2	<p>LPSB group established SOP for identification and implementation of new information and techniques or new industry standards and technology, doc no: 4.1.4.2&4.1.4.3, rev: 0, date 29/03/2019.</p> <p>The SOP describe process for implementation of new technology:</p> <ul style="list-style-type: none"> • Identification • Implementation and control. <p>No new techniques or new technology used currently at LPSB.</p>	Yes
4.1.4.3	<p>LPSB group established SOP for identification and implementation of new information and techniques or new industry standards and technology, doc no: 4.1.4.2&4.1.4.3, rev: 0, date 29/03/2019.</p> <p>The SOP describes the process for implementation of new technology.</p> <p>The flowchart in the SOP includes training will be conducted before implementation of any new technology.</p> <p>LPSB group does not has any new technology currently.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>LPSB group established list of stakeholders, doc no: 4.2.2.3, rev: 1 updated 29/03/2019 that include surrounding communities, government authorities, suppliers, mills, and NGOs.</p> <p>Sighted external stakeholders meeting conducted on 25/09/2019 at Sg Pin estate and on 23/09/2019 Mile 53 estate. The internal stakeholders conducted on 27/08/2019 at Sg Pin estate and on 25/05/2019 at Mile 53 estate.</p> <p>The meeting agenda include implementation of MSPO certification, company policies consultation and communication SOP, complaint and grievances SOP.</p> <p>Interview with worker at both estates indicate that they are aware of the company procedure.</p>	Yes
4.2.1.2	<p>LPSB group established List of Publicly available management doc no: 4.2.1.2, rev: 1 updated 29/03/2019.</p> <p>The list categorized transparency documents and confidential documents. Transparency documents are documents can be shared with stakeholders while confidential documents are for internally and require approval from management when any request.</p> <p>The list is presented during stakeholders meeting dated 23/09/2019 and 25/09/2019.</p> <p>Interviewed workers at both estates understand on the list.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.2.1	<p>LPSB group established Consultation and Communication procedure, doc no: 4.2.2.1, rev: 0 dated 29/03/2019.</p> <p>The procedure states the Group Estate Manager is in charge of the communication and consultation.</p> <p>Sighted stakeholders meeting conducted on 23/09/2019, 25/09/2019 include briefing on this SOP.</p> <p>Interviewed workers are aware of consultation and communication procedure.</p>	Yes
4.2.2.2	<p>LPSB group organisation chart indicate the Estate Manager is appointed as sustainability leader who will be in charge for stakeholders consultation and communication.</p> <p>Sighted the stakeholders meeting minutes indicate the person in charge is the sustainability leader.</p>	Yes
4.2.2.3	<p>LPSB groups established List of stakeholders doc no: 4.2.2.3, rev 1 updated 24/09/2019.</p> <p>Form penilaian impak social, doc no: External SIA, rev 1 23/09/2019 has fill up by stakeholders and no negative issue was raised.</p>	Yes
4.2.3.1	<p>LPSB group established SOP for Traceability doc no: 4.2.3.1, rev: 0 dated 29/03/2019 for FFB delivery from field to mill.</p> <p>Stated in the flow chart</p> <ul style="list-style-type: none"> • Harvesting of FFB • Transfer of FFB to field collection point by harvester • Bunch checking at the collection point by loader • Loader loads the FFB to the tractor and transport to weighbridge for weighing • Transport of FFB to ramp of respective phase / division by tractor • Load FFB from ramp onto truck to transport to weighbridge for weighing • Transport FFB to mill and upload FFB at mill <p>LPSB group established 'FFB Delivery Note' from the estates to mill.</p> <p>Example:</p> <p>FFB Delivery Chit no: 6605, dated 08/10/2019 and Mill weighbridge ticket no: 00225, dated 08/10/2019 states estate delivery note., weight: 16.10 MT.</p>	Yes
4.2.3.2	<p>LPSB group established inspection checklist for traceability of FFB, doc no: 4.2.3.2, rev no: 0, dated 29/03/2019.</p> <p>LPSB group conducted Internal audit on 05/09/2019 Sg. Pin estate and on 06/09/2019 for Mile 53 estate that include traceability system. There are no findings found.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.3	LPSB group appointed the group office clerk at Sg. Pin estate and estate manager at Mile 53 estate as person in charge for traceability systems dated 10/04/2019.	Yes
4.2.3.4	LPSB group established records of sales and delivery verified by group estate manager on a daily basis. The records are kept for a period of 3 years. Review on the records such as FFB harvesting chits to mill weighbridge are available. Unique identification number is the FFB harvesting chits is stated in mill weighbridge ticket.	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	LPSB Group established list of licenses & permits doc no: 4.3.1.1, rev 02 dated 20/08/2019. Example; <ol style="list-style-type: none"> 1. MPOB license number 502987502000 validity until 30/11/2019 2. MPOB license number 511453002000 validity until 30/04/2020 3. Trading license number R19742/94 validity until 31/12/2019 4. Trading license number R24380/97 validity until 31/12/2019 	Yes
