



# MSPO SURVEILLANCE CERTIFICATION REPORT [YEAR 01]

## BORNEO AGRO-RESOURCES SDN BHD LABANG ESTATE

### HQ Address

2nd Floor, No.91-93, Jalan Kampung Nyabor, 96000, Sibul, Sarawak.

### Site Address

Lot 23,24,25,26, Block 12, Lavang Land District 97000, Bintulu, Sarawak



### **BQAS Certification [M] Sdn Bhd**

Lot 7823, Sublot 6, 2<sup>nd</sup> Floor, Block A, King Center, Simpang Tiga, 93350, Kuching, Sarawak.

Tel: 082 572 043

Email: [bqassb@gmail.com](mailto: bqassb@gmail.com)

Website: [www.bqas.com.my](http://www.bqas.com.my)

Accreditation No: ACB MSPO CB15

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

**CERTIFIED ENTITY**

MSPO Standards	<input type="checkbox"/> MS2530-3:2013
	General Principles for Palm Oil Plantations & Organized Smallholders
	<input checked="" type="checkbox"/> <b>MS2530-4:2013</b>
	<b>General Principles for Palm Oil Mills</b>
Type of Certification:	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> <b>Group</b>
Project Ref No:	BARPOM/SVA01/09/20
MSPO Certificate Validity:	1st August, 2019 to 31st July, 2024
HQ Office Address:	2nd Floor, No.91-93, Jalan Kampung Nyabor, 96000, Sibu, Sarawak.
Contact Person / Job Title:	Mr. Hii Yik Ping Managing Director
Telephone / Mobile:	084 325 833 016 522 8338
Email / Website:	hiyp@yahoo.com
Mill Site Address:	Lot 29, Block 10, Lavang Land District 97000, Bintulu Sarawak.
Contact Person / Job Title:	Shamsul bin Rusli Division Manager
Telephone / Mobile:	016 307 7612
Email / Website	borneomaskat@gmail.com
Contact Person / Job Title:	Sim Chang Eng Senior Supervisor
Telephone / Mobile:	016 888 5957
Email / Website	simchangeng.icloud.com

**CERTIFICATION BODY****BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

Office Address:	Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak.	
Contact Person / Job Title:	Wilfred S Landong	Managing Director
Telephone / Mobile:	+6 082 572043	+6 017 222 5555
Email / Website:	bqassb@gmail.com	www.bqas.com.my
Lead Auditor	Wilfred S Landong	
Technical Reviewer	Patrick Sibat	

**Disclaimer:**

This Report (inclusive of enclosures & attachments) had been prepared for the exclusive use and benefits of the addressee(s) and solely for the purpose for which it was intended. Unless BQAS provide prior written consent, no part of this report should be reproduced, distributed or communicated to any third party. BQAS would not accept liability if this report is used for an alternative purpose from which it was intended, nor would we owe any duty of care to any third party in respect of this Report.

**TABLE OF CONTENTS**

<b>NO</b>	<b>DESCRIPTION</b>	<b>PAGES</b>
	<b>Executive Summary</b>	<b>4</b>
<b>1.0.</b>	<b>Information: Certification Assessment</b>	<b>5</b>
<b>2.0.</b>	<b>Information: Certified Entity</b>	<b>5 - 6</b>
<b>3.0.</b>	<b>Assessment Methodology</b>	<b>6 - 7</b>
<b>4.0.</b>	<b>Assessment Process</b>	<b>7 - 9</b>
4.1.	Audit Team	
4.2.	Audit Plan	
<b>5.0.</b>	<b>Surveillance Assessment</b>	<b>9 - 45</b>
5.1.	Surveillance Audit Report	
5.2.	Stakeholders' Consultation Report	
5.3.	Summary of Findings	
5.4.	Audit Conclusion	
5.5.	Acknowledgement by Certified Entity	
5.6.	Corrective Action Reports & Closure	
<b>6.0.</b>	<b>Official Sign-off</b>	<b>45 - 46</b>
6.1.	Assessment Recommendation by Lead Auditor	
6.3.	Assessment Review by Technical Reviewer	
<b>7.0.</b>	<b>Conclusion</b>	<b>46</b>
7.1.	Certification: BQAS Management	
7.2.	Plan: Next Surveillance Assessment	
<b>8.0.</b>	<b>Attachments: Maps</b>	<b>47 - 48</b>

**EXECUTIVE SUMMARY**

Borneo Agro-Resources Sdn Bhd (BARSB) as a group, owned and operate 1 Palm Oil Mill and 3 Plantations.

Labang Estate is one of the 3 palm oil plantations wholly owned by BARSB.

This is Surveillance Audit Year 1 & scope is Group Certification of BARSB Group of Plantations under the Standards MSPO MS2530-3:2013.

Labang Estate, sited on a 1085.56 hectares land owned by BARSB and is located at geo-coordinates N 3.16.24.1 E 113°30'14.6 / N 3.2733691 E 113.5040434 in the Bintulu Division of Sarawak; with estimated distance of approximately 85 kilometers from Bintulu Town. Established in 2005 the plantation is planted with 146,550 stand count of oil palm trees.

The assessment method follows principles of **3P** (Paper, Practice & People)

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion.

In this Audit, dialogues and interviews were conducted with staffs, plantation workers, contractors & stakeholders to gauge understanding of MSPO principles, applications & its importance and relevance to sustainable growth and production of palm oil products. Also assessed were their opinion on working & business relationship with Labang Plantation Management and this was found to be positive.

Plantation employees are remunerated above minimum wage; and living & housing conditions in the Staff & Workers Quarters meet basic requirements of health & safety regulations & the relevant Housing Act. Available amenities in BARPOM include treated water, domestic waste collection & disposal, electricity and telecommunication services.

The Audit was conducted on 01 – 02 10 2020.

There were 8 findings – 1 minor NC [non-conformance] and 7 OFI [opportunity for improvements] in this Audit.

The corrective action reports were closed on 10 12 2020.

On the overall, Labang Estate had maintained its Palm Oil Plantation Management System; and complied & conformed to basic MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that BARSB Group of Plantation certification be maintained and continue to be certified under MSPO Standards MS 2530-3:2013 [General Principles for Plantations & Organized Smallholders].

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

**1.0. INFORMATION: CERTIFICATION ASSESSMENT**

1.1.	Type of Certification Assessment	<input checked="" type="checkbox"/>	Annual Surveillance Audit [Year 1]
1.2.	Scope of MSPO Certification	<input checked="" type="checkbox"/>	Sustainable Management of Palm Oil Plantation with 1085.56 hectares
1.3.	MSPO Standards	<input checked="" type="checkbox"/>	PART 3: MS2530-3:2013
1.4.	Maps and others [Refer Attachments]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

INFORMATION:	CERTIFICATION BODY	
Name:	BQAS Certification [M] Sdn Bhd [11799994-x]	
Address:	Lot 7823, Sublot 6, 2 <sup>nd</sup> Floor, Block A, Kings' Centre, Simpang Tiga, 93350, Kuching, Sarawak.	
Contact:	Email: bqassb@gmail.com	Tel: +6 082 572 043
	Whatsapp: +6 017 814 1112	Website: www.bqas.com.my
Surveillance Audit Date:	<b>01 – 02 10 2020</b>	Audit Duration: <b>4</b> man-days
BQAS Audit Team:	Name	Role in the Audit
	Wilfred Landong	Lead Auditor
	Maxwell Landong	Auditor

**GROUP [MULTI SITES] CERTIFICATION****2.0. INFORMATION: CERTIFIED ENTITY**

INFORMATION	CERTIFIED ENTITY	
Company Name & Reg. No	Borneo Agro-Resources Sdn Bhd	
Main Address:	2 <sup>nd</sup> Floor, No 91-93, Jalan Kampung Nyabor, 96000, Sibul, Sarawak.	
Site Name:	Labang Estate	
Primary Function:	<input checked="" type="checkbox"/> Plantation/Organized Smallholders	<input type="checkbox"/> Mill
Site Address:	Lot 23,24,25,26, Block 12, Lavang Land District 97000, Bintulu, Sarawak	
Management Contact Details		
1.	Shamsul bin Rusli	Division Manager
	Mobile: 016 307 7612	Email: borneomaskat@gmail.com
2.	Sim Chang Eng	Senior Supervisor

