

MSPO INITIAL CERTIFICATION SUMMARY REPORT

STANDARD:	MS2530-3:2013 (Part 3) General Principles for Oil Palm Plantations and Organized Smallholders	
PLANTATION:	Lubok Palaie PLANTATION SDN BHD (1012799-A) No. 171C, Ground Floor, Kampung Nyabor, 96000 Sibul, Sarawak	
OWNED BY:	LUBOK PALAIE PLANTATION SDN BHD (1012799-A) No. 171C, Ground Floor, Kampung Nyabor, 96000 Sibul, Sarawak	
PROJECT NO:	BQAS/LPP/OPP/003	
CERTIFICATION BODY:	BQAS Certification (M) Sdn Bhd (11179994-x) Sublot 6, 2 nd Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching, Sarawak. Tel: +6 082 572 043 Mobile: +6 017 814 1112 Email: bqassb@gmail.com Website: www.bqas.com.my	
Documented by:	Douglas Alau Tayan	20 May 2019
Certified by:	Patrick Sibat Sujang	25 May 2019
Certificate Issued on:	1 st June 2019	Valid till 31 st May 2024

Disclaimer:

Address: Sublot 6, 2nd Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching, Sarawak

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PLANTATION	617496002000; expiry on 31/7/2019 for lot Makus Anak Tukie 617490002000; expiry on 31/7/2019 for lot Sima Anak Tukie 617497102000; expiry on 31/7/2019 for lot Nancy Anak Anthony
OWNED BY	LUBOK PALAIE PLANTATION SDN BHD (1012799-A)
PROJECT NO	BQAS/LPP/OPP/003

1. INFORMATION: CERTIFICATION ASSESSMENT

1.1	Type of Assessment:	Initial Certification Audit	
1.2	Scope of MSPO Certification:	Individual Certification	
1.3	MSPO Standard:	MS2530-3:2013	
1.4	Maps: (Refer Attachments)	1.	Google – Location
		2.	Land and Survey Department Map of Lubok Palaie Plantation Sdn bhd(Map 2)
		3.	Location of Workers' Quarters (Map 2)
		4..	Block Markings of Lubok Palaie Plantation Sdn. Bhd. (Map 2)
	Geo-Coordinates:	Longitude : E 113°6'54.99 " to E 113° 14.6' 6.99" Latitude : N 02° 25' 41.5" to N 02° 26' 19.6"	

2. INFORMATION ON CERTIFIED ENTITY

2.1	Name of Plantation: Location:	Lubok Palaie Plantation Sdn Bhd Lot 3541, Pasai Siong Tengah Sibu,Sarawak.	
	Wholly owned by:	LUBOK PALAIE PLANTATION SDN BHD (1012799-A)	
2.2	Main Office Address:	No. 171C, Ground Floor, Kampung Nyabor, 96000 Sibu, Sarawak.	
2.3	Management/Contact Details:		
	Mr. Simon Sia Yuk Siong Senior Manager	Tel: 084-325478	Email: simonsiayuksiong@gmail.com.my

Mr. William Kong Plantation Manager		Tel:084-325478	Email:	
2.4	MPOB License No:	617496002000; for lot Makus anak Tukie 617490002000; for lot Sima anak Tukie 617497102000; for lot Nancy anak Anthony	Expiry Date:	31/7/2019 31/7/2019 31/7/2019
	Scope of Activity:	Menjual dan Mengalih BTS		
2.5	Certified Area:	421.27 HA	Planted Area:	377.74 HA
			Conserved Area:	
2.6	FFB Annual Production:	Estimated: 2018	6,058.47 Metric Ton(2018)	
2.7	Date of Certification:	1 June 2019	Validity:	5 years / June 2023
2.8	Other Sustainability Certification:	Nil		

3. ASSESSMENT: AUDIT TEAM / METHODOLOGY / PLAN / PROCESS

3.1 AUDIT TEAM			
The Audit Team:		Name:	Role
Stage 1 Audit Date: 5 th to 6 th December 2018		Dominic Retan Giah	Lead Auditor
		Wilfred Landong	Auditor
		Robert Tella Gunyom	Auditor
Stage 2 Audit Date: 12 th -13 th February 2019		Dominic Retan Giah	Lead Auditor
		Wilfred Landong	Auditor
		Robert Tella Gunyom	Auditor
Dominic Retan Giah		Lead Auditor	
Qualifications:			
<ul style="list-style-type: none"> • Bachelor of Science in Wood Science & Technology, Colorado State University, Fort Collins; 1987, • Diploma in Wood Technology, Institut Teknologi MARA (UiTM), Shah Alam; 1983, • St Joseph School, Kuching, Sarawak; 1963-1975 • Attended and successfully completed and passed the MSPO Lead Auditor Course by DQS (Malaysia) in Setia Alam, Selangor from 26th to 30th Jan 2015. • Conducted more than 40 days audit for MSPO since year 2016. • Completed 30 days on-site audits as Lead Auditor for MSPO P&C scheme. 			