4.3.1.2	LPSB Group established Related Laws, Regulation and Guidelines, doc no 4.3.1.2, rev 0 dated 29/03/2019. Example: <ul style="list-style-type: none"> • Minimum wage order 2018 • Land Ordinance (Sabah cap.68) • Sabah Labour Ordinance (Sabah cap.67) • Environmental Quality Act 1974 – Act 127 • Pesticides Act 1974 – act 149 	Yes
4.3.1.3	LPSB Group established Related Laws, Regulation and Guidelines, doc no 4.3.1.2, rev 0 dated 29/03/2019. Example; Employees Social Security Act 1969 Minimum wages order 2018.	Yes
4.3.1.4	LPSB Group has appoint Sustainability Manager as person in-charge for monitoring compliance and to track update the changes in regulatory requirements dated 22/05/2019 approved by Director.	Yes
4.3.2.1	LPSB Group established list of land titles of country leased with 99 years tenure. The activity stated in the land title is for the purpose of the cultivation of an agriculture crop of economic value.	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.2	LPSB Group land titles are issued by Director of Lands and Surveys, Sabah for 99 years leased period. Example; Country leased CL095321449 for 99 years from 01/01/1989 to 31/12/2087 The actual usage of land is for cultivation of agricultural crops	Yes
4.3.2.3	The land titles have map with the title number and size in ha / acre. CL 095321449 land title stated size of 744.2 ha / 1,839 acres with boundary markers. Scale of map is 1:50,000 Field observation indicates the boundary stone is maintained. Example boundary stone number: 828 / 868. GPS coordinate taken during field visit is crosscheck with the land title map.	Yes
4.3.2.4	The land title is issued by Director of Lands and Surveys, Sabah. Therefore no disputes.	Yes
4.3.3.1	LPSB Group land titles are country leased issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land by LPSB. Therefore, not applicable.	Yes
4.3.3.2	LPSB Group land title is country leased issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land by LPSB. Therefore, no map established.	Yes
4.3.3.3	LPSB Group land title is country leased issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land by LPSB. Therefore, no FPIC determined.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	LPSB Group conducted SIA for Sg Pin estate on 25/05/2019 for the workers and on 25/09/2019 for mile 53 estates and on 23/09/2019 for surrounding stakeholders In the SIA summary report include activities, positives impacts, negative impacts, maintenance measure, PIC and status / timeline. Example: Positive: Construction of new Mosque by management Positive impacts: Enable workers to fulfill their religious responsibilities. Negative: Long time for loading FFB from ramp to lorry	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Negative impacts: Lack of ramp attendant increase the loading time and affect lorry driver performance.</p> <p>Control measure: Appointment of new ramp attendant.</p> <p>PIC: Estate manager</p> <p>Timeline: 3 months</p> <p>Status: New ramp attendant appoint on 11/08/2019.</p>	
4.4.2.1	<p>LPSB Group established flowchart of complaint and grievances, doc no: 4.4.2.1, rev no: 1, dated 12/09/2019.</p> <p>The flowchart describes:</p> <ul style="list-style-type: none"> - Complaint received - To resolve complaint in estate level within 7 days - Further discussion with top management of unsolved complaint within 7 days. - Results. <p>Complaint and grievance flowchart is display at the estates notice boards.</p> <p>Timeline to resolve the complaint is within 14 days.</p> <p>Person in charge of complaint and grievance is Admin clerk.</p>	Yes
4.4.2.2	<p>LPSB Group established flowchart of complaint and grievances, doc no: 4.4.2.1, rev no: 1, dated 12/09/2019.</p> <p>Timeline to resolve the complaint is within 14 days.</p> <p>Complaint file is review. There is no complaint lodge as audit date.</p>	Yes
4.4.2.3	<p>LPSB Group established flowchart of complaint and grievances, doc no: 4.4.2.1, rev no: 1, dated 12/09/2019.</p> <p>Complaint form and box is available at Sg pin and Mile 53 estates office.</p>	Yes
4.4.2.4	<p>Stakeholders meeting conducted on 25/05/2019 for workers and on 25/09/2019 for stakeholders. Point no 6 of the meeting minutes the management explained the complaint and grievances flowchart.</p> <p>Flowchart of complaint and grievance is publicly display at the estates office and workers quarters notice boards.</p>	Yes
4.4.2.5	<p>Complaint file is review. There is no complaint lodged as of audit date.</p>	Yes
4.4.3.1	<p>LPSB group engaged local contractor for FFB delivery and road maintenance.</p> <p>LPSB Group hire locals to work with both estates.</p> <p>Example: Estate Manager and Estate In-Charge for both Sg Pin and Mile 53 estates are locals.</p>	Yes
4.4.4.1	<p>LPSB Group established Occupational Safety and Health Policy dated 22/05/2019 signed by Director.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy is publicly available at the estates office and workers quarters notice boards.</p> <p>LPSB Group established OSH committee lead by Sustainability Manager.</p> <p>The safety and health policy briefing included in the OSH meeting conducted on 25/05/2019 for workers and on 25/09/2019 for stakeholders</p>	
4.4.4.2	<p>a</p> <p>LPSB Group established Occupational Safety and Health Policy dated 22/05/2019 signed by Director.</p> <p>The policy is publicly available at the estates office and workers quarters notice boards.</p> <p>The safety and health policy training is conducted on 25/05/2019 to the workers</p>	Yes
