

MSPO CERTIFICATION SUMMARY REPORT

SPOC J28 SRI GADING 2- PEKAN AYER
HITAM/ SERI LALANG/ KOTA DALAM/ PARIT
SONTO/ PARIT SAGIL/ PARIT TENGAH

STAGE 2 – CERTIFICATION AUDIT

Date: 02/07/2019

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri ½, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



Table of Contents

1.	INTRODUCTION	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION	11
4.	CERTIFICATION ASSESSMENT	16
7.	CONCLUSION	32
8.	RECOMMENDATION.....	33
9.	REFERENCES	34
	Annex / Enclosures	35

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: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct an initial certification audit for its independent smallholders 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 J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Conto/ Parit Sagil / Parit Tengah) of as group manager managing the independent smallholders by an independent certification body. The aim of this certification audit is assessed on the compliance of the standard by MPOB Cawangan SPOC J28 Sri Gading 2.

1.2. Scope

The certification is based on the documentation established by MPOB Cawangan SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Conto / Parit Sagil / Parit Tengah) in managing the independent smallholders' scheme.

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

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

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

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

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

1.3. Appointment & Qualification of Audit Team Members

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

Qualification of the Lead Auditor (Trainee): Ariff Bin Lokman

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture;	Graduate in Applied Science (Major in Plantation Industry and management)

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
 Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
 Client Number: 92-098
 Audit Type: Stage 2 – Certification Audit



Requirement	Qualifications
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	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530 : 2013 series
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as auditor based on audit log.
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	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Auditor for MSPO scheme and Auditor in training for RSPO scheme.
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 MSPO auditor and Auditor in training for RSPO scheme.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS 9001, 14001 and 45001 LA course, Auditor for MSPO and Auditor in training for RSPO scheme.

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Qualification of Team Members

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

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

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

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



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.

The certification audit is conducted in 2 stages in accordance to the certification procedure.

Stage 1 Audit:

Stage 1 audit is conducted on 17/03/2019 at SPOC J28 Sri Gading 2–(Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah) office that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below:
 - SPOC Operating Policies
 - Farms map
 - Land titles or land application
 - Standard Operating Procedures
 - Work Flow Charts
 - MPOB licenses and approvals
 - Training records
 - Applicable Legislation Documents
- Interviews of relevant operation personnel

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



- Assessment reporting

Stage 2 Certification Audit:

Stage 2 certification audit is conducted on 17/04/2019 to 18/04/2019 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

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, SPOC 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 $S = \sqrt{n}$ where S = sample size and n = number of group members which is in accordance to MSPO certification procedure.

The group of smallholders consists of 85 members.

Based on the formula, the sample size $S = \sqrt{85}$, the number of smallholders are 9.21. Therefore round up to the next integral of 10. Thus, a total of 10 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
Pungot Bin Timin	1°52'0.5"N / 103°10'45.2"E
Tan Eng Hua	1°53'55.6"N / 103°11'27.9"E

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



Name of independent smallholders	Specific Address / site
Alias Bin Timin	1°52'023"N / 103°10'21.21"E
Tok Chon Lai	1°50'30.7"N / 103°7'56.0"E
Ng Kian Tiong	1°50'40.6"N / 103°7'48.5"E
Tok Chew Tick	1°50'40.7"N / 103°8'11.5"E
Mohd Ritauddin Bin Saherin@ Sahari	1°51'36.0"N / 103°8'53.3"E
Toh Chee How	1°50'14.8"N / 103°7'52.2"E
Nor Sahara Binti Saherin	1°51'35.1"N / 103°8'54.6"E
Tan Boon Hwa	1°51'00.468"N / 103°08'01.680"E

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major and Minor as well as 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 raised and 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: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



3. ORGANISATION INFORMATION

MPOB Cawangan SPOC J28 Sri Gading 2–(Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah), is a branch of MPOB located at Parit Raja, Batu Pahat to provide technical support as well as develop the independent smallholders’ scheme around the Sri Gading, Batu Pahat area.

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 MPOB Sri Gading, Batu Pahat.

The locations for the smallholders are in Sri Gading, Batu Pahat as shown in the below maps.



