

MSPO CERTIFICATION SUMMARY REPORT

SPOC J29 LINAU/PESERAI/SIMPANG KANAN/ BAGAN

ASA 03

Onsite Audit Date: 09/05/2022 - 13/05/2022

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Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J29 Linau/Peserai/Simpang Kanan/ Bagan



Client Number: 92-099
Audit Type: ASA 03
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 surveillance three (03) audit for SPOC J29 Linau/Peserai/Simpang Kanan/Bagan 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 J29 Linau/Peserai/Simpang Kanan/Bagan 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 J29 Linau/Peserai/Simpang Kanan/Bagan 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 Members

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;			
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);	Mohd Nur Amin Bin Mohd Halim	Graduate in Office Management & Technology.	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	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)	Mohd Nur Amin Bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Ariff Bin Lokman	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
	Mohd Nur Amin Bin Mohd Halim	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	Ariff Bin Lokman	Qualified as auditor based on audit log.	Yes

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Requirement	Name Assessor	Qualification	Compliance
auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Mohd Nur Amin Bin Mohd Halim	Qualified as auditor based on audit log.	Yes
Field working experience in the palm oil sector or demonstrable equivalent	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
	Mohd Nur Amin Bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	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
	Mohd Nur Amin Bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Ariff Bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Mohd Nur Amin Bin Mohd Halim	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	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Workers welfare and social auditing experience	Ariff Bin Lokman	Successfully completed Basic SA 8000 training	Yes
or Successfully attended SA8000 or related social or ethical accountability codes	Mohd Nur Amin Bin Mohd Halim	Successfully completed Basic SA 8000 training	Yes

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Requirement	Name Assessor	Qualification	Compliance
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	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Completed High Conversation Value assessment	Ariff Bin Lokman	Attended and completed the HCV-HCS for producer online course.	Yes
	Mohd Nur Amin Bin Mohd Halim	Attended and completed the HCV-HCS for producer online course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Ariff Bin Lokman	Able to communicate in Bahasa Malaysia and English.	Yes
	Mohd Nur Amin Bin Mohd Halim	Able to communicate in Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

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

Surveillance Audit:

Surveillance three (03) audit was carried out onsite from 09/05/2022 – 13/05/2022 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;
- Review and closed out of observations raised during SA two (02) audit;
- Assessment reporting.

Onsite Assessment

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

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

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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 428 new members and 1,020 old members. The total number of smallholders for this audit are 1,448.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size S = $1.5\sqrt{1,448} = 57.07$ round up to the next integral of 58.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $58 \times 75\%$ = 44 and number of existing members are $58 \times 25\%$ = 14.

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 members		
Normah Bte Abas	1.833116° 102.88928°	
Mohd Faroq Bin Abu Bakar	1.941588° 102.9291°	
Zulkefli Bin Mohamad	1.826172° 102.8780°	
Zulkarnain Bin Khalid	1.87410° 102.9254°	
Mohd Fadlan Bin Yusof	1.869056° 103.0095°	
Mohd Yusof Bin Salleh	1.859889° 103.0266°	
Norhalim Bin Saif	1.88333° 102.8634°	
Shihab Bin Hj Abd Hamid	1.872139° 102.8465°	
Y.L.C Reality Sdn. Bhd.	1.860222° 102.8567°	
Sim Zhen Wei	1.877944° 102.9889°	
Teo Sek Yong	1.928581° 102.9651°	
Chew Kian Seng	1.88500° 103.0233°	
Kuo Chee Ching	1.849444° 102.8667°	
Hamidi Bin Selamat	1.881861° 102.9179°	

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Name	GPS Coordinates	
New members		
Zaharah Bte Khamis	1.907830° 102.977450°	
Asmah Bte Bahari	1.913130° 103.019430°	
Fauziah Hanim Binti Ali	1.908150° 103.020100°	
Elias Bin Ithnin	1.936950° 103.017880°	
Hanafi Bin Salehan	1.901960° 102.960350°	
Lokman Bin Khalid	1.908580° 102.974270°	
Tio Soon Yuee	1.907290° 102.97410°	
Tang Wui Leong	1.903030° 102.974140°	
Chua Wei Ta	1.904240° 102.961050°	
Tang Siew Choo	1.924920° 102.967660°	
Refe'at Bin Bustani	1.897740° 102.974130°	
Tiu Hun Eng	1.899140° 102.973670°	
Nge Lay Meng	1.921310° 103.012240°	
Ong Gok Swi	1.907830° 102.977450°	
Siti Marpuah Binti Nawawi	1.941725° 103.009143°	
Wahab Bin Ismail	1.911369° 102.985837°	
Chew Chua Hoe	1.88550° 103.02330°	
Azlina Binti Ishak	1.908786° 102.975034°	
Kek Beng Chong	1.908586° 102.975541°	
Tan Kim@ Tank Siew Ian	1.9145441° 02.962441°	