	<p>b</p> <p>LPSB Group established HIRARC dated 24/05/2019.</p> <p>All operations activities stated in the HIRARC.</p> <p>Example</p> <ul style="list-style-type: none"> • Harvesting • FFB loading and collection • Chemical spraying <p>HIRARC table:</p> <ul style="list-style-type: none"> • Activity • Hazard • Risk and effects • Risk assessment • Risk control 	
	<p>c i</p> <p>Sg Pin and Mile 53 estates conducted training to chemical handler's team dated 15/08/2019.</p> <p>The training includes MSPO briefing, SOPs for chemical handling and safe working procedure.</p> <p>LPSB Group established poster of Good Agricultural Practice for safe and effective use of pesticides displayed at estates office and workers quarter's notice boards as awareness tools for workers.</p>	
	<p>c ii</p> <p>LPSB Group has maintained SDS at the chemical and fertilizer stores.</p> <p>Example of SDS available at point of use:</p> <ul style="list-style-type: none"> • Glyphosate • Ally • Rock phosphate 	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Site observation indicates the chemicals and fertilizer is properly stored with powder above liquid.</p>	
d	<p>In the HIRARC assessment table, type of PPE for chemical handling is identified in accordance to CHRA report.</p> <p>Example:</p> <ul style="list-style-type: none"> • Hand glove • Face Mask • Apron • Goggle • Boots <p>LPSB Group PPE records book is review for issuance of PPE workers as per hazards.</p> <p>Hazard assessments are include in the HIRARC table.</p> <p>Example;</p> <p>Premixing of chemicals: spillage</p>	
e	<p>LPSB Group established SOP Chemical spraying doc no: 4.6.1.1 rev: 0 dated 29/03/2019.</p> <p>LPSB Group established SOP Storage and management of chemical, doc no: SOP chemical handlings; rev 01 dated 28/06/2019.</p> <p>Certificate of compliance of CHRA is conducted and valid for 5 years from 04/09/2019 until 03/09/2024 for Sg Pin Estate.</p> <p>Certificate of compliance of CHRA is conducted and valid for 5 years from 05/09/2019 until 04/09/2024 for Mile 53 estate.</p>	
f	<p>LPSB Group appoints Sustainability Manager as person in-charge for safety and health.</p>	
g	<p>Sg Pin estate conducted quarterly OSH meeting dated 25/05/2019 and latest meeting on 15/08/2019.</p> <p>Mile 53 estate conducted quarterly OSH meeting dated 27/05/2019 and latest meeting on 23/08/2019.</p> <p>Minutes of meeting for both estates includes safety discussion.</p> <ul style="list-style-type: none"> - Injuries and Accidents records for year 2019 - Inform farm tractor drivers not to allow passengers on board farm tractor. - Good farm tractor handlings - Training provided for farm tractor drivers. 	
h	<p>LPSB Group established flow chart 'Pelan Tindak Balas Kecemasan', doc no: ERP-Assembly, rev no: dated 29/03/2019.</p>	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Fire emergency plan established doc no: ERP-Fire, rev no: 29/03/2019.</p> <p>LPSB Group established emergency response team, doc no: ERT & Emergency calls, rev: 0 dated 25/05/2019.</p> <p>All emergency precautions are publicly display at the estates notice boards and workers quarters.</p>	
i	<p>LPSB Group estate manager, staff and mandore attended first aid training on 13/08/2019 and 02/03/2019 conducted by Bulan Sabit Merah Malaysia.</p> <p>Person in-charge of first aid and their contact details is publicly display at the estates office and workers quarters notice boards.</p> <p>Site observation at harvesting operation indicates first aid box is available at worksite managed by mandore as PIC.</p> <p>First aid kit available at estate office managed by the clerk as PIC.</p>	
j	<p>LPSB Group has established form doc no: t, rev: 0 dated 29/03/2019 for accident report.</p> <p>Monthly OSH accident and diseases register sighted.</p> <p>Records of injuries and accidents reported in quarterly OSH meeting.</p> <p>Annual JKKP reporting for year 2019 established.</p> <p>There are no accidents or injuries recorded from Jan to August 2019.</p>	
4.4.5.1	<p>LPSB Group has established Good Social Practice Policy dated 22/05/2019 signed by Director.</p> <p>The policy is publicly available at the estates office and workers quarters notice boards.</p> <p>The policy training conducted on 25/05/2019 to the estate workers and 25/09/2019 to the stakeholders.</p>	Yes
4.4.5.2	<p>LPSB Group has established Good Social Practice Policy dated 22/05/2019 signed by Director.</p> <p>The policy describe;</p> <p>To uphold and promote the principle of worker right including the right to association, right to freedom of expression , non-discrimination and equal opportunities for all our employees, regardless of their race, gender, nationality and religious background.</p> <p>Site interview with male and female workers indicates there is no discriminatory occur within the estates.</p>	Yes
4.4.5.3	<p>LPSB Group pay the workers according to minimum wage order 2018 of RM 1,100 / month or RM42.31/day.</p> <p>Workers pay slips for September 2019 are review and wage paid according to the minimum wage order 2018.</p> <p>Wages are in accordance to the minimum wages order 2019</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.4	<p>LPSB Group monitors the wages paid by the contractors to their workers by means of a verbal agreement between the contractor and the worker based on an agreed percentage of the contract rate between the company and contractor.</p> <p>Review on contractor worker pay slip for the month of May 2019 in accordance to minimum wage Order 2018</p>	Yes
