

# MSPO CERTIFICATION SUMMARY REPORT

## MPOB -SPOC Q25 BARAM

ANNUAL SUREVILLANCE ASA 01

Date: 11-13/11/2019

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# MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board  
Certifying Unit: MPOB – SPOC Q25 Baram  
Client Number: 92-055  
Audit Type: Annual Surveillance Audit 03

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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>FFB</b>     | Fresh Fruit Bunch                   |
| <b>GAP</b>     | Good Agriculture Practices          |
| <b>GPS</b>     | Global Positioning System           |
| <b>HBV</b>     | High Biodiversity Value             |
| <b>IPM</b>     | Integrated Pest Management          |
| <b>ISO</b>     | International Standard Organisation |
| <b>LKN</b>     | Latihan Khidmat Nasihat             |
| <b>MPOB</b>    | Malaysian Palm Oil Board            |
| <b>NC</b>      | Non Conformity                      |
| <b>OSH</b>     | Occupational Safety and Health      |
| <b>P&amp;C</b> | Principle and Criteria              |
| <b>PPE</b>     | Personal Protective Equipment       |
| <b>RTE</b>     | Rate, Threatened and Endangered     |
| <b>SA8000</b>  | Social Accountability 8000          |
| <b>SIA</b>     | Social Impact Assessment            |
| <b>SOP</b>     | Standard Operating Procedure        |
| <b>SPOC</b>    | Sustainable Palm Oil Cluster        |
| <b>WHO</b>     | World Health Organization           |

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## 1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct a surveillance audit for SPOC Q25 Baram according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

### 1.1. Objective

The objective of this audit is to assess the MPOB Cawangan SPOC Q25 Baram as group manager managing the independent smallholders by an independent certification body. The aim of this surveillance audit is assessed on the compliance of the standard by MPOB Cawangan SPOC Q25 Baram.

### 1.2. Scope

The certification is based on the documentation established by MPOB Cawangan SPOC Q25 Baram 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.

The following references 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 appointed consists of the team leader and one team member. The team contribute to the review of documents, assessment of the project activity and preparation of this report.

#### Qualification of the Lead Auditor: Mohamad Norhisham Bin Mohd Salleh

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

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|  |   |
|--|---|
| iv) Energy Management, Quality Management;<br>v) Social Sciences and/or Anthropology;<br>vi) Business Management; or<br>vii) Other relevant related fields   |   |
| At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)          | 5 years working experience in palm oil estates.                                     |
| Successfully completed MS 2530 series of standards training  | Successfully completed MS2530 series of standards 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 lead auditor for MSPO scheme.  |
| A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.   | Able to communicate in Bahasa Malaysia and English.                                 |
| Field working experience in the palm oil sector, or demonstrable equivalent  | 5 years working experience in palm oil estates.                                     |
| Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use  | 5 years working experience in palm oil estates.                                     |
| Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System   | Auditor for RSPO and MSPO scheme. Completed successfully ISO 45001 LA course.       |
| Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes  | Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes |
| Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)   | Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO schemes.   |

## Qualification of Team Members

| Requirement   | Assessor                                | Qualification  | Compliance |
|---|---|--|------------|
| Post-secondary education, college or university diploma / degree in one of the following<br>i) Agriculture; | Muhammad Khairul Anuar Bin Azizul Hasan | Graduate in Applied Science (Major in Plantation and management) | Yes        |

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| Requirement   | Assessor                                       | Qualification   | Compliance |
|---|--|---|------------|
| ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);<br>iii) Engineering, Process Technology;<br>iv) Energy Management, Quality Management;<br>v) Social Sciences and/or Anthropology;<br>vi) Business Management; or<br>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)                           | Muhammad Anuar Bin Hasan<br>Khairul Bin Azizul | 7 years working experience in oil palm plantations.         | Yes        |
| Successfully completed MS 2530 series of standards training   | Muhammad Anuar Bin Hasan<br>Khairul Bin Azizul | Successfully completed MS2530 series of standards training, | Yes        |
| 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.  | Muhammad Anuar Bin Hasan<br>Khairul Bin Azizul | Qualified as audit for MSPO and RSPO based on audit log.    | Yes        |
| A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and / or any other local language.   | Muhammad Anuar Bin Hasan<br>Khairul Bin Azizul | Communicate in Bahasa Malaysia and English.                 | Yes        |
| Field working experience in the palm oil sector, or demonstrable equivalent   | Muhammad Anuar Bin Hasan<br>Khairul Bin Azizul | 7 years working experience in oil palm plantations.         | Yes        |
| Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use   | Muhammad Anuar Bin Hasan<br>Khairul Bin Azizul | 7 years working experience in oil palm plantations.         | Yes        |

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| Requirement  | Assessor                                | Qualification   | Compliance |
|--|---|---|------------|
| Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System                                 | Muhammad Khairul Anuar Bin Azizul Hasan | Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course, auditor for MSPO and auditor in training for RSPO scheme. | Yes        |
| Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes  | Muhammad Khairul Anuar Bin Azizul Hasan | Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes   | Yes        |
| Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV) | Muhammad Khairul Anuar Bin Azizul Hasan | Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course, auditor for MSPO and auditor in training for RSPO scheme. | Yes        |

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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
- 
- Certifying, final approval and issuance of certificate.

