



MSPO CERTIFICATION SUMMARY REPORT

MPOB – SPOC Q23 BELURU 1

ANNUAL SURVEILLANCE 11

Onsite Audit Date: 16/01/2023 – 19/01/2023

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MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board (MPOB)
Certifying Unit: SPOC Q23 Beluru 1
Client Number: 92- 007
Audit Type: ASA 11
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 an initial surveillance eleven (11) audit audit for SPOC Q23 Beluru 1 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 Q23 Beluru 1 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 Q23 Beluru 1 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: Ariff Bin Lokman

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 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 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) man-days 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	7 years working experience in oil palm plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantations.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producer online course.

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Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

Qualification of Team Member(s)

Requirement	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	Muhammad Khairul Anuar Bin Azizul Hassan	Graduate in Plantation Industry and Management	Yes
	Mohamad Norhisham Bin Mohd Salleh	Graduate in Applied Science (Major In Agrobiology).	
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)	Muhammad Khairul Anuar Bin Azizul Hassan	7 years working experience in oil palm plantation	Yes
	Mohamad Norhisham Bin Mohd Salleh	5 years working experience in oil palm plantation	
Successfully completed MPOCC endorsed lead auditor training	Muhammad Khairul Anuar Bin Azizul Hassan	Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Mohamad Norhisham Bin Mohd Salleh	Successfully completed MS2530 series of standards for Lead Auditors.	
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.	Muhammad Khairul Anuar Bin Azizul Hassan	Qualified as auditor based on audit log.	Yes
	Mohamad Norhisham Bin Mohd Salleh	Qualified as auditor based on audit log.	

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Requirement	Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Khairul Anuar Bin Azizul Hassan	7 years working experience in oil palm plantations.	Yes
	Mohamad Norhisham Bin Mohd Salleh	5 years working experience in oil palm plantation.	
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Muhammad Khairul Anuar Bin Azizul Hassan	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Mohamad Norhisham Bin Mohd Salleh	Successfully completed ISO 9001:2015 LA course.	
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Muhammad Khairul Anuar Bin Azizul Hassan	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Mohamad Norhisham Bin Mohd Salleh	Successfully completed ISO 45001:2018 Lead Auditor course.	
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Muhammad Khairul Anuar Bin Azizul Hassan	Successfully completed SA 8000 Basic training	Yes
	Mohamad Norhisham Bin Mohd Salleh	Successfully completed SA 8000 Basic training	
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Muhammad Khairul Anuar Bin Azizul Hassan	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Mohamad Norhisham Bin Mohd Salleh	Successfully completed IMS ISO 14001:2015 LA course.	
Completed High Conversation Value assessment	Muhammad Khairul Anuar Bin Azizul Hassan	Attended and completed the HCV-HCS for producers course.	Yes
	Mohamad Norhisham Bin Mohd Salleh	Attended and completed the HCV-HCS for producers course.	

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Requirement	Assessor	Qualification	Compliance
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Muhammad Khairul Anuar Bin Azizul Hassan	Able to communicate in both Bahasa Malaysia and English.	Yes
	Mohamad Norhisham Bin Mohd Salleh	Able to communicate in both 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 Eleven (11) Audit:

The surveillance eleven (11) audit conducted on site from 16/01/2023 – 19/01/2023 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;
- 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 58 new members and 875 old members. The total number of smallholders for this audit are 933.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size $S = 1.5\sqrt{933} = 45.82$ round up to the next integral 46.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $46 \times 75\% = 34$ and number of existing members are $46 \times 25\% = 12$.