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

Mobile: 016 888 5957

Email: simchangeng.icloud.com

Headcount:	Local: 22	Foreign: 36	Total: 58
	Staff: 22	Workers: 36	Total: 58

**MS 2530-3:2013 General Principles for Plantations & Organized Smallholders**

MPOB License No: 5046 6810 2000	Expiry Date: 31 03 2022
Scope of Activity: Menjual & Mengalih FFB#	
Date of Establishment: 2005	Geo-Coordinates: N 3.16.24.1 E 113'30'14.6 / N 3.2733691 E 113.5040434
Certified Area: 1085.56 hectares	Planted Area: 1085.56 hectares
FFB Production (actual) 2019: 18,310 MT	FFB Production (estimate) 2020: 23,000MT
Sources of FFB: own estate	Main FFB purchaser: Borneo Agro Palm Oil Mill
No of Planting Blocks: 31	No of Palm trees: 146,550
Palm Species: AAR, Felda, Chemera	Age Range of Palm Trees: 6 – 16 years
Topography: undulating plain & peat terrain	Soil Type: peat & mineral soil
Land Status: Ownership:	<input type="checkbox"/> Rented <input checked="" type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture
Validity/Date of Certification: 01 08 2019 to 31 08 2024	Other Sustainability Certification:

**3.0. ASSESSMENT METHODOLOGY**

This certification assessment is a SAMPLING process where management systems effectiveness & efficiency are confirmed via an audit trail that the Auditor established to make an accurate conclusion

Information gathering	Interviews – staffs, contractors, local communities, & other stakeholders
Data collection from	<ul style="list-style-type: none"> <li>• Observation of process &amp; activities</li> <li>• Review of documentations &amp; records</li> <li>• Site visits</li> <li>• Field inspections</li> </ul>
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> <li>• Assessing past implementations from records, reports of the management system</li> </ul> <p>Practice</p> <ul style="list-style-type: none"> <li>• Assessing current implementation from observing current practices</li> </ul> <p>People</p> <ul style="list-style-type: none"> <li>• Assessing future maintenance from interviewing personnel on understanding &amp; assessing competencies.</li> </ul>

**Surveillance Audit****Audit Findings Classification**



# MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

Term	Meaning	Description
YES	Compliance	• Fulfilled requirement of audited standard
OFI	Opportunity for improvements	• Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	• Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	• Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.

## 4.0. ASSESSMENT PROCESS

### 4.1. AUDIT TEAM

Assessment Stage	Name	Role
Surveillance Year 01	Wilfred S Landong	Lead Auditor
	Maxwell S Landong	Auditor

### 4.2. AUDIT PLAN

#### 4.2.1. AUDIT OBJECTIVES

##### Surveillance Audit

- Changes to the certified client and its management system
- Verification continuous management system implementation
- Review of effectiveness of measures arising from the previous audit (if applicable)
- Confirmation of fulfillment of certification requirements
- Enquiries on aspects of certification (Complaints)
- Review of any client's statements with respect to its certified operations (promotional material, website, use of BQAS logos and marks, use of the certificate)
- Customer specific requirements

**4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS****MS 2530-3:2013 General Principles for Plantations & Organized Smallholders****4.2.2.1. Assessment Sites**

Assessments were performed at:

- Plantation Office – documentations & records
- Plantation Site – processes, stores, waste & water management, workshop and related facilities
- Staff facilities – housing, amenities etc.

**4.2.2.2. Assessment Program**

**Date: 01 – 02 10 2020**

**No of Auditors: 2**

**No of Mandays: 4**

Day 1

- Opening Meeting
- Review Certification Audit Report
- Documentation Audit / Record Review at Mill Office

Day 2

- Plantation – facilities inspection (chemical, schedule waste stores, workshop, water reservoir, grading etc.)
- Observation of site activities – harvesting, pruning etc; and site maintenance
- Inspection/observation of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment etc.
- Dialogues/interviews (contractors]
- Closing meeting
- Presentation of Audit Checklist / Report

**4.2.2.3. Assessment Parameters****Evaluate implementation, including effectiveness of the management system**

- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies
- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements
- Traceability of FFB



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

- Use of PPE / Safety & Health training program
- Revisit other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers' quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management plan

**5.0. SURVEILLANCE ASSESSMENT****5.1. SURVEILLANCE AUDIT REPORT****PRINCIPLE 1 MANAGEMENT COMMITMENT & RESPONSIBILITY****Criterion 4.1.1: Malaysian Sustainable Palm Oil (MSPO) Policy**

Indicator	Requirement	Compliance	Findings
4.1.1.1	A policy for the implementation of MSPO shall be established.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO Policy established dated 14 08 2019; signed by MD. Noted and verified in compliance
4.1.1.2	The policy shall also emphasize commitment to continual improvement.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	MSPO Policy (last paragraph on Continuous improvement). Quote "We would continue to strive for improvements in every aspect of the principles and committed in controlling & improving to achieve continuous sustainability in our operations for future generations". Verified in compliance

**Criterion 4.1.2: Internal audit**

Indicator	Requirement	Compliance	Findings
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified that Internal Audit is to be conducted at least once a year. Audit Plan for 2020 dated 01 07 2019 sighted



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Internal Audit Procedure documented vide doc ref BARSB MSPO SOP 01 dated 01 07 2019</p> <p>Noted Internal Audit Checklist / report for 2020 conducted on 27 08 2020 [doc ref BARSB MSPO-IACL.</p> <p><b>Results documented with 5 findings but</b></p> <ul style="list-style-type: none"> <li>• <b>Report not signed</b></li> <li>• <b>Summary of Audit results not documented.</b></li> </ul>
4.1.2.3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified Internal Audit Report conducted on 27 08 2020 was presented to estate management for review on 01 09 2020</p>

**Criterion 4.1.3: Management review**

4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Management Review for 2020 was conducted on 24 09 2020; with main Agenda on results of Internal Audit report.</p> <p>Future MR should include other agendas on continual improvement plan and implementation of MSPO programs</p>
---------	---	--	--

**Criterion 4.1.4: Continual improvement**

4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Continual improvement plan doc ref BARSB MSPO CIP dated 02 01 2020.</p> <p>Following are action plan headings; CIP on</p> <ul style="list-style-type: none"> <li>• Housing maintenance</li> <li>• Boundary markers</li> <li>• Riparian zone</li> <li>• Integrated pest control</li> <li>• CSR program</li> <li>• Labor shortage</li> <li>• MSPO programs</li> </ul> <p><b>CIP not signed / endorsed</b></p>
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	<p>Noted Labang Estate made the following purchase of the following new and modern equipment / machineries to</p>





**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified SOP on Consultation & Communication under doc ref BARSB MSPO SOP 23 dated 24 09 2020 established.
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Lee Chong Kek appointed as Officer in Charge of Communication and Consultation vide letter BARSB MSPO AL dated 01 10 2020
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders had been maintained in the following documents: <ul style="list-style-type: none"> <li>• BARSB MSPO Stakeholders dd 01 07 2019</li> <li>• Stakeholders meeting and briefing in 2018</li> </ul>

**Criterion 4.2.3: Traceability**

4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted the Traceability Procedure established BAR MSPO SOP 5 dated 01 07 2019
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Manager/Supervisor conduct inspection daily and records kept under FFB Grading form (Doc FFB Inspection 02 09 2020). Noted and verified compliance by observation during Field Audit at loading station.
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Lee Chong Kek was appointed as Officer in Charge of MSPO [Traceability] with effect from 01 07 2019; refer doc BARSB MSPO AP Traceability dd 01 07 2019.



