



MSPO CERTIFICATION SUMMARY REPORT

MPOB -SPOC S11 NABAWAN & TENOM

SURVEILLANCE 03

Date: 22-24/10/2019

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri 1/2, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment & Qualification of Audit Team Members	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION	12
4.	CERTIFICATION ASSESSMENT	14
4.1.	Annual surveillance audit.	14
4.2.	Stakeholders' Consultation	14
4.3.	Summary of Assessment	16
4.4.	Status of Non-Conformities Previously Identified	25
4.5.	Detail of Audit Findings in last Audit	25
4.6.	Detail of Audit Findings Identified During This Audit	28
5.	Conclusion	29
6.	Recommendation	30
7.	List of Interviewees	31
	Annex / Enclosures	32

ABBREVIATIONS

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agriculture Practices
GPS	Global Positioning System
HBV	High Biodiversity Value
IPM	Integrated Pest Management
ISO	International Standard Organisation
LKN	Latihan Khidmat Nasihat
MPOB	Malaysian Palm Oil Board
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PPE	Personal Protective Equipment
RTE	Rate, Threatened and Endangered
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SPOC	Sustainable Palm Oil Cluster
WHO	World Health Organization

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for SPOC S11 Nabawan & Tenom according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

1.1. Objective

The objective of this audit is to assess SPOC S11 Nabawan & Tenom 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 S11 Nabawan & Tenom.

1.2. Scope

The certification is based on the documentation established by MPOB Cawangan SPOC S11 Nabawan & Tenom 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 two 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 i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);	Graduate in Applied Science (Major in Agrobiology).

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Requirement	Qualifications
iii) Engineering, Process Technology; 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)	5 years working experience in palm oil estates.
Successfully completed MS 2530 series of standards training	Successfully completed MS 2530 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) mandays 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. Conducted 15 mandays as trainee lead auditor under supervision.
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 scheme.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



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	Mohd Nur Amin Bin Mohd Halim	Graduate in Agricultural Science.	Yes
	Chan Shi Lie	Graduate in Technology Media (Major in Broadcasting).	Yes
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)	Mohd Nur Amin Bin Mohd Halim	6 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Successfully completed MS 2530 series of standards training	Mohd Nur Amin Bin Mohd Halim	Successfully complete MS 2530 series of standards training.	Yes
	Chan Shi Lie	Successfully complete MS 2530 series of standards 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.	Mohd Nur Amin Bin Mohd Halim	Qualified as auditor. Has conducted more than 20 man days of audit.	Yes
	Chan Shi Lie	Trainee auditor	Yes
A good knowledge in handling and evaluating sources of information and data. Able to	Mohd Nur Amin Bin Mohd Halim	Able to communicate in Bahasa Malaysia and English.	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Requirement	Assessor	Qualification	Compliance
communicate in Bahasa Malaysia, English and / or any other local language.	Chan Shi Lie	Able to communicate in Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Mohd Nur Amin Bin Mohd Halim	7 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Mohd Nur Amin Bin Mohd Halim	6 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Mohd Nur Amin Bin Mohd Halim	Training auditor for MSPO scheme.	Yes
	Chan Shi Lie	Successfully completed SA 8000 Basic training	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



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:

Surveillance audit is conducted on 22/10/2019 to 24/10/2019 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.

On-site Assessment

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



The audit of the smallholders 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 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 = sample size and n = number of group members which is in accordance to MSPO certification procedure.

The group of smallholders consists of 544 new members and 100 old members.

Based on the formula, the sample size $S = \sqrt{544} = 23.32$ for new smallholder, and $S = \sqrt{100} = 10$ for old members. Therefore, round up to next integral the total of new smallholders was 24 and old members are 10. Thus, a total of 34 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
Durat Bin Unding	Kg. Rancangan Penempatan Belia Tiulon P/S 1432, 89008 Keningau, Sabah.
Gidion Thomas Sandur	Kg. Rancangan Belia Sook, 89000, Keningau Sabah.
Joilim Bin Apin	Kg. Rancangan Penempatan Belia Tiulon Sook P/S 1432 89008, Keningau, Sabah.
Md Said Bin Adini	Kg. Dua Ria, P/S 45, 89957 Keningau, Sabah.
Vitus Cletus	Kg. Libang Laut, 89650, Tambunan, Sabah.
Carterine Binti Jaintang	Kg. Sarikan, P/S 32, 89957, Nabawan, Sabah.
Anduhut Bin Likor	89950 Daerah Nabawan, Sabah.
Jainol Angkasang	89950 Daerah Nabawan. Sabah
Petrus Bin Tulangkou	89950 Daerah Nabawan. Sabah.
Karen Clayrice Bukah	Kg Sumarat Kakuom, Nabawan, Sabah.
Silip Wot	Kg. Pemuntarian, Nabawan, Sabah.
Ungkun Tawang	Kg. Loboh, Nabawan, Sabah.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Name of independent smallholders	Specific Address / site
Ahzilot Akong	Kg. Pemuntarian, Nabawan, Sabah.
Ukal Bin Mundai	Kg. Saliku Mukim Sepulut 89950, Nabawan, Sabah.
Ampari Bin Singa	Kg. Lima 89950 Nabawan, Sabah.
Mail Bin Angkasang	Kg. Tonomon Sapulut, Nabawan, Sabah.
Nurfaezah Kuluyou Abdullah	Kg. Tampasion, Nabawan, Sabah.
Pencil Goriki	Lot LA 94130405, Keningau, Sabah.
Sapitai Bin Ambuloi	Kg. Sindukan Sepulut, , 89950 Nabawan, Sabah.
Antun Bin Angatun	Kg. Malampoi, Nabawan, Sabah.
Ho Poo Sik @ Ho Kam Seng	Kg. Pulutan, Nabawan, Sabah.
Andami Binti Amdabong	Kg. Tetagas, Nabawan, Sabah.
Lim Vui Chen @ Victor	Kg Chinta Mata, P/S 19, 89907, Tenom, Sabah.
Yong Oi Min	Lot 57 HSE 22, Lorong Apens 1, Taman Dixon, 88300, Kota Kinabalu Sabah.
Voo Lee Leong	Kg. Tenom Lama, 89907, Tenom , Sabah.
Su Shu Ping	Kg. Pulong, 89907, Tenom, Sabah.
Ho Hu Foh	Kg Chinta Mata, P/S 19, 89907, Tenom, Sabah.
Esah Bin Mohd Yusof	Kg. Mandalom P/S 86, 89907, Tenom, Sabah.
Yap Pau Chie	Kg. Entabuan P/S 59, 89907 Tenom, Sabah.
Lo Su Ken	No 20, Taman Fuji, Tawau, Sabah.
Atui Bin Labi	Kg. Simatuoh Sepulut, 89950 Nabawan, Sabah.
Sambilan Bin Usang	Kg. Murni , 89950 Nabawan, Sabah.
Antanom Bin Duat	Kg. Murni , 89950 Nabawan, Sabah.
Yong Oi Keong	Kg. Tenom Lama, 89907, Tenom, Sabah