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	
Jaffry Wan	N 4.014429, E 114.288831
Jerut Anak Remong	N 4.010000, E 114.044167
Jamit Anak Ana	N 4.027238, E114.099860
Ayub Wan	N 4.015467, E 114.290700
Mison Ngau	N 4.015931, E 114.306306
Mukus Ngau	N 4.013208, E 114.306356
Wattson Laing	N 4.009583, E 114.305386
Salum Ngau	N 4.015119, E 114.305242
George Wan Daut	N 4.018881, E 114.305222
Jali Daut	N 4.018919, E 114.307233
Sebia Anak Man	N 3.877500, E 114.087778
Sayut Anak Chamong	N 4.039203, E 114.119338

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Name	GPS Coordinates
New members	
Jerffary Anak Kaya	N 4.023922, E 114.010033
Ripli Anak Saung	N 4.182797, E 114.098655
William Anak Empiyu	N 4.041992, E 114.013306
Rantai Anak Anggak	N 4.19803, E 114.076528
Tandai Jengon	N 3.983055, E 114.083888
Sigan Anak Akong	N 4.160586, E 114.046291
Kujun Anak Aji	N 4.150039, E 114.044653
Anddasi Anyi	N 3.948856, E 114.100146
Andrian Johnatan	N 4.018611, E 114.312161
Suma Asim	N 3.96091, E 114.0847
Melvyn Anak Liang	N 3.949722, E 114.052311
Sony Anak Ningkan	N 4.145733, E 114.011122
Dayang Anak Nyanggau	N 3.966256, E 114.113176
Anchi Anak Nyanggau	N 3.976214, E 114.081919
Mundu Anak Tambat	N 4.145556, E 114.024444
Tina Anak Empen	N 3.905294, E 114.08945
Semit Anak Empaga	N 4.128642, E 114.020489
Umban Anak Sulok	N 3.964944, E 114.021117
Lenda Anak Empiyu	N 4.068889, E 113.988889
Bida Anak Mesa	N 4.156572, 114.052388
Jackson Anak Geratong	N 4.179953, 114.025876

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Name	GPS Coordinates
New members	
Wilfred Anak Manja	N 3.986477, E 114.038422
Jimbun Anak Nyipa	N 4.118065, E 114.006823
Tenggak Anak Jam	N 4.105167, E 114.018028
Seriah Anak Asan	N 4.119989, E 114.004517
Jamilah Binti Saptu	N 3.962388, E 114.085451
Dickson Anak Jalang	N 4.158862, E 114.054297
Maureen Anak Udit	N 3.984798, E 114.089179
Jambai Anak Suring	N 4.139477, E 113.996290
Baluk Anak Barau	N 3.994880, E 114.038201
Rani Anak Ayai	N 4.197656, E 114.046701
Sebu Anak Bayong	N 4.114867, E 114.004517
Laing Wan	N 4.011397, E 114.304000
Agnes Anak Nyelang	N 4.1404291, E 114.0270775

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 Q23 Beluru 1, is a branch of MPOB located at Lot 1177 & 1178, Tingkat 4, Block 9, MCLD Miri Waterfront, Jalan Permaisuri, 98000 Miri, Sarawak, Coordinate N 4.398355, E 113.986544 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 Beluru district.

The smallholders in Beluru as shown in the below maps.



Figure 1: Smallholders location for SPOC Q23 Beluru 1

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Figure 2: Smallholders location for SPOC Q23 Beluru 1



Figure 3: Smallholders location for SPOC Q23 Beluru 1

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Figure 4: Smallholders location for SPOC Q23 Beluru 1



Figure 5: Smallholders location for SPOC Q23 Beluru 1

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4. CERTIFICATION ASSESSMENT

4.1. ASA Eleven (11)

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q23 Beluru 1 are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance Eleven (11):

The surveillance eleven (11) audit is conducted from 16/01/2023 to 19/01/2023.

The number of smallholders in this surveillance audit are 933.

The number of smallholders 875 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 58.

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 but not limited to below:

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

During the recertification audit, there are 0 Major, 0 Minor and 1 OFI raised.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The number of audit findings raised in this audit refer to Section 4.6 of this audit report.

4.2. Stakeholders' Consultation

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

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 15/12/2022 to announce the audit of the certified unit. As at audit date on 16/01/2023 there are no comments received.