MSPO Certification Summary Report

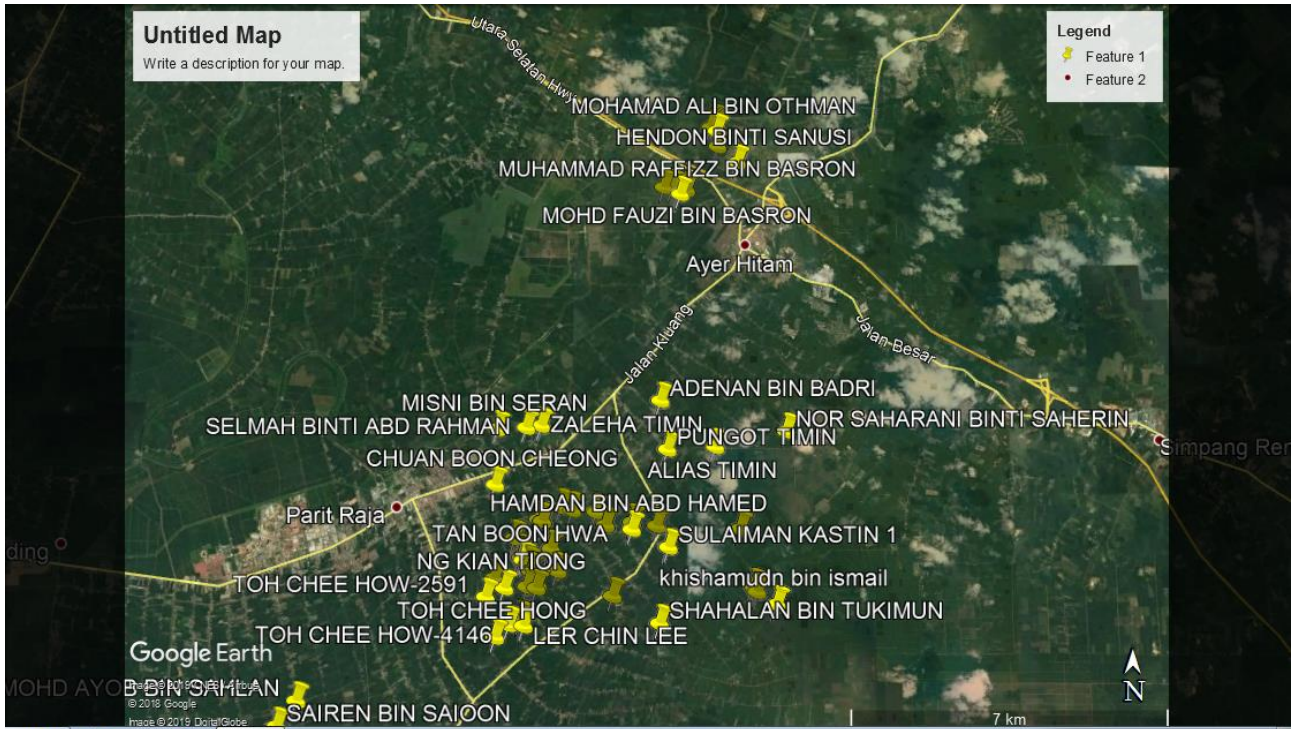
Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