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



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.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



3. ORGANISATION INFORMATION

MPOB Cawangan SPOC S11 Nabawan & Tenom, is a branch of MPOB located at at MPOB Keningau (Office coordinate: 5° 19' 59.0" N, 116° 9' 20.0" E) to provide technical support as well as develop the independent smallholders' scheme around the Nabawan & Tenom district.

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.

The SPOC office is located at Pejabat MPOB Caw. Keningau, Tingkat 1, Lot 13, Bariawa Shop House, Jalan Bank Bumiputera, 89008 Keningau, Sabah.

The locations for the smallholders in Nabawan & Tenom as shown in the below maps.

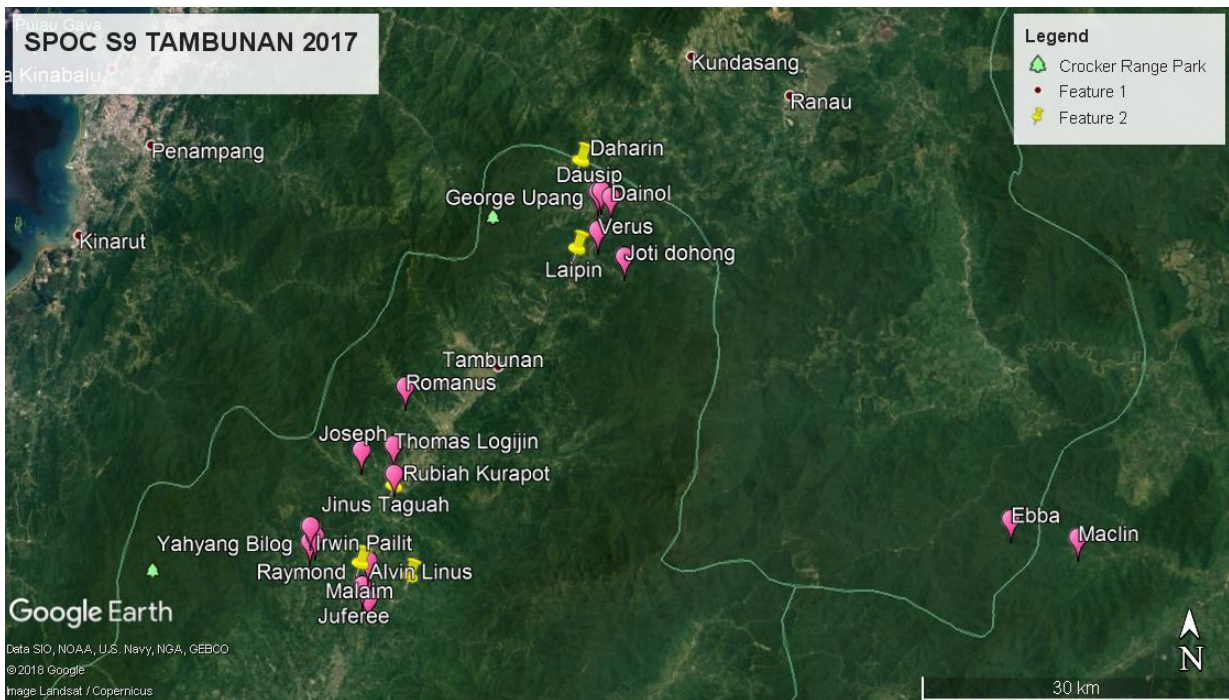


Figure 1: SPOC S11 Nabawan & Tenom smallholders site.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03

