

# MSPO CERTIFICATION SUMMARY REPORT

MALAYSIAN PALM OIL BOARD

SPOC Q26 SIBUTI 01

SURVEILLANCE 04

Remote Audit Date: 05/04/2021 – 09/04/2021

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# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board  
Certifying Unit: SPOC Q26 Sibuti 01  
Client Number: 92-100  
Audit Type: ASA 04  
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 Q26 Sibuti 01 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 Q26 Sibuti 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 Q26 Sibuti 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: Mohamad Norhisham Bin Mohd Salleh

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management;	Graduate in Applied Science (Major In Agrobiology).

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Requirement	Qualifications
v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	5 years working experience in oil palm plantations.
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS2530 series of standards for Lead Auditors.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) 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	5 years working experience in oil palm plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in oil palm plantations.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed ISO 9001:2015 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	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	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 14001:2015 Lead auditor course and auditor for MSPO scheme.
Completed High Conversation Value assessment	Qualified and appointed as lead auditor for MSPO scheme.

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

### Qualification of Team Members

Requirement	Name Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following 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	Arif Bin Lokman	Graduate in Agricultural Science.	Yes
	Navin Baskram	Bachelor in Biotechnology and Master in Environmental 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)	Arif Bin Lokman	7 years working experience in oil palm plantations.	Yes
	Navin Baskram	4 years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. 2 years' experience in RSPO accreditation for RSPO scheme accreditation body.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Arif Bin Lokman	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
	Navin Baskram	Successfully completed MS2530 series of standards for Lead Auditors.	Yes

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Requirement	Name Assessor	Qualification	Compliance
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.	Arif Bin Lokman	Qualified as auditor based on audit log.	Yes
	Navin Baskram	Qualified as auditor based on audit log.	
Field working experience in the palm oil sector or demonstrable equivalent	Arif Bin Lokman	7 years working experience in oil palm plantations.	Yes
	Navin Baskram	4 years working experience in oil palm plantation.	
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Arif Bin Lokman	7 years working experience in oil palm plantations.	Yes
	Navin Baskram	4 years working experience in oil palm plantation.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Arif Bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Navin Baskram	Successfully completed ISO9001 standard for Lead Auditors.	Yes
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Arif Bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Navin Baskram	Successfully completed ISO 45001 standard for Lead Auditors.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Arif Bin Lokman	Successfully completed SA 8000 Basic training.	Yes
	Navin Baskram	Pending completion of SA 8000 training.	Yes
Environmental and ecological auditing or experience with organic agriculture. or	Arif Bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 LA course.	Yes
	Navin Baskram	Successfully completed ISO 14001 standard for Lead Auditors.	Yes

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Requirement	Name Assessor	Qualification	Compliance
Successfully completed Environmental Management Systems ISO 14001 standard			
Completed High Conversation Value assessment	Arif Bin Lokman	Attended and completed the HCV-HCS for producers online course.	Yes
	Navin Baskram	Attended and completed the HCV-HCS for producers online course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Arif Bin Lokman	Able to communicate in both Bahasa Malaysia and English.	Yes
	Navin Baskram	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 by phone call; review of documentation;
- Review of SPOC management system;
- Reporting
- Resolution of non-conformance (NC)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

#### Surveillance 04 Audit:

Surveillance 04 audit conducted remotely on 05/04/2021 – 09/04/2021 covering 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 by phone calls;
- Virtual inspection of farm by pictorial review;
- Production records
- Review revised and updated documentation;
- Training records
- Assessment reporting

#### Remote Assessment

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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 and SPOC officers by phone call, review of documentation and data.

This remote audit is conducted in accordance to MPOCC Updated Circular (22 March 2021) 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 Zoom, 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 471 new members and 1,176 old members. The total number of smallholders for this audit are 1,648.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size  $S = 1.5\sqrt{1,648} = 60.89$  round up to the next integral 62.

As per OPMC 2 issue 2, from the sample size, the number of the new members are 62 x 75% and number of existing members are 62 x 25%.