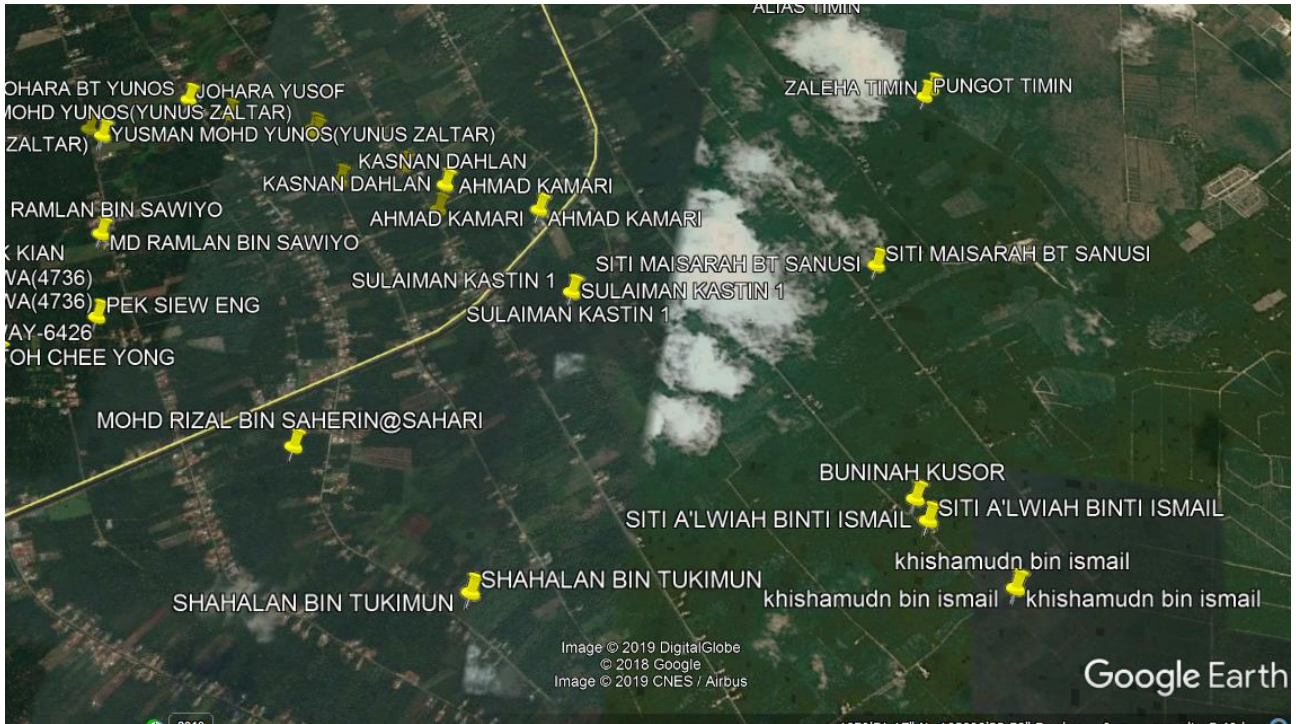
Client Number: 92-098

Audit Type: Stage 2 – Certification Audit



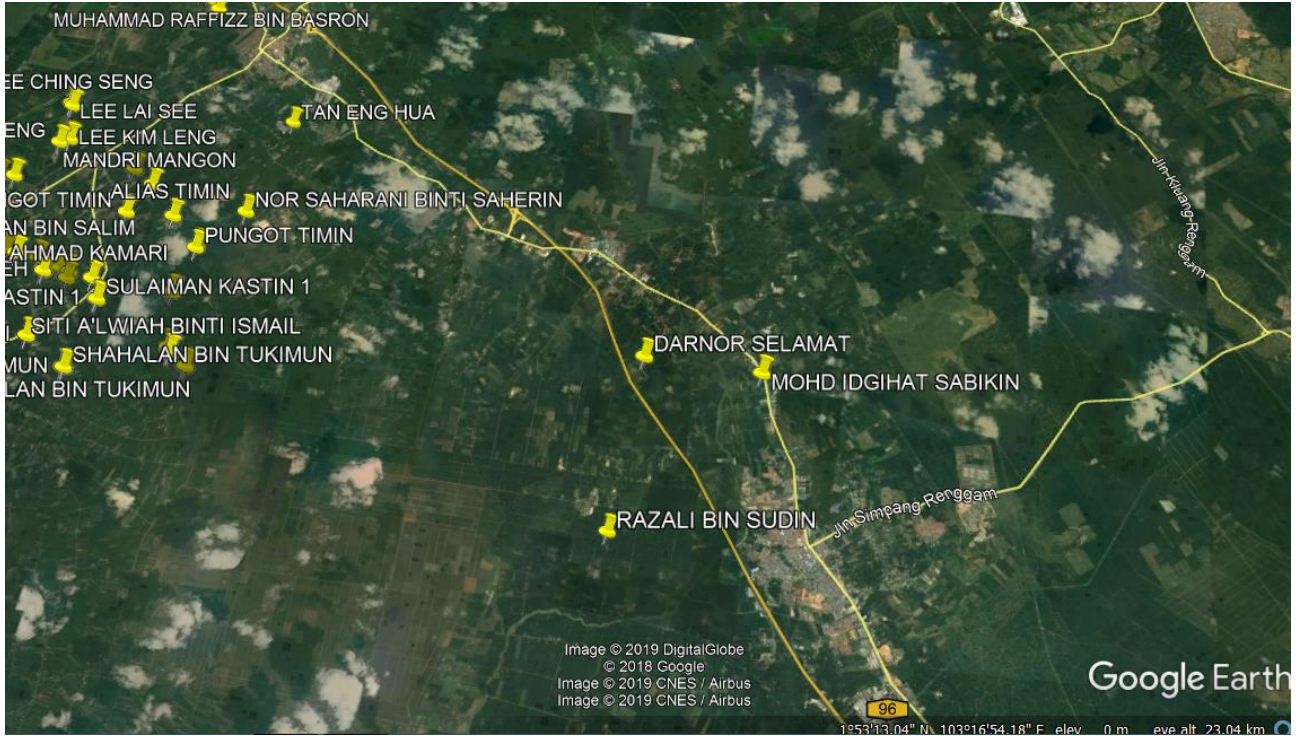
MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
 Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
 Client Number: 92-098
 Audit Type: Stage 2 – Certification Audit



MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)

Client Number: 92-098

Audit Type: Stage 2 – Certification Audit



MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



4. CERTIFICATION ASSESSMENT

4.1. Stage 2 – Certification Audit

The objective of the audit is to assess the activities of MPOB Cawangan SPOC J28 Sri Gading 2– (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah) are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Stage 1 Audit

The objective of the stage 1 audit is to assess the readiness of the documentation establish and implemented in accordance to MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.2. Stage 2 - Certification Audit

There are 85 smallholders joined the certification during stage 2 audit.

During this certification audit, 85 of smallholders join the program.

The certification audit is conducted on 17/04/2019 to 18/04/2019 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 Certification Stage 2 audit, One (1) Minor finding and One (1) OFI are raised. . Action plan is submitted for Minor non-conformance with implementation will be review during the next audit.

.

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 4.5 of this audit report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 15/03/2019 as to accommodate stakeholder's consultation meeting for SPOC J28 Sri Gading 2–(Pekan Ayer Hitam /

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
 Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
 Client Number: 92-098
 Audit Type: Stage 2 – Certification Audit



Seri Lalang/ Kota Dalam / Parit Conto / Parit Sagil / Parit Tengah) to provide comments. As at audit date on 17/04/2019 there are no comments received.

Invitation letters are sent on 15/03/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 17/04/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

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

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?	Stakeholders are aware regarding the MSPO awareness which is able to demonstrate in term of social, environment and safety & health	Positive comments towards SPOC J28 Sri Gading 2 management.
2	Social issues	Stakeholder attend the meeting has confirmed that there are no social issues related to SPOC J28 Sri Gading 2. It has been confirmed by stakeholders (dealer FFBs) that they are only hiring legal foreign workers for working at smallholder's areas. They are aware by Laws and Regulation.	Positive comments towards SPOC J28 Sri Gading 2 management.
3	Understanding of Land Title – Native Customer Land, Freehold, Leased (Grant), Land application (LA)	There is no NCR land involved. All of smallholder owned lease land title.	Positive comments towards SPOC J28 Sri Gading 2 management.
4	Economy / Livelihood	There is no impact to livelihood after the introduction of MSPO.	Positive comments towards SPOC J28 Sri Gading 2 management.