### Annual Surveillance Audit 01:

Annual surveillance audit 01 is conducted on 11/11/2019 to 13/11/2019 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;
- Assessment reporting;

For list of personnel participated in the audits refer attendance sheet and Table 7-1.

### On-site Assessment

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



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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 external stakeholders were considered in the assessment.

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

The group of smallholders consists of 500 new members and 50 old members.

Based on the formula, the sample size  $S = \sqrt{500} = 22.36$  for new smallholder, and  $S = \sqrt{50} = 7.07$  for old members. Therefore, round up to next integral the total of new smallholders was 23 and old members are 8. Thus, a total of 31 smallholders selected for the onsite assessment and inspection listed in Table 2-1 below.

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

| Name of independent smallholders | Specific Address / site      |
|----------------------------------|------------------------------|
| Mering Jau Usat                  | Long Pilah, Baram, Sarawak.  |
| Emang Wan Ngau                   | Long Pilah, Baram, Sarawak.  |
| Saging Wan Lah                   | Long Pilah, Baram, Sarawak.  |
| Lawai Jau Usat                   | Long Pilah, Baram, Sarawak.  |
| Robert Luhut Wan                 | Long Laput, Baram, Sarawak.  |
| Senoria Ajang Ngau               | Long laput, Baram, Sarawak.  |
| Willie Nyurang                   | Long Piihah, Baram, Sarawak. |
| Maria Usun Wan                   | Long Laput, Baram, Sarawak.  |
| Ajang Jok                        | Long Bemang, Baram, Sarawak. |
| Mathew Wan                       | Long Bemang, Baram, Sarawak. |
| Salum Ngau                       | Long Bemang, Baram, Sarawak. |
| Ngo Imang                        | Long Bemang, Baram, Sarawak. |
| Anthony Anyi                     | Long Bemang, Baram, Sarawak. |
| Vicau Lawai Jok                  | Long Bemang, Baram, Sarawak. |
| Ngau Wan                         | Long Bemang, Baram, Sarawak. |

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| Name of independent smallholders | Specific Address / site       |
|----------------------------------|-------------------------------|
| Lahung Anyie                     | Long Bemang, Baram, Sarawak.  |
| Emo Ak Kujat                     | Long Bemang, Baram, Sarawak.  |
| Christina Aran                   | Long Piilah, Baram, Sarawak.  |
| Aran Jok Imang                   | Long Piilah, Baram, Sarawak.  |
| Harison Jok Jau                  | Long Piilah, Baram, Sarawak.  |
| Thomas Emang                     | Long Piilah, Baram, Sarawak.  |
| Marta Jok                        | Long Bemang, Baram, Sarawak.  |
| Simon Dangai Ajang               | Long Laput, Baram, Sarawak.   |
| Payang Laing                     | Long Bemang, Baram, Sarawak   |
| Unyang Wan                       | Long Bemang, Baram, Sarawak.  |
| Kendy Lai Yung Sing              | Loagan Bunut, Baram, Sarawak. |
| Me Anak Garges                   | Long Tisam, ,Baram, Sarawak.  |
| Mangga Anak Engawang             | Long Tisam, Baram, Sarawak.   |
| Sudan Anak Jangan                | Long Tisam, Baram, Sarawak.   |
| Durry Anak Mangas                | Long Tisam, Baram, Sarawak.   |

### Non-conformance:

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

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

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## 3. ORGANISATION INFORMATION

MPOB Cawangan SPOC Q25 Baram, is a branch of MPOB located at at Lot 1177 & 1178, Tingkat 4, Block 9, MCLD Miri Waterfront, Jalan Permaisuri, 98000 Miri Sarawak (Geo coordinate: 4° 23' 54.3" N, 113° 59' 11.5" E).

The SPOC is managed by a group manager and supported by a team officers to manage the cluster providing technical support, estate management skills and training as well as develop independent smallholders around Baram District..

The locations for the smallholders are in Baram, Sarawak as shown in the below maps:





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## 4. CERTIFICATION ASSESSMENT

### 4.1. Annual surveillance audit.

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q23 Baram are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

#### 4.1.1. Surveillance Audit ASA01:

During this surveillance audit ASA 01, there are 50 old members and 500 new members. Thus, total number of smallholders in the program is 550.

The surveillance audit is conducted on 11/11/2019 to 13/11/2019 that include inspection of the smallholders farms, farms boundary, interviews, conduct stakeholders' consultation and review of the 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 establish documents against the Principles and Criteria of the standard.

The details of assessment of the indicators are at the summary of assessment in this report.

During the onsite the following were 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 refer to Section 4.5 of this audit report.

### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 14/10/2019 as to accommodate stakeholder's consultation meeting for SPOC Q25 Baram to provide comments. As at audit date on 11/11/2019 there are no comments received.

Invitation letters are sent on 14/10/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 11/11/2019 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 objectives of MSPO standard certification for smallholders.
- b. Development of smallholders farms in area;
- c. Wildlife management area and impact to the smallholders;
- d. Environmental issues on the impact of river contamination;
- e. Type of wildlife around area;
- f. Support from processing palm oil mills at area.



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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.

| Item | Subject discussed   | Audit team findings   | Company response and proposed action to be taken |
|------|---|---|--|
| 1    | Any information from Group Manager [thereafter known as GM] as regards to MSPO audit?               | Stakeholder confirmed the MSPO audit through the invitation letter received.  | No action required.                              |
| 2    | Social issues   | Stakeholder confirmed there is no social issues occur within Baram area. Stakeholder live within Baram area. Thus, the input is sufficient. | No action required.                              |
| 3    | Understanding of Land Title – Native Customer Land, Freehold, Leased (Grant), Land application (LA) | Stakeholder understand the requirement on land ownership for MSPO. Thus, the input is sufficient.   | Positive comment                                 |
| 4    | Economy / Livelihood<br>Is there any impact on livelihood after the introduction of MSPO?           | Stakeholder agrees MSPO impact towards smallholders livelihood with their knowledge on managing oil palms is enhance                        | Positive comment                                 |
| 5    | Does MSPO largely benefits the local community?   | Stakeholder understanding on MSPO is moderate, thus no input on this topic.   | No action required.                              |
| 6    | Understanding of environmental.   | Stakeholder understanding on MSPO is moderate, thus no input on this topic.   | No action required.                              |
| 7    | Awareness towards species, habitats, and high conservation values?                                  | Stakeholder understanding on MSPO is moderate, thus no input on this topic.   | No action required.                              |
| 8    | FFB quality   | Stakeholder understanding on MSPO is moderate, thus no input on this topic.   | No action required.                              |
| 9    | Do you consider any management is in conflict with the MSPO principles and criteria?                | Stakeholder understanding on MSPO is moderate, thus no input on this topic.   | No action required.                              |
| 10   | Do you have any suggestions for management?   | No suggestion.  | No action required.                              |

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## 4.3. Summary of Assessment

| Principle and Criteria Assessment Summary  |
|--|
| <p>The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-2. The summary of the assessment is as 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</p> |

| Principle 1: Management Commitment & responsibility |  |            |
|---|--|------------|
| Indicator   | Summary of Assessment  | Compliance |
| 4.1.1.1   | <p>SPOC Q25 Baram established MSPO Policy, document number: MSPO/SSCC/Polisi-01 (rev 01) signed by GM dated 10/07/2019.</p> <p>Example of statements in policy:</p> <ol style="list-style-type: none"> <li>1. Commitment and responsibility of SPOC Q 25 Baram management team.</li> <li>2. Transparent on providing information to stakeholders.</li> <li>3. Traceability of documents</li> <li>4. Complying with International, national and states laws</li> <li>5. Commitment on contribution towards local sustainability development.</li> </ol> <p>Policy training held on 06/03/2019 and briefed by SPOC Q25 Baram Group Manager.</p> <p>The copy of MSPO Policy available at smallholders individual file, which kept at SPOC Q25 Baram office.</p> <p>Interviewed smallholders understand the MSPO Policy.</p> | Yes        |
| 4.1.2.1   | <p>SPOC Q25 Baram established Manual Procedure Kerja, dated 10/07/2019. Lampiran 9: Senarai Impak Social, Persekitaran dan Pelan tindakan has includes:</p> <p>Social Impact and action plan;</p> <p>Activity: Harvesting</p> <p>Social impact: FFB thieve.</p> <p>Action plan: Report to MPKK and Police for further action.</p> <p>Environmental Impact and action plan;</p> <p>Activity: Manuring and integrated farming.</p> <p>Environmental impact: Improve in soil fertility and soil structure (application of organic fertilizer)</p> <p>Action plan: Ongoing affords.</p>  | Yes        |
| 4.1.2.2   | <p>Latest Warta Sawit, Warta Sawit Bil. 71 (1)/ Jan-Apr 2019 disseminated to smallholders during taklimat or MSPO briefing.</p>  | Yes        |

