

# MSPO CERTIFICATION SUMMARY REPORT

SPOC J39 (BULUH KASAP, GEMAS,  
GEMEREH, JABI, JEMENTAH, PENKALAN  
RAJA, POGOH, SERMIN, SUNGAI SEGAMAT)

SURVEILLANCE 01

Date: 01/10/2019

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

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# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board  
Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)  
Client Number: 92-053  
Audit Type: ASA 01

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## ABBREVIATIONS

<b>CHRA</b>	Chemical Health Risk Assessment
<b>CPO</b>	Crude Palm Oil
<b>CSR</b>	Corporate Social Responsibility
<b>DOE</b>	Department of Environment
<b>EFB</b>	Empty Fruit Bunch
<b>EIA</b>	Environment Impact Assessment
<b>FFB</b>	Fresh Fruit Bunch
<b>GAP</b>	Good Agriculture Practices
<b>GPS</b>	Global Positioning System
<b>HBV</b>	High Biodiversity Value
<b>IPM</b>	Integrated Pest Management
<b>ISO</b>	International Standard Organisation
<b>LKN</b>	Latihan Khidmat Nasihat
<b>MPOB</b>	Malaysian Palm Oil Board
<b>NC</b>	Non Conformity
<b>OSH</b>	Occupational Safety and Health
<b>P&amp;C</b>	Principle and Criteria
<b>PPE</b>	Personal Protective Equipment
<b>RTE</b>	Rate, Threatened and Endangered
<b>SA8000</b>	Social Accountability 8000
<b>SIA</b>	Social Impact Assessment
<b>SOP</b>	Standard Operating Procedure
<b>SPOC</b>	Sustainable Palm Oil Cluster
<b>WHO</b>	World Health Organization

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## 1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

### 1.1. Objective

The objective of this audit is to assess the MPOB Cawangan SPOC J39 of as group manager managing the independent smallholders by an independent certification body. The aim of this surveillance audit is assessed on the compliance of the standard by MPOB Cawangan SPOC J39.

### 1.2. Scope

The certification is based on the documentation established by MPOB Cawangan SPOC J39 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.
3. Malaysian Sustainable Palm Oil Part 2: General Principles for Independent Smallholders Audit Guidance.

### 1.3. Appointment & Qualification of Audit Team Members

The audit team appointed consists of the team leader and 2 team member. The team contribute to the review of documents, assessment of the project activity and preparation of this report.

#### Qualification of the Trainee Lead Auditor: Muhammad Khairul Anuar Bin Azizul Hasan

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management;	Graduate in Applied Science (Major in Plantation Industry and 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)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530: 2013 LA Course.
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 auditor. Conducted more than 6 on site audits with more than 20 mandays.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and Auditor MSPO and Auditor in training for RSPO scheme.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS 9001, 14001 and 45001 LA course, Auditor for MSPO and Auditor in training for RSPO scheme.

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## Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Zul Hairi bin Abu Hassan	Graduate in Plantation Industry Management	Yes
	Ariff bin Lokman	Graduate in Plantation Industry Management	
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)	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Attended the MS 2530 series of standards training	Zul Hairi bin Abu Hassan	Successfully completed MS2530 series training	Yes
	Ariff bin Lokman	Successfully completed MS2530 series training.	
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Zul Hairi bin Abu Hassan	Qualified as auditor. Conducted more than 6 on site audit with more than 20 mandays.	Yes
	Ariff bin Lokman	Qualified as auditor. Conducted more than 6 on site audit with more than 20 mandays.	
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi bin Abu Hassan	Bahasa Malaysia and English.	Yes
	Ariff bin Lokman	Bahasa Malaysia and English.	
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantation.	Yes

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Requirement	Assessor	Qualification	Compliance
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational Health & Safety Assurance System	Zul Hairi bin Abu Hassan	Auditor for MSPO scheme, Successfully completed ISO 45001 LA course.	Yes
	Ariff bin Lokman	Auditor for MSPO scheme, Successfully completed IMS ISO 9001, 14001, 45001 LA course.	
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi bin Abu Hassan	Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes	Yes
	Ariff bin Lokman	Successfully completed SA 8000 Basic training, Auditor for MSPO and Auditor in training for RSPO scheme.	
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Zul Hairi bin Abu Hassan	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.	Yes
	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 LA course, Auditor for MSPO and Auditor in training for RSPO scheme.	

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## 2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and reviewer / certifier;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Certifying, final approval and issuance of certificate.
- Assessment reporting

### Surveillance Audit:

Surveillance audit is conducted on 29/07/2019 to 31/07/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of farms management and activities;
- Interview smallholders;
- Reviewed revised and updated documentation established and implemented;
- FFB production records;
- Training records;
- Land titles and land application approvals;
- Work plans established;
- Stakeholders consultation meeting;
- Assessment reporting;

For list of personnel participated in the audits refer attendance sheet and Table 7-1.



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## On-site 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 included physical site inspections, observation of tasks and processes, interviews of stakeholders, smallholders, SPCO officers, review of documentation and data.

MSPO guidance documents are used to guide the collection of information. Any comments from external stakeholders were considered in the assessment.

For this certification audit, the selected independent smallholders are based on the formula  $S = \text{risk factor} \sqrt{n}$  where  $S$  = sample size and  $n$  = number of group members which is in accordance to MSPO certification procedure.

The group of smallholders consists of 300 new members and 50 old members.

