

MSPO CERTIFICATION SUMMARY REPORT

MPOB - SPOC S9 TAMBUNAN

SURVEILLANCE 04

Remote Audit Date: 16/11/2020 – 20/11/2020

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Certifying Unit: SPOC S9 Tambunan
Client Number: 92-068
Audit Type: ASA 04
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ABBREVIATIONS

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
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

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1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct annual surveillance audit for SPOC S9 Tambunan 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 S9 Tambunan as group manager managing the independent smallholders by an independent certification body for compliance of the applied standard.

1.2. Scope

The assessment is based on the documentation established by MPOB Cawangan SPOC S9 Tambunan 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.

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 the report.

Qualification of the Trainee Lead Auditor: Joseph Sim Siaw Seng

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management;	Graduate in Diploma in Occupational Safety & Health.

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Requirement	Qualifications
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)	4 years of working experiences in Health and Safety and 3 years of working experiences in plantations.
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS2530 series of standard for Lead Auditors
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.	Trainee Lead Auditor
Field working experience in the palm oil sector, or demonstrable equivalent	4 years of working experiences in Health and Safety and 3 years of working experiences in plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	4 years of working experiences in Health and Safety and 3 years of working experiences in plantations.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course
Health and safety auditing on the farm and in processing facilities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course

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Requirement	Qualifications
Completed High Conversation Value assessment	Qualified and appointed as auditor for MSPO Scheme.
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Mandarin, Bahasa Malaysia and English.

Qualification of Team Member(s)

Requirement	Name 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	Ariff Bin Lokman	Graduate in Applied Science (Major in Plantation and management).	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)	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Ariff Bin Lokman	Successfully completed MS2530 series of standard for Lead Auditors	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.	Ariff Bin Lokman	Qualified as auditor for MSPO scheme.	Yes

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Requirement	Name Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Ariff Bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course	Yes
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Ariff Bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Ariff Bin Lokman	Successfully completed Basic SA 8000 training.	Yes
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Ariff Bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 LA course training attended.	Yes
Completed High Conversation Value assessment	Ariff Bin Lokman	Qualified and appointed as auditor for MSPO scheme.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Ariff Bin Lokman	Able to communicate in Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Latest smallholders list;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews SPOC personnel, contractors; review of documentation;
- Review of SPOC management system;
- Reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.
- Interviews of relevant operation personnel
- Assessment reporting

Annual Surveillance Audit 04:

Annual surveillance audit conducted on 16/11/2020 – 20/11/2020 for Remote covers the following activities but not limited to below:

Remote:

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Desk documentation assessment;
- Virtual interview management;
- Virtual stakeholders communication; If required
- Virtual interview of smallholders; method of communication phone calls and WhatsApp
- Virtual inspection of farm; objective evidences field photos
- Production records
- Review revised and updated documentation;
- Training records
- Assessment reporting

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Remote Assessment

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

The methodology for collection of objective evidence by virtual site inspections, observation of tasks and processes, interviews of smallholders, SPOC officers, review of documentation and data.

This remote audit is conducted in accordance to MPOCC Updated Circular (27 October 2020) Guidance on Remote Audits due to Covid-19 Pandemic on travelling restrictions.

The remote audit follow the IAF MD4:2018 and as guided by the ISO 9001 Auditing Practices Group Guidance on Remote Audits.

The communication tool applied for remote audit is Zoom, WhatsApp and Telephone.

MSPO guidance documents are used to guide the collection of information.

For this remote audit, the number of selected independent smallholders are based on example table of ACB – OPMC Issue 2 dated 04/09/2020.

The group of smallholders consists of 24 new members and 443 old members. The total number of smallholders for this audit are 467.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size $S = 1.5\sqrt{467} = 32.4$ round up to the next integral or 33.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $33 \times 75\% = 25$ and number of existing members are $33 \times 25\% = 8$. However, due to the total new members are 24, one of the existing members will be replaced from the sample size of the new members. Therefore, 24 new members and 9 existing members will be selected for audit samples.

The list of smallholders selected for the remote assessment and inspection listed in Table 2-1 below:

Table 2-1: List of Sample Smallholders

List of Existing Smallholders

Name	Address
Malinah Binti Kundaga	Kg. Widu 89650 Tambunan, Sabah
Jubile Kangkut @ Vitus	Kg. Tiong 89650 Tambunan Sabah
Felix Jangin	Kg. Pialungan 89650 Tambunan Sabah
Frederick Bin Jangin	Kg. Pialungan 89650 Tambunan Sabah
Fandy Siggoh	Kg. Tinompok Liwan 89650 Tambunan Sabah
Ahris @ Anir Bin Rahim	Kg. Tontolob Liwan 89657 Tambunan Sabah
Bingalun @ Joseph Bin Yahiding	Kg. Garas 89657 Tambunan Sabah

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Name	Address
Toumin @ Rusinin Bin Podok	Kg Tinompok Liwan 89650 Tambunan Sabah
Paumie Bin Ajangal	Kg. Tonop 89650 Tambunan Sabah