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| Principle 2: Transparency |  |            |
|---------------------------|--|------------|
| Indicator                 | Summary of Assessment  | Compliance |
| 4.2.1.1                   | <p>SPOC S1Q25 Baram established SOP on economy and monitory viability, document number: MSPO/SSCC/GP-01/PEK, dated 10/07/2019. Stated under the SOP,</p> <p>Flow chart for Traceability:</p> <p>Process on sending FFB to dealers / mill.</p> <p>Related records such as weighbridge ticket and FFB summary to be kept by smallholders</p>               | Yes        |
| 4.2.1.2                   | <p>SPOC Q25 Baram established SOP Economy and Monitory viability, document number: MSPO/SSCC/GP-01/PEK, dated 10/07/2019</p> <p>The SOP includes a flow chart describing copy of the sales receipt / earning recorded in Buku Rekod Ladang (BRL).</p> <p>Interview with smallholders keep weighbridge tickets and record in Buku Rekod Ladang (BRL).</p> | Yes        |

| Principle 3: Compliance to legal requirements |  |            |
|---|--|------------|
| Indicator                                     | Summary of Assessment  | Compliance |
| 4.3.1.1                                       | <p>SPOC Q25 Baram established Legal register, document number: MSPO/SSCC/L-01/SKU, revision 02, dated 10/07/2019.</p> <p>The list includes laws applicable for Sarawak.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Undang-undang Sarawak: Kod Tanah (Cap. 81) 1958</li> <li>2. MPOB Act 1998.</li> <li>3. Minimum Wages Order 2018.</li> </ol> <p>Smallholders MPOB licenses are valid and copy of license available at individual files.</p> | Yes        |
| 4.3.2.1                                       | <p>SPOC Q25 Baram smallholders land titles are NCR type.</p> <p>The land use is for agricultural purposes.</p> <p>SPOC Q25 Baram established form MPOB (PK) as evidence of smallholders land ownership. The form includes information such as land owners name, address, land area and location.</p> <p>Tuai Rumah acknowledgement land ownership by signing the forrom MPOB (PK).</p>   | Yes        |
| 4.3.3.1                                       | <p>SPOC Q25 Baram members 'lands are NCR type.</p> <p>SPOC Q25 Baram established form MPOB (PK) as evidence of smallholders land ownership. The form includes information such as land owners name, address, land area and location.</p> <p>Records review all smallholders have e letter of acknowledgement from Tuai Rumah s as evidence for land ownerships.</p>  | Yes        |
| 4.3.3.2                                       | Map has the location, size and boundary markers  | Yes        |

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| Principle 4: Social Responsibility, health, safety and employment conditions |  |            |
|--|--|------------|
| Indicator  | Summary of Assessment  | Compliance |
| 4.4.1.1  | <p>SPOC Q25 Baram established Complaint and grievance procedure document number MSPO SCCS/SOP -01/AR issue 01 dated 13/04/2018</p> <ol style="list-style-type: none"> <li>1. Stated in the SOP timeline for addressing the grievance and complaint are within 14 days.</li> <li>2. Group manager in charge in handling the complaint and grievances.</li> </ol> <p>All the grievance and complaint records are available at SPOC Q25 Baram office.</p> <p>Complaints records are reviewed and managed within timeline stated in the SOP.</p>   | Yes        |
| 4.4.1.2  | <p>SPOC Q25 Baram has established Complaint and grievance procedure document number MSPO SCCS/SOP -01/AR issue 01 dated 13/04/2018</p> <p>The person in charge for complaints and grievances is the group manager. Group Manager tasks are as below::</p> <ol style="list-style-type: none"> <li>1. Accepting the grievances.</li> <li>2. Analyzed and investigate on issue raised</li> <li>3. Communicated with complainer.</li> </ol> <p>SOP point 2.8 If the grievance are out of group manager scope, the case will be referred to applicable agencies personnel</p>   | Yes        |
| 4.4.2.1  | <p>SPOC Q25 Baram established Guidelines for Safety and Health, documents no: MSPO /SSCC/GP-02/KKP revision: 0,.</p> <p>The guideline describes:</p> <ol style="list-style-type: none"> <li>1. Responsibility of GM and smallholders regarding safety and health.</li> <li>2. Procedure and type of PPE used for harvesting, manuring and chemical spraying.</li> </ol> <p>Safety and health training conducted on 06/03/2019 by SPOC Q25 Baram group manager.</p> <p>Interview with smallholders confirmed they understand on safety measures. They would use suitable PPE for operation harvesting or chemical spraying.</p> | Yes        |
| 4.4.3.1  | <p>SPOC Q25 Baram established form, terma penggajian pekerja, document number MSPO/SSCC/TPP-01, dated 10/07/2019.</p> <p>The form includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.</p> <p>Interviewed smallholders they work by themselves or assisted by family members in the daily operations.</p>   | Yes        |
| 4.4.3.2  | <p>SPOC Q25 Baram established MSPO Policy dated 10/07/2019.</p>  | Yes        |