4.3. Summary of Assessment

Principle and Criteria Assessment Summary	
<p>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.</p>	

Principle 1: Management Commitment & responsibility														
Indicator	Summary of Assessment	Compliance												
4.1.1.1	<p>SPOC Q23 Beluru 1 adopted MPOB MSPO Policy, doc no: MSPO/SSCC/POLISI-01, revision 3, updated 01/06/2021.</p> <p>MSPO policy is publicly displayed at MPOB SPOC Q23 Beluru 1 office notice board.</p> <p>Document review of sampled smallholders' individual files, MSPO policy is included in MSPO application forms signed by SPOC Q23 Beluru 1 Group Manager and smallholders.</p> <p>Field interviews with sampled smallholders informed they have been briefed on the MSPO policy.</p>	Yes												
4.1.2.1	<p>SPOC Q23 Beluru 1 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.</p> <p>The table includes type of impact, activity, social and environmental impact and action plan.</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Activity</th> <th>Impact</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Social</td> <td>Manuring, spraying</td> <td>Theft of fertilizer and pesticide</td> <td>Stored in the designated store.</td> </tr> <tr> <td>Environment</td> <td>Manuring, spraying</td> <td>Polluting water source if activities conducted near the waterways</td> <td>Avoid activities near the waterways.</td> </tr> </tbody> </table> <p>Field interviews with sampled smallholders, informed they have been briefed by SPOC Q23 Beluru 1 GM to avoid chemical spraying activities near the waterways.</p>	Type	Activity	Impact	Action Plan	Social	Manuring, spraying	Theft of fertilizer and pesticide	Stored in the designated store.	Environment	Manuring, spraying	Polluting water source if activities conducted near the waterways	Avoid activities near the waterways.	Yes
Type	Activity	Impact	Action Plan											
Social	Manuring, spraying	Theft of fertilizer and pesticide	Stored in the designated store.											
Environment	Manuring, spraying	Polluting water source if activities conducted near the waterways	Avoid activities near the waterways.											
4.1.2.2	<p>SPOC Q23 Beluru 1 Group Manager provide smallholders Warta Sawit and share the MSPO information training and LKN conducted and as tools to disseminate new information and techniques.</p>	Yes												

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Document review, the Latest Warta Sawit distribute is Bil. 81 (2) May-August 2022.</p> <p>Field interviews with sampled smallholders informed they obtained Warta Sawit via training conducted on 04/08/2022.</p>	