List of New Smallholders

Name	Address
Agri Borneo Enterprise	Jalan Kinabaaan Kg Katagayan Toboh Lot 3 89650 Tambunan Sabah
Aloysius Girik Gorotud	Kg Katagayan Tambunan Toboh 89650 Tambunan Sabah
Augustine @ Mohd Tahir Bin Stephen	Rumah Murah 69 Fasa 1 Perumahan Kuala 89600 Papar Sabah
Benjamin Godou Kudungai	Kg Minodong P/S 146 89657 Tambunan Sabah
Calvin Jones Justin	Karantaian Villa Kampung Mogong Jalan Laab Off Jalan Mogong 89658 Tambunan Sabah
David Bin Sandou	Kg Lotong P/S 44 89650 Tambunan Sabah
Hairin Tayub	Kg Kiawayan 89650 Tambunan Sabah
Hayden Ignatius	Kg Betik 91100 Lahad Datu Sabah
Imbau Bin Taunangoi @ Imbau Kaangui	Kg Tonop 89650 Tambunan Sabah
Isaac Joel Justin	Karantaian Villa Kampung Mogong Jalan Laab Off Jalan Mogong 89658 Tambunan Sabah
Jalil @ Jatit Bin Bukat	Kg Pomotodon 89650 Tambunan Sabah
Jewin @ Patrick Bin Paunil	Kg Mogong 89650 Tambunan Sabah
Yurus Bandasa	Kg Kaingaran 89650 Tambunan Sabah
Julita Linus Eburn	Kg Puouluton P/S 111, 89657 Tambunan Sabah
Justin Bin Alip	Karantaian Villa Kampung Mogong Jalan Laab Off Jalan Mogong 89657 Tambunan Sabah
M & A Plantation Enterprise	Peti Surat 838, 89657 Tambunan Sabah
Marcus Allus	Lot 123, Fasa 2, Taman Kepayan, Jln Kobusak, 88200 Penampang Sabah
Matius Bin Joseph	Kg Tiga, Apin-Apin 89650 Tambunan Sabah

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Name	Address
Paula Sumaha Binti Kandong	Kg Katagayan Toboh P/S 156 89657 Tambunan Sabah
Tambayakang Bin Gimbou	Kg Lotong Tambunan 89650 Tambunan Sabah
Robert Johnis	Peti Surat 231 Kampung Lintuhun Tambunan
Ronney Bin Primus	Kampung Pulau Penampang, Menggatal 88450 Kota Kinabalu Sabah
Rupin Bin Sikun @ Jasamin Bin Hajiman	Kampung Babagon, Patau 89650 Tambunan Sabag
Wardi Kasto @ Karmin	Kg Kumawanan 89307 Tambunan Sabah

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 S9 Tambunan, is a branch of MPOB located at First Floor, Lot 13, Bariawa Shop House, Jalan Bank Bumiputera, 89008 Keningau, Sabah, Coordinate 5°19'59.0" N, 116°9'20.0" E 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 the independent smallholders' scheme around the Tambunan district.

The smallholders are in Tambunan as shown in the below maps.

