

MSPO CERTIFICATION SUMMARY REPORT

SPOC B1 TELUK PANGLIMA GARANG

RECERTIFICATION 02

Onsite Audit Date: 01/08/2022 - 04/08/2022

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

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Company Name: Malaysian Palm Oil Board (MPOB)
Certifying Unit: SPOC B1 Teluk Panglima Garang

Client Number: 92-065

Audit Type: Recertification 02

Mode of Audit: Onsite



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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 recertification audit for SPOC B1 Teluk Panglima Garang 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 B1 Teluk Panglima Garang 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 B1 Teluk Panglima Garang 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 two team members. The team contribute to the review of documents, assessment of the project activity and preparation of the report.

Qualification of the Lead Auditor: Mohamad Norhisham Bin Mohd Salleh

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

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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)	5 years working experience in oil palm plantations.
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS2530 series of standards 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) mandays under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified and appointed as lead auditor for MSPO scheme.
Field working experience in the palm oil sector, or demonstrable equivalent	5 years working experience in oil palm plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in oil palm plantations.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed ISO 9001:2015 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities	Successfully completed ISO 45001:2018 Lead Auditor course.
Or	
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	
Workers welfare and social auditing experience	Successfully completed Basic SA 8000 training.
or	
Successfully attended SA8000 or related social or ethical accountability codes	
Environmental and ecological auditing or experience with organic agriculture.	Successfully completed IMS ISO 14001:2015 Lead auditor course.
or	
Successfully completed Environmental Management Systems ISO 14001 standard	
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producer online course.

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Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in 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	Muhamad Khairul Anuar Bin Azizul Hasan	Graduate in Agricultural Science.	Yes
i) Agriculture;			
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);	Khairul Anwar Bin Ismail	Graduate In Agricultural Science.	Yes
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	Muhamad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Muhamad Khairul Anuar Bin Azizul Hasan	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
	Khairul Anwar Bin Ismail	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 mandays of audit experience as an auditor-in-training under the direction	Muhamad Khairul Anuar Bin Azizul Hasan	Qualified and appointed as Lead auditor for MS2530 scheme	Yes
auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Khairul Anwar Bin Ismail	Qualified and appointed as Lead auditor for MS2530 scheme.	Yes

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Requirement	Name Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Muhamad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhamad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Muhamad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.	Yes
	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.	Yes
Health and safety auditing on the farms processes and activities Or	Muhamad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 45001:2018 Lead Auditor course.	Yes
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 45001:2018 Lead Auditor course.	Yes
Workers welfare and social auditing experience or	Muhamad Khairul Anuar Bin Azizul Hasan	Successfully completed Basic SA 8000 training.	Yes
Successfully attended SA8000 or related social or ethical accountability codes	Khairul Anwar Bin Ismail	Successfully completed Basic SA 8000 training.	Yes
Environmental and ecological auditing or experience with organic agriculture.	Muhamad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes
Successfully completed Environmental Management Systems ISO 14001 standard	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes

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Requirement	Name Assessor	Qualification	Compliance
Completed High Conversation Value assessment	Muhamad Khairul Anuar Bin Azizul Hasan	Attended and completed the HCV-HCS for producers online course.	Yes
	Khairul Anwar Bin Ismail	Attended and completed the HCV-HCS for producers online course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Muhamad Khairul Anuar Bin Azizul Hasan	Able to communicate in Bahasa Malaysia and English.	Yes
	Khairul Anwar Bin Ismail	Able to communicate in Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- · Contract review;
- 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,; review of documentation;
- Review of SPOC management system;
- Reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Peer review
- Address Peer Review Comments (if any)
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

Recertification 02 Audit:

The recertification 02 audit conducted on site from 01/08/2022 – 04/08/2022 covering the following activities but not limited to below:

Onsite:

- 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;
- Stakeholders consultation meeting;
- Review and closed out of observations raised during SA audit;
- Assessment reporting;

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Onsite

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 means of physical site inspections, observation of tasks and processes, interviews of 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 onsite 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 113 new members and 1,038 old members. The total number of smallholders for this audit are 1,151.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size S = $1.5\sqrt{1,151}$ = 50.89 round up to the next integral of 51.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $51 \times 75\%$ = 39 and number of existing members are $51 \times 25\%$ = 13.