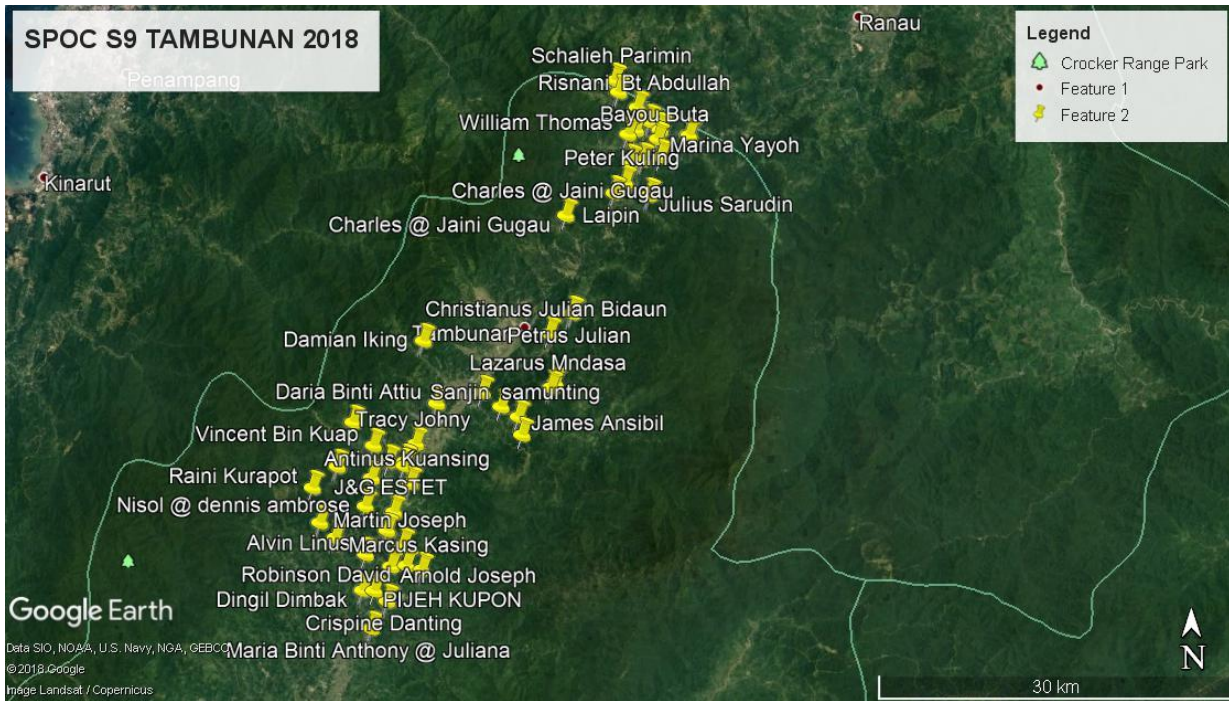


Figure 2: SPOC S11 Nabawan & Tenom smallholders site

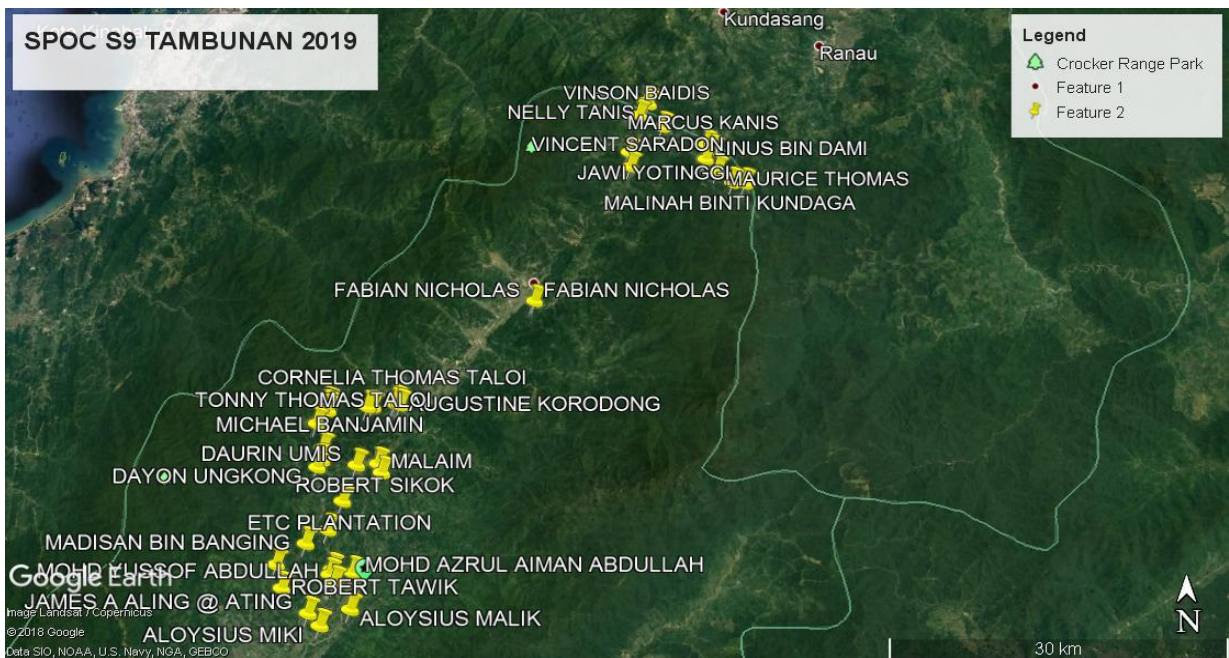


Figure 3: SPOC 11 Nabawan & Tenom smallholders site.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



4. CERTIFICATION ASSESSMENT

4.1. Annual surveillance audit.

The objective of the audit is to assess the activities of MPOB Cawangan SPOC S11 Nabawan & Tenom are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance:

During this surveillance audit ASA 03, there are 100 old members and 5444 new members. Thus, total number of smallholders in the program is 644.