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Name	GPS Coordinates	
New members		
Chew Chun Hoe	1.891876° 102.981942°	
Aminah Bte Awang	1.865228° 102.866848°	
Ke (Kek) Kim Soon	1.891346° 102.875288°	
Kerk Chee Wee	1.85189° 102.874680°	
Kerk Chee Keong	1.86715° 102.861020°	
Johar Bin Adam	1.84507° 102.894160°	
Ch'Ng Poh Tee	1.907700° 102.960040°	
Chew Kok Hiew	1.895490° 103.018240°	
Chew Hing	1.891490° 102.990200°	
Chua Ker Guan	1.915800° 102.968280°	
Rupiah Binti Sahid	1.889080° 103.022030°	
Tee Kwee Hwa	1.906510° 102.914720°	
O Pau Xiu	1.865228° 102.866848°	
Amran Bin Basri	1.891346° 102.875288°	
Aripin Bin Ahmad	1.85189° 102.87468°	
Abu Bakar Bin Mokhtar	1.871338° 102.844163°	
Leong Cham Kuen	1.853663° 102.918132°	
Yee Yean Yean	1.823600° 102.883370°	
Yee Chun Soon	1.872235° 102.876286°	
Yean Yean Choon	1.849645° 102.866131°	
Abdul Wahid Bin Ahmad Jalal	1.893438° 102.868346°	

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Name	GPS Coordinates	
New member	ers	
Teo Chok Joo	1.847831° 102.864921°	
Chua Ham Heng	1.898340° 102.977887°	
Wee Kok Chiok	1.894682° 103.001100°	

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 Linau/Peserai/Simpang Kanan/Bagan is a branch of MPOB located at Pusat Perkhidmatan Pertanian Bersepadu, Sg. Dulang, rengit, 83100, Batu Pahat, Johor 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 Batu Pahat district.

The smallholders in Linau as shown in the below maps.

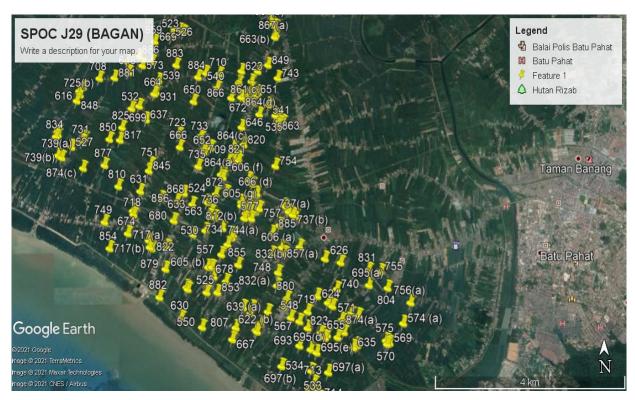


Figure 1

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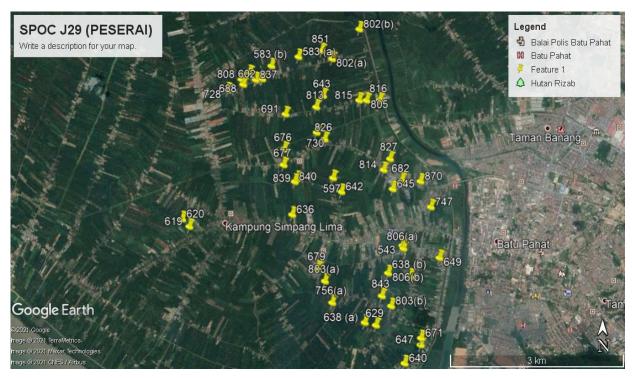


Figure 2



Figure 3

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Figure 4

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4. CERTIFICATION ASSESSMENT

4.1. ASA 03

The objective of the audit is to assess the activities of MPOB Cawangan SPOC J29 Linau/Peserai/Simpang Kanan/Bagan are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance:

The surveillance three (03) audit is carried out from 09/05/2022 to 13//05/2022.