4.4.5.5	<p>LPSB Group established a summary list of workers for both Sg Pin and Mile 53 estate consists of name, passport no, gender, date of birth, age, permit expiry date and nationality.</p> <p>List of workers sighted there is no casual worker hired by LPSB.</p>	Yes
4.4.5.6	<p>LPSB Group established contract agreement duly signed by both workers and management dated 02/01/2019.</p> <p>The employment conditions are describe in the contract agreement and in accordance to Sabah Labour Ordinance.</p> <p>Example:</p> <p>Public holidays, working hours, contract period, notice of termination, medical leaves, annual leaves and insurance.</p>	Yes
4.4.5.7	<p>LPSB Group use the morning roll call to monitor workers reporting for work. Checkroll book is using for recording the daily attendance. Sighted workers attendance records for month of September 2019 for both estates.</p> <p>Working hours is publicly available at the estates and worker quarters notice boards.</p> <p>Records of overtime and worker payslip is review. Sighted overtime paid is 1.5 per normal hour's rate as per regulations.</p> <p>The pay slips includes name of worker, basic pay, overtime and total payment.</p>	Yes
4.4.5.8	<p>LPSB Group worker contract agreement is review. The working hours are stated in the contract agreement.</p> <p>Working hours is publicly available at the estates office and workers quarters.</p> <p>The working hours starts from 6.30 am until 2.30 pm with breaks of 30 minutes in accordance to Sabah Labour Ordinance.</p> <p>Workers pay slips month for September 2019 with overtime paid according to the Sabah Labour Ordinance.</p> <p>Site interview with mandore, overtime is provided for supervision of FFB operation.</p>	Yes
4.4.5.9	<p>Workers wage slip for the month of September 2019 is review with overtime is paid according to Sabah Labour Ordinance of 1.5 times for work during weekdays..</p>	Yes
4.4.5.10	<p>LPSB Group provides social benefits in accordance to Sabah Labour Ordinance such as harvesting incentives, housing, medical, electricity, annual leaves and medical leave as listed in the work contract.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.11	<p>LPSB Group adopted the industry best practices for workers housing quarters.</p> <p>The facilities provided such as:</p> <p>Vegetable gardening area</p> <p>Recreational area</p> <p>Mosque for Muslim prayer</p> <p>Creche for foreign workers children</p>	Yes
4.4.5.12	<p>LPSB Group established Prevention of Sexual Harassment Policy dated 22/05/2019 signed by Director.</p> <p>The policy is publicly available at the estate office and workers quarters.</p> <p>Complaint file is review for both estates. There is no complaint lodge for sexual harassment sighted.</p> <p>Workers are brief on Prevention of Sexual Harassment Policy dated 25/05/2019 and stakeholders on 25/09/2019.</p>	Yes
4.4.5.13	<p>LPSB Group established Good Social Practice Policy dated 22/05/2019 signed by Director.</p> <p>The policy describe;</p> <p>To uphold and promote the principle of worker right including the right to association., right to freedom of expression , non-discrimination and equal opportunities for all our employees, regardless of their race, gender, nationality and religious background.</p> <p>There is no union formed by workers within LPSB Group.</p> <p>Management has conducted OSH meeting, SIA and environmental discussion dated 25/05/2019 with the workers as platform for communication.</p>	yes
4.4.5.14	<p>LPSB Group has established Good Social Practice Policy dated 22/05/2019 signed by Director and publicly available at the check quarters notice boards.</p> <p>The policy describe:</p> <p>To prevent any forms of exploitation including child worker under 18 years old, forced and bonded worker, unethical recruitment of workers, unfair hiring as well as unsafe and unhealthy working environments.</p> <p>Workers list is review there are no workers below than 18 years old hired.</p> <p>Site observation at both estates indicates there is no child worker within the estates.</p>	Yes
4.4.6.1	<p>LPSB Group established training plan for both Sg Pin and Mile 53 estates dated 04/02/2019.</p> <p>Training provided to the workers and contractor is review.</p> <p>Example: SOP for harvesting, manuring, spraying, driving (machine).</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>LPSB has conducted training as follow.</p> <p>Example :</p> <ol style="list-style-type: none"> 1. Fire safety: usage of fire extinguisher to all staff, workers and contractor 2. Scheduled waste management to workers and contractors 3. MSPO policy and objective to all staff, workers and contractors. 	
4.4.6.2	<p>LPSB Group established training matrix and training need analysis year 2019.</p> <p>The training includes MSPO, safe working procedure, environment awareness, waste and chemical, first aid, ERP, traceability and safety awareness to relevant job description.</p> <p>Example;</p> <p>Sprayer: Training on waste and chemical</p> <p>First aid: Training for mandore</p>	Yes
4.4.6.3	<p>LPSB Group established training plan year 2019 for both Sg Pin and Mile 53 estates dated 04/02/2019.</p> <p>Training provided include competency briefing / training activities for all employees in accordance to the training procedure.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance	
