

# MSPO CERTIFICATION SUMMARY REPORT

## SABAH SOFTWOOD BERHAD

## ANNUAL SURVEILLANCE 21

Onsite Audit Date: 30/01/2023 - 03/02/2023

TUV NORD (Malaysia) Sdn Bhd No. 9F-1A, 9<sup>th</sup> Floor, Tower 2 @ PFCC Jalan Puteri ½, Bandar Puteri Puchong 47100 Puchong, Selangor. Phone: +603 8600 4031/4032 Fax: +603 8600 4550

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### Table of Contents

1.	INTRODUCTION	.4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	4
2.	METHODOLOGY1	0
3.	ORGANISATION INFORMATION	13
3.1.	Production volume 1	13
3.2.	Planting Program for Each Estates	14
3.3.	Replanting program for each estates	14
3.4.	Maps of Estates Location 1	15
4.	CERTIFICATION ASSESSMENT	25
4.1.	ASA 21 22	25
4.2.	Stakeholders' Consultation 2	25
4.3.	Summary of Assessment 2	25
4.4.	Status of Non-Conformities Previously Identified 6	51
4.5.	Detail of Audit Findings in last audit	62
4.6.	Detail of Onsite Audit Findings Identified during this audit	62
5.	CONCLUSION	63
6.	RECOMMENDATION	64
7.	LIST OF STAKEHOLDERS 6	65
Distribu		/ 56
Annex /		56

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### Abbreviations

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

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### 1. INTRODUCTION

Sabah Softwoods Berhad has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct a surveillance audit for its 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 surveillance audit is to assess the estates 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 Sabah Softwoods Berhad.

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

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

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

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

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

#### **1.3. Appointment and qualification of team members**

The audit team appointed consists of one team leader and 3 team members. The audit team members contributed to the review of documents, the assessment of the project activity and preparation of the report.

#### Qualification of the Lead Auditor: Khairul Anwar bin Ismail

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following	Graduate in Agricultural Science
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;	

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



Requirement	Qualifications
vi) Business Management; or vii)Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	5 years working experience in oil palm plantations
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS 2530 series standards for Lead Auditors.
Carried out at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor- in-training with a minimum of fifteen (15) man- days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as Lead auditor for MSPO scheme.
Field working experience in the palm oil sector, or demonstrable equivalent	5 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities Or	Successfully completed IMS ISO 45001 Lead Auditor course.
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	
Workers welfare and social auditing experience	Successfully completed SA 8000 Basic training.
or Successfully attended SA8000 or related social or ethical accountability codes	
Environmental and ecological auditing or experience with organic agriculture.	Successfully completed IMS ISO 14001 Lead Auditor course.
Successfully completed Environmental Management Systems ISO 14001 standard	
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producers online course.

Company Name:Sabah Softwoods BerhadCertifying Unit:Sabah Softwoods BerhadClient Number:92-003Audit Type:ASA 21Mode of Audit:Onsite



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

#### **Qualification of Team Members**

Requirement	Name of Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following	Muhammad Khairul Anuar Bin Azizul Hassan		Yes
<ul> <li>i) Agriculture;</li> <li>ii) Science &amp; Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences,</li> </ul>	Navin Baskram	Bachelor in Biotechnology and Master in Environmental Management.	Yes
Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology;	Mohamad Norhisham Mohd Salleh	Graduate in Applied Science (Major In Agrobiology).	Yes
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	Muhammad Khairul Anuar Bin Azizul Hassan	,	Yes
of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Navin Baskram	Four (4) years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body.	Yes
	Mohamad Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor trainings	Muhammad Khairul Anuar Bin Azizul Hassan		Yes



Requirement	Name of Assessor	Qualification	Compliance
	Navin Baskram	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
	Mohamad Norhisham bin Mohd Salleh	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	Muhammad Khairul Anuar Bin Azizul Hassan		Yes
auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent	Navin Baskram	Qualified as auditor based on audit log.	Yes
sustainability certification schemes.	Mohamad Norhisham bin Mohd Salleh	Qualified as auditor based on audit log.	Yes
Field working experience in the palm oil sector or demonstrable equivalent		,	Yes
	Navin Baskram	Four (4) years working experience in oil palm plantation.	Yes
	Mohamad Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use		, , ,	Yes
	Navin Baskram	Four (4) years working experience in oil palm plantation.	Yes
	Mohamad Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Muhammad Khairul Anuar Bin Azizul Hassan	2 1	Yes
	Navin Baskram	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes



Requirement	Name of Assessor	Qualification	Compliance
Requirement	Mohamad Norhisham bin Mohd Salleh	Successfully completed	Yes
Health and safety auditing of the estate processes and activities Or	Muhammad Khairul Anuar Bin Azizul Hassan		Yes
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Navin Baskram	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Mohamad Norhisham bin Mohd Salleh	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
Workers welfare and social auditing experience or	Muhammad Khairul Anuar Bin Azizul Hassan	, , , , , , , , , , , , , , , , , , ,	Yes
Successfully attended SA8000 or	Navin Baskram	Successfully completed SA 8000 Basic training	Yes
related social or ethical accountability codes	Mohamad Norhisham bin Mohd Salleh	Successfully completed SA 8000 Basic training	Yes
Environmental and ecological auditing or experience with organic agriculture.		Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
Successfully completed Environmental Management Systems ISO 14001 standard	Navin Baskram	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
Systems ISO 14001 standard	Mohamad Norhisham bin Mohd Salleh	Successfully completed IMS ISO 14001:2015 LA course.	Yes
Completed High Conversation Value assessment	Muhammad Khairul Anuar Bin Azizul Hassan		Yes
	Navin Baskram	Attended and completed the HCV-HCS for producers course.	Yes
	Mohamad Norhisham bin Mohd Salleh	Attended and completed the HCV-HCS for producers course.	Yes



Requirement	Name of Assessor	Qualification	Compliance
Able to communicate in Bahasa Malaysia, English and / or any other local language.		Able to communicate in both Bahasa Malaysia and English.	Yes
	Navin Baskram	Able to communicate in both Bahasa Malaysia and English.	Yes
	Mohamad Norhisham bin Mohd Salleh	Able to communicate in both Bahasa Malaysia and English.	Yes

Company Name:Sabah Softwoods BerhadCertifying Unit:Sabah Softwoods BerhadClient Number:92-003Audit Type:ASA 21Mode of Audit:Onsite



#### 2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- 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, stakeholders, contractors, review of documentation;
- Reporting
- Resolution of non-conformance (NC)
- Draft audit reporting
- Technical review
- Peer review
- Address Peer Review Comments
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

#### Surveillance audit:

The surveillance audit is conducted onsite on 30/01/2023 to 03/02/2023 covering the following activities but not limited to below:

Onsite:

- Background investigation
- Review of documentation established but not limited to below
  - Policies
  - Estates maps
  - o Land titles
  - Standard Operating Procedures;
  - Work Flow Charts;
  - Management Plans;
  - Operating licenses and approvals;
  - Operating records;
  - Training records;

Sabah Softwoods Berhad
Sabah Softwoods Berhad
92-003
ASA 21
Onsite



- Applicable Legislation Documents
- Onsite visit, observations and inspection of estates facilities and field activities;
- Interview operation personnel and field workers for understanding of work assigned;
- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during in last audit;
- Assessment reporting;

#### **On-site Assessment**

The audit of the estates are 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 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. The comments made by external stakeholders are taken into account in the assessment.

For the onsite recertification, the selected estates based on the formula  $S = 1\sqrt{n}$  where S = sample size and n = number of estates with a risk factor of 1 for regular risk which is in accordance to MSPO certification procedure.

The total number of SSB estates are 9. Based on the formula, the sample size for the estates  $S = 1\sqrt{9}$  estates = 3 estates, therefore round up to the next integral of 3 estates. Thus, a total of 3 estates selected for the onsite assessment and inspection as listed in Table 2-1 below:

lable	2-1:	Estates	Selected	

Name of Estates	Coordinates			
Cenderamata	4.511972°N, 117.720694°E			
Banita	4.511972°N, 117.720694°E			
Mawang	4.556472°N, 117.483028°E			

#### Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### 3. ORGANISATION INFORMATION

Sabah Softwoods Berhad (SSB) with Head Office located at KM 8, Jalan Sin San, Tawau Sabah.

The details of the estates as below:
--------------------------------------

Name of Estate	Location	Coordinates
Cenderamata	KM 43, Kalabakan Road, Kalabakan, Sabah	4.511972°N, 117.720694°E
Banita	KM 45, Kalabakan Road, Kalabakan, Sabah	4.511972°N, 117.720694°E
Mawang	KM 90, Kalabakan Road, Kalabakan, Sabah	4.556472°N, 117.483028°E
Dumpas	KM 45, Kalabakan Road, Kalabakan, Sabah	4.511972°N, 117.720694°E
Bukit Tukok	KM 83, Kalabakan Road, Kalabakan, Sabah	4.460528°N, 117.494528°E
Kumansi	KM 96, Kalabakan Road, Kalabakan, Sabah	4.478389°N, 117.449611°E
Kapilit	KM 74, Kalabakan Road, Kalabakan, Sabah	4.527056°N, 117.509333°E
Sungai Tiagau	KM 82, Kalabakan Road, Kalabakan, Sabah	4.532167°N, 117.492083°E
Sg. Indit	KM 85, Kalabakan Road, Kalabakan, Sabah	4.660639°N, 117.697833°E

#### **3.1. Production volume**

Name of Estate	Are	a (Ha)	Projected FFB Production (mt)		
Name of Estate	Total*	Production**	(January to December 2023)		
Cenderamata estate	4,048.80	3,176.32	30,766.57		
Banita estate	3,099.83	2,145.25	19,813.59		
Mawang estate	3,821.50	2,709.27	27,525.12		
Dumpas estate	4,322.51	3,338.29	36,094.04		
Bukit Tukok Estate	3,940.99	2,951.16	44,738.72		
Kumansi Estate	3,958.05	3,184.47	60,917.71		
Kapilit Estate	3,600.16	2,471.27	41,650.92		
Sg. Tiagau Estate	3,903.03	3,005.62	48,214.76		
Sg. Indit Estate	5,928.72	3,091.17	45,740.89		
Total FFB	36,623.59	26,072.82	355,462.32		

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

\*\*Immature + Mature Area

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### 3.2. Planting Program for Each Estates

