

MSPO CERTIFICATION SUMMARY REPORT

MPOB - SPOC C9 KUALA LIPIS

SURVEILLANCE 03

Remote Audit Date: 01/02/2021 - 04/02/2021

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

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037
Audit Type: ASA 03
Mode of Audit: Remote



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment & Qualification of Audit Team Members	4
2.	METHODOLOGY	9
3.	ORGANISATION INFORMATION	13
4.	CERTIFICATION ASSESSMENT	19
4.1.	ASA 03 Error! Bookmark not de	efined.9
4.2.	Stakeholders' Consultation	199
4.3.	Summary of Assessment	20
4.4.	Status of Non-Conformities Previously Identified	28
4.5.	Detail of Audit Findings in last Audit	28
4.6.	Detail of Audit Findings Identified During This Audit	29
5.	CONCLUSION	30
6.	RECOMMENDATION	31
7.	LIST OF STAKEHOLDERS	332
Distril	bution / Confidentiality / Rights of ownership / Limitations / Responsibilitie	es
	/ Audit Objectives	33
Anne	x / Enclosures	333

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037
Audit Type: ASA 03
Mode of Audit: Remote



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

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for SPOC C9 Kuala Lipis 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 C9 Kuala Lipis 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 C9 Kuala Lipis 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 2 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: Muhammad Khairul Anuar bin Azizul Hasan

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following	Graduate in Plantation Industry and Management
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;	

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Requirement	Qualifications
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 plantation.
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 as Lead Auditor for MSPO scheme.
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.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Health and safety auditing on the farm and in processing facilities	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	
Workers welfare and social auditing experience or	Successfully completed SA 8000 Basic training and Auditor for MSPO and RSPO scheme.
Successfully attended SA8000 or related social or ethical accountability codes	
Environmental and ecological auditing or experience with organic agriculture.	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
or	
Successfully completed Environmental Management Systems ISO 14001 standard	
Completed High Conversation Value assessment	Qualified as Lead Auditor for MSPO scheme.

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037
Audit Type: ASA 03
Mode of Audit: Remote



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	Ariff bin Lokman	Graduate in Plantation Industry and Management	Yes
i) Agriculture;	Joseph Sim Siaw Seng	Graduate in	Yes
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);		Occupational Safety and Health	
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	Ariff bin Lokman	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)	Joseph Sim Siaw Seng	4 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Ariff bin Lokman	Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Joseph Sim Siaw Seng	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 man-	Ariff bin Lokman	Qualified as Auditor for MSPO scheme	Yes
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.	Joseph Sim Siaw Seng	Qualified as Auditor for MSPO scheme	Yes

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Requirement	Name Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	Joseph Sim Siaw Seng	4 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	Joseph Sim Siaw Seng	4 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Health and safety auditing on the farms processes and activities Or	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Workers welfare and social auditing experience or	Ariff bin Lokman	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	Yes
Successfully attended SA8000 or related social or ethical accountability codes	Joseph Sim Siaw Seng	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	Yes
Environmental and ecological auditing or experience with organic agriculture.	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
or Successfully completed Environmental Management Systems ISO 14001 standard	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Completed High Conversation Value assessment	Ariff bin Lokman	Qualified as Auditor for MSPO scheme	Yes
	Joseph Sim Siaw Seng	Qualified as Auditor for MSPO scheme	Yes

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Requirement	Name Assessor	Qualification	Compliance
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Ariff bin Lokman	Able to communicate in Bahasa Malaysia and English.	Yes
	Joseph Sim Siaw Seng	Able to communicate in Bahasa Malaysia, Mandarin and English.	Yes

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



2. METHODOLOGY

The audit approach consists of the following steps:

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

Surveillance 03 Audit:

Surveillance audit conducted remotely from 01/02/2021 to 04/02/2021 covers the following activities but not limited to below:

Remote:

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Desk documentation assessment;
- Virtual interview management;
- Virtual stakeholders communication; If required
- Virtual interview of smallholders; (phone call interview)
- Virtual inspection of farm; (photo review)
- Production records
- Review revised and updated documentation;
- Training records
- Assessment reporting

Remote Assessment

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



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 or virtual site inspections, observation of tasks and processes, interviews of smallholders, SPOC officers, review of documentation and data.