4.5.1.1	<p>LPSB group established Environmental policy dated 22/05/2019 signed by company Director.</p> <p>The policy is made available at office notice boards in both Bahasa Malaysia and English.</p> <p>LPSB group established Environmental Management plan, revision 1 dated 29/03/2019 include aspect and impacts assessment..</p> <p>Environment policy training conducted on 26/09/2019 at Sg. Pin estate and on 27/08/2019 at Mile 53 estate. Meeting minutes include environmental issues such as management of scheduled wastes and monitoring.</p>	Yes	
4.5.1.2	a	<p>LPSB group established Environmental policy dated 22/05/2019 sign by Company Director.</p> <p>The objective is management is responsible for the preservation of the environment. Management and employees will work together to achieve the goals and objective of this policy through discussion, activities to create awareness and cooperation of all parties involved.</p>	Yes
	b	<p>LPBS group established environmental aspect and impacts assessment dated 12/04/2019.</p> <p>Example:</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Aspect and impact:</p> <p>Transporter: Hydrocarbon leakage, emission, and dust.</p> <p>Chemical: Spillage of chemical during premixing and dispensing.</p>	
4.5.1.3	<p>The environmental aspect and impacts assessment established dated 29/03/2019 include negative impact and promote the positive.</p> <p>Example:</p> <p>Empty Pesticide Containers.</p> <p>Negative impact: Wastes pollution - Improper disposal of used empty chemical container</p> <p>Positive impact: Empty chemical container can be reused and reduce scheduled wastes.</p> <p>Monitoring: On-going. Reused the empty chemical container for water for spraying, flower pot and dustbin</p> <p>Positive impact: Rinsed containers 3 times and marking with 'X', empty container reused for spraying activities. .</p>	Yes
4.5.1.4	<p>LPSB group established CIP where the environmental positive impact is promoted.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Construct new chemical premix area. 2. Oil trap at workshop. 	Yes
4.5.1.5	<p>LPSB group established training program dated 04/02/2019.</p> <p>Training of environmental policy dated 26/09/2019 at Sg Pin estate and 27/08/2019 at Mile 53 estate.</p>	Yes
4.5.1.6	<p>LPSB group conducted environmental meeting dated 15/08/2019 at Sg Pin estate and 27/08/2019 at Mile 53 estate.</p> <p>The meeting is conducted on quarterly basis.</p> <p>Review of meeting agenda environmental is discussed.</p> <p>Example all workers quarters provided with dustbin to avoid environmental issue.</p>	Yes
4.5.2.1	<p>LPSB group established 3 years baseline for diesel consumption from 2016 to 2018.</p> <p>The baseline is a guideline to monitor and compare against the actual usage.</p>	Yes
4.5.2.2	<p>LPSB group established records of diesel consumption on monthly basis for comparison against estimates.</p> <p>Diesel budget from 2019 to 2021 to consider for monitoring purpose against the actual usage. Records for September diesel consumption is lower than budget.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.2.3	LPSB group does not practice renewable energy for the estates.	Yes
4.5.3.1	LPSB group established waste management plan dated 29/03/2019, revision 1 updated 04/07/2019. Example: Solid waste Source: Empty chemical container Waste Type: Scheduled waste Liquid waste Source: vehicle / transport Waste Type: Used oil GHG waste Source: vehicle / transport Waste Type: smoke emission	Yes
4.5.3.2	a LPSB group established waste management plan dated 29/03/2019. Source of waste identified and monitoring stated in the waste management plan. Gaseous waste Emission from fossil fuel usage: Minimize usage, regular maintenance Vehicle and generator set maintenance records sighted.	Yes
	b Empty chemical containers are reused for pre-mix chemicals and recycle as block marking.	
4.5.3.3	LPSB group established SOP Penyimpanan dan Pengurusan Bahan Kimia, rev: 1 dated 28/06/2019. SOP established to manage used chemicals to ensure proper and safe handling, storage and disposal. Stock balance records sighted.	Yes
4.5.3.4	LPSB has established SOP for Penyimpanan dan Pengurusan Bahan Kimia rev: 1 dated 28/06/2019. SOP describe: <ul style="list-style-type: none"> Cara pengendalian bekas dan bungkusan racun. Point no 3 semua racun mestilah dibasuh sekurang-kurang 3 kali bilasan dengan menggunakan air bersih. Empty containers reuse for chemical spraying activities.	Yes
4.5.3.5	LPSB both estates domestic wastes are disposed at landfill. Designated landfill locations are away from housing, on high ground, fenced, with no burning signage and open and closed dates.	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.4.1	<p>LPSB group established waste management plan revision 0, dated 29/03/2019.</p> <p>Waste Management Plan describe 3 types:-</p> <p>The assessment of pollution describe in the management plan.</p> <ol style="list-style-type: none"> 1. Gaseous waste: Genset smoke - CO 2. Solid waste: Rotten Bunch – CH₄ 3. Liquid waste: Used engine oil - CO 	Yes
4.5.4.2	<p>Action plan has established dated 28/05/2019 in the management plan.</p> <p>Example:</p> <p>Chemical mixing</p> <p>Impact: spillage and uncontrolled release into the environment</p> <p>Action plan: Training of workers, use drip tray and construct new chemical mixing area with bunds.</p>	Yes