Year / estate	Cenderamata	Banita	Dumpas	Mawang	Sg. Tiagau	Bukit Tukok	Kapilit	Kumansi	Sg. Indit
1996	-	-	712.10	-	-	-	-	-	-
1997	-	-	255.22	-	-	-	-	-	-
1998	-	-	214.39	772.57	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-
2000	721.93	-	205.05	430.06	1,137.26	-	-	-	-
2001	725.08	-	90.79	348.54	685.58	-	40.09	-	-
2004	-	-	-	-	-	288.73	-	-	-
2005	227.04	-	168.39	-	139.62	1,353.79	-	1,077.36	-
2006	129.07	-	329.85	133.11	807.15	400.52	1,260.40	1,185.96	-
2007	108.22	-	-	-	236.01	22.61	1,126.00	921.15	
2008	-	-	-	-	-	-	-	-	385.77
2009	-	-	-	-	-	-	44.78	-	207.37
2010	-	-	36.87	-	-	-	-	-	237.71
2011	-	-	158.98	-	-	-	-	-	135.46
2012	-	-	-	-	-	-	-	-	482.09
2013	-	-	-	-	-	-	-	-	438.13
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	685.91
2016	-	485.29	30.97	-	-	-	-	-	402.87
2017	-	749.86	-	-	-	-	-	-	81.91
2018									
Total Mature	1,911.34	1,235.15	2,202.61	1,684.28	3,005.62	2,065.65	2,471.27	3,184.47	3,057.22
2019	285.14	575.10	395.33	-	-	-	-	-	-
2020	252.37	216.04	206.28	253.82	-	183.32	-	-	33.95
2021	255.65	118.96	102.56	328.66	-	403.26	-	-	-
2022	260.80	-	213.57	358.26		298.93			
2023	211.02		217.94	84.25					
Total Immature	1,264.98	910.10	1,135.68	1,024.99	-	885.51	-	-	33.95
Total	3,176.32	2,145.25	3,338.29	2,709.27	3,005.62	2,951.16	2,471.27	3,184.47	3,091.17

#### 3.3. Replanting program for each estates

X	Planted area (ha) in each estate								Total area	
Year of replanting	Cenderamata	Banita	Dumpas	Mawang	Sg. Tiagau	Bukit Tukok	Kapilit	Kumansi	Sg. Indit	to be replanted (ha)
2022	337.00	-	342.00	385.72	-	208.24	269.00	-	-	1,541.96
2023	296.00	-	459.00	434.20	-	-	-	-	-	1,189.20
2024	274.00	-	511.00	384.00	364.42		-	-	-	1,533.42

Company Name:Sabah Softwoods BerhadCertifying Unit:Sabah Softwoods BerhadClient Number:92-003Audit Type:ASA 21Mode of Audit:Onsite



Planted area (ha) in each estate							Total area			
Year of replanting	Cenderamata	Banita	Dumpas	Mawang	Sg. Tiagau	Bukit Tukok	Kapilit	Kumansi	Sg. Indit	to be replanted (ha)
2025	446.00	-	466.00	370.00	342.55	-	-	-	-	1,624.55
2026	356.00	-	71.00	-	352.05	-	-	-	-	779.05
TOTAL	1,709.00	-	1,849.00	1,573.92	1,059.02	208.24	269.00	-	-	6,668.18

#### 3.4. Maps of Estates Location

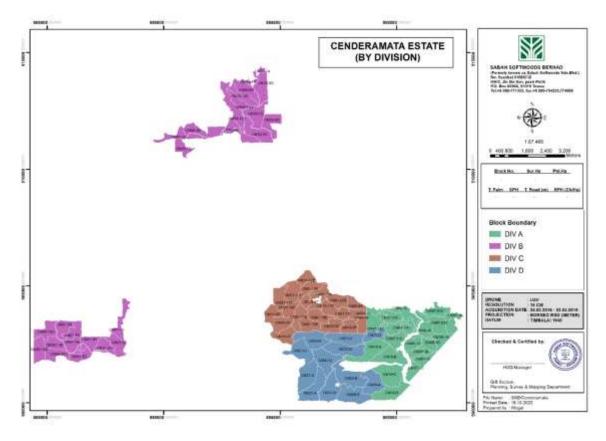


Figure 1: Cenderamata estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite





Figure 2: Cenderamata estate location map

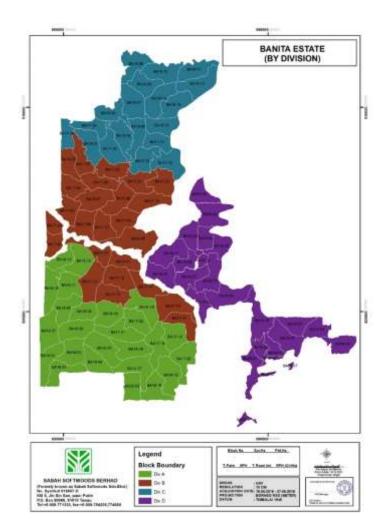


Figure 3: Banita estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



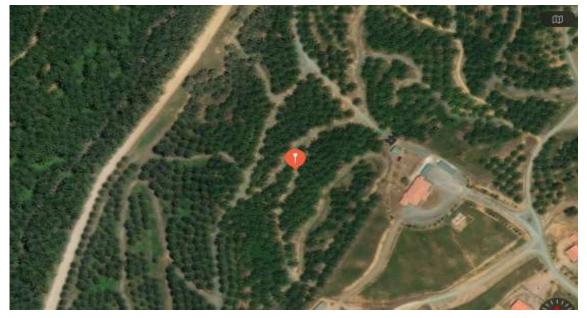


Figure 4: Banita estate location map

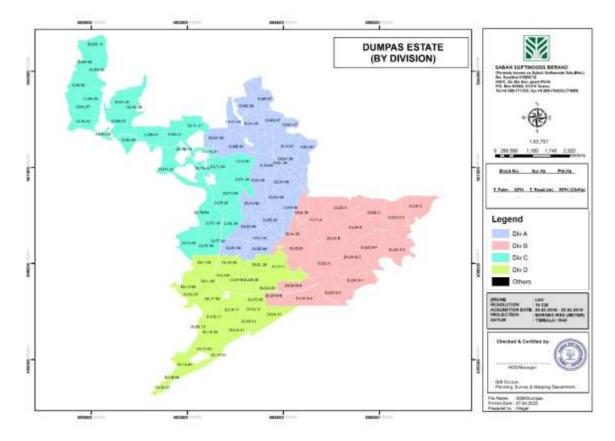


Figure 5: Dumpas Estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite





Figure 6: Dumpas Estate location map

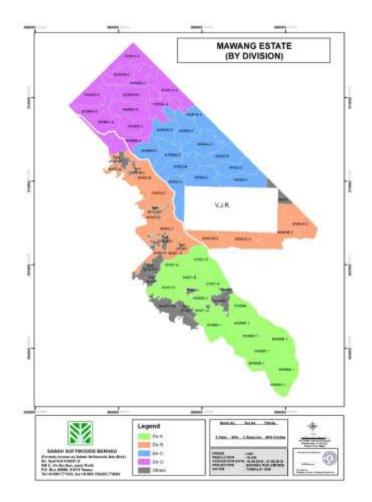


Figure 7: Mawang estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite





Figure 8: Mawang estate location map

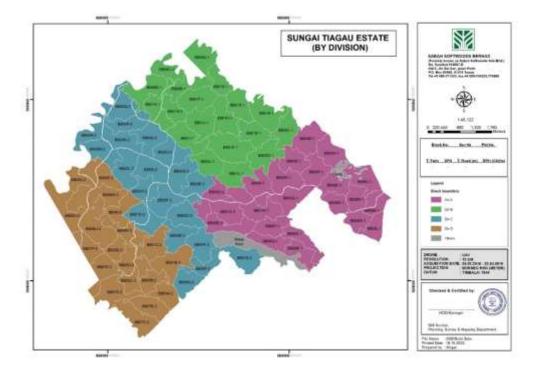


Figure 9: Sungai Tiagau estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite





Figure 10: Sungai Tiagau estate location map

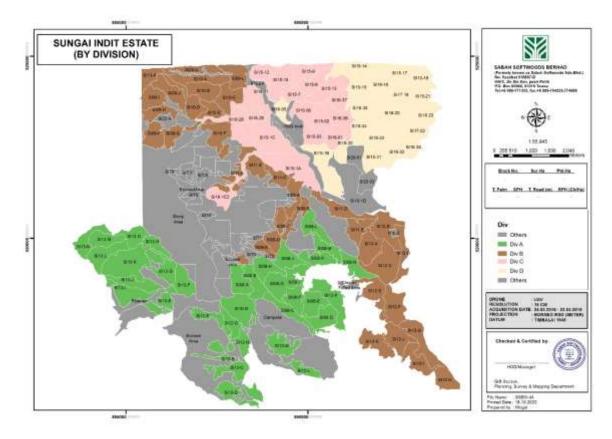


Figure 11: Sungai Indit Estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



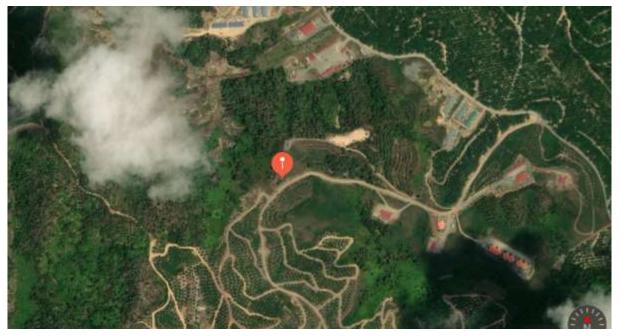


Figure 12: Sungai Indit location map

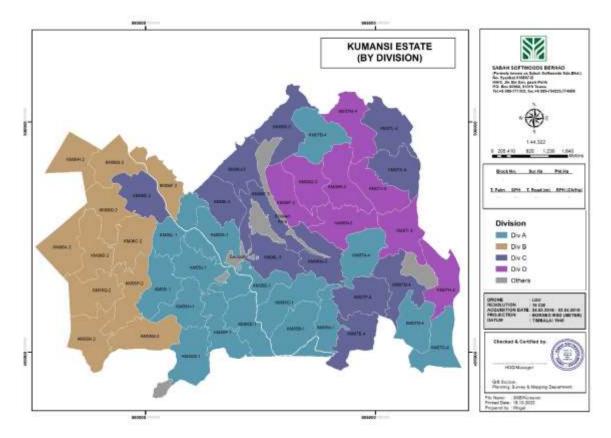


Figure 13: Kumansi estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite





Figure 14: Kumansi estate location map

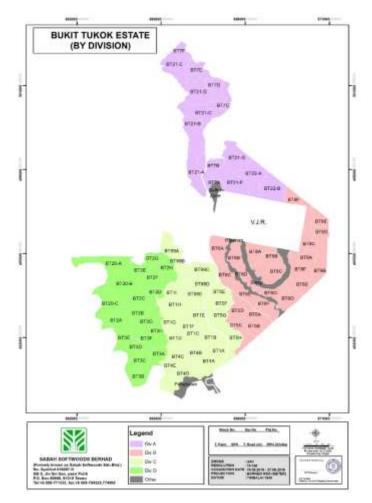


Figure 15: Bukit Tukok Estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



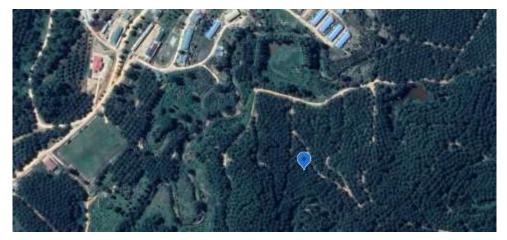


Figure 16: Bukit Tukok Estate location map

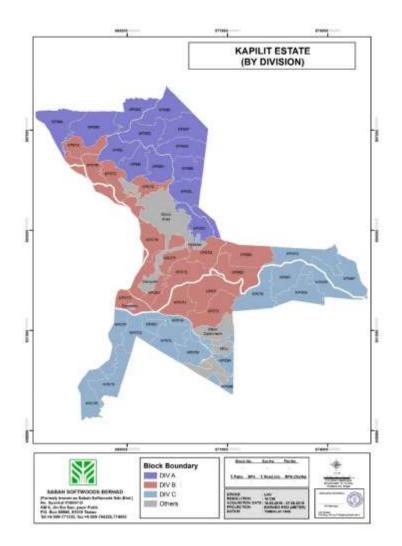


Figure 17: Kapilit estate block map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite





Figure 18: Kapilit estate location map

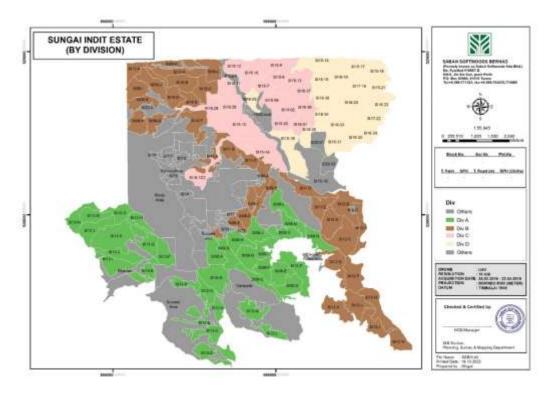


Figure 18: Banita Estate location map

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### 4. CERTIFICATION ASSESSMENT

#### 4.1. Annual Surveillance Audit

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

#### 4.1.1. ASA 21:

The surveillance audit 21 is conducted on 30/01/2023 to 03/02/2023 covering 3 selected estates – Cendermata estate, Banita estate and Mawang estate.

During the last surveillance audit, there are 12 Opportunities for Improvement (OFIs) are raised.

During this surveillance audit, 5 Opportunities for Improvements (OFIs) were identified.

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

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

#### 4.2. Stakeholders' Consultation

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

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

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 30/12/2022 to announce the audit of the certified unit. As at audit date on 30/01/2023 there are no comments received.

#### 4.3. Summary of Assessment

#### Principle and Criteria Assessment Summary

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



Principle 1	: Management Commitment & responsibility	
Indicator	Summary of Assessment	Compliance
4.1.1.1	Sabah Softwoods Berhad (SSB) established MSPO Policy dated 01/04/2022 signed by Chef Executive Officer (CEO).	Yes
	Onsite visit observe, policy is displayed at estates notice board.	
	All audited estates conducted MSPO policy briefing to all workers and staff.	
	Example:	
	1. Cendermata Estate on 21/03/2022 & 13/09/2022;	
	2. Banita Estate on 12/10/2022;	
	3. Mawang Estate on 12/07/2022.	
	Field interviews with sampled harvesters and chemical sprayers informed, they are being briefed of MSPO policy.	
4.1.1.2	The MSPO Policy dated 01/04/2022 states SSB is committed to ensure continuous improvement with the objective of improving estates and milling operations for sustainability development.	Yes
4.1.2.1	SSB established SOP Internal Audit doc no: MSPO-SSB/0P-11 dated 27/12/2019.	Yes
	The procedure describes the frequency for internal audit is once a year.	
	SSB internal audit conducted as follow:	
	1. Cendermata Estate on 24/11/2022;	
	2. Banita Estate on 08/11/2022;	
	3. Mawang Estate on 31/10/2022.	
	Document reviewed of internal audit reports identified the weak points and improvement action that include the root cause analysis.	
4.1.2.2	SSB established SOP Internal Audit doc no: MSPO-SSB/0P-11 dated 27/12/2019.	Yes
	SOP describes the frequency for internal audit is once a year.	
	All audited estates had conducted Internal audit.	
	Document reviewed the internal audit report.	
	Example:	
	Cendermata Estate	
	Finding: The procedure is established date on 01/10/2022 but the social impact assessment report include mitigate the negative impacts and promote the positive impact not documented;	
	Root Cause: Lack of monitoring;	
	Correction: To update the SIA report and to mitigate the negative impact and promote the positive impact;	



Principle <sup>•</sup>	iple 1: Management Commitment & responsibility					
Indicator	Summary of Assessment	Compliance				
	Correction Action: Established the SIA Programme and conduct the assessment with mitigation plan to promote the positive impact;					
	Date of closure: 18/01/2023.					
	Review Cendermata estate SIA dated 18/01/2023 include the mitigation plan for negative impacts and promote plan for positive impacts.fire drill training, PPE usage, reminder on prevention of COVID-19 and trainings.					
	Banita Estate					
	Finding: First Aid training yet to conduct;					
	Root Cause: Lack of monitoring;					
	Correction: The training should be conduct to all level or workers;					
	Correction Action: Training must be conducted;					
	Date of closure: 16/01/2023.					
	Document review, Banita Estate conducted latest First aid training dated on 13/01/2023					
4.1.2.3	SSB centralize management review meeting dated 29/12/2022 include the internal audit results.	Yes				
4.1.3.1	SSB conduct the centralize management review meeting dated 29/12/2022.	Yes				
	Document review the management review meeting minutes agenda:					
	1. Minutes for previous meeting;					
	2. Internal audit result ;					
	3. CIP status;					
	4. Other issue-social, environment, safety and health aspects.					
	The frequency for management review is once a year.					
4.1.4.1	SSB estates established individual Continual Improvement Plan (CIP).	Yes				
	Example:					
	1. Cendermata Estate dated 07/01/2023;					
	2. Banita Estate Estate dated 13/01/2023;					
	3. Mawang Estate dated 03/01/2023;					
	Topics in the CIP include environmental, social and safety and health.					
	Document review of the CIP as below:-					
	Cendermata Estate, Banita estate, Mawang Estate					
	Example:					
	Banita Estate					



Principle <sup>•</sup>	ciple 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance	
	Activity: Water treatment at New Campsite;		
	Issue: Turbidity – 8.4 NTU;		
	Action: Ti instal chemical pump and sand filter;		
	PIC: Assiatant Manager;		
	Status: Completed.		
	Site visit at water treatment plan, chemical pump and sand filter had been installed		
	Mawang Estate		
	Issue: Medical surveillance is not conducted;		
	Action: To conduct medical surveillance;		
	PIC: SEEA Sr Dresser;		
	Status: Completed.		
	Review medical surveillance conducted on 08/06/2022		
4.1.4.2	SSB established SOP of New Information, Techniques and Technologies dated 16/02/2016.	Yes	
	The SOP describes the process for implementation of new technology include training, implementation and monitor.		
	Example		
	Banita Estate		
	Interviews with estates management informed new technology which is Badang (FFB Infield collection machine) had been introduce and implement in the estate.		
	Review the workers training for Badang implementation dated 21/10/2022.		
4.1.4.3	SSB established New Information, Techniques and Technologies dated 16/02/2016.	Yes	
	The SOP describes the process for implementation of new technology.		
	The flow chart includes training for operators or employees involved in implementations, techniques and equipment.		
	Banita Estate		
	Interview with estates management informed new technology which is Badang (FFB Infield collection machine) had been introduce and implement in the estate.		
	Review the workers training for Badang implementation dated 21/10/2022.		



Principle 2	2: Transparency	
Indicator	Summary of Assessment	Compliance
4.2.1.1	SSB established SOP Communication and Consultation, doc no. MSPO- SSB/OP-01 dated 01/10/2015.	Yes
	The purpose of the procedure is to ensure MSPO information is communicated and consultations to and from employees and other interested parties.	
	SSB estates established list of stakeholders for respective estates as follows:	
	1. Cendermata Estate updated the list on 01/01/2023;	
	2. Banita Estate updated the list on 13/01/2023;	
	3. Mawang Estate updated the list on 28/01/2023.	
	The list of stakeholders of Cendermata Estate, Banita Estate, and Mawang Estate includes government agencies, neighboring estates, NGOs, suppliers, local villages, internal stakeholders, contractors and consultants.	
	SSB conducted group stakeholders consultation meeting dated 18/01/2023 for all estates includes Cendermata Estate, Banita Estate, and Mawang Estate.	
	Review the meeting minutes include topics on prevention of social, safety and health environment, MSPO principle and legal matters.	
4.2.1.2	SSB established SOP reference document list, appendix 1 dated 03/01/2023. The list includes publicly available documents and confidential documents.	Yes
	Examples of publicly available documents:	
	1. Policies;	
	2. Permit and License;	
	3. Accident Report.	
	Examples of confidential documents:	
	1. Estate budget;	
	2. Staff personal file;	
	3. Manpower report.	
4.2.2.1	SSB established communication and consultation procedure effective date: May 2015 document no MSPO-SSB/OP-01.	Yes
	The procedure describe the internal communication between various levels and section within the company. External communication between the company and external interested parties on matters pertaining to MSPO.	
	Communication channel:	
	1 Verbel: Meeting training briefing compaign:	



Principle 2	rinciple 2: Transparency			
Indicator	Summary of Assessment	Compliance		
	2. Non-verbal: Notice boards, emails, record book, suggestion and complain box.			
	Estates conduct morning muster briefing as a method of communication to workers.			
	Field interviews with sampled harvesters and chemical sprayers inform they have been briefed on the communication & consultation procedure.			
	Document review on minutes of stakeholders meeting, SOP for communication and consultation has been briefed to the internal and external stakeholders.			
4.2.2.2	SSB established Communication and Consultation procedure, document no.: MSPO-SSB/0P-01, effective date May 2015.	Yes		
	The procedure describes person responsible for group level is Chairman of MSPO Working Committee for SSB.			
	Document review verify appointment letter of person in charge for consultation and communication for respective estates as follow:			
	1. Cendermata Estate appointed Admin Executive dated on 05/01/2023;			
	<ol> <li>Banita Estate appointed Estate Executive assistant dated on 21/02/2022;</li> </ol>			
	<ol> <li>Mawang Estate appointed Estate Assistant Manager dated on 17/08/2021.</li> </ol>			
4.2.2.3	SSB established Communication and Consultation Procedure, document no.: MSPO-SSB/0P-01, effective date: May 2015.	Yes		
	Stakeholders meeting conducted once a year according to the records reviewed and interviewed with sustainability team.			
	Document review on the external stakeholders meeting minutes dated 18/01/2023 participated by representatives of suppliers, neighboring estates and contractors.			
	Review on the minutes of group stakeholders' consultation meeting confirmed the meeting conduct at Cendermata Estate.			
4.2.3.1	SSB established SOP traceability, SPO MSPO-SSB/OP-06 dated 01/10/2015. The SOP describe process:	Yes		
	1. Harvesting;			
	2. FFB evacuation and trucking.			
	The process flow describe related traceability documents together with person in charge for the process.			
	SSB estates use FFB delivery chits as documents from estates for transporting FFBs to mills. SSB estates received mill weighbridge ticket as a proof of FFB delivery.			



