



# MSP0 CERTIFICATION SUMMARY REPORT

SPOC J38 LABIS, JOHOR

ANNUAL SURVEILLANCE 01

Date: 23/04/2019

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# MSPO Certification Summary Report

Company Name: MPOB Cawangan Segamat  
Certifying Unit: SPOC J38 Labis  
Client Number: 92-038  
Audit Type: ASA 01



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## ABBREVIATIONS

<b>CHRA</b>	Chemical Health Risk Assessment
<b>CPO</b>	Crude Palm Oil
<b>CSR</b>	Corporate Social Responsibility
<b>DOE</b>	Department of Environment
<b>EFB</b>	Empty Fruit Bunch
<b>EIA</b>	Environment Impact Assessment
<b>ERT</b>	Endangered Rare and Threatened species
<b>FFB</b>	Fresh Fruit Bunch
<b>GPS</b>	Global Positioning System
<b>HACCP</b>	Hazard Analysis and Critical Control Point
<b>HCV</b>	High Conservation Value
<b>HCVF</b>	High Conservation Value Forest
<b>IPM</b>	Integrated Pest Management
<b>MSDS</b>	Material Safety Data Sheet
<b>NC</b>	Non Conformity
<b>OSH</b>	Occupational Safety and Health
<b>OSHAS</b>	Occupational Safety and Health Assessment Scheme
<b>P&amp;C</b>	Principle and Criteria
<b>PK</b>	Palm Kernel
<b>PPE</b>	Personal Protective Equipment
<b>RSPO</b>	Roundtable on Sustainable Palm Oil
<b>SA8000</b>	Social Accountability 8000
<b>SIA</b>	Social Impact Assessment
<b>SOP</b>	Standard Operating Procedure
<b>MT</b>	Metric Tonnes
<b>MPOB</b>	Malaysian Palm Oil Board
<b>HBV</b>	High Biodiversity Value
<b>SPOC</b>	Sustainable Palm Oil Cluster
<b>LKN</b>	Latihan Khidmat Nasihat

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## 1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its SPOC J38 Labis independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

### 1.1. Objective

The objective of this annual surveillance audit is to assess the MPOB Cawangan SPOC J38 Labis as group manager managing the independent smallholders by an independent certification body. The aim of this surveillance audit is to assess on the compliance of the standard by MPOB Cawangan SPOC Labis.

### 1.2. Scope

The surveillance audit is based on the documentation developed by MPOB Cawangan SPOC J38 Labis in managing the independent smallholders' scheme.

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

The documents and information are reviewed against the requirements and criteria mentioned below. TÜV NORD has employed a risk-based approach in the verification, focusing on the identification of significant risks and reliability of the monitoring and reporting.

The assessment is carried out on the basis of the MS 2530-2:2013: Part 2: General principles for independent smallholders.

In addition, the following reference are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Kod Amalan Baik (GAP) Perkebun Kecil, Malaysia Palm Oil Board
2. Guidelines for Development of a Standard Operating Procedure for Oil Palm Cultivation on Peat.
3. Malaysian Sustainable Palm Oil Part 2: General Principles for Independent Smallholders Audit Guidance.

### 1.3. Appointment & Qualification of Audit Team Members

The audit team consisting of one team leader and 2 team members are appointed. The team contribute to the review of documents, assessment of the project activity and preparation of this report.

#### Qualification of the Trainee Lead Auditor: Muhammad Khairul Anuar bin Azizul Hasan

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology;	Graduate in Applied Science (Major in Plantation and management)

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Requirement	Qualifications
iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Attended the MS 2530 series of standards training	Successfully completed MS 2530: 2013 LA series training.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as auditor base on audit log.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Auditor for MSPO scheme, IMS 9001, 14001 and 45001 LA Course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Auditor for MSPO scheme
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS 9001, 14001 and 45001 LA course and auditor MSPO

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## Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences.); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Mohamad Norhisham Bin Mohd Salleh	Graduate in Applied Science (Major in Agrobiology)	Yes
	Ariff bin Lokman	Graduate in Plantation industry management.	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Mohamad Norhisham Bin Mohd Salleh	5 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Attended the MS 2530 series of standards training	Mohamad Norhisham Bin Mohd Salleh	Successfully completed MS2530 series training,	Yes
	Ariff bin Lokman	Successfully completed MS2530 series training,	
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Mohamad Norhisham Bin Mohd Salleh	Qualified as auditor base on audit log.	Yes
	Ariff bin Lokman	Qualified as auditor base on audit log.	
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Mohamad Norhisham Bin Mohd Salleh	Bahasa Malaysia and English.	Yes
	Ariff bin Lokman	Bahasa Malaysia and English.	
Field working experience in the palm oil sector, or demonstrable equivalent	Mohamad Norhisham Bin Mohd Salleh	5 years working experience in oil palm plantation.	Yes

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Requirement	Assessor	Qualification	Compliance
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Mohamad Norhisham Bin Mohd Salleh	5 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Mohamad Norhisham Bin Mohd Salleh	Auditor for RSPO and MSPO scheme, ISO 45001.	Yes
	Ariff bin Lokman	Auditor for MSPO scheme, IMS 9001, 14001 and 45001 LA course.	
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Mohamad Norhisham Bin Mohd Salleh	Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes	Yes
	Ariff bin Lokman	Auditor for MSPO scheme and Auditor in training for RSPO scheme	
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Mohamad Norhisham Bin Mohd Salleh	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.	Yes
	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 LA course	

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## 2. METHODOLOGY

The audit approach consists of the following steps:

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

### Surveillance Audit 01

Surveillance audit 01 is conducted on 07/01/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of farms management and activities;
- Interview smallholders;
- Reviewed revised and updated documentation established and implemented;
- FFB production records;
- Training records;
- Land titles and land application approvals;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of observations raised during stage 1 audit;
- Assessment reporting;

For list of personnel participated in the audits refer attendance sheet and Table 7.1.