# MSPO Certification Summary Report

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| Principle 4: Social Responsibility, health, safety and employment conditions |  |            |
|--|--|------------|
| Indicator  | Summary of Assessment  | Compliance |
|  | <p>The policy statement:<br/>Against any form of discrimination, and implying human right in terms of opportunities, disregards of races, gender, religion, political affiliation, and nationality.</p> <p>Training on MSPO Policy training conducted by GM on 26/06/2019.</p> <p>No complaints related to discrimination sighted on grievance records or interviewed with smallholders.</p> |            |
| 4.4.3.3  | <p>SPOC Q25 Baram established form, terma penggajian pekerja document number MSPO/SSCC/TPP-01, dated 10/07/2019.</p> <p>The form includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.</p> <p>SPOC Q23 Baram members managed the land on their own and family members support. There is no hiring of workers for field activities</p>        | Yes        |
| 4.4.3.4  | No living quarters sighted during field visits.  | Yes        |
| 4.4.3.5  | <p>SPOC Q25 Baram established Syarat Mengupah Pekerja di Kebun Sawit, document number MSPO/SSCC/SMP-01 dated 10/07/2019.</p> <p>The procedures describe on prohibition hiring young workers under age 15 to 18 years old.</p> <p>Interviewed smallholders no child workers on field and understand no hiring of underage workers.</p>  | Yes        |
| 4.4.4.1  | <p>SPOC Q25 Baram established Training Programme 2019.</p> <p>Example of training conducted::<br/>MSPO awareness conducted on 26/06/2019</p>   | Yes        |

| Principle 5: Environment, natural resources, biodiversity and ecosystem services |   |  |                      |             |                   |  |  |              |   |                            |  |  |  |     |
|--|---|--|----------------------|-------------|-------------------|--|--|--------------|---|----------------------------|--|--|--|-----|
| Indicator  | Summary of Assessment   | Compliance   |                      |             |                   |  |  |              |   |                            |  |  |  |     |
| 4.5.1.1  | <p>SPOC Q25 Baram established Environmental Impact and action plan, document number MSPO/SCCS/L-04/ISP, revision 02 with effective date 10/07/2019.</p> <table border="1"> <thead> <tr> <th>Activity</th> <th>Environmental Impact</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Chemical spraying</td> <td>Scheduled waste disposal (empty chemical containers)</td> <td>Triple rinsing and store at chemical storage area.</td> </tr> <tr> <td>New planting</td> <td>Air pollution due to open burning of plant waste.</td> <td>Observed zero open burning</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Smallholders interviewed informed aware of environmental impacts on their activities.</p> | Activity   | Environmental Impact | Action Plan | Chemical spraying | 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 |  |  |  | Yes |
| Activity   | Environmental Impact  | Action Plan  |                      |             |                   |  |  |              |   |                            |  |  |  |     |
| Chemical spraying  | 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                         |                      |             |                   |  |  |              |   |                            |  |  |  |     |
|  |   |  |                      |             |                   |  |  |              |   |                            |  |  |  |     |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services |   |   |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
|--|---|---|----------------|--------|------------|-----------------------------|--|-----------|---------------------------|---|------------------------|----------------|--------|---------------|---------------------|---|--------------------------|---------------------------------|---|-----|
| Indicator  | Summary of Assessment   | Compliance  |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| 4.5.2.1  | Field observation there are no renewable energy used by smallholders.   | Yes   |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| 4.5.3.1  | <p>SPOC Q25 Baram established of list of scheduled and domestic wastes document number MSPO/SSCC/L-03/SRD, issue 02, revision 0, dated 10/07/2019.</p> <p>Example:<br/>From agriculture input:</p> <table border="1"> <thead> <tr> <th>Agricultural input</th> <th>Waste produced</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td>Fertilizer</td> <td>Plastic from fertilizer beg</td> <td>Polluting natural and ground water resources</td> </tr> <tr> <td>Weedicide</td> <td>Empty chemical containers</td> <td>Breeding ground for mosquito<br/>Polluting water sources</td> </tr> </tbody> </table> <p>From non-agricultural input:</p> <table border="1"> <thead> <tr> <th>Agricultural equipment</th> <th>Waste produced</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td>Chemical pump</td> <td>Access chemical mix</td> <td>Breeding ground for mosquito<br/>Polluting water sources</td> </tr> <tr> <td>Agricultural machineries</td> <td>Used tire<br/>Used lubricant oil</td> <td>Polluting the soil surface.<br/>Breeding ground for mosquito</td> </tr> </tbody> </table> <p>Interview with GM SPOC Q25 Baram, the list of waste briefed during the LKN visit.</p> <p>Smallholders interview inform wastes generated from their activities such as empty chemical containers and empty fertilizer bags.</p> | Agricultural input  | Waste produced | Impact | Fertilizer | Plastic from fertilizer beg | Polluting natural and ground water resources | Weedicide | Empty chemical containers | Breeding ground for mosquito<br>Polluting water sources | Agricultural equipment | Waste produced | Impact | Chemical pump | Access chemical mix | Breeding ground for mosquito<br>Polluting water sources | Agricultural machineries | Used tire<br>Used lubricant oil | Polluting the soil surface.<br>Breeding ground for mosquito | Yes |
| Agricultural input   | Waste produced  | Impact  |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| Fertilizer   | Plastic from fertilizer beg   | Polluting natural and ground water resources                |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| Weedicide  | Empty chemical containers   | Breeding ground for mosquito<br>Polluting water sources     |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| Agricultural equipment   | Waste produced  | Impact  |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| Chemical pump  | Access chemical mix   | Breeding ground for mosquito<br>Polluting water sources     |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| Agricultural machineries   | Used tire<br>Used lubricant oil   | Polluting the soil surface.<br>Breeding ground for mosquito |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |
| 4.5.3.2  | <p>SPOC Q25 Baram established SOP for Managing Schedule waste SOP number MSPO/SSCC/SOP-03/BT, issue: 02, revision: 02 dated 10/07/2019.</p> <p>Stated in the SOP:</p> <ol style="list-style-type: none"> <li>Any cleaning of empty chemical container MUST NOT use with natural water resources such as river and water stream.</li> <li>Empty chemical containers were to be wash three times using clean water before storage.</li> </ol>   | Yes   |                |        |            |                             |  |           |                           |   |                        |                |        |               |                     |   |                          |                                 |   |     |