Wilfred Landong	Auditor
Qualifications: <ul style="list-style-type: none"> • Advanced Dip in Business & Management, WGIHE, UK • Degree in Marketing, CIM, UK • Masters in Marketing, UNN, UK • Qualified & successfully completed MSPO Lead Auditor Course (Pioneer Group) on 30th January, 2015 	
Robert Tella Gunjom	Auditor
Qualifications <ul style="list-style-type: none"> • Senior Cambridge Certificate • Completed Train the Trainer Course by HRDF in August 2018 • Completed MSPO Auditor Course in September 2018. 	

3.2 AUDIT METHODOLOGY

<p>The Audit was carried out in conformity with the procedures as laid down in the BQAS Procedure Manual and the MSPO Program Manual for the auditors and Certifier. During the Audit the qualified BQAS auditors used the MSPO standard as endorsed for the country in which the audit took place and recorded their findings.</p> <p>Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:</p> <ul style="list-style-type: none"> • Chemical stores. Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security. • Field inspections. Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes, Soil erosion. Field observations of all operations. • Worker interviews. OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness. • Re-planting sites. Zero burn. • Water management. Water courses. Water monitoring. • Road maintenance. Run off. • Social amenities. Social Impact Audits. • Local communities. Contributions made. Employment opportunities. Social impacts. Complaints procedures. • Workshops. Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management. • Line sites. Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal. • Documentation review. <p>Verification: Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.</p> <p>Verification of effectiveness of taken corrective actions regarding previously identified nonconformities</p>
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3.4 AUDIT PROCESS			
The Audit Process for both Stage 1 & 2 Assessments were conducted similarly as follows:			
No	Process	Description	
1	Public Notification	Notice issued 1 month before audit dates	
2	Audit Plan	Auditee receives 2 weeks before audit dates	

	3	Day 1: Assessment	Opening Meeting & Documentation Audit	
	4	Day 2: Assessment	Plantation Site Audit & Closing meeting	
	5	Audit Report / Findings	Report / Checklists: review, discuss & decide corrective & forward action to be taken with Auditee	
4 SUMMARY OF FINDINGS				
STAGE 1 AUDIT				
No of Findings:	5	Classification	AWF	Acceptable with findings noted
Areas of Findings:	Internal Audit, Management Review, Continual Improvement, Social Impact Assessment (SIA), Employee Safety & Health, Environmental Management Plan, Waste Management Plan, Zero Burning practices			

STAGE 2 AUDIT				
No of NC	4 Minor NCS			
No of OFI	12			
Area of NC	<p>Minor NC No. 1 : MSPO Clause 4.2.3.3: Aspect of the standard: Traceability The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>Evidence of non-conformity: During the audit, it was found that the appointment letter for the Traceability Officer was not available.</p> <p>Review of evidence submitted to BQAS: Immediate measure and corrective accepted – signed copy of the appointment letter for the Traceability Officer.</p>			
CAR Closed	Corrective Action Report closed on 23rd April, 2019.			
Area of NC	<p>Minor NC No. 2 : MSPO Clause 4.5.1.4</p> <p>Aspect of the standard: Environmental management plan A programme to promote the positive impacts should be included in the continual improvement plan</p> <p>Evidence of non-conformity: The continual improvement plan (on the use of the mist blower) was not documented.</p> <p>Evidence of Conformity: The SOP for continual improvement plan was prepared.</p> <p>Review of evidence submitted to BQAS: Any improvement plan to be verified during next surveillance audit.</p>			
CAR Closed	Corrective Action Report closed on 23 rd April, 2019			
Area of NC	<p>Minor NC No. 3 : MSPO Clause 4.5.1.6</p>			

