

# MSPO CERTIFICATION SUMMARY REPORT

## MPOB -SPOC Q25 BARAM

SURVEILLANCE ASA 02

Remote Audit Date: 16-20/11/2020

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# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board  
Certifying Unit: SPOC Q25 Baram  
Client Number: 92-055  
Audit Type: ASA 02  
Mode of Audit: Remote

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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 SPOC Q25 Baram 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 Q25 Baram 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 Q25 Baram 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 one team member. The team contribute to the review of documents, assessment of the project activity and preparation of the report.

#### Qualification of the Lead Auditor (Trainee): Navin Baskram

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;	Bachelor in Biotechnology and Master in Environmental 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)	Four (4) years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body.
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.	Completed 20 man days requirement to qualify as auditor. Currently undergoing process of completing 15 man days as trainee lead auditor for qualification as Lead Auditor.
Field working experience in the palm oil sector, or demonstrable equivalent	Four (4) years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Four (4) years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed ISO9001 standard for Lead Auditors.
Health and safety auditing on the farm and in processing facilities  Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Pending completion of ISO 45001 training.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Pending completion of SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture.  or Successfully completed Environmental Management Systems ISO 14001 standard	Pending ISO 14001 training.
Completed High Conversation Value assessment	Successfully completed High Conservation Value assessment.

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

### Qualification of Team Member(s)

Requirement	Name Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following 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 Applied Science (Major in Plantation Industry and management)	Yes
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
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Zul Hairi Bin Abu Hassan	Successfully completed MS2530 series of standards for Lead Auditors	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-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 and appointed as auditor for MSPO scheme.	Yes
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	Name Assessor	Qualification	Compliance
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use			Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Zul Hairi Bin Abu Hassan	Successfully completed ISO 9001 LA course.	Yes
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Zul Hairi Bin Abu Hassan	Successfully completed ISO 45001 LA course.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Zul Hairi Bin Abu Hassan	Successfully completed SA 8000 Basic training.	Yes
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Zul Hairi Bin Abu Hassan	Successfully completed ISO 14001 LA course.	Yes
Completed High Conversation Value assessment	Zul Hairi Bin Abu Hassan	Qualified and appointed as MSPO OPMC auditor.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Zul Hairi Bin Abu Hassan	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, contractors; review of documentation;
- Review of SPOC management system;
- Reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

#### Surveillance 02 Audit:

Surveillance 02 audit conducted remotely on 16/11/2020 – 20/11/2020 that covers the following activities but not limited to below:

#### Remote:

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Desk documentation assessment;
- Virtual interview management;
- Virtual stakeholders communication; If required
- Virtual interview of smallholders; Interviews carried out using telephone and video call
- Virtual inspection of farm; Pictorial evidences and video evidences shared by client
- Production records
- Review revised and updated documentation;
- Training records
- Assessment reporting



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

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

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

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

MSPO guidance documents are used to guide the collection of information.

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

The group of smallholders consists of 290 new members and 530 old members. The total number of smallholders for this audit are 820.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size  $S = 1.5\sqrt{820} = 42.9$  round up to the next integral 44.

As per OPMC 2 issue 2, from the sample size, the number of the new members are  $44 \times 75\% = 33$  and number of existing members are  $44 \times 25\% = 11$ .

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

**Table 2-1: List of Sample Smallholders**

Name	GPS Coordinates
<b>New Smallholders</b>	
Louis Jau	03°43'28.65"N, 114° 15'07.13"E
Peter Apoi Takuan	03°42'53.47"N, 114° 12'49.09"E
Medaline Anak Bangat	03°43'18.94"N, 114° 15'18.69"E
Anna Dun	03°45'37."N, 114° 73'40.29"E
Steaffalic Lihan	03°79'30.55"N, 114° 73'34.01"E
Lahai Emang	03°47'7.63"N, 114° 45'46.99"E
Usung Wan	03°78'95.56"N, 114° 75'08.46"E

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Name	GPS Coordinates
Lahai Imang	03°47'7.63"N, 114° 45'46.99"E
Paul Gribble Jau	3°49'24.43"N, 114° 3'49.36"E
Jossia @ George Ngau	03°49'46.45"N, 114° 32'41.23"E
Gribble Jau Juk	3°50'63.48"N, 114° 23'99.88"E
William Seling Lah	04°05'13.12"N, 114° 23'39.28"E
Kalang Ding	03°83'47.83"N, 114° 56'58.28"E
James Emang	03°39'52.4"N, 114°07'52.3"E
Ngau Ajeng	03°46'20.7"N, 114°22'46.7"E
Michel Laing Luhut	03°74'14.87"N, 114°36'58.81"E
Uson Jok	03°47'N ,114°22'10"E
Angeline Raymond	03°26'44.74"N, 114° 6'32.79"E
Maurice Luat Gulang	03°26'42.23"N, 114° 6'23.59"E
Siban Anak Pungut	03°26'41.06"N ,114° 6'10.34"E
Joanne Puyang Supen	03°26'52.33"N, 114° 5'34.98"E
Jarus Girang	03°26'41.40"N, 114° 6'11.58"E
Anyi Wan	03°71'95.45" N, 114° 22'41.97"E
Telen Lijin	03°73'81.19"N, 114°26'67.48" E
Cheng Lijin	03°26'39.41" N ,114°53'24.36"E
Denis Lijin	03°26'26.64" N, 114° 52'91.89" E
Ben Lawai Lijin	03°26'30.05" N, 114°53'01.16" E
Suling Lijin	03°26'31.72"N, 114°53'07.95" E
Agatha Seling	03°26'123" N , 114°52'87.14" E