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

	Is there any impact on livelihood after the introduction of MSPO?		
5	Does MSPO largely benefits the local community?	MSPO certification will ensure the safety aspect and environment issues are taken care off. They believe this will benefit them as local and also part of the industry player.	Positive comments towards SPOC J28 Sri Gading 2 management.
6	Understanding of environmental.	Stakeholders are aware of the environmental effect of daily operation and waste to preserve nature.	Positive comments towards SPOC J28 Sri Gading 2 management.
7	Awareness towards species, habitats, and high conservation values?	Local people are aware of RTE species and they understand the protection requirements. They also understand the state requirement of no hunting in the particular area. It was confirmed by the stakeholders and also the poster of protected species.	Positive comments towards SPOC J28 Sri Gading 2 management.
8	FFB quality	There is no complaint in regards to FFB quality. Group manager SPOC J28 Sri Gading 2 has conduct harvesting and GAP training to SPOC members.	Positive comments towards SPOC J28 Sri Gading 2 management.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders have confirmed there is no conflict in between SPOC J28 Sri Gading 2 group management and MSPO requirement.	Positive comments towards SPOC J28 Sri Gading 2 management.
10	Do you have any suggestions for management?	Stakeholder attendees mention that it will be great the SPOC in regards Group Manager will conduct more MSPO awareness frequently and use different medium to distribute information.	Positive comments towards SPOC J28 Sri Gading 2 management.

4.3. Summary of Assessment

MSPO Principle and sample of the 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>