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## On-site Assessment

The audit of the farms is conducted according to the MS 2530-2:2013 Part 2 for Independent Smallholders.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, smallholders, SPCO officers, review of documentation and data.

MSPO guidance documents are used to guide the collection of information. Any comments from by external stakeholders were considered in the assessment.

For this certification audit, the selected independent smallholders are based on the formula  $S = \sqrt{n}$  where S = sample size and n = number of group members which is in accordance to MSPO certification procedure.

The group of smallholders consists of 110 members. Old members = 50, new members = 60

Based on the formula, the sample size S = 16 (old members square root 50 = 7.07, round up = 8, new members square root 60 = 7.74, round up = 8. Old members plus new members = 16. Thus, a total of 16 smallholders are selected for the onsite assessment and inspection listed in Table 2-1 below:

**Table 2-1: List of Independent Smallholders**

No.	Name of independent smallholders	Specific Address / site
1	Supandy Bin Talib	No. Hakmilik 148, Lot 8249, SG.GATOM, Mukim Labis, Johor
2	Yong Rashidi Bin Muhamad @ Rashid	No.H.S.(M) 8244, Lot 20701, Kg Usaha Jaya, Mukim Labis, Johor
3	Thiaga Rajan A/L Vaithilingam	No. Hakmilik 85524, Lot 3021, Mukim Labis, Johor
4	Rahayu Bin Ab Rahman	H.S.(M) 57, Mlo 1396 Mukim Labis
5	Pang Choon Hwa	No. Hakmilik 85529, Lot 3023, Mukim Labis, Segamat
6	Pang Fin	No. 3227, Lot 3043 Mukim Labis, Segamat
7	Yee Choh Yaw	No. Hakmilik 765, Lot 10869, Jln Muar, Mukim Labis
8	Tey Lai Sing	No.H.S.M 2495, Lot 3830, Mukim Labis
9	Siti Jaslina Jaafar	No.Hakmilik 1089, Lot 2306, Sawah Bahru, Mukim Labis, Johor
10	Soh Chow Seng	Hsm 560, Plot 175, Sg Karas, Mukim Labis, Johor
11	Lim Jiann Hock	Hsm578, Labis, Johor
12	Adan Bin Md Tap	Hsm 7094, Ptd 12083 Danau Jinson, Sawah Baru, Mukim Labis, Johor

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No.	Name of independent smallholders	Specific Address / site
13	Lim Moy	Lot 3971, Mukim Labis, Daerah Segamat, Johor
14	Goo Siew Ling	Hsm2395, Labis, Johor
15	Mohd Adziim Bin Mohd Yusof	Plot 128, Kg. Sungai Karas, Mukim Labis, Johor
16	Er Chin Lee	No.Hakmilik 1690, Lot 1122, Sungai Gatom, Mukim Labis, Johor

### Non-conformance:

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

Major non-conformance shall be addressed and responded with 60 days from date of audit. All minor non-conformances action plan submitted within 30 days after date of audit closing meeting for review and acceptance. Implementation of Minor NCs and OBS will be review and verify during the next audit.

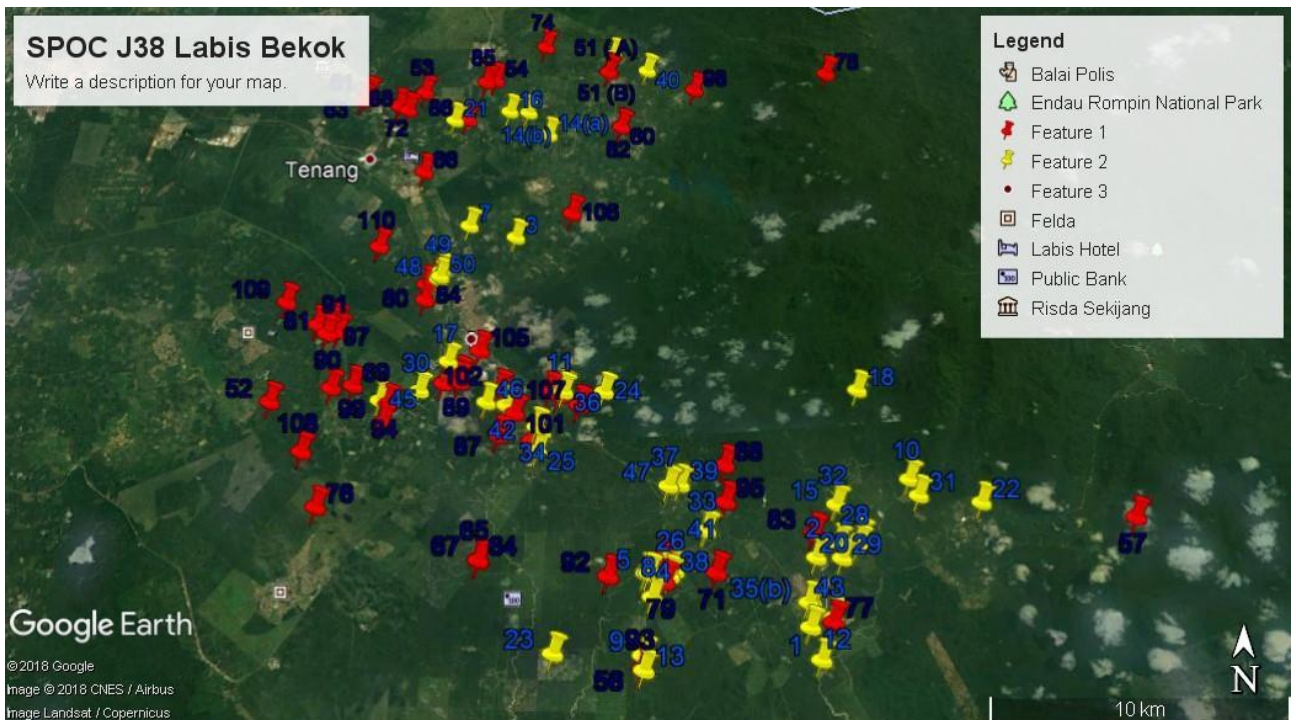
### 3. ORGANISATION INFORMATION

MPOB Cawangan SPOC J38 Labis, is a branch of MPOB located at Johor to provide technical support as well as develop the independent smallholders' scheme around the Segamat district.