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC Q23 Beluru 1 adopted MPOB Guidance for Financial and economy, document number MSPO/SSCC/GP-01/PEK, revision 4 dated 01/06/2021. The procedure has describe on:</p> <p>The guideline include flow chart describing the step approach for delivery of FFB to ramp operator / collection centre or mill with type of documents.</p> <ul style="list-style-type: none"> i. Sale receipts; ii. Weighbridge ticket; iii. Enter BRL; iv. Keep Receipt; v. Collect records and prepare summary. <p>Field interviews with sampled smallholders informed FFB production, fertilizer and chemical application recorded in the BRL.</p> <p>Reviewed BRL of smallholders with information of FFB production.</p> <p>SPOC Q23 Beluru 1 maintain record of FFB sales in smallholder's individual file.</p>	Yes
4.2.1.2	<p>SPOC Q23 Beluru 1 Group Manager maintain records of FFB production updated as at December 2022.</p> <p>SPOC Q23 Beluru 1 maintain records of FFB sales and weighbridge ticket in smallholders individual file.</p> <p>Field interviews with sampled smallholders informed FFB sales receipts and weighbridge tickets are maintained.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC Q23 Beluru 1 established legal register, document number: MSPO/SPOC/L-01/SKU, issue no: 03, revision 05, updated 01/08/2021. The list includes laws applicable for Sarawak.</p> <p>Example of list:</p> <ul style="list-style-type: none"> 1. Undang-undang Sarawak: Kod Tanah (Cap. 81) 1958; 2. MPOB Act 1998; 	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	3. Minimum Wages amendment 2022; 4. Akta Pencegahan dan Pengawalan Penyakit Berjangkit 1988 (Pindaan Pertama) 2020. Briefing on legal compliance has been conducted on 17/12/2022. Review on sampled smallholder's copy of MPOB license is maintained in the smallholder's individual file with validity until 31/05/2026. Field interviews with sampled smallholders informed they have been briefed on legal requirement.	
4.3.2.1	All smallholders under SPOC Q23 Beluru 1 are having NCR land and acknowledge by Tuai Rumah. SPOC Q23 Beluru 1 established form MPOB (PK), 'Akuan Pengesahan Tanaman Kelapa Sawit' as evidence of smallholders land ownership. Example: <ul style="list-style-type: none"> • Name of smallholder; • Address; • Area statement; • Tuai rumah; • Village Name. 	Yes
4.3.3.1	Smallholders under SPOC Q23 Beluru 1 are having NCR land. SPOC Q23 Beluru 1 established form MPOB (PK) as evidence of smallholders land ownership. Document review verified all smallholders having letter of acknowledgement from 'Tuai Rumah'. The letter serves as evidence for land ownership.	Yes
4.3.3.2	Map location of NCR Land acknowledged by 'Tuai Rumah' was available on smallholders individual files.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC Q23 Beluru 1 adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021. The SOP describes; <ol style="list-style-type: none"> 1. 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; 	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>3. Grievance and complaint records are archived and maintained.</p> <p>Document review on report, complaint and grievances procedure has been briefed to smallholders dated 17/12/2022.</p> <p>Field interviews with sampled smallholders informed they have been briefed on complaint and grievance procedure and process flow.</p>	
4.4.1.2	<p>SPOC Q23 Beluru 1 adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.</p> <p>Review the SOP stated time line to resolve disputes within 14 days.</p> <p>Stated in the SOP person in charge is Group Manager. The Group Manager is assigned for:</p> <ol style="list-style-type: none"> 1. Accepting the grievances; 2. Analyzed and investigate on issue raised. <p>Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.</p> <p>Field interviews with sampled smallholders informed they have been briefed on complaint and grievance process and timelines to resolve the complaints dated 17/12/2022.</p>	Yes
4.4.2.1	<p>SPOC Q23 Beluru 1 adopt MPOB Guidelines Occupational Safety & Health, document number MSPO/SPOC/GP-02/KKP, issue: 4, revision: 0 effective date: 01/06/2021.</p> <p>SOP describes:</p> <ol style="list-style-type: none"> 1. Responsibility of GM and smallholders regarding safety and health; 2. Procedure and type of PPE used for harvesting, manuring and spraying. <p>Document review verify safety and health training has been conducted on 17/12/2022.</p> <p>Field interviews with sampled smallholders informed they have been briefed on importance of safety and health during working in farm.</p> <p>Example:</p> <p>Wearing of PPE for chemical spraying activity: Apron, face mask, goggle, safety boot, rubber hand glove and safety helmet.</p>	Yes
4.4.3.1	<p>SPOC Q23 Beluru 1 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.</p> <p>There are no complaints related to discrimination during site visit or documents review.</p> <p>Field interviews with sampled smallholders informed no discrimination occurs.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.3.2	<p>SPOC Q23 Beluru 1 adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>The form includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.</p> <p>Field interviews with sampled smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.</p>	Yes
4.4.3.3	<p>Field interviews and site verification of sampled smallholders SPOC Q23 Beluru 1, there are no on-site living quarters.</p>	Yes
4.4.3.4	<p>SPOC Q23 Beluru 1 adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>The form describe:</p> <ul style="list-style-type: none"> Not to employ young workers below the age of 15-18 years old for working in dangerous and heavy work. <p>Field interviews with sampled smallholders informed they have been briefed on legal restriction on hiring child workers dated 17/12/2022.</p>	Yes