The surveillance audit is conducted on 22/10/2019 to 24/10/2019 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.

During the previous surveillance audit, there are 2 majors and 1 minor raised.

The number of audit findings raised in this audit refer to Section 4.6 of this audit.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 24/09/2019 as to accommodate stakeholder's consultation meeting for SPOC S11 Nabawan & Tenom to provide comments. As at audit date on 22/10/2019 there are no comments received.

Invitation letters are sent on 14/09/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 14/10/2019 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;

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



- e. Type of wildlife around area;
- f. Support from processing palm oil mills at 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.

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 attended the meeting confirmed they are inform of the audit via invitation letter.	Positive comment
2	Social issues	Stakeholder is not a local community. Therefore, no input of information	No input.
3	Understanding of Land Title – Native Customer Land, Freehold, Leased (Grant), Land application (LA)	Stakeholder attended the meeting Is not local community. Therefore, no input..	No input.
4	Economy / Livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders attended the meeting is not a local community. Therefore, no input.	No input.
5	Does MSPO largely benefits the local community?	Stakeholders attended the meeting is not a local community. Therefore, no input	No input
6	Understanding of environmental.	Stakeholders attended the meeting is not a local community. Therefore, no input	No input
7	Awareness towards species, habitats, and high conservation values?	Stakeholders attended the meeting is not a local community. Therefore, no input	No input.
8	FFB quality	Stakeholders attended the meeting is not a local community. Therefore, no input	No input
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholder attend the meeting inform there is no conflict arise against MSPO requirement for SPOC S11 Nabawan & Tenomn.	Positive comment

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



11	Do you have any suggestions for management?	Stakeholder attended is grateful on the commitment by Group Manger and willingly to involved in any of awareness training.	Positive comment
----	---	--	------------------