	<p>Aspect of standard: Environmental management plan Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>Evidence of non-conformity: During the audit, it was found that the Lubok Palaie Plantation Safety, Health & Environment committee did not record its minutes of meeting.</p> <p>Evidence of Conformity: Action plan (notice of meeting, agenda & format of minutes) accepted. To be verified during next surveillance audit.</p> <p>Review of evidence submitted to BQAS: Evidence of immediate measure sighted - draft of minutes of meeting held on 18/03/2019.</p>
CAR Closed	Corrective Action Report closed on 23 rd April, 2019
Area of NC	<p>Minor NC No. 4 : MSPO Clause 4.5.1.6 Aspect of standard: Employees safety and health</p> <p>The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>Evidence of non-conformity: During the audit, it was found that the CSDS were not displayed in the fertilizer store and the chemical store, therefore not in accordance with the SOP for Fertilizer Storage (LPPSB / MSPO / SOP/023) and for the Handling of Chemicals (LPPSB / MSPO / SOP/036).</p> <p>Review of evidence submitted to BQAS: Action plan accepted. Actual display in the respective stores to be verified during next surveillance audit.</p>
CAR Closed	Corrective Action Report closed on 23 rd April, 2019
Areas of OFI	12
CAR Closed	Next Surveillance Audit

5 CERTIFICATION RECOMMENDATIONS

Introduction

This report is prepared by BQAS to describe the preparedness of Lubok Palaie Plantation Sdn Bhd (henceforth to be referred to as LPP) to be certified by Malaysian Sustainable Palm Oil in accordance to the MS 2530-3:2013, Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholders (MS 2530-3:2013).

Stage 1 had been carried out from 5th to 6th December 2018 to meet with the requirement of MSPO certification procedure. The result showed that the organization has demonstrated their readiness to go for certification.

Stage 2 Audit was conducted from 12th to 13th February 2019 according to MS 2530-3:2013 standard reference. After having undergone the Stage 2 audit successfully, the organization showed that they were running and operating under a sustainability management system.

The audit criteria used are the certification standards as documented in the audit schedule as well as the current management system documentation of the company.

Executive Summary

After the Stage 1 Audit, there was a general awareness among the LPP management and staff on the commitment toward improving transparency and the need to follow up on the continual improvement plans. The management, staff and workers were generally supportive and eager to participate in the management system toward sustainability through MSPO.

Commitment shown by the LPP management toward MSPO was evident through the display of MSPO Policy documents at the plantation office and which can be further enhanced by posting these at stores and workshops. There was a general awareness on the need for documentation on actions taken and plans on continual improvement.

There was an understanding on the need to maintain proper records and to communicate information to all stakeholders. Up to the time of the Stage 2 Audit, no complaints and grievances had been recorded although the suggestion box was available outside the plantation office. This might be attributed to the company's commitment to local sustainable development through interaction by the management and staff with the resident communities.

Staff and workers had been given awareness briefing on safety and health including usage of proper PPE. Good compliance was noted towards worker safety and health and employment conditions. As noted in the LPP Training Programme 2019, in-house training courses were planned to be conducted between March and November 2019 for workers to attain competency. Among such courses were Chemical Safety, Spray Training and Harvesting.

The LPP Environmental Management Policy was posted on the office wall and was to be displayed at the soon-to-be completed guard house. It indicated an awareness to protect wildlife and the conservation of their habitats. Posters of rare, threatened and endangered species from the Sarawak Forestry Corporation were displayed in the office. There was also a generally good adherence to proper waste management and disposal as noted by the maintenance of a landfill site within the plantation block far away from any watercourse. The LPP estate was also mulling on the disposal of domestic waste through the RO-RO bin system of the Sibu city municipal scavenging service.

Overall LPP is implementing a management system that is fulfilling the requirements of the MSPO standards with some improvement areas as outlined in Section 5 of the main audit report.

Stakeholders' Consultation

Two representatives from the LPP List of Stakeholders were selected to be interviewed. The stakeholders met generally held a positive outlook on the interaction between Lubok Palaie Plantation and the local community including its own workers. The grievance of TR Iboi over land claims may be a perception issue but this has been brought up for the attention of the management to address.