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Name	GPS Coordinates
Kalang Anyi	03°36'82.1" N, 114°07'80.6" E
Ngau Jok	03°61'33.33" N, 114° 12'73.91"E
Matthew Belanda Anak Jingga	03°74'64.47" N, 114° 26,77,18"E
Cristoper Wan	03°78'73.88" N, 114° 74'38.08"E
<b>Existing Smallholders</b>	
Litus Jau	3°42'47.27" N 114°14'51.21"E
Ajeng Uloi	3°75'90.18"N 114°68'22.77"E
Ngau Emang	3°49'05.18"N 114°33'01.71"E
Lawai Jenai	3°37'7.31"N114° 7'16.52"E
Juli Alai	3°73'81.19" N 114°26'54.81" E
Francis Ubi Tau	3°36'49.41"N114° 7'42.19"E
Stacy Litus	3°43'01.67" N 114°14'17.04"E
Jeffery Juli	03°74'05.14.9"N, 114° 23'99,88"E
Matthew Belanda Ak Jingga	03°74'64.47"N, 114° 26'77.18"E
Baidah Edward	03°42'53.41"N, 114° 12'49.17"E
Rosa Cheng	03°42'53.50"N, 114° 06'57,30"E

### Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvements (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify during the next audit.

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### 3. ORGANISATION INFORMATION

MPOB Cawangan SPOC Q25 Baram, is a branch of MPOB located at Lot 1177 & 1178, Tingkat 4, Block 9, MCLD Miri Waterfront, Jalan Permaisuri, 98000 Miri Sarawak, N 4°23'55.392", E113°59'12.767" 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 Miri district.

The smallholders are in Baram, Sarawak as shown in the below maps.





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### 4. CERTIFICATION ASSESSMENT

#### 4.1. ASA 02

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q25 Baram are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

##### 4.1.1. Surveillance 02:

The surveillance 02 audit is conducted on 16/11/2020 to 20/11/2020.

The number of smallholders in this surveillance audit are 820.

The number of smallholders 530 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 290.

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

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

During the remote 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 surveillance 02 audit, there are 02 Major, 01 Minor and 02 OFI raised.

For this audit, the major and minor non-compliance raised in the last audit, the audit team has review by means of remote 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. Action plan is submitted for Minor non-conformance with implementation review during the next audit.

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.



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### 4.2. Summary of Assessment

#### Principle and Criteria Assessment Summary

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the applied MSPO 2530-2. The summary of the assessment is as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6.