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 S11 Nabawan & Tenom established MSPO Policy, document number: MSPO/SSCC/Polisi-01 (rev 01).</p> <p>The policy statements:</p> <ol style="list-style-type: none"> 1. Commitment and responsibility of SPOC S11 Nabawan & Tenom management team. 2. Transparent on providing information to stakeholders. 3. Traceability of documents 4. Complying with International, national and states laws 5. Commitment on contribution towards local sustainability development. <p>Policy training held on 13/02/2019.</p>	Yes
4.1.2.1	<p>SPOC S11 Nabawan & Tenom established Manual Procedure Kerja, dated 10/07/2019. Lampiran 9: Senarai Impak Social, Persekitaran dan Pelan tindakan has include:</p> <p>Social Impact and action plan;</p> <p>Activity: Harvesting</p> <p>Social impact: FFB stolen</p> <p>Action plan: Report to MPKK and Police for further action.</p> <p>Training on CIP conducted on 13/02/2019.</p>	Yes
4.1.2.2	<p>SPOC S11 Nabawan & Tenom distribute latest Warta Sawit Bil. 71 (1)/ Jan-Apr 2019 to smallholders during Taklimat or MSPO briefing.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC S11 Nabawan & Tenom established SOP on economy and monitory viability, document number: MSPO/SSCC/GP-01/PEK.</p> <p>The SOP has a flow chart for Traceability describe</p> <ol style="list-style-type: none"> 1. Process on sending FFB to dealers/mill. 2. Related records to be kept by smallholders. <p>Internal audit conducted on 03/10/2019 – 04/10/2019 includes traceability and no findings raised.</p>	Yes
4.2.1.2	<p>SPOC S11 Nabawan & Tenom established SOP Economy and Monitory viability, document number: MSPO/SSCC/GP-01/PEK.</p> <p>The SOP flow chart states to keep the sales receipt / earning in Buku Rekod Ladang (BRL).Field interviews 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 S11 Nabawan & Tenom established Legal register document number: MSPO/SSCC/L-01/SKU, revision 02, dated 10/07/2019.</p> <p>The list includes laws applicable for Sabah.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Sabah Land Ordinance (chapter 68) 2. MPOB Act 1998. 3. Minimum Wages Order 2018 <p>Review on MPOB license for smallholders are valid.</p>	Yes
4.3.2.1	<p>Smallholders land titles are either Native Title, Country Lease or Permohonan Tanah Status.</p> <p>Land use is for agricultural crops of economic value.</p> <p>Country lease or native lease are issued by Saba Land Authority or Field Register.</p>	Yes
4.3.3.1	<p>SPOC S11 Nabawan & Tenom have no customary land.</p> <p>Type of land titles are s either native title, lease title or land application status.</p> <p>The land titles are issued by Jabatan Tanah dan Ukur Sabah.</p> <p>Interview with group manager and smallholders confirmed no land dispute occurs.</p>	Yes
4.3.3.2	<p>Map is included in the land title with the location, size and appropriate scale</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC S11 Nabawan & Tenom established SOP ‘Aduan dan Rungutan’, doc no: MSPO/SSCC/SOP-01/AR; no. Issue: 2; no. revision: 1 and date effective: 10/07/2019.</p> <p>The SOP describes ‘Memantau dan memastikan aduan dan rungutan yang diterima daripada pihak berkepentingan diselidik dan diambil tindakan dalam tempoh yang telah ditetapkan dengan efektif.</p> <p>The flow chart state the normal complaint process is to be resolved within 14 days. If the complainant is not satisfied with the action taken the complaint will extend another 10 days for the response.</p> <p>SOP states if the complaint received not under the jurisdiction of group manager it will refer to the relevant party to resolve.</p> <p>Complaints form, doc no: MSPO/SSCC/F-01/AR; no. Issue: 2; no revision: 0 no issue: 01 date effective: 10/074/2019 established and implemented.</p> <p>Interviewed smallholders informed they understand the compliant process and procedure.</p> <p>Complaint can be lodge at SPOC office using the available complaint form</p> <p>Two (2) complaints recorded in complaint book and resolved within timeline and acknowledged by complainant.</p>	Yes
4.4.1.2	<p>SPOC S11 Nabawan & Tenom established SOP “Rekod Aduan dan Rungutan”, doc. No: MSPO/SSCC/SOP-01/AR, rev. No.: 1. issued no.: 2. Effective date: 10/07/2019</p> <p>Flow chart in the SOP states received complaint to be resolved within 14 days</p> <p>Group Manager appoint to manage the complaint, grievance and disputes.</p> <p>If the complaint is beyond the GM to resolve will be referred to MPOB headquarters.</p>	Yes
4.4.2.1	<p>SPOC S11 Nabawan & Tenom established SOP “Prosedur Kemalangan, Kejadian Berbahaya & Keracunan Pekerjaan” document no MSPO/SSCC/SOP-04/KK, Rev. No.: 0, Issued No.: 02, date effective: 10/07/2019.</p> <p>SPOC S11 Nabawan & Tenom established ‘Garis Panduan Keselamatan & Kesihatan Pekerjaan’ document no.: MSPO/SSCC/GP-02/KKP, Rev. No.: 0, Issued No.: 02, date effective 10/07/2019.</p> <p>The procedure describe “Garis panduan ini menerangkan tentang tanggungjawab semua pihak bagi mengealpasti tindakan yang perlu diambil sekiranya berlaku kemalangan dan langkah-langkah mencegah kejadian berulang.’</p> <p>Training conduct;</p> <p>Program:Taklimat MSPO dan Latihan Keselamatan dalam Pekerjaan) dated 26/06/2019</p> <p>Site interviewed with smallholders informed on safe work practices</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.3.1	<p>SPOC S11 Nabawan & Tenom established Syarat Mengupah pekerja (document no: MSPO/SSCC/SMP-01, Rev-01) dan Terma Perjanjian Pekerja (MSPO/SSCC/TPP-01).</p> <p>The form states working rates for activities such as:</p> <ol style="list-style-type: none"> 1. Menuai BTS 2. Membaja 3. Meracun 4. Pemangkasan pelepah <p>The form “Terma Penggajian Pekerja” describe 7 points for hiring:</p> <ol style="list-style-type: none"> 1. Mempunyai permit kerja bagi pekerja asing 2. Tidak sama sekali membenarkan / mengupah orang muda di bawah umur 15 tahun untuk bekerja 3. Tidak sama sekali membenarkan / mengupah orang muda di bawah 15-18 tahun untuk membuat kerja berat dan merbahaya di Kawasan kebun sawit 4. Tidak mengamalkan sikap diskriminasi terhadap agama, kaum, jantina, warna kulit, kewarganegaraan dan politik 5. Pembayaran upah adalah mengikut jenis kerja yang dilakukan seperti yang disyorkan oleh pengurus SPOC 6. Kadar bayaran mestilah dipersetujui oleh pekebun kecil dan pekerja 7. Setiap bayaran yang dilakukan hendaklah direkodkan di dalam buku rekod ladang (BRL) dan ditandatangani oleh pekerja. 8. Pekerja perlu mengutamakan aspek-aspek keselamatan dan kesihatan semasa menjalan kerja-kerja di dalam kebun. <p>Site interviewed with smallholders informed prior commence of work will have mutual verbal agreement on rate.</p> <p>Smallholders inform harvesting, spraying and fertilizing activities are carried out either by themselves or assistance from family members</p>	Yes
4.4.3.2	<p>SPOC S11 Nabawan & Tenom established the policy on discrimination as stated inside the MSPO Policy, document number MSPO/SSCC/POLISI-01 (Rev01) include a statement ‘Menentang amalan diskriminasi dengan mengamalkan hak kesamarataan dalam memberi peluang dan layanan tanpa mengira bangsa, jantina, agama, fahaman politik dan kewarganegaraan’.</p> <p>Briefing on MSPO policy during program Taklimat Pensijilan MSPO dated 19/03/2019. .</p> <p>No complaints related to discrimination sighted during documents review.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Site visit and interview smallholders aware of the policy on discrimination and confirmed no discrimination occurs.	
4.4.3.3	<p>SPOC S11 Nabawan & Tenom established form 'Terma Penggajian Pekerja', document number MSPO/SSCC/TPP-01 for hiring of casual or temporary workers by smallholders</p> <p>The smallholders pay the workers on an agreed rate for harvesting per ton, fertiliser per bag, chemical spraying per acre or field maintenance by acre</p> <p>All harvesting, spraying and fertilizing activity are carried out either by own or among the family members. Thus, no hiring on casual worker observed during field visits.</p>	Yes
4.4.3.4	Smallholders hire nearby local villagers to work in the field or operate on family based or 'gotong royong' basis. Thus, no living quarters observed during field visits and interview with smallholders	Yes
4.4.3.5	<p>SPOC S11 Nabawan & Tenom established the MSPO Policy document number MSPO/SSCC/POLISI-01.</p> <p>The policy describe 'Pematuhan undang-undang setempat, kebangsaan dan antarabangsa yang terpakai'.</p> <p>SPOC S11 established the document 'Syarat Mengupah Pekerja di Kebun Sawit' document number MSPO/SSCC/SMP-01 describe 'Tidak sama sekali membenarkan / mengupah kanak – kanak di bawah umur 15 tahun untuk bekerja'. and 'tidak sama sekali membenarkan / mengupahkan orang muda di bawah umur 15-18 tahun untuk membuat kerja berat dan merbahaya di kawasan kebun sawit'.</p> <p>Smallholders are informed on the policy during training dated on 22 & 23/10/2019.</p> <p>From site visit and interview smallholders inform no child and young person not allowed to work in estate. No young worker found during visit.</p>	Yes
4.4.4.1	<p>SPOC S11 Nabawan & Tenom established training programme 2019 dated 19/12/2019 to increase the smallholders knowledge in oil palm management</p> <p>The training programme include:</p> <ol style="list-style-type: none"> i. Program Sehari bersama ahli kelab 30 tan MPOB. ii. Kursus Sehari Sawit, Seminar Pembangunan Pekebun Kecil. iii. Lawatan Sambil Belajar Pekebun Kecil. iv. Program Roadshow Keperasi dan ITA/ITE. v. Program Pensijilan Latihan GAP/KPSM/MSPO. <p>Group manager established Ringkasan Program Untuk Kawasan SPOC S11 2019 to monitor and ensure that training/briefing had been carried out according to the programme.</p> <p>Example:-</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Program Taklimat Pensijilan MSPO dan Promosi Koperasi Penanam Sawit (KPSM) conducted on 24/01/2019</p> <p>During site interviewed with smallholders they informed sufficient training and briefing provided by Group manager such as objective of MSPO, fertilizing and spraying activity to use PPE such as rubber glove and face mask as safety protection.</p>	