Based on the formula, the sample size  $S = \sqrt{300} = 17.32$ ,  $\sqrt{50} = 7.07$ , the number of new smallholders are 17.32 and number of old members are 7.07. Therefore, the total of new smallholders are 18 and old members are 8 round up to the next integral.. Thus, a total of 26 smallholders are selected for the onsite assessment and inspection listed in Table 2-1 below:

**Table 2-1: List of Sampled Independent Smallholders**

Name of independent smallholders	Specific Address / site
Pang Hai Kuat	PTD 39 Mukim Pogoh, Segamat
Ng Lian Eng	Lot 1057 & Lot 1635 Mukim Jabi, Segamat
Keng Seng Hoi	Lot 2069 Mukim Jabi, Segamat
Shamsiah binti Mohamad	PTD 343, Mukim Sermin, Buluh Kasap, Segamat
Masto bin Kasbi	Lot 660, Lot 1052, Kg Mensudut Pindah Mukim, Gemas
Idzuan bin Masto	Lot 1040, Lot 1053, Lot 1234 Kg Mensudut Pindah Mukim, Gemas
Abdullah bin Ismail	Lot 841, Mukim Jabi Buluh Kasap, Segamat
Arbaiah binti Rahmat	Lot 1581, mukim Sermin Buluh Kasap, Segamat
Hasnah binti Muda	Lot 5548, GSA Tungku 3, Sungai Segamat, Segamat
Mohd Syafiq Afiq bin Ab Malek	Lot 5418, Tebing Tinggi, Jementah, Segamat
Razmi bin Malek	Lot 8482, Kg Tebing Tinggi, Jementah, Segamat
Juaidi bin Mat Sayed	Lot 3429, Bkt Tanah Merah, Buluh Kasap, Segamat

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Name of independent smallholders	Specific Address / site
Nasir Ahmad B. Mohamed Yusof	Lot 1755, Kg Serakek, Buluh Kasap, Segamat
Juraidah binti Mohamad Aris	Lot 1627, Jementah, Mukim Jementah, Segamat
Anuar bin Hasran	Lot 3091, Sekijang, Sungai Segamat, Segamat
Albert Tey Boon Kwang	Lot 3665, Sepang Loi, Buluh Kasap, Segamat
Foo Lee Leng	Lot 4825, Tebing Tinggi, Jementah, Segamat
Tan Ching Seong	Lot 5, Tebing Tinggi, Jementah, Segamat
Chua Kiok Wong@Chua Kiok	Lot 5266, Jalan Pulapol, Pogoh, Segamat
Lee Kok Hsing	Lot 4676, Jementah, Mukim Jementah, Segamat
Tan Beng Tong & Sons Sdn Bhd	Lot 1525, Jementah, Mukim Jementah, Segamat
Lim Thiam Poh	Lot 83, Mukim Pogoh, Segamat
Lim Chooi Chin	Lot 804, 805, Lubok Selumar, Pogoh, Segamat
Yang Niap Fatt	Lot 2465, Kg Jawa, Sg Segamat, Segamat
Wong Hoo Kan	Lot 1743, Mukim Pogoh, Segamat
Lee Kim Cheng	Lot 11792, Sungai Segamat, Segamat

### 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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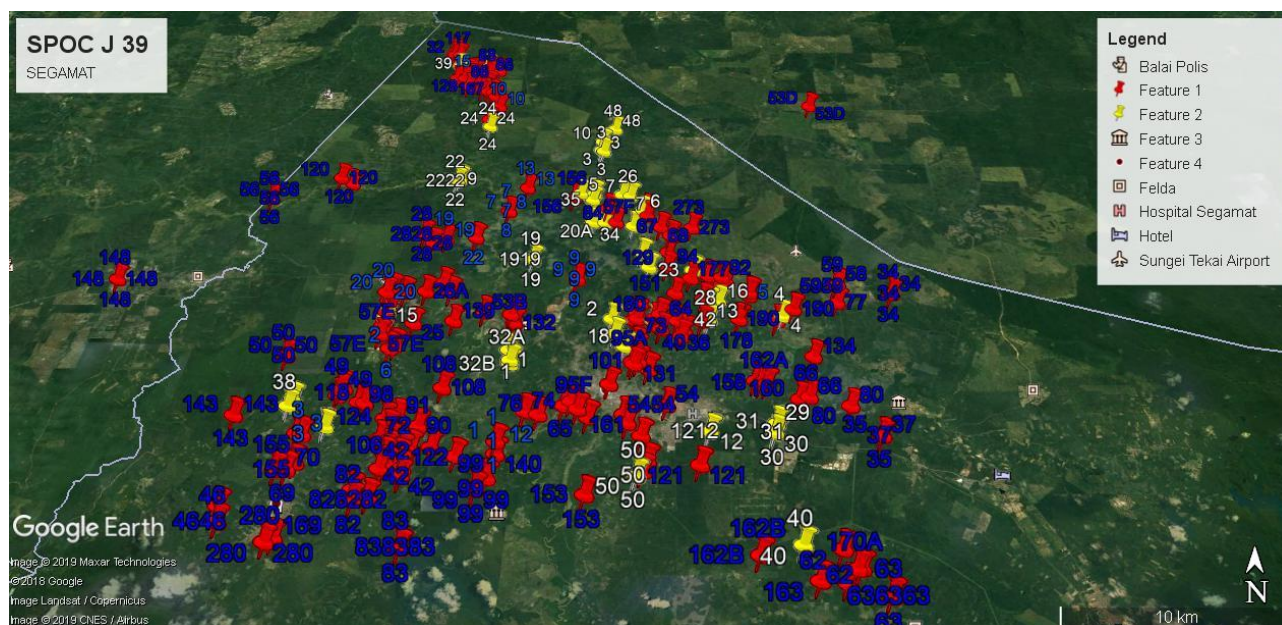
## 3. ORGANISATION INFORMATION

SPOC J39 is a branch of MPOB located at Segamat, N 2°29'23" E 102°50'49" to provide technical support as well as develop the independent smallholders' scheme around the Segamat district.