4.5.5.1	<p>a LPSB group has established natural water resources revision 0, dated 29/03/2019. Updated rev: 1, 17/09/2019</p> <p>Water sources</p> <p>The main sources of water for LPSB are from rainwater and reservoir pond.</p> <p>Water from ponds used for estate operations.</p> <p>Example store and field (premixing of chemicals, washing of PPE, triple rinsing of chemical containers)</p>	Yes
	<p>b LPSB group conduct water quality test for inlet and outlet of streams flowing through the estate at Sg Pin estate (Lamag river).</p> <p>Test report dated 28/09/2019 with the results are within the national water quality index.</p>	
	<p>c LPSB group establish rainfall records to management water usage for housing quarters and field operations.</p> <p>Empty chemical containers rinsing water recycle for pre-mix.</p> <p>Ponds are constructed to store water for field application during drought season.</p>	
	<p>d Water management established include water conservation and protection</p> <p>Signage installed at buffer / riparian zones.</p> <p>Workers are briefed on environment that include riparian zone on 02/04/2019.</p> <p>Interview with workers they are aware and understood that spraying and fertilizing activities are prohibited at buffer zone area.</p>	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>e LPSB has established management plan to restore vegetation in riparian area.</p> <p>Field observation there are no vegetation removed from riparian zones.</p> <p>Riparian zones are well maintained.</p>	
	f Site verification at workers quarters no bore wells implemented.	
4.5.5.2	No constructions of bunds or weirs at Sungai Lamag.	Yes
4.5.5.3	<p>Interview with the sustainability manager confirmed water harvesting practice at workers quarters..</p> <p>Site verification tanks are installed for collecting rainwater.</p>	Yes
4.5.6.1	<p>a LPSB has established Identification of High Conservation Value (HCV) revision 0, dated 29/03/2019.</p> <p>List of wild life listed in the report</p> <p>Mammalia (Babi utan, Memerang, kera)</p> <p>Bird (bangau)</p> <p>Reptilian (snake, lizards)</p> <p>Monitoring checklist of biodiversity has established dated 29/03/2019 for monthly monitoring includes zero burning, hunting activity and sighting of animals.</p>	Yes
	<p>b LPSB group established Identification of High Conservation Value (HCV) revision 0, dated 29/03/2019.</p> <p>LPSB monitor wildlife in and surrounding of the estates.</p> <p>The signage of wildlife animal and no hunting is installed in the field.</p> <p>Example of the wildlife found: Wild boar.</p> <p>There are no wildlife sighted within the estate during field visit.</p>	
4.5.6.2	<p>a LPSB group established management and monitoring plan for conservation of wildlife revision 0, dated 29/03/2019.</p> <p>Management and monitoring plan for conservation of wildlife has describe on:</p> <ol style="list-style-type: none"> 1. Practicing zero burning for replanting technique. 2. Ensuring maximum conservation of soil. 3. Maintaining natural vegetation, permanent greenbelt and water catchments. <p>Sighted no hunting and penalty signage at Sg Pin estate and Mile 53 estate office notice boards.</p>	Yes
	b Training of workers on protection of rare, threatened or endangered species and prevent of hunting or fishing.	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Sg pin estate dated 17/08/2019 Mile 53 estate dated 27/08/2019	
4.5.6.3	LPSB group established management and monitoring plan for conservation of wildlife revision 0 dated 29/03/2019. Appropriate signage on prohibiting illegal hunting are displayed and workers are advised not to hunt animals and report sighting of any wildlife in the estate.	Yes
4.5.7.1	LPSB group established environment policy dated 22/05/2019 signed by company director. The policy states zero burning practices: <ul style="list-style-type: none"> To implement zero burning on oil palm cultivation activities. No replanting activities during audit time.	Yes
4.5.7.2	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	Yes
4.5.7.3	No open burning sighted during field visit. No approval required.	Yes
4.5.7.4	LPSB group established procedure for new planting and replanting revision 0, dated 29/03/2019. The procedure describes: Palms are felled, chipped and / or shredded and trees and sapling are staked in windrow and left to decomposed. No replanting activities during audit time.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	LPSB Group established list of SOPs for estate operations, revision 0 dated 29/03/2019. Example SOPs established: <ol style="list-style-type: none"> SOP for harvesting SOP for manuring SOP for weeding/slashing SOP for loose fruit collection Training on SOP harvesting conducted on 18/07/2019.	Yes
4.6.1.2	LPSB Group adopts Field Handbook Oil Palm Immature as guidance for Managing Terrace & Platform Construction' that includes soil conservation measures. The handbook describes;	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>Principles of erosion management</p> <p>Slope length – to reduce slope length by installing contour bunds, silt traps and silt trenches.</p> <p>Slope steepness – land with average slope of > 25° should not be planted and native vegetation should not be disturbed.</p> <p>Land cover and management – establishment of LCC, crop residue, vetiver grass, mill residues and residues from land clearing.</p> <p>Support practice – establishment of platform and terrace, drainage</p>	