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC S11 Nabawan & Tenom established SOP, Manual Prosedur kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), Senarai Impak Sosial, Persekitaran & Pelan Tindakan. Doc no MSPO/SSCC/L-04/ISP, no. Issue: 2, no. revision: 2, effective date 10/07/2019.</p> <p>Environment impact are identified in SOP.</p> <p>Example:-</p> <p>Aktiviti: Sisa bahan buangan terjadual</p> <p>Impak persekitaran: Sisa bahan buangan terjadual yang tidak diurus dengan baik akan menyebabkan berlaku pencemaran pada tanah, udara dan air.</p> <p>Aktiviti: Meracun</p> <p>Impak persekitaran: Hakisan tanah boleh berlaku sekiranya tada amalan baik.</p> <p>Aktiviti: Membaja dan intergrasi tanaman</p> <p>Impak persekitaran: Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organik dan tanaman integrasi.</p> <p>Group manager informed smallholders on the environmental impact during program Taklimat MSPO Bersama Pekebun Kecil Sawit on 27/08/2019</p> <p>During field visit, there are no sign of pollution observed. All empty chemical containers are stored at designated area and marked with "X" label in red colour</p>	Yes
4.5.2.1	There is no usage of renewable energy by smallholders.	Yes
4.5.3.1	<p>SPOC S11 Nabawan & Tenom established SOP 'Senarai Sisa Racun Dan Domestik', doc no: MSPO/SSCC/L-03/SRD, no. Issue: 2, no. Revision: 0 and effective on 10/07/2019.</p> <p>The SOP describe 2 types of waste generated from agricultural or non-agricultural activity.</p> <p>A. Senarai sisa yang terhasil dari input pertanian:</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 5: Environment, natural resources, biodiversity and ecosystem services					
Indicator	Summary of Assessment				Compliance
	No	Input pertanian	Sisa yang dihasilkan	Kesan	
	1	Racun perosak	Tong racun kosong Racun perosak yang tertumpah ke tanah	Menjadi tempat pembiakan bagi nyamuk Mencemarkan sumber air semula jadi	
	2	Baja	Plastik dari beg baja Beg baja kosong yang tercemar dengan bahan kimia	Mencemarkan sumber air semula jadi dan sumber air dalam tanah Mencemarkan kualiti alam sekitar	
	3	Racun rumput	Tanah yang digunakan untuk menyerap sisa racun yang tertumpah ke tanah. Racun perosak yang tertumpah ke tanah	Mencemarkan sumber air semula jadi Mencemarkan kualiti udara	
	B. Senarai sisa yang terhasil bukan dari input pertanian :				
	No	Peralatan pertanian	Sisa yang dihasilkan	Kesan	
	1	Pam racun	Sisa lebih racun yang dibuang ke dalam sumber air. Pam yang tercemar dengan bahan kimia yang rosak dan tidak boleh digunakan	Menjadi tempat bagi pembiakan nyamuk Mencemarkan sumber air semula jadi	
	2	PPE	Pembuangan PPE yang rosak dan tercemar dengan bahan kimia PPE yang tercemar dengan bahan kimia dan tidak boleh terurai.	Mencemarkan sumber air semulajadi	
	3	Sisa bahan buangan dari kawasan perumahan	Plastik sampah yang tidak boleh terurai Tin-tin makanan yang terpakai yang tidak digunakan semula	Mencemarkan sumber air Mendatangkan kecederaan	
	SPOC S11 established record of “senarai bahan buangan terjadual yang dihasilkan”				