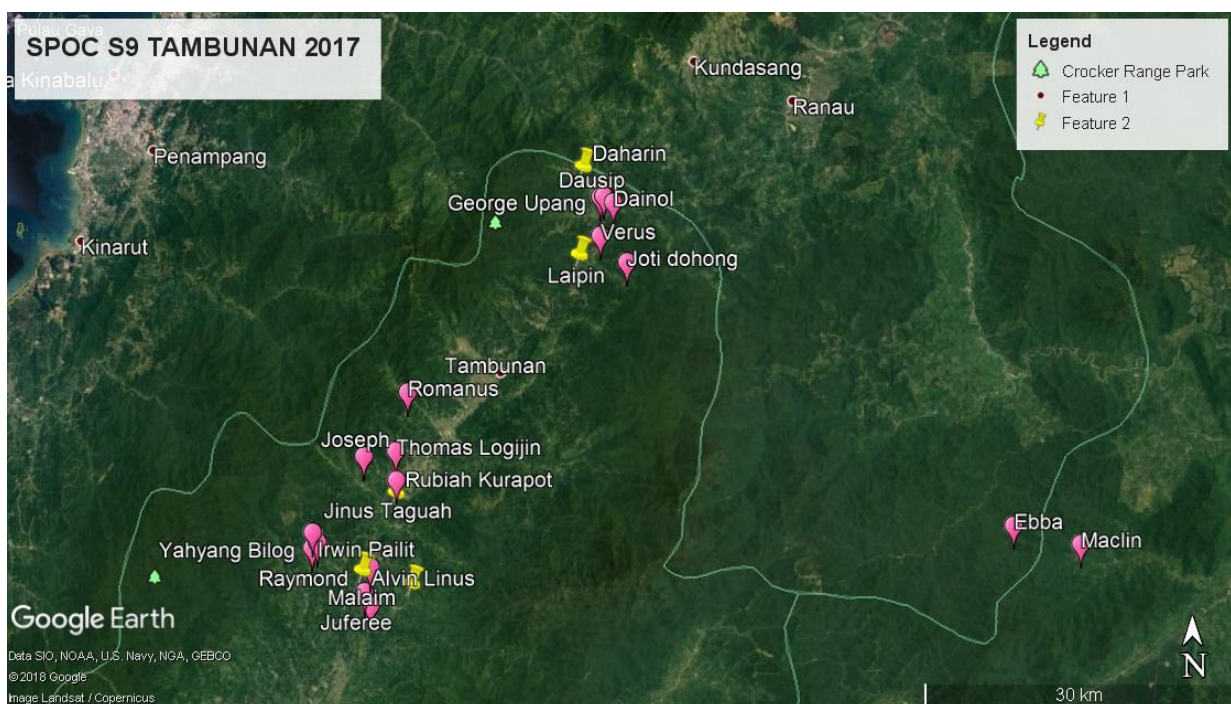


Figure 1: SPOC S9 Tambunan smallholders sites for year 2017.

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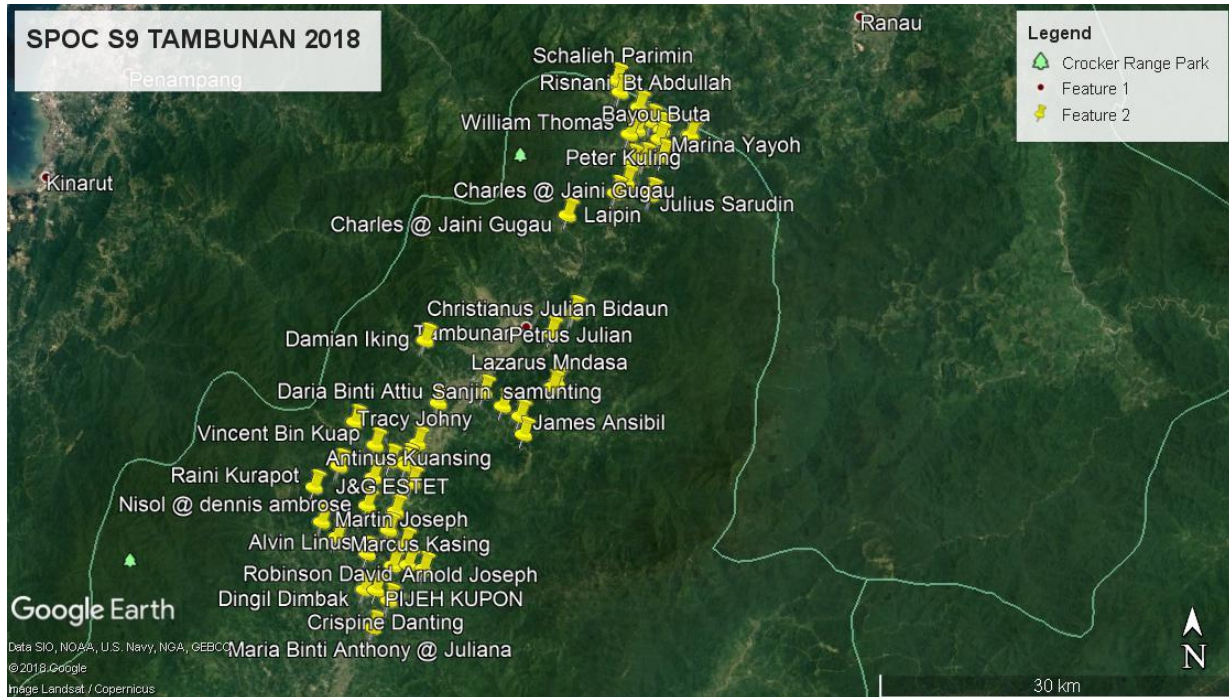


Figure 2: SPOC S9 Tambunan smallholders sites for year 2018.