The number of smallholders in this surveillance audit are 1,448.

The number of smallholders 1,020 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 428.

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 surveillance 03 audit, there are 2 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 physical stakeholders consultation conducted for this surveillance audit.

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TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 11/04/2022 to announce the audit of the certified unit. As at audit date on 09/05/2022 there are no comments received.

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 11/04/2022 as to accommodate stakeholder's consultation meeting for SPOC J29 Linau/Peserai/Simpang kanan/Bagan to provide comments. As at audit date on 09/05/2022 there are no comments received.

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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 '	l: Management Commitment & responsibility	
Indicator	Summary of Assessment	Compliance
4.1.1.1	SPOC J29 Linau adopted MPOB MSPO Policy, doc no: MSPO/SSCC/POLISI-01, revision 3, updated 01/06/2021. The policy was sign by SPOC J29 Linau Group Manager dated 10/03/2021.	Yes
	The MSPO policy is publicly displayed at MPOB office notice board.	
	Review on sampled smallholders' individual file, MSPO policy is included in MSPO application form signed by SPOC J29 Linau Group Manager and smallholders.	
	Field interviews with sampled smallholders informed they aware of the MSPO policy requirements.	
4.1.2.1	SPOC J29 Linau 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.	
	Field visit and field interviews with sampled smallholders informed they have installed gate at the entrance to prevent stealing of FFB and no case reported yet.	
4.1.2.2	Document reviewed on SPOC J29 Linau record, Warta Sawit is distributed to smallholders during LKN visit dated 07/02/2022.	Yes
	Field interviews with sampled smallholders informed they obtain Warta Sawit and new information on oil palm management during LKN visit, WhatsApp or through MPOB Facebook Page.	

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	SPOC J29 Linau adopted MPOB 'Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan' document number MSPO/SPOC/GP-	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	01/PEK revision number 04 dated 01/06/2021 which include 'Carta Alir Kebolehjejakan Perbelanjaan dan Pendapatan Pekebun Kecil' as a traceability procedure.	
	The traceability procedure describes smallholders are provided with Buku Rekod Ladang (BRL) to record FFB sales.	
	Field interviews with sampled smallholders informed FFB production, fertilizer and chemical application recorded in the BRL.	
	SPOC J29 Linau maintained records of FFB sales in smallholders individual files.	
4.2.1.2	SPOC J29 Linau Group Manager maintain of FFB production records year 2021 and 2022.	Yes
	SPOC J29 Linau maintained records of FFB sales and weighbridge tickets in smallholders individual files.	
	Field interviews with sampled smallholders informed FFB sales receipts and weighbridge tickets are maintained.	
	Reviewed the sampled smallholders FFB sales receipt and weighbridge tickets are maintained.	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	SPOC J29 Linau adopted MPOB list of legal requirement, document number MSPO/SPOC/L-01/SKU revision number 07 dated 01/06/2021.	Yes
	Example:	
	1. Akta Kualiti Alam Sekeliling 1974;	
	2. Akta Taman Negara 1980;	
	3. Akta Pekerjaan 1955.	
	SPOC J29 Linau briefed on legal requirement to smallholders during MSPO programme dated 30/03/2022.	
	Reviewed sampled smallholders MPOB licenses. Licenses are valid and copy of licenses available in smallholders' individual files.	
	Field interviews with SPOC J29 Linau smallholders informed they have been briefed on legal requirement.	
4.3.2.1	SPOC J29 Linau smallholders have either freehold or lease land titles issued by Batu Pahat Land District.	Yes
	The majority land titles states land used for agricultural purpose or oil palm. There are some land titles under the application of land use from rubber and paddy change to agricultural or oil palm.	
	SPOC J29 Linau established CIP dated 12/01/2022 include monitoring of the land use conversion.	

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Document review on CIP has include the progress status of land use conversion with Batu Pahat Land District.	
	Document review on letter from SPOC J29 Linau Group Manager to MPOB HQ, dated 18/04/2022. Verify the letter describe on application of conversions for 298 land titles.	
	Field interviews with sampled smallholders, there are no disputes found and boundary stones or boundary drains used to indicate the boundary.	
4.3.3.1	SPOC J29 Linau smallholders are either having freehold title or lease land titles issued by Batu Pahat Land Office	Yes
	Document review verify land status of SPOC J29 Linau smallholders with no customary right land.	
	Field interviews with sampled smallholders informed there are no land dispute lodged to SPOC group manager.	
4.3.3.2	SPOC J29 Linau smallholders have either freehold or lease land titles.	Yes
	There is no customary right land for SPOC J29 Linau.	
	The sampled smallholders' land titles include map, lot number, area size and boundary stone numbering.	