Additional strengths and improvement potential

Listing of strengths, as presented in the closing meeting:

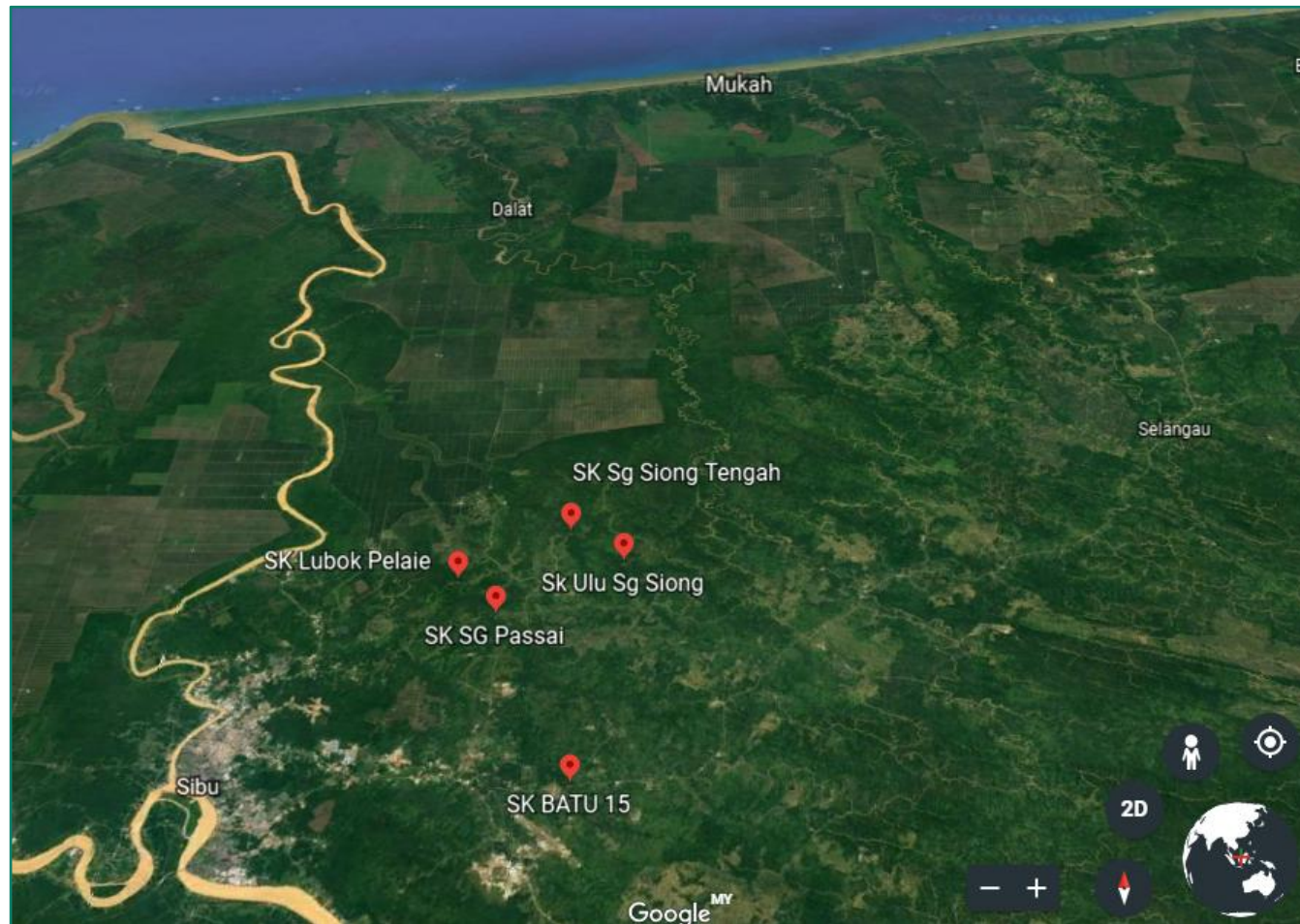
- 1) Slope protection seen at the estate camp – good application of used tyres.
- 2) Efficiency of spraying – changing from CKS (compact knapsack sprayer) to using mist blower for more effective application of insecticides.
- 3) Presentable living quarters – migrant workers are provided with decent accommodation and facilities.

Listing of improvement potential, as presented in the closing meeting:

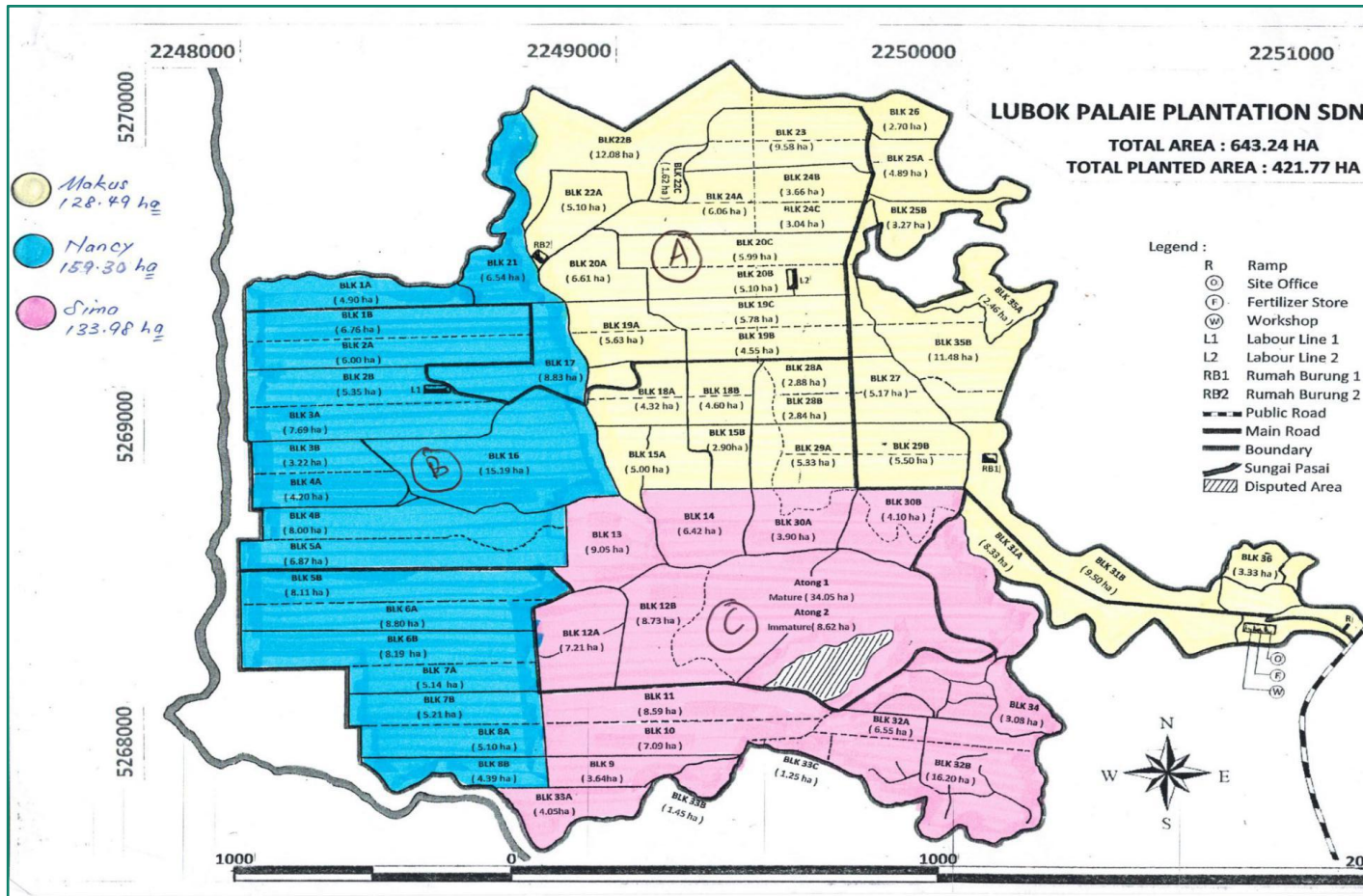
- 1) Consider to improve on the format of the Internal Audit Report.
- 2) Review relevance of implementation to SOP & utilize forms provided.
- 3) The Minutes of the MR meeting may be further enhanced if the 'Action by' column was dated.
- 4) SOP/Flowchart already designed may be more meaningful if implemented and used.
- 5) Worker safety & health issues may be better taken care of by an appointed person in charge.
- 6) Enhance access to first aid for workers in the quarters and at the work site apart from availability in the office.
- 7) To ensure safety, install an insulating cover for the wiring on the generator at Labour Line 2.

- 8) The negative and positive impacts of all operations may be better viewed in a tabular format for ease of reference and retrieval for monitoring.
- 9) Segregation and recycling of waste may be better improved with proper training of workers on waste management and disposal.
- 10) Review and update the SOP on the list of scheduled waste generated.
- 11) Awareness of wildlife may be better appreciated by putting up 'No Hunting' signage at appropriate locations within the estate.
- 12) Consider to maintain a register and location of wildlife seen or heard in the plantation.

6.	DATE OF 1 ST Year SURVEILLANCE AUDIT	May, 2020
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ATTACHMENT 1 : GOOGLE MAP LOCATION OF Lubok Palaie SDN BHD



ATTACHMENT 2 : LAND AND SURVEY MAP FOR Lubok Palaie SDN BHD