The SPOC is managed by a group manager and supported by a team officers to manage the cluster providing technical support, estate management skills and training.

The SPOC office is located at No. 34 Tingkat atas, Jalan Genuang Perdana, Taman Genuang Perdana, 85000 Segamat Johor.

The locations for the smallholders are in Segamat as shown in the map below.



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## 4. CERTIFICATION ASSESSMENT

### 4.1. Type of Audit: ASA 01

The objective of the audit is to assess the activities of MPOB Cawangan SPOC J39 are in compliance with MS 2530-2: 2013 Part 2: General Principles for Independent Smallholders' requirements.

#### 4.1.1. Surveillance:

There are 300 smallholders joined the certification during surveillance audit.

For this surveillance audit there are 350 of smallholders in the program.

The surveillance audit is conducted on 29/07/2019 to 31/07/2019 that include inspection of the smallholders farms, farms boundary, interviews, conduct stakeholders' consultation and review of the findings raised in the last audit.

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

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

During the onsite the following were verified.

1. Compliance to legal requirements on the land title, land use rights and customary rights
2. Training and competence
3. Environmental management
4. Waste management and disposal
5. Best practice – farm management including fertilising, chemical spraying and harvesting.

During the Stage II audit, there is 1 observation raised.

During this audit, the observation raised in the last audit, the audit team has review by means of inspection of smallholders' farms, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the SPOC team. The corrective measures implemented could be verified as appropriate.

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

1. TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 26/06/2019 as to accommodate stakeholder's consultation meeting for SPOC J39 to provide comments. As at audit date on 29/07/2019 there are no comments received.
2. Invitation letters are sent on 26/06/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 29/07/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

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The topics of discussion are as below:

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

There are no issues raised during the stakeholders' consultation that need to be addressed by the SPOC management office.

It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The List of Stakeholders who attended the meeting refer to table 7.1.

Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Group Manager [thereafter known as GM] as regards to MSPO audit?	Stakeholders who attend the meeting confirmed that they are aware of MSPO audit via invitation letter send to them and notice displayed at SPOC office noticeboard.	Positives comments towards SPOC J39 Management
2	Social issues	Stakeholders attended the meeting has confirm that there is no social issue raised for SPOC J39.  It has confirmed by stakeholders (dealers) that they are only hiring legal foreign workers for working at smallholder's field. They are aware of Laws and Regulation.	Positives comments towards SPOC J39 Management
3	Understanding of Land Title – Native Customer Land, Freehold, Leased (Grant), Land application (LA)	There is no NCR land. All smallholders owned leased land title and freehold land title.	Positives comments towards SPOC J39 Management
4	Economy / Livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders confirmed that having MSPO certification increase their knowledge on good agriculture practise, thus having proper farm management in financial control and increase in yield.	Positives comments towards SPOC J39 Management
5	Does MSPO largely benefits the local community?	Stakeholders understand that the MSPO certification will ensure the safety aspect and environment issues are taken care off. They	Positives comments towards SPOC J39 Management

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		believe this will benefit them as local and role in the industry.	
6	Understanding of environmental.	Stakeholders informed there are environmental awareness programme conducted during the MSPO training by SPOC J39 group manager.	Positives comments towards SPOC J39 Management
7	Awareness towards species, habitats, and high conservation values?	Stakeholders who attend the meeting are aware on conservation from MSPO training provided that included rare, threaten and endangered species.	Positives comments towards SPOC J39 Management
8	FFB quality	There are no issues as regards to FFB quality since smallholders are aware on the ripeness standard to harvest only ripe bunches and 2 round per month.	Positives comments towards SPOC J39 Management
9	Are there any plantation or mill management practices that affect you?	Stakeholders confirmed there are no smallholders' activities that may affect their livelihood.	Positives comments towards SPOC J39 Management
10	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders who attend the meeting confirmed there is no conflict arise by the SPOC J39 on MPSO certification.	Positives comments towards SPOC J39 Management
11	Do you have any suggestions for management?	To conduct more training in future to enhance knowledge of smallholders for improving field management.	Positives comments towards SPOC J39 Management

### 4.3. Summary of Assessment

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

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>SPOC J39 established MSPO Policy, document number MSPO/SSCC/POLISI-01 (rev 1) dated 02/05/2019 signed by Group Manager and displayed at the noticeboard.</p> <p>The following statements in the policy:</p> <ul style="list-style-type: none"> <li>a) Commitment and responsibility of SPOC J39.</li> <li>b) Transparent in giving information to applicable stakeholders.</li> </ul>	Yes