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

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

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

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

The group of smallholders consists of 294 new members and 580 old members. The total number of smallholders for this audit are 874.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size S = $1.5\sqrt{874}$ = 44.34 round up to the next integral of 45.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $45 \times 75\%$ = 34 and number of existing members are $45 \times 25\%$ = 12.

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

Table 2-1: List of Sample Smallholders

Name	GPS Coordinates	
Existing Smallholders		
Manap Ismail	4.034531 N 102.163306 E	
Hamzah Mat Tahar	4.032776 N 102.151315 E	
Heryani Abd Wahab	4.033771 N 102.15445 E	
Ab Lah bin Mat Isa	4.063035 N 102.247092 E	
Rosni Kamal bin Ahmad	4.034888 N 102.144075 E	
Arrif Aqmal bin Rosni Kamal	4.034848 N 102.143727 E	
Ros bin Pilus	4.055652 N 102.237007 E	
Atan bin Mat Yunus	4.054337 N 102.235320 E	
Zanariah binti Omar	4.66516 N 102.00297 E	

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Name	GPS Coordinates
Ismail bin Abdullah	4.64272 N 101.99977 E
Zainal abidin bin Hassan	4.41220 N 101.593520 E
Khoo Lip Tin	4.257470 N 101.937163 E
New Small	Iholders
Mohamad Nasar bin Kassim	4.190528 N 102.082460 E
Sabariah bt abd Kadir	4.178433 N 102.085845 E
Muhamad Asrizan b Mohamad Nasar	4.19027 N 102.10175 E
Zulkhornain bin Dzulkefli	4.18992 N 102.09237 E
Muhammad Rodzuan bin Abd Wahab	4.364087 N 102.062155
Perniagaan Haw & Anak anak	4.23515 N 101.85195 E
Saruddin bin Muhammad	4.218278 N 101.990460 E
Sazali bin Muhamad	4.213073 N 101.990247 E
Zuraida bt Abu Talib	4.211488 N 101.993195 E
Yaacob bin Mat Jaki	4.298300 N 101.810972 E
Intan Farid Enterprise	4.291308 N 101. 216989 E
Adnan bin Mohamad	4.29319 N 101.79763 E
Baharuddin bin Daud	4.246688 N 101.945838 E
Norlaily bt Abd Rahman	4.244592 N 101.961578 E
Perniagaan Teratai Sdn Bhd	4.14213 N 101.97506 E
Salma bt Abd Rahman	4.227917 N 101.908747 E
Mohd Shukri bin Zakaria	4.63715 N 101.99155 E
Omi kelethom binti mat ail	4.63348 N 101.99483 E

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



Name	GPS Coordinates
Fauzi Yaacob	4.63068 N 102.01017 E
Hadi Yaacob	4.63503 N 102.01439 E
Mohamed bin Majid	4.67145 N 102.01468 E
Bahrom bin Mat Kila	4.66722 N 102.00044 E
Tarmizi bin Mohd Saad	4.56799 N 101.99658 E
Abdul Malik bin Hamid	4.140578 N 102.189597 E
Idras bin Zakaria	4.009302 N 102.093293 E
Ahlan bin Ismail	4.022373 N 102.075912 E
Ahmad Jais bin Abd Rahman	4.051910 N 102.030263 E
Mohd Shukri bin Mohd Noh	3.980583 N 101.966445 E
Ahmad Mustafa bin Mohamed	3.956492 N 101.973142 E
Abdul Rahman bin Sulaiman	3.960998 N 101.965745 E
Hernizam bin Abdul Wahab	4.033525 N 102.151724 E
Amin Nollah bin Lateh	4.031173 N 102.151406 E
EE Guat Lan	4.067432 N 102.283277 E
Hung Ah Kim	4.067110 N 102.281855 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.

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



3. ORGANISATION INFORMATION

MPOB Cawangan SPOC C9 Kuala Lipis, is a branch of MPOB located at No 30, Tingkat 1, Pusat Perniagaan Raub, 27600 Raub Pahang, coordinate: 3.789722 N, 101.8564 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 Kuala Lipis district.

The smallholders are in Kuala Lipis as shown in the below maps.





Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis









Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis









Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis









Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis









Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis







Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



4. CERTIFICATION ASSESSMENT

4.1. Annual Surveillance Audit 03

The objective of the audit is to assess the activities of MPOB Cawangan SPOC C9 Kuala Lipis are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. ASA 03:

The surveillance audit is conducted on 01/02/2021 to 04/02/2021.

