

NESUS CERTIFICATION SDN BHD



MSPO CERTIFICATION SUMMARY REPORT

FOR

**DYNAWOOD PLANTATION (SEMATAN)
SDN BHD & GROUP**

Date: 21st February 2024

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MSPO Certification Summary Report		
	Company Name:	Dynawood Plantation (Sematan) Sdn Bhd & Group
	Certifying Unit:	1. Dynawood Plantation (Sematan) Sdn Bhd (790743-U) 2. Dynawood Plantation (Sematan) Enterprise (1603)
	Client Number:	NSC-08-05-21/MSPO(2)
	Audit Type:	Group / Recertification Year 6 Audit

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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GMP	Good Milling Practices
GPS	Global Positioning System
GAP	Good Agriculture Practices
ISO	International Standard Organisation
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened and Endangered Species
SDS	Safety Data Sheet
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

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1. INTRODUCTION

Dynawood Plantation (Sematan) Sdn Bhd and group has commissioned Nesus Certification Sdn Bhd to conduct Recertification audit for its oil palm plantation, **Dynawood Plantation (Sematan)**, according to MS 2530-3:2013 Part 3 General Principles for Oil Palm Plantations and Organized Smallholders.

1.1. Objective

The objective of this **Recertification** audit is to assess the oil palm plantations by an independent certification body with the aim for compliance of the standards.

1.2. Scope

Any changes in scope Yes ☐ No ☒

The certification is based on the documentation established by **Dynawood Plantation (Sematan)**. The supporting documents provided to the audit team as well as information received by means of interviews, background investigation and site assessment.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3: 2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders. Nesus Certification Sdn Bhd has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

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


1. Malaysian Sustainable Palm Oil Part 3: General Principles For Oil Palm Plantations And Organized Smallholders audit guidance;

1.3. Appointment and Qualification of team members

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

Audit:	Date:	Audit Team	
Recertification Year 6	18th January 2024	Lead Auditor	Jeffrey Denis Ridu ; Certified MSPO SCCS Auditor (SGS Malaysia), Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Plantation Management (UPM), BS Agbusiness (Iowa State University, USA), DPIM (ITM Perlis); 25 years working experience related to palm oil; Site & documentation audit and interview based on Principles 1 to 7 of MS 2530-3:2013.
		Auditor 1	Jiram Sidu ; Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Auditor (SGS Malaysia), MSc Science and Rural Resources and Environmental Policy (UK), BSc (Hons) Social Science (USM); More than 40 years experience in agriculture and environment management field; Site & documentation

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			audit and interview based on Principles 1 to 7 of MS 2530-3:2013.
		Auditor 2	Dickens Mambu; Certified MSPO SCCS Auditor (SGS Malaysia), Certified Lead Auditor QEHS (SGS Malaysia), Certified MSPO Lead Auditor (DQS Certification), MSc Sustainable Land Use (Unimas), BSc (Hons) Conservation Biology (UMS), Exec. Diploma in Plantation Management (UTM); 15 years working experience related to palm oil; Site & documentation audit and interview based on Principles 1 to 7 of MS2530-3:2013.

Clients Review:	Lee Ka Cheng	Date:	23/02/2024
Peer Reviewer 1:	Ting Moi Ngie	Date:	09/03/2024
Peer Reviewer 2:	George Akam	Date:	12/03/2024
Certification Decision Panel:	Monica Mone Lubong	Date:	18/03/2024
Approved by CM:	Dickens Mambu	Date:	18/03/2024

5 Years Audit Programme

Planned month & year	S1 Date:	S2 Date:	SA1 Date:	SA2 Date: 15/04/21	SA3 Date: 15/04/22	S4 Date: 15/04/23	RA Date: 15/12/23
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stakeholder consultation / survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Use of logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Follow-up from previous audit finding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1 Management Commitment & Responsibility							
4.1.1 MSPO Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.2 Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.3 Management review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.4 Continual improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2 Transparency							
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.2 Transparent method of communication and consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements							
4.3.1 Regulatory requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4 Social responsibility, health, safety and employment condition							
4.4.1 Social impact assessment (SIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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4.4.2 Complaints and grievances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment. natural resources, biodiversity							
4.5.1 Environmental management plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best practices							
4.6.1 Site management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting (not applicable)							
4.7.1 High biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Peat land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Social and Environmental Impact Assessment (SEIA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.4 Soil and topographic information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.5 Planting on steep terrain, marginal and fragile soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.6 Customary land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note:

Legend:

☑ - plan to cover & covered

S1 - Stage 1


SA - Surveillance assessment (not more than 12 months from certification decision date)

□ - for uncover

S2 - Stage 2

RA - Reassessment (4 months before certificate expiry)


Audit Stage	S1	S2	SA1	SA2	SA3	SA4	RA
Year	1	1	2	3	4	5	6
Plan	-	-	-	15/04/21	15/04/22	15/04/23	15/12/23
Actual	-	-	-	27-28/08/21	18-19/03/22	22-23/02/23	18/01/24
Team Leader	-	-	-	Dickens Mambu	Jiram Sidu	Jeffrey Denis Ridu	Jeffrey Denis Ridu

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PR 1	-	-	-	George Akam	-	-	George Akam
PR 2	-	-	-	Ting Moi Ngie	-	-	Ting Moi Ngie

NESUS CERTIFICATION

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2. METHODOLOGY

The audit approach consists of the following steps:


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

Recertification Audit:

Recertification audit was conducted on **18th January 2024** which covers the following activities but not limited to below:

- On-site inspection, observations and review plantation documents for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during **Surveillance 4** audit;
- Assessment reporting;

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On-site Assessment

The audit of the plantation was conducted according to the MS 2530-3:2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders.

The methodology for objective evidence collection was through documentation review, monitoring data and site assessment. The audit evidence obtained was based on a sample of the information; thereby introducing an element of uncertainty. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were taken into account in the assessment.

Non-conformance:

On the basis of the desk review, evidences presented during the audits, non-conformance (NC) Major, Minor and Observation may be raised during the audit.


Major non-conformance shall be addressed and responded within 90 days from closing date of audit. For minor non-conformance, an action plan need to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be reviewed and verified during the next audit.

Site Sampling**Sampling Methodology and Risk Determination**

$$\sqrt{2 \times 1.5 \text{ (risk)}} \\ = 2.12$$

Audit sample taken was for both Dynawood Plantation (Sematan) Sdn Bhd and Dynawood Plantation (Sematan) Enterprise.

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3. ORGANIZATION INFORMATION

This report presents the results of the certification assessment at **Dynawood Plantation (Sematan) Sdn Bhd & Group** on **18th January 2024** by Nesus Certification Sdn Bhd. The purpose was to assess the operations of **Dynawood Plantation (Sematan) Sdn Bhd & Group** against the requirements of the Malaysian Sustainable Palm Oil (MSPO) certifications.

Dynawood Plantation (Sematan) Sdn Bhd & Group are consisted of Dynawood Plantation (Sematan) Sdn Bhd (790743-U) and Dynawood Plantation (Sematan) Enterprise (1603). The size of **Dynawood Plantation (Sematan) Sdn Bhd** (790743-U) is **120.00 hectares** and **Dynawood Plantation (Sematan) Enterprises** is **39.19 hectares**. **Dynawood Plantation (Sematan) Sdn Bhd & Group** will apply the certification of MS2530-3:2013 as the organization is committed to become a Sustainable Palm Oil producer.

Table 1: Information of Estate Being Audited

Name of Organisation	Location	Coordinates	
		Lat.:	Log.:
Dynawood Plantation (Sematan) Sdn. Bhd	11km, Kpg. Serayan Baru, Jalan Lundu-Sematan, Lundu, Sarawak.	1.760233	109.771738
Dynawood Plantation (Sematan) Enterprise	Lot NCR, Sg. Serayan, Jalan Lundu-Sematan, Lundu, Sarawak.	1.752388	109.777189

Table 2: Supply Base Area Statement

Area Statement (Ha)				
Estate	Titled Area (Ha)	Planted (Ha)	Conservation / HCV (Ha)	Others (Ha)
Dynawood Plantation (Sematan) Sdn. Bhd	120.00	120.00	-	-
Dynawood Plantation (Sematan) Enterprise	39.19	39.19	-	-
TOTAL	159.19	159.19	-	-