Principle 2: Transparency			
Indicator	Summary of Assessment	Compliance	
4.2.3.2	SSB established SOP Traceability, SPO MSPO-SSB/OP-06 dated 01/10/2015.	Yes	
	The FFB delivery is monitored on daily basis by estate office clerks.		
	Internal audits conducted as a mechanism to inspect the traceability system.		
	Traceability element included as part of audit and no findings.		
4.2.3.3	SSB Group appointed person in-charge for traceability for respective estates as follows:	Yes	
	<ol> <li>Cendermata Estate appointed Admin Executive dated on 05/01/2023;</li> </ol>		
	<ol> <li>Banita Estate appointed Estate Executive assistant dated on 21/02/2022;</li> </ol>		
	3. Mawang Estate appointed Admin Executive dated on 10/02/2021.		
4.2.3.4	SSB estates established records of FFB delivery and kept at every respective estates offices on daily basis.	Yes	
	Document review on the delivery records such as delivery notes to mill weighbridge ticket confirmed the records are well maintained. Unique number is delivery note.		
	Example:		
	Mawang Estate delivery notes dated on 28/01/2023;		
	FFB delivery notes: 275245;		
	Kapilit Palm Oil Mill weighbridge tickets dated on 04/02/2022;		
	Mill weighbridge tickets: 00158		
	FFB delivery note number include in the mill weighbridge ticket: DN 275245;		
	FFB Nett weight: 16.680 mt.		
	All the stated information can be trace to Mawang Estate FFB daily record.		

Principle 3: Compliance to legal requirements			
Indicator	Summary of Assessment	Compliance	
4.3.1.1	SSB established list of applicable permits and licenses for all estates.	Yes	
	Example:		
	Estate: Cenderamata		
	<ul> <li>List updated: 06/01/2023;</li> </ul>		
	MPOB license number: 501650102000;		



Principle	ole 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance	
	• Validity: 01/12/2022 - 30/11/2023;		
	Trading license number: 10022686;		
	• Validity: 11/01/2023 - 31/12/2023;		
	Lesen Penggajian Pekerja Bukan Pemastautin;		
	• Validity: 04/07/2022 – 03/07/2022.		
	Estate: Banita		
	• List updated: 27/12/2022;		
	• MPOB license number: 501650 102000;		
	• Validity: 01/12/2022 - 30/11/2023;		
	Trading license number: 10022687;		
	• Validity: 11/01/2023 - 31/12/2023;		
	JTK license number: 016887-D;		
	• Validity: 28/08/2022 – 27/08/2024;		
	Estate: Mawang		
	• MPOB license number: 501650 102000;		
	• Validity: 01/12/2022 - 30/11/2023;		
	JTK license number: JTK.H.TWU.600.4/1/001786;		
	• Validity: 03/07/2022 – 02/07/2023.		
4.3.1.2	SSB established register of Legal and Other Requirement form, number: SSB/Legal/-Reg/16-01, updated on 07/01/2023.	Yes	
	Document review verify legal requirements for Banita estate as follow:		
	Example:		
	1. Occupational Safety and Health Act 1994 (Act 514);		
	2. Pesticides Act highly toxic pesticide Regulation 1996;		
	3. Sabah Environment Protection Enactment 2002;		
	4. Sabah Environment Protection Enactment (Prescribe Activity) (Environmental Impact Assessment) Order 2005;		
	5. Environment Quality Act 1974 (Act 127);		
	6. Minimum Wages Order 2022.		
4.3.1.3	SSB established Procedure for legal register, document number; SSB/Legal/-Reg/16-01, updated on 07/01/2023.	Yes	



Principle 3	3: Compliance to legal requirements	
Indicator	Summary of Assessment	Compliance
	The SOP described as follow:	
	1. Assign person in charge responsible to monitor validity period of license;	
	2. Ensuring the legal register updated annually.	
	Latest updated on legal register for Cenderamata estate on 07/01/2023.	
	Latest updated on legal register for Banita estate on 25/01/2022.	
	Latest updated on legal register for Mawang estate on 30/06/2022.	
	Example of listed laws:	
	1. Minimum Wages Order 2022.	
	2. Prevention and control Infectious Disease ACT 1988 (Akta 342).	
4.3.1.4	SSB appointed person in charge of compliance legal requirement for each operation units.	Yes
	<ol> <li>Document review verify appointment letter of person in charge for legal requirement are available.</li> </ol>	
4.3.2.1	SSB land titles are country lease issued by Director of Lands and Surveys, Sabah.	Yes
	Land usage: Cultivation of agricultural crops of economic value.	
	The lands are sub lease from Sapangar Sdn Bhd with an agreement signed for 60 years. The sub leases land titles are namely Kalabakan and Brumas.	
4.3.2.2	SSB sub leases lands from Sapangar Sdn Bhd with an agreement for 60 years.	Yes
	The sub-lease land titles are approved by Sabah Land Authority.	
4.3.2.3	SSB land titles has a map indicating the size in acres, location and boundary markers.	Yes
	Site inspection at boundary stones, GPS coordinates are crosscheck with the land titles and maps.	
	Site inspection at boundary stones are well maintained.	
4.3.2.4	SSB land titles are sub lease from Sapangar Sdn. Bhd and sub-lease title issued by Director of Lands and Surveys Sabah.	Yes
	Therefore no FPIC conducted.	
4.3.3.1	SSB land titles are sub lease from Sapangar Sdn. Bhd.	Yes
	There are no customary land sub lease by SSB.	
4.3.3.2	SSB land titles are sub lease from Sapangar Sdn Bhd.	Yes
	There are no sub leased customary land. Therefore, no map established	
4.3.3.3	SSB land titles are sub leased from Sapangar Sdn Bhd.	Yes



Principle 3: Compliance to legal requirements		
Indicator	or Summary of Assessment Complia	
	Therefore, no FPIC or negotiated documents established.	

Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance		
4.4.1.1	SSB establish Social Impact Assessment procedure MSPO-SSB/OP-02 version: 01 issue number dated 01/10/2015.	Yes		
	The latest SIA has been carried out dated 18/01/2023.			
	The SIA includes summary of positive and negative impacts and the timeline to monitor completion status.			
	The action and implementation of positive and negative impact as below:			
	Example:			
	Banita estate;			
	Issue: Road condition;			
	Positive impact: Safety to all road users;			
	Negative impact: Bad road condition leading to safety issues;			
	Monitoring / action plan: Continuously repair the selected road;			
	PIC: Estate manager;			
	Status: Continuous.			
	Site verification sighted the road condition is in progress for maintenance work.			
4.4.2.1	SSB established Standard Operating Procedure for complaint and grievance, SSB-HRCCA-HRSOP-14-0, version number 03 dated 04/01/2016 includes a flowchart for internal and external complaint process.	Yes		
	The SOP describes:			
	Internal complaint will be handled by assistant manager and will be resolved within 7 days.			
	External stakeholders' complaint will be resolved within 14 days by estate assistant or manager. If the case require decision from Chief Executive Officer (CEO) another 30 days awaiting decision from CEO.			
	The complaint record books for Cenderamata estate, Banita estate and Mawang estate are review. No complaint lodged as of audit date.			
	Site inspection observed complaint form is available at sampled estates office and the procedure is displayed at the estates notice boards.			
4.4.2.2	SSB established Standard Operating Procedure for complaint and grievance, SSB-HRCCA-HRSOP-14-0, version number 03 dated	Yes		

Company Name: Sabah Softwoods Berhad Certifying Unit: Sabah Softwoods Berhad Client Number: 92-003 Audit Type: ASA 21 Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions					
Indicator	Summ	nary of Assessment	Compliance		
		/2016 describes that internal complaint will be resolved within 7 days external complaint will be resolve within 14 days.			
		ment review complaint record for Cenderamata estate, Banita estate lawang estate are review. No complaint lodged as of audit date.			
4.4.2.3		estates displayed the complaint procedure and flowchart on estate boards.	Yes		
		verification observed complaint boxes and forms are available at e office and can be access by all workers and stakeholders.			
	they u	interviews with sampled harvesters and chemical sprayers informed inderstand the complaint process and can make complaint and return to the complaint box.			
4.4.2.4		inspection at SSB estates notice boards observed complaints dure and flow chart displayed on estate notice board.	Yes		
	Traini	ng record complaint procedure is review as follow:			
	1.	Cenderamata estate carried out training on 15/12/2022;			
	2.	Mawang estate carried out training on 12/07/2022.			
4.4.2.5		ment review on complaint record for Cenderamata estate, Banita and confirmed no complaint lodged as of audit date.	Yes		
	is co	ment review on complaint record for Mawang estate confirmed there mplaint has been lodge on 23/07/2022 and 28/12/2022 and ssfully closed.			
		complaint records are available and maintain since 2019 for eramata estate, Banita estate and Mawang estate.			
4.4.3.1		SSB contributed to local development by providing jobs opportunity for local community such as mandore and office staff.			
4.4.4.1		SSB established Occupational Safety and Health Policy dated 01/04/2022, revision No 4, signed by Chief Executive Officer.			
	OSH	Policy is available in Bahasa Malaysia and English.			
		nspections observed the policy is display at estate notice boards and tional areas.			
4.4.4.2	а	SSB estates displayed the Occupational Safety and Health Policy at estate notice boards and offices.	Yes		
		Field interviews with sampled harvesters and chemical spraying workers informed they understand and aware of Occupational Safety and Health Policy.			
		Briefing on the Occupational Safety and Health Policy has been carried out during morning muster.			
		Example:			
		Mawang estate carried out on 12/07/2022			



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Sumn	Compliance		
	b	SSB established Hazard identification Risk Assessment and Risk Control (HIRARC) Doc No SSB-OSH-HIRARC/OP-40, revision 4 dated 01/02/2022.	Yes	
		HIRARC covers all work activities include potential hazards, potential risks, effects, current controls, severity, likelihood, risk evaluation and additional control.		
		Review on the latest revised HIRARC on risk level and additional type of hazard on replanting activity;		
		Example:		
		Cenderamata estate;		
		Activity: loading and unloading seedling to the replanting sites;		
		Hazard: repeated loading and unloading work;		
		Risk: Ergonomic;		
		Effect: Body injury;		
		Existing Control: Safe work procedure, safety briefing and PPE;		
		Risk evaluation: Low;		
		Recommendation Control: Training and breaks time if necessary.		
	сi	SSB estates established OSH training programme and include training for SOP safe chemical handling and PPE as follow;	Yes	
		Example:		
		1. Cenderamata estate on 01/11/2022.		
		2. Banita estate on 04/10/2022		
		Field interviews with sampled chemical sprayers informed they understand the safe work practices of their individual task.		
	c ii	Site inspection at Cenderamata estate, Banita estate and Mawang estate sighted SDSs for chemicals, fertilizers and lubricants are available and maintained.	Yes	
		Example:		
		Banita estate		
		Garlon Mix;		
		Chemical class: Class 3;		
		Recommended use: Herbicide;		
		Formulation: Soluble Liquid (SL);		
		Date: 26/05/2021;		
		Manufacturer's name: Corteva Agriscience (M) Sdn. Bhd.		