4.4.3.5	<p>SPOC Q23 Beluru 1 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.</p> <p>There are no complaints related to discrimination during remote documents review.</p> <p>Field interviews with sampled smallholders informed no discrimination occurs.</p>	Yes
4.4.4.1	<p>SPOC Q23 Beluru 1 established training programme year 2022 and 2023. The training programme include ‘Taklimat MSPO, GAP and LKN visit.</p> <p>Document review on training record year 2022 verified there is training carried out for smallholders.</p> <p>Example: Title: ‘Program Bersawit 2022’; Date: 17/12/2022.</p> <p>Field interviews with sampled smallholders informed they have attended the training. Smallholders are able to demonstrate understanding on farm management.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC Q23 Beluru 1 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.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Environmental impact and action plan:</p> <p>Activity: Chemical spraying;</p> <p>Environmental impacts: Empty chemical containers;</p> <p>Action plan: Empty chemical container to be tripled rinse, punctured and stored.</p> <p>Review on the training records and field interview with SPOC Q23 Beluru 1 smallholders informed they have been briefed on the environment impacts dated 17/12/2022.</p> <p>Field inspection at sampled smallholder farms sighted there are no over spraying activities carry out by smallholders.</p>	
4.5.2.1	<p>Field visit to smallholders farm confirm there is no renewal energy use by SPOC Q23 Beluru 1 smallholder's farm.</p> <p>Field interviews with sampled smallholders informed they are not using any renewable energy at farm.</p>	Yes
4.5.3.1	<p>SPOC Q23 Beluru 1 adopted MPOB List of Scheduled and Domestic Wastes MSPO/SPOC/L-03/SRD Issue 4 rev 1 effective date 01/06/2021.</p> <p>Document review verify the list consists of solid, liquids and gaseous wastes.</p> <p>Example:</p> <p>Agricultural input: Herbicides;</p> <p>Waste produced: Empty chemical containers;</p> <p>Impact: Polluting water source if the empty containers left in the field or near the water ways.</p> <p>Review on the training record and interview with smallholders informed they have been briefed on disposal, recycle or reused methods for empty chemical containers dated 17/12/2022.</p> <p>Field inspection at sampled smallholder's farm confirmed the empty chemical containers are utilize to store water for chemical spraying activities.</p>	Yes
4.5.3.2	<p>SPOC Q23 Beluru 1 adopted MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-04/BT issue 4 revision 4 effective date 01/06/2021.</p> <p>The SOP describe:</p> <ol style="list-style-type: none"> 1. To conduct triple rinsing for each empty chemical container before disposed; 2. To put marking on empty chemical container for chemical mixing purposes; 3. All scheduled waste shall be disposal according to the Environmental Quality (Scheduled waste) Regulations, 2015. 	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Document 'Rekod Pengurusan Bahan Buangan Terjadual Tahun 2022' established by SPOC Q23 Beluru 1 is review and verified.</p> <p>Field inspection at sampled smallholder's farm observed empty chemical containers are labelled and stored at designated area.</p> <p>Field interviews with sampled smallholders informed empty chemical containers are use as water container for chemical spraying activity after conducted triple rinse.</p>	
4.5.4.1	<p>SPOC Q23 Beluru 1 adopted MPOB guidelines River Buffer Zone, doc no: MSPO/SPOC/GP-03/ZPS, issue 4 dated 01/06/2021.</p> <p>The SOP describes:</p> <ol style="list-style-type: none"> 1. Guideline on buffer zone length; 2. No activities such as chemical spraying and manuring; 3. Flow chart on buffer zone establishment. <p>Document review on training record and field interview with smallholders informed, briefing on environmental aspect has been carried out dated 17/12/2022.</p> <p>Field interviews with sampled smallholders informed they understand the need to conserve the buffer zone areas and not to carry out any chemical spraying or manuring activity near the waterways.</p>	Yes
4.5.4.2	<p>SPOC Q23 Beluru 1 sampled smallholders has practice rain harvesting.</p> <p>Field interviews with sampled smallholders informed they practice rain harvesting by using empty drums for chemical spraying activity and washing purpose.</p>	Yes
4.5.5.1	<p>SPOC Q23 Beluru 1 adopted list of totally protected wildlife from Wildlife Department of Sarawak.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Sunda Pangolin; 2. Sun bear; 3. Sunda clauded leopard. <p>Document review confirmed training on protection of wildlife has been carried out dated 17/12/2022.</p> <p>Site inspection sighted the wildlife posters are displayed at the MPOB Baram notice board.</p> <p>Field interviews with sampled smallholders informed they have sighted tupai, biawak and monyet within their farms.</p>	Yes
4.5.6.1	<p>SPOC Q23 Beluru 1 adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 4 rev. 1, effective date 01/06/2021.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>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.</p> <p>Document review on training record and field interview with sampled smallholders informed briefing on zero burning has been carried out dated 17/12/2022.</p> <p>Field inspection at sampled smallholders' farm confirmed there are no open burning practice within the smallholder's farm.</p>	