The SPOC is managed by a MPOB SPOC group manage supported by team officers to manage the cluster providing technical support, estate management skills and training.

The location of the SPOC office is at No.34 Tingkat Atas, Jalan Genuang Perdana, Taman Genuang Perdana, Segamat, Johor.

The locations for the smallholders are as shown in the below maps.



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### 4. CERTIFICATION ASSESSMENT

#### 4.1. Surveillance Audit 01

The objective of the surveillance audit is to assess the activities of MPOB Cawangan SPOC J38 Labis is in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

There are 60 smallholders joined the certification prior to this surveillance 01 audit. The total number of smallholders previously are 50 members and thus, total numbers of smallholders' increase to 110.

This annual surveillance audit is conducted on 07/01/2019 to 08/01/2019 that include inspection of the smallholders farms, interviews, conduct stakeholders' consultation and review of any findings raised in the last audit.

The audit team has applied the Malaysian Sustainable Palm Oil Part 2: General Principles for Independent Smallholders Audit Guidance to assess the established documents against the Principles and Criteria of the standard.

During the onsite the following are verified.

1. Compliance to legal requirements on the land title, land use rights and customary rights
2. Training and competence
3. Environmental management
4. Waste management and disposal
5. Best practice – farm management including fertilising, chemical spraying and harvesting.

The number of audit findings raised in this audit have been addressed in Section 4.4 of this audit report. For details of the assessment, refer to the summary of assessment in this report.

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 20/12/2018 to obtain feedback and comments. As at audit date on 07/01/2019 there were no comments received.

Invitation letters are sent on 20/12/2018 to invite relevant stakeholders to attend a local stakeholder consultation on 07/01/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

- a. Introduction of SPOC J38 Labis objectives of MSPO standard certification for smallholders.
- b. Development of smallholders farms in SPOC J38 Labis area;
- c. Wildlife management area and impact to the smallholders;
- d. Environmental issues on the impact of river contamination;
- e. Type of wildlife around SPOC J38 Labis area;
- f. Support from processing palm oil mills at SPOC J38 Labis area

There are no issues raised during the stakeholders' consultation that need to be addressed by the SPOC management office. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The List of Stakeholders who attended the meeting refer to table 7.1.

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Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Group Manager / in regards to the MSPO audit?	Stakeholders are aware regarding the MSPO awareness which is able to demonstrate in term of social, environment and safety & health	Positive comment towards SPOC J38 Labis Management.
2	Social context	Stakeholders attended the meeting has confirm that there are no social issue raised due which caused by any SPOC group member.  It has been confirmed by stakeholders (dealers) that they are only hiring legal foreign workers for working at smallholder's areas. They are aware and abide by Laws and Regulation.	Positive comment towards SPOC J38 Labis Management. Visit to one of dealer's weighbridge, and review through their workers passport and work permit has confirmed statement made by stakeholders.
3	Understanding of "NCR Land"?	There is no NCR land involved. All of smallholder owned lease land title.	Positive comment towards SPOC J38 Management.
4	Economy / Livelihood Is there any impact on livelihood after the introduction of MSPO	It was noted that with the introduction of MSPO and palm oil, the economic aspect of the people has been improving. The attendees confirmed that the locals have generally benefited with the palm oil industry.	Positive comment towards SPOC J38 Management.
5	Does MSPO will largely benefits the local community?	During interview, the attendees understand that the MSPO certification will ensure the safety aspect and environment issues are taken care off. They believe this will benefit them as local and also part of the industry player.	Positive comment towards SPOC J38 Management.
6	HCV and environmental understanding	The exposure to the local was notably well and they are aware that hutan simpan is a protected area and prohibition of any activity without prior to approval.  It was also confirmed in this stakeholder consultation that there was no wild animal within the area and human wildlife conflict was absent in this area. Large mammals were only noted in other part of forest in the state such as Endau Rompin.	Positive comment towards SPOC J38 Management.
7	Awareness towards species, habitats, and	Local people are aware of RTE species and they understand the protection requirements. . They also	Positive comment towards SPOC J38 Management.

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	high conservation values?	understand the state requirement of no hunting in the particular area.	
8	Support to smallholders	Group Manager has provided great assistant to both member and non-member of SPOC.	Positive comment towards SPOC J38 Management.
9	FFB quality	Stakeholders attended the meeting has confirmed smallholders does aware on FFB quality since they have been practicing harvesting FFB two (2) round per month.	Positive comment towards SPOC J38 Management.

## 4.2. Summary of Assessment

MSPO Principle and sample of the Criteria Assessment Summary
<p>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 all criterions will be assessed. Evidences were sought for conformity with the MSPO 2530-2. 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 when non conformity is found. Summary of the non-conformity can be found below</p>

Principle 1: Management Commitment & responsibility		
Criterion By Audit	Summary of Assessment	Compliance
4.1.1	<p>SPOC J38 Labis has established MSPO Policy doc no: MSPO/SSCC/POLISI-01 signed by Group Manager on July 2017 for old members and 05/12/2018 for new members.</p> <p>Policy is publicly available at the notice board at MPOB Cawangan Segamat office.</p> <p>The policy covered various aspect of MSPO implementation where required by the standard for example, transparency, compliance to legal requirement and health and safety.</p> <p>SPOC J38 Labis komited terhadap pembangunan sawit MS 2530: Bahagian 2- Prinsip umum untuk pekebun kecil persendirian yang merangkumi.</p> <ul style="list-style-type: none"> <li>• Komitmen dan tanggungjawab pihak pengurusan SPOC J38.</li> <li>• Keterbukaan dalam memberi maklumat kepada pihak berkepentingan</li> <li>• Dokumentasi bagi tujuan kebolehejakan</li> <li>• Pematuhan undang-undang tempatan, kebangsaan and antarabangsa yang telah disahkan.</li> <li>• Sumbangan kepada pembangunan mampan komuniti setempat.</li> <li>• Penyelesaian aduan dan rungutan secara telus dan adil.</li> <li>• Pematuhan keadaan pekerjaan, aspek keselamatan dan kesihatan pekerja.</li> <li>• Penjagaan alam sekitar, sumber semulajadi, biodiversity dan perkhidmatan ekosistem</li> </ul>	Yes