Company Name: Sabah Softwoods Berhad Certifying Unit: Sabah Softwoods Berhad Client Number: 92-003 Audit Type: ASA 21 Mode of Audit: Onsite



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Sumn	nary of Assessment	Compliance	
		Site inspection observe chemicals are attached with original label packaging and stored in proper storage facilities with sufficient ventilations.		
	d	SSB estates provide workers with appropriate Personnel Protective Equipment (PPE) according to HIRARC and CHRA recommendation based on worker activities.	Yes	
		Example:		
		1. Cenderamata estate provide respirator mask and apron to chemical sprayers on 18/01/2023 and 20/01/2023.		
		SSB estates established records of PPE issuances to monitor and ensure workers are provide with proper PPEs. The records are maintain and review.		
		Field inspection sighted chemical chemical spraying are provided with PPE according to individual task.		
	е	SSB established SOP Chemical Handling, Doc No SSB/OSH/OPD- PKS/3-(1), revision no 2 dated 02/01/2018 signed by CEO.	Yes	
		The SOP describes safe chemical handling practice to protect the environment and minimize chemical contamination to human.		
		Site inspection observe all chemical products are with original label and packaging. Liquid based chemical are stored on the portable tray to avoid any spillage.		
	f	SSB estates appoints a group Occupational Safety and Health Manager as person in-charge for safety and health to all estates dated 28/07/2009 until present.	Yes	
	g	SSB estates conduct OSH meeting on quarterly basis in compliance to DOSH requirements.	Yes	
		An OSH committee is established for each estate represented by both management and workers representative.		
		OSH meeting conducted as follows:		
		Cenderamata estate		
		OSH meetings held on 24/03/2022, 16/06/2022, 14/09/2022 and 14/12/2022.		
		OSH agenda meeting discussed on reporting of injuries cases in 2022, fire drill training, PPE usage, landfill and revised policies.		
		Document review on OSH minutes, Cenderamata estate OSH committee discuss the issue related to 3 accidents reported in the last 3 month.		
		Banita estate		



Principle 4	I: Soci	al Responsibility, health, safety and employment conditions	
Indicator	Sumn	nary of Assessment	Compliance
		OSH meetings held on 24/03/2022, 16/06/2022, 22/09/2022 and 13/12/2022. Mawang estate	
		OSH meetings held on 30/03/2023, 30/06/2023, 28/10/2023 and and 13/12/2023.	
	h	SSB estates established Emergency Response Plan for accident include emergency contact details.	Yes
		Site inspection at sampled estates observe the emergency layout plan and contact details is displayed at estates notice boards.	
	i	SSB estates appoint field staffs and mandores as person responsible for first aid kit.	Yes
		<ul> <li>Example:</li> <li>1. Cenderamata estate appoint field staff and mandore as person in-charge for first aid kit with latest training by estate medical assistant on 30/03/2022.</li> </ul>	
		<ol> <li>Banita estate carried out first aid training on 13/01/2023 to respective mandores and staffs.</li> </ol>	
		Certified first aider for Banita estate with validity certificate from 16/06/2022 to 15/06/2025 is review.	
		List of first aiders with names and contact numbers who had attended first aid training has been displayed at SSB estates notice board.	
		Site inspection at Cenderamata and Banita harvesting and chemical spraying area sighted first aider equipped with first aid kit is available.	
	j	The safety and health SOP describe to record and investigate any accident or injury occur.	Yes
		SSB estates established records for accidents and injuries. The records are reviewed and discuss during OSH meeting.	
		JKKP 8 form for year 2022 submitted to DOSH as follow:	
		<ol> <li>Cenderamata estate reported 11 incidents on 13/01/2023 with no medical leave.</li> </ol>	
		2. Banita estate reported 11 incidents on 20/01/2023 with 2 medical leave.	
		<ol> <li>Mawang estate reported 5 incidents on 13/01/2023 with more than 7 days medical leave.</li> </ol>	
4.4.5.1	SSB e	established the Social Policy dated 01/04/2022 signed by CEO.	Yes



Principle 4	4: Social Responsibility, health, safety and employment conditions	
Indicator	Summary of Assessment	Compliance
	The policy states all employees would be treated fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, physique, sexual orientation and religion.	
	Human Rights policy highlights the point below;	
	1. Free, Prior and Informed consent;	
	2. Right to Health;	
	3. Rights for Workers.	
	Field interviews with sampled harvesters and chemical sprayers informed there is no violation of human right occurred.	
	Workers are briefed on the policies as follows:	
	1. Cenderamata estate on 07/07/2022;	
	2. Banita estate on 12/10/2022;	
	3. Mawang estate on 12/07/2022.	
4.4.5.2	SSB established the Equal Employment Policy signed by CEO dated 01/04/2022.	Yes
	The policy states that management committed to ensure all staff and / or employee member are entitled to fair and equally treated.	
	SSB established Discrimination Policy signed by CEO dated 01/04/2022 states all employees are responsible to ensuring workplace is free from sexual harassment.	
	Site inspection observed the policy was displayed on estates notice boards in English and Bahasa Malaysia languages.	
	Field interviews with sampled harvesting and chemical sprayers informed there are briefed on the Discrimination and Equal Employment Policy in SSB.	
	Briefing on both policies conducted as follow:	
	1. Cenderamata estate on 07/07/2022;	
	2. Banita estate on 12/10/2022;	
	3. Mawang estate on 12/07/2022.	
4.4.5.3	SSB estates paid workers according to Minimum Wage Order 2022 of RM57.69 per day or agreed piece rate.	Yes
	SSB estates established workers contract agreement in Bahasa Malaysia signed by workers and company and copy provided.	
	The employment contract includes below statements;	
	1. Holiday pay;	



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
	2. Medical leave;		
	3. Public holiday;		
	4. Annual leave.		
	Example;		
	Document review on workers payslip and daily workers allocation record for December 2022, the wages paid as per agreeable piece rate for harvesting and spraying activities.		
	Field interviews with sampled harvesting and chemical spraying informed they are briefed on the employment contract signed and wages rate payment.		
4.4.5.4	SSB estates obtained pays slips of contractor's workers as part of monitoring process.	Yes	
	Example:		
	SSB estates engage FFBs transport contractor. Document review and interview with contractor worker informed the wage is paid as per payment voucher signed and acknowledged by both parties.		
4.4.5.5	SSB estates established monthly Manpower Return consists of workers full names, gender, date of birth, date of entry, job description, race, wage and period of employment.	Yes	
	Example:		
	Document review on the manpower report dated 29/12/2022 for Cenderamata estate verified no workers recorded below age of 18 years old.		
4.4.5.6	SSB estates establish fair employment contract with the workers and signed by both employee and employer. The copy of contract kept by office and workers.	Yes	
	The copy of employment agreement are sign by the workers and estates management.		
	Field interviews with sampled harvesters and chemical sprayers informed they are briefed on the contract terms and conditions and received a copy after signed.		
4.4.5.7	SSB estates established checkroll book to record attendance of the workers on daily basis.	Yes	
	Estates working hours and break time displayed on the estate notice boards.		
	SSB estates implement overtime rate according to Sabah Labour Ordinance Cap 67 requirements of 1.5 times hourly rate for normal working day and 2.0 times hourly rate for rest day and 3.0 times hourly for public holiday.		



Principle	4: Social Responsibilit	y, health, safety and emp	loyment conditions	
Indicator	Summary of Assessm	ent		Compliance
	Field interviews with g working hours and over	eneral workers informed th ertime rate payment.	ey have been briefed on	
4.4.5.8	SSB estates establish	ed working hour and breaks	s time for workers.	Yes
	Site inspection observ			
	Start	5.30 am - 9.00 am		
	1 <sup>st</sup> Rest	9.00 am -9.30 am		
	Working	9.30 am – 12.00pm		
	2 <sup>nd</sup> Rest	12.00am – 1.00pm		
	Working	1.00pm – 3.00pm		
	Total working hours	8 hours		
		ampled harvesters and che working hours and overtim		
4.4.5.9	SSB estates establish overtime of the worker	ned payslip as record to do	ocument the wages and	Yes
	Review on payslip f agreeable piece rates	or December 2022, work by both parties.	ers are paid base on	
		vorkers based on task for he list established being and workers.		
		sampled harvesters inform and agreed with the wage		
4.4.5.10		ts such as SOCSO, medi g and working incentives.	cal care, annual leave,	Yes
		ampled harvester and cher led with the benefits by thei		
4.4.5.11	SSB estates adopt the	e industry best practice for h	nousing.	Yes
		rved water tank, electricity ocery shop is provided in th		
	Site inspection sighter such as football field a	d there are sport amenities and badminton court.	available at the estates	
		ampled harvesters and che housing, electricity and wa		
4.4.5.12	SSB established polic harassment as follows	cies and procedure related	to prevention of sexual	Yes
	CEO dated 01	sment & Gender Discrimina //04/2022 states SSB comn ual harassment and gender	nitted to prevent and	



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance		
	<ol> <li>Prevention on Workplace Violence Policy signed by CEO dated 01/04/2022 states SSB firmly committed to prevent violence and promote a violence free workplace.</li> </ol>			
	<ol> <li>SOP Sexual Harassment and Discrimination document number SSB-HRCCA-HRSOP-24-0 dated 01/07/2010 describes the term and definition, prohibit of sexual harassment and discrimination, lodging grievance which has also stated the gender committee member as responsible person to handle the related complaints and grievances.</li> </ol>			
	Site inspection observed both policies displayed at the sampled estates notice board near office, clinic and living quarters.			
	Field interviews with sampled harvesters and chemical spraying informed they are briefed on sexual harassment and violence policy during muster morning.			
	Gender committee established to manage matters related to sexual harassment and discrimination cases. Gender committee meeting minutes is review and confirm there are complaint lodged related to sexual harassment and successfully closed within timeline.			
	SSB estates conduct briefing on sexual harassment policy as follows:			
	1. Cenderamata estate on 07/07/2022;			
	2. Banita estate on 12/10/2022;			
	3. Mawang estate on 12/07/2022.			
4.4.5.13	SSB established policy of Freedom of Association Statement signed by CEO dated 01/04/2022.	Yes		
	The Freedom of Association Statement states SSB recognize and respects employee's rights and freedom to join or to refrain from joining organization of their own choosing, to associate freely and bargain collectively.			
	Site interviews with estate managers and sampled harvesters informed there is no trade union in SSB estates.			
	SSB estates established JCC committee and conduct regular meeting as two-way communication between management and workers representative.			
	JCC meeting minutes review include agenda such as welfare, complaint procedures, housing, environment and hygiene, zero burning and wildlife.			
	JCC meeting minutes review as follows:			
	1. Cenderamata estate on 15/12/2022;			
	2. Banita estate on 14/12/2022;			