The number of smallholders in this surveillance audit are 874.

The number of smallholders 580 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 294.

The audit team has applied the Malaysian Sustainable Palm Oil Part 2: General Principles for Independent Smallholders Audit Guidance to assess the establish documents against the Principles and Criteria of the standard.

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

During the remote 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
- 6. Group Manager management system
- 7. Best practice farm management including fertilising, chemical spraying and harvesting.

During the last surveillance audit, there are no Major NC or Minor NC and 2 OFIs raised.

During this surveillance audit, there are no Major NC or Minor NC and 3 OFIs 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.

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

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037
Audit Type: ASA 03
Mode of Audit: Remote



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 C9 Kuala Lipis adopted MPOB MSPO Policy doc no: MSPO/SSCC/POLISI-01, revision 2, updated 01/06/2020.	Yes
	Virtual inspection on photo provided confirmed, the policy is publicly available at MPOB office notice board.	
	Remote document verify, copy of application form in smallholders file signed by SPOC C9 Kuala Lipis Group Manager and smallholders.	
	Phone call interview smallholders informed they are aware of the MSPO policy.	
4.1.2.1	SPOC C9 Kuala Lipis adopted MPOB list of social and environmental impact and action plan, document no: MSPO/SPOC/L-04/ISP, issue no: 3, revision no: 3, effective date: 01/06/2020.	Yes
	The table include topic on activity, social impact and action plan.	
	Example of Social Impact and Action Plan:	
	Activity: Manuring, spraying, and harvesting	
	Social impact: Able to give new awareness to local community via systematic and discipline farm management.	
	Action plan: Ongoing effort	
	Virtual reviewed on training records confirmed the manuring, chemical spraying and harvesting training conducted 09/09/2020 for smallholders.	
	SPOC C9 Kuala Lipis established CIP include monitoring of the land use conversion.	
	Remote document review on CIP verify, land use conversion included in the CIP dated 27/10/2020.	
4.1.2.2	SPOC C9 Kuala Lipis distribute latest Warta Sawit "Bil. 75 (2) May – August 2020" to smallholders during MSPO briefing on 09/09/2020.	Yes
	Phone call Interviewed with smallholders informed they obtained new information from group manager and received the Warta Sawit when attend training.	

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle 2	Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance	
4.2.1.1	SPOC C9 Kuala Lipis adopted MPOB 'Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan' document number MSPO/SPOC/GP-01/PEK revision number 03, dated 01/06/2020 which include 'Carta Alir Kebolehjejakan Perbelanjaan dan Pendapatan Pekebun Kecil' as a traceability procedure.	Yes	
	The traceability procedure describe smallholders provided with Buku Rekod Ladang (BRL) to record FFB sales.		
	Phone call interview with smallholders informed FFB production, fertilizer and chemical application recorded in the BRL.		
	Remote document review verify, smallholders update the FFB production on monthly basis in the BRL.		
4.2.1.2	SPOC C9 Kuala Lipis Group Manager maintain records of FFB production updated as at December 2020.	Yes	
	Remote document review verify, SPOC C9 Kuala Lipis maintain records of FFB sales and weighbridge ticket in smallholders' individual file.		
	Phone call interview with smallholders informed FFB sales receipts and weighbridge tickets are maintained.		
	Remote document review on smallholders BRL logbook verify, FFB sales and delivery are recorded and maintained.		

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	SPOC C9 Kuala Lipis adopted MPOB Senarai Keperluan Undang - undang, document number: MSPO/SSCC/L-01/SKU, dated 01/10/2020.	Yes
	Example of Laws and Acts:	
	1. MPOB act 1998.	
	2. Perintah Gaji Minimum 2020.	
	3. Akta Kanak-kanak dan orang muda (Pekerjaan) 1966.	
	 Akta Pencegahan dan Pengawalan Penyakit Berjangkit 1988 pindaan 2020 	
	Remote document review on sample smallholders verify, copy of MPOB license is maintained in the smallholders individual file with validity until 31/07/2024.	
	Phone call interview with smallholders informed they are aware of legal requirements and information of legal requirements obtained through 'Program Pensijilan MSPO' conducted on 09/09/2020.	
4.3.2.1	SPOC C9 Kuala Lipis smallholders land titles are either freehold or lease title of 99 years issued by Kuala Lipis Land District. Land use is for agricultural purposes or oil palm or rubber or paddy.	Yes