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Principle 1: Management Commitment & responsibility								
Criterion By Audit	Summary of Assessment	Compliance						
	<ul style="list-style-type: none"> <li>keperluan pemuliharaan spesies yang jarang ditemui, terancam, hampir pupus dan habitat yang mempunyai nilai biodiversity tinggi.</li> <li>Pelaksanaan pembakaran sifar dan amalan pertanian baik.</li> <li>Pematuhan syarat-syarat bagi pembangunan baru sawit.</li> </ul> <p>Policy is made available to all smallholders and copy kept in the individual file.. Smallholders interviewed understand the the policy briefed to them.</p> <p>SPOC J38 Labis have conducted MSPO training for smallholders on 05/12/2018 on GAP, safety and health and laws.</p> <p>During stakeholder consultation, stakeholders are aware of the implementation of MSPO and the policy.</p>							
4.1.2	<p>SPOC J38 has established List of Social and Environmental Impact and action plan, document number MSPO/SSCC/I-04/ISP, effective date 13/04/2018.</p> <table border="1"> <tr> <td>Activity</td> <td>Pembajaan</td> </tr> <tr> <td>Positive Impact</td> <td>Menambah peluang pekerjaan kepada penduduk</td> </tr> <tr> <td>Negative Impact</td> <td>Kesan kepada kesihatan pekerja</td> </tr> </table> <p>SPOC J38 has distribute Warta Sawit to smallholders through the Taklimat Pensijilan MSPO kepada Pekebun Kecil dated 05/12/2018. Latest Warta Sawit Bil. 69 (2)/ Mei – Ogos 2018.</p> <p>SPOC J38 Labis have conducted MSPO training for smallholders on 05/12/2018 on GAP, safety and health and laws.</p> <p>SPOC J38 Labis have conducted internal audit from 05/12/2018 – 06/12/2018.</p>	Activity	Pembajaan	Positive Impact	Menambah peluang pekerjaan kepada penduduk	Negative Impact	Kesan kepada kesihatan pekerja	Yes
Activity	Pembajaan							
Positive Impact	Menambah peluang pekerjaan kepada penduduk							
Negative Impact	Kesan kepada kesihatan pekerja							

Principle 2: Transparency		
Criterion By Audit	Summary of Assessment	Compliance
4.2.1	<p>SPOC J38 Labis has established Garis Panduan Pelan Daya Ekonomi dan Kewangan document number: MSPO /SSCC/GP-01/PK effective date 13/04/2018.</p> <p>FFB selling records include</p> <ol style="list-style-type: none"> <li>Date.</li> <li>Amount.</li> <li>Price per mt.</li> </ol> <p>SPOC J38 Labis has established Buku Rekod Ladang (BRL) for documentation of the sales and production record is available.</p> <p>The BRL include following items :</p> <ol style="list-style-type: none"> <li>Date</li> </ol>	Major NC 01

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Principle 2: Transparency		
Criterion By Audit	Summary of Assessment	Compliance
	<p>2. Tons of FFB 3. Price sold 4. Income for that sales.</p> <p>Smallholders send own FFB to fruit dealer dated from Jan – December 2018. Records sales of FFB maintained in BRL.</p> <p><b>Major NC</b></p> <p>SPOC group manager has established records sales of fresh fruit bunch for the smallholders in year 2018. Total number of smallholders that have production of FFB were 66 members. However, the records does not captured all the smallholders that produce FFB.</p>	