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.3.2	<p>SPOC S11 Nabawan & Tenom established SOP on Pengurusan Bahan Buangan Terjadual doc no: MSPO/SSCC/SOP-03/BT no. issue: 2, no. revision: 2 and effective on 10/07/2019.</p> <p>The SOP describe:</p> <p>Point no. 2: All empty chemical containers shall be tripled rinsed before kept and disposed.</p> <p>Point no. 5: After triple rinsed, empty chemical containers are no longer categorized as scheduled waste as per stated in Environmental Quality Act (Scheduled waste) 2005. Additional letter from DOE dated 24 May 2018 are made available to support the definition of point no.5 of the SOP.</p> <p>Point no. 6: After triple rinsed empty container must be punctured to avoid reused for other purposed.</p> <p>Point no.11: Empty chemical container is prohibit to be reused except for the purposed of chemical premix provided the container shall be labelled accordingly Briefing on wastes and disposal method conducted on 24/07/2019.</p> <p>During field visit observed that empty chemical containers are kept at designated and safe area, marked with 'X' in red color.</p> <p>Site interviewed with smallholders informed that they are aware on disposal of empty chemical containers.</p>	Yes
4.5.4.1	<p>SPOC S11 Nabawan & Tenom established SOP 'Garis Panduan Zon Penampaan Sungai', documents number: MSPO/SSCC/GP-03/ZPS, dated 10/07/2019.</p> <p>SOP describes it is the responsibility of smallholders to take care of environmental at the buffer zone from polluting by chemical.</p> <p>Taklimat MSPO kepada Pekebun Kecil conducted on 27/08/2019 includes briefing on environmental and safety & health.</p> <p>Smallholders interviewed are aware to maintain the water quality and its importance and install signboard of buffer zone with no sign of pollution sighted</p>	Yes
4.5.4.2	<p>Rain harvesting practices in smallholders field to collect rain water for chemical spraying.</p>	Yes
4.5.5.1	<p>SPOC S11 Nabawan & Tenom adopt list of wildlife presence in Nabawan and Tenom obtain from Wildlife Department of Keningau dated 17/10/2019.</p> <p>The list describe:-</p> <p>adual 1 Dilindungi Sepenuhnya</p> <p>Jadual 2 spesis haiwan dilindungi di mana pemburuan dan penuaian terhad di bawah lesen.</p> <p>Jadual 3 spesis haiwan dilindungi yang mana lesen pemburuan diperlukan.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Example of animal: Musang, Sambar Deer and Clouded Leopard</p> <p>Group manager establish list of common wildlife sighted in smallholders farms such as wild boar, deer and snake.</p> <p>Interviewed with smallholders inform most of common animals sighted are deer and wild pigs.</p>	
4.5.6.1	<p>SPOC S11 Nabawan & Tenom established MSPO Policy, document number MSPO/SSCC/POLISI-01 dated 01/03/201.</p> <p>Policy states 'pelaksanaan pembakaraan sifar dan amalan pertanian baik'.</p> <p>Akta Kualiti Alam Sekeliling 1974. Seksyen 29A. Larangan atas pembakaran terbuka</p> <p>SPOC S11 Nabawan & Tenon conducted zero burning briefing on 27/08/2019 There is no sign of open burning during field visit to smallholders</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC S11 Nabawan & Tenom establish SOP Sasaran Kerja Tahunan Pegawai Tunas 2016 (SOP SKT TUNAS 2016) states Syarat kebun untuk pensijilan MPOB GAP.</p> <p>Example: Pokok sawit mesti berumur 1-20 tahun sahaja, tiada system tanam bawah.</p> <p>Group manager conducts field visit for GAP / LKN for GAP on pokok dibaja dengan baja pada kadar mencukupi.</p> <p>Field observation found smallholders have implement best practices such as minimize used of chemical, rain harvesting and proper frond stacking</p>	Yes
4.6.1.2	<p>SPOC S11 Nabawan & Tenom installed visual identification signage with details of:</p> <ul style="list-style-type: none"> • Name of smallholder. • Lot number. • Location. • Lot size. 	Yes
4.6.2.1	<p>SPOC S1 Nabawan & Tenom establish year 2020 budget for training, MSPO certification, SPOC documentations and PPEs for, smallholders</p>	Yes
4.6.3.1	<p>Interviewed smallholders inform they have access to the FFB prices via phone call of display on FFB dealer noticeboard.</p> <p>No issue raised by smallholders on FFB price.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SPOC S11 Nabawan & Tenom smallholders planting statement with 1 st planting in year 1998 and latest in year 2018	Yes
4.7.2.1	SPOC S11 Nabawan & Tenom smallholders planting statement with 1 st planting in year 1998 and latest planting in year 2018. There are no new planting in year 2019	Yes
4.7.3.1	SPOC S11 Nabawan & Tenom smallholders planting statement with 1 st planting in year 1999 and latest planting in year 2018. There are no new planting established, thus, no extensive planting on solve or fragile soil conducted.	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.
<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>	
<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>	

4.5. Detail of Audit Findings in last Audit

AUDIT OUTCOME		
During last Audit	2	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number < 01 >	
Indicator # and Description:	Indicator 4.1.2.1 The action plan for continual improvement shall be based on th consideration for the main social and environmental impact and opportunities of the independent smallholders group such as SPOC. Independent smallholders shall be aware on the need to understand the importance of continuous improvement.
Location:	SPOC S11 Nabawan & Tenom
Description of Finding / Objective Evidence:	
The internal audit is conducted on 16/01/2018. Review of the internal audit found at the time of the internal audit new members are not included.	