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	SPOC C9 Kuala Lipis Group Manager has submitted letter to MPOB HQ for conversion of 196 lots of land titles dated 27/10/2020.	
4.3.3.1	SPOC C9 Kuala Lipis land titles are freehold, lease title and customary right land.	Yes
	All members with customary right land obtain the 'Surat Pengesahan Status Tanah' approved by Jabatan Kemajuan Orang Asli Daerah Lipis.	
	Letter of Pengesahan Status Tanah, reference no JAKOA/L/B1/010 dated 27/05/2020 is available.	
4.3.3.2	Lease title and freehold has map includes location, lot number, total area and boundary stone markers.	Yes
	Tanah Rezab Orang Asli land map prepared by Jabatan Kemajuan Orang Asli Daerah Lipis.	

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC C9 Kuala Lipis adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 03, revision 02 dated 01/06/2020.	Yes
	The SOP describes;	
	Stated in the SOP timeline for addressing the grievance and complaint are within 14 days.	
	2. Group manager is in charge in handling the complaint and grievances.	
	3. All the grievance and complaint records are documented.	
	Remote document review on LKN report verified the complaint and grievances procedure has been briefed to smallholders dated 07/08/2020.	
	Phone call interview with smallholders informed they are aware and understand the complaint and grievance procedure and process flow.	
4.4.1.2	SPOC C9 Kuala Lipis adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 03, revision 02 dated 01/06/2020.	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. Analyzed and investigate on issue raised	
	Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.	
	Phone call interview with smallholders informed they are aware on complaint and grievance process and timelines to resolve the complaints.	

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
4.4.2.1	SPOC C9 Kuala Lipis adopt MPOB Guidelines Occupational Safety & Health, document no. MSPO/SPOC/GP-02/KKP, issue: 3, revision: 0 effective date: 01/06/2020.	Yes	
	SOP describes:		
	Responsibility of GM and smallholders regarding safety and health.		
	Procedure and type of PPE used for harvesting, manuring and spraying.		
	Remote document review on safety and health training has been conducted on 09/09/2020.		
	Phone call interview with smallholders informed they are aware importance of safety and health during working in field.		
	Example:		
	Wearing of PPE for chemical spraying activity: Apron, face mask, goggle, safety boot, rubber hand glove and safety helmet.		
4.4.3.1	SPOC C9 Kuala Lipis adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/10/2020.	Yes	
	The form has includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.		
	Phone call interview with smallholders informed, they working by themselves or assisted by family members in carrying out field operations.		
4.4.3.2	SPOC C9 Kuala Lipis 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 C9 Kuala Lipis adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/10/2020.		
	The form describe :		
	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.		
	Phone call interview with smallholders informed no discrimination occurs.		
4.4.3.3	SPOC C9 Kuala Lipis adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/10/2020.	Yes	
	The form has includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.		
	Phone call interview with smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.		

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.3.4	Phone call interview with sampled smallholders and photos of farm overview confirmed no on-site living quarters provided.	Yes
4.4.3.5	SPOC C9 Kuala Lipis adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/10/2020.	Yes
	The form describe :	
	 Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work. 	
	Phone call interview with smallholders confirmed no presence of child workers in field. Smallholders aware and understand on legal restriction on hiring under age workers.	
4.4.4.1	SPOC C9 Kuala Lipis establish training programme year 2020 and 2021.	Yes
	The training programme include 'Taklimat MSPO, GAP and LKN visit.	
	Example of training conducted:	
	Title: MSPO introduction, GAP and Safety & Health	
	Date: 09/09/2020	
	Remote document review verified the training has been conducted on 09/09/2020. Photos and attendance of training are documented and maintained.	
	Phone call interview confirmed smallholders has attended the MSPO training. Smallholders are able to demonstrate understanding of MSPO implementation in farms.	