Principle 3: Compliance to legal requirements		
Criterion By Audit	Summary of Assessment	Compliance
4.3.1	<p>SPOC J38 Labis has establish legal register document no: MSPO/SSCC/L-02/LLR, , issue no: 1, reference no: 0. Effective date 13/04/2018</p> <ol style="list-style-type: none"> <li>1. Peraturan Kualiti Alam Sekililing (Buangan Terjadual) 2005</li> <li>2. Akta Racun Makhluk Perosak 1974</li> <li>3. Akta Imigresen 1959 Pindaan 2006</li> <li>4. Akta kanak kanak dan orang muda (pekerjaan) 1966, Pindaan 2011</li> <li>5. Akta Standard minimum Perumahan dan kemudahan pekerja 1990</li> <li>6. Akta keselamatan dan kesihatan pekerjaan 1994</li> <li>7. Akta 582: Akta MPOB 1998 = Peraturan – peraturan lembaga minyak sawit Malaysia (Pelesenan) 2005.</li> </ol> <p>SPOC J38 Labis has conducted MSPO training for smallholders dated 05/12/2018 on GAP, safety and health and laws.</p>	Yes
4.3.2	<p>Smallholders are able to provide the land usage right. No issue concerning land dispute raised by stakeholders. During review on the website, there was no issue found on this matter. Land titles are leased land title.</p>	Yes
4.3.3	<p>SPOC J38 Labis group member owned lease land title. There are no customary land observe in the documentation review and interviews with smallholders.</p> <p>All of smallholders owned lease land title.</p> <p>Maps of their land was included in land title document.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Criterion By Audit	Summary of Assessment	Compliance
4.4.1	<p>SPOC J38 Labis has established Complaint and Grievance Procedure document number MSPO SCCS/SOP -01/AR issue 01 dated 13/04/2018.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Criterion By Audit	Summary of Assessment	Compliance
	<p>The SOP states:</p> <ol style="list-style-type: none"> <li>1. Timeline for addressing the grievance and complaint within 14 days.</li> <li>2. Group manager is in charge in handling complaint and grievances:                             <ul style="list-style-type: none"> <li>• Accepting the grievances.</li> <li>• Analyzed and investigate the issue.</li> <li>• Communicate with complainer.</li> </ul> </li> <li>3. All the grievance and complaint records are documented.</li> </ol> <p>There are no grievance records sighted during the audit.                      Smallholders interviewed indicates that they are aware and understand the grievance procedure and process on lodging grievance.</p>	
4.4.2	<p>SPOC J38 Labis has conduct training of safety and health dated 05/12/2018 include information from Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP) and Department of Occupational Safety &amp; Health (DOSH).                      Smallholders interviewed indicates they are aware of safety and health of field operation. They are wearing correct PPE during chemical application and other field operation such as rubber glove, apron and boots.</p>	Yes
4.4.3	<p>Form Terma Penggajian Pekerja for hiring to meet wage requirement is established with following to be recorded.</p> <ol style="list-style-type: none"> <li>1. Menuai BTS :</li> <li>2. Membaja:</li> <li>3. Meracun:</li> <li>4. Pemangkas pelepah:</li> </ol> <p>The form "Terma Penggajian Pekerja" has 7 points to be observed during hiring process:</p> <ol style="list-style-type: none"> <li>1. Mempunyai permit kerja bagi pekerja asing</li> <li>2. Tidak sama sekali membernarkan / mengupah orang muda di bawah umur 15 tahun untuk bekerja</li> <li>3. Tidak sama sekali membernarkan / mengupah orang muda di bawah 15-18 tahun untuk membuat kerja berat dan merbahaya di Kawasan kebun sawit</li> <li>4. Tidak mengamalkan sikap diskriminasi terhadap agama, kaum, jantina, warna kulit, kewarganegaraan dan politik</li> <li>5. Pembayaran upah adalah mengikut jenis kerja yang dilakukan seperti yang disyorkan oleh pengurus SPOC</li> <li>6. Kadar bayaran mestilah dipersetujui oleh pekebun kecil dan pekerja</li> <li>7. Setiap bayaran yang dilakukan hendaklah direkodkan di dalam buku rekod ladang (BRL) dan ditandatangani oleh pekerja.</li> </ol> <p>Smallholders interviewed do not hire illegal workers. Majority of smallholder's field operate on family based &amp; hiring legal contractor workers</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Criterion By Audit	Summary of Assessment	Compliance
	<p>from fruit dealer. There are also indicates no discrimination occur and no negative feedback for related issues.</p> <p>Smallholders interviewed indicates there are no workers quarters provided since all field operations operated by third party.</p>	
4.4.4	<p>SPOC J38 Labis has conduct training Taklimat &amp; Latihan MSPO dated 05/12/2018. Training conducted by MPOB Segamat in cooperation with JKPP, DOE and Jabatan Perhilitan. Topics discussed as follows;</p> <ul style="list-style-type: none"> <li>• Definasi MSPO</li> <li>• Skop MSPO</li> <li>• Prinsip, kriteria &amp; indicator MSPO</li> <li>• LKN, GAP, Environment</li> <li>• Keselamatan dan kesihatan</li> <li>• Hidupan liar</li> </ul> <p>Training programme for year 2019 has been established as follows;</p> <ul style="list-style-type: none"> <li>• Taklimat MSPO</li> <li>• Kursus Teknikal Sawit</li> </ul> <p>Smallholders interviewed indicates they have involved in the training conducted by MPOB and able to demonstrate their understanding. Group Manager had visit their field and sharing knowledge with them during LKN visit.</p> <p>During on site observation, smallholders are aware on important of retaining soft grass by using grass cutting machine.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Criterion By Audit	Summary of Assessment	Compliance
4.5.1	<p>SPOC J38 Labis has established SOP on Managing Schedule waste, SOP number MSPO /SSCC/SOP-03/BT revision: 01 dated 13/04/2018.</p> <ol style="list-style-type: none"> <li>1. Storage of fertilizer</li> <li>2. Storage of chemical</li> <li>3. Discharge of chemical (over mix)</li> <li>4. Discharge of expired chemical.</li> </ol> <p>To manage scheduled waste SOP “Pengurusan Bahan Buangan Terjadual” document no MSPO/SSCC/SOP-03/BT dated 13/04/2018 is established.</p> <p>Point 1 of SOP, type of waste produced on operation shall be listed, example; empty chemical container, empty fertilizer bags and used lubricant oil.</p> <p>SPOC J38 Labis has established list of Environmental Impact and action plan, document number MSPO/SCCS/L-04/ISP, issue number 01, effective date 13/04/2018.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion By Audit	Summary of Assessment			Compliance
	Activity	Environmental Impact	Action Plan	
	Spraying chemicals	Scheduled waste disposal (empty chemical containers)	Triple rinsing, and store at chemical storage area.	
	New planting	Air pollution due to open burning of plant waste.	Observed zero open burning,	
	Smallholders interviewed are aware on environmental impacts on their activities. They conserves buffer zone area from activities such as spraying chemicals and manuring.			
4.5.2	Field observation on smallholders indicates there are no renewable energy used by smallholders. The smallholders do not have the capacity and capability to use renewable energy.			Yes
4.5.3	<p>SPOC J38 Labis has established SOP on Managing Schedule waste, SOP number MSPO /SSCC/SOP-03/BT revision: 01 dated 13/04/2018.</p> <p>Stated in the SOP:</p> <ul style="list-style-type: none"> <li>Type of waste produced on operation shall be listed, example; empty chemical container, empty fertilizer begs, and used lubricant oil.</li> </ul> <p>SPOC J38 Labis has established SOP on list of scheduled waste and domestic waste, document number MSPO/SSCC/L-03/SRD, issue 01, dated 13/04/2018.</p> <p>Stated in the SOP:</p> <ol style="list-style-type: none"> <li>Empty chemical containers are to be rinse three times using clean water before storage.</li> <li>Empty chemical containers need to be punctured unless for re used as water storage for chemical spraying activities.</li> </ol> <p>During field observation at smallholder's area, they do not store any chemicals containers. Spraying and manuring activities conducted by contractors.</p>			Yes
4.5.4	<p>SOP Pengendalian dan Pelupusan Bahan Kimia, document number MSPO/SSCC/SOP-02/B dated 13/04/2018 is established, The SOP describe handling chemicals accordingly without pollution of any water source..</p> <p>Training on Good Agricultural Practises (GAP) is conducted on 05/12/2018 covering</p> <ol style="list-style-type: none"> <li>Proper frond stacking</li> <li>Pruning SOP.</li> <li>Preservation of soft grass.</li> <li>Conserve riparian areas and no spraying of chemicals.</li> </ol> <p>Interviews with smallholders indicates they are aware and understand GAP.</p>			Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Criterion By Audit	Summary of Assessment	Compliance
	Water harvesting has been implemented by smallholders using concrete culvert to collect rain water for chemical spraying. This has been sighted during visit to smallholders	
4.5.5	<p>Interview with smallholders that they aware of there are wildlife present in their field such as landak and ayam hutan.</p> <p>Smallholders understand that no wildlife to be hunt or capture as restricted by Law.</p> <p>Training on wildlife animal species and habitats awareness conducted on 05/12/2018 included:</p> <ol style="list-style-type: none"> <li>1. Role and function of Jabatan Perhilitan</li> <li>2. Introduction and awareness on Akta Perlindungan Hidupan Liar 1972.</li> <li>3. List of protected species.</li> </ol> <p>Sighted List of wildlife</p> <p>Example:</p> <p>Protected wildlife:</p> <ol style="list-style-type: none"> <li>1. Tapir</li> <li>2. Tenggiling</li> <li>3. Ungka</li> </ol> <p>Protected bird species:</p> <ol style="list-style-type: none"> <li>1. Enggang</li> <li>2. Mata merah</li> <li>3. Belatuk</li> </ol> <p>The list established has been verified by the wildlife department.</p>	Yes
4.5.6	<p>SPOC J38 Labis has established SOP Zero Burning Practice document no, MSPO/SSCC/GP-04/APS, effective date 13/04/2018.</p> <p>SOP describe 4 points as n below :</p> <ol style="list-style-type: none"> <li>1. Pembakaran terbuka adalah dilarang dibawah pembakaran sifar ASEA (1999) dan perintah Kualaiti Alam Sekeliling (Aktiviti Yang Diisytiharkan)(Pembakaran terbuka 2003)</li> <li>2. Pekebun kecil adalah dilarang untuk melakukan sebarang aktiviti pembakaran terbuka semasa kerja pembukaan ladang/tanam semula</li> <li>3. Teknik pembakaran sifar semasa kerja pembukaan ladang atau tanam semula pada dasarnya melibatkan penebangan pokok, mencincang bahagian pokok, dan meninggalkan sisa-sisa pokok di antara teres bagi process penguraian secara semula jadi tanpa melibatkan sebarang aktiviti pembakaran</li> <li>4. Tidak ada pembakaran terbuka apa-apa jenis pada unit operasi, kecuali yang dianggap perlu dengan mematuhi perintah kualiti alam sekeliling (pembakaran terbuka) (2003) dan mendapat kelulusan Jabatan Alam sekitar terlebih dahulu.</li> </ol>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Criterion By Audit	Summary of Assessment	Compliance
	Site visit to smallholders observed no open burning found in the field. Smallholders are aware that open burning is restricted by law.	