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Principle 1: Management Commitment & responsibility														
Indicator	Summary of Assessment	Compliance												
	<p>c) Traceability in documents</p> <p>d) Compliance to local, national and universal legal requirement.</p> <p>e) Contribution to local community buildings</p> <p>f) Solving complaint and grievance with integrity and fair.</p> <p>g) Comply with workers working environment, safety and health.</p> <p>h) Environment awareness, natural resources, biodiversity and ecosystem services.</p> <p>i) Need in conservation for rare, threaten, and almost extinct, and high biodiversity value.</p> <p>j) Zero burning and good agricultural practices.</p> <p>k) Complying the requirement for new planting.</p> <p>l) Against the practice of discrimination by exercising the right of equality in providing opportunities and services regardless of race, gender, religion, politics and nationality.</p> <p>MSPO policy was signed by both smallholders and group manager and kept on file.</p> <p>Smallholders interviewed confirmed that they have signed the MSPO policy.</p>													
4.1.2.1	<p>SPOC J39 established continual improvement plan, Senarai impak social, persekitaran &amp; pelan tindakan. Document no: MSPO/SSCC/L-04/ISP revision 1.dated effective: 04/11/2018,</p> <p>Example social impact:</p> <table border="1"> <tr> <td>Activity</td> <td>Pembukaan Kawasan kebun, membaja, meracun dan menuai.</td> </tr> <tr> <td>Impact</td> <td>Pemberikan peluang pekerjaan kepada penduduk di Kawasan penempatan sekitar lading.</td> </tr> <tr> <td>Action plan</td> <td>Amalan diteruskan.</td> </tr> </table> <p>Example environmental:</p> <table border="1"> <tr> <td>Activity</td> <td>Meracun</td> </tr> <tr> <td>Impact</td> <td>Pelupusan bahan buangan berjadual (tong racun kosong)</td> </tr> <tr> <td>Action plan</td> <td>Pembasuhan 3 kali, ditebuk lubang dan disimpan di tempat khas.</td> </tr> </table> <p>SPOC J39 established activity programs that include environmental and social aspect for continual improvements.</p> <p>Example;</p> <ul style="list-style-type: none"> <li>- Amalan Pertanian Baik</li> <li>- Pembajaan</li> </ul>	Activity	Pembukaan Kawasan kebun, membaja, meracun dan menuai.	Impact	Pemberikan peluang pekerjaan kepada penduduk di Kawasan penempatan sekitar lading.	Action plan	Amalan diteruskan.	Activity	Meracun	Impact	Pelupusan bahan buangan berjadual (tong racun kosong)	Action plan	Pembasuhan 3 kali, ditebuk lubang dan disimpan di tempat khas.	Yes
Activity	Pembukaan Kawasan kebun, membaja, meracun dan menuai.													
Impact	Pemberikan peluang pekerjaan kepada penduduk di Kawasan penempatan sekitar lading.													
Action plan	Amalan diteruskan.													
Activity	Meracun													
Impact	Pelupusan bahan buangan berjadual (tong racun kosong)													
Action plan	Pembasuhan 3 kali, ditebuk lubang dan disimpan di tempat khas.													

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>- Penyakit Sawit dan Kawalannya</li> <li>- Penggredan BTS</li> </ul> <p>Interviewed with smallholders and site verification indicates smallholders are aware on empty containers. No empty containers sighted in the field. Empty containers are used for spraying activities is marked with red color.</p>	
4.1.2.2	<p>SPOC J39 provide smallholders with Warta Sawit. Latest Warta sawit was Bil. 70 (3)/ September-December 2018 during MSPO training and LKN visit.</p> <p>Site verification confirmed the smallholders have received Warta Sawit.</p> <p>Training on GAP conducted on 26/05/2019 at individual smallholder field.</p> <p>Smallholders has evaluated on GAP.</p> <p>GAP covered element such as below:</p> <ul style="list-style-type: none"> <li>• Sawit ditanam menggunakan sistem segi tiga.</li> <li>• Baja ditabur di sekeliling pokok atau longgokan pelepah</li> <li>• Pusingan penuaian 7 – 14 hari.</li> </ul> <p>Latihan Khidmat Nasihat is as training and information to ensure good practices.</p> <p>LKN visit has covered topices such as below;</p> <ul style="list-style-type: none"> <li>• To record the profits and expenses of field operation</li> <li>• Positive and negative impact to the oil palm industry (environment conservation, wildlife conservation)</li> </ul>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC J39 established Garis Panduan Pelan Daya Ekonomi dan Kewangan, document number: MSPO /SSCC/GP-01/PK effective date 13/04/2018.</p> <p>FFB selling records includes;</p> <ol style="list-style-type: none"> <li>a) Date.</li> <li>b) Amount.</li> <li>c) Price per mt.</li> </ol> <p>Internal audit conducted on 15/07/2019 include traceability with finding raised. Finding is closed out successfully and within as per SOP.</p> <p>Interview smallholders inform weighbridge tickets are kept and quantity recorded in BRL.</p> <p>SPOC Group Manager obtain records sales of FFB for each smallholder from weighbridge station.</p>	Yes
4.2.1.2	Records in the Buku Rekod Ladang (BRL) sighted:	Yes



# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>a) Harvesting date</li> <li>b) FFB yield (mt)</li> <li>c) Price</li> <li>d) Income</li> </ul> <p>Records of FFB sold by each smallholders and weighbridge tickets sighted in the BRL and well maintained..</p>	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC J39 has established lists of legal register, document number MSPO/SSCC/L-01/SKU issue no: 1 effective date 04/11/2018..</p> <p>Training dated 11/04/2019 include of legal requirement conducted by the Group Manager and collaboration with other agency.</p> <p>Interviewed smallholders that they are aware on the law and regulation. Example no open burning, no hunting for wildlife and endangered animals and triple rinsing of empty chemical containers before reused for domestic waste bins.</p>	Yes
4.3.2.1	<p>All the smallholders has own land title with valid ownership.</p> <p>Type of land titles for smallholders are: land used for oil palm cultivation</p> <ul style="list-style-type: none"> <li>1. Geran MukimHhak milik sementara</li> <li>2. Hak milik sementara bersamaan dengan hak milik pejabat tanah</li> </ul> <p>The land titles are issued by the district land office.</p>	Yes
4.3.3.1	<p>There are no customary right land for SPOC J39.</p> <p>Land titles are either Grant with 99 years leased or Temporary Grant.</p>	Yes
4.3.3.2	<p>There are no customary right land for SPOC J39</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC J39 has established SOP “Rekod Aduan dan Rungutan”, document number, MSPO/SSCC/SOP-01/AR, revision 1, effective date 13/04/2018.</p> <p>The procedure includes:</p> <ul style="list-style-type: none"> <li>1. Penerimaan aduan dan rugutan.</li> <li>2. Tindakan susulan/ siasatan.</li> </ul> <p>Responsibility of the complaints is placed under the group manager SPOC J39.</p>	Yes

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>No record of complaints and grievances sighted at the time of audit.</p> <p>During stakeholders consultation participants are briefed on the procedure.</p>	
4.4.1.2	<p>SPOC J39 has established SOP “Rekod Aduan dan Rungutan”, document number, MSPO/SSCC/SOP-01/AR, revision 1 date effective 13/04/2018.</p> <p>Point 2 “tindakan susulan / siasatan” is evaluated where describe the process of handling the complaint / grievance. Group manager is the person in charge to determine the issue and method of resolve. Total days to resolve the complaint is 14 days.</p> <p>In the situation where the complaint cannot be resolve by the department in 14 days, SOP had mention “jika aduan yang diterima adalah diluar bidang kuasa dan keupayaan oengurus kumpulan, ianya akan dirujuk kepada pihak yang berkaitan bagi tujuan penyelesaian</p> <p>No record of complaints and grievances received as at audit date.</p> <p>Interview with smallholders confirmed that there is no complaint raise and they are aware of the process to make complaint.</p>	Yes
4.4.2.1	<p>SPOC J39 has established SOP Garis Panduan Keselamatan dan Kesihatan Pekerjaan, document number, MSPO/SSCC/GP-02/KKP, revision 1 effective date 13/04/2018.</p> <p>The guideline stated in the procedure kerja selamat outline 3 activities;</p> <ol style="list-style-type: none"> <li>1. Manuring</li> <li>2. Spraying</li> <li>3. Harvesting</li> </ol> <p>The details of activities include usage of appropriate PPE and method of wearing.</p> <p>SPOC J39 has conducted training “Program Taklimat Penggunaan PPE dan serahan PPE kepada peserta SPOC dated 11/04/2019 by JKPP Officer Segamat. Training includes PPE and safe practice.</p>	Yes
4.4.3.1	<p>SPOC J39 has established form of hiring to meet wages requirement, document number, MSPO/SSCC/TPP-01, revision 1, effective date 13/04/2018.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Mempunyai permit kerja bagi pekerja asing.</li> <li>2. Tidak sama sekali membenarkan / mengupah orang muda di bawah umur 15 tahun untuk bekerja.</li> <li>3. Kadar bayaran mestilah dipersetujui oleh pekebun kecil dan pekerja.</li> </ol> <p>Setiap bayaran yang dilakukan hendaklah direkodkan di dalam buku rekod ladang (BRL) dan ditandatangani oleh pekerja. Form “Terma Penggajian Pekerja” require the record of :</p> <ol style="list-style-type: none"> <li>1. Menuai BTS :</li> </ol>	Yes

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)