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>SPOC J28 Sri Gading 2 has established MSPO Policy to the smallholders signed by Group Manager dated 03/12/2018 doc no: MSPO/SSCC/POLISI-01. The MSPO policy is attached in each individual smallholder file..</p> <p>SPOC J28 Sri Gading has disseminated new Borang Permohonan Pensijilan MSPO dated 04/01/2019 which is include Policy and smallholders details to be used in the year 2019.</p> <p>The policy is available in notice board at MPOB Cawangan Parit Raja.</p> <p>The policy covered various aspect of MSPO implementation required by the standard for example, transparency, compliance to legal requirement and health and safety.</p> <p>During stakeholders consultation, the stakeholders are aware of the implementation of MSPO such as compliance requirement, MSPO certification, quality, environment, and safety & health.</p>	Yes
4.1.2.1	<p>SPOC J28 Sri Gading 2 has established continual improvement plan, Senarai impak social, persekitaran & pelan tindakan. Document no: MSPO/SSCC/L-04/ISP, dated effective: 30/03/2018, issue no 1. The CIP has described on:</p> <p><u>Example Social Impact:</u></p> <p>Aktiviti : Pembukaan kawasan kebun, membaja, meracun dan menuai.</p> <p>Impak Sosial : Memberi peluang pekerjaan kepada penduduk di kawasan penempatan sekitar ladang.</p> <p>Pelan Tindakan : Amalan berterusan</p> <p><u>Example of environmental impact:</u></p> <p>Aktiviti : Meracun</p> <p>Impak Sosial : Pelupusan bahan buangan berjadual (tong racun kosong)</p> <p>Pelan Tindakan : Pembasuhan 3 kali, ditebuk lubang dan disimpan di tempat khas.</p> <p>During site verification, interview with smallholders they are aware how to handle pesticide containers and method of disposed to meet MSPO requirement.</p>	Yes
4.1.2.2	<p>SPOC J28 Sri Gading has provide smallholders with Warta Sawit through Taklimat Pensijilan MSPO kepada Pekebun Kecil dated 03/12/2018 and 24/02/2019.</p> <p>Latest Warta sawit was Bil. 69 (2)/ Mei – Ogos 2018. Those who do not attended the briefing will be given during the GAP/LKN visit. List of smallholders receive the Warta Sawit recorded.</p> <p>LKN visit conducted for 22 smallholders who did not attend Taklimat Pensijilan MSPO.</p> <p>Internal audit conducted and NC raised closed.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SOP Garis Panduan Pelan Daya Ekonomi dan Kewangan, document no MSPO/SSCC/GP-01/PEK. Records to be fill up in the BRL for traceability are as follows;</p> <ul style="list-style-type: none"> - Rekod Penjualan BTS - Rekod Penggunaan Baja/Racun - Rekod Perbelanjaan <p>Group Manager has established and records of FFB sales and delivery are well maintain in individual file.</p>	Yes
4.2.1.2	<p>SPOC J28 Sri Gading 2 has established form for sales and production record, document no. MSPO/SSCC/GP-01/PEK.</p> <p>During on site verification interviewed with smallholders.. sighted weighbridge tickets for the month of January and February 2019 records for sales of FFB. . .</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>Group management has established legal register, doc no MSPO/SSCC/L-02/LLR with effective date 13/04/2018.</p> <p>Example:</p> <ul style="list-style-type: none"> - Akta 514: Akta Keselamatan dan Kesihatan Pekerjaan 1994. - Akta 350: Akta Kanak – kanak dan Orang Muda (pekerjaan) 1966. - Akta Imigresen 1959 Pindaan 2006. - Akta kanak kanak dan orang muda (pekerjaan) 1966, Pindaan 2011 - Akta Standard minimum Perumahan dan kemudahan pekerja 1990 <p>SPOC J28 Sri Gading 2 has conducted MSPO training for smallholders dated 24/02/2019 on GAP, safety and health and legal documents.</p> <p>During on site verification, smallholders are able to demonstrate their understanding on no child labour allowed e to be work at the field. .Sighted there is young person or children working in the field.</p>	Yes
4.3.2.1	<p>All the individual file consists of Borang 5DK (Geran Mukim), Borang 11BK (Borang Hak Milik Sementara), Borang B1 and Borang B2 (Plan Tanah Hak Milik Tetap) as proof of ownership.</p> <p>The borang 5DK is the Geran Mukim states freehold land. Borang B1 and B2 is a form for map that has been approved by Land Department.</p> <p>Smallholders are able to provide land title as land use right. The land use right is for agriculture purpose. There is no issues concerning land disputes during stakeholder’s consultation.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.3.1	<p>There are no customary right land. All the smallholders has own land title with valid ownership.</p> <p>Type of land titles for smallholders are:</p> <ol style="list-style-type: none"> 1. Form 5DK (GM: Geran Mukim) 2. Form 11BK (hak milik sementara) 3. Form 11B (hak milik sementara bersamman dengan hak milik pejabat tanah) 	Yes
4.3.3.2	<p>Map of land ownership was available and reviewed.</p> <ol style="list-style-type: none"> 1. Form B1 (pelan tanah hak milik tetap) 2. Form B2 (pelan tanah hak milik sementara) <p>Sighted and review 'Borang Permohonan Pensijilan Minyak Sawit Mampan Malaysia (MSPO) that smallholders land title is freehold land title or leased land title.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC J28 Sri Gading 2 has established SOP 'Aduan dan Rungutan', doc no: MSPO/SSCC/SOP/01/AR no issue: 01, date effective: 13/04/2018,.</p> <p>The SOP describes:</p> <p>Objective 'Memantau dan memastikan aduan dan rungutan yang diterima daripada pihak berkepentingan diselidik dan diambil tindakan dalam tempoh yang telah ditetapkan dengan efektif.</p> <p>Interview during site visit, smallholders understand the procedure to lodge complaint to the SPOC Group manager.</p>	Yes
4.4.1.2	<p>SPOC J28 Sri Gading 2 has established SOP 'Aduan dan Rungutan', document no: MSPO/SSCC/SOP/01/AR no issue: 01, date effective: 13/04/2018,.</p> <p>The SOP describe:</p> <ol style="list-style-type: none"> 1. Resolve disputes within 14 days. 2. If the complaint is beyond the GM control refer to HQ level. 3. Flow chart stated the received complaint to the complaint resolved within 14 days. <p>Review on grievance records there ae no complaints has been lodged for SPOC J28 Sri Gading 2. Interview with smallholders indicates they understand and aware of grievance procedure.</p> <p>Interview with smallholders, they can to explain the process and timelines to resolve the complaints.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.2.1	<p>SPOC J28 Sri Gading 2 has conduct training of safety and health dated 03/12/2018 and 24/02/2019 include information from Department of Occupational Safety & Health (DOSH).</p> <p>During on site observation and interview with smallholders could demonstrate, awareness on PPE usage. The smallholder is able to list t the PPE that required during spraying such as face mask, apron, goggle, safety helmet, rubber safety shoes and hand glove.</p>	Yes
4.4.3.1	<p>SPOC J28 Sri Gading 2 have been established Form for hiring to meet wages requirement. Form “Terma Penggajian Pekerja” require the record of</p> <ol style="list-style-type: none"> 1) Menuai Buah Tandan Segar : 2) Membaja : 3) Meracun : 4) Pemangkasan Pelepah : <p>The form “Terma Penggajian Pekerja” has 8 points to be observed during hiring process:</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 dan ditandatangani oleh pekerja. 8. Memastikan setiap kerja yang dilakukan adalah dalam keadaan yang selamat seperti mana yang digariskan di dalam GP-02: Garis Panduan Keselamatan dan Kesihatan pekerjaan. <p>Smallholders interviewed do not hire illegal workers. Majority of smallholder’s field operate on family based or subcontract to fruit dealer to harvest.</p> <p>There are no discrimination occur and no negative feedback for related issue.</p>	Yes
4.4.3.2	<p>Sighted Form Terma Penggajian Pekerja form for hiring to meet wages requirement. Form “Terma Penggajian Pekerja” has point to take note during hiring such as below:</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> - Tidak mengamalkan sikap diskriminasi terhadap agama, kaum, jantina, warna kulit, kewarganegaraan dan politik. <p>Site visit and interviews with smallholders indicate there is no discrimination occurs and no negative feedback for related issue.</p>	
4.4.3.3	<p>Form 'Terma Penggajian Pekerja', document number MSPO/SSCC/TPP-01 has been established.</p> <p>Sighted the 'Senarai Harga Upah Berdasarkan Kerja Harian Di Kebun SPOC J28 Sri Gading 2' prepared by group manager and verified by Penyelaras Tunas Zon Selatan 2.</p> <p>Dokument Senarai Harga Upah Berdasarkan Kerja Harian Di Kebun;</p> <ol style="list-style-type: none"> 1. Menuai : RM XX – XX / Mt 2. Membaja : RM XX – XX / Ha 3. Meracun : RM XX – XX / Ha 4. Pemangkasan : RM X.XX – X.XX /Palm 	OFI 01
4.4.3.4	<p>During on site verification and interviewed with smallholders there are no workers quarters.. Most of the work was done by family members or subcontract to FFB dealer..</p>	Yes
4.4.3.5	<p>SPOC J28 Sri Gading 2 has established the MSPO Policy document number P-01/MSPO-SPOC/2016. The policy states 'Pematuhan undang-undang setempat, kebangsaan dan antarabangsa yang terpakai'.</p> <p>The document mention 'Tidak sama sekali membenarkan / mengupah kanak – kanak di bawah umur 15 tahun untuk bekerja'. And 'tidak sama sekali membenarkan / mengupah orang muda di bawah umur 15-18 tahun untuk membuat kerja berat dan merbahaya di kawasan kebun sawit'.</p> <p>During on site verification there is no child labour observed. Interviewed with smallholders feedback there is no child labour employed since it is against the law and regulation.</p>	Yes
4.4.4.1	<p>Group manager SPOC J28 Sri Gading 2 has been conducted training for smallholders:</p> <p>Title: Kursus Pensijilan Minyak Sawit mampan Malayisa (MSPO) dated 24/02/2019. Topics included in the training as below:</p> <ul style="list-style-type: none"> - Introduction to MSPO - safety and health - GAP - Wild life preservation - environment 	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	During site visit and interviews with smallholders they have participated in the training conducted and obtain information during LKN field inspection by Group Manager.	