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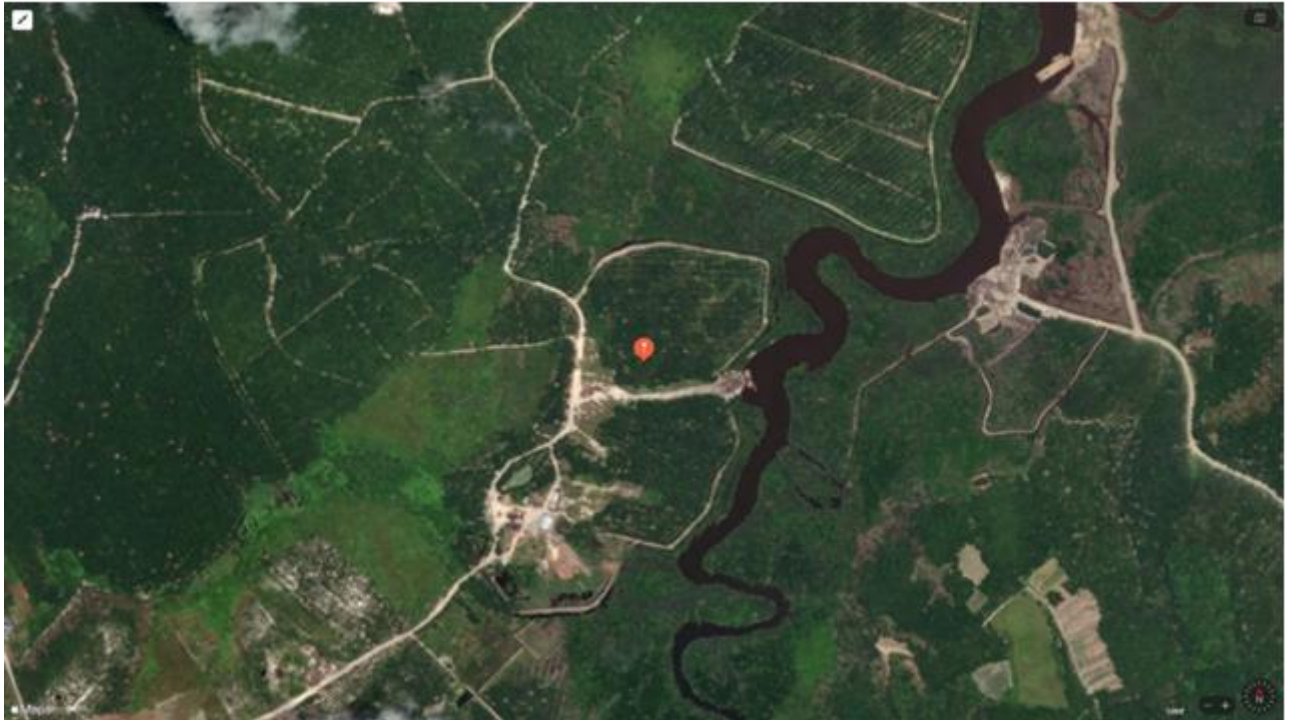
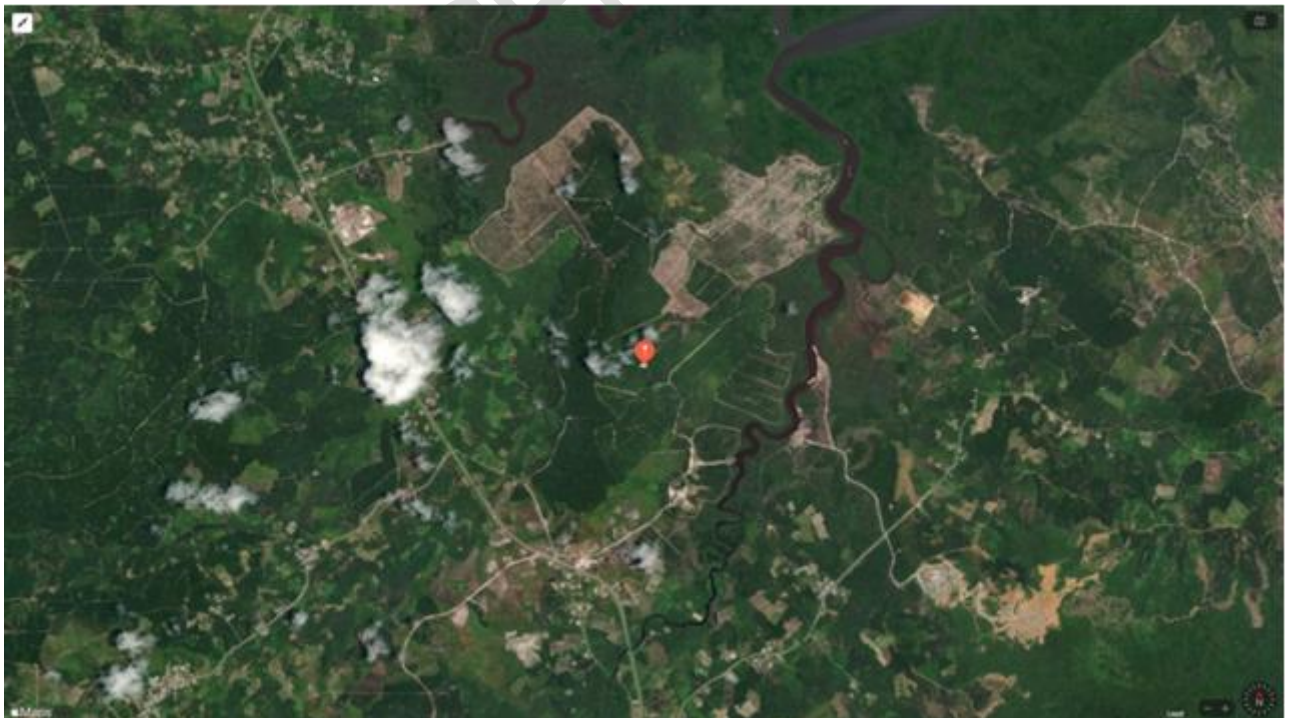
Table 3: FFB Production