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC J29 Linau 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 iinterviews with sampled smallholders informed they understand the complaints, grievance procedure and process flow.	
4.4.1.2	SPOC J29 Linau 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;	

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Principle 4	4: Social Responsibility, health, safety and employment conditions	
Indicator	Summary of Assessment	Compliance
	Analysed and investigate on issue raised.	
	Any complaints outside the scope of the group manager it will refered 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.	
4.4.2.1	SPOC J29 Linau 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 19/03/2022.	
	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, and rubber hand glove and safety helmet.	
4.4.3.1	SPOC J29 Linau 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 J29 Linau 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 J29 Linau 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.	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.3.3	SPOC J29 Linau 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.	
4.4.3.4	Site inspection on sampled smallholders SPOC J29 Linau farm, there is no on-site living quarters provided since no hiring of casual workers.	Yes
4.4.3.5	SPOC J29 Linau 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 J29 Linau established training programme year 2022. The training programme include 'Taklimat MSPO, GAP and LKN visit.	Yes
	Reviewed training records 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: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	SPOC J29 Linau adopted MPOB List of Social and Environmental Impact and Action Plan, document number MSPO/SSCC/I-04/ISP, revision 04, issue 04 dated 01/06/2021.	Yes
	Environment impact had been identified and included in the SOP.	
	Activity: Manuring / chemical spraying activities;	
	Environmental impact: Water pollution can occur because of the use of pesticides near waterways;	
	Environmental management Disposal of scheduled wastes.	
	Field visits at sampled smallholders' farms observed empty chemical containers are reused for chemical spraying activities.	

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Principle :	5: Environment, natural resources, biodiversity and ecosystem services	
Indicator	Summary of Assessment	Compliance
	Field interviews with sampled smallholders' informed LKN visit dated 13/05/2022 include briefing on environmental impact.	
	SPOC J29 Linau carried out briefing on environmental impact to smallholders on 30/03/2022.	
4.5.2.1	Field interviews with sampled smallholders informed they are not using any renewal energy.	Yes
	Field visits confirmed there is no use of renewable energy at smallholder's farms.	
4.5.3.1	SPOC J29 Linau adopted MPOB List of Scheduled and Domestic Wastes MSPO/SPOC/L-03/SRD Issue 4 rev 1 effective date 01/06/2021.	Yes
	Example:	
	Document review verify the list consists of solid, liquids and gaseous wastes.	
	Example:	
	Agricultural input: Herbicides;	
	Waste produced: Empty chemical containers;	
	Impact: Polluting water source if the empty containers left in the field or near the water ways.	
	SPOC J29 Linau established list of wastes generated by smallholders include the type of waste generated such as empty chemical containers and used fertilizer bag.	
	Field interviews with sampled smallholders informed they understand managing of the wastes such as reuse of fertilizer bags for loose fruit collections.	
	Field visits observed, empty chemical containers are label with 'X' and kept at allocated area.	
4.5.3.2	SPOC J29 Linau adopted MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-04/BT dated 01/06/2021.	Yes
	The SOP describes as follows:	
	To conduct triple rinsing for each empty chemical container before disposed;	
	To put marking on empty chemical container for chemical mixing purposes.	
	Reviewed training record, SPOC J29 Linau carried out briefing on disposal of empty chemical containers to smallholders dated 30/03/2022 and LKN visit to smallholders' farms on 13/05/2022.	
	Field interviews with sampled smallholders informed empty chemical containers will be triple rinsed before reused for chemical spraying activity.	
4.5.4.1	SPOC J29 Linau adopt MPOB Guidelines River Buffer Zone, doc no: MSPO/SPOC/GP-03/ZPS, issue 4 dated 01/06/2021	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	The SOP describes:	
	Guideline on buffer zone length;	
	No activities such as chemical spraying and manuring;	
	3. Flow chart on buffer zone establishment.	
	Field interviews with sampled smallholders informed they were briefed on the need to conserve riparian buffer zone areas and not to carry out any chemical spraying or manuring activities near the waterways.	
4.5.4.2	Rain harvesting is practice by sampled SPOC J29 Linau smallholders to collect rainwater for chemical spraying activity.	Yes
	Field interviews with sampled smallholders informed they practice rain water harvesting using empty chemical containers for chemical spraying activities.	
4.5.5.1	SPOC J29 Linau group manager established the list of wildlife updated 04/01/2022.	Yes
	Example of wildlife such as wild boar, squirrel and snake.	
	Reviewed training records, SPOC J29 Linau carried out briefing of wildlife, environmental, safety and no hunting to smallholders dated 30/03/2022 and LKN visit to smallholders' farms on 13/05/2022.	
	Field interviews with sampled smallholders informed they sighted wild boar in the field and understand no hunting of wildlife.	
4.5.6.1	SPOC J29 Linau adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 4 rev. 1, effective date 01/06/2021.	Yes
	SOP describes there is no open burning of any kind on the operating unit, except those comply with the Environmental Quality Order 2003 and obtain approval from Department of Environment.	
	Reviewed training records, SPOC J29 Linau Group Manager carried out briefing on zero burning dated 30/03/2022 and LKN visit to smallholders' farms on 13/05/2022.	
	Field visit observed there is no signs of open burning sighted.	
	Field interviews with sampled smallholders informed they understand no open burning allowed within their farm.	