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

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

Name	GPS Coordinates
Existing Smallholders	
Magdalene Anak Singai	3.827322 N 113.7216 E
Babu Anak Lasan	3.887419 N 113.7589 E
Malina Anak Lasan	3.828117 N 113.714231 E
Tom Anak Muk	3.830464 N 113.726783 E
Awang Pungut Bin Awang Karim	3.804556 N 113.651778 E
Hj. Anchi @ Sanchi Bin Kahar	3.974056 N 113.761750 E
Samat Bin Kamin	3.981967 N 113.757022 E
Rostam Bin Maidin	3.961589 N 113.734842 E

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Name	GPS Coordinates
Sisah Binti Puasa	4.023719 N 113.845614 E
Sumob Anak Ledam	3.903933 N 113.791050 E
Jalil Bin Karim @ Zalil Bin Karim	4.019517 N 113.859392 E
Felicia Lo'ong John	3.933686 N 113.758492 E
Liman Bin Bab	4.001992 N 113.837347 E
Hajjah Binti Yoyo	4.059678 N 113.803292 E
Kassim Bin Sahak	4.005619 N 113.855708 E
Eddie Bin Usin	3.936903 N 113.751064 E
New Smallholders	
Unjan Anak Uban	Not available
Rozalla Anak David Labet	Not available
Ani Anak Belingan	Not available
Zaidi Bin Abdul Kadir	Not available
Stetupa Anak Anggat	Not available
Robert Anak Letan	Not available
Audray Binti Muslim	Not available
Salmah Binti Bali	Not available
Martin Anak Saoh	Not available
Supi Bin Singan	Not available
Norsiah Binti Bugal	Not available
Kamsani Bin Kassim	Not available

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Name	GPS Coordinates
Nuriani Binti Adul	Not available
Dayang Fatimah Binti Awang Putra	Not available
Awang Hamid Bin Pengiran Johari	Not available
Mohamad Bin Saat	Not available
Awang Shahrul Bin Awang Bakar	Not available
Rose Sawai Anak Ngealayang	Not available
Sinta Anak Lasan	Not available
Mahadir Bin Mohd Sidek	Not available
Rinta Anak Kinseng	Not available
Catherine Unping Anak Umeh	Not available
Margaret Anting Umeh	Not available
Fatimah Binti Johari	Not available
Faizal Bin Ahmad	Not available
Lani Bin Enchi	Not available
Banyeng Anak Jaya	Not available
Rasibah Binti Razali	Not available
Azis Bin Jam	Not available
Lamban Anak Tinbu	Not available
Adi Bin Ariffin	Not available
Lenny Binti Bolasan	Not available
Azliena Binti Batok	Not available
Roslan Bin Jam	Not available

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Name	GPS Coordinates
Jeffry Anak Ani	Not available
Nissye Anak Lunong	Not available
Herman Bagong Anak Gary Gerisah	Not available
Kalana Bin Jemat @ Jumat	Not available
Haidir Bin Samat	Not available
Maini Binti Nayan	Not available
Drahman Bin Mudin	Not available
Luty Binti Amin	Not available
Mohd Othman Bin Abdullah	Not available
Zainudin Bin Majid	Not available
Saruddin Bin Rosli	Not available
Suryani Binti Jaraee	Not available

### Non-conformance:

On the basis of the desk review, evidences presented during the audits 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 Q26 Sibuti 1 is a branch of MPOB located 1st Floor, Survey Lot 1838 (Sublot 2), Lot 647, 1223, 1225 Block 8, Sepupok, 98200, Niah, Sarawak 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 Sibuti district.

The smallholders in Sibuti, Sarawak as shown in the below maps.