Estate	FFB Production (Mt)	
	Year 2020 (Actual)	Year 2021 (Projection***)
Dynawood Plantation (Sematan) Sdn Bhd and Group	3,431.22	3,520.00


1.1 Location Map of the Production Unit

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Dynawood Plantation (Sematan) Enterprise**Dynawood Plantation (Sematan) Sdn Bhd**

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4. AUDIT ASSESSMENT**4.1 Recertification Audit**

The objective of the audit is to assess the activities of the plantation are in compliance with MS 2530-3:2013 Part 3 General Principles For Oil Palm Plantations And Organized Smallholders.

4.1.1 Recertification Audit

The Recertification audit was conducted on **18th January 2024**.

During the Recertification audit, there were **0 Major, 2 Minor and 1 OFI findings** being raised. The non-conformances raised during the audit were closed out by means of documents review that were established, revised and implemented appropriately and preventive actions taken by the estate.

During this audit, the minor non-compliance raised in the previous annual surveillance audit has been reviewed by the audit team by means of inspection of estate activities, conducted interviews, reviewed and verified documents that were established, corrected and implemented appropriately by the estate team. The corrective measures implemented were verified as appropriate.

For details of the assessment, refer to the summary of assessment for each indicator in section 4.4 of this report.


4.2 Stakeholders' Consultation

Nesus Certification Sdn Bhd, has notified the stakeholder as to accommodate stakeholder's consultation and communication for **Dynawood Plantation (Sematan) Sdn Bhd & Group** to provide comments. As at audit date on **18th January 2024**, there were no adverse comments received.

Table 5: Stakeholder Consultation for Bintulu Lumber Development Sdn Bhd (BLD Sawai Estates)

Stakeholders Categories	Stakeholder's Input / Comments	Clients Feedback / Response
Government Jabatan Kerja Raya, Sematan	No issues so far. Any issues brought up will be discussed through proper channel provided.	There is a two-way communication available.
Supplier: Simcity Aircond & Electrical Services	Happy with the business dealings and have no issues.	Maintain the good relationship.
Neighboring estate: Brimark Enterprises Sdn Bhd	No issue.	Maintain the good relationship.
Local Community: Edwin Anak Batu	The company has brought good impact to the landowners.	Maintain the good relationship.
Employee: Catholis Robos Ak Limpu	Happy with work condition and pay.	Always looking after the welfare and well-being of all employees.

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4.3 SUMMARY OF FINDINGS**Principle and Criteria Assessment Summary**

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits where all criterion will be assessed. Evidences are sought for conformity with the MSPO 2530-3:2013. The summary of the assessment can be seen below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below.