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Viewed and noted the following documents as records:</p> <ul style="list-style-type: none"> <li>• Harvesting log sheet</li> <li>• Loading chits</li> <li>• Weighbridge Advice Ticket,</li> <li>• FFB Dispatch Chit,</li> <li>• Customer Grouping Report Form</li> <li>• Receipts / Mill Voucher</li> </ul> <p>All records are documented, kept, filed and maintained, daily &amp; monthly. Verified documents for August 2020</p>
---------	--	--	--

**PRINCIPLE 3 COMPLIANCE TO LEGAL REQUIREMENTS**

**Criterion 4.3.1: Regulatory requirements**

Indicator	Requirement	Compliance	Findings
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Confirmed all operations are in compliance with the applicable local, state, national and ratified international laws and regulations. Labang Estate management system licenses, legal documents verified to be all in order
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirement register.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted vide doc ref BARSB MSPO LR dd 01 07 2019 Legal register. LE listed 64 laws, regulations pertaining to and relevant to operations of palm oil estate. Available in both hard and soft copies
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Verified LE does update the legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			This is also written in the appointment letter of the person in charge of legal compliance
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LE appointed Lee Chong Kek as MSPO Officer in Charge of legal compliance vide letter BARSB/MSPO/AL/RR/2019 dated 01 07 2020

**Criterion 4.3.2: Land use rights**

4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Main owners of land adjacent to and surrounding Labang Estate are resident of kampong Labang. These residents are allowed free and unencumbered access to use the estate roads in their daily activities.																																								
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Noted and verified all Labang Estate land are owned by BARSB. Details as follows:</p> <table border="1"> <tr> <td>1.</td> <td>Lavang land</td> </tr> <tr> <td>Block/lot no</td> <td>12 / 23</td> </tr> <tr> <td>Size</td> <td>430.3 ha</td> </tr> <tr> <td>Title no</td> <td>09-LCLS-037-012-00023</td> </tr> <tr> <td>Lease tenure</td> <td>60 years</td> </tr> <tr> <td>2.</td> <td>Lavang land</td> </tr> <tr> <td>Block/lot no</td> <td>12 / 24</td> </tr> <tr> <td>Size</td> <td>597.1 ha</td> </tr> <tr> <td>Title no</td> <td>09-LCLS-037-012-00024</td> </tr> <tr> <td>Lease tenure</td> <td>60 years</td> </tr> <tr> <td>3.</td> <td>Lavang land</td> </tr> <tr> <td>Block/lot no</td> <td>12 / 25</td> </tr> <tr> <td>Size</td> <td>27.436 ha</td> </tr> <tr> <td>Title no</td> <td>09-LCLS-037-012-00025</td> </tr> <tr> <td>Lease tenure</td> <td>60 years</td> </tr> <tr> <td>4.</td> <td>Lavang land</td> </tr> <tr> <td>Block/lot no</td> <td>12 / 26</td> </tr> <tr> <td>Size</td> <td>30.721 ha</td> </tr> <tr> <td>Title no</td> <td>09-LCLS-037-012-00026</td> </tr> <tr> <td>Lease tenure</td> <td>60 years</td> </tr> </table> <p>All lands are oil palm plantation</p>	1.	Lavang land	Block/lot no	12 / 23	Size	430.3 ha	Title no	09-LCLS-037-012-00023	Lease tenure	60 years	2.	Lavang land	Block/lot no	12 / 24	Size	597.1 ha	Title no	09-LCLS-037-012-00024	Lease tenure	60 years	3.	Lavang land	Block/lot no	12 / 25	Size	27.436 ha	Title no	09-LCLS-037-012-00025	Lease tenure	60 years	4.	Lavang land	Block/lot no	12 / 26	Size	30.721 ha	Title no	09-LCLS-037-012-00026	Lease tenure	60 years
1.	Lavang land																																										
Block/lot no	12 / 23																																										
Size	430.3 ha																																										
Title no	09-LCLS-037-012-00023																																										
Lease tenure	60 years																																										
2.	Lavang land																																										
Block/lot no	12 / 24																																										
Size	597.1 ha																																										
Title no	09-LCLS-037-012-00024																																										
Lease tenure	60 years																																										
3.	Lavang land																																										
Block/lot no	12 / 25																																										
Size	27.436 ha																																										
Title no	09-LCLS-037-012-00025																																										
Lease tenure	60 years																																										
4.	Lavang land																																										
Block/lot no	12 / 26																																										
Size	30.721 ha																																										
Title no	09-LCLS-037-012-00026																																										
Lease tenure	60 years																																										



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Boundary markers at Labang Estate are placed in all strategic points; clearly demarcated and visibly maintained on the ground using red painted 4 feet belian pole. Field Audit confirmed this at geo coordinates N 3'15'55 E 113'30.0'
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No evidence of disputes on acquisition of land found during this Audit.

**Criterion 4.3.3: Customary rights**

4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	All Labang Estate land are gazette Mixed zone land and not encumbered by customary rights
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed copy of the Boundary map drawn to appropriate scale made available during audit.
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable. Land title is deemed as legal records; the land is previously state land.

**PRINCIPLE 4 SOCIAL RESPONSIBILITY, HEALTH, SAFETY & EMPLOYMENT CONDITIONS**

**Criterion 4.4.1: Social impact assessment (SIA)**

Indicator	Requirement	Compliance	Findings
4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	Social Impact Assessment (SIA) and Management Plan done and



**MSPo SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	<p>negative impacts and promote the positive ones.</p>	<p><input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major</p>	<p>sighted. Refer to Doc No BARSB-MSPO-SIA dated 1<sup>st</sup> July 2019.</p> <p>The Content of the report include demographic of workers (local 21 and Indonesian 44 (as at end of 2019).</p> <p>Summary of the Stakeholder Perceived Social Impacts (positive impacts and negative impacts) is also sighted in the Doc No BARSB-MSPO-SIA.</p> <p>Social Impact Assessment (SIA) Mitigation Plan is explained in Doc Reference BARSB-MSPO-SIA-MP dated 1<sup>st</sup> July 2019.</p>
--	--	--	--

**Criterion 4.4.2: Complaints and grievances**

<p>4.4.2.1</p>	<p>A system for dealing with complaints and grievances shall be established and documented.</p>	<p><input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major</p>	<p>The Standard Operating Procedure for dealing with Complaint and Grievances is sighted vide Doc No BARSB-MSPO-SOP-4 effective 1<sup>st</sup> July 2019. The document is prepared by the Divisional Manager and approved by the Managing Director on 1<sup>st</sup> July 2019.</p> <p>Other document sighted in the procedure include:</p> <ul style="list-style-type: none"> <li>a. A process flowchart on dealing with complaints and grievances</li> <li>b. Complaints and grievances form doc reference BARSB-MSPO-Complaint Form.</li> </ul> <p>Evidence on complaint records is also sighted in the Complaint and grievance file which include action taken/pictures included as evidence.</p>
----------------	---	--	---





**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			c. Suggestion box/complaint box which is sighted at the office entrance.
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The process in dealing with complaint and grievances is well documented and covers all parties. The system incorporated chain of command and committee/person responsible. The form used to report on complaint is also sighted( Refer document No BARSB-MSPO-SOP-4 dated 1 <sup>st</sup> July 2019)
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The complaint form referred to as Doc No BARSB-MSPO-COMPLAINT FORM is available at the office entrance and effective 1 <sup>st</sup> July 2019
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Briefing for staff and workers are done on 8<sup>th</sup> September 2019 (11 participants), 30<sup>th</sup> September 2019(46), 31<sup>st</sup> October 2019(10) and 10<sup>th</sup> January 2020(7)</p> <ul style="list-style-type: none"> <li>A total of 74 participants attended the briefing</li> </ul> <p><b>Documented Evidence.</b></p> <ul style="list-style-type: none"> <li>Attendance record and pictures</li> </ul>
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	At time of audit, only one complaint is sighted in Complaint and Grievances file, Labang Estate during the last 24 months. The date of complaint was on 20 June 2020. The complaint has already been resolved and result continuously monitored.

**Criterion 4.4.3: Commitment to contribute to local sustainable development**

4.4.3.1	Growers should contribute to local development in consultation with the local communities.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	Evidence sighted in form of Contribution to local community:
---------	--	--	--



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

		<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>a. Tajaan untuk Kem Remaja Sejahtera Labang 2019 amounting to RM1,000(date of contribution – 8/12/2019</p> <p>b. Ground Levelling for construction of house. Request dated 28<sup>th</sup> January 2020. Levelling done from 5/2/2020 – 7/2/2020.</p> <p>c. Contribution towards “JKKK Kampung Labang untuk Program Jom Berambah Kampung Labang 2019”. The amount of contribution is RM1,000.</p>
--	--	--	--

**Criterion 4.4.4: Employees safety and health**

4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	OSH Policy signed by the Managing Director dated 14 <sup>th</sup> August 2018 is displayed at the Estate Notice Board. The OSH Committee chaired by Senior Supervisor Mr Sim Chang Eng.
4.4.4.2	The occupational safety and health plan shall cover the following:		
A.	A safety and health policy, which is communicated and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Occupational Safety and Health Policy is sighted in a document signed by the Managing Director dated 14 <sup>th</sup> August 2018. The policy is being displayed at the office notice board. Staff and workers are being briefed on the safety and health policy through meetings or training programme. Evidence of briefing is sighted in minute of meeting records dated 8 <sup>th</sup> September, 30 September, 31 October 2019 and 10 <sup>th</sup> January 2020