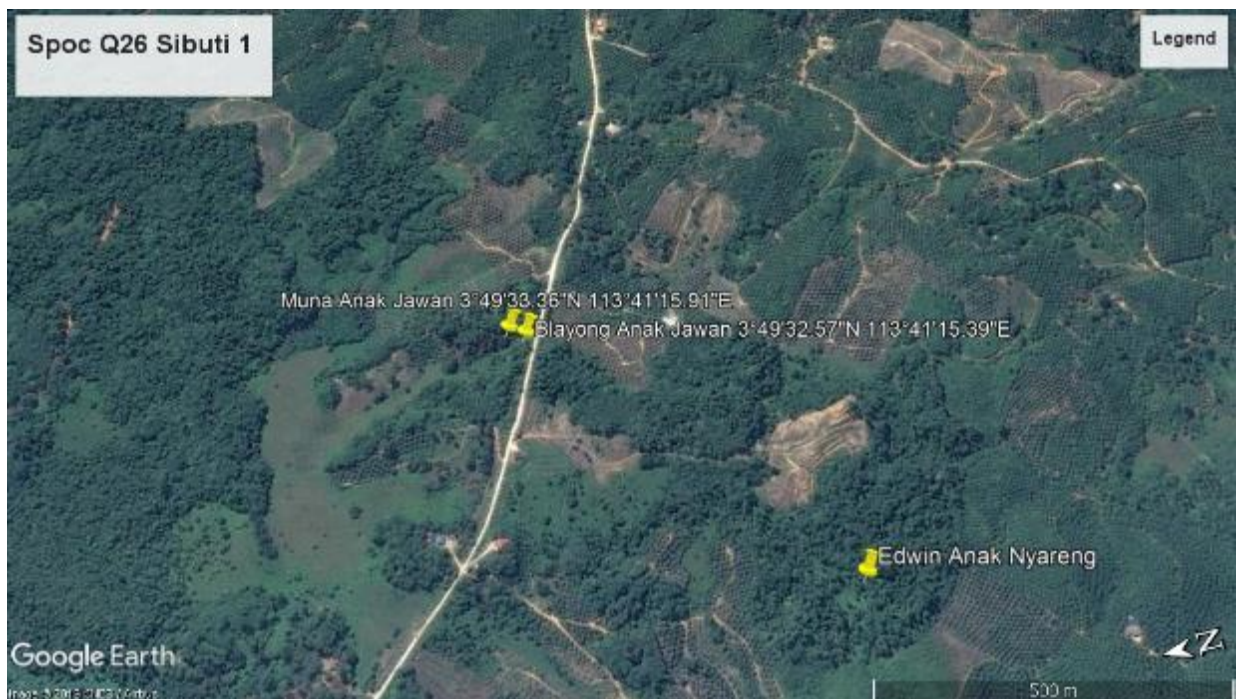
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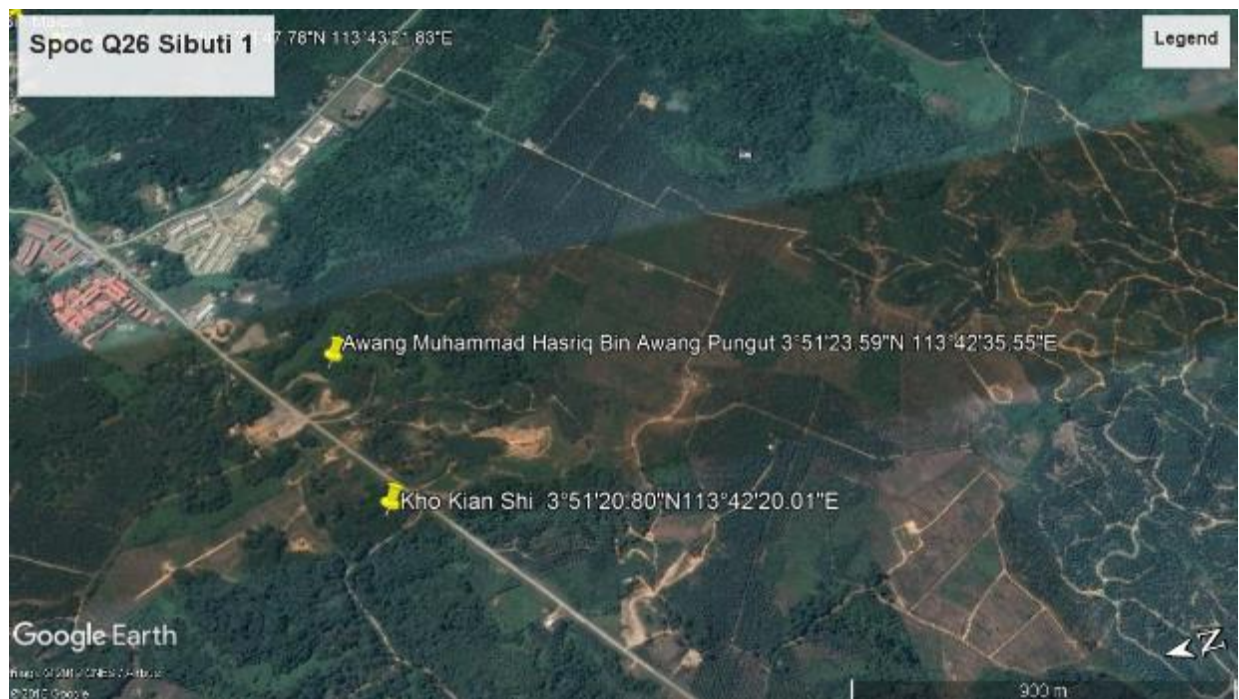