4.4 COMMENT ON COMPLIANCE STATUS, POSITIVE OBSERVATION & OPPORTUNITIES FOR IMPROVEMENT


Principle	Description	Comment	Conformity
Principle 1	Management Commitment Responsibility &	<p><u>Policy on Implementation of MSPO</u> The company has established MSPO policy dated on 15th August 2018 signed by Mr. Lee Kuok Ann, Managing Director. The policy is being communicated through several ways such as by displaying the policy at office and labour quarters. It is also being communicated to the employees during muster call. The policy emphasizes the company commitment towards sustainable development and continuous improvement in plantation operation.</p> <p><u>Internal Audit</u> Internal Audit was planned to be conducted at least once not exceeding a year period. This requirement was clearly indicated in the Internal Audit Procedure developed. Internal Audit Report produced at the end of the audit and brought up to the management and reviewed accordingly.</p> <p><u>Management Review</u> Management Review is scheduled to be conducted once a year after internal audit has been conducted.</p> <p><u>Continual Improvement</u> The company has identified Continual Improvement Plan for several criteria such as environmental, social, safety and health. The progress of each identified improvement plan is being monitored closely by the management.</p>	Complied

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Principle 2	Transparency	<p><u>Transparency of documents relevant to MSPO requirements</u> Consultation and Communication procedure had been established. Estate management is required to maintain an communication logbook to record every request made by stakeholders. Noted the aforementioned communication logbook is being maintained appropriately. All requests made by stakeholders have been addressed in appropriate language and form.</p> <p>All publicly available documents was made available upon request. Mechanism on Information request by stakeholder's procedure was available.</p> <p><u>Transparent method of communication and consultation</u> Consultation and Communication procedure had been established. Social Liaison Officer has been appointed to deal with any consultation and communication related to stakeholders. All relevant stakeholders have been identified and maintained in Stakeholder List.</p> <p><u>Traceability</u> The company had established Traceability as part of Standard Operating Procedure. The procedure established to suit conditions of each operating unit to achieve effective traceability system. The procedure was designed to shows the actual implementation thus reducing the needs of frequent inspection. Nevertheless, appointed person in charge has been appointed to ensure the system is being implemented continuously. All records and documents related to traceability are being maintained accordingly as required by the procedure.</p>	Complied
		<p><u>Regulatory requirements</u> The estate operation is in compliance with the applicable of local state, national and ratified international laws and regulations. The estate appointed legal officer are responsible to monitored on the compliance. Should there be any changes, estates management will be informed to make adjustment accordingly.</p> <p>Dynawood Plantation (Sematan) Sdn Bhd</p>	Complied

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		<p>Example : MPOB license : Reg : 513423002000 Hectare: 120 Expired : 30th June 2024</p> <p>Dynawood Plantation (Sematan) Enterprise Example : MPOB license : Reg : 518702101000 Hectare: 39.19 Expired : 28th February 2029</p> <p><u>Legal land use rights</u> All estates assessed managed to present the agreement for respective areas. All legality and ownership documents were found well maintained. Maps have been established indicating the extent of the estate's area. It was found the established map is tally with the agreement with the land owner.</p> <p>Management have provided "JOINT-VENTURE AGREEMENT" document which shows that the establishment of oil palm plantation is sited on Native Customary Right (NCR) land. Dynawood Plantation (Sematan) Sdn Bhd and Dynawood Plantation (Sematan) Enterprise Dated : 30th June 2007</p> <p><u>Customary rights</u> There are no issues on legal acquisition of land. The estate will respond according to the Complaints/Grievance Mechanism should any cases arise in future.</p> <p>Dynawood Plantation (Sematan) Sdn. Bhd estates are on Lease agreement with NCR land owner. Lease agreement were sighted and verified. Land owner also contacted to verified the agreement and status of payment.</p> <p>There was a mutual agreement between Dynawood Plantation and En. Edwin Anak Batu of Kpg Serayan to develop this area consisting of 159.19 hectares over on 30th June 2007.</p>	
Principle 4	Social responsibility, health, safety and employment condition	<p><u>Social Impact Assessment</u> SIA conducted internally by appointed consultant and estate staff.</p> <p>N/C No.1; MINOR (Principles 4.4.1.1)</p>	Minor Conformity and Opportunity for Improvement (OFI) have been