Client Number: 92-053

Audit Type: ASA 01

Principle 4: Social Responsibility, health, safety and employment conditions						
Indicator	Summary of Assessment	Compliance				
	2. Membaja: 3. Meracun: 4. Pemangkas pelepah: Majority of smallholders operate using casual workers from FFB dealer for harvesting, spraying or manuring. During site visit interview with smallholder they are aware the rate of hiring the casual worker such as harvesting rate, spraying rate and manuring rate.					
4.4.3.2	SPOC J39 has established form of hiring to meet wages requirement. "Terma Penggajian Pekerja" describe point to note during hiring as in below: Tidak mengamalkan sikap diskriminasi terhadap agama, kaum, jantina, warna kulit, kewarganegaraan dan politik Site visit and interviews with smallholders and foreign worker indicates there is no discrimination occurs in and no negative feedback for related issue.	Yes				
4.4.3.3	Form of hiring to meet wages requirement "Terma Penggajian Pekerja" describes point to note during hiring as in below: <ol style="list-style-type: none"> <li>1. Pembayaran upah adalah mengikut jenis kerja yang dilakukan seperti yang disyorkan oleh pengurus SPOC</li> <li>2. Kadar bayaran mestilah dipersetujui oleh pekebun kecil dan pekerja</li> <li>3. Setiap bayaran yang dilakukan hendaklah direkodkan di dalam buku rekod ladang (BRL) dan ditandatangani oleh pekerja.</li> </ol> On site visit confirmed smallholders feedback the service of harvesting and transportation are provided by FFB dealer. The payment has been paid with the agreed rate after work completion.	Yes				
4.4.3.4	Site visit and interview with smallholders confirmed that no living quarters available as most smallholder is operated by family members. There are some received service from FFB dealer. Thus, no labour quarters provided.	Yes				
4.4.3.5	SPOC J39 established form of hiring to meet wages requirement "Terma Penggajian Pekerja" describes 3 points to note during hiring as in below: <ol style="list-style-type: none"> <li>1. Mempunyai permit kerja bagi pekerja asing</li> <li>2. Tidak sama sekali membolehkan / mengupah orang muda di bawah umur 15 tahun untuk bekerja</li> <li>3. Tidak sama sekali membolehkan / mengupah orang muda di bawah 15-18 tahun untuk membuat kerja berat dan merbahaya di Kawasan kebun sawit</li> </ol> Onsite observation at smallholder's field indicates there is no child labour been employed. Feedback from smallholders they are aware not to employ workers below than 18 years old.	Yes				
4.4.4.1	SPOC J39 has established training programme for year 2019. <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th>Programme</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Programme	Date			Yes
Programme	Date					

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions																
Indicator	Summary of Assessment	Compliance														
	<table border="1"> <tr> <td>Penambahan Ahli SPOC</td> <td>Feb – Aug 2019</td> </tr> <tr> <td>Lawatan GAP Ahli SPOC</td> <td>Every month</td> </tr> <tr> <td>Taklimat MSPO</td> <td>Feb, April, Jun, Aug and Oct 2019</td> </tr> <tr> <td>Kursus Teknikal Sawit</td> <td>Mac and July 2019</td> </tr> <tr> <td>Internal Audit</td> <td>Aug 2019</td> </tr> <tr> <td>Audit MSPO</td> <td>Aug 2019</td> </tr> <tr> <td>Permantauan BRL</td> <td>Every Month</td> </tr> </table> <p>Training for smallholders on “Program Taklimat Penggunaan PPE dan Serahan PPE conducted on 11/04/2019,</p> <p>During site visit and interviews with smallholders they have attend training conducted by SPOC and obtain knowledge when Tunas officers conduct field visits share the knowledge.</p> <p>On site observation, smallholder are aware on importance of retaining the soft grass by practicing grass cutting.</p>	Penambahan Ahli SPOC	Feb – Aug 2019	Lawatan GAP Ahli SPOC	Every month	Taklimat MSPO	Feb, April, Jun, Aug and Oct 2019	Kursus Teknikal Sawit	Mac and July 2019	Internal Audit	Aug 2019	Audit MSPO	Aug 2019	Permantauan BRL	Every Month	
Penambahan Ahli SPOC	Feb – Aug 2019															
Lawatan GAP Ahli SPOC	Every month															
Taklimat MSPO	Feb, April, Jun, Aug and Oct 2019															
Kursus Teknikal Sawit	Mac and July 2019															
Internal Audit	Aug 2019															
Audit MSPO	Aug 2019															
Permantauan BRL	Every Month															

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC J39 has established Senarai Impak Sosial, Persekitaran &amp; Pelan Tindakan. Document number MSPO/SSCC/L-04/ISP no issue: 1, date effective 04/11/2018. .,</p> <p>Example activity:</p> <p>Activity: Land development of new planting / replanting.</p> <p>Impact to environment:</p> <p>Air pollution from open burning activities</p> <p>Water pollution of throwing organic waste to the water drainage.</p> <p>SPOC J39 Group Manager has conducted environmental training as part of GAP awareness on 11/04/2019.</p> <p>Smallholders able to demonstrate their understanding on the environmental impact.</p> <p>Sighted during field visit the vegetation is retain and no sign of over spraying or other non-permitted activities occur.</p> <p>Smallholders recycle or reused chemical containers for spraying application.</p>	Yes
4.5.2.1	There are no use of renewable energy.	Yes
4.5.3.1	<p>SPOC J39 has established SOP ‘Senarai Sisa Racun Dan Domestik’, document number, MSPO/SSCC/L-03/SRD issue no: 1 date effective 13/04/2018..</p> <p>List of source waste:</p>	Yes

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)