4.6.1.3	<p>LPSB Group has established block marker at every block of both estates.</p> <p>The block marker states block number, field size, year of planting and number of palms.</p>	Yes
4.6.2.1	<p>LPSB Group established long term business plan for 3 years from year 2019 to 2021.</p> <p>The business plan describe cost of production of FFB, forecast FFB volume and price, FFB sales income and operation expenditure.</p>	Yes
4.6.2.2	<p>LPSB Group established long term replanting program.</p> <p>The replanting program starts on 2021 to 2025 for Sg pin area estates.</p>	Yes
4.6.2.3	<p>LPSB group established long term business plan for 3 years from year 2019 to 2021.</p> <p>The business plan includes following;</p> <ol style="list-style-type: none"> 1. Planting material 2. FFB projection 3. Estates outflow / expenses 4. FFB price forecast 5. Inflows / FFB sales income 	Yes
4.6.2.4	<p>LPSB group established Cash Flow and budget for year 2019 is monitored and reviewed monthly.</p>	Yes
4.6.3.1	<p>LPSB group engaged external parties for FFB transportation at Mile 53 estate.</p> <p>The contract dated 19/09/2019 states the rates and terms of payment, duly agreed and signed by both parties.</p>	Yes
4.6.3.2	<p>LPSB group engaged external parties for FFB transportation at Mile 53 estate.</p> <p>Payment made in according to the terms and conditions of the signed contract.</p>	Yes
4.6.4.1	<p>LPSB group engaged external parties for road maintenance at Sg Pin estate.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>Contract agreements between contractor and LPSB dated 19/09/2019 states contractor agreed to comply with MSPO requirement and provide relevant documentation and information if required.</p> <p>The contractor and workers are briefed on the company MSPO policies and requirements on 23/07/2019</p>	
4.6.4.2	<p>LPSB group established contract agreement for road maintenance with contractor dated 19/09/2019.</p> <p>The contract agreement is duly signed by both parties on the agreed rates of terms of payments.</p>	Yes
4.6.4.3	<p>LPSB group established contract agreement for road maintenance with contractor dated 19/09/2019.</p> <p>The contract agreements includes contractor agreed to be assessed by MSPO approved auditors to verify assessment through a physical inspection if required.</p>	Yes
4.6.4.4	<p>LPSB group established transaction detail listing from 01/08/2019 to 31/08/2019 for monitoring of progress of contractor in completing the task allocated. Records monitored by estate manager and approved by Director prior to issue payment.</p> <p>Sighted payments to contractor dated 25/09/2019 for road maintenance.</p>	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>Planting statements and estates maps are reviewed.</p> <p>LPSB group estates are bordering with estates and no forest reserve area.</p> <p>The first planting is in 1996 and latest replanting in 2017. Therefore, no new planting.</p>	Yes
4.7.1.2	<p>Planting statements, estates maps and land titles are reviewed.</p> <p>There are no new planting and replanting. Therefore, no PMM established.</p>	Yes
4.7.2.1	<p>Planting statements, estates maps and land titles are reviewed. There is no peat land sighted during field inspection.</p>	Yes
4.7.3.1	<p>The planting statements are review and there is no new planting. Therefore, no SEIA conducted.</p>	Yes
4.7.3.2	<p>The planting statements are review and there is no new planting. Therefore, no SEIA conducted.</p>	Yes
4.7.3.3	<p>The planting statements are review and there is no new planting. Therefore, no SEIA conducted.</p>	Yes
4.7.3.4	<p>There are no smallholders scheme involved in LPSB group certification. Therefore, not applicable</p>	Yes
4.7.4.1	<p>The planting statements are reviewed and there is no new planting. Therefore, no map established.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.4.2	The planting statements are reviewed and there is no new planting. Therefore, no map established.	Yes
4.7.5.1	Planting statements and estates maps are reviewed. There are no new planting. Therefore, no map established..	Yes
4.7.5.2	The planting statements are reviewed and there is no new planting. Therefore, no plan established.	Yes
4.7.5.3	The planting statements are reviewed and there is no new planting. Therefore, no soil map established.	Yes
4.7.6.1	The planting statements are review and there are no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	The planting statements are review and there are no new planting. There are no sacred sites, therefore no management plan established.	Yes
4.7.6.3	The planting statements are review and there are no new planting. Therefore, no SOP establish.	Yes
4.7.6.4	The planting statements are review and there are no new planting. Therefore, no compensation and agreement established.	Yes
4.7.6.5	The planting statements are review and there are no new planting. Therefore, no SOP established.	Yes
4.7.6.6	The planting statements are review and there are no new planting. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	The planting statements are review and there are no new planting. Therefore, no compensation plan established.	Yes
4.7.6.8	The planting statements are review and there is no new planting. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