Principle !	Principle 5: Environment, natural resources, biodiversity and ecosystem services	
Indicator	Summary of Assessment	Compliance
4.5.1.1	SPOC C9 Kuala Lipis adopted MPOB List of Social, Environmental impacts and action plan, document number: MSPO/SPOC/L-05/ISP, version: 03, dated 01/06/2020.	Yes
	Environmental impact and action plan:	
	Activity: Chemical spraying and fertilizer application.	
	Environmental impacts: May cause water pollution to the river or stream	
	Action plan: To provide briefing to smallholder on zero chemical application activity at buffer zones and riparian reserves.	
	During phone interview with smallholders informed they understand the chemical application at buffer zones is prohibited	
4.5.2.1	There is no renewal energy use by SPOC C9 Kuala Lipis smallholders. These is confirmed through phone interviewed with smallholders and photos verification.	Yes

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle 5	Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance	
4.5.3.1	SPOC C9 Kuala Lipis adopted MPOB List of chemical and domestic waste, document number: MSPO/SPOC/L-03/SRD, version: 0 dated 01/06/2020.	Yes	
	List of waste generate from agriculture:		
	Empty chemical containers		
	List of waste (others):		
	Domestic waste		
	SPOC C9 Kuala Lipis established list of wastes generated by smallholders include the type of wastes generated such as empty chemical containers and used fertilizer bag.		
	During phone interview with smallholders informed they understand on managing of the wastes such as reused the fertilizer bag for loose fruit collection.		
	Phone call interview with smallholders and photo verification confirmed the empty chemical containers are label with 'X' and kept at designated area to be reuse for chemical premix purposes.		
4.5.3.2	SPOC C9 Kuala Lipis adopted MPOB SOP on Pengurusan Bahan Buangan Terjadual, document number: MSPO/SPOC/SOP-03/BT, no. Issue: 3, no. revision: 3 and effective dated: 01/06/2020.	Yes	
	The SOP described that:		
	 To conduct triple rinsing for each empty chemical container before disposed. 		
	 To put marking on empty chemical container for chemical mixing purposes. 		
	 All wastes dispose shall follow the "Peraturan Kualiti Alam Sekitar (Bahan Terjadual) 2005 Akta Kualiti Alam Sekitar". 		
	During phone interview with smallholder's feedback group manager informed smallholders on generated waste and disposal method during the LKN visit. They practice triple rinse for empty chemical containers and reused for chemical spraying.		
	Virtual field observation through photos to smallholders' field, no chemical containers left in the field.		
4.5.4.1	SPOC C9 Kuala Lipis adopted MPOB SOP Buffer zone, Document number: MSPO/SPOC/GP-03/ZPS, version: 0 dated 01/06/2020.	Yes	
	The procedure states on:		
	Identification of river or stream within smallholders' area.		
	 Monitoring and ensuring no activities, which may cause pollution on buffer area. 		
	During phone interview with smallholders informed they understand chemical application is not allowed at buffer zone areas.		

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle :	5: Environment, natural resources, biodiversity and ecosystem services	3
Indicator	Summary of Assessment	Compliance
	Photo verification of smallholders' fields condition confirmed buffer zones are properly maintained and no signs of chemical application.	
4.5.4.2	During phone interview with SPOC C9 Kuala Lipis smallholders and photo verification indicates they collecting rain water using drum or dug hole for chemical spraying and washing purposes.	Yes
4.5.5.1	SPOC C9 Kuala Lipis adopted MPOB SOP, Manual Prosedur kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), Senarai Impak Sosial, Persekitaran & Pelan Tindakan. Doc no MSPO/SPOC/L-04/ISP, no. Issue: 3, no. revision: 3, effective dated 01/06/2020.	Yes
	Example:	
	Activity: Opening forest area for palm oil cultivation.	
	Impact: Deforestation and disruption on natural habitats.	
	Action plan: Report to authorities and monitoring on boundary areas.	
	SPOC C9 Kuala Lipis group manager established the list of wildlife updated 04/01/2021.	
	Example of wildlife:	
	Wild boar	
	Squirrel	
	Snake	
	Review on LKN records includes the briefing of wildlife, environmental, safety and no hunting.	
	Example:	
	Smallholder no. 554 conducted on 07/08/2020.	
	Smallholder no. 616 conducted on 29/06/2020.	
	During phone interview with smallholders informed they sighted wild boar in the field and understand no hunting of wildlife.	
4.5.6.1	SPOC C9 Kuala Lipis MSPO policy document number MSPO pin 3 states implementation of zero burning and good agricultural practices.	Yes
	During phone interview with smallholders informed they understand no open burning is allowed and replanting by felled palm.	
	Photo verification on smallholders field confirmed no open burning practice.	