Company Name: Sabah Softwoods Berhad

Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



Principle 4	4: Social Responsibility, health, safety and employment conditions	
Indicator	Summary of Assessment	Compliance
	3. Mawang estate on 23/06/2022.	
4.4.5.14	SSB established Child Protection Policy signed by CEO dated 01/04/2022 states that SSB compliance with the law and regulation and ensure all children are equally protected.	Yes
	SSB established Minimum Age Policy signed by CEO dated 01/04/2022.	
	The Minimum Age Policy states 'SSB is firmly committed to support the employment age as stated in Sabah Labor Ordinance.' It also stated 'SSB offer permanent employment to person aged 18 and above'.	
	Document review on the manpower report dated 29/12/2022, workers are above the minimum age of employment.	
	Field interviews with harvesters and chemical sprayers informed they have been briefed on company policies during morning muster.	
	Example:	
	Cenderamata estate briefing on Child Labour Policy to workers carried out on 13/04/2022.	
	Banita estate briefing on Child Labour Policy to workers carried out on 12/10/2022.	
	Mawang estate briefing on Child Labour Policy to workers carried out on 12/07/2022.	
4.4.6.1	SSB estates established training and briefing program for the year 2023.	Yes
	Example:	
	Cenderamata estate	
	1. Environmental policy training on 06/01/2023;	
	2. Recycle training on 12/01/2023;	
	3. SDS and chemical handling on 18/01/2023.	
	Banita estate	
	1. First aid training on 13/01/2023	
	Review on the training record includes summary of the training, material, photos and attendance list.	
	Field interviews with sampled harvester and chemical sprayers informed they are briefed on work procedures.	
4.4.6.2	SSB established training program for year 2023 based on the job description of the employees.	Yes
	Example:	
	Cenderamata estate;	
	Title: Harvesting;	



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance		
	Target: Harvesters;			
	Date: February 2023.			
	Banita estate;			
	Title: Chemical Handling;			
	Target: Chemical sprayers;			
	• Date: May 2023.			
4.4.6.3	SSB established continuous training program for year 2023 by monthly basis which includes company policies and SOPs, safety and health as well as environmental aspects.	Yes		
	Example:			
	Cenderamata estate			
	1. Fire drill in August 2023;			
	2. Zero burning in February 2023.			
	Banita estate			
	1. Company policies in January, March, July and September.			
	Mawang estate			
	1. Fire Drill training in April, July and Oct 2023.			

Principle :	Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance	
4.5.1.1	SSB established Environmental Policy, revision 02 dated 01/04/2022, signed by newly appointed CEO.	Yes	
	Policy states:		
	<ul> <li>Complying with all applicable legal, statutory, and regulatory requirement;</li> </ul>		
	<ul> <li>Developing and maintaining management systems that identify and manage the significant environmental impacts and risks that are apparent in our operations;</li> </ul>		
	<ul> <li>Promoting process and work practices which minimize, and where possible, eliminate environmental impacts;</li> </ul>		
	Minimizing release of pollutions to air, water and land;		
	<ul> <li>Create environmental, safety and health awareness among all employees, contractors and suppliers;</li> </ul>		



Principle 5	iple 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
	<ul> <li>Establishing objective and targets and reviewing performances as means of ensuring continual improvement.</li> </ul>			
	SSB established Environmental Aspect, Impact and Action Plan updated on 17/04/2022.			
	The assessment includes major activity, waste generated, aspect, impacts, existing control measures, environmental impact risk assessment, management control plan, PIC, target date of completion and status.			
	During site visit, observed environmental policy is displayed at estates notice boards.			
	Environmental Policy training are conducted as followed:			
	1. Cendermata Estate, conducted on 16/02/2022;			
	2. Banita Estate, conducted on 12/10/2022;			
	3. Mawang Estate, conducted on 12/07/2022.			
	Field interviews with sampled chemical sprayers, manurers and harvesters confirmed they attended the Environmental policy training and aware on environmental effect of estate activities.			
4.5.1.2	a SSB established Environmental Policy, revision 02 dated 01/04/2022, signed by newly appointed CEO.	Yes		
	The policy states SSB is firmly committed to sustainable development through protecting the environment.			
	b SSB established Environmental Aspect, Impact and Action Plan updated on 17/04/2022.	Yes		
	Environmental aspect and impact assessment covers work process as follows:			
	Oil palm replanting;			
	<ul> <li>Mature crop upkeep activities (Chemical spraying, manuring, P&amp;D etc.);</li> </ul>			
	<ul> <li>Immature crop upkeep activities (Chemical spraying, manuring, P&amp;D etc.);</li> </ul>			
	<ul> <li>Workshop and vehicle upkeep activities;</li> </ul>			
	Storage facilities;			
	Disposal of domestic waste.			
	Example of aspect and impacts of all operations:			
	Activity: Manuring;			
	Aspect: Fertilizer residue washed into water source by rainwater;			
	Impact: Water pollution;			



Principle	Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
	Existing control measure: No fertilizer application during rainy days;			
	Impact risk assessment rating: Low;			
	Management action plan: Visually monitor on pre-arrangement daily work based on weather;			
	PIC: Assistant Manager;			
	Target date of completion: Continuous monitoring;			
	Status: Ongoing.			
	Reviewed and verified Cendermata Estate rainfall records and workers work records for May 2022, Banita Estate for November 2022.			
4.5.1.3	SSB established Environmental Management Plan updated on 17/04/2022 include mitigation plan to mitigate negative impacts and promote to positive.	Yes		
	Example of mitigation plan:			
	Activity: Manuring;			
	Aspect: Fertilizer residue washed into water source by rainwater;			
	Impact: Water pollution;			
	Existing control measure: No fertilizer application during rainy days;			
	Impact risk assessment rating: Low;			
	Impact: Negative;			
	Management action plan: Visually monitor on pre-arrangement daily work based on weather;			
	PIC: Assistant Manager;			
	Target date of completion: Continuous monitoring;			
	Status: Ongoing.			
	Reviewed and verified Cendermata Estate rainfall records and workers work records for May 2022, Banita Estate for November 2022,			
	Reviewed training records for Manuring at Cendermata Estate dated 12/04/2022, Banita Estate dated 14/07/2022.			
4.5.1.4	SSB established Continuous Improvement Plan (CIP) to promote positive impacts updated on 07/01/2023.	Yes		
	Example:			
	Cendermata Estate:			
	Issue: Waste Management;			
	Action Plan: To conduct awareness training on recycling & rubbish disposal;			



Principle	Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
	PIC: Assistant Manager;			
	Estimated time of completion: 31/07/2023.			
	Banita Estate:			
	Issue: Diesel skid tank has no roofing;			
	Action Plan: To build skid tank roof;			
	PIC: Assistant Manager;			
	Estimated time of completion: June 2023.			
4.5.1.5	SSB established training program for year 2022 and 2023 which include environment awareness.	Yes		
	Training for protection of environment policy, wildlife, riparian buffer, recycling, waste management, triple rinsing, and zero burning awareness conducted on each estates:			
	<ol> <li>Cendermata Estate, dated 18/02/2022, 16/02/2022, 21/03/2022, 10/02/2022, 18/07,2022, 18/08/2022, 13/12/2022, 15/12/2022, 13/07/2022, 15/08/2022 and 16/08/2022;</li> </ol>			
	2. Banita Estate, dated on 13/07/2022, 14/07/2022, 17/09/2022, 04/12/2022, 20/12/2022;			
	3. Mawang Estate, conducted on 12/07/2022, 08/09/2022 and 21/07/2022.			
	Field interviews with sampled harvesters, chemical sprayers and manurers informed they had been briefed on environmental management issues.			
4.5.1.6	SBB estates conducted environmental meeting. The meeting agenda includes updates on environmental monitoring such as riparian areas, open burning and wildlife management.	Yes		
	Environmental meeting conducted on estate level;			
	1. Cendermata Estate, dated 15/12/2022;			
	2. Banita Estate, dated 13/12/2022;			
	3. Mawang Estate, dated 23/06/2022.			
4.5.2.1	SSB established 3 years baseline from 2018 until 2020 for fossil fuel usage (diesel consumption vs FFB Tonnage) for the farm tractors and transport of FFBs to oil mills that are monitored yearly.	Yes		
	SSB practicing using diesel fuel for genset to supply electricity to workers' housing complex.			
	Example:			
	Cendermata Estate:			



Principle \$	5: Environment, natural resources, biodiversity and ecosystem services	6
Indicator	Summary of Assessment	Compliance
	3 years baseline for diesel consumption from year 2020 to year 2022 for FFB transporting = 1.49 litre/mt while baseline for 2020, 2021 and 2022 as below:	
	1. 2020 – 1.44 L/Mt;	
	2. 2021 – 1.64 L/Mt;	
	3. 2022 – 1.50 L/Mt.	
	The consumption is slightly higher than baseline. This can be considered as insignificant changes from baseline value.	
	3 years baseline for diesel consumption from year 2020 to year 2022 for genset = 53.54 litre/mt while baseline for 2020, 2021 and 2022 as below:	
	1. 2020 – 52.46 L/Mt;	
	2. 2021 – 54.53 L/Mt;	
	3. 2022 – 56.52 L/Mt.	
	The consumption is slightly higher than baseline due to increase in two additional building in campsite.	
	Banita Estate:	
	3 years baseline for diesel consumption from year 2020 to year 2022 for FFB transporting = 7.48 litre/mt while baseline for 2020, 2021 and 2022 as below:	
	1. 2020 – 7.23 L/Mt;	
	2. 2021 – 5.11 L/Mt;	
	3. 2022 – 8.50 L/Mt.	
	The consumption is slightly higher than baseline. This is due to new planting activities.	
	3 years baseline for diesel consumption from year 2020 to year 2022 for genset = 3.03 litre/mt. While baseline for year 2020, 2021 and 2022 as below:	
	1. 2020 – 68, 400 L	
	2. 2021 – 82,850 L	
	3. 2022 – 116,518 L	
	The consumption higher than baseline due to inclusion of two additional gensets.	
4.5.2.2	SSB established annual budget for usage of diesel for farm operation and delivery of FFB.	Yes
	The actual diesel usage is monitored monthly and compared against the budget.	

Company Name: Sabah Softwoods Berhad Certifying Unit: Sabah Softwoods Berhad Client Number: 92-003 Audit Type: ASA 21 Mode of Audit: Onsite



Principle :	5: Environ	ment, natural resources, biodi	versity and ecosyster	n services	
Indicator	Summary	y of Assessment			Compliance
	The actu reviewed	al diesel records for year 2022	and projection for yea	r 2022 is	
	Cenderm	ata Estate:			
	Budgeted Diesel 2022: 505, 124 L				
	Actual die	esel usage 2022: 505,029 L			
		al usage was lower compared to and genset.	budget due to no brea	kdown of	
	Banita Es	state:			
	Budgeteo	d Diesel 2022: 426,741 L			
	Actual di	esel usage 2022: 776,093.72 L			
	The actua gensets i	al usage is higher due to new plar nstalled.	nting activities and two a	additional	
4.5.2.3	No renev Estate.	vable energy for Cendermata E	state, Banita Estate &	Mawang	Yes
4.5.3.1		ablished Waste Management Pla products, source of pollution 22.			Yes
	Example	of sources and waste products:			
		Source	Waste Product		
		Manuring	Waste empty fertilizer bag		
		Spraying	Empty chemical container		
		Washing of tractor	Waste water		
4.5.3.2	Exam Cend	ification of all waste products, sou			Yes
		e product: Empty chemical conta	•	۷.	
		e product. Empty chemical conta	an ici ,		
		toring plan: Schedule Waste Rec	ord and premiving:		
		Assistant Manager;	oru anu premixing,		

Company Name:Sabah Softwoods BerhadCertifying Unit:Sabah Softwoods BerhadClient Number:92-003Audit Type:ASA 21Mode of Audit:Onsite