Client Number: 92-053

Audit Type: ASA 01

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> <li>1. Empty chemical containers.</li> <li>2. Chemical pump.</li> <li>3. Empty fertilizer bag.</li> </ol> <p>List of domestic waste:</p> <ol style="list-style-type: none"> <li>1. Food containers</li> <li>2. Domestic wastes</li> <li>3. Plastic bottles</li> </ol> <p>List of pollution:</p> <ol style="list-style-type: none"> <li>1. Chemical: land and water pollution</li> </ol> <p>During the site visit, smallholder are aware that empty chemical containers for reuse after triple rinsing and reused of empty fertilizer bag for rubbish or loose fruit collection.</p>	
4.5.3.2	<p>SPOC J39 has established 'Pengurusan Bahan Buangan Terjadual', document number, MSPO/SSCC/SOP-03/BT, date effective 30/03/2018.</p> <p>Point 2 of the SOP triple rinsing describe the process of reuse of empty chemical containers.</p> <p>Field observation indicates smallholders does not keep any chemical containers. Chemicals spraying carried out by third party (dealer). The chemical containers are managed and stored by third party (dealer).</p>	Yes
4.5.4.1	<p>SPOC J39 has established SOP 'Lawatan Kebun Pensijilan GAP', document number, SOP SKT TUNAS 2016.</p> <p>Group Manager monitors implementation of water management via Lawatan Khidmat nasihat (LKN) and GAP visit.</p> <p>MSPO Training courses for SPOC J39 member conducted on 11/04/2019 on awareness of field water management.</p> <p>Slide for principle 5 have been reviewed. Slides mention "TanggungJawab Pekebun Kecil" – Memahami keperluan mengekalkan kualiti tanah dan air, tiada aktiviti bahan kimia di zon pamanpan sungai, tiada 'blanket spraying'.</p> <p>Field observation on smallholders indicates smallholder's effort to retains waters via:</p> <ol style="list-style-type: none"> <li>1. Established of drain to control and retain water.</li> <li>2. Selective spraying thus retaining soft grass to prevent no soil erosion and retain surface water.</li> </ol>	Yes
4.5.4.2	<p>Smallholders collect rain water using drum. Collected water used for chemical spraying activities. Construction of silt pit at terracing area to retain soil moisture.</p>	Yes
4.5.5.1	<p>SPOC J39 has established Senarai Impak Sosial, Persekitaran &amp; Pelan Tindakan. Document number, MSPO/SSCC/L-04/ISP no issue: 1 date effective 04/11/2018.</p>	Yes

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Impak persekitaran dan pelan tindakan</p> <ol style="list-style-type: none"> <li>1. Pembukaan kawasan biodavesiti, mewujudkan kawasan mampan dikawasan tanah tidak subur/marginal sekaligus menjadi tempat habitat flora/fauna (mewujudkan ekosistem). Pelan tindakan diteruskan.</li> <li>2. Pembukaan kawasan kebun di kawasan hutan, pengurangan habitat bagi flora dan fauna. Haiwan berasimilasi bersama penduduk kampung (monyet, khinzir).</li> </ol> <p>Training conducted on 11/04/2019 by Perhilitan on:</p> <ul style="list-style-type: none"> <li>• Peranan Jabatan</li> <li>• Keperluan Akta hidupan liar</li> <li>• Skop-skop baru dalam Akta 716</li> </ul> <p>Group manager has documented of law for the wildlife.</p> <p>Example</p> <ul style="list-style-type: none"> <li>• ACT 716 Akta Pemuliharaan Hidupan Liar 2010</li> </ul> <p>The list of wildlife established based on of 'Perhilitan' and smallholders. Example Musang, Burung Terkukur,</p>	
4.5.6.1	<p>SOP "Garis Panduan Amalan Pembakaran Sifar" dated 13/04/2018 document number, MSPO/SSCC/GP-04/APS.</p> <p>The guideline describe the outline as below:</p> <ol style="list-style-type: none"> <li>1. Pembakaran terbuka adalah dilarang dibawah permbakaran sifar ASEA (1999) dan perintah Kualaiti Alam Sekeliling (Aktiviti Yang Diisytiharkan)(Pembakaran terbuka 2003)</li> <li>2. Pekebun kecil adalah dilarang untuk melakukan sebarang aktiviti pembakaran terbuka semasa kerja pembukaan ladang/tanam semula</li> <li>3. Teknik pembakaran sifar semasa kerja pembukaan ladang atau tanam semula pada dasarnya melibatkan penebangan pokok, mencincang bahagian pokok, dan meninggalkan sisa-sisa pokok di antara teres bagi process penguraian secara semula jadi tanpa melibatkan sebarang aktiviti pembakaran</li> </ol> <p>SPOC J39 has conducted MSPO training dated 11/04/2019. The training covers the element of zero burningmand briefing on land preparation without usage of fire.</p> <p>Site verification indicates no open burning occur in the field and smallholders are aware that open burning is restricted by law.</p>	Yes

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>MSPO Training for SPOC J39 member conducted on 11/04/2019 include:</p> <ul style="list-style-type: none"> <li>a. Proper usage of chemical and fertilizer.</li> <li>b. Pruning.</li> <li>c. Loose fruit recovery.</li> <li>d. Harvesting FFB standard.</li> <li>e. Preservation of soft grass.</li> </ul> <p>Training on GAP conducted on 17/07/2019 for all member.</p> <p>All member are assessed on GAP. Gap reports are reviewed on individual field.</p> <p>GAP cover element such as:</p> <ul style="list-style-type: none"> <li>- Ada Lorong dan jalan yang diselenggara dengan baik</li> <li>- Keliling pokok bebas daripada rumpai/anak kayu</li> <li>- Baja ditabur dalam tempoh satu bulan selepas diterima atau dibeli</li> <li>- Bilangan pelepah hijau pada setiap pokok mencukupi</li> <li>- Mengamalkan intergrasi tanaman/ternakan yang sesuai</li> </ul> <p>Field observation indicate that the smallholder's field in good condition. Best practices of field operation listed inside the MPOB Good Agriculture practice (GAP) implemented by the smallholders.</p> <p>Sighted soft grass in the fields are well maintained for moisture retention.</p> <p>Fertilizers are applied at the frond stacking as required by MPOB GAP. Smallholders are able to explain the reason for fertilizer application at the frond stacking.</p>	Yes
4.6.1.2	<p>SPOC J39 group member identification signage established,</p> <p>Example of information indicated:</p> <ul style="list-style-type: none"> <li>- Name of smallholder</li> <li>- Lot</li> <li>- Area planted</li> <li>- Year of planting</li> <li>- Coordinate GPS.</li> </ul>	Yes
4.6.2.1	<p>SPOC J39 has established SOP, 'Garis Panduan Pelan Daya Ekonomi dan Kewangan', document number, P-01/PDEK/2016, issue no: 1, date effective: 01/05/2017.</p> <p>The procedure describe on the expenses and income management for smallholders.</p>	Yes