#### Principle 1: Management Commitment & responsibility

Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>SPOC Q25 Baram established MSPO Policy, document number: MSPO/SPOC/POLISI-01 rev-02.</p> <p>Example of statement in policy</p> <ol style="list-style-type: none"><li>1. Commitment and responsibility of SPOC Q 25 Baram management team;</li><li>2. Transparent on providing information to stakeholders;</li><li>3. Traceability of documents;</li><li>4. Complying with International, national and states laws;</li><li>5. Commitment on contribution towards local sustainability development.</li></ol> <p>Records and pictorial evidences of policy training held on 09/09/2020 and 28/10/2020, by SPOC Q25 Baram General Manager, at Long Tisam and Long Kivok, Baram, Sarawak has been reviewed and verified.</p> <p>Further verification of smallholder's awareness on MSPO policy was carried out by phone interviews. The awareness level of the smallholders are deemed adequate.</p>	Yes
4.1.2.1	<p>SPOC Q25 Baram adopt MPOBManual Procedure Kerja, dated 01/06/2020. Lampiran 9: Senarai Impak Social, Persekitaran dan Pelan tindakan has includes do no: MSPO/SPOC/L-04/ISP issue no: 03, rev no: 03:</p> <p>Social Impact and action plan;</p> <ul style="list-style-type: none"><li>• Activity: Harvesting;</li><li>• Social impact: FFB thief;</li><li>• Action plan: Report to JKPP and Police for further action;</li><li>• Environmental Impact and action plan;</li><li>• Activity: Manuring and integrated farming.</li></ul> <p>Environmental impact: Improve in soil fertility and soil structure (application of organic fertilizer).</p> <p>Action plan: Ongoing affords.</p> <p>CIP awareness training was held on 09/09/2020 and 28/10/2020, by SPOC Q25 Baram Group Manager.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Further verification of smallholder's awareness on CIP was carried out by phone interviews. The awareness level of the smallholders are adequate.	
4.1.2.2	<p>SPOC Q25 Baram provide smallholders with 'Warta Sawit'. Latest Warta Sawit Bil. 73 (3)/ Sep-Dec 2019 during MSPO training.</p> <p>The Warta Sawit was disseminated to smallholders during taklimat or MSPO briefing on 09/09/2020 and 28/10/2020.</p> <p>The smallholders confirm received Warta Sawit from GM during phone interview.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC S1Q25 Baram SOP on economy and monitory viability, document number: MSPO/SSCC/GP-01/PEK is available in the Manual Prosedur Kerja (MPK). The latest revision date is 01/06/2020 revision number is 03. There were no revisions for this section.</p> <p>The document consist :</p> <ol style="list-style-type: none"> <li>1) Flow chart for Traceability;</li> <li>2) Process on sending FFB to dealers / mill;</li> <li>3) Receiving of receipts and weighbridge ticket from collection centres;</li> <li>4) Verification of records by the SPOC Group Manager periodically.</li> </ol> <p>Phone Interviews with sampled smallholders provided insights on smallholders understanding of the traceability procedure such as record keeping of weighbridge ticket.</p> <p>All weighbridge tickets are kept by smallholders. Weighbridge tickets shared were verified.</p>	Yes
4.2.1.2	<p>Records of FFB production and sales are available. Reviewed records consist of date of FFB harvested, FFB tonnage, FFB rate and earnings.</p> <p>Phone interviews with sampled smallholders informed that weighbridge tickets from collecting centers were kept by the smallholders. Samples of weighbridge ticket has also been shared and verified during the audit.</p> <p>Weighbridge ticket information consist of:</p> <ul style="list-style-type: none"> <li>• Weighbridge;</li> <li>• Ticket No;</li> <li>• Date ;</li> <li>• MPOB Price;</li> <li>• Nett Tonnage;</li> <li>• Total Payment;</li> <li>• Acknowledged by smallholder/driver;</li> </ul>	Yes

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### Principle 2: Transparency

Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"><li>• Weighed by.</li></ul>	

### Principle 3: Compliance to legal requirements

Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC Q25 Baram established Legal register, document number: MSPO/SPOC/L-01/SKU, issue no: 03, revision 05, updated 01/10/2020. The list includes laws applicable for Sarawak.</p> <p>Example of list:</p> <ol style="list-style-type: none"><li>1. Undang-undang Sarawak: Kod Tanah (Cap. 81) 1958;</li><li>2. MPOB Act 1998;</li><li>3. Minimum Wages amended 2020;</li><li>4. Akta Pencegahan dan Pengawalan Penyakit Berjangkit 1988 (Pindaan Pertama) 2020.</li></ol> <p>Example of smallholders with valid MPOB license:</p> <p><u>Sample 1</u></p> <p>Smallholder license number: 509914801000, area statement 2.56 hectare valid from 29/11/2018 to 31/10/2023.</p> <p><u>Sample 2</u></p> <p>Smallholder license number: 542995-401000, area statement 3.38 hectare valid from 30/04/2015 to 30/04/2020.</p> <p>Awareness training on legal requirement was conducted on 09/09/2020 and 28/10/2020. Interview by phone call with smallholders indicates they are aware and understand legal requirement.</p> <p>However, 10 smallholders have been removed from the list as their MPOB licences has expired and they have acknowledged to withdraw from the certification.</p> <p>This has been verified using the database shared by the SPOC Q25 GM and review of smallholders personal files and withdrawal forms.</p> <p><u>Major Non-Conformity 01:</u></p> <p>SPOC Q25 Baram smallholders file review. There are 6 out of 44 smallholders sample has expired MPOB licenses. Smallholders no 63, 72, 74, 81, 215 and 262.</p>	No
4.3.2.1	<p>All smallholders under SPOC Q25 Baram are having NCR land. SPOC Q25 Baram established form MPOB (PK), "Akuan Pengesahan Tanaman Kelapa Sawit" as evidence of smallholders land ownership.</p> <p>Tuai Rumah acknowledged land ownership as oil palm.</p> <p>Example of information verified in form MPOB (PK) "Akuan Pengesahan Tanaman Kelapa Sawit":</p> <ul style="list-style-type: none"><li>• Name of smallholder;</li></ul>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Address;</li> <li>Area statement;</li> <li>Tuai rumah;</li> <li>Village Name.</li> </ul>	
4.3.3.1	<p>Smallholders under SPOC Q25 Baram are having NCR land. SPOC Q25 Baram established form MPOB (PK) as evidence of smallholders land ownership.</p> <p>Records review indicates all smallholders having letter of acknowledgement from Tuai Rumah. The letter serves as evidence for land ownerships.</p>	Yes
4.3.3.2	<p>Map of land ownership for NCR Land was available. The maps established was acknowledge by Tuai Rumah. The map shows location of the smallholders land.</p> <p><u>Minor Non-Conformity 01:</u></p> <p>Although maps and land title approved by the Village Head with reference to the smallholder lots are available.</p> <p>Cross verification of the respective lot information captured in the SPOC database did not identify the GPS coordinate appropriately.</p>	No