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

B.	b) The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Risks of all operations have been assessed. The evidence is viewed in Document No BARSB-MSPO-HIRARC effective 1 <sup>st</sup> July 2019.
C.	An awareness and training program which includes the following requirements for employees exposed to pesticides:	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	
C.1	All employees involved shall be adequately trained on safe working practices; and	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Training plan and record on training is sighted in the Annual Training Program 2020. The Training Plan include several aspects related to MSPO. To date three (3) program were already implemented. The topics include evidence from a training program dated 10 <sup>th</sup> January 2020. Some of the topics include MSPO Policy, SOP on manuring, usage PPEs. Evidence on training activities sighted in photos/reports/records.
C.2	All precautions attached to products shall be properly observed and applied.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The precautions on usage of product is sighted in the Safety Data Sheets at relevant location such as chemical store, fertilizer store and oil/lubricant store. The precautionary measures is also sighted in the SOP on Chemical handling. Both the documents are viewed and fulfill MSPO requirements.
D.	The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Observations during the time of audit indicate that the usage of PPEs is strictly observed. Interview with two of the workers confirmed that PPEs are provided free to the workers. Inspecting during field audit at harvesting sites confirmed that the



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			workers were provided with and wore the appropriate PPEs.
E.	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.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The following SOP are documented</p> <ul style="list-style-type: none"> <li>• Handling of Chemical – Pengurusan dan Pengendalian Bahan Kimia Berbahaya : BAR-MSPO-SOP-12 effective 1<sup>st</sup> July 2019</li> <li>• Schedule Waste handling and disposal and</li> <li>• Spraying and manuring</li> </ul>
F.	The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Mr Sim Chang Eng is the person appointed as the person in charge of Occupational, Safety and Health at BARSB- Labang Division as evidenced from the Safety and Health (Ref Document NO BARSB-MSPO-OSHA . The letter of appointment was signed by the Divisional Manager, Labang Estate dated 5 <sup>th</sup> July 2020. The appointment letters for other committee members are also sighted and signed by the Divisional Manager on the same date.
G.	The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The Management conduct meetings with regards to safety, health and welfare. In 2019, two (2) meeting haves been held as evidenced from the record on minute of meeting dated 30 September 2019 and 31 <sup>st</sup> October 2019 and Training for Staff and Workers (SOP on chemical Mixing, weeding). Among the Agenda/issues discussed during the meeting are OSH Policy, Usage of



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			PPEs. Safe use of chemical and procedure on Emergency and Report.
H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Document No BARSB-MSPO-AERP dated 1<sup>st</sup> July 2019 is sighted.</p> <p>The content of the document are:</p> <ol style="list-style-type: none"> <li>Action taken in the process of reporting accidents (Tindakan semasa melaporkan kemalangan);</li> <li>Action to be taken in treating workers who are sick and suspected of poisoning (Tindakan semasa keracunan pekerjaan/penyakit pekerjaan).</li> </ol>
I.	Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Trained First Aider for BARSB-Labang Estate are a follows:</p> <ol style="list-style-type: none"> <li>Lucy anak Achang</li> <li>Sim Chang Eng</li> <li>Azery Bin Abdul Manan (the certificate is effective from 15/1/2019 – 15/1/2020)</li> </ol> <p>First Aid Equipment with approved contents is sighted at the Estate Office which is equipped with the basic requirement. However, the First Aid Kit is not seen at other sites especially at workshop and chemical store area</p>
J. T	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The procedure Doc No BARSB-MSPO-AERP effective 1<sup>st</sup> July 2019 is sighted – Procedure <i>Notifikasi Aduan, Kemalangan, kemalangan nyaris, kejadian berbahaya, keracunan pekerjaan</i>. In the</p>



			<p>procedure, the following document are also sighted:</p> <ul style="list-style-type: none"> <li>a. Borang JKKP 6,</li> <li>b. Borang JKKP 7 &amp;</li> <li>c. Borang JKKP 8.</li> </ul> <p>There is no evidence that records of accident are compiled and submitted to JKKP. It is a requirement by Department of Occupational, Safety and Health that report on Accident has to be submitted to JKKP.</p>
<b>Criterion 4.4.5: Employment conditions</b>			
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The policy on Good Social Practice is sighted vide document signed by the Managing Director dated 14<sup>th</sup> August 2018.</p> <p>The Policy is also displayed at the Office notice Board and workshop premises and briefed during staff meeting and internal training program.</p>
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, color, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The equal opportunity and treatment is sighted and stated in the Good Social Practice Policy (Refer 4.4.5.1 - "Prohibition of discrimination in respect of employment laws in regard to the rights and welfare of employment and occupation".</p>
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Samples of monthly wages are taken from Worker payslip from the month of August 2020. Evidence taken from workers' payslip also has record on overtime payment and the rate is in compliance the current labor practice. Random sample extracted from the workers monthly</p>



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			<p>wages record for month of August 2020 as follows:</p> <p><b>Local Worker</b></p> <ul style="list-style-type: none"> <li>a. Edward Sumbang – Excavator operator RM2,192.50</li> <li>b. Azery Bin Abdul Rahman – Mandor, Harvesting = RM2,360.70</li> <li>c. Bonus</li> </ul> <p>Document No BARSB-MSPO-WP-L effective 1<sup>st</sup> July 2019</p> <p><b>TKI - Indonesian</b></p> <ul style="list-style-type: none"> <li>a. Yadmeil - RM1,872.70</li> <li>b. Herianto Paalang – RM2,409.84</li> <li>c. Yohannes Hans – 2,066.40</li> </ul> <p>Document No BARSB-MSPO-WP-F</p>																				
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable																				
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>The records off staff is sighted in Doc No BAESB-MSPO-Manpower, updated as at end of August 2020. The record contained all staff and workers.</p> <p>As at end of August 2020 the breakdown of workforce are as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">LOCAL</th> <th colspan="2">FOREIGN</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Male</th> <th>Fem</th> </tr> </thead> <tbody> <tr> <td>18</td> <td>4</td> <td>34</td> <td>2</td> </tr> <tr> <td colspan="2">Total = 22</td> <td colspan="2">Total = 36</td> </tr> <tr> <td colspan="4"><b>GRAND TOTAL = 58</b></td> </tr> </tbody> </table>	LOCAL		FOREIGN		Male	Female	Male	Fem	18	4	34	2	Total = 22		Total = 36		<b>GRAND TOTAL = 58</b>			
LOCAL		FOREIGN																					
Male	Female	Male	Fem																				
18	4	34	2																				
Total = 22		Total = 36																					
<b>GRAND TOTAL = 58</b>																							



**MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			Note: All the foreign workers are harvesters, maintenance and general workers
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Appointment letter are properly documented and in compliance with the Labor Ordinance of Sarawak. Three(3) letter of appointment/employment contract of staff, local worker and TKI – Indonesian worker are randomly selected:</p> <ol style="list-style-type: none"> <li>1. Appointment letter as Divisional Manager – Shamsul Bin Rosli. Letter dated 24<sup>th</sup> October 2005</li> <li>2. <b>Local worker</b> – Appointment as Lorry Driver – Aman Bin Dris dated 24<sup>th</sup> March 2008 signed by the Admin Manager and evidence of acceptance dated 24 March 2008</li> <li>3. <b>TKI</b> – Surat Perjanjian Kerja. Bahari Mahmud General Worker, the “perjanjian kerja</li> </ol> <p>Note: all the three employee signed their letter of acceptance</p>
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The local workers are paid overtime in compliance with the Sarawak Labor Ordinance.
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The number of working hours sighted in the letter of appointment with 48 hours of work per week. The working hours is from 7.00am – 5.00pm with lunch break (11.00 – 1.00pm), Monday – Sunday with 5 days in a month as off-days





**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	rate applicable and shall meet the applicable legal requirement.		Overtime payment is paid in accordance with current law in practice i.e Sarawak Labor Ordinance. The payment of overtime is captured in the Worker payslip.
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Samples of monthly wages are taken from Worker pay slip from the month of August 2020. Evidence taken from workers' pay slip include record on overtime payment. The rate is in compliance existing legal regulations. Random sampling taken from workers' payslip on monthly income for month of August 2020</p> <p><b>Local Worker</b></p> <p>d. Edward Sumbang – Excavator operator RM2,192.50</p> <p>e. Azery Bin Abdul Rahman – Mandor, Harvesting = RM2,360.70</p> <p>f. Bonus</p> <p>Document No BARSB-MSPO-WP-L effective 1<sup>st</sup> July 2019</p> <p><b>TKI - Indonesian</b></p> <p>d. Yadmeil - RM1,872.70</p> <p>e. Herianto Paalang – RM2,409.84</p> <p>f. Yohannes Hans – RM2,066.40</p> <p>Document No BARSB-MSPO-WP-F</p>
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p><b>Other benefits</b></p> <p><b>Staff</b></p> <ol style="list-style-type: none"> <li>Annual Bonus payment.</li> <li>Free housing, water and electricity</li> </ol>