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	All budget allocation for MSPO related programme were handled by Insitut Perladangan dan Komoditi Malaysia (IMPAC) im IMPAC memorandum dated 15/01/2018:  SPOC J39 established financial plan for the production cost estimatedocument "Kiraan kos pengeluaran pekebun kecil	
4.6.3.1	Interview with smallholders indicates they have access to the FFB prices via phone call, WhatsApp group and MPOB portal. FFB price is displayed at mill and dealer's weighbridge.  Meeting with dealers conducted on 09/07/2019 to discuss on current pricing of FFB.  MSPO awareness training conducted on 18/04/2019 with smallholders. The training includes transparency pricing of FFB.  Monthly BRL report 2019 reviewed includes the price of FFB and submit to HQ.	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	Planting statements SPOC J39 is reviewed. There is no new planting conducted in year 2018 and 2019.  The first planting in year 1995 and the last planting in year 2017.	Yes
4.7.2.1	Planting statements SPOC J39 is review. There is no new planting conducted in year 2018 and 2019.  The first planting in year 1995 and the last planting in year 2017.	Yes
4.7.3.1	Planting statement for SPOC J39 is review. There is no new planting conducted in year 2018 and 2019.  The first planting in year 1995 and the last planting in year 2017.	Yes

## 4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS NOT been implemented effectively. Non-conformity will be re-raised.
<b>X</b>	Not applicable. No non-conformity raised in previous audit.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.</i></p> <p><i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i></p>	



# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board  
 Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)  
 Client Number: 92-053  
 Audit Type: ASA 01



## 4.5. Detail of Audit Findings in last Audit

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

Observation < NO 1 >	
Indicator: 4.1.2.1	
The action plan for continual improvement shall be based on the consideration for the main social and environmental impact and opportunities of the independent smallholder's group, such as SPOC. Independent smallholders shall be aware of the need to understand the importance of continuous improvement.	
Location	SPOC J39
<b>Description of Finding / Objective Evidence:</b>	
It was evidence that to some extent the continuous action plan have been develop taking into consideration input of the smallholder. However, there was no documentation on the input made available. The group manager may consider documenting the group input which have been obtain for analysis prior to generating of the impact document.	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
SPOC J39 has conducted "Program Taklimat Penggunaan PPE dan Serahan PPE" to smallholders dated 11/04/2019. The programme include use of PPE. Sighted "Data Analisa Penilaian Program" of smallholders to ensure their understandings. SPOC J39 has includes in 2019 CIP for Weeds Management and Handlings of chemicals.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name of Lead Auditor:</b> Muhammad Khairul Anuar Bin Azizul Hasan	<b>Date of Closure:</b> 29/07/2019

## 4.6. Detail of Audit Findings Identified During This Audit

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

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

Nr.	Indicator	Location	Opportunity for Improvement
1	4.1.1.1	Office	MSPO policy has been established for each smallholders. SPOC group manager may consider to improve the details of smallholders on acknowledgement.
2.	4.4.2.1	Field	Smallholders may consider to disseminate information from SPOC group manager to their casual workers.

## 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 J39 consisting of 350 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There are 2 OFI raised in this audit.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD (Malaysia) with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified organisation has been established, implement and continue to improve in managing the independent smallholders are in line with the Principles & Criteria of the applied standard MS 2530-2:2013 Part 2.

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

Total certified number of independent smallholders:	350	Smallholders
Total certified hectarage of smallholders:	1,078.10	Ha
Certified FFBS output January to June 2019:	11,537.61	Mt
Certified FFBS output July to December 2019:	11,927	Mt

## 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 to this summary report as annex.

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

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

	Recommended for Certification / Recertification
<b>X</b>	Recommended for Continuity of Certification
	Suspended of Certification

Puchong, 01/10/2019



Muhammad Khairul Anuar bin Azizul Hasan  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 01/10/2019



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

## MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC J39 (Buluh Kasap, Gemas, Gemereh, Jabi, Jementah, Pengkalan Raja, Pogoh, Sermin, Sungai Segamat)

Client Number: 92-053

Audit Type: ASA 01



### 7. LIST OF INTERVIEWEES

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

No.	Name	Organization / Function
1.	Haslinda binti Hashim	Mewah Mega Ent, Guan Kiat Palm Oil Ent, See Tian Beng Sdn Bhd.
2	Farizan bin Armon	Jabatan Kebajikan Orang Asli Segamat
3	Mohd Zaidi bin Ibrahim	FELDA Segamat
4	Nurhaires binti Hasim	Kastam Segamat

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board  
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## Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

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

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

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

Salvo clause:

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

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

## Annex / Enclosures

Annex /  
corresponding audit  
documentation

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