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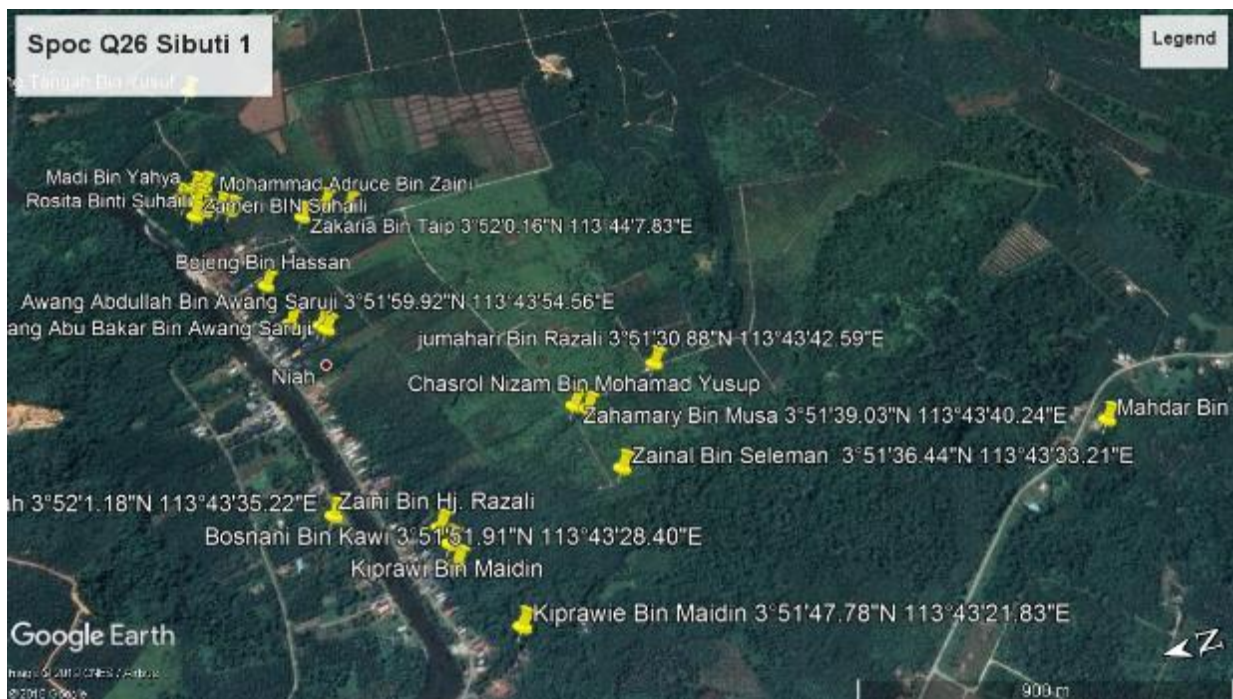
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