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| Principle 5: Environment, natural resources, biodiversity and ecosystem services |   |            |
|--|---|------------|
| Indicator  | Summary of Assessment   | Compliance |
|  | <p>3. Empty chemical containers need to be punctured unless for re used as storage of water for chemical spraying activities.</p> <p>4. All disposal of empty chemical container can only be disposed through DOE Licensed Contractor only.</p> <p>Site observation empty chemical containers and empty fertilizer bags are re-used. Empty chemical container is use as water container for spraying purposes. The empty fertilizer bags is use for loose fruit collection.</p>   |            |
| 4.5.4.1  | <p>SPOC Q25 Baram established SOP Garis Panduan Zon Penampan Sungai document number MSPO/SSCC/GP-03/ZPS, issue: 02, revision 0 dated 10/07/2017.</p> <p>The SOP describe no chemical spraying and manuring activities permitted on buffer zone.</p> <p>SPOC Q25 Baram conducted Program Pensijilan MSPO dated 06/03/2019.</p> <p>The training covered MSPO certification, GAP, using of PPE, safety and health, environment and wildlife species.</p> <p>SPOC Q25 Baram conducted GAP visit to individual smallholder's field for year 2019. Example GAP visit conducted on 15/01/2019.</p> <p>The GAP covered the element of soil and water conservation.</p> <ul style="list-style-type: none"> <li>Practicing of soil and water conservation (silt pit / conserve soft grass / cover crops / terrace/no blanker spray / no spraying activity on waterway.</li> </ul> <p>Site interview smallholders understand the importance to maintain the water quality within their area.</p> | Yes        |
| 4.5.4.2  | <p>Site observation indicates smallholders practice water harvesting using culvert and dug water pond.</p>  | Yes        |
| 4.5.5.1  | <p>SPOC Q25 Baram conducted Program Pensijilan MSPO dated 06/03/2019.</p> <p>The programme include briefing of Rare, Threaten and Endangered Species by Forestry Department.</p> <p>SPOC Q25 Baram established list of wildlife 2019.</p> <ul style="list-style-type: none"> <li>Babi hutan</li> <li>Landak</li> <li>Ular</li> <li>Kruak</li> <li>Musang</li> <li>Burung Helang</li> </ul> <p>Site interview smallholders obtain the poster of protected wildlife of Sarawak. The poster includes mammals, reptiles and birds.</p>  | Yes        |



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| Principle 5: Environment, natural resources, biodiversity and ecosystem services |  |            |
|--|--|------------|
| Indicator  | Summary of Assessment  | Compliance |
|  | Smallholders interviewed aware of protected wildlife where no hunting of wildlife permitted.   |            |
| 4.5.6.1  | <p>SPOC Q25 Baram established Zero Burning Procedure, document number MSPO/SSCC/GP-04/APS, issue number 02 and effective on 10/07/2019.</p> <p>.Zero burning procedure describes:</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> <p>SPOC Q25 Baram conducted MSPO training dated 06/03/2019.</p> <p>Site visit to smallholders informed no open burning occur in the field and smallholders aware that open burning is prohibited by law.</p> | Yes        |

| Principle 6: Best Practices |  |            |
|-----------------------------|--|------------|
| Indicator                   | Summary of Assessment  | Compliance |
| 4.6.1.1                     | <p>SPOC Q25 Baram conducted MSPO training dated 06/03/2019.</p> <p>The training cover MSPO certification, GAP and FFB grading.</p> <p>SPOC Q25 Baram conducted GAP visit to individual smallholder's field for year 2019. Example GAP visit conducted on 15/01/2019.</p> <p>Elements covered in the GAP visit are;</p> <ul style="list-style-type: none"> <li>• Field free from woodiest and weeds</li> <li>• Manuring activities</li> <li>• Fronds maintaining (48 fronds and above)</li> <li>• 2 rounds of harvesting per month</li> <li>• Loose fruit collection</li> <li>• No new planting on buffer zone</li> </ul> | Yes        |