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

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4.5. Detail of Audit Findings in last audit

The Stage 1 audit findings and corrective actions are reviewed.

4.6. Detail of Audit Findings Identified During This Audit

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

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

No.	Indicator	Location	Opportunity for Improvement
1	4.1.4.1	Office	Management may consider improve on the information in the CIP.
2	4.2.2.3	Office	Management may consider improve the timeline in addressing complaint.
3	4.4.2.3	Office	Management could consider improve the technique of disseminating information of complaint and grievance to workers.
4	4.4.4.2 (b)	Office	Management could consider improve HIRARC for; 1. Harvesting on terrace area 2. Harvesting – drain crossing walk path
5	4.4.4.2 (d)	Office	Management could consider improve the HIRARC table on PPE for spraying activities.
6	4.4.5.5	Office	Management could consider improve the workers list established.
7	4.5.1.1	Office	Management may consider improve information in the management plan.

5. CONCLUSION

Lamag Plantation Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its 4 estates according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There is no Major NC and Minor NC raised.

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

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3:2013.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that:

Total certified number of estates:	4	Estates
Total certified production area:	1,342.69	Ha
Certified FFBs January to September 2019:	21,424.66	Mt
Project FFBs October to December 2019	13,950	Mt
Projection FFBs January to December 2020	28,800	Mt

6. RECOMMENDATION

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

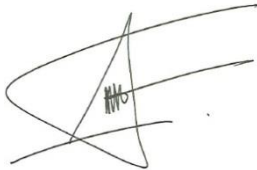
The structure of the audit is in accordance with the audit plan included in this summary report as annex.

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

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

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

Puchong, 03/12/2019



Zul Hairi Bin Abu Hassan
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 03/12/2019



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

7. LIST OF INTERVIEWEES

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation / Function
1.	Sabaria Yakobus	Tiang Siang Oil Mill
2.	Michael Han	Inwill Resources S/B

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

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

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

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

Salvo clause:

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

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body.

Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- P&C Audit Report / Checklists
- Audit Plan
- Additional annexes, number