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

Table 2-1: List of Sample Smallholders

Name	GPS Coordinates
Existing mem	bers
Ismail Bin Idris	2.94136 N, 101.319972 E
Syarikat Ng Chin Chye & Sons S/B	3.174638 N, 101.4050 E
Ng Soon Mooi	3.15488 N, 101.4527 E
Jailani Bin Darus	3.15475 N, 101.4630 E
Rahman Bin Mad Kapot	2.9284 N, 101.36275 E
Yow Chee	2.91236 N, 101.45152 E
Gan Thiam Sing	2.88213 N, 101.42519 E
Rosalind Tan	2.9345 N, 101.43463 E
Koo Leong Chai	2.92419 N, 101.43013 E
Syarikat Ng Soon Beng & Anak-Anak S/B	3.15052 N, 101.44875 E

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Name	GPS Coordinates
Existing mem	bers
Gan Ah Kaw	2.92761N, 101.431 E
Misliah Binti Sapar	2.91858 N, 101.5064 E
Misrun Bin Sapar	2.91852 N, 101.5057 E

Name	GPS Coordinates
New memb	ers
Samani Bin Dasuki	2.946162 N, 101.447611 E
Sahrumsah Bin Idrus	2.947612 N, 101.437351 E
Roni Bin Sarji	2.936988 N, 101.436475 E
Rodiah Binti Ahmad	2.943924 N, 101.446054 E
Ratnawilis Binti Muhamed Hamid	2.927074 N, 101.444850 E
Tuty Aridzan Irdawati Binti Mohsinon	2.92099 N, 101.43953 E
Muhammad Asyraf Bin Mohd Sidin	2.93634 N, 101.47150 E
Zaiton Binti Surat	3.138494 N, 101.363861 E
Saamah Binti Zainal	3.127284 N, 101.331780 E
Mohammad Halmi Bin Musnen	2.923099 N, 101.503419 E
Noraizan Binti Muhamad Jamil	3.162821 N, 101.433786 E
Gan Chib Eng	2.929972 N, 101.426778 E
Masleha Binti Ahmad	2.909194 N, 101.496111 E
Muhamad Fadil Bin Arif	3.04012 N, 101.48990 E
Teng Yoke Mei	3.04168 N, 101.49321 E
Md Abidin Bin Mokhtar	3.14086 N, 101.33373 E

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Name	GPS Coordinates
New memb	ers
Ng Boon Cheng	3.03897 N, 101.50133 E
Mohd Rasid Bin Udin	3.16200 N, 101.32052 E
Samial Binti Darsah	3.169097 N, 101.428949 E
Afidah Anum Binti baijuri	3.156692 N, 101.322261 E
One Aim Corp S/B	2.91857 N, 101.46262 E
Mostivingah Binti Hj Abdi	3.08070 N, 101.38856 E
Mohd Othman Bin Hj Marzuki	3.040112 N, 101.490475 E
Md Ismail Bin Mohd Noh	2.924583, 101.467861 E
Muhammad Bin Sekak	2.90335 N, 101.49988 E
Mohd Sahri Bin Haji Kasan	2.94626 N, 101.46607 E
Mohd Ghazali Bin Mohd Amin	2.939389 N, 101.447972 E
Gan Chin Huat	2.92181 N, 101.43204 E
Mohd Halib Bin Hj Yunus	2.931472 N, 101.437472 E
Kamal Basya Bin Abd Karim	2.93036 N, 101.32496 E
Siti Adiah Binti Sadikam	2.90390 N, 101.49871 E
Zaharah Binti Md Arif	3.04012 N, 101.48990 E
Ang Eng Ting	2.91627 N, 101.43703 E
Rusli Bin Mohamed Arif	3.040522 N, 101.489730 E
Othman Bin Mohamed Arif	3.040112 N, 101.490475 E
Hasanah Binti Daiman	2.903111 N, 101.490056 E
Lusiran Bin Kordi	2.9122 N, 10149336 E

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Name	GPS Coordinates	
New members	ers	
Sharifah Ainon Binti Mohd Sukri	2.935417 N, 101.4470 E	
A&M Development S/B	3.157654 N, 101.4482 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, 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 B1 Teluk Panglima Garang, is a branch of MPOB located at Bangunan PDAS, No. 35-LG-21, Ibu Pejabat MPOB, 6, Persiaran Institusi, Bandar Baru Bangi, 43000 Kajang, Selangor, 2.9667248 N, 101.7424740 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 Banting district.

The smallholders in Banting, Selangor as shown in the below maps.



Figure 1: Smallholders location for SPOC B1 Teluk Panglima Garang

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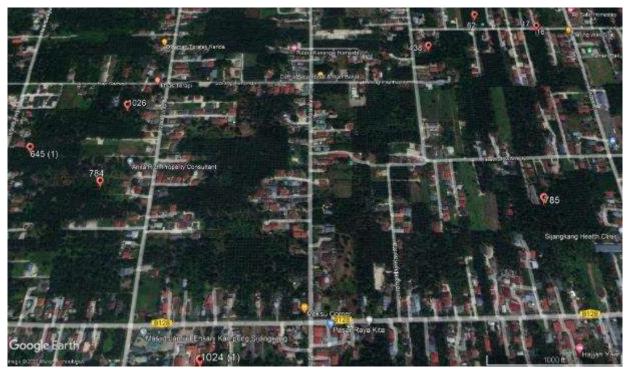


Figure 2: Smallholders location for SPOC B1 Teluk Panglima Garang.