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC Q25 Baram adopt MPOB Complaint and grievance procedure doc no: MSPO/SPOC/SOP-01/AR, issue no: 3, rev no: 2 updated 01/06/2020.</p> <ol style="list-style-type: none"> <li>Stated in the SOP timeline for addressing the grievance and complaint are within 14 days;</li> <li>Group manager is in charge in handling the complaint and grievances;</li> <li>All the grievance and complaint records are documented.</li> </ol> <p>Complaints records are reviewed and managed within timeline stated in the SOP.</p> <p>Smallholders interviews via telephone informed that they are aware and understand the grievance procedure and process on lodging grievance.</p> <p><u>Major Non-Conformity 02:</u></p> <p>SPOC Q25 Baram adopt stakeholders list from MPOB doc no: MSPO/SPOC/FF-04/SPB, date effective 01/06/2020, issue no 3.</p> <p>SPOC Q25 Baram has only captured two stakeholders from the collecting centre and Palm Oil Mill while neglecting other important stakeholders such as Government Agencies and NGOs.</p>	No

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.2	<p>SPOC Q25 Baram adopt MPOB Complaint and grievance procedure doc no: MSPO/SPOC/SOP-01/AR, issue no: 3, rev no: 2 updated 01/06/2020.</p> <p>Stated in the SOP person in charge is Group Manager assigned for:</p> <ol style="list-style-type: none"> <li>1. Accepting the grievances</li> <li>2. Analyzed and investigate on issue raised</li> <li>3. Communicated with complainer.</li> </ol> <p>Stated in the SOP,</p> <p>2.8 If the grievance report was out of group manager scope, it can be referred to applicable agencies/personnel.</p>	Yes
4.4.2.1	<p>SPOC Q25 Baram adopt MPOB Guidelines for safety and health, documents no: MSPO /SPOC/GP-02/KKP, issue no: 3, rev: 0 updated 01/06/2020. The guideline describes on:</p> <ol style="list-style-type: none"> <li>1. Responsibility of GM and smallholders regarding safety and health.</li> <li>2. Procedure and type of PPE used for harvesting, manuring and spraying.</li> </ol> <p>Safety and health training was conducted on 09/09/2020 and 28/10/2020 by SPOC Q25 Baram group manager.</p> <p>The awareness level was verified during phone call with the smallholders.</p> <p>List of PPE issue dated on 04/03/2020 and 06/03/2020 were reviewed.</p> <p>Phone Interviews with smallholders informed they are aware and understand on safety measuring. They would use applicable PPE suitable for the operation example harvesting or spraying.</p>	Yes
4.4.3.1	<p>SPOC Q25 Baram adopt MPOB form, terma penggajian pekerja document number MSPO/SPOC/TPP-01 dated 01/10/2020.</p> <p>The form has includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.</p> <p>Phone Interviews with smallholders informed they working by themselves or assisted by family members in running daily operations.</p>	Yes
4.4.3.2	<p>SPOC Q25 Baram adopt MSPO policy document number MSPO/SSCC/POLISI-01 (Rev01) states 'Menentang amalan diskriminasi dengan mengamalkan hak kesamarataan dalam memberi peluang dan layanan tanpa mengira bangsa, jantina, agama, fahaman politik dan kewarganegaraan'</p> <p>SPOC Q25 Baram adopt MPOB form "Syarat Mengupah Pekerja Di kebun Sawit", document number MSPO/SSCC/SMP-01.</p> <p>The form describe :</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Against any form of discrimination, and implying human right in terms of opportunities, disregards of races, gender, religion, political affiliation, and nationality.</li> </ul> <p>There are no complaints related to discrimination during documents review. Phone call interviews with smallholders informed no discrimination occurs.</p>	
4.4.3.3	<p>SPOC Q25 Baram established form, 'Terma Penggajian Pekerja' document number MSPO/SPOC/TPP-01, dated 01/10/2020.</p> <p>The form has includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.</p> <p>Phone Interviews with smallholders informed they working by themselves or assisted by family members in running daily operations.</p>	Yes
4.4.3.4	<p>There are no living quarters observed during photos of smallholders field and phone call interview.</p>	Yes
4.4.3.5	<p>SPOC Q25 Baram established form 'Syarat Mengupah Pekerja di Kebun Sawit', document number MSPO/SPOC/SMP-01 updated 01/10/2020.</p> <p>The form describe :</p> <ul style="list-style-type: none"> <li>There are no permission to hired young workers below the age of 15-18 years old, for working in dangerous and heavy work.</li> </ul> <p>Interviews by phone call with smallholders informed no present of child workers at field. Smallholders aware and understand legal restriction on hiring under age workers.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Indicator	Summary of Assessment		Compliance	