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| Principle 6: Best Practices |  |            |
|-----------------------------|--|------------|
| Indicator                   | Summary of Assessment  | Compliance |
|                             | <ul style="list-style-type: none"> <li>Practicing of soil and water conservation (silt pit / conserve soft grass / cover crops / terrace / no blanket spray / no spraying activity on waterway.</li> <li>FFB recording.</li> <li>Integrated plant and poultry.</li> </ul> <p>Smallholder implement best practices as below;</p> <ul style="list-style-type: none"> <li>Fronde stacking.</li> <li>Harvesting 2 round per month.</li> </ul>                  |            |
| 4.6.1.2                     | <p>SPOC Q25 established signage as a field identification at each smallholders field include</p> <ul style="list-style-type: none"> <li>Smallholders name.</li> <li>Coordinate.</li> <li>Acreage.</li> </ul>   | Yes        |
| 4.6.2.1                     | <p>SPOC Q25 Baram established SOP 'Garis Panduan Pelan daya Ekonomi dan Kewangan' doc no MSPO/SSCC/GP-01?PEK, issue no 2, date effective 10/07/2019.</p> <p>SPOC Q25 Baram establishd annual budget 2019 includes MSPO training, chemical cabinets and PPEs for smallholders</p> <p>Program Pensijilan MSPO has conducted dated 07/03/2019 as per plan established year 2019. Sighted the budget allocation been utilised for the programme conducted.</p> | Yes        |
| 4.6.3.1                     | <p>Interview smallholders informed the FFB price is display at the collecting centre.</p> <p>Site visit to the collecting centre FFB price is display at the main entrance board.</p> <p>Review on BRL logbook, smallholders recorded FFB sales and delivery include the FFB price.</p>  | Yes        |

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| Principle 7: Development of new planting |  |            |
|--|--|------------|
| Indicator                                | Summary of Assessment  | Compliance |
| 4.7.1.1                                  | SPOC Q23 Baram established smallholders planting statement with first planting year in 1998 and latest planting in 2019.<br><br>There are two smallholders have new planting in year 2019. Borang Permohonan Pensijilan MSPO review previous planting is rubber and rice paddy. Since the land is for agricultural and planted before It could confirm the new planting is not HBV area. | Yes        |
| 4.7.2.1                                  | SPOC Q23 established Borang Permohonan MSPO which includes assessment on soil type Soil type for newly planting area as tanah pedalaman with undulating topography of 6° to 25°  | Yes        |
| 4.7.3.1                                  | SPOC Q23 Baram established Borang Permohonan Pensijilan Minyak Sawit Mampan Malaysia (MSPO) that states planting not allowed for land with topography of 25 ° and above.   | Yes        |

## 4.4. 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. |
| 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> |   |

## 4.5. Detail of Audit Findings in last Audit

| AUDIT OUTCOME     |   |                               |
|-------------------|---|-------------------------------|
| During last Audit | 2 | <b>MAJOR Non-Conformities</b> |
|                   | 0 | <b>MINOR Non-Conformities</b> |

| Non Conformity Number < 01 >                        |   |
|---|---|
| <b>Indicator # and Description</b>                  | Indicator 4.4.1.1 Independent smallholders shall be able to respond to complains that are raised by their neighbours or other stakeholders. |
| <b>Location:</b>                                    | Long Laput/ Long Pilah  |
| <b>Description of Finding / Objective Evidence:</b> |   |

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| Non Conformity Number < 01 >  |  |
|---|--|
| SOP “Aduan dan Rungutan” no MSPO /SSCC/SOP-01/AR is establish to handle complaint process.  |  |
| During interview with the smallholders, it is found the awareness in the process is lacking. They are not able to explain the proves of complaint that is established by group manager.                 |  |
| <b>Classification</b>   | <input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor                       |
| <b>Raise by:</b>  | Terence, Ang Wai Sheng. <b>Date Raise:</b> 15/11/2018  |
| <b>Deadline for implementation</b>  | 15/01/2019   |
| <b>Root Cause Analysis (by company):</b>  |  |
| The smallholders awareness of MSPO “Aduan dan Rungutan” lacking where the smallholders cannot explain the process of complaint.   |  |
| <b>Correction (by company):</b>   |  |
| Group manager will do the visit to the smallholders brief them about the complaint process that already n the SOP.  |  |
| <b>Corrective / Preventive Action (by company)</b>  |  |
| Group manager have been visited tht smallholders on 06/12/2018 and do the briefing to the smallholders about the complaint process. Also give the flow chart of the process to the smallholders.        |  |
| <b>Review of Correction &amp; Corrective / Preventive Action</b>  |  |
| The group manager has briefed the smallholders on the complaints reporting flow chart during visit o 06/122018. The corrective and preventive actions taken is consider acceptable.                     |  |
| <b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | <b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>Name of Lead Auditor / Auditor:</b><br>Zul Hairi Bin Abu Hassan  | <b>Date of Closure:</b><br>15/01/2019  |
| <b>Review of Implementation</b>   |  |
| Interview smallholders aware of the grievance procedure. Grievance records available with all complaints and grievances closed within timelines stated e in SOP. Thus, the implementation is effective. |  |
| <b>Name of Lead Auditor :</b><br>Mohamad Norhisham Bin Mohd Salleh  | <b>Date of Review:</b><br>11/11/2019   |