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		<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones but was not revised and updated as per requirements of the new standard.</p> <p>There is lack of in-depth assessment of the social impacts especially on the surrounding local communities and neighbouring estates for Dynawood Plantation (Sematan) Sdn Bhd & Dynawood Plantation (Sematan) Enterprise.</p> <p><u>Complaints and grievances</u> Standard Operating Procedure Complaints and grievances procedure CG/DP/2018 dated 01st August 2018. Process flow of complaints and grievances included in the procedure to specify on suggested period should be taken to resolve any complaint received. The relevant stakeholders have been made aware of the complaints and grievance mechanism.</p> <p><u>Commitment to contribute to local sustainable developments</u> The estate management has been actively helping and contributing to the local communities in vicinity. Observed all CSR records were retained appropriately by the estate. Employment opportunity was priority given to the local community.</p> <p><u>Employees safety and health</u> Sighted safety and health policy dated 15th August 2018 signed by Mr Lee Kuok Ann (Managing Director). The establishment of the policy has been communicated through training and stakeholder consultation and communication.</p> <p>Occupational Safety and Health Plan for year 2021 was sighted during the audit. The plan consists of the requirement of indicator 4.4.4.2 of this standard. HIRARC has been established covering all activities in the estate such as harvesting, spraying, manuring etc.</p> <p>Training to employees exposed to pesticide was sighted. Based on sampled training record noted that the training has been conducted as planned. Further assessed during interview session with workers</p>	raised.
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		<p>through phone-call, int erviewees admitted that they have been given relevant training on safe working procedure.</p> <p>During interview session with workers through phone-call, noted that workers were adequately equipped with PPE. The workers claimed the management provided them with the necessary PPE. Broken or unfit PPE will be replaced for free by the management provided they return the old or broken PPE. However, during the assessment, record of issuance was not updated with regards to replaced and new PPE provided to the workers.</p> <p>SOP for Chemical Handling Procedure CH/DP/2018 dated 01/08/2018 has been established. The manual covers various activities including operational and non-operational activities. Safety procedure for storage of chemical and empty container, spraying manual, issuance of chemical, rat baiting and chemical mixing were made available during the audit.</p> <p>Sighted estate management had formed an MSPO Committee to discuss on MSPO elements and requirement. MSPO Organization chart of the estate has been established. The number of management representatives and worker representatives are well balanced. The MSPO meeting is being conducted 2 times a year or if any urgent matter to discuss.</p> <p>Sighted Accident investigation & reporting was made available as per Ref Control No: DPSB-FP4-12 and instructions clearly understood by all employees. The procedure covers emergencies such as injuries of employees or visitors, fire emergency, and chemical spills. Emergency layout plan and emergency contact number was made available at work site.</p> <p>There was no accident recorded in the estate. Estate has submitted JKKP 8 (JKKP 8/156023/2023) dated 05/01/2024 for year 2023.</p> <p>Employment conditions Human Rights Policy dated 15th August 2018. The policy signed by the Managing Director, Mr Lee Kuok Ann.</p>	
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		<p>The policy emphasized on good social practices regarding human rights in respect of industrial harmony such as Equality/no discrimination, No sexual harassment and Freedom of Association.</p> <p>Based on observation and interview session, it was noted that there are no discriminatory practices in the estate.</p> <p>The number of hours worked recorded in the pay slip is consistent with that recorded by the supervisor in the Check Roll book. Besides ensuring the workers are being paid based according to requirement, the estate also monitors salary payment made to contract workers engaged to ensure they are being paid based on legal or industry minimum standards.</p> <p>Site management establishes record that provide an accurate account of all employees on site. The employee listing 2021 was sighted. This list includes additional information on the permit expiry date and number of years worked. Worker's attendance is being recorded into checkroll book. Contract workers attendance is being monitored progressively.</p> <p>Among other social benefit offers by the estate management are free outpatient medical treatment, free accommodation, free water and electricity supplies, incentives and bonuses for workers and staffs. During interview session with workers through phone-call, the interviewed informed that accommodation provided by the employer are in good condition, no broken or damage parts, clean surrounding, rubbish bin for each house, smooth drainage system.</p> <p>No indication of sexual harassment happening in the estate. The site established a Human Rights Policy endorsed by the Managing Director on 15th August 2018 which in the policy has include clause on humane treatment of labour which includes sexual harassment, abuse, coercion or punishment according to the latest labour act.</p> <p>There is no labour union established on site. Interview with workers showed no obstruction from the</p>	
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		<p>management for workers who would like to join the union.</p> <p>No underage worker is being employed in the estate as per company Policy on No Child Labour dated 15th August 2019 by Managing Director, Mr Lee Kuok Ann.</p> <p><u>Opportunity For Improvement (OFI) (Principles 4.4.6.3)</u> It would be appropriate to plan the training program for the whole year by allocating the training every months of the year instead of only in December, covering all aspects.</p>	
Principle 5	Environment, natural resources, biodiversity and ecosystem services	<p><u>Environmental management programme</u> Environmental policy seen established signed by Managing Director Mr Lee Kuok Ann dated 15th August 2018. Also sighted the EAIA is established and the EMP established with relevant objectives that emphasized on good management practice and mitigation of environmental impacts. Evidence of Environmental Management Plan was communicated to all employees through training sessions conducted for the workers.</p> <p>A program to promote the positive impacts was indicated in the continual improvement plan and also being included into environmental monitoring plan of the estate.</p> <p>Observed latest minutes meeting concerns about environmental was incorporated in the MSPO Committee Meeting dated in 9 January 2024 chaired by the Manager.</p> <p><u>Efficiency of energy use and use of renewable energy</u> Consumption of non-renewable energy is being closely monitored through establishment of baseline values and trends not only for day to day usage but also through determination of projection of consumption for the coming years. The estate assesses the usage of non-renewable energy including fossil fuel and energy efficiency in the operations over the base period. As to date, no renewable energy was adopted by the estate.</p> <p><u>Waste management and disposal</u></p>	Minor Conformity has been raised. Non has