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	SPOC C9 Kuala Lipis conduct LKN visit to smallholders' fields.	Yes

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Document review verify briefing records on GAP for harvesting, manuring, chemical application and PPE usage conducted to smallholders.	
	Virtual field observation through photos to smallholders' field verify the implementation of good agricultural practice such as:	
	Proper stacking of fronds.	
	2. Good maintenance of harvesting path.	
	3. Proper palm pruning.	
	Phone call interview with smallholders informed they aware on good agricultural practices on their fields to meet with MPOB guidelines.	
4.6.1.2	SPOC C9 Kuala Lipis established visual identification for each smallholder with information of smallholders' name, field address, GPS coordinates, lot size and year of planting.	Yes
	Virtual field observation through photos to smallholders' field verify that fields marking signage are established.	
4.6.2.1	SPOC C9 Kuala Lipis adopt MPOB Guideline Economic and Financial Plan, MSPO/SPOC/GP-01/PEK, issue 3, revision 3 dated 01/06/2020.	Yes
	Document review verify evidence of budget approval for Program Taklimat MSPO for SPOC C9 Kuala Lipis.	
	The operation budgets cover training and miscellaneous.	
4.6.3.1	SPOC C9 Kuala Lipis monitors FFB pricing on monthly basis through input from selected mill, and dealers for fair price.	Yes
	Phone call interview smallholders informed the FFB price is display at collecting centers.	
	Besides, smallholders have WhatsApp group where FFB pricing are shared.	

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037
Audit Type: ASA 03
Mode of Audit: Remote



Principle 7	Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance	
4.7.1.1	Remote document review on list of smallholders and planting statements confirmed no new planting in SPOC C9 Kuala Lipis.	Yes	
	The first planting is in year 1990 and the latest new planting is in year 2018.		
	There are no new plantings for existing and new members in year 2019 and 2020.		
	Thus, there is no assessment on high biodiversity area.		
4.7.2.1	Remote document review on list of smallholders and planting statements confirmed no new planting in SPOC C9 Kuala Lipis.	Yes	
	The first planting is in year 1990 and the latest new planting is in year 2018.		
	There are no new plantings for existing and new members in year 2019 and 2020.		
	Therefore, no soil survey or topography is required.		
4.7.3.1	Remote document review on list of smallholders and planting statements confirmed no new planting in SPOC C9 Kuala Lipis.	Yes	
	The first planting is in year 1990 and the latest new planting is in year 2018.		
	There are no new plantings for existing and new members in year 2019 and 2020.		
	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.
Х	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

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037
Audit Type: ASA 03
Mode of Audit: Remote



4.6. Detail of Audit Findings Identified During This Audit

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

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

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.4.1	Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.	Field	SPOC C9 Kuala Lipis could consider improve knowledge in oil palm management.
2.	4.5.1.1	Independent smallholders are expected to be aware of the environmental impact but are not expected to undertake any formal impact assessment unless there is a legal requirement.	Field	SPOC C9 Kuala Lipis could consider improve awareness on environmental impact for chemical spraying activities.
3.	4.5.3.2	Independent smallholders shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers.	Field	SPOC C9 Kuala Lipis could consider improve on smallholders understanding for empty chemical container disposal method.

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



5. CONCLUSION

Malaysian Palm Oil Board has commissioned TÜV NORD (Malaysia) Sdn Bhd to carry out the certification for the Sustainable Palm Oil Cluster (SPOC) for SPOC C9 Kuala Lipis consisting of 874 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: 874

Total certified acreage of smallholders: 2,480.14 Ha

Certified FFBs output January to December 2020: 28,401.25 Mt

Projected FFBs output January to December 2021: 32,000.00 Mt

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



6. RECOMMENDATION

The audit team conducted a process-based audit focussing on significant aspects / risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

Any audit is based on sampling within an organization's management system and therefore is not guarantee of 100 % conformity with requirements.

The structure of the audit is in accordance with the audit plan included with this summary report as an annex.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for production and management within the scope and the organisation's policies and objectives.

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

	Recommended for Certification	
X	Recommended for Continuity of Certification	
	Suspended of Certification	

Puchong, 22/02/2021

Muhammad Khairul Anuar bin Azizul Hasan

TUV NORD (Malaysia) Sdn Bhd

Audit Team Leader

Puchong, 22/02/2021

Nur Amanina Zahir

TUV NORD (Malaysia) Sdn Bhd

Certifier / Approver

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



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.

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC C9 Kuala Lipis

Client Number: 92-037

Audit Type: ASA 03

Mode of Audit: Remote



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		