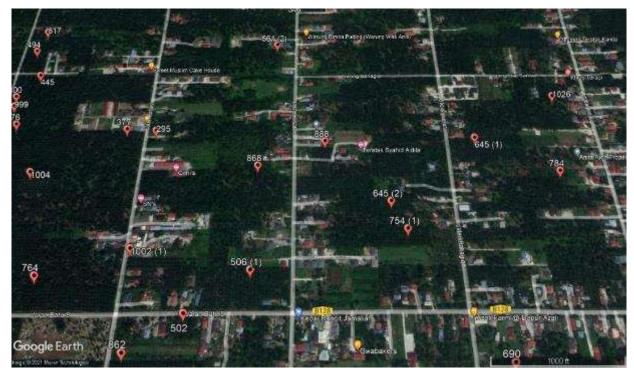


Figure 3: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 4: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 5: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 6: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 7: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 8: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 9: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 10: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 11: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 12: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 13: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 14: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 15: Smallholders location for SPOC B1 Teluk Panglima Garang.

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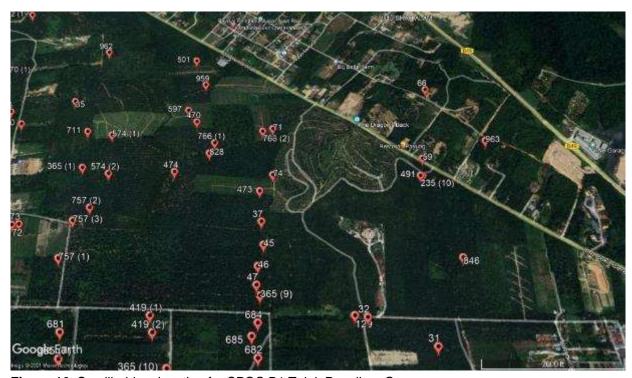


Figure 16: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 17: Smallholders location for SPOC B1 Teluk Panglima Garang.

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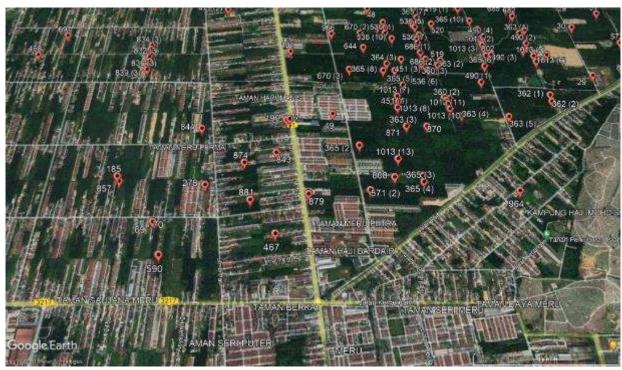


Figure 18: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 19: Smallholders location for SPOC B1 Teluk Panglima Garang.

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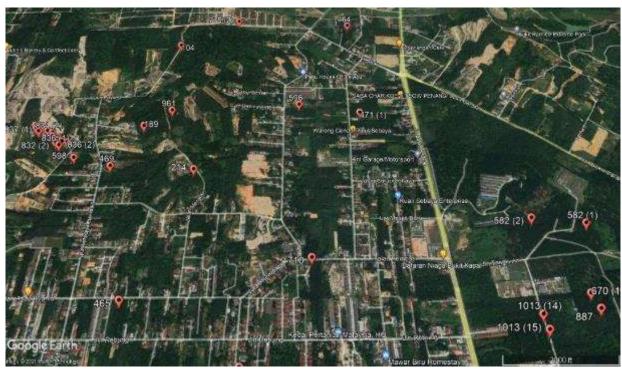


Figure 20: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 21: Smallholders location for SPOC B1 Teluk Panglima Garang.

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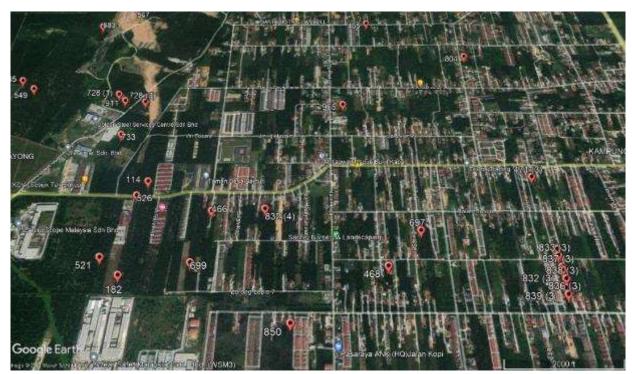


Figure 22: Smallholders location for SPOC B1 Teluk Panglima Garang.