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Non Conformity Number < 01 >			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Terence Ang Wai Sheng	Date Raise:	30/10/2018
Deadline for implementation	29/12/2018		
Root Cause Analysis (by company):			
Misunderstanding between Group manager and internal audit team during internal audit on 16 January 2018.			
Correction (by company):			
An internal audit was conduct on 8 January 2019. (Appendix 1: Audit Plan, Appendix 2: internal audit report).			
Corrective / Preventive Action (by company)			
Group manager will liaise with person in charge from Sustainability Standard and Certification Centre. (SSCC) to set up scheduling internal audit.			
Review of Correction & Corrective / Preventive Action			
Additional internal audit is conducted. The SPOC officers are aware that cove all members must be included. Submission of NC closure address the noncompliance raised.			
Closed:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification :	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Lead Auditor (ASA 02):	Terence Ang Wai Sheng	Date of Closure:	28/01/2019
Review of Implementation			
Latest internal audit conducted on 01/10/2019 – 02/10/2019 includes new and old. The correction and corrective action has been implemented appropriately			
Name of Lead Auditor (ASA 03):	Mohamad Norhisham Bin Mohd Salleh	Date of Review:	24/10/2019

Non Conformity Number < 02 >			
Indicator # and Description:	Indicator: 4.4.3.3 Independent smallholders shall ensure that workers pay and condition meet legal standards as per mutual agreement.		
Location:	SPOC S11 Nabawan & Tenom		
Description of Finding / Objective Evidence:			
During the site verification at smallholders, I was found one smallholder make payment below the minimum wages regulation of RM 920. 00 per month. Payment for this worker is RM 905.30.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Terence Ang Wai Sheng	Date Raise:	30/10/2018
Deadline for implementation			
Root Cause Analysis (by company):			

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Non Conformity Number < 02 >	
Lack of knowledge among the smallholder about minimum wages were applied for permanent workers.	
Correction (by company):	
1. Group manager advise the smallholder during LKN (Lawatan Khidmat Nasihat) to pay back unpaid wages to their workers (Appendix 3) 2. Reminder letter was given to the smallholder to make sure they pay their workers based on minimum wages requirement (Appendix 4)	
Corrective / Preventive Action (by company)	
Reminder will be give during scheduling training program and LKN/ GAP visit to make sure the smallholder follow the minimum wages requirement.	
Review of Correction & Corrective / Preventive Action	
Correct wage payment is made to the worker. The NC closure 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
Name of Lead Auditor (ASA 02): Terence Ang Wai Sheng	Date of Closure: 28/01/2019
Review of Implementation	
Smallholders who hire permanent workers provide payment voucher. The payment made comply Minimum Wage Order 2018. The implementation is consider effective.	
Name of Lead Auditor (ASA 03): Mohamad Norhisham Bin Mohd Salleh	Date of Review: 24/10/2019

Non Conformity Number < 03 >	
Indicator # and Description:	Indicator 4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.
Location:	SPOC S11 Nabawan & Tenom
Description of Finding / Objective Evidence:	
Native titles issued by Jabatan Tanah dan Ukur have map included. However those with acknowledgement letter does not has any map acknowledge by village head or relevant authority.	
Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
Raise by: Terence Ang Wai Sheng	Date Raise: 30/10/2018
Deadline for implementation	30/10/2019
Root Cause Analysis (by company):	
Misunderstanding among smallholder to get the verification of their land status from the right authority.	
Correction (by company):	
Group manager was given a formal letter to district officer to get the verification of land status for each individual lot of the participants. (Appendix 5).	

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
 Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
 Client Number: 92-070
 Audit Type: Annual Surveillance Audit 03



Non Conformity Number < 03 >	
Corrective / Preventive Action (by company)	
During scheduling training group manager will give reminder to all participant to make their clarification on their land status from any relevant regulatory.	
Review of Correction & Corrective / Preventive Action	
Surat Pengesah Tanah issued by Jabatan Tanah dan Ukur Sabah for smallholders under Land Application status is pending approval by Director, Land and survey Department in Kota Kinabalu., Since the process is under the jurisdiction of Kota Kinnabalu office. The minor NC is temporarily closed and further review in the next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Lead Auditor: Mohamad Norhisham Bin Mohd Salleh	Date of Closure: 24/10/2019
Review of Implementation	
Name of Lead Auditor :	Date of Review:

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		
During this audit,	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Nr.	Indicator	Location	Opportunity for Improvement
1.	4.5.3.1	SPOC S11 smallholders	SPOC S11 Nabawan & Tenom Management team may consider improve record for <i>Senarai bahan Buangan Terjadual yang Dihasilkan</i>
2.	4.5.3.2	SPOC S11 smallholders	SPOC S11 Nabawan & Tenom Management team may consider improve on awareness of smallholders regarding segregation of waste on individual landfill.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



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 S11 Nabawan & Tenom consisting of 644 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:	644
Total certified acreage of smallholders:	3,791.90 Ha
Certified FFBs January to August 2019:	36,406.01 Mt
Projected FFBs Sept to Dec 2019	12,512.49 Mt
Projected FFBs Jan to Dec 2020	61,950.50 Mt

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, 10/01/2019



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

Puchong, 10/01/2019



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

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



7. List of Interviewees

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

No.	Name	Organization / Function
1.	Sherene Lee	Wonder Chase Sdn. Bhd.

MSPO Certification Summary Report

Company Name: Malaysia Palm Oil Board
Certifying Unit: MPOB – SPOC S11 Nabawan & Tenom
Client Number: 92-070
Audit Type: Annual Surveillance Audit 03



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