Principle 5: Environment, natural resources, biodiversity and ecosystem services														
Indicator	Summary of Assessment	Compliance												
4.5.1.1	<p>SPOC J28 Sri Gading 2 has 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: 01, date effective 13/04/2018.</p> <p>SOP states the environmental impacts example:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Aktiviti</th> <th>Impak Persekitaran</th> <th>Pelan tindakan</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Membaja dan integrasi tanaman</td> <td>Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organic dan tanaman integrasi.</td> <td>Amalan diteruskan</td> </tr> <tr> <td>2.</td> <td>Meracun dan membaja</td> <td>Pencemaran air boleh berlaku akibat daripada penggunaan racun makhluk perosak berdekatan dengan saluran air.</td> <td>Amalan GAP dan lawatan khidmt nasihat oleh TUNAS.</td> </tr> </tbody> </table> <p>During site interview with smallholders, they understand and aware of the environmental impact..</p>	No	Aktiviti	Impak Persekitaran	Pelan tindakan	1.	Membaja dan integrasi tanaman	Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organic dan tanaman integrasi.	Amalan diteruskan	2.	Meracun dan membaja	Pencemaran air boleh berlaku akibat daripada penggunaan racun makhluk perosak berdekatan dengan saluran air.	Amalan GAP dan lawatan khidmt nasihat oleh TUNAS.	Yes
No	Aktiviti	Impak Persekitaran	Pelan tindakan											
1.	Membaja dan integrasi tanaman	Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organic dan tanaman integrasi.	Amalan diteruskan											
2.	Meracun dan membaja	Pencemaran air boleh berlaku akibat daripada penggunaan racun makhluk perosak berdekatan dengan saluran air.	Amalan GAP dan lawatan khidmt nasihat oleh TUNAS.											
4.5.2.1	Observation during field vistss there is no renewable energy used by smallholders. It is not adopt edby smallholders due to cost constrain.	Yes												
4.5.3.1	<p>SPOC J28 Sri Gading 2 has established SOP 'Pengurusan Bahan Buangan Terjadual', doc no: MSPO/SSCC/SOP-03/BT issue no: 1, date effective 13/04/2018,..</p> <p>The SOP objective 'Memantau dan memastikan proses pengurusan dan perupusan bahan buangan terjadual bagi individual yang bertanggungjawab dapat dilaksanakan dengan teratur, cekap dan selamat.</p> <p>Document of list of scheduled waste dated 14/03/2019 by Group Manager.</p> <ul style="list-style-type: none"> • • • 	Yes												

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> List of scheduled wastes Empty chemical containers SW409 triple rinse (Pelepasan DOE) Fertiliser bags, SW409, recycle List of domestic wastes <ul style="list-style-type: none"> Plastic Tin-tin Serpihan kaca <p>During site visit, smallholders are aware of empty chemical containers can recycle for use after the triple rinsing.</p> <p>Smallholders reused empty fertilizer bag for loose fruit collection.</p>	
4.5.3.2	<p>SPOC J28 Sri Gading 2 has established 'Pengendalian dan perlupusan Bahan Kimia', doc no: MSPO/SSCC/SOP-02/BK issue no: 1, date effective 3/04/2018..</p> <p>SOP stated 'memantau dan memastikan proses pengendalian dan perlupusan bahan kimia (termasuk baja dan racun makhluk perosak) oleh individu yang bertanggungjawab dapat dilaksanakan dengan teratur, cekap dan selamat.</p> <p>Smallholders require to triple rinse the empty container for reused.</p> <p>There are no chemical containers sighted during field visits. Chemical spraying is conducted by sub-contractors. All chemicals containers are stored by sub-contractors at their store.</p>	Yes
4.5.4.1	<p>SPOC J28 Sri Gading has established SOP 'Garis Panduan Zon Penampan Sungai', doc no: MSPO/SSCC/GP-03/ZPS, dated 13/04/2018.</p> <p>SOP describes the responsibility of smallholders to take care of environmental at the buffer zone from polluting by chemical application.</p> <p>SPOC J28 Sri Gading has established SOP 'Garis Panduan Pelan Daya Ekonomi dan Kewangan', doc no: MSPO/SSCC/GP-01/PEK, dated 13/04/2018.</p> <p>Point 3 of SOP describes stacking of frond at the contour of the terrace and between rows at the flat area, to retain water and maintain soil conservation.</p> <p>Non Conformity : Minor No. 1</p> <p>Observation on field reveal 6 out of 10 smallholders practise blanket spraying in their field. This will affect the water retention on the soil surface with no grass cover.</p>	Minor NC 01