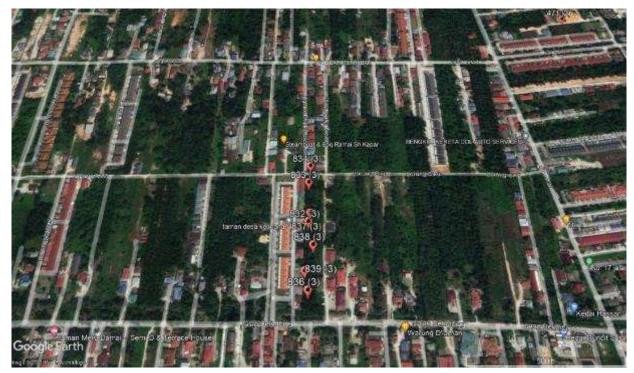


Figure 23: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 24: Smallholders location for SPOC B1 Teluk Panglima Garang.

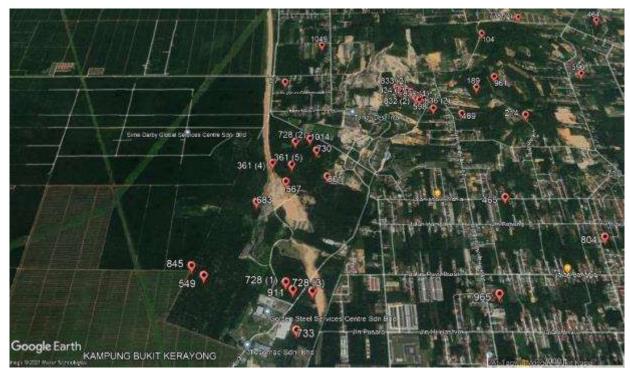


Figure 25: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 26: Smallholders location for SPOC B1 Teluk Panglima Garang.

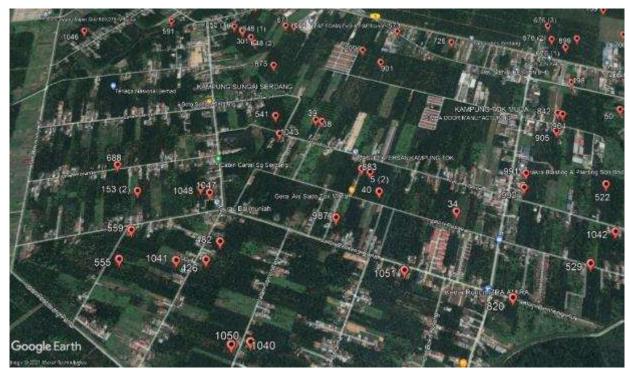


Figure 27: Smallholders location for SPOC B1 Teluk Panglima Garang.

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Figure 28: Smallholders location for SPOC B1 Teluk Panglima Garang.



Figure 29: Smallholders location for SPOC B1 Teluk Panglima Garang.

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4. CERTIFICATION ASSESSMENT

4.1. Recertification 02

The objective of the audit is to assess the activities of MPOB Cawangan SPOC B1 Teluk Panglima Garang are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Recertification 02 Audit:

The recertification 02 audit is conducted from 01/08/2022 to 04/08/2022.

The number of smallholders in this recertification audit are 1,151.

The number of smallholders 1,038 remain the same for this recertification audit.

The number of smallholders joined during this recertification audit are 113.

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 audit 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;
- Group Manager management system;
- 7. Best practice farm management including fertilising, chemical spraying and harvesting.

During this recertification 02 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.

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TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 04/07/2022 as to accommodate stakeholder's consultation meeting for SPOC B1 Teluk Panglima Garang to provide comments. As at audit date on 01/08/2022 there are no comments received.

Invitation letters are sent on 04/07/2022 to invite relevant stakeholders to attend a local stakeholders' consultation on 01/08/2022 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 or interview by telephone refer to table 7.1.

Item	Subject discussed	Audit team finding	Comments or Feedback to SPOC
1	Any information from Group Manager for MSPO audit?	Stakeholders informed they have received the information for MSPO audit by phone call from Group Manager SPOC B1 teluk Panglima Garang.	No action required
2	Social issues	There is no social issue raised by SPOC B1 Teluk Panglima Garang stakeholders.	No action required
3	Understanding of Land Title – Native, Customary Land, Freehold, Leased, Land application (LA)	There is no NCR land involved. All of smallholder owned lease land title.	No action required
4	Economy / Livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders informed that having MSPO certification has increase their knowledge on good agricultural practises. Thus, smallholders are improving their production yield and having proper farm management.	No action required
5	Does MSPO largely benefits the local communities?	Stakeholders informed the MSPO certification provide benefits to local communities by increasing	No action required