| Non Conformity Number < 02 >   |  |
|--|--|
| <b>Indicator # and Description</b>   | Indicator 4.6.1.2 A visual identification or reference system shall be established for each field or block of oil palm planting. |
| <b>Location:</b>   | Long Laput/ Long Pilah   |
| <b>Description of Finding / Objective Evidence:</b>  |  |
| During site visit, four of the sampled smallholders do not have any signage at their site. |  |
| <b>Classification</b>  | <input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor   |
| <b>Raise by:</b>   | Terence, Ang Wai Sheng. <b>Date Raise:</b> 15/11/2018  |

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| Non Conformity Number < 02 >  |  |
|---|--|
| <b>Deadline for implementation</b>  | 15/01/2019   |
| <b>Root Cause Analysis (by company):</b>  |  |
| A signage not sighted at the block of the smallholders.   |  |
| <b>Correction (by company):</b>   |  |
| Group manager will do the visit to the smallholders to give them temporary signage to the smallholders.   |  |
| <b>Corrective / Preventive Action (by company)</b>  |  |
| Group manager have been visited the smallholders on 06/12/2018 and give the temporary signage for the smallholders.   |  |
| <b>Review of Correction &amp; Corrective / Preventive Action</b>  |  |
| The Group Manager has install temporary signage at those smallholders without identification. Photos of the visual identification submitted, The corrective and preventive action is consider acceptable. |  |
| <b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | <b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>Name of Lead Auditor / Auditor:</b><br>Zul Hairi Bin Abu Hassan  | <b>Date of Closure:</b><br>15/01/2019  |
| <b>Review of Implementation</b>   |  |
| Smallholders have signage with name, coordinate and area size.  |  |
| <b>Name of Lead Auditor:</b><br>Mohamad Norhisham Bin Mohd Salleh.  | <b>Date of Review:</b><br>11/11/2019   |

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

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

| AUDIT OUTCOME             |   |                               |
|---------------------------|---|-------------------------------|
| <b>During this audit,</b> | 0 | <b>MAJOR Non-Conformities</b> |
|                           | 0 | <b>MINOR Non-Conformities</b> |

| Nr. | Indicator | Location       | Opportunity for Improvement  |
|-----|-----------|----------------|--|
| 1.  | 4.2.1.2   | SPOC Q25 Baram | SPOC Q25 Baram may consider improve traecability monitoring.             |
| 2.  | 4.5.3.2   | SPOC Q25 Baram | SPOC Q25 Baram could considre improve on waste disposal.                 |
| 3.  | 4.5.4.1   | SPOC Q25 Baram | SPOC Q25 Baram could improve on understanding of water quality.          |
| 4.  | 4.6.1.1   | SPOC Q25 Baram | SPOC Q25 Baram could consider improve the best practises implementation. |

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## 5. CONCLUSION

Malaysia Palm Oil Board has commissioned TÜV NORD (Malaysia) Sdn Bhd to carry out the certification for the Sustainable Palm Oil Cluster (SPOC) for SPOC Q25 Baram consisting of 550 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There is no major or minor non-conformity raised during the audit.

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:   | 530       |    |
| Total certified acreage of smallholders:              | 1,891.07  | Ha |
| Certified FFBs output January 2019 to September 2019: | 3,494.63  | Mt |
| Projected FFBs output October 2019 to December 2019   | 9,495.00  | Mt |
| Projected FFBs output January 2020 to December 2020:  | 39,822.12 | Mt |

# MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board  
Certifying Unit: MPOB – SPOC Q25 Baram  
Client Number: 92-055  
Audit Type: Annual Surveillance Audit 03



## 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 are interviews, observations, sampling of activities, review of documentation and records.

Any audit is based on sampling within an organization’s management system and therefore is not 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 policies and objectives.

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

|   |   |
|---|---|
|   | Recommended for Certification / Recertification |
| X | Recommended for Continuity of Certification     |
|   | Suspended of Certification                      |

Puchong, 19/02/2020

Mohamad Norhisham Bin Mohd Salleh  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 19/02/2020

Nur Amanina Zahir  
TUV NORD (Malaysia) Sdn Bhd  
Certifier / Approver

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Company Name: Malaysia Palm Oil Board

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### 7. LIST OF INTERVIEWEES

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

| No. | Name         | Organization / Function                  |
|-----|--------------|--|
| 1.  | Sima Ak Lait | Pejabat Pertanian Daerah Baram, Sarawak. |

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## 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 or weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

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

Salvo clause:

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

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

## Annex / Enclosures

Annex /  
corresponding audit documentation

- P&C Audit Report / Checklist(s)
- Audit Plan
- Additional annexes, number