Principle 6: Best Practices		
Criterion By Audit	Summary of Assessment	Compliance
4.6.1	<p>SPOC J38 has conducted GAP training on 05/12//2018 attended by 102 participants.</p> <p>Field observation found smallholders have implement best practices such as:</p> <ul style="list-style-type: none"> <li>• Minimize used of chemical for spraying</li> <li>• Front stacking as soil conditioner.</li> </ul> <p>During site verification at smallholder field, sighted visual identification is implemented with information as below</p> <ul style="list-style-type: none"> <li>• Name of smallholder</li> <li>• Lot no.</li> <li>• Area planted</li> <li>• Year of planted</li> <li>• Coordinated GPS</li> </ul>	Yes
4.6.2	<p>Sighted Kertas Kerja Permohonan Peruntukan untuk Mengadakan Taklimat for SPOC J38 Labis dated 22/11/2018.</p> <p>Application for budget allocation submitted to Institute of Malaysian Plantation and Commodities (IMPAC) for approval.</p>	Yes
4.6.3	<p>SPOC J38 Labis has conducted MSPO briefing to fruit dealer, weighbridge operator and nearby mills dated 28/11/2018.</p> <p>During site interview with smallholders, they are aware on FFB price. The FFB price is displayed on dealer's office and confirmed via phone calls.</p>	Yes

Principle 7: Development of new planting		
Criterion By Audit	Summary of Assessment	Compliance
4.7.1 – 4.7.3	Planting statement has been reviewed, latest planting was in 2017. There are no new planting prior to audit date.	Yes