Indicator	Su	Immary of Assessment	Compliance
		Time frame: Continuous monitoring.	•
		Reviewed the Scheduled waste record dated 31/12/2022.	
	b	SSB established waste management plan include monitoring plan and identified potential waste that could be reduced, reuse and recycle.	Yes
		Cendermata Estate:	
		Waste product: Empty fruit bunches;	
		Source of pollution: Harvesting;	
		Monitoring plan: EFB Mulching plan;	
		PIC: Assistant Manager;	
		Time frame: In practice.	
		Reviewed mulching records for December 2022, block year of planting 2000 at Cendermata Estate.	
4.5.3.3	Me	SB established SOP for handling of used chemicals 'Operasi embancuh Racun' document no: SSB/OSH/OPD-PKS/3-(1) date fective 02/01/2014.	Yes
	pre	ne SOP described on storage, handling, issuance, usage, safety ecaution, before operation, during operation and after operation for emical application.	
	en	uring site visit at Cendermata, Banita and Mawang Estate, observed npty chemical containers are triple rinsed, pierced, marked "X" in red pred at empty chemical container store.	
	Th	ne store is locked to prevent excess for unauthorised personals.	
4.5.3.4		SB established SOP Waste management doc. No. SSB-HSEWG-16-0, ated 01/01/2020.	Yes
	Th	ne procedure describes managing empty chemical containers:	
	•	Containers must not contain free liquid or solid residue;	
	•	Containers must be triple rinsed.	
	en	uring site visit at Cendermata, Banita and Mawang Estate, observed npty chemical containers are triple rinsed, pierced, marked "X" in red pred at empty chemical container store.	
	Th	ne store is locked to prevent excess for unauthorised personals.	
		uring site visit at sampled estates, observed triple rinsed empty chemical ntainers are used as flower pots for linesite beautification.	
		BB established inventory of scheduled waste to records total number of heduled waste such as empty containers generated.	
	Ex	ample:	

Banita Estate



Principle (	5: Environment, natural resources, biodiversity and ecosystem services	6
Indicator	Summary of Assessment	Compliance
	Sighted and review on record for used lubricant oil disposal records dated 16/01/2023.	
	Quantities not more than 20Mt and storage not longer than 180 days according to legal requirements.	
	Mawang Estate	
	Sighted and review on record for used lubricant oil disposal records dated 05/01/2023.	
	Quantities not more than 20Mt and storage not longer than 180 days according to legal requirements.	
4.5.3.5	SSB manage domestic wastes by disposed to designated landfill located.	Yes
	During field visit observed landfill area includes facilities such as landfill and zero burning signboards, and fences surrounding the area.	
	Banita Estate	
	Landfill block: R9.	
	Mawang Estate	
	Landfill block : 21 G.	
4.5.4.1	SSB established waste management plans to reduce pollutions for year 2023.	Yes
	Example:	
	Mawang Estate	
	Type of pollution: Global warming;	
	Activity: Manuring.	
4.5.4.2	SSB established waste management plans to reduce pollutions for year 2023.	Yes
	Example:	
	Mawang Estate	
	Type of pollution: Global warming;	
	Activity: Manuring.	
	Management plan: Revise manuring plan and apply based on recommendation.	
	Reviewed manuring records and recommendation, all application for year 2022. Fertilizer application is in accordance with recommendation.	
4.5.5.1	a SSB establish SOP of Water Management Plan Doc No MSPO- SSB/OP-03, version no 1 dated May 2015.	Yes
	The purpose of the water management plan is to maintain and monitor quality and availability of surface and ground water by	



Principle (	5: Env	vironment, natural resources, biodiversity and ecosystem services	5
Indicator	Sum	nmary of Assessment	Compliance
		addressing the effects of their use of water and effects of their activities on local water resources.	
		SSB established Water Management Plan has identified the source of water and usage.	
		SSB estates use rain water for domestic usage and estate operation.	
		Example:	
		Cendermata Estate	
		Estate established Water Management Plan reviewed 17/04/2022.	
		Source : Water Reservoir;	
		Usage: Domestic use, and chemical premix;	
		Source: Rain water;	
		Usage: Domestic use for cleaning.	
		Banita Estate	
		Estate established Water management Plan dated 11/11/2022.	
		Source : Water Reservoir;	
		Usage: Domestic use, and chemical premix;	
		Source: Rain water;	
		Usage: Domestic use for cleaning.	
	b	SSB monitor incoming and outgoing river through the estates.	Yes
		The usage of water is monitor using flow meter for domestic used to ensure efficient water usage.	
		Cendermata, Banita and Mawang Estate	
		River analysis conducted at Cendermata Estate on 25/8/2022. Report from Department of Irrigation and drainage dated 27/01/2023 reviewed.	
		The results of all indicators are within specified parameters.	
	с	SSB managed their water by monitoring and procedure established.	Yes
		Example:	
		<ol> <li>Water consumption record to monitor water usage for domestic and operation;</li> </ol>	
		<ol> <li>Empty chemical containers rinsing using water recycle for premix.</li> </ol>	
	d	SSB establish buffer zone along the river passing through the estate.	Yes
		During field visit, observed SBB estates marked palms trunks as indication of buffer zone area and prohibit any chemical spraying and fertilizing activity.	



Principle	5: En	vironment, natural resources, biodiversity and ecosystem services	6
Indicator	Sur	nmary of Assessment	Compliance
		Riparian buffers visited were at block CM 23 Cendermata Estate, BA1701 Banita Estate and 22 A Mawang Estate.	
		Filed interviews with sampled chemical sprayers, harvesters and manurers informed they are aware no chemical spraying and fertilizing activities allowed to be carried out at buffer zone area.	
	е	During field visits at sampled estates, confirmed buffer zones along the river is well maintained.	Yes
		Area of buffer zones are marked with red paint with signboards and used painted tires.	
		Monitoring records for riparian areas are reviewed and verified.	
		Manuring and chemical spraying activities are not allowed in these areas.	
		Field interviews with sprayers and harvesters informed they had been briefed on the buffer zone areas.	
	f	During site visit and interviews with estate management team confirmed there are no bore wells constructed to extract ground water.	Yes
4.5.5.2		e inspection verified there are no bunds or weirs or dams constructed oss the rivers passing through estates.	Yes
4.5.5.3	SS	B practises water harvesting throughout the facilities and housings.	Yes
		e inspection at sampled estates confirmed they are collecting rain water chemical premixing and domestic use.	
4.5.6.1	а	SSB established Evironmental and Conservation Standard Procedure for Flora and Fauna SSB-E` & C Dept – 02-1 dated 02/01/2018. The procedure include monitoring of wildlife assessment.	Yes
		Sabah Softwoods Berhad High Conservation Value Action Plan dated 27/01/2022.	
		Wildlife assessment report are conducted on monthly basis for year 2022 to ensure no hunting or capturing activities. The assessment includes notification on species of Mammalia, bird, reptilian and amphibian in field.	
	b	SSB established wildlife assessment report as monitoring system to monitor wildlife at potential HCV area on monthly basis.	Yes
		Example, Wildlife Assessment report for Cendermata Estate for the month of December 2022:	
		1. Four Pygmy Elephant (Endangered);	
		2. One Wild Boar (Vulnerable).	
		Example, Wildlife Assessment report for Banita Estate for the month of March 2022:	



Principle	5: E	nvironment, natural resources, biodiversity and ecosystem services	5
Indicator	Sı	Immary of Assessment	Compliance
		1. One Pygmy Elephant (Endangered);	
		2. Two Skunks (Least Concerned).	
		Example, Wildlife Assessment report for Mawang Estate for the month of August 2022:	
		1. Two Pygmy Elephant (Endangered);	
		2. Twelve Wild Boars (Least Concerned).	
4.5.6.2	а	SSB established Wildlife Conservation Policy reviewed on 01/04/2022 states SSB is committed to follows all laws and regulations related to Wildlife Conservation Enactment 1997.	Yes
		SSB established High Conservation Value Management and Monitoring Plan dated 27/01/2022 includes identification of HCV areas, objectives, Management target, management strategies area and prescriptions, monitoring plan, supporting documents and data.	
		Training attendance and materials include type of penalty if found fault.	
		Signage with list of wildlife and endangered species are displayed at field.	
		Example of briefing on policy and wildlife awareness conducted as below:	
		1. Cendermata Estate dated 16/02/2022;	
		2. Banita Estate dated 11/01/2023;	
		Mawang Estate dated 12/07/2022.	
	b	Site verification indicates signage placed at estates' entrance, HCV site and riparian area prohibiting any kind of hunting.	Yes
		During field visit at Cendermata Estate, border with forest indicates the boundary area are well maintained and there is list of wildlife signage installed.	
		Filed interviews with sampled sprayers and harvesters informed they are aware and understand on protection of wildlife and any kind of hunting are prohibited.	
4.5.6.3		SB established wildlife assessment report as monitoring system to ponitor wildlife at potential HCV area on monthly basis.	Yes
	Th	e report includes status and total numbers of wildlife sighted on field.	
		ample, Wildlife Assessment report for Cendermata Estate for the month December 2022:	
	1.	Four Pygmy Elephant;	
	2.	One Wild Boar.	
		ample, Wildlife Assessment report for Banita Estate for the month of arch 2022:	



Principle :	nciple 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance		
	1. One Pygmy Elephant;			
	2. Two Skunks.			
	Example, Wildlife Assessment report for Mawang Estate for the month of August 2022:			
	1. Two Pygmy Elephant;			
	2. Twelve Wild Boars.			
	Example of wildlife training for workers carried out as below:			
	1. Cendermata Estate on 16/02/2022;			
	2. Banita Estate dated 11/01/2023;			
	3. Mawang Estate dated 12/07/2022.			
4.5.7.1	Sabah Softwoods Berhad has been established Zero Burning Policy, signed by newly appointed Chief Executive Officer (CEO) dated 01/04/2012.	Yes		
	The policy states company commitment to:			
	<ul> <li>Comply with all applicable legal and statuary regulatory requirements;</li> </ul>			
	<ul> <li>Implementation on no burning practise;</li> </ul>			
	<ul> <li>Adopt mechanical methods during land clearing;</li> </ul>			
	Conducted awareness to stakeholders.			
	During site visit at sampled estates worker quarters, observed no traces of open burning.			
	Filed interviews with sampled workers informed they had been briefed on Zero Burning Policy.			
	Reviewed training records for Zero burning policy as below:			
	1. Cendermata Estate dated 18/02/2022;			
	2. Banita Estate dated 13/12/2022;			
	3. Mawang Esatate dated 12/07/2022.			
4.5.7.2	During field visit at sampled estates, there are no disease observed at field operations that required treatment by burning method.	Yes		
4.5.7.3	SSB established policy of zero burning reviewed on 01/04/2022 signed by newly appointed Chief Executive Officer.	Yes		
	During field visit at sampled estates observed no infected oil palms observed at field operations that required treatment by burning method. There is no application for approval of controlled burning.			