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	development, medical care and health provisions.		<ul style="list-style-type: none"> <li>3. Medical treatment</li> <li>4. Bonus payment</li> </ul> <p><b>Workers - Local</b></p> <ul style="list-style-type: none"> <li>1. Free Housing, water and electricity</li> <li>2. Medical treatment</li> <li>3. Incentive payment for work performance and additional work done</li> <li>4. Petrol allowance for mandor</li> </ul> <p><b>TKI - Indonesian</b></p> <ul style="list-style-type: none"> <li>1. Free accommodation, electricity and water</li> <li>2. Accident Insurance</li> <li>3. Payment of levy by the employer</li> </ul> <p><b>Source:</b> Letter of Appointment and Payslip</p>
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Inspection on-site indicate that the quarters have all the basic necessities and facilities and met Worker's Minimum Standards Housing and Amenities Act 1990(Act 446) and Sarawak Labour Ordinance.
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Sighted as per Policy signed by the Managing Director on 14 <sup>th</sup> August 2018. The policy is also displayed on the office notice Board
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Stated in the Good Social Practice Policy signed by the Managing Director on 14 <sup>th</sup> August 2018. Foreign and local workers are represented in meetings with the Estate Management.



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

**BORNEO AGRO-RESOURCES SDN BHD**

**BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

**LABANG ESTATE**

**Ref No: BARLE/SVA01/09/20**

**Standard: MS 2530-3:2013**

**Report Date: 30 12 2020**

	<p>join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p>		<p>Interviews with the local staff/workers and foreign workers do not see any need to form a Union. They are happy with the wages and facilities provided by the estate management. In addition, they can voice their needs to the management through meetings or grievances and complaint form.</p>
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</p>	<p><input checked="" type="checkbox"/> Compliance  <input type="checkbox"/> OFI  <input type="checkbox"/> NC - Minor  <input type="checkbox"/> NC - Major</p>	<p>Sighted in the Good Social Practice Policy signed by the Managing Director on 14<sup>th</sup> August 2018. During audit check at the estate, there is no evidence of underage workers being employed</p>

**Criterion 4.4.6: Training and competency**

4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training program (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p>	<p><input checked="" type="checkbox"/> Compliance  <input type="checkbox"/> OFI  <input type="checkbox"/> NC - Minor  <input type="checkbox"/> NC - Major</p>	<p>Viewed the Training Plan for 2020. Records on actual training conducted is verified through Training Attendance Record. The record is continuously updated after training program is conducted. (Refer to same information on criteria 4.4.6.3)</p>
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training program in order to provide the specific skill and competency required to all employees based on their job description.</p>	<p><input checked="" type="checkbox"/> Compliance  <input type="checkbox"/> OFI  <input type="checkbox"/> NC - Minor  <input type="checkbox"/> NC - Major</p>	<p>The Training Plan for 2020 is viewed. The program incorporated Training program for all level of employee including workers.</p> <p>There is also evidence of training on MSPO for staff and workers in 2019 (3 batches). Date of Training sighted: 12 November 2019, 15<sup>th</sup> December 2019 and 10<sup>th</sup> January 2020</p>



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

4.4.6.3	A continuous training program should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Training plan for 2020 is viewed and verified. Most of the Training plan have not been conducted due pandemic Covid 19.</p> <p>Staff and workers have attended briefings and Training on MSPO. This is confirmed through attendance records as follows:</p> <ol style="list-style-type: none"> <li>1. Briefing/meeting with the harvesters dated 15<sup>th</sup> December 2019 on MSPO, JKPP, importance of usage of PPEs.</li> <li>2. Training for Executive, staff and workers dated 12 November 2019. Topics covered: BMP Weeding, SOP Chemical Mixing, SOP chemical Spraying and Company Policy</li> <li>3. Meeting with manuring gang dated on 10<sup>th</sup> January 2020. Main topic included MSPO, Policy's related to MSPO, SOP Membaja, PPEs usage and importance of correction application of fertilizer.</li> </ol>
---------	---	--	---

**PRINCIPLE 5 ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES**

**Criterion 4.5.1: Environmental management plan**

Indicator	Requirement	Compliance	Findings
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed,	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Environmental Policy signed by MD on 14 08 2018 is noted and verified.</p> <p>EP is posted on Office notice board.</p> <p>EMP documented vide BARSB-MSPO-EM dated 01 07 2019</p>



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	effectively communicated and implemented.		
4.5.1.2.	The environmental management plan shall cover the following:		
A.	An environmental policy and objectives	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Environmental Policy signed by MD on 14 08 2018. Objectives noted on <ul style="list-style-type: none"> <li>Managing soil pollution</li> <li>Managing water pollution</li> <li>Managing air pollution</li> </ul> Documented on 01 07 2019
B.	The aspects and impacts analysis of all operations.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted aspect impact assessment ref doc no BARSB/MSPO/EM/AIA/WQ dated 01 07 2020 on the following: <ul style="list-style-type: none"> <li>Workers quarters</li> <li>Electric &amp; water</li> <li>Dumpsite</li> <li>Mobile equipment</li> <li>Estate office</li> <li>Workshop</li> <li>Lubricant store</li> <li>Diesel store</li> <li>Pesticide store</li> <li>Fertilizer store</li> <li>Harvesting</li> <li>Manuring, weeding</li> </ul>
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified in the EIP aspect impact assessment; control measures are developed and included in the plan. Noted during filed audit the control measures on manuring is practiced in the field.
4.5.1.4	A program to promote the positive impacts should be included in the continual improvement plan.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	A program to promote the positive impacts on environmental improvements is not sighted to be included in the continual improvement plan



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

4.5.1.5	An awareness and training program shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Awareness and training program had been established. Noted 2 training program had been conducted to employees of Labang Estate on the following dates: <ul style="list-style-type: none"> <li>• 08 09 2019</li> <li>• 10 10 2020</li> </ul>
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified the MSPO briefing on 10 10 2020 included discussion on "penjelasan ringkas penjagaan environment / alam sekitar

**Criterion 4.5.2: Efficiency of energy use and use of renewable energy**

4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed the following trends on usage / consumption of non-renewable energy: <table border="1" data-bbox="1013 1014 1445 1294"> <thead> <tr> <th>Year</th> <th>Non-renewable energy usage [liters]</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>173,658</td> </tr> <tr> <td>2017</td> <td>158,606</td> </tr> <tr> <td>2018</td> <td>154,725</td> </tr> <tr> <td>2019</td> <td>118,242</td> </tr> <tr> <td>2020</td> <td>82,942 [YTD August]</td> </tr> </tbody> </table> Consumption trending downwards. Noted in the budget for 2020/2021 consumption is targeted to be reduced	Year	Non-renewable energy usage [liters]	2016	173,658	2017	158,606	2018	154,725	2019	118,242	2020	82,942 [YTD August]
Year	Non-renewable energy usage [liters]														
2016	173,658														
2017	158,606														
2018	154,725														
2019	118,242														
2020	82,942 [YTD August]														
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted direct usage of renewable energy estimate for 2020 as follows in MYR: <ul style="list-style-type: none"> <li>• Motor vehicle – 50,000.00</li> <li>• Plant &amp; machineries – 150,000.00</li> <li>• Genset – 15,000.00</li> </ul> This is noted to be reduced usage from 2019												
4.5.2.3	The use of renewable energy should be applied where possible.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI	There is no plan to use renewable energy.												



**MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

		<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There are areas of possible use of renewable energy in Labang Estate [guardhouse, workers quarters]
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	waste products and sources of pollution shall be identified and documented.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and verified and documented in doc. ref BARSB MSPO EM AIA W dated 01 07 2019
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	
A	Identifying and monitoring sources of waste and pollution	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and verified and documented in doc. ref BARSB MSPO EM AIA W dated 01 07 2019; sources of waste and pollution in the estate identified and verified this is monitored.
B.	Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Biomass/palm fronds & Empty fruit bunches are recycled and used as fertilizer and water retention products.
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted and verified Standard Operating Procedure for handling of used chemicals ref doc no BAR MSPO SOP 12 01 07 19 signed by MD
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	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	At the time of store Audit no empty pesticides container sighted in the Schedule Waste Store. Collection of scheduled waste & disposal is done every 2 months by



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national program on recycling of used HDPE pesticide containers.		Scheduled Waste Contractor approved by Local Council.
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Domestic waste is disposed at frequency of twice weekly @ dumpsite landfill located approximately 2 km from the estate. Noted pieces of metal and other non-biodegradable waste disposed in the dumpsite

**Criterion 4.5.4: Reduction of pollution and emission**

4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted in doc BAR MSPO F17 dated 01 07 2019 an assessment of water, air, soil polluting activities conducted.
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The action plan to reduce identified significant pollutants and emissions is established and implemented. Refer doc BAR MSPO F17 dated 01 07 2019

**Criterion 4.5.5: Natural water resources**

4.5.5.1.	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Water management plan established vide doc ref BARSB MSPO WMP dated 01 01 2020
A	Assessment of water usage and sources of supply.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Labang estate main supply of water is through rain harvesting. Rain are harvested using 1200 liters container. LE has 135 containers. Rainwater are used for cleaning and washing only.
B	Monitoring of outgoing water which may have negative impacts into the natural	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	Viewed and verified during site audit the creation of:





**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	waterways at a frequency that reflects the estate's current activities.	<input type="checkbox"/> NC - Major	<ul style="list-style-type: none"> <li>Riparian &amp; Buffer Zones at confluence of natural streams &amp; manmade drains at various locations in the Estate [signages installed]</li> </ul> <p>Water sampling report done by Consultant ECOSOL at quarterly interval [4 times yearly]</p>
C	Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.)	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LE estate does not have documented plan on optimizing the use of rainwater harvested. No evidence noted in the water management plan
D	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along natural waterways within the estate.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>Viewed and verified during site audit the creation of:</p> <ul style="list-style-type: none"> <li>Riparian &amp; Buffer Zones at confluence of natural streams &amp; manmade drains at various locations in the Estate [signages installed]</li> </ul> <p>Noted also these zones are endowed with matured vegetation [local plant species &amp; shrubs]          Palm fronds are also used to prevent run off to drains and water courses.</p>
E	Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Noted no natural vegetation in riparian zones had been removed
F	Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No bore well is being constructed in the estate
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	Confirmed during field audit there is no construction of bunds, weirs and dams across main rivers or



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

		<input type="checkbox"/> NC - Major	waterways passing through an estate.
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Other than rain harvesting, 3 ponds found in Labang Estate for water collection to be used for estate maintenance works
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value area</b>			
4.5.6.1.	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:		
A	Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>No occurrence of HBVH found in the Estate during random checks during site audits.</p> <p>However, at buffer zones between the Estate and adjacent land or boundary perimeter areas, natural vegetation/forest cover of approximately 50 meters are created.</p>
B	Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The estate reported no sighting or occurrence of RTEs. Wildlife sightings are monitored through a record / log book.
4.5.6.2.	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>No occurrence up to date of RTEs.</p> <p>During field audit only noted the presence of monitor lizard and squirrels.</p>



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

A	Ensuring that any legal requirements relating to the protection of the species are met.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Posters of protected species displayed at all strategic places in the plantation premises  No occurrence up to date of RTES. During field audit only noted the presence of monitor lizard and squirrels.
B	Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No hunting, no fishing signages are placed at strategic points in the estate. However, there is evidence of fishing hooks seen during field audits.
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Environmental Management Plan is documented on 01 02 19 vide doc ref BARSB/MSPO/EMP/19. Biodiversity Conservation program is contained in this plan

**Criterion 4.5.7: Zero burning practices**

4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	BARSB had documented the Zero Burning Policy [signed by MD] and posted at Estate Office and Staff/Workers premise at Labang Estate
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	No occurrence of crop diseased since establishment of plantation is noted or evidenced.
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable



**MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

**PRINCIPLE 6 BEST PRACTICES**

**Criterion 4.6.1: Site management**

Indicator	Requirement	Compliance	Findings
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Viewed and verified in Standard Operating Procedure – Borneo Agro Resources Sdn Bhd (Labang Estate) document No MARSB-MSPO-SOP effective 1 <sup>st</sup> July 2019. A total of 20 SOP were sighted. The latest SOP sighted is on Consultation and Communication Doc No BARSB-MSPO-SOP-23 effective 24 <sup>th</sup> September 2020
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	About 80% of the estate is shallow peat. The remaining 20% are either flat or undulating Observed during site visit that the estate is well managed and met MSPO requirement <ul style="list-style-type: none"> <li>• Palm fronts are properly stacked to prevent/reduce soil erosion</li> <li>• Drains and waterways are well maintained</li> </ul>
4.6.1.3	A visual identification or reference system shall be established for each field.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Block Marker/signage and installation sighted. But the information is not adequate - only block No and year of planting is viewed. To include information Block No, Year planted, Size, No of palms and planting material

**Criterion 4.6.2: Economic and financial viability plan**

4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor	Business and Management Plan is as per Doc No BARSB-MSPO-Business and Management Plan signed and
---------	--	---	--



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

	and financial viability through long-term management planning.	<input type="checkbox"/> NC - Major	approved by The Managing Director on the 14 <sup>th</sup> December 2019															
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable															
4.6.2.3	The business or management plan may contain:																	
A	Attention to quality of planting materials and FFB.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Planting material selected is from three (3) established sources: 1. AAR 2. Felda 3. Chemera															
B	Crop projection: site yield potential, age profile, FFB yield trends.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Crop projection, yield potential and Yield/Ha <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Hecterage</td> <td>1,085.56</td> <td>1,085.56</td> </tr> <tr> <td>FFB forecast (MT)</td> <td>18,310</td> <td>23,000</td> </tr> <tr> <td>Actual(MT)</td> <td>26,531</td> <td>27,000 (revised)</td> </tr> <tr> <td>Yield per Ha</td> <td>24.44</td> <td>24.87 (estimate)</td> </tr> </tbody> </table> <p>Jan – August 2020(Actual) : 17,092 MT Budget Jan – Aug : 14,600 MT Age profile of palms ranged from 6 – 16 years (mature and prime mature)</p>		2019	2020	Hecterage	1,085.56	1,085.56	FFB forecast (MT)	18,310	23,000	Actual(MT)	26,531	27,000 (revised)	Yield per Ha	24.44	24.87 (estimate)
	2019	2020																
Hecterage	1,085.56	1,085.56																
FFB forecast (MT)	18,310	23,000																
Actual(MT)	26,531	27,000 (revised)																
Yield per Ha	24.44	24.87 (estimate)																
C	Cost of production: cost per ton of FFB.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The projected cost of production is summarized below: <table border="1"> <thead> <tr> <th></th> <th>2020 (Estimate)</th> </tr> </thead> <tbody> <tr> <td><b>Expenses(RM)</b></td> <td>7,727,477</td> </tr> <tr> <td><b>Harvest(MT)</b></td> <td>27,000</td> </tr> <tr> <td><b>Cost/MT</b></td> <td>286.00</td> </tr> </tbody> </table> <p><b>Note</b> The projected cost is based on estimated actual FFB production for 2020</p>		2020 (Estimate)	<b>Expenses(RM)</b>	7,727,477	<b>Harvest(MT)</b>	27,000	<b>Cost/MT</b>	286.00							
	2020 (Estimate)																	
<b>Expenses(RM)</b>	7,727,477																	
<b>Harvest(MT)</b>	27,000																	
<b>Cost/MT</b>	286.00																	
D	Price forecast	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI	The price forecast is sighted in Borneo Agro-Resources Sdn Bhd															



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

		<input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Budget 2020. The forecast for 2020 is averaged at RM433/MT FFB
E	Financial indicators: cost benefit, discounted cash flow, return on investment.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Financial Indicators used in the financial projection/Budget 2020: <ol style="list-style-type: none"> <li>1. Revenue</li> <li>2. Harvesting Cost</li> <li>3. Mature Direct cost</li> <li>4. Gross profit</li> </ol>
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>In the Business and Management Plan summary, Borneo Agro-Resources Sdn Bhd is committed to comply to regulatory requirement. The estate is also required to adhere to relevant national laws and regulations as well as international environmental related guidelines and standard</p> <p>The management plan is regularly monitored and reviewed through:</p> <ul style="list-style-type: none"> <li>• Weekly visit and inspection by the Managing Director</li> <li>• Estate Management and staff Meeting</li> <li>• Regular visits by the Managing Director to the estates (normally once a week)</li> <li>• Daily morning muster where the workers are briefed of their task of the day.</li> </ul>
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>In term of FFB pricing, the Estate supplied to the group own Mill</p> <p>The pricing mechanism between the estate and the mill follows MPOB pricing mechanism</p> <p>With regards to the other works, the pricing mechanism for 2020 is</p>