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		their knowledge on good agricultural practises.	
6	Any environment awareness provided by SPOC	Stakeholders informed they have a good understanding on environmental awareness.	No action required
7	Any awareness of wildlife conducted by SPOC	Stakeholders informed there are no human-wildlife conflict on smallholder's areas.	No action required
8	Is the FFB quality improved with MS2530 certification	There is no issue on the FFB quality. The smallholders understanding on the standard of FFB ripeness is good.	No action required
9	Are there any smallholders practices affect you?	Stakeholders informed there are no impacts caused by smallholder's practises.	No action required
10	Do you consider any management conflict with the MS2530 principles and criteria?	Stakeholders informed there is no conflict with the MS2530 principles and criteria.	No action required
11	Do you have any suggestions for SPOC management?	Stakeholders mention that it will be great the SPOC in regards Group Manager will conduct more MSPO awareness frequently.	SPOC B1 Teluk Panglima Garang Group Manager informed they will contact and ensure involvement from all relevant stakeholders for any smallholders programme conducted.

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	SPOC B1 Teluk Panglima Garang adopted MPOB MSPO Policy, doc no: MSPO/SSCC/POLISI-01, revision 3, updated 01/06/2021. The policy was signed by SPOC B1 Teluk Panglima garang Group Manager dated 10/03/2021.	Yes	
	The MSPO policy is publicly displayed at MPOB office notice board.		

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Review on smallholders individual file, MSPO policy is include in MSPO application form signed by SPOC B1 Telok Panglima Garang Group Manager and smallholders.	
	Field interviews with sampled smallholders informed they are aware of the MSPO policy requirements.	
4.1.2.1	SPOC B1 Teluk Panglima Garang adopted MPOB list of social and environmental impact and action plan, document no: MSPO/SPOC/L-04/ISP, issue no: 4, revision no: 4, effective date: 01/06/2021.	Yes
	The table includes type of impact, activity, social and environmental impact and action plan.	
	Example of Social Impact and Action Plan:	
	Activity: Harvesting	
	Social impact: Stealing of FFB	
	Action plan: Report to JKKK / Police.	
	Example of Environmental Impact and Action Plan:	
	Activity: Chemical spraying	
	Social impact: Soil erosion due to excessive spraying activity.	
	Action plan: Conduct training on GAP and LKN visit to smallholder'	
	Field visits and interviews with sampled SPOC B1 Teluk Panglima Garang smallholders informed they have installed gate at the entrance to prevent stealing of FFB and no case reported yet.	
4.1.2.2	Document review of SPOC B1Teluk Paglima Garang records, Warta Sawit is distributed to smallholders during MSPO training dated 30/03/2022.	Yes
	Field interviews with sampled SPOC B1 Teluk Paglima Garang smallholders informed they obtain Warta Sawit and new information on oil palm management during LKN visit, WhatsApp or through MPOB Facebook Page.	

Principle 2	Principle 2: Transparency			
Indicator	Summary of Assessment	Compliance		
4.2.1.1	SPOC B1 Teluk Panglima Garang adopted MPOB Guidelines for Economic and Financial Power Plans "Garis Panduan Pelan Daya Ekonomi dan Kewangan, doc no MSPO/SSCC/GP-01/PEK, issue no.: 4, rev: 4 dated 01/06/2021.	Yes		
	The guideline has a flow chart describing the step approach for delivery of FFB to ramp operator / collection center or mill with the type of documents:			
	1. Sales receipt;			
	2. Weighbridge ticket;			

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Principle 2: Transparency			
Indicator	Summary of Assessment	Compliance	
	3. Enter to BRL;		
	4. Keep Receipt;		
	5. SPOC will collect records and prepare summary.		
	Field interviews with sampled smallholders informed they kept the weighbridge ticket for traceability purposes.		
4.2.1.2	SPOC B1 Teluk Panglima Garang group manager maintained records of FFB production and sales of each smallholder.	Yes	
	Document review sighted the records of smallholders FFB sales to respective collection centre or mills is recorded and maintained.		
	Field interviews with sampled smallholders informed FFB sales and weighbridge tickets are maintained.		

Principle 3	Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance	
4.3.1.1	SPOC B1 Teluk Panglima Garang adopt MPOB legal register document no: MSPO/SPOC/L-01/SKU, issue no.: 3, rev: 4 dated 01/06/2021.	Yes	
	SPOC B1 Telok Panglima Garang establish list of applicable legal documents Document no. MSPO/SPOC/L-02/LLR, issue no.: 3, rev: 4 dated 01/06/2021.		
	Example of laws:		
	Akta Kualiti Alam Sekeliling 1974.		
	2. Akta Taman Negara 1980.		
	3. Akta Pekerjaan 1955.		
	Review on sampled smallholders MPOB license verified the license are within validity period		
	Example:		
	 Smallholders lot (1318) license with validity on 29/12/2020 – 30/11/2025; 		
	 Smallholders lot (5178) license with validity on 23/04/2020 – 31/03/2025. 		
	Field interviews with sample smallholders informed they have been briefed on legal requirement dated 30/03/2022.		
4.3.2.1	SPOC B1 Teluk Panglima Garang smallholders land titles are either freehold or lease title of 99 years issued by Land Office Kuala Langat.	Yes	
	Document review of sampled individual smallholders land titles verify smallholders as fully owned or one of the listed land owners.		