### 4.3. Status of Non-Conformities Previously Identified

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

Non Conformity Number < NO 1 >			
Indicator:4.4.1.2			
The local system should be able to resolve disputes.			
Location	SPOC J38 Labis		
<b>Description of Finding / Objective Evidence:</b>			
<p>During visit to a smallholder, file number 10, he raised question regarding his letter sent to MPOB head office dated 23/02/2017. Further investigation onto the issue find that the respond letter has been sent by MPOB headquarters, dated 29/03/2017.</p> <p>According to SOP “aduan dan rungutan” SOP01/AR/2016 effective dated 01/04/2016 issue number 01 stated that complain must be address within 14 days period. Thus, the respond made on the issue was not following the SOP.</p>			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	<input type="checkbox"/> Observation
		<b>Deadline for implementation</b>	08/01/2019
<b>Root Cause Analysis (by company):</b>			
Smallholder has send grievance form dated 23 February 2017 direct to MPOB Headquarters in Bangi. SPOC J38 was established on July 2017. Grievance form was sent to HQ before SPOC J38 was established.			
<b>Correction (by company):</b>			
Grievance form from PK has been refilled on 21 February 2018 and this issue has been brought up to Headquarters on 22 February 2018 and pending for feedback from them. Group Manager J38 will noted on this matter based on grievance system that has been established.			
<b>Corrective / Preventive Action (by company)</b>			
During Latihan Khidmat Nasihat, briefing has been conducted to Smallholder regarding the grievance system used for solving any grievance matters with MPOB			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
<p>Group Manager has provided copy of original letter dated 23/02/2017 from smallholder to MPOB Headquarters. Latest grievance record filled by smallholder dated 21/02/2018 and email from SPOC J38 dated 22/02/2018 to MPOB headquarters was submitted to confirm the action has been taken. Training for awareness on grievance was conducted on 21/02/2018. Based on evidence provided, it is sufficient to close the non-conformity.</p> <p>Site verification will be conducted on next surveillance audit.</p>			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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Non Conformity Number < NO 1 >	
<b>Name of Auditor:</b> Mohamad Norhisham Bin Mohd Salleh	<b>Date of Closure:</b> 07/01/2019
<b>Review of Implementation</b>	
Sighted latest grievance record filled by smallholder dated 21/02/2018 and email from SPOC J38 dated 22/02/2018 to MPOB headquarters to confirm action taken. Training for awareness on grievance conducted on 21/02/2018. Smallholders interview indicate they are aware in lodging complaint to MPOB. There are no other complaint sighted in the complaint and grievance log book during audit date.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name of Trainee Lead Auditor:</b> Muhammad Khairul Anuar bin Azizul Hasan	<b>Date of Review:</b> 07/01/2019

Non Conformity Number < NO 2 >			
Indicator: 4.4.4.1			
Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.			
Location	SPOC J38 Labis		
<b>Description of Finding / Objective Evidence:</b>			
The effectiveness of training has been reviewed and is deemed not sufficient. During the site visit, member was not able to confirmed the training and demonstrate the effectiveness. This include but not limited to the policy, environmental issue and OSHA.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	<input type="checkbox"/> Observation
	<b>Deadline for implementation</b>	08/01/2019	
<b>Root Cause Analysis (by company):</b>			
J38 establishment was in the nutshell starting from July 2017. Group Manager still need time in increasing the knowledge of its group member regarding MSPO. Group Manger also facing communication problems with members when 90% of its Chinese member was unable to understand Bahasa Melayu.			
<b>Correction (by company):</b>			
Briefing given during LKN will be done for individual or in a small group as planned for year 2018, refer to the attachment. Group Manager also will use easier wordings so that it can be understand by Chinese member.			
<b>Corrective / Preventive Action (by company)</b>			
Briefing and technical training program will be conducted following the planned schedule for year 2018 as per attachment.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
The training programme planned for 2018 provided is deemed sufficient to address the finding. Training has been conducted. However, the effectiveness will be further evaluated during the next surveillance.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		



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Non Conformity Number < NO 2 >	
<b>Name of Auditor:</b> Terence Ang	<b>Date of Closure:</b> 07/01/2019
<b>Review of Implementation</b>	
Smallholders interviewed indicate that they are aware of t safety and health. Smallholders are able to demonstrate to wear the right PPE while conduct field operation. Smallholders confirmed no activities (manuring and chemical application) allowed at the buffer zone area.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name of Trainee Lead Auditor:</b> Muhammad Khairul Anuar bin Azizul Hasan	<b>Date of Closure:</b> 07/01/2019

Non Conformity Number < NO 3 >			
Indicator: 4.5.5.1			
Independent smallholders should show a basic understanding of any species or habitats of concern, together with their conservation needs. Information on protected species and their habitat with high biodiversity value may be obtained from relevant government agencies, such as the Forestry Department, Forest Research Institute of Malaysia and the Wildlife Department.			
Location	SPOC J 38 Labis		
<b>Description of Finding / Objective Evidence:</b>			
The group should consider obtaining inventory form relevant department in order to understand species of concern together with their conservation needs. The group are not aware and are unable to demonstrate understanding of species or habitat of concern within the area.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	<input type="checkbox"/> Observation
	<b>Deadline for implementation</b>	08/01/2019	
<b>Root Cause Analysis (by company):</b>			
Training regarding endangered species has been conducted by Jabatan Perhilitan on July 2017. Akta Perhilitan 2010, List of Endangered Species has been displaying at MPOB Office, Segamat branch. Base on interview with smallholders, most of them was unclear and unaware on endangered species on their plantation. Furthermore, they were not knowing that these animals need to be listed as per MSPO requirement. Grievance regarding wild animal attacking their field has been reported directly to Perhilitan without knowledge by SPOC J38.			
<b>Correction (by company):</b>			
SPOC J39 has contact PERHILITAN Segamat to know more details regarding list of endangered species in SPOC J38 areas and conservation measures for those species. Letter regarding this has been forward to jabatan Perhilitan Negeri Johor on 21 February 2018 and still pending for respond. Group Manage will inform the smallholders that they will liase with jabatan Perhilitan and inform Group Manager J38 for any wild animal attack incident on their field.			
<b>Corrective / Preventive Action (by company)</b>			