4.5.1.1	SPOC S1Q25 Baram adopted SOP MPOB List of Social and Environmental Impact and Action Plan, document number: MSPO/SPOC/L-04/ISP is available in the Manual Prosedur Kerja (MPK). The latest revision date is 01/06/2020 revision number is 03.		Yes	
	Impacts are highlighted as below:			
	Activity	Environmental Impact		Action Plan
	Chemical spraying	Erosion due to over spraying at terrace lips		Good Agricultural Practice and visiting by SPOC GM
	Domestic Waste	Poor management of domestic waste will cause air, water and land pollution.	Good management of domestic waste such as appropriate disposals at designated disposal areas.	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services																				
Indicator	Summary of Assessment	Compliance																		
	Smallholders interviewed via phone informed that they are aware of environmental impacts on their activities and have been briefed regarding the matter by the SPOC management.																			
4.5.2.1	Pictorial evidences verified and phone interviews with sampled smallholders have informed that there are no renewable energy being used.	Yes																		
4.5.3.1	<p>SPOC S1Q25 Baram SOP on economy and monitory viability, document number: MSPO/SPOC/L-03/PEK is available in the Manual Prosedur Kerja (MPK). The latest revision date is 01/06/2020 revision number is 03.</p> <p>Example:</p> <p>From agriculture input:</p> <table border="1"> <thead> <tr> <th>Agricultural input</th><th>Waste produced</th><th>Impact</th></tr> </thead> <tbody> <tr> <td>Fertilizer</td><td>           1. Plastic from fertilizer bags            2. Empty fertilizer bags            3. Washings from fertilizer bags plastics.         </td><td>Polluting natural and ground water resources</td></tr> <tr> <td>Weedicide</td><td>           1. Empty chemical containers            2. Chemicals from triple rinsing         </td><td>           1. Breeding ground for mosquito            2. Polluting water sources         </td></tr> </tbody> </table> <p>From non-agricultural input:</p> <table border="1"> <thead> <tr> <th>Non-Agricultural equipment</th><th>Waste produced</th><th>Impact</th></tr> </thead> <tbody> <tr> <td>PPE</td><td>Irresponsible disposal of PPE</td><td>Environmental pollution</td></tr> <tr> <td>Domestic waste from neighbouring village or housing area</td><td>           1. Irresponsible disposal of waste;            2. Unsegregated waste.         </td><td>           1. Water pollution;            2. Mosquitos' breeding ground.         </td></tr> </tbody> </table> <p>Phone Interview with GM SPOC Q25 Baram, the list of wastes is briefed during the LKN visit and "Taklimat MSPO" on the 09/09 &amp; 28/10/2020.</p> <p>Phone interviews with smallholders confirm that type of wastes generated in smallholders lands are mainly empty chemical containers and fertilizer bags.</p>	Agricultural input	Waste produced	Impact	Fertilizer	1. Plastic from fertilizer bags 2. Empty fertilizer bags 3. Washings from fertilizer bags plastics.	Polluting natural and ground water resources	Weedicide	1. Empty chemical containers 2. Chemicals from triple rinsing	1. Breeding ground for mosquito 2. Polluting water sources	Non-Agricultural equipment	Waste produced	Impact	PPE	Irresponsible disposal of PPE	Environmental pollution	Domestic waste from neighbouring village or housing area	1. Irresponsible disposal of waste; 2. Unsegregated waste.	1. Water pollution; 2. Mosquitos' breeding ground.	Yes
Agricultural input	Waste produced	Impact																		
Fertilizer	1. Plastic from fertilizer bags 2. Empty fertilizer bags 3. Washings from fertilizer bags plastics.	Polluting natural and ground water resources																		
Weedicide	1. Empty chemical containers 2. Chemicals from triple rinsing	1. Breeding ground for mosquito 2. Polluting water sources																		
Non-Agricultural equipment	Waste produced	Impact																		
PPE	Irresponsible disposal of PPE	Environmental pollution																		
Domestic waste from neighbouring village or housing area	1. Irresponsible disposal of waste; 2. Unsegregated waste.	1. Water pollution; 2. Mosquitos' breeding ground.																		