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		<p>List of all waste products and sources of pollution were identified and documented appropriately. Waste management plan was established containing identification and monitoring of waste sources. For each identified waste source, the estate has determined the appropriate measures to ensure all wastes generated in the estate are being handled responsibly.</p> <p>Relevant Standard Operating Procedure of Handling of Used Chemical has been established which covered the aspects of handling labelling, storing and disposal to ensure they meet the local authority requirements.</p> <p>The estate is doing its best to minimize waste production by reusing/recycle the chemical containers for the purpose of chemical mixing for pesticide. The practice recycling of used HDPE pesticide containers was in line to national practice by putting proper labelling.</p> <p>At the moment, all the domestic wastes are disposed through the local council since the estates are nearby, accessible by road.</p> <p><u>Reduction of pollution and emission</u></p> <p>The management has established the pollution assessment and have been identified in the waste management procedure.</p> <p><u>Natural water resources</u></p> <p>Water is being sourced from local agency for domestic use while for estate activity is using the water from JKR treatment plant of Sematan. The water usage for domestic use is being monitored on monthly basis. Observed that they supply water tanks to every house unit to collect rain water for washing purposes.</p> <p>Water Management Plan has been established by the estate management.</p> <p>No buffer zone or natural waterways through the estates and No bore well or dam in the estates.</p> <p>Rain water harvesting practice in all their operation including for spraying</p>	
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		<p>activities.</p> <p><u>Status of rare, threatened or endangered species and high biodiversity value area</u> <u>N/C No.2: MINOR (Principles 4.5.6.1)</u> Information on identification of High Biodiversity Value areas and threatened ecosystems have not been collated from the planted area and the relevant wider landscape. There was no report available for review.</p> <p><u>Zero burning practices</u> Zero Burning policy was established on 15th August 2018. The policy has been signed by Mr Lee Kuok Ann (Managing Director), which showed the estates are committed with zero burning practices in all their operational area as a plan and effort to reduce air pollution.</p>	
Principle 6	Best practices	<p><u>Implementation of standard best practices / Site management</u> The management has established several procedures regarding the estate operation. Estates adopted the following documented manuals and documents as their standard operating procedures.</p> <ul style="list-style-type: none"> a. Standard Operating Procedures (SOP) Pruning b. Standard Operating Procedures (SOP) Manuring c. Standard Operating Procedures (SOP) Harvesting d. Standard Operating Procedures (SOP) Spraying <p>Estates are of flat and hilly areas which comprises of sandy soils. Vegetation maintain in inter-row to minimise soil erosion, improve soil physical properties and organic status. Therefore the practice for terracing is not required. Frond stacking to prevent wash-off.</p> <p>Apart from having field block map, the photos for physical identification on the ground was found to be available.</p> <p><u>Economic and financial viability plan</u> Business plan has been established to demonstrate attention to economic and financial viability through long-term management planning. From the business plan 2024, noted</p>	Complied