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Non Conformity Number < NO 3 >	
The action of communicating with Perhilitan in regards to wild animal is deemed sufficient. The list of inventories will be evaluated in the next surveillance. LKN was established to provide awareness is deemed sufficient to address the non-conformance. The non-conformance is accepted and close.	
Review of Correction & Corrective / Preventive Action	
The action of communicating with Perhilitan as regards to wild animal is deemed sufficient. The list of inventories will be evaluated in the next surveillance audit. LKN was established to provide awareness is deemed sufficient to address the non-conformance. The non-conformance is accepted and closed.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Auditor :</b> Terence Ang	<b>Date of Closure:</b> 07/01/2019
Review of Implementation	
Sighted training on wildlife animal species and habitats awareness have conducted dated 05/12/2018 by Wildlife department. Smallholders also aware in regards of wildlife species where they have found ayam hutan and landak in their field. They understand that no wildlife to be hunt or kill as it restricted by Law.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name of Trainee Lead Auditor:</b> Muhammad Khairul Anuar bin Azizul Hasan	<b>Date of Review:</b> 07/01/2019

## 4.4. Detail of Audit Findings Identified During This Audit

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

AUDIT OUTCOME	
<b>MAJOR Non-Conformities</b>	<b>1</b>
<b>MINOR Non-Conformities</b>	<b>0</b>

Non Conformity Number NO 1			
Indicator: 4.2.1.2 To keep records of sales and delivery or transportation of fresh fruit bunches. (MAJOR)			
Location	SPOC J38 Labis		
Description of Finding / Objective Evidence:			
SPOC group manager has established records of sales of fresh fruit bunch for the smallholders for year 2018. Total number of smallholders that produce FFB were 66 members. However, only 12 smallholders FFB's record was maintained out of 66 smallholders.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	<input type="checkbox"/> Observation
Date Raised: 08/01/2019	<b>Deadline for implementation</b>	09/03/2019	
Root Cause Analysis (by company):			

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Non Conformity Number NO 1	
<p>Pihak MPOB telah memberikan taklimat berkaitan penyimpanan rekod –rekod hasil dan perbelanjaan kepada pekebun atau pengusaha supaya menyimpan rekod tersebut . Pihak MPOB tidak dapat merekodkan keseluruhan data BRL peserta SPOC J38 Labis yang telah berhasil kerana kekangan masa dan tenaga kerja.</p>	
<p><b>Correction (by company):</b></p>	
<p>Data BRL untuk peserta SPOC J38 Labis yang tanaman pokok sawit telah mencapai usia 5 tahun dan ke atas telah dilengkapkan seperti dilampiran A.</p>	
<p><b>Corrective / Preventive Action (by company)</b></p>	
<p>Perancangan pengumpulan hasil BRL untuk 2019 telah dibuat yang mana data hasil akan diambil selang 6 bulan sekali (2 kali setahun). Pada Julai 2019 pengumpulan data hasil untuk Jan- Jun 2019 manakala pada Jan 2020 pengumpulan data hasil untuk Julai – Dis 2019. Jadual program rekod hasil BRL ada dilampirkan di Lampiran A.</p>	
<p><b>Review of Correction &amp; Corrective / Preventive Action</b></p>	
<p>Annex A for FFBS records for smallholders with harvesting is reviewed and considered sufficient to close the NC.                      Will further review during next surveillance audit.</p>	
<p>Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p><b>Name of Lead Auditor:</b>                      Muhammad Khairul Anuar Bin Azizul Hasan</p>	<p><b>Date of Closure:</b>                      27/02/2019</p>
<p><b>Review of Implementation for Major NC (where applicable)</b></p>	
<p>Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>Site verification : <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p><b>Name of Lead Auditor:</b></p>	<p><b>Date of Closure:</b></p>

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## 5. CONCLUSION

Malaysia Palm Oil Board, Cawangan Labis has commissioned TÜV NORD (Malaysia) Sdn Bhd to carry out the certification for the Sustainable Palm Oil Cluster (SPOC) consisting of 110 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

The Major NC raised is closed out successfully.

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

In conclusion the certified organisation has been established, implement and continue to improve in managing the independent smallholders are in line with the Principles & Criteria of the applied standard MS 2530-2:2013 Part 2.

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

Total certified number of independent smallholders:	110 Smallholders
Total certified hectareage of smallholders:	301.75 Ha
Certified FFBs output January to December 2018:	3,936.96 mt
Certified FFBs output January to December 2019:	4,156.051 mt

# MSPO Certification Summary Report

Company Name: MPOB Cawangan Segamat  
Certifying Unit: SPOC J38 Labis  
Client Number: 92-038  
Audit Type: ASA 01



## 6. RECOMMENDATION

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

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

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

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

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

	Recommended for Certification / Recertification
<b>X</b>	Recommended for Continuity of Certification
	Suspended of Certification

Puchong, 23/04/2019

Muhammad Khairul Anuar bin Azizul Hasan  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 23/04/2019

Nor'adhlin Sofia Binti Razali  
TUV NORD (Malaysia) Sdn Bhd  
Certifier / Approver

## MSPO Certification Summary Report

Company Name: MPOB Cawangan Segamat

Certifying Unit: SPOC J38 Labis

Client Number: 92-038

Audit Type: ASA 01



### 7. REFERENCES

**Table 7-1: List of Interviewed Persons, Observers and Smallholders**

No.	Name	Organization / Function
1	Rohanah binti Sukrin	Koperasi Pekebun Kecil Daerah Segamat Berhad.
2	Haslinda binti Hasim	Perusahaan Makin Semarak Sdn. Bhd.
3	Chong Hee Yet	SCS Oil Palm Trading.
4	Khairul Zaman bin Kamisan	Pejabat Tanah Labis.
5	Muhammad bin Abdullah	Kilang Sawit Felcra Bukit Kepong.

# MSPO Certification Summary Report

Company Name: MPOB Cawangan Segamat  
Certifying Unit: SPOC J38 Labis  
Client Number: 92-038  
Audit Type: ASA 01



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

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

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

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

Salvo clause:

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

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

## Annex / Enclosures

Annex / corresponding audit documentation	<input type="checkbox"/> P&C Audit Report / Checklist(s) <input type="checkbox"/> Audit Plan <input type="checkbox"/> Additional annexes, number
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