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC Q23 Beluru 1 conducted 'Program Pensijilan MSPO' covering GAP to sampled smallholders dated 13/12/2022.</p> <p>During field visit, sampled smallholders implement good agricultural practice such as:</p> <ol style="list-style-type: none"> 1. Proper stacking of fronds; 2. Good maintenance of harvesting path; 3. Proper palm pruning. <p>Field interviews with sampled smallholders informed they have been briefed on good agricultural practices by SPOC Q23 Beluru 1 Group Manager.</p>	Yes
4.6.1.2	<p>Site visit on SPOC Q23 Beluru 1 smallholders farm confirmed they has established visual identification for each smallholder with information of smallholders' name, field address, GPS coordinates, lot size and year of planting.</p>	Yes
4.6.2.1	<p>SPOC Q23 Beluru 1 adopt MPOB Guideline Economic and Financial Plan, MSPO/SPOC/GP-01/PEK, issue 4, revision 4 dated 01/06/2021.</p> <p>SPOC Q23 Beluru 1 has established budget for MSPO training and LKN visit year 2022 and 2023.</p> <p>The operation budgets includes MSPO training, MSPO auditing, PPE and miscellaneous expenses.</p>	Yes
4.6.3.1	<p>SPOC Q23 Beluru 1 has conducted briefing on FFB price dated 17/12/2022.</p> <p>Field interviews with sampled smallholders informed the FFB price pricing is displayed at collecting centre notice board.</p>	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SPOC Q23 Beluru 1 smallholders' database is review. 1 st planting conducted in year 1996 and latest replanting is in year 2019. There are no new planting for old members and new members of SPOC Q23 Beluru 1. Therefore, no assessment required on high biodiversity value to be carry out.	Yes
4.7.2.1	SPOC Q23 Beluru 1 smallholders' database is review. 1 st planting conducted in year 1996 and latest replanting is in year 2019. There are no new planting for old members and new members of SPOC Q23 Beluru 2. Therefore, no soil survey or topography is required.	Yes
4.7.3.1	SPOC Q23 Beluru 1 smallholders' database is review. 1 st planting conducted in year 1996 and latest replanting is in year 2019. There are no new planting for old members and new members of SPOC Q23 Beluru 1. Therefore, no data for type of terrain available.	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.
X	No non-conformity raised in previous audit.
<p><i>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.</i></p> <p><i>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.</i></p>	

4.5. Detail of Audit Findings in last Audit

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

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4.6. Detail of Audit Findings Identified During This Audit

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

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

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.2.1.2	To keep records of sales and delivery or transportation of fresh fruit bunches.	Field	SPOC Q23 Beluru 1 could improve FFBS sales record in the individual BRL.
2.	4.5.1.1	Independent smallholders are expected to be aware of the environmental impact but are not expected to undertake any formal impact assessment unless there is a legal requirement.	Field	SPOC Q23 Beluru 1 could improve the buffer zone marking.
3.	4.6.1.1	All independent smallholders oil palm farms shall implement best practices such as the MPOB Codes of Practice, Malaysian Standards, ISO Standards and and the Kod Amalan Baik (GAP) Pekebun Kecil.	Field	SPOC Q23 Beluru 1 could improve on the following GAPs: <ul style="list-style-type: none"> • Weeding; • Pruning.

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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 Q23 Beluru 1 consisting of 933 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 TÜV 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:	933
Total certified acreage of smallholders:	5,226.7668 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, 27/01/2023

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

Puchong, 06/02/2023

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

- P&C Audit Report / Checklist(s)
- Audit Plan