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	SPOC J29 Linau carried out Advisory Visit (LKN) to smallholders' fields.	Yes
	Document review verify briefing records on GAP for harvesting, manuring, chemical application and PPE usage carried out for smallholders.	
	Field visits at sampled smallholders' farms verified the implementation of good agricultural practice such as:	

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Proper stacking of fronds;	
	2. Good maintenance of harvesting path;	
	3. Proper palm pruning.	
	Field interviews with sampled smallholders informed they understand on good agricultural practices on their farm to meet MPOB guidelines.	
4.6.1.2	SPOC J29 Linau established visual identification for each smallholder with information of smallholders' name, field address, GPS coordinates, lot size and year of planting.	Yes
	Field visits to sampled smallholders' farms verify that fields marking are established.	
4.6.2.1	SPOC J29 Linau adopt MPOB Guideline Economic and Financial Plan, MSPO/SPOC/GP-01/PEK, issue 4, revision 4 dated 01/06/2021.	Yes
	Document review verify evidence of budget approval for MSPO training and LKN visit SPOC J29 Linau. The budget includes MSPO training, LKN and miscellaneous expenses.	
4.6.3.1	SPOC J29 Linau monitors FFB pricing on monthly basis through input from selected mill and dealers for fair price.	Yes
	Field interviews with sampled smallholders informed the FFB price is displayed at collecting centre notice board and via WhatsApp group.	

Principle 7: Development of new planting			
Indicator	Summary of Assessment	Compliance	
4.7.1.1	Document review on list of smallholders and planting statements no new planting in SPOC J29 Linau.		
	The first planting is in year 1980 and latest planting in year 2019.		
	There are no new planting for existing and new members in year 2021.		
	Therefore, no data for type of terrain available.		
4.7.2.1	Document review on list of smallholders and planting statements no new planting in SPOC J29 Linau.		
	The first planting is in year 1980 and latest planting in year 2019.		
	There are no new planting for existing and new members in year 2021.		
	Therefore, no soil survey or topography is required.		
4.7.3.1	Document review on list of smallholders and planting statements no new planting in SPOC J29 Linau.	Yes	
	The first planting is in year 1980 and latest planting in year 2019.		
	There are no new planting for existing and new members in year 2021.		
	Therefore, no data for type of terrain available.		

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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

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.		SPOC J29 Linau could improve on treacability awareness for smallholders.
2.	4.5.3.1	All waste products and sources of pollution shall be identified	Office	SPOC J29 Linau could improve on Rekod Pengurusan Bahan Buangan Terjadual generated by smallholders.

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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 J29 Linau/Peserai/Simpang kanan/Bagan consisting of 1,448 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: 1,448

Total certified acreage of smallholders: 2,718.5330 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

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

Puchong, 07/06/2022

Mohamad Norhisham Bin Mohd Salleh

TUV NORD (Malaysia) Sdn Bhd

Audit Team Leader

Puchong, 13/06/2022

Navin Baskram

TUV NORD (Malaysia) Sdn Bhd

Certifier / Approver

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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.

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

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

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore, nonconformities 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		