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.4.2	Water harvesting practice by smallholders to collect water for chemical spraying.	Yes
4.5.5.1	<p>SPOC J28 Sri Gading 2 has established SOP 'Senarai Impak Sosial, Persikitaran & Pelan tindakan, doc no: MSPO/SSCC/L-04/ISP issue no: 1, date effective: 13/04/2018.</p> <p>Impak persekitaran dan pelan tindakan</p> <p>Pembukaan kawasan biodiversity, mewujudkan kawasan mampan dikawasan tanah tidak subur/marginal sekaligus menjadi tempat habitat flora/fauna (mewujudkan ekosistem). Pelan tindakan diteruskan.</p> <p>Pembukaan kawasan kebun di kawasan hutan, pengurangan habitat bagi flora dan fauna.</p> <p>List of document for wildlife animal at Batu Pahat, SPOC J28 Sri Gading 2, dated 14/03/2019</p> <ul style="list-style-type: none"> • Ayam hutan • Babi hutan • Beruk <p>Training has been conducted 24/02/2019 by Perhilitan, Department of wildlife and national parks.</p> <p>Interview with smallholders they are aware on species that are protected by laws. Further checked with smallholders there is no endangered species sighted on their field and no practice of hunting on wildlife.</p>	Yes
4.5.6.1	<p>Sighted establish SOP Zero Burning Practices document no. MSPO/SSCC/GP-04/APS dated 13/04/2018 have been established.</p> <p>Guideline describe 2 points as below</p> <ol style="list-style-type: none"> 1. Pembakaran terbuka adalah dilarang dibawah pembakaran sifar ASEA (1999) dan perintah Kualaiti Alam Sekeliling (Aktiviti Yang Diisytiharkan)(Pembakaran terbuka 2003) 2. Pekebun kecil adalah dilarang untuk melakukan sebarang aktiviti pembakaran terbuka semasa kerja pembukaan ladang/tanam semula. <p>Site visit at smallholder's field observed no open burning occur in the field and smallholders are aware that open burning is restricted by the law.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC J28 Sri Gading 2 have conducted GAP training on 11/01//2019</p> <p>Field observation found smallholders have implement best practices such as:</p> <ul style="list-style-type: none"> - Minimize used of chemical 	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> - Water harvesting practices for chemical mixing operation - Front stacking as organic fertilizer. 	
4.6.1.2	<p>During on site visit at smallholders field, sighted identification signage implemented with details such as:</p> <ul style="list-style-type: none"> - Name of smallholder - Lot No: - Geo-coordinates - Lot size - Year of planting 	Yes
4.6.2.1	<p>SPOC J28 Sri Gading 2 has established SOP, 'Garis Panduan Pelan Daya Ekonomi dan Kewangan', doc no: P-01/PDEK/2016 issue no: 1, date effective: 01/05/2017.</p> <p>Procedure includes flowchart for expenses and income.</p> <p>Budget for SPOC J28 Sri Gading 2 for year 2019 was established. The budget include cost for training, MSPO certification, SPOC documentations and smallholders PPE.</p>	Yes
4.6.3.1	<p>Smallholders are informed on FFB price via phone call, whatapps group and messages.</p> <p>Visit to independence FFB collector FFB price display at ramp notice board. Group manager has conduct meeting 'Ahli Lembaga Penanam Sawit Mampan Yong Peng Utara Berhad Bil 1 sesi 2019, dated 28/01/2019 for smallholders.</p>	Yes

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	Planting statement for SPOC J28 Sri Gading 2 has been review. The first planting was on 1988 and the latest replanting was on 2018 involve 5 SPOC members. There are no replanting on high biodiversity area since the planted land was planted with either oil palm, or rubber before.	Yes
4.7.2.1	Planting statement for SPOC J28 have been review and no new planting was conducted. The first planting was on 1988 and the latest replanting was on 2018. Soil information was available on Lawatan Kawasan (LK1) for replanting area. Maklumat Tanah (Land information) Jenis tanah (Soil Type) <ol style="list-style-type: none"> 1. Lanar (Sandy Soil) 2. Pendalaman (Mineral Soil) 3. Gambut (Peat Soil) Review on the form Borang pemeriksaan for the replanting in 2018 states mineral soil.	Yes
4.7.3.1	Review on planting statement for SPOC J28 Sri Gading 2 indicates no new planting. Topography and type of soil included in Lawatan Kawasan (LK 1) for replanting programme. Maklumat Tanah (Land Information) Topograpi tanah <ol style="list-style-type: none"> 1. Rata (flat) 2. <25° beralun (undulating) 3. >25° bukit (hilly) Review on the form Borang pemeriksaan for the replanting in 2018 states planting is on flat land.	Yes

4.4. Status of Non-Conformities Previously Identified

X	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.
	Not applicable. No non-conformity raised in previous audit.

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.