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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Smallholders are aware of best waste management practices such as triple rinsing, reuse of chemical containers and reapplication of waste chemical and fertilizer at palms where chemical or fertilizer was not applied.	
4.5.3.2	<p>Phone interviews with sampled smallholders demonstrate understanding on waste management such as empty pesticide containers and fertilizer bags.</p> <p>Empty chemical containers are triple rinsed before being re-used which is in line with Section 8.2 from “Pengembangan Racun Perosak” 2018 by the Department of Agriculture Malaysia.</p> <p>Fertilizer bags plastics are washed and re applied in the field while the bags are used for loose fruit collections.</p> <p>Pictorial evidences from sampled smallholder fields also demonstrate proper frond stacking which is agricultural waste under the impact analysis in the MPOB Manual.</p>	Yes
4.5.4.1	<p>SPOC Q25 management has conducted “Taklimat MSPO Kepada Pekebun Kecil” on two separate dates with information as below:</p> <p><u>Sample 1:</u></p> <ul style="list-style-type: none"> <li>Activity: “Taklimat MSPO Kepada Pekebun Kecil”</li> <li>Date: 09/09/2020</li> <li>Participants: 50 Participants</li> </ul> <p><u>Sample 2:</u></p> <ul style="list-style-type: none"> <li>Activity: “Taklimat MSPO Kepada Pekebun Kecil”</li> <li>Participants: 100 Participants</li> </ul> <p>Pictorial evidences of smallholder participants are reviewed and verified</p> <p>Phone interviews with smallholder provided information on their level of understanding on water pollution and maintenance of streams and buffer zone areas.</p> <p>Interviewed smallholders have informed that only field drains are available in their respective lots.</p>	Yes
4.5.4.2	<p>Pictorial evidence reviewed and verified shows smallholder lands with field drains and silt pits constructed for water harvesting.</p> <p>Besides, rain water is also harvested using cleaned drums to assist in spraying activities. The drums are also marked with “X” in red to ensure it is not used for other purposes.</p>	Yes
4.5.5.1	<p>SPOC Q25 Baram conducted “Taklimat” MSPO dated 09/09 &amp; 28/10/2020.</p> <p>The programme include briefing of Rare, Threaten and Endangered Species.</p> <p>SPOC Q25 Baram established list of wildlife 2019 and revised in 2020.</p>	Yes



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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Latest list of animals: Babi Hutan, Landak, Buaya, Tikus, Tupai, Ular, Burung Keruak, Musang, Biawak, Tenggiling.</p> <p>Pictorial evidence of no hunting activities displayed at sampled smallholder farms to create awareness. Smallholders interviewed via phone are aware of protected wildlife where no hunting of wildlife is permitted.</p>	
4.5.6.1	<p>SPOC Q25 Baram adopted MPOB revised Zero Burning Procedure, document number MSPO/SSCC/GP-04/APS, issue number 03 and effective on 01/06/2020</p> <p>SPOC Q25 Baram conducted "Taklimat" MSPO dated 09/09 &amp; 28/10/2020.</p> <p>Pictorial evidence of no open burning displayed at sampled smallholder lots to create awareness. Smallholders interviewed via phone are aware of zero burning activities.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC Q25 Baram conducted GAP visit to individual smallholder's field for year 2020.</p> <p>Elements covered in the GAP visit are:</p> <ul style="list-style-type: none"> <li>Field free from woodiest and weeds;</li> <li>Manuring activities;</li> <li>Fronds maintaining (48 fronds and above);</li> <li>2 rounds of harvesting per month;</li> <li>Loose fruit collection;</li> <li>No new planting on buffer zone;</li> <li>Practicing of soil and water conservation (silt pit / conserve soft grass / cover crops / terrace / no blanket spray / no spraying activity on waterway);</li> <li>FFB recording;</li> <li>Integrated plant and poultry;</li> </ul> <p>Pictorial evidences submitted were verified and best practices by smallholder implementation observed as below;</p> <ul style="list-style-type: none"> <li>FronD stacking;</li> <li>Loose fruits placed on fertilizer bags;</li> <li>Weed conditions well managed;</li> <li>FronDs are well pruned and there are no over pruning.</li> </ul>	Yes
4.6.1.2	<p>SPOC Q25 established field references at each smallholders farm.</p> <ul style="list-style-type: none"> <li>Name of smallholder</li> </ul>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"><li>• Smallholder IC number</li><li>• MPOB licence number</li><li>• Hectarage</li><li>• GPS Coordinates</li></ul>	
4.6.2.1	Review and verified evidence of budget approval for Program Taklimat MSPO for SPOC Baram Q25. The budget covers all cost including rental of hall, food, and invitation of government officials from DOE, DOSH and Wildlife department.	Yes
4.6.3.1	Phone Interviews with sampled smallholders informed the FFB price is display at the collecting center. Besides, they also have a WhatsApp group where FFB pricings are shared according to the rates provided by MPOB.  Reviewed and verified evidence of records of FFB sales with FFB pricing and Earnings in the Buku Rekod Ladang.	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SPOC Q23 Baram established smallholders planting statement with first planting year in 1998 and latest planting in 2019.  There is one (1) smallholder with new planting in year 2019. The land conversion is from paddy to oil palm.  The land is for agriculture purposes and is an NCR land and this has been declared and verified by MPOB in the "Borang Permohonan Pensijilan MSPO". Sighted evidence of confirmation from the "Ketua Kampung" regarding the status of the land which is an oil palm land.	Yes
4.7.2.1	SPOC Q23 established Borang Permohonan MSPO which includes assessment on soil type Soil type for new planting area as NCR land with undulating topography of 6° to 25°.  The soil conditions for the smallholder land with new planting has been verified by MPOB prior to approval for certification purposes	Yes
4.7.3.1	SPOC Q23 Baram established Borang Permohonan Pensijilan Minyak Sawit Mampan Malaysia (MSPO) that states planting not allowed for land with topography of 25° and above.  The soil conditions for the smallholder land with new planting has been verified by MPOB prior to approval for certification purposes and confirmed that the land's terrain is between 6° to 25°.	Yes