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			summarized as follows (Refer Doc NO BARSB-MSPO-P) effective 2 <sup>nd</sup> February 2020:																		
			<table border="1"> <thead> <tr> <th>ACTIVITY</th> <th>RATE(RM)</th> </tr> </thead> <tbody> <tr> <td>Harvesting</td> <td>30.00/Mt</td> </tr> <tr> <td>Pruning</td> <td>20.00/HA</td> </tr> <tr> <td>Blanket Spray</td> <td>61.00/HA</td> </tr> <tr> <td>Manuring – 50kg/bag(3kg/palm)</td> <td>1.80/bag</td> </tr> <tr> <td>Manuring – 50kg/bag(2kg/palm)</td> <td>1.95/bag</td> </tr> <tr> <td>Manuring – 50kg/bag(1kg/palm)</td> <td>2.30/bag</td> </tr> <tr> <td>Manuring – 50kg/bag(0.5kg/palm)</td> <td>3.00/bag</td> </tr> <tr> <td>Transportation Cost</td> <td>2.80/ton</td> </tr> </tbody> </table>	ACTIVITY	RATE(RM)	Harvesting	30.00/Mt	Pruning	20.00/HA	Blanket Spray	61.00/HA	Manuring – 50kg/bag(3kg/palm)	1.80/bag	Manuring – 50kg/bag(2kg/palm)	1.95/bag	Manuring – 50kg/bag(1kg/palm)	2.30/bag	Manuring – 50kg/bag(0.5kg/palm)	3.00/bag	Transportation Cost	2.80/ton
ACTIVITY	RATE(RM)																				
Harvesting	30.00/Mt																				
Pruning	20.00/HA																				
Blanket Spray	61.00/HA																				
Manuring – 50kg/bag(3kg/palm)	1.80/bag																				
Manuring – 50kg/bag(2kg/palm)	1.95/bag																				
Manuring – 50kg/bag(1kg/palm)	2.30/bag																				
Manuring – 50kg/bag(0.5kg/palm)	3.00/bag																				
Transportation Cost	2.80/ton																				
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The rate is agreed through formal agreement between the estate management and the workers (Doc No BARSB-MSPO-C & A)																		
<b>Criterion 4.6.4: Contractor</b>																					
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	One contract agreement sighted in the form of "Lontrak Berniaga Kedai Runcit 2019" using Doc No BARSB-MSPO-MASTER effective 1 <sup>st</sup> July 2018																		
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The contract is signed by the Contractor of the "Berniaga Kedai Runcit" and approved/certified by the Admin Manager																		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	There is strong cooperation and commitment from the management and staff during the whole auditing process																		
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Not applicable. The field activities such as harvesting, maintenance work etc. are performed by the estate itself																		

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

the assessment of the contractor for each task and season contracted.		
---	--	--

**PRINCIPLE 7 DEVELOPMENT OF NEW PLANTING**

No development of new planting

**5.2. STAKEHOLDERS' CONSULTATION REPORT****List of Respondents**

No	Name	Identity No [if available]	Relationship to Auditee
1	Waslee Abdullah		Local Community – Ketua Kampung, Kampung Labang
2	Kamis B. Lias		Local Community –Jawatankuasa Kerja (Land Matters) Kampung Labang
3	Rose Galong Anak Ding		Employee – General Clerk
4	Lucy Achong		Employee – General Asst Clerk
5	Romi Syahminar		Employee – TKI Indonesia
6	Yanti		Employee – TKI Indonesia

**1.0. Consultation Technique:**

Consultation Technique: Face to face interview  
(Can select more than one)

**Meeting** (to submit list of participants if available)

Phone interview

Written views and comments (mail, email etc. based on pre-determined questions)

**2.0. Questionnaires**

No	Criteria	Result	Remarks
1.	Is/Are this stakeholder registered in the organization's stakeholder list?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Four(4) are employee while two(2) are local community nearby
2.	Based on input received, is/are transparency of information between organization and stakeholder justified? (clause 4.2.1 & 4.2.2]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
3.	Any feedback, complaint or grievances raised by this/these stakeholder before? (If Yes, please briefly explain the nature of the feedback/ complaint/ grievance in Remarks)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	They did not raise any complaint before. All stated that, they are happy with the Estate Management





**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

**BORNEO AGRO-RESOURCES SDN BHD**

**BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

**LABANG ESTATE**

**Ref No: BARLE/SVA01/09/20**

**Standard: MS 2530-3:2013**

**Report Date: 30 12 2020**

4.	If (3) above is Yes, does the organization handle the feedback/ complaint/ grievance appropriately?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
5.	Any land issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>No land issue as the local community did not surrender any part of their land for plantation development</i>
6.	Any social issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7.	Any environmental issue being raised during audit against the organization? (if Yes, does the issue been, or in progress of being resolved?)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8.	Is the issue stated above being brought to the audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

3.0.	Auditor Summary Statement	[Remarks, Comments & Opportunity for Improvements]
	<p>The four (4) employee interviewed comprising two (2) staff and two (2) foreign workers have no complaint with the estate management. They are satisfied with the facilities, wages and benefits provided.</p> <p>The two (2) local community interviewed have no issue with the Estate Management ;</p> <ol style="list-style-type: none"> <li>1. Their land is not affected by the estate development</li> <li>2. No environmental issue affecting them arising from Estate activities.</li> <li>3. The Estate management are very approachable and attending to them when they need help such as donations in monetary form and in kind, attending to their functions when invited.</li> <li>4. The community are also given access and right of way on usage of estate roads.</li> </ol>	

**5.3. Summary of Findings**

**Table:**

Principles	P1	P2	P3	P4	P5	P6	Total
No of NC: Major	0	0	0	0	0	0	0
No of NC: Minor	0	0	0	0	1	0	1
No of OFI: Opportunity for Improvement	1	0	0	2	3	1	7
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>8</b>



**MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

**PRINCIPLE 1 MANAGEMENT COMMITMENT & RESPONSIBILITY**

1.

**Criterion 4.1.2: Internal audit**

Indicator	Requirement	Compliance	Findings
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Internal Audit Procedure documented vide doc ref BARSB MSPO SOP 01 dated 01 07 2019 Noted Internal Audit Checklist / report for 2020 conducted on 27 08 2020 [doc ref BARSB MSPO-IACL. <b>Results documented with 5 findings but</b> <ul style="list-style-type: none"> <li>• <b>Report not signed</b></li> <li>• <b>Summary of Audit results not documented.</b></li> </ul>

**PRINCIPLE 4 SOCIAL RESPONSIBILITY, HEALTH, SAFETY & EMPLOYMENT CONDITIONS**

2.

**Criterion 4.4.4: Employees' safety and health**

1.	Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Trained First Aider for BARSB-Labang Estate are a follows : d. Lucy anak Achang e. Sim Chang Eng f. Azery Bin Abdul Manan (the certificate is effective from 15/1/2019 – 15/1/2020) First Aid Equipment with approved contents is sighted at the Estate Office which is equipped with the basic requirement. However, the First Aid Kit is not seen at other sites especially at workshop and chemical store area
----	---	--	--

3.

**Criterion 4.4.4: Employees' safety and health**

J.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	The procedure Doc No BARSB-MSPO-AERP effective 1 <sup>st</sup> July 2019 is sighted – Procedure <i>Notifikasi Aduan, Kemalangan, kemalangan nyaris,</i>
----	---	--	---



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			<p>kejadian berbahaya, keracunan pekerjaan. In the procedure, the following document are also sighted:</p> <ul style="list-style-type: none"> <li>d. Borang JKPP 6,</li> <li>e. Borang JKPP 7 &amp;</li> <li>f. Borang JKPP 8.</li> </ul> <p>There is no evidence that records of accident are compiled and submitted to JKPP. It is a requirement by Department of Occupational, Safety and Health that report on Accident has to be submitted to JKPP.</p>
--	--	--	--

**PRINCIPLE 5 ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES**

**4.**

**Criterion 4.5.1: Environmental management plan**

Indicator	Requirement	Compliance	Findings
4.5.1.4	A program to promote the positive impacts should be included in the continual improvement plan.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	A program to promote the positive impacts on environmental improvements is not sighted to be included in the continual improvement plan

**5.**

**Criterion 4.5.2: Efficiency of energy use and use of renewable energy**

4.5.2.3	The use of renewable energy should be applied where possible.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	<p>There is no plan to use renewable energy.</p> <p>There are areas of possible use of renewable energy in Labang Estate [guardhouse, workers quarters]</p>
---------	---	--	---

**6.**

**Criterion 4.5.3: Waste management and disposal**

4.5.3.1	waste products and sources of pollution shall be identified and documented.		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	<input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Domestic waste is disposed at frequency of twice weekly @ dumpsite landfill located approximately 2 km from the estate.