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

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)



Client Number: 92-098

Audit Type: Stage 2 – Certification Audit

4.5. Detail of Audit Findings in last Audit

Detailed Results						
No	Clause	Audit Findings	Corrective Measure & Implementation	Follow Up on Corrective Measure Taken	Verified By	Date of Closure
1.	4.1.1.1	MSPO policy has established. However, verification of individual file, a few of smallholders file does not have the MSPO policy.	Telah disediakan dan telah dikemaskini. *Rujuk lampiran fail individu.	SPOC J28 Sri Gading 2 has established MSPO Policy signed by Group Manager dated 03/12/2018 doc no: MSPO/SSCC/POLISI-01 is updated in individual file	Ariff Bin Lokman	17/04/2019
2.	4.3.1.1	SPOC J28 may also consider wider scope of legal requirements that affect the palm oil industry.	Telah disediakan dan telah dikemaskini. *Rujuk lampiran fail keperluan undang-undang.	The list of legal requirements and regulation updated accordingly	Ariff Bin Lokman	17/04/2019
3.	4.3.2.1	Borang 5DK Geran Mukim, no Hakmilik 521, Lot 8057 consists of 2 names of owner and currently manage by appointed person. However, there is only (1) Surat Akuan Penyerahan Hak Mengusahakan Kebun made available from the owner to the appointed person.	Telah disediakan dan telah dikemaskini. *Rujuk lampiran dan fail individu nama tersebut.	Form Perjanjian Pemilik Tanah for affected smallholder signed by both parties to confirm there is no breach of requirements.	Ariff Bin Lokman	17/04/2019
4.	4.4.4.1	MSPO training has been conducted on	Latihan kepada pekebun kecil	SPOC Group Manager J28 Sri Gading 2 had	Mohamad Norhisham	17/04/2019

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
 Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
 Client Number: 92-098
 Audit Type: Stage 2 – Certification Audit



		24/02/2019 and 03/12/2018. However, the training does not cover all the smallholders based on the attendance list provided.	telah diberikan secara individu. *Rujuk DMP Lawatan GAP dan LKN berserta penyerahan fail MSPO dan penerangan MSPO.	conducted on-site training (LKN) related to Good Agriculture Practice (GAP) for oil palm operation. Interview with smallholders all have attended training. They are able to explain the importance of MSPO, safety and health and environmental issue on oil palm field.	Bin Mohd Salleh	
--	--	---	--	---	-----------------	--

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
	1	MINOR Non-Conformities

5.

Non Conformity Number < 01 >			
Indicator # and Description	4.5.4.1 Independent smallholders can demonstrate that they understand the need to maintain the quality and availability of surface and ground water and steps are being taken for its implementation. (MINOR)		
Location:	SPOC J28 Sri Gading 2		
Description of Finding / Objective Evidence:			
Observation on field reveal 6 out of 10 smallholders practise blanket spraying in their field. This will affect the water retention on the soil surface with grass cover.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
Raise by:	Mohamad Norhisham Bin Mohd Salleh	Date Raise:	18/04/2019
Deadline for implementation		17/05/2019	
Root Cause Analysis (by company):			
Smallholders are not understand the important of maintaining soft grass in the field.			
Correction (by company):			
Group manager SPOC J28 Sri Gading 2 have provide information and advice to smallholders in regard the importance of maintaining soft grass in the field.			
Corrective / Preventive Action (by company)			
Group Manager have been conducted training to smallholder in regard of weed control and agronomy practices. Refer attachment 1.			

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
 Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
 Client Number: 92-098
 Audit Type: Stage 2 – Certification Audit



Non Conformity Number < 01 >	
Review of Correction & Corrective / Preventive Action	
Group Manager have provided the evidence of training conducted to smallholders. The evidence provided in attachment 1 is sufficient to close the NC. Further verification will be conducted 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 / Auditor: Ariff Bin Lokman	Date of Closure: 21/05/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

6.

Nr.	Indicator	Location	Opportunity for Improvement
1.	4.4.3.3	SPOC J28 Sri Gading 2	Management could consider to improve in usage of form 'Penggajian pekerja' for casual workers.

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



7. 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 J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah) consisting of 85 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There is one (1) Minor NC raise with action plan submitted and accepted. Furthermore Minor NC(s) in this audit will be verify in the next surveillance 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 TUV 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:	85	Smallholders
Total certified acreage of smallholders:	150.57	Ha
Certified FFBS output January to February 2019:	528.81	Mt
Projection FFBS output March to December 2019:	3,235.75	mt

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



8. 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

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

Puchong, 02/07/2019

Arif Bin Lokman
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 02/07/2019

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

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)

Client Number: 92-098

Audit Type: Stage 2 – Certification Audit



9. REFERENCES

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

No.	Name	Organization / Function
1	Nur Adillah Ralim	Bintang Ratna Sawit Sdn Bhd
2	Shalneeraj Bin Abdullah	Balai Bomba dan Penyelamat Ayer Hitam
3	Nurul Atiqah Binti Ismail	Solidaridad
4	Musa Bin Hj. Khalid	Ketua Kampung Kota Dalam
5	Abdul Hamid Miswan	Ketua Kampung Ayer Hitam
6	Mat Isa Selamat	Ketua Kampung Parit Sonto
7	Hairel Bin Wahab	Ketua Kampung Parit Nipah
8	M. Faizal Bin Abdullah	Ketua Kampung Parit Hj Ali
9	Ter Poh Hwa	B.S Hong Cis Sdn Bhd

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC J28 Sri Gading 2 – (Pekan Ayer Hitam / Seri Lalang / Kota Dalam / Parit Sonto / Parit Sagil / Parit Tengah)
Client Number: 92-098
Audit Type: Stage 2 – Certification Audit



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

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

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

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

Salvo clause:

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

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

Annex / Enclosures

Annex /
corresponding audit
documentation

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