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Principle 3	Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance	
	Document review of letter from SPOC B1 Group Manager to MPOB HQ, dated 18/03/2021 which includes list of smallholders under application on changing land use to oil palm or agricultural purpose.		
4.3.3.1	SPOC B1 Teluk Panglima Garang smallholders land titles are either freehold or lease title of 99 years issued by Land Office Kuala Langat.	Yes	
	Document review of land titles includes name of smallholders.		
	Field interviews with sampled smallholders informed there are no land dispute lodged to SPOC group manager.		
4.3.3.2	Reviewed sampled SPOC B1 Teluk Panglima Garang smallholder's individual files, the land titles include a map, lot number, area size and boundary marking.	Yes	

Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
4.4.1.1	SPOC B1 Teluk Panglima Garang adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.	Yes	
	The SOP describes;		
	The flow chart in the SOP describes grievance and complaint process is to be resolved within 14 days;		
	2. Group manager is in charge in handling the complaint and grievances;		
	3. Grievance and complaint records are archived and maintained.		
	Review on 'Taklimat MSPO" report verified the complaint and grievances procedure has been briefed to smallholders dated 30/03/2022.		
	Field interviews with sampled smallholders informed they understand the complaints, grievance procedure and process flow.		
4.4.1.2	SPOC B1 Teluk Panglima Garang adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.	Yes	
	Review the SOP stated time line to resolve disputes within 14 days.		
	Stated in the SOP person in charge is Group Manager. The Group Manager is assigned for:		
	Accepting the grievances;		
	2. Analysed and investigate on issue raised.		
	Any complaints outside the scope of the group manager it will referred to other parties or MPOB HQ.		
	Field interviews with sampled smallholders informed they are aware on complaints and grievance process and timelines to resolve the complaints.		

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Principle 4	4: Social Responsibility, health, safety and employment conditions	
Indicator	Summary of Assessment	Compliance
4.4.2.1	SPOC B1 Teluk Panglima Garang adopt MPOB Guidelines Occupational Safety & Health, document number MSPO/SPOC/GP-02/KKP, issue: 4, revision: 0 effective date: 01/06/2021.	Yes
	SOP describes:	
	Responsibility of GM and smallholders regarding safety and health;	
	Procedure and type of PPE used for harvesting, manuring and spraying.	
	Document review on safety and health training has been carried out on 30/03/2022.	
	Field interviews with sampled smallholders informed they are briefed on importance of safety and health during working in field.	
	Example:	
	Wearing of PPE for chemical spraying activity: Apron, facemask, goggle, safety boot, rubber hand glove and safety helmet.	
4.4.3.1	SPOC B1 Teluk Panglima Garang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes
	The form has includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.	
	Field interviews with sampled smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.	
4.4.3.2	SPOC B1 Teluk Paglima Garang adopted MPOB MSPO application form with a statement "provide equal opportunity and treatment regardless of race, colour, sex, religion, political affiliation, nationality, social origin and shall not engage in or support discriminatory practices.	Yes
	SPOC B1 Teluk Paglima Garang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	
	The form describes :	
	"Against any form of discrimination, and implying human right in terms of opportunities, disregards of races, gender, religion, political affiliation, and nationality".	
	There are no complaints related to discrimination during documents review.	
	Field interviews with sampled smallholders informed no discrimination occurs.	
4.4.3.3	SPOC B1 Teluk Paglima Garang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes
	The form has includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.	
	Field interviews with sampled smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.	

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Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
4.4.3.4	Site inspection on sampled smallholders SPOC B1 Teluk Panglima Garang farm, there is no on-site living quarters provided since no hiring of casual workers.	Yes	
4.4.3.5	SPOC B1 Teluk Panglima Garang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes	
	The form describes :		
	"Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work".		
	Field inspections at sampled smallholder's farms, no presence of child workers. Smallholders are aware and understand legal restriction on hiring under age workers.		
4.4.4.1	SPOC B1 Teluk Panglima Garang established training programme year 2022. The training programme include 'Taklimat MSPO, GAP and LKN visit.	Yes	
	Reviewed training records for year 2022 verified there are trainings carried out for smallholders.		
	Example:		
	Title: Taklimat MSPO;		
	Date: 30/03/2022.		
	Field interviews with sampled smallholders informed they attended the MSPO training and were able to demonstrate understanding of MSPO implementation in farms.		