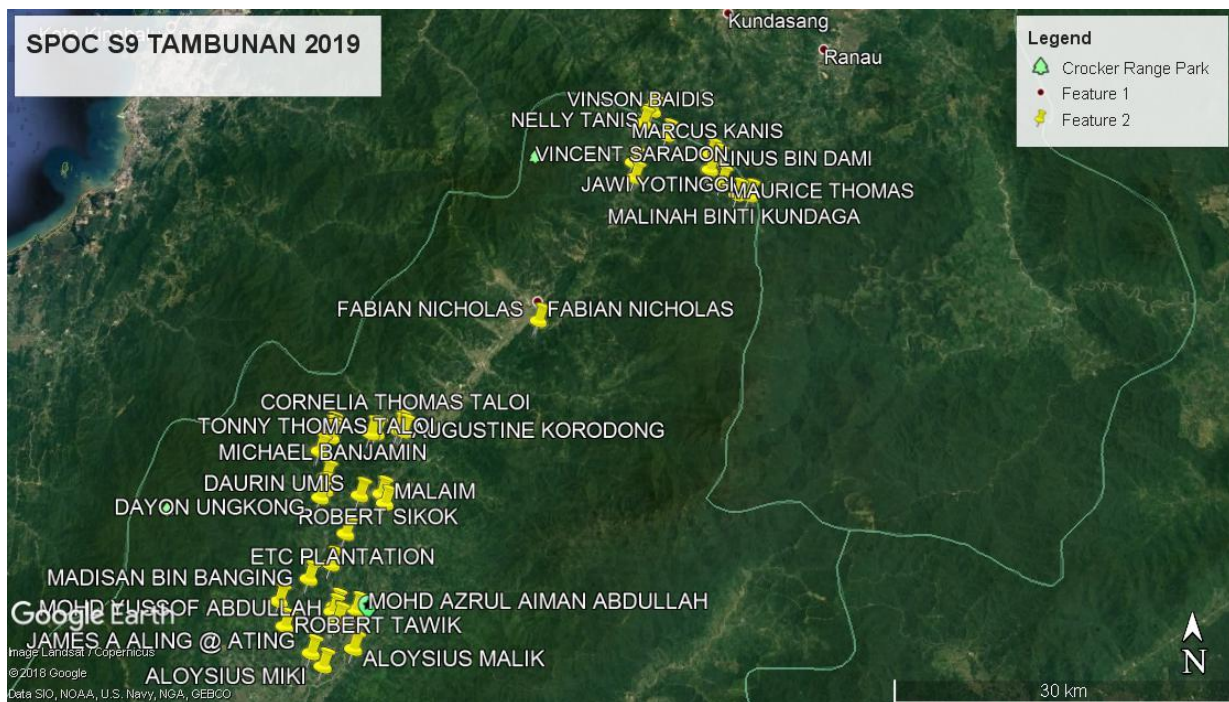


Figure 3: SPOC S9 Tambunan smallholders sites for year 2019.

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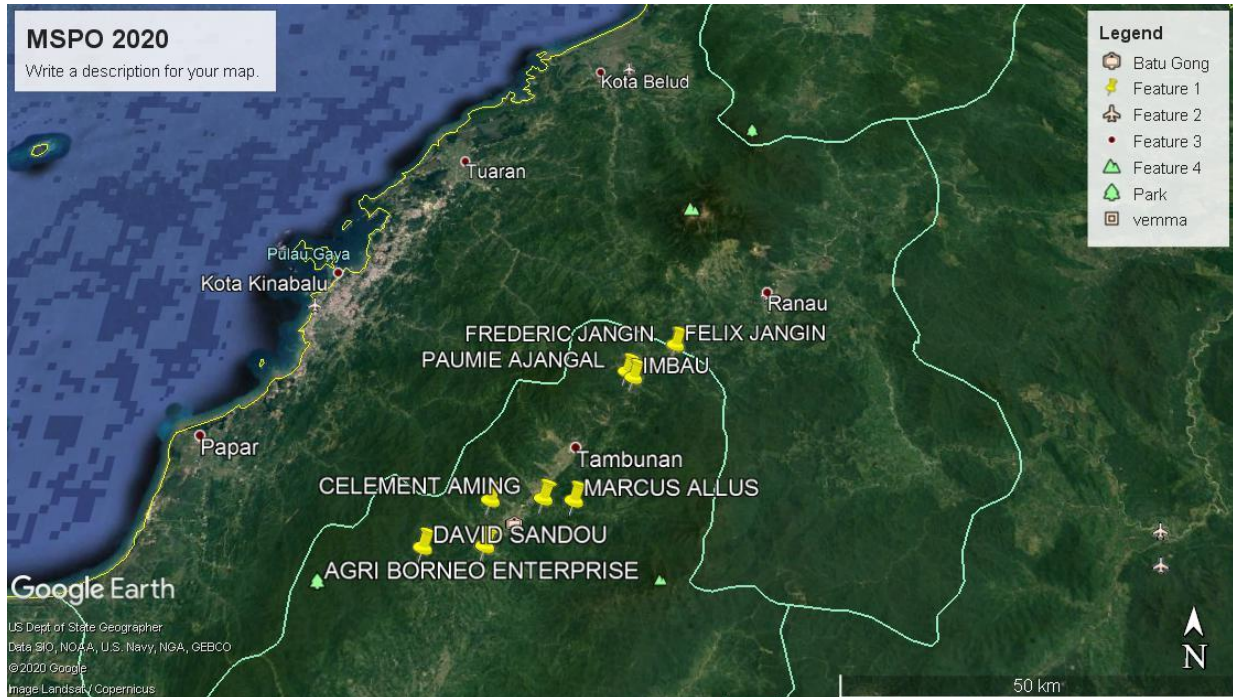


Figure 4: SPOC S9 Tambunan smallholders sites for year 2020.

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4. CERTIFICATION ASSESSMENT

4.1. Annual Surveillance Audit 04

The objective of the audit is to assess the activities of MPOB Cawangan SPOC S9 Tambunan are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Certification (Surveillance Audit):

The surveillance audit is conducted on 16/11/2020 to 20/11/2020.

The number of smallholders in this surveillance audit are 467.

The number of smallholders 443 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 24.

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 remote the following were verified but not limited to below:

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. Health and safety
6. Group Manager management system
7. Best practice – farm management including fertilising, chemical spraying and harvesting.