**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01**

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

			Noted pieces of metal and other non-biodegradable waste disposed in the dumpsite
--	--	--	--

7.

**Criterion 4.5.5: Natural water resources**

4.5.5.1.	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Water management plan established vide doc ref BARSB MSPO WMP dated 01 01 2020
C	Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.)	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	LE estate does not have documented plan on optimizing the use of rainwater harvested. No evidence noted in the water management plan

**PRINCIPLE 6 BEST PRACTICES**

8.

**Criterion 4.6.1: Site management**

Indicator	Requirement	Compliance	Findings
4.6.1.3	A visual identification or reference system shall be established for each field.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Block Marker/signage and installation sighted. But the information is not adequate - only block No and year of planting is viewed.  To include information Block No, Year planted, Size, No of palms and planting material

**5.4. AUDIT CONCLUSION**

Summary Statement of Lead Auditor	Signature
The purpose of this Surveillance Audit is to evaluate the implementation, including effectiveness, of Borneo Agro Resources – Labang Estate management systems and that the requirement of the Standards MS2530-3:2013 is fulfilled.	



# MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

There were 8 findings – 1 NC minor 7 OFI - opportunity for improvement in this Audit. Upon conclusion and in consultation with the Audit team, the Lead Auditor recommend the Certification of BARSB Labang Estate under the Standard MS2530-3:2013 [Part 3 General Principles for Organized Smallholders and Palm Oil Plantation] be maintained.

Wilfred S Landong  
Date: 02 10 2020

## 5.5. Acknowledgement by Auditee Estate Manager Signature

This is to acknowledge and confirm the Audit Visits/Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.

Sim Chang Eng  
Senior Supervisor  
Date: 02 10 2020

## 5.6. CORRECTIVE ACTION REPORT

8 Corrective Action Report were raised 02 10 2020

All corrective action reports were closed out on 10 12 2020

## 6.0. OFFICIAL SIGN OFF

## 6.1. ASSESSMENT RECOMMENDATION: LEAD AUDITOR

Based on the Findings/Action taken by Auditee/Closures above, **Labang Estate** had been able to demonstrate generally its continual compliance to and with requirements of the MSPO MS2530-4:2013 Standard for General Principles for Palm Oil Mills.

Therefore, it is recommended that the Certification of **BARSB Group of Plantation** be maintained.

Wilfred S Landong  
20 12 2020

## 6.2. ASSESSMENT REVIEW BY TECHNICAL REVIEWER

I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of the Report in its' entirety.

I confirm that, to the best of my knowledge the information and conclusions included in this report have been prepared in compliance with the Standards



## MSPO SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

requirements; and done in good faith and that the Lead Auditor recommendations had been based upon this information.

Patrick Sibat

26 12 2020

I, hereby confirm that, the Certification of **BARSB Group of Plantation** under the Standard MS2530-3:2013 [Part 3 General Principles for Organized Smallholders and Palm Oil Plantation] be maintained.

### 7.0. CONCLUSION

#### 7.1. CERTIFICATION: BQAS MANAGEMENT

In reference to MS 2530-3:2013, BQAS Management hereby approved of:

- Issuance of the certificate.
- Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.

#### Maintenance of the certificate.

- Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.

#### 7.2. PLAN FOR NEXT SURVEILLANCE AUDIT

Surveillance Audit Year 01 was delayed due to COVID19 Movement Control Order as enforced by Malaysian government authorities.

**Surveillance Audit Year 02 is scheduled to be by October, 2021**

### 8.0. ATTACHMENTS

Nil

#### FOOTNOTES

All audit findings are based on a sampling process, targeted towards reliable evidence for effective implementation and compliance of the management system. Where applicable findings and required corrective action were or will be agreed upon with the responsible managers or management representatives, steps have been or will be defined to resolve such non-conformity. Further business aspects may exist, positive or negative, which have not been reviewed by the audit team. It is the organization's responsibility to investigate and evaluate the potential impact and scope of findings, thus continuously ensuring full compliance to the applied standard(s)



MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

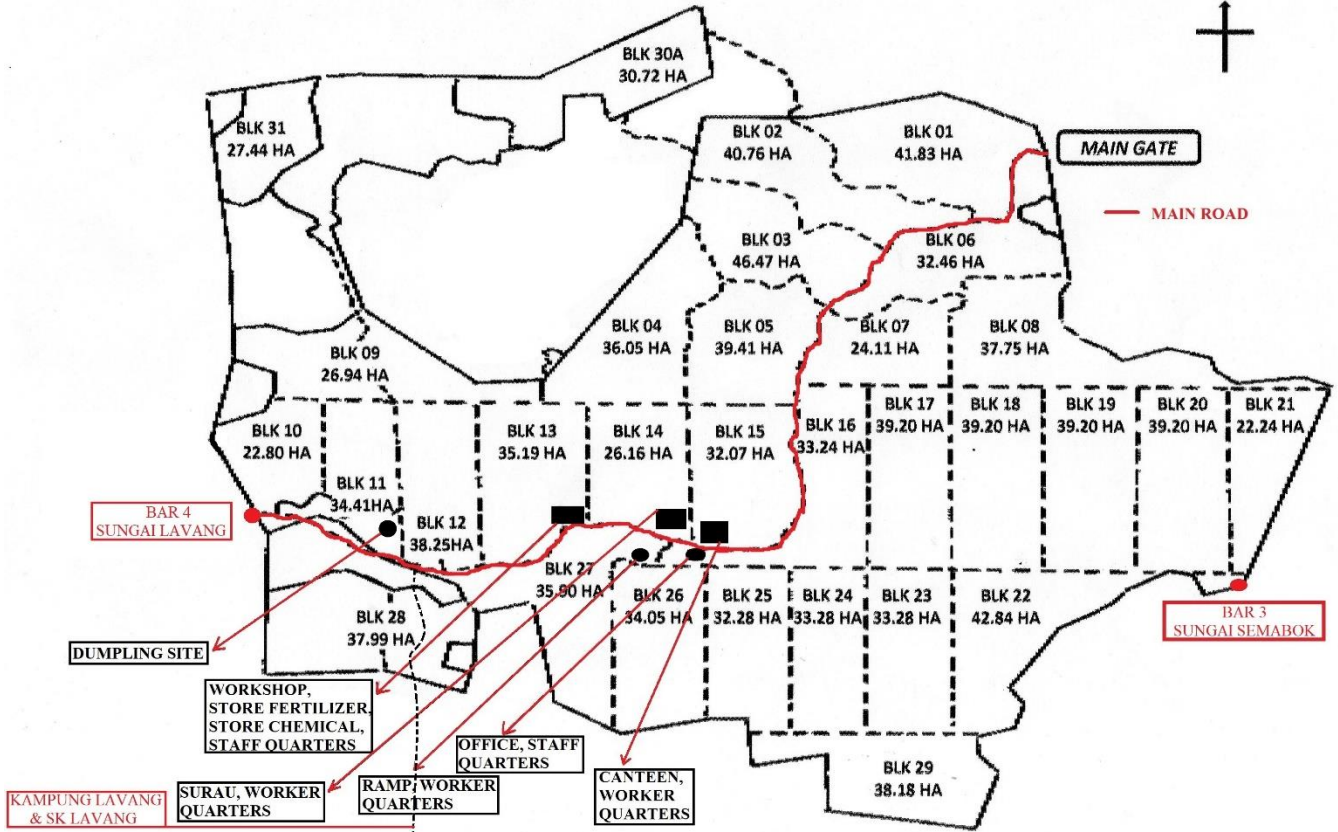
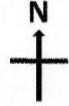
Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

**BORNEO AGRO RESOURCES SDN. BHD.**  
(LABANG DIVISION)

UPDATED: 07 MAR 2017





MSP0 SURVEILLANCE CERTIFICATION REPORT Year 01

BORNEO AGRO-RESOURCES SDN BHD

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

LABANG ESTATE

Ref No: BARLE/SVA01/09/20

Standard: MS 2530-3:2013

Report Date: 30 12 2020