Principle 5	Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance	
4.5.1.1	SPOC B1 Teluk Panglima Garang adopt MPOB Social and Environment Impacts and Action Plan, document number MSPO/SPOC/L-04/ISP, issue 3, revision: 3 effective date 01/06/2021.	Yes	
	The document include a section for Environmental Impact and Action Plan.		
	Example:		
	Activities: Chemical application		
	Environmental Impact: Empty containers		
	Action Plan: Triple rinsed, punctured and kept in the stores.		
	Document review of advisory visit (LKN) reports dated 26/07/2022, displayed the briefing include the agenda of managing and disposal of empty chemical containers.		
	Document review of waste record, GM SPOC include the monitoring of empty containers from smallholders fields updated on 04/07/2022.		

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Principle :	Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance	
	Field visits at sampled smallholders farms observed no over spraying activities and no empty containers left at field.		
	Field interviews with sampled smallholders informed they have been briefed on environmental impacts on soil and buffer zone area.		
4.5.2.1	Field interviews with all SPOC B1 Teluk Panglima Garang sampled smallholders informed they do not use renewable energy at farms.	Yes	
4.5.3.1	SPOC B1 Teluk Panglima Garang adopt MPOB List of Scheduled and Domestic Wastes Doc. No. MSPO/SPOC/L-03/SRD Issue 3 rev 0 effective date 01/06/2021.	Yes	
	Document review of waste record, GM SPOC include the monitoring of empty containers from smallholders fields updated 04/07/2022		
	Review of advisory visit (LKN) reports dated 26/07/2022 & 27/07/2022, briefing included the agenda of managing and disposal of empty chemical containers.		
	Field visits at sampled smallholder's farms observed, empty chemical containers marked with 'X' and kept in stores.		
	Field interviews with sampled smallholders informed empty chemical containers will be recycle and reused after triple rinsing.		
4.5.3.2	SPOC B1 Teluk Panglima Garang adopted MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-03/BT issue 3 revision 3 effective date 01/06/2021.	Yes	
	The SOP objective 'Monitor and ensure that the scheduled waste management and disposal process for responsible individuals can be carried out in an orderly, efficient and safe manner.		
	Document review of flowchart, describe the steps in managing and disposal of scheduled wastes.		
	Document review of advisory visit (LKN) reports dated 26/07/2022, displayed the briefing include the agenda of managing and disposal of empty chemical containers.		
	Document review of waste record, GM SPOC include the monitoring of empty containers from smallholders fields updated 04/07/2022.		
	SPOC B1 Telok Panglima Garang smallholder's stored all empty chemical containers marked with 'X'.		
	Field interviews with sampled smallholders, informed empty chemical containers need to rinse 3 times before reused and marked with 'X'.		
	Smallholders informed empty chemical containers will be reused for chemical spraying activity.		
4.5.4.1	SPOC B1 Teluk Panglima Garang adopt MPOB guidelines River Buffer Zone, doc no: MSPO/SPOC/GP-03/ZPS, issue 3, revision 0 dated 01/06/2021.	Yes	

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Principle 5	Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance	
	Document review of advisory visit (LKN) reports dated 26/07/2022 include topic of chemical spraying techniques.		
	Document review of MSPO application form, include GAP assessments conducted on 20/02/2022,		
	Example:		
	Buffer zone available for field near to river.		
	Field visits at sampled smallholders farms observed implementation of good agricultural practices on frond stacking.		
	Field interviews with sampled smallholders informed they have been briefed to conserve the buffer zone areas from any chemical application near the waterways.		
4.5.4.2	Field visit at sampled smallholders farms, rain water harvesting had been practiced using field drains to collect the rain water.	Yes	
4.5.5.1	SPOC B1 Teluk Panglima Garang establish list of wildlife in and around Kuala Langat district.	Yes	
	Example:		
	Jungle fowls, monkeys, wildboars		
	Document review of advisory visit (LKN) reports dated 26/07/2022 & 27/07/2022, briefing included the agenda of wildlife to smallholders.		
	Field interviews with sampled smallholders informed they observed monkey, wild boar and jungle fowlsin their farm.		
4.5.6.1	SPOC B1 Teluk Panglima Garang adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 3 rev. 01, effective date 01/06/2021.	Yes	
	Document review, advisory visit (LKN) reports dated 26/07/2022 & 27/07/2022 included briefing on zero burning practices to smallholders.		
	Field visits at sampled smallholder's farms, there are no open burning practice within the smallholders' farms.		
	Field interviews with sampled smallholders, informed they understand open burning is prohibited.		