During the surveillance audit, there are two OFI raised.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

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

4.2. Stakeholders' Consultation

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

The audit team leader has review the stakeholders' consultation feedback during the last surveillance audit and there are no concerns or complaints or disputes raised or any prior to this audit.

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Therefore, there is no stakeholders consultation conducted for this surveillance audit.

4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the applied MSPO 2530-2. The summary of the assessment is as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6.

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>SPOC S9 Tambunan adopt MPOB <i>Manual Prosedur Kerja</i> (MPK) 2020, MSPO Policy, rev 02 updated 01/06/2020.</p> <p>The statement in the policy:</p> <ol style="list-style-type: none">1. Commitment and responsibility of SPOC S9 Tambunan management team.2. Transparent on providing information to stakeholders.3. Traceability of documents4. Complying with International, national and states laws5. Commitment on contribution towards local sustainability development. <p>Virtual reviewed on the training records confirmed the MSPO policy briefing conducted on 13/02/2020 and 15/09/2020 for smallholders.</p> <p>Phone call interview with smallholders informed they are aware of the MSPO policy.</p>	Yes
4.1.2.1	<p>SPOC S9 Tambunan adopt MPOB <i>Manual Prosedur Kerja</i> (MPK) 2020, <i>Lampiran 9</i> "List of Social and Environmental Impact and Action Plan" rev 03 updated 01/06/2020.</p> <p>Example of Social Impact and Action Plan:</p> <p>Activity: Manuring, spraying, and harvesting</p> <p>Social impact: Able to give new awareness to local community via systematic and discipline farm management.</p> <p>Action plan: Ongoing effort</p> <p>Virtual reviewed on the training records confirmed the manuring, spraying and harvesting training conducted on 13/02/2020 and 15/09/2020 for smallholders.</p> <p>Virtual field observation through photos and phone call interview with smallholders confirmed they are aware of the systematic and discipline farm management.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.2.2	<p>SPOC S9 Tambunan distribute latest Warta Sawit “Bil. 73 (3) Sep – Dis 2019” to smallholders during MSPO briefing.</p> <p>Remote documents reviewed on training records confirmed MSPO Briefing conducted on 13/02/2020 and latest Warta Sawit is provided to smallholders..</p> <p>Phone call interview smallholders informed they aware of the Warta Sawit and the Facebook page which include the latest information and technology available for smallholders.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC S9 Tambunan adopt MPOB <i>Manual Prosedur Kerja</i> (MPK) 2020, Lampiran 10 “<i>Garis Panduan Pelan Daya Ekonomi dan Kewangan</i>” rev 03 updated 01/06/2020. The guideline includes the records of farm activities as follows:</p> <ol style="list-style-type: none">1. Rekod Penjualan Buah Tandan Segar2. Rekod Penggunaan Baja / Racun3. Rekod Perbelanjaan <p>Phone call interview smallholders informed they are aware and maintain the documents related to traceability.</p>	Yes
4.2.1.2	<p>SPOC S9 Tambunan adopt MPOB <i>Manual Prosedur Kerja</i> (MPK) 2020, Lampiran 10 “<i>Carta Aliran Kebolehejekan Perbelanjaan dan Pendapatan Pekebun Kecil</i>” rev 03 updated 01/06/2020.</p> <p>The flow chart states to keep the sales receipt / earning in <i>Buku Rekod Ladang</i> (BRL) or personnel records.</p> <p>Virtual reviewed on the records of FFB sales and phone call interview Group Manager informed they keep records of smallholders FFB sales to respective collection centre or mills.</p> <p>Virtual reviewed on the pictorials and phone call interview smallholders informed they kept the FFB sales and delivery records in personnel record and <i>Buku Rekod Ladang</i> (BRL).</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC S9 Tambunan adopt MPOB <i>Manual Prosedur Kerja</i> (MPK) 2020, List of Legal Register, rev 04, dated 01/06/2020.</p> <p>The list includes laws applicable for state of Sabah.</p> <p>Example of list:</p> <ol style="list-style-type: none">1. <i>Akta 732: Akta Majlis Perundangan Gaji Negara 2011: Perintah Gaji Minimum 2020</i>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>2. Akta 342: Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020</p> <p>3. Sabah Land Ordinance (chapter 68).</p> <p>Virtual reviewed the records confirmed smallholders MPOB licenses are valid, renewed and only 4 new smallholders are in application process and waiting for the approval from MPOB. The MPOB license copy available on individual file.</p> <p>Phone call interview with smallholders informed they aware on local laws and regulations as briefed during training dated 13/02/2020 and 15/09/2020.</p>	
4.3.2.1	<p>SPOC S9 Tambunan smallholders land titles are issued by Sabah Land Authority.</p> <p>Smallholders land titles are either Country Lease, Native title or in "<i>Permohonan Tanah</i>" (PT) status.</p> <p>The "<i>Permohonan Tanah</i>" (PT) status is under application process since Jun 2020 and waiting for the land survey department for further actions.</p> <p>Remote documents reviewed confirmed Monitoring Plan is established to monitor the progress and status of the "<i>Permohonan Tanah</i>" (PT) status.</p> <p>The CL land titles issue by Sabah Land Authority with tenure of 99 years.</p> <p>The native land titles are freehold status.</p> <p>The activity stated in the actual use of land title is for the purpose of the cultivation of an agriculture crop of economic value. Phone call interview with group manager and smallholders informed there is no dispute recorded within SPOC S9 Tambunan.</p>	Yes