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		<p>that the plan not only covers operational plan and budgeting but also on other indirect general charges and other indirect expenses.</p> <p>At the moment, the estate has not planned for replanting programme. The estate was established in 2002 and the replanting will be expected earliest in 2027. Periodically, the business plan is being monitored through several identified methods such as Progress Report (Monthly).</p> <p><u>Transparent and fair pricing dealing</u> Pricing mechanisms are well documented in contract agreements between the estates and contractors. All of the fresh fruit bunches (FFB) from Dynawood Plantation (Sematan) Sdn Bhd and Dynawood Plantation (Sematan) Enterprise are supplied to RSB Lundu Palm Oil Mill Sdn Bhd (RSBLPOM/LO/DP/0318/1). Contract agreement on monthly basis in the FFB Statement for the month was made available.</p> <p>It was observed that contract with other suppliers were also made available. All arrangement of the pricing mechanism are handled through Management level. Pricing mechanism were understood and agreed.</p> <p>Sales and purchase agreement sighted and verified during the audit. Supplier also verified all business dealing were done in an appropriate manner.</p> <p><u>Contractor</u> Contractor for transporting Fresh Fruit Bunches is Dynawood Transport Services Company. Noted that it has been agreed and signed by both parties. Observed that all contracts containing special clause on MSPO adherence and compliance requirement.</p>	
Principle 7	Development of new plantings	<p>Not Applicable</p> <p>Note: the whole Principle 7 is not applicable for this audit as there is no new planting in the plantation areas.</p>	Not Applicable

Based on the audit, it was apparent that:

The internal audit program has been fully implemented and demonstrates effectiveness	✓
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as a tool for maintaining and improving the management system	
The management review process is adequate and effective.	✓
The organization has met its objectives and targets and monitored progress towards their achievement.	✓
The management system documentation confirms with the requirements of the MSPO audit standard.	✓

4.5 PREVIOUS AUDIT FINDINGS – IF APPLICABLE

Nonconformity identified during previous audits has been corrected and the corrective action continues to be effective	✓
Not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.	Nil

4.6 EXISTING CERTIFICATION

Currently are being certified to other certification schemes as below


Current Certification <i>(Please tick the certification you are currently certified)</i>			
	ISO 9001		HACCP
	EMS 14001		RSPO
	OHSAS 18001/ISO 45001		ISCC
	ISO 22001	x	Others: MS2530-3
	None		

4.7 AUDIT SUMMARY AND RECOMMENDATION

The audit team concludes that the organization fulfill the requirements of the MS 2530-3:2013 standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

The audit team recommends that, MSPO certificate to be maintained by submission and accept the corrective action plan and evidence of NCRs within the stipulated time frame to **DYNAWOOD PLANTATION (SEMATAN) SDN BHD & GROUP**.

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Signed for and on behalf of
Nesus Certification Sdn Bhd

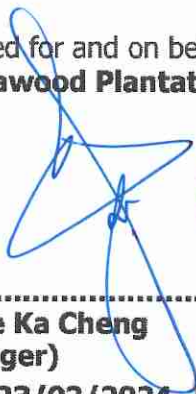


.....
(Jeffrey Denis Ridu)
Lead Auditor
Date: 21/02/2024


ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY AND CONFIRMATION OF AUDIT FINDINGS

This is to acknowledge and confirm the remote audit described in this report and the acceptance of the contents and findings in this audit report.

Signed for and on behalf of
Dynawood Plantation (Sematan) Sdn Bhd & Group



.....
Mr Lee Ka Cheng
(Manager)
Date: 23/02/2024

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APPENDIX A: AUDIT FINDINGS

Refer to the Attachment (Appendix A)

APPENDIX B: CORRECTIVE ACTION PLAN & EVIDENCE

Refer to the Attachment (Appendix B)

APPENDIX C: AUDIT PLAN

Refer to the Attachment (Appendix C)

End of Report

NESUS CERTIFICATION