Principle 5	Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Indicator	Summary of Assessment	Compliance			
4.5.7.4	SSB established SOP Felling and Clearing Doc No SSB/OPD- SOP/IMMT/2-00 dated 01/01/2014 the SOP has describe Fallen palm were to be shredded within the standard requirement.	Yes			
	All shredded palm trunks should be stacked as follows :				
	<ol> <li>Flat and undulating (&lt;12°) in between two palm rows ( straight line planting);</li> </ol>				
	2. Hilly – Inter Terrace Avenue.				
	Site inspection on field conditions of estate block confirmed no sign of burnings.				

Principle	Principle 6: Best Practices			
Indicator	Summary of Assessment	Compliance		
4.6.1.1	SSB established Standard Operating Procedure (SOP) for estates operations.	Yes		
	Example of SOPs related to good agricultural practices are:			
	<ol> <li>SOP Harvesting, document number: SSB/OPD-SOP/HARV/04-00, dated 01/01/2014;</li> </ol>			
	<ol> <li>SOP Manuring, document number: SSB/OPD-SOP/MTUR/03-00, dated 01/01/2014;</li> </ol>			
	<ol> <li>SOP Spraying, document number: SSB/OPD-SOP/MTUR/01-00, dated 01/01/2014.</li> </ol>			
	Example:			
	Cenderamata estate			
	Harvesting training conducted at dated 20/12/2022.			
	Store and workshop management training conducted at dated 10/11/2022.			
	Chemical premixing training conducted at dated 14/12/2022.			
	Field interviews with harvestersand chemical sprayers informed they attend the training.			
	Banita estate			
	Harvesting training conducted at dated 12/12/2022.			
	Workshop training conducted at dated 04/12/2022.			
	Spraying training conducted at dated 04/10/2022.			
	Field interviews with harvesters and chemical sprayers informed they attend the training.			
	Mawang estate			
	PPE training conducted at dated 20/12/2022.			

Company Name: Sabah Softwoods Berhad Certifying Unit: Sabah Softwoods Berhad Client Number: 92-003 Audit Type: ASA 21 Mode of Audit: Onsite



Principle	6: Best Practices	
Indicator	Summary of Assessment	Compliance
	Manuring training conducted at dated 11/07/2022.	
	Field interviews with harvesters and chemical sprayers informed they attend the training.	
4.6.1.2	SSB established SOP Planting on Slope and Hilly Areas Doc. No. SSB / OPD – SOP /IMMT/10/00 dated 01/04/2020.	Yes
	SSB estates established topography maps for each estate are established to allocated sites with slope 25° or more.	
	Site inspection at Cenderamata and Banita estate sighted there are no planting on slopes more than 25° has been carried out. Altitude reading using 'GPS Coordinate Malaysia' planting on slope is approximately 140 meter and 101 meter from sea level which is in line with MPOB code of practices for best agricultural practices.	
	Site inspection at replanting area block planted year 2022, <i>Mucuna bracteate</i> is planted to control soil erosion within the terrace area.	
	Fronds are staked along the lips of the terrace to prevent soil erosion and fertilizer run-off.	
4.6.1.3	SSB estates established block marking at each field block includes information on estate name, year of planting, block number, survey ha, total stand and stand per ha.	Yes
4.6.2.1	SSB established Five Years Strategic Business Plan, 2021 to 2025.	Yes
	The business plan includes:	
	1. Current SSB estates hectare (matured and immature);	
	2. FFB production (Projected until 2025);	
	3. Yield per hectare for each of estates.	
	SSB estates monitored their budget by Monthly progress report on the status of actual against budgeted plan.	
4.6.2.2	SSB established 10 years replanting programme for selected estates.	Yes
	Example:	
	Replanting program year 2019 to 2022 for Cenderamata estate 1,512.61 ha.	
4.6.2.3	SSB established Five Years Strategic Business Plan, 2021 to 2025.	Yes
	The plan includes:	
	1. Quality of seedlings ;	
	2. Yearly crop projection;	
	3. Production cost/mt;	
	4. Price forecast.	
	Budgeted of improvement allocation are included in CAPEX year 2023.	

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



Principle	6: Best Practices	
Indicator	Summary of Assessment	Compliance
4.6.2.4	SSB estates established Monthly Progress Report to monitor the estate strategic plan. The MPR includes budget utilization, cost/ha, timely completion, compliance score and timely update information.	Yes
	Example:	
	Cenderamata estate	
	Sighted consignment for compound fertilizer dated 23/11/2023 from Sabah Softwoods hybrid Fertilizer for the amount of 435 ags @ 21.75 mt.	
	Sighted consignment for chemical fertilizer (Garlon Mix) from Tawau Agricultural for the quantity of 292 liters.	
	Records of Monthly Progress report for the month of December 2022 is documented and maintained	
4.6.3.1	SSB estates managed and control purchase of products by receiving quotation from seller.	Yes
	Example:	
	Documents review on quotation for purchasing of chemicals for the month of December 2022 for Banita estate states the proposed price with purchasing order issued based on the agreed price.	
	Date ordered 08/12/2022, order number: 2622-00632 for Krush Glyphosate and Ansar 660 from supplier A. The item are delivered on 22/12/2022.	
4.6.3.2	SSB purchases of chemicals and fertilizers using a quotation and purchase order system.	Yes
	The payment is made based on terms and conditions stated in the quotation provided by the supplier and issuance of purchase order to acknowledge and confirmation of the price.	
4.6.4.1	SSB established contract agreement with contractors on FFB transport dated for the period of 01/01/2022 to 31/12/2022.	Yes
	The contract agreement states contractor shall observe and comply with MSPO principles requirements with regards to the transportation of FFB.	
	Example:	
	Training to the FFB transporters conducted on 21/10/2022 at Banita estate includes MSPO awareness.	
4.6.4.2	The FFB transport agreement between SSB estates and third party transporter is established dated and it is mutually agreed signed by both parties on payments, term and conditions.	Yes
	Example:	
	Banita estate established contract agreement dated 01/01/2022 onwards with FFB transporter mutually agreed signed by both parties on payments, term and conditions.	

Mode of Audit: Onsite				
Principle	6: Best Practices			
Indicator	Summary of Assessment	Compliance		
4.6.4.3	SBB established contract agreement with FFB contractors include a clause reserving the right of the certification body to audit the outsourced contractor.	Yes		
4.6.4.4	FFB records for transportation from SSB estates to Kapilit Palm Oil Mill and Dumpas Palm Oil Mill are maintained and updated.	Yes		
	Estate established daily FFB production records for monitoring of FFB transportation carried out by the contractor.			



Principle 7	Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance	
4.7.1.1	SSB estates planting statements are review. There is no new planting at SSB.	Yes	
	Example:		
	Cendermata Estate		
	First planting is conducted on 1996 and the last planting is on 1997.		
	Replanting statements of each estates are review. There are replanting conducted in Cendermata, and Mawang Estate.		
	Biannual Environmental Compliance Report for replanting project of oil palm for years 2022 Kiwiheng Environmental Consultants dated 15/11/2022 to 16/11/2022.		
	The EIA has included biodiversity assessment for Cendermata and Mawang Estates.		
4.7.1.2	SSB estates planting statements are review. There is no new planting in SSB group estates.	Yes	
	Replanting statements for the group review has a total of 15,004. Ha and therefore, EIA is required. In this aspect, Environmental Compliance Report for replanting project of 15,004.05 Ha of oil palm for 10 years (2020 – 2029) at Sabah Softwoods Group of Estates is established and approved by Environment Protection Department Sabah dated 04/08/2021.		
	Biannual Environmental Compliance Report for replanting project of oil palm for years 2022 Kiwiheng Environmental Consultants dated 15/11/2022 to 16/11/2022.		
4.7.2.1	SSB estates planting statements and soil maps for SSB estates are review, confirmed there are no peat land sighted.	Yes	
	Site verification at replanting area in Cendermata and Mawang Estates observed no peat land occur within the estates.		
4.7.3.1	SSB estates planting statements is review and there are no new plantings at SSB. Therefore, no SEIA conducted.	Yes	
4.7.3.2	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no SEIA conducted.	Yes	
4.7.3.3	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no SEIA conducted.	Yes	
4.7.3.4	There are no smallholder's scheme in SSB certification. Therefore, not applicable.	Yes	
4.7.4.1	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no soil maps established.	Yes	
4.7.4.2	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no topography maps established.	Yes	

Company Name:Sabah Softwoods BerhadCertifying Unit:Sabah Softwoods BerhadClient Number:92-003Audit Type:ASA 21Mode of Audit:Onsite



4.7.5.1	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no topography maps and permits established.	Yes
4.7.5.2	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no monitoring management plans for fragile and marginal soil established.	Yes
4.7.5.3	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no soil map established.	Yes
4.7.6.1	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	SSB estates planting statements are review and there are no new planting at SSB. There are no sacred sites, therefore, no management plan establish.	Yes
4.7.6.3	SSB estates planting statements are review and there are no new at SSB. Therefore, no soil SOP established.	Yes
4.7.6.4	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no compensation and agreement established.	Yes
4.7.6.5	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no assessment of legal and recognized customary right established.	Yes
4.7.6.6	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no compensation plan established.	Yes
4.7.6.8	SSB estates planting statements are review and there are no new planting at SSB. Therefore, no communities affected.	Yes

## 4.4. Status of Non-Conformities Previously Identified

-				
	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.			
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.			
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.			
Х	No non-conformity raised in previous audit.			
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 conformity. Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the compliance implementation.				

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



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

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

#### 4.6. Detail of 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	0	<b>MAJOR Non-Conformities</b>
audit,	0	<b>MINOR Non-Conformities</b>

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner, which is accepted by all parties.	Mawang Estate	SSB could improve the complaint and grievances system implementation.
2.	4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	Banita estate	SSB estates could improve training on complaint and grievance SOP.
3.	4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	All Estate Scheduled Waste Store	SSB could improve schedule waste management by making the 7 <sup>th</sup> schedule available at storage area.
4.	4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent	Office	SSB could improve identification of polluting source and type of pollutions and greenhouse gas emissions.
5.	4.5.5.1	a. Assessment of water usage and sources of supply	Office	SSB could improve source of supply information in water management plan.

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### 5. CONCLUSION

Sabah Softwoods Berhad has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct Surveillance audit consisting of 9 estates according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

During this surveillance audit 21, 5 Opportunity For Improvements (OFIs) were identified.

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 estates:	9	
Total certified production area:	26,072.82	На
Certified FFBs January to December 2022:	355,462.32	Mt
Project FFBs January to December 2023:	410,653.00	Mt

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



#### 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	
Χ	Recommended for Continuity of Certification	
	Recommended for Suspension of Certification	

Puchong, 16/02/2023

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

Puchong, 17/02/2023

Ariff Bin Lokman TUV NORD (Malaysia) Sdn Bhd Certifier / Approver

Company Name:	Sabah Softwoods Berhad
Certifying Unit:	Sabah Softwoods Berhad
Client Number:	92-003
Audit Type:	ASA 21
Mode of Audit:	Onsite



## 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 surveillance audit. Therefore, no stakeholders listed.

Company Name:Sabah Softwoods BerhadCertifying Unit:Sabah Softwoods BerhadClient Number:92-003Audit Type:ASA 21Mode of Audit:Onsite



# 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 / ChecklistsAudit Plan