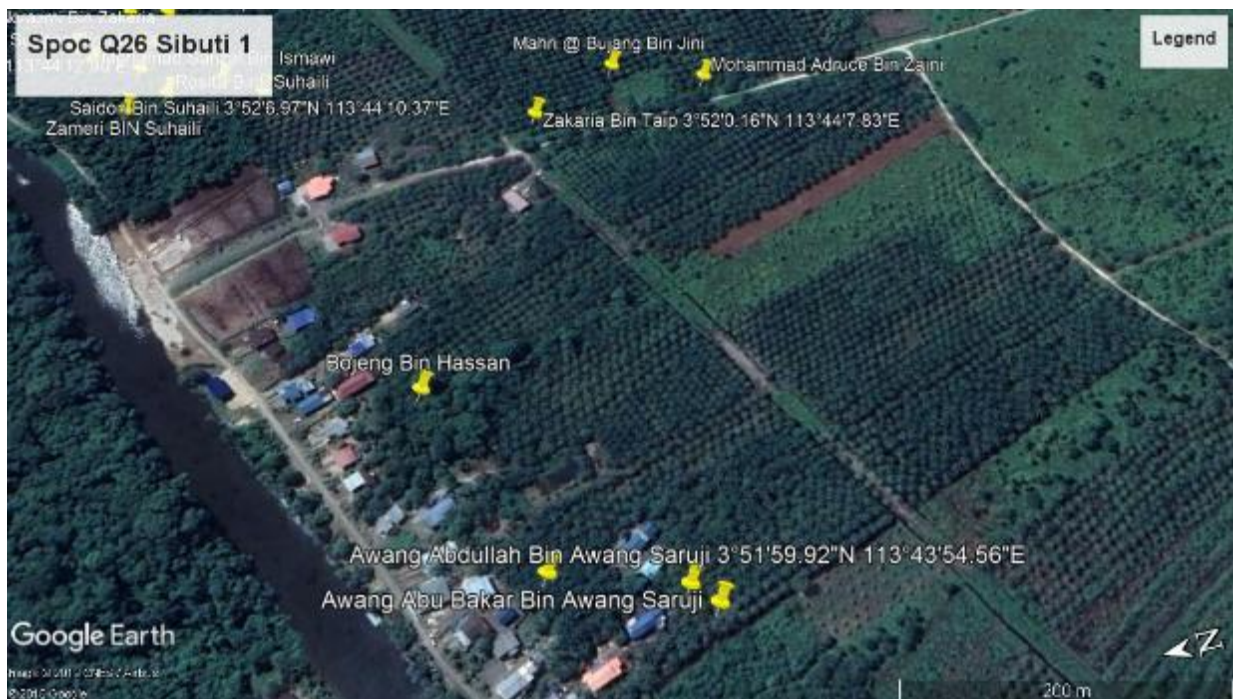
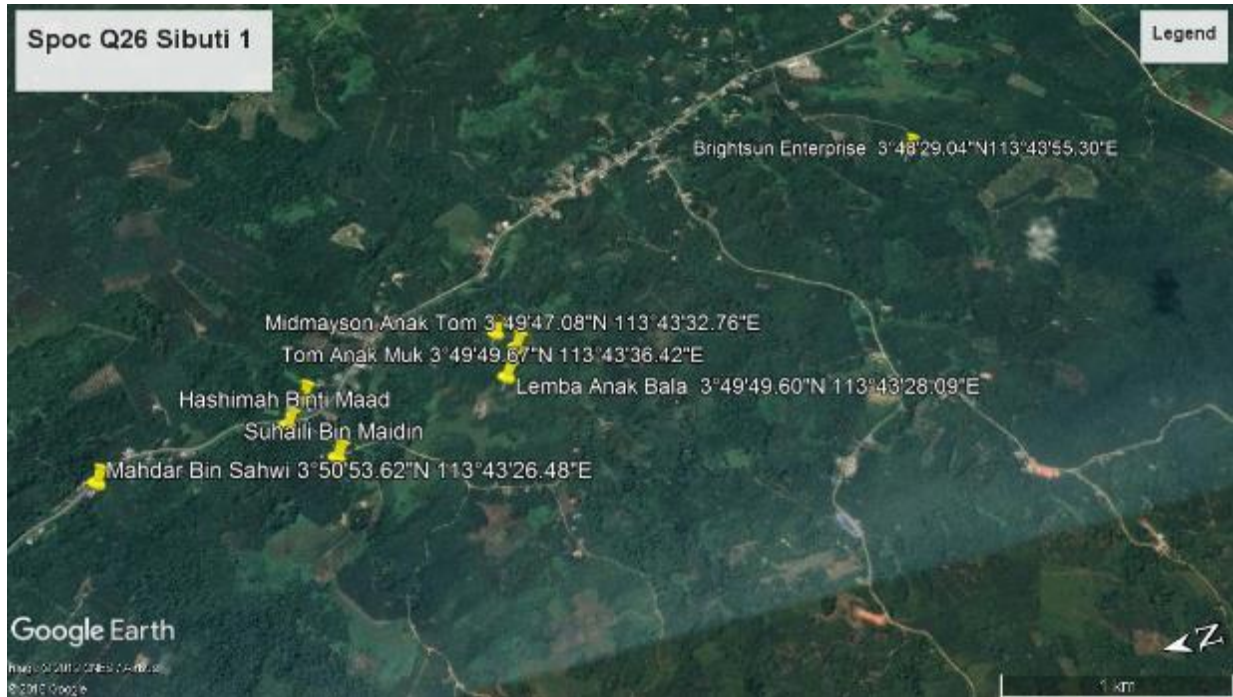