4.3.3.1	<p>SPOC S9 Tambunan smallholders have no customary land.</p> <p>Type of land titles are either Native title, Country Lease or in <i>Permohonan Tanah</i> (PT) status.</p> <p>All members with PT land in SPOC S9 Tambunan obtain the "Surat Pengesahan PT" from Lands and Surveys Department.</p> <p>The status of PT states under technical process from Lands and Surveys Department.</p> <p>Phone call interview with group manager and smallholders informed there is no land dispute occurs.</p>	Yes
4.3.3.2	The land title include a map, lot number, area size and boundary marking.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC S9 Tambunan adopted MPOB SOP ' <i>Aduan dan rungutan</i> ', doc no: MSPO/SPOC/SOP-01/AR, no. Issue: 3, no. revision 2 and date effective: 01/06/2020.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>SPOC S9 Tambunan Group Manager had briefed on the SOP complaint on 13/02/2020 and 15/09/2020.</p> <p>Phone call interviewed with SPOC S9 Tambunan Group Manager confirmed smallholders aware on how to lodge complaint, either smallholder can go direct to MPOB office and complaint form is available at reception desk or lodge their complaint via phone call or WhatsApp.</p>	
4.4.1.2	<p>SPOC S9 Tambunan adopted MPOB SOP 'Aduan dan rungutan', doc no: MSPO/SPOC/SOP-01/AR, no. Issue: 3, no. revision 2 and date effective: 01/06/2020.</p> <p>The procedure describes:</p> <ol style="list-style-type: none"> 1. The group manager is the responsible person to handle and manage any complaints. 2. The total days to resolve is 14 days. 3. Any complaint outside the scope of the GM it will refer to other parties such as government agencies or MPOB HQ to handle the matters. <p>Phone call interview smallholders informed they are aware of complaint and grievances process and timelines to resolve the complaints.</p>	Yes
4.4.2.1	<p>SPOC S9 Tambunan adopted MPOB Workers Safety and Health Guideline doc no: MSPO/SPOC/GP-02/KKP, no issue: 03, dated 01/06/2020.</p> <p>The procedure describes:</p> <ol style="list-style-type: none"> 1. Responsibilities of the GM and smallholders / workers. 2. Safety work practices for harvesting, chemical spraying and fertilizer application. <p>Reviewed on documents provided and phone call interviewed smallholders confirmed SPOC S9 Tambunan conducted training on MSPO policies on 13/02/2020 and 15/09/2020. Phone call interview smallholders confirmed that they aware on safe work practices. Smallholders informed they use personnel protective equipment for field activities such as chemical spraying and manuring.</p>	Yes
4.4.3.1	<p>SPOC S9 Tambunan adopted MPOB Employment Terms guideline document no: MSPO/SPOC/SMP-01, rev-01 for hiring of field workers by smallholders.</p> <p>Example of requirement listed:</p> <p>Workers must have valid work permit.</p> <ul style="list-style-type: none"> • No permitted to hired children below 15 years old and young workers between 15-18 years old. • The payment rate are agreeable by both parties. • Workers must always focus on safety aspect during conducting. 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Phone call interview confirmed smallholders operate on family basis on field operation such as FFB harvesting, chemical spraying and manuring activities.	
4.4.3.2	<p>SPOC S9 Tambunan adopted MPOB MSPO Policy doc no: MSPO/SPOC/POLISI-01 dated 01/06/2020.</p> <p>The policy describes, SPOC S9 Tambunan is against the practice of discrimination by exercising the right of equality in providing opportunities and services regardless of race and ethnicity, political views and nationality.</p> <p>Remote document verify, training records of equality opportunity to smallholders through two sessions conducted on 13/02/2020 and 15/09/2020. Phone call interview with smallholders informed they understand on no discrimination and shall provide Equal opportunity.</p>	Yes
4.4.3.3	<p>SPOC S9 Tambunan adopted MPOB Terms of Employment form, doc no: MSPO/SPOC/TPP-01, rev-01 dated 01/06/2020.</p> <p>Stated in the requirement, payment method to the casual workers:</p> <ul style="list-style-type: none"> • Payment of wage are according to type of work as recommended by Group manager. • Payment rate must be mutual agreed between smallholders and casual workers. • Every payment performed must be recorded in FFB production book (BRL) and signed by casual workers. <p>Phone call interview confirmed smallholders operate on family basis on field operation such as FFB harvesting, chemical spraying and manuring activities.</p>	Yes
4.4.3.4	Phone call interview with SPOC S9 Tambunan Group Manager and smallholders confirmed there are no living quarters due to all operations conducted by family basis.	Yes
4.4.3.5	<p>SPOC S9 Tambunan adopted MPOB Employment Terms guideline document no: MSPO/SPOC/SMP-01, rev-01, dated 01/06/2020.</p> <p>Stated in the requirement, hiring of field workers by smallholders.</p> <p>The guideline document describes the requirement for children and young person as follows:</p> <ul style="list-style-type: none"> • Point no 2. Not at all allow/hire children under the age of 15 years. • Point no 3. Does not at all allow/hire young people under the age of 15-18 to perform heavy work in the field. <p>Akta Kanak-Kanak dan Orang Muda (Pekerjaan) 1966 was included in updated Legal Register, dated 01/06/2020.</p> <p>Phone call interview smallholders informed no child labour working in the field and they are aware and understand on legal restriction of hiring under age workers.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions

Indicator	Summary of Assessment	Compliance
4.4.4.1	<p>SPOC S9 Tambunan established training programme year 2020. The training programme includes:</p> <ol style="list-style-type: none">1. MSPO Training2. Lawatan Khidmat Nasihat (LKN)3. Stakeholders meeting <p>Document reviewed verify training programmes year 2020 established dated 03/01/2020.</p> <p>Phone call interview with smallholders confirmed they are aware the importance of PPE for chemical spraying and fertilizing activity.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services

Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC S9 Tambunan adopted MPOB Manual Prosedur Kerja (MPK) 2020, “<i>Senarai Impak Sosial, Persekitaran & Pelan Tindakan</i>” document number MSPO/SPOC/L-04/ISP, issue no: 3, revision no: 3, date effective 01/06/2020.</p> <p>Environment impact had been identified and included in the SOP.</p> <p>Activity: Manuring / chemical spraying activities.</p> <p>Environmental impact: Water pollution can occur as a result of the use of pesticides near waterways.</p> <p>SPOC S9 Tambunan conducted training on 2020 at smallholders site. The training has briefed on “<i>Impak Sosial dan Persekitaran</i>” to smallholders.</p> <p>Phone call interview smallholders informed they are aware the environmental impact and the environmental topics was briefed by group manager through LKN visit and online platform in WhatsApp’s Group.</p>	Yes
4.5.2.1	<p>There is no application of renewal energy practise by smallholders.</p>	Yes
4.5.3.1	<p>SPOC S9 Tambunan adopted MPOB SOP “<i>Senarai Sisa Racun Dan Domestik</i>”, document number: MSPO/SPOC/L-03/SRD, issue no: 3, revision no: 3, date effective 01/06/2020.</p> <p>The SOP described the 2 types of waste generated by from agricultural or non-agricultural activity.</p> <p>Example wastes generated and source:</p> <ul style="list-style-type: none">• Empty chemical containers from chemical spraying activities.• Used fertilizer bags from manuring activities. <p>SPOC S9 Tambunan established ‘<i>Rekod Pengurusan Bahan Buangan</i>’ to list and monitor amount of waste generated from smallholders block latest updated on 15/09/2020.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Virtual field observation through photos and phone call interview confirmed smallholders are aware that empty chemical containers can be recycle and reused after triple rinsing and marked with red paint.	
4.5.3.2	<p>SPOC S9 Tambunan adopted MPOB SOP “<i>Pengurusan Bahan Buangan Terjadual</i>” document no MSPO/SPOC/SOP-03/BT, issue no: 3, rev: 3 dated 01/06/2020.</p> <p>The SOP describe:</p> <ul style="list-style-type: none"> To conduct triple rinsing for each empty chemical container before disposed. To put marking on empty chemical container for chemical mixing purposes. All wastes dispose shall follow the “<i>Peraturan Kualiti Alam Sekitar (Bahan Terjadual) 2005 Akta Kualiti Alam Sekitar</i>”. <p>Group manager informed smallholder on generated wastes and disposal method during the MSPO training and LKN visit 28/09/2020.</p> <p>Phone call interviewed smallholders informed they practice triple rinse for empty chemical containers and reused for chemical spraying.</p> <p>Virtual field observation through photos to smallholders’ field, no chemical containers left inside fields.</p>	Yes
4.5.4.1	<p>SPOC S9 Tambunan adopted MPOB SOP “<i>Garis Panduan Zon Penampakan Sungai</i>”, document number: MSPO/SPOC/GP-03/ZPS, dated 01/06/2020.</p> <p>The procedure describes:</p> <ul style="list-style-type: none"> Guideline for buffer zone length. Non permitted activities are chemical spraying and manuring. Flow chart on buffer zone establishment. <p>MSPO awareness training and LKN conducted includes GAP.</p> <p>Example of visual observation on photos provided at smallholders fields:</p> <ul style="list-style-type: none"> Preservation on soft grass and chemical spraying techniques. Proper frond stacking. 	Yes
4.5.4.2	<p>SPOC S9 Tambunan smallholders practices rain water harvest by using culvert or drums for chemical spraying activities or washing purposes.</p> <p>Phone call interview smallholders confirmed they are practices rain water harvest by using culvert or drums for chemical spraying activities.</p>	Yes
4.5.5.1	<p>SPOC S9 Tambunan adopted SOP, Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), “<i>Senarai Impak Sosial, Persekitaran & Pelan Tindakan</i>”. Doc no MSPO/SPOC/L-04/ISP, no. Issue: 3, no. revision: 3, effective date 01/06/2020.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>SPOC S9 Tambunan obtained the list of wildlife at Keningau district from Jabatan Hidupan Liar Keningau updated 16/10/2020.</p> <p>Phone call interview with smallholders informed they are aware on wildlife protected by laws and penalties.</p> <p>Example: monkey, 'Kuang' bird and wild boar.</p>	
4.5.6.1	<p>SPOC S9 Tambunan adopted MPOB SOP "<i>Garis Panduan Amalan Pembakaran Sifar</i>," doc no: MSPO/SPOC/GP-04/APS, issue no: 3, revision no: 3, dated 01/06/2020.</p> <p>The guideline statement that smallholders are prohibited to practise open burning for replanting or new planting.</p> <p>Virtual field observation through photos to smallholders' field, no open burning occurs and smallholders are aware that open burning is restricted by the law.</p> <p>Phone call interview smallholders informed they aware on the no open burning practices during replanting or new planting.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC S9 Tambunan adopted MPOB "<i>Manual Pekebun Kecil</i>" updated on 01/06/2020.</p> <p>The Manual Pekebun Kecil includes :</p> <ul style="list-style-type: none">• Procedure on harvesting, spraying chemical and manuring• Procedure on buffer zone, open burning <p>Training Good Agriculture practiced had been conducted for smallholders during LKN Visit dated 28/09/2020.</p> <p>Virtual field observation through photos to smallholders' field verify the implemented of good agricultural practice such as:</p> <ul style="list-style-type: none">• Proper stacking of fronds.• Good maintenance of harvesting path. <p>Phone call interview smallholders informed they aware on good agricultural practices on their fields with guidance by GM SPOC S9 Tambunan.</p>	Yes
4.6.1.2	<p>Review on photos evidence provided confirmed, the visual identification for each of smallholders was available.</p> <p>The information stated on the signage are:</p> <ul style="list-style-type: none">• Smallholders name• Lot number• Total area	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> GPS coordinates Year planting 	
4.6.2.1	<p>SPOC S9 Tambunan adopted MPOB SOP, “<i>Garis Panduan Pelan Daya Ekonomi dan Kewangan</i>,” doc no: MSPO/SPOC/GP-01/PEK, issues no: 3, revision no: 3, effective date: 01/06/2020.</p> <p>SPOC S9 Tambunan Group Manager established management plan for year 2020 that includes financial budget for 2020 activities and field visit.</p>	Yes
4.6.3.1	<p>SPOC S9 Tambunan monitors FFB pricing on monthly basis through input from collecting center for fair price.</p> <p>Phone call interview with smallholders informed the FFB price obtain from the collecting center through phone call or WhatsApp Group.</p>	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>SPOC S9 Tambunan smallholders planting statement with the earliest planting in year 1992 and latest new planting in year 2018.</p> <p>There is no new planting in year 2020. Thus, there is no assessment on high biodiversity area.</p>	Yes
4.7.2.1	<p>SPOC S9 Tambunan smallholders planting statement with the earliest planting in year 1992 and latest new planting in year 2018.</p> <p>There is no new planting in year 2020. Thus, there is no soil survey or topography established.</p>	Yes
4.7.3.1	<p>SPOC S9 Tambunan smallholders planting statement with the earliest planting in year 1992 and latest planting in 2018.</p> <p>There is no new planting in year 2020. Thus, there is no data for type of terrains established.</p>	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.
	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.
X	No non-conformity raised in previous audit.
Note 1: If a minor non-conformity raised in last audit, is not closed out, the finding will be raised to a Major non-conformity.	