### 4.3. 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.
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	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.
<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> <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>	

### 4.4. Detail of Audit Findings in last Audit

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

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

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

REMOTE AUDIT OUTCOME		
During this remote audit	2	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number 01			
<b>Indicator # and Description</b>	4.3.1.1 Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations.		
<b>Location:</b>	SPOC Q25		
<b>Description of Finding / Objective Evidence:</b>			
SPOC Q25 Baram smallholders file review. There are 6 out of 44 smallholders sampled has expired MPOB licenses. These smallholders are no 63, 72, 74, 81, 215 and 262 based on the sampled list of smallholders.			
<b>Classification</b>	<input checked="" type="checkbox"/> Major		<input type="checkbox"/> Minor
<b>Raise by:</b>	Zul Hairi Abu Hassan	<b>Date Raise:</b>	20/11/2020
<b>Deadline for implementation</b>		19/1/2021	
<b>Root Cause Analysis (by company):</b>			
The location of the MPOB office nearest to Baram district is in Miri city centre which is about 250 km away. It is one of the factors that cause smallholders to have difficulty renewing and the license can only be renewed in the presence of the smallholders himself. Some of these smallholders also have logistical problems because they do not have a vehicle to go to the city and have to depend on children or neighbours.			

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Non Conformity Number 01	
<b>Correction (by company):</b>	
<p>SPOC Baram Group Manager already follow up with Licensing Department regarding the six (6) smallholder renewal license. As a result, only five (5) from six (6) smallholder already renew their license after been given warning letter from us.</p> <p>Name of smallholder already renew their license as below:</p> <ol style="list-style-type: none"><li>1. Jeffry Juli</li><li>2. Peter Apoi Takuan</li><li>3. Miyang Tingang</li><li>4. Ngau Ajeng</li><li>5. Jackson Mering Emang</li></ol> <p>Name of smallholder not yet renew their license as below:</p> <ol style="list-style-type: none"><li>1. Rosa Cheng</li></ol>	
<b>Corrective / Preventive Action (by company):</b>	
<p>Action 1:</p> <p>Issue a reminder letter with a period of time of 3 months to all PK involved to renew the license.</p> <p>Action 2:</p> <p>Make a visit to the house of PK involved in this problem. The purpose is to submit a reminder letter and hold an interview session with PK to discuss the expired license problem.</p> <p>Action 3:</p> <p>Conduct a meeting with the MPOB enforcement and licensing department regarding the mechanism to help PK to solve license expiry problem.</p> <p>Action 4:</p> <p>If until the end of reminder period and PK yet to renew their license, the PK involved will be removed from the list of MSPO SPOC Q25 Baram to ensure MSPO certification for other PKs is not affected.</p>	
<b>Review of Correction &amp; Corrective / Preventive Action:</b>	
<p>Reminder letter dated 03/12/2020 with period of 3 month issue by Group Manager to all smallholders to renew the MPOB license has been reviewed and verified.</p> <p>Pictorial evidence of visit to the house and submission of reminder letter to smallholders by Group Manager has been reviewed and verified.</p> <p>Five (5) smallholders have renewed the MPOB license. One (1) smallholder which has not renewed the license will removed from the certification.</p> <p>The evidence provided is sufficient to close the non-conformity.</p> <p>Further implementation will be verified in the next surveillance audit.</p>	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Auditor:</b> Zul Hairi Bin Abu Hassan	<b>Date of Closure:</b> 07/01/2021
<b>Review of Implementation:</b>	