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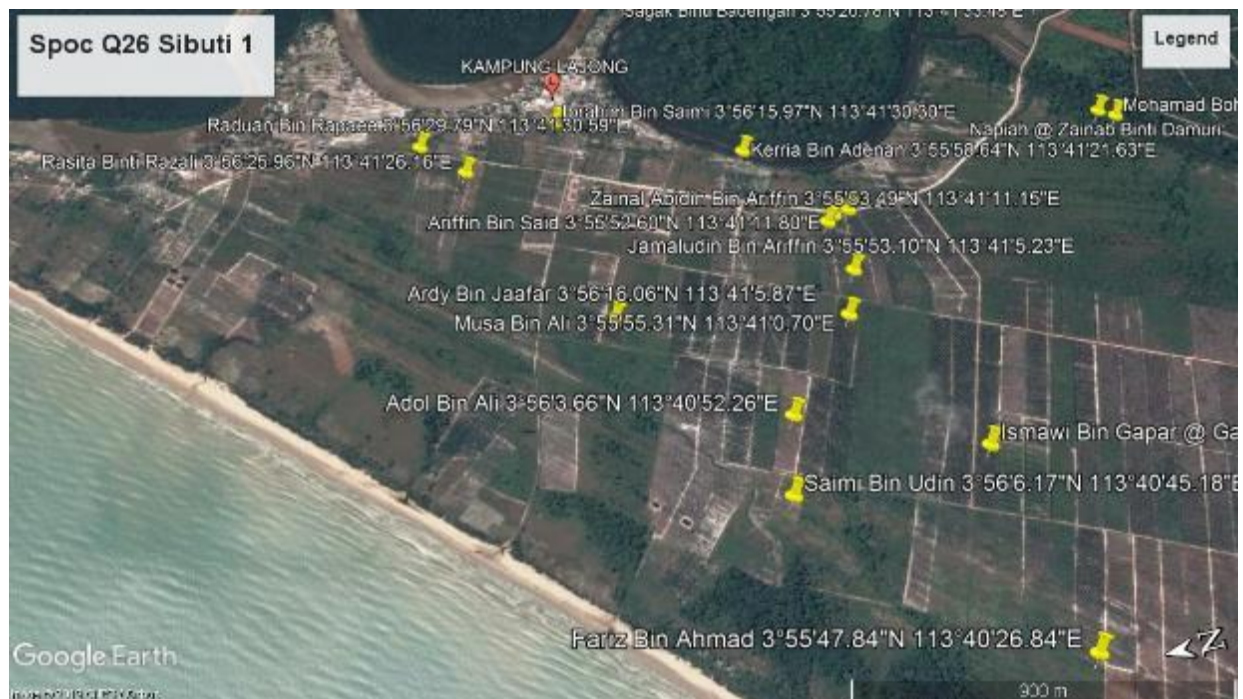
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