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Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.

4.5. Detail of Audit Findings in Last Audit:

AUDIT OUTCOME		
During last audit	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

4.6. Detail of Audit Findings Identified During This Audit:

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

REMOTE AUDIT OUTCOME		
During this remote audit	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1	4.1.2.1	The action plan for continual improvement shall be based on the consideration for the main social and environmental impact and opportunities of the independent smallholder's group, such as SPOC. Independent smallholders shall be aware of the need to understand the importance of continuous improvement.	Office	SPOC S9 Tambunan may consider improve the CIP on land conversion status.
2	4.4.4.1	Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.	Office	SPOC S9 Tambunan may consider improve on awareness training for complaint and grievances.

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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 S9 Tambunan consisting of 467 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

From the review of the standard operating procedures, guidelines, 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 General Principles for Independent Smallholders.

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

Total certified number of independent smallholders:	467
Total certified acreage of smallholders:	2,171.19 Ha
Certified FFBs output January to Jun 2020:	5,908.26 Mt
Projected FFBs output July to December 2020:	7,761.13 Mt

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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 with this summary report as an 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 demonstrated state of development and maturity that the certification to be

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

Puchong, 31/12/2020

Joseph Sim Siaw Seng
TUV NORD (Malaysia) Sdn Bhd
Trainee Audit Team Leader

Puchong, 31/12/2020

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

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

This report is sent by the certification body to 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 regards to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- ☒ P&C Audit Report / Checklist(s)
- ☒ Audit Plan