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Non Conformity Number 01	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 02			
Indicator # and Description	4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.		
Location:	SPOC Q25		
Description of Finding / Objective Evidence:			
Although maps and land title approved by the Village Head with reference to the smallholder lots are available. Cross verification of the respective lot information captured in the SPOC database did not identify the GPS coordinate appropriately.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
Raise by:	Zul Hairi Abu Hassan	Date Raise:	20/11/2020
Deadline for implementation	19/12/2020		
Root Cause Analysis (by company):			
This is due to an error. MPOB does not have a suitable device for the purpose of coordinate reading and usually only uses mobile phones. Another reason is because Baram area is a rural area with limited internet access and telephone lines.			
Correction (by company):			
This issue will be raised in the MSPO Forum at the headquarters level meeting which is expected in February 2021, where GM should be provided with appropriate coordinate reading tools. This forum brings together all MPOB officers involved in the implementation of the MSPO Independent Smallholders from all over Malaysia.			
Corrective / Preventive Action (by company):			
Field site visit will do by the manager / person in charge using the APPS (MAPS.ME) to confirm the right coordinate. ( Continuously Program; refer Kalendar Aktiviti 2021 )			
Review of Correction & Corrective / Preventive Action:			
Review and verified 'Kalendar Aktiviti 2021' provided by GM. The activities in the calendar includes program of site visit to confirm correct GPS coordinates at smallholder's field. The evidence provided is sufficient to close the non-conformity. Further implementation will be verified in the next surveillance audit.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Auditor:		Date of Closure:	
Zul Hairi Bin Abu Hassan		19/12/2020	
Review of Implementation:			

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Non Conformity Number 02	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 03			
Indicator # and Description	4.4.1.1 Independent smallholders shall be able to respond to complaints that are raised by their neighbours or other stakeholders.		
Location:	SPOC Q25		
Description of Finding / Objective Evidence:			
SPOC Q25 Baram adopt stakeholders list from MPOB doc no: MSPO/SPOC/FF-04/SPB, date effective 01/06/2020, issue no 3. SPOC Q25 Baram has only captured two stakeholders from the collecting centre and Palm Oil Mill while neglecting other important stakeholders such as Government Agencies and NGOs.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Zul Hairi Abu Hassan	Date Raise:	20/11/2020
Deadline for implementation	19/1/2021		
Root Cause Analysis (by company):			
Almost the entire list of stakeholders is unchanged from past surveillance audits. The Group Manager (GM) doubt whether a new list should be prepared or not, including Government Agencies and NGOs. The GM and SPOC apologized for the mistake.			
Correction (by company):			
Latest updated list of stakeholders.			
Corrective / Preventive Action (by company):			
A list of the latest stakeholders includes the Government Agency and other stakeholders will be reviewed annually.			
Review of Correction & Corrective / Preventive Action:			
Reviewed and verified list of stakeholders updated 05/01/2021 has includes Government Agency and other stakeholders at Baram area. The evidence provided is sufficient to close the non-conformity. Further implementation will be verify during next surveillance audit.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Auditor: Zul Hairi Bin Abu Hassan		Date of Closure: 07/01/2020	
Review of Implementation			
Name of Lead Auditor / Auditor:		Date of Review:	

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Nr.	Indicator	Description	Location	Opportunity for Improvement
1	4.7.1.1	Independent smallholders shall not plant oil palm on land with high biodiversity value as identified by local, state and national legislation.	SPOC Q25 Baram	The "Borang Permohonan Pensijilan MSPO" could be improved to include previous planting or previous land use for verification purposes prior to approval.
2	4.7.2.1	Independent smallholders should obtain information on soil types, topography and their suitability for oil palm plantings from the relevant government agency. New planting plans should be prepared in consultation with extension service officers	SPOC Q25 Baram	The "Borang Permohonan Pensijilan MSPO" could be improved to include soil type for verification purposes prior to approval.

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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 Q25 Baram consisting of 820 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders. However, 10 smallholders have been removed from the list as their MPOB licences has expired and they have acknowledged to withdraw from the certification.

There are 02 Major NC raised in this audit and closed out successfully. There is 01 Minor NC raised with action plan submitted and accepted. Furthermore Minor NC(s) raised in this audit will be verify in the next surveillance audit.

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:	809
Total certified acreage of smallholders:	4,924.79 Ha
Certified FFBs output January to December 2020:	39,179.10 Mt
Projected FFBs output January to December 2021:	32,574.36 Mt



## MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board  
Certifying Unit: SPOC Q25 Baram  
Client Number: 92-055  
Audit Type: ASA 02  
Mode of Audit: Remote



### 6. RECOMMENDATION

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

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

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

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

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

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

Puchong, 21/01/2021

Navin Baskram  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader (Trainee)

Puchong, 21/01/2021

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

## MSPO Certification Summary Report

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### 7. LIST OF STAKEHOLDERS

No consultation conducted.

No.	Name	Organisation / Function
-	-	-

## MSPO Certification Summary Report

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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 or 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