Principle 6	Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance	
4.6.1.1	SPOC B1 Teluk Panglima Garang conduct GAP briefing and LKN for harvesting, manuring, chemical application and PPE usage.	Yes	
	Review of advisory visit (LKN) reports dated 26/07/2022 & 27/07/2022, briefing included the agenda of GAP on harvesting, manuring, chemical application and PPE usage.		
	Example:		

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Principle (Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance	
	Proper stacking of fronds;		
	2. Good maintenance of harvesting path;		
	3. Proper palm pruning.		
	Field visits at sampled smallholders farms observed implementation of good agricultural practice on frond stacking.		
	Field interviews with sampled smallholders informed they were briefed on good agricultural practices for their farms to meet MPOB guidelines.		
4.6.1.2	SPOC B1 Teluk Panglima Garang established information of smallholders' name, lot number, GPS coordinates, lot size and year of planting.	Yes	
	Example:		
	Smallholder name		
	Lot no.: 4613;		
	GPS coordinates: 2.90335, 101.49988;		
	Lot size: 0.371 ha;		
	Year of Planting: 2012.		
4.6.2.1	SPOC B1 Teluk Panglima Garang establish Guideline Economic and Financial Plan, MSPO/SPOC/GP-01/PEK, issue 3, revision 3 dated 01/06/2021.	Yes	
	Document review of budget proposal for chemical cabinet and PPE established dated 04/02/2022.		
	All operation budgets and costs are under the control of MPOB HQ.		
	From document review of smallholder file, SPOC GM include smallholders name into budget for land conversion to oil palm issued to MPOB HQ dated 18/03/2022.		
	Example:		
	Smallholder name		
	Lot no.: 5011;		
	Planted Area: 1.241 ha;		
	Current land terms in grant: Paddy.		
4.6.3.1	SPOC B1 Teluk Panglima Garang monitors FFB pricing on monthly basis through input from selected ramp / dealers for fair price.	Yes	
	Document review of smallholders payment receipts, displayed the FFB price obtained from selected ramp / dealers.		
	Document review, SPOC B1 Teluk Panglima Garang smallholders obtained FFB price from payment receipts and displayed at ramp / dealers notice board.		

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Principle 7	Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance	
4.7.1.1	Review on list of smallholders and planting statements, there is no new planting in SPOC B1 Teluk Panglima Garang.		
	The first planting is in year 1994 and the latest new planting is in year 2019.		
	There are no new plantings for existing and new members in year 2021 and 2022.		
	Thus, there is no assessment on high biodiversity area		
4.7.2.1	Review on list of smallholders and planting statements, there is no new planting in SPOC B1 Teluk Panglima Garang.	Yes	
	The first planting is in year 1994 and the latest new planting is in year 2019.		
	There are no new plantings for existing and new members in year 2021 and 2022.		
	Therefore, no soil survey or topography is required		
4.7.3.1	Review on list of smallholders and planting statements, there is no new planting in SPOC B1 Teluk Panglima Garang.	Yes	
	The first planting is in year 1994 and the latest new planting is in year 2019.		
	There are no new plantings for existing and new members in year 2021 and 2022.		
	Therefore, no data for type of terrain available.		

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.

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

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4.6. Detail of Audit Findings Identified During This Audit

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

ON-SITE AUDIT OUTCOME		
During this onsite	0	MAJOR Non-Conformities
audit,	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.2.1.2	To keep records of sales and delivery or transportation of fresh fruit bunches.	Field	SPOC B1 Telok Panglima Garang could improve FFB records in the BRL.
2.	4.5.3.1	All waste products and sources of pollution shall be identified.	Field	SPOC B1 Telok Panglima Garang could improve on scheduled waste management.

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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 B1 Teluk Panglima Garang consisting of 1,151 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 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 General Principles for Independent Smallholders.

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

Total certified number of independent smallholders: 1,151

Total certified acreage of smallholders: 1,469.8465 Ha

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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

Х	Recommended for Recertification	
	Recommended for Continuity of Certification	
	Suspended of Certification	

Puchong, 29/08/2022

Mohamad Norhisham Bin Mohd Salleh

TUV NORD (Malaysia) Sdn Bhd

Audit Team Leader

Puchong, 12/09/2022

Navin Baskram TUV NORD (Malaysia) Sdn Bhd

Certifier / Approver

Company Name: Malaysian Palm Oil Board (MPOB)

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7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance 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. Therefore, no stakeholders listed.

Table 7-1: List of Interviewed Stakeholders

No.	Organisation	
1.	Ketua Kampung Sungai Rambai	
2.	Ketua Kampung Batu 9 Kebun Baru	
3.	Penghulu Teluk Panglima Garang	
4.	Pegawai Pejabat Pertanian Kuala Langat	

Company Name: Malaysian Palm Oil Board (MPOB)

Certifying Unit: SPOC B1 Teluk Panglima Garang

Client Number: 92-065

Audit Type: Recertification 02

Mode of Audit: Onsite



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 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 regards to the management system.

Annex / Enclosures		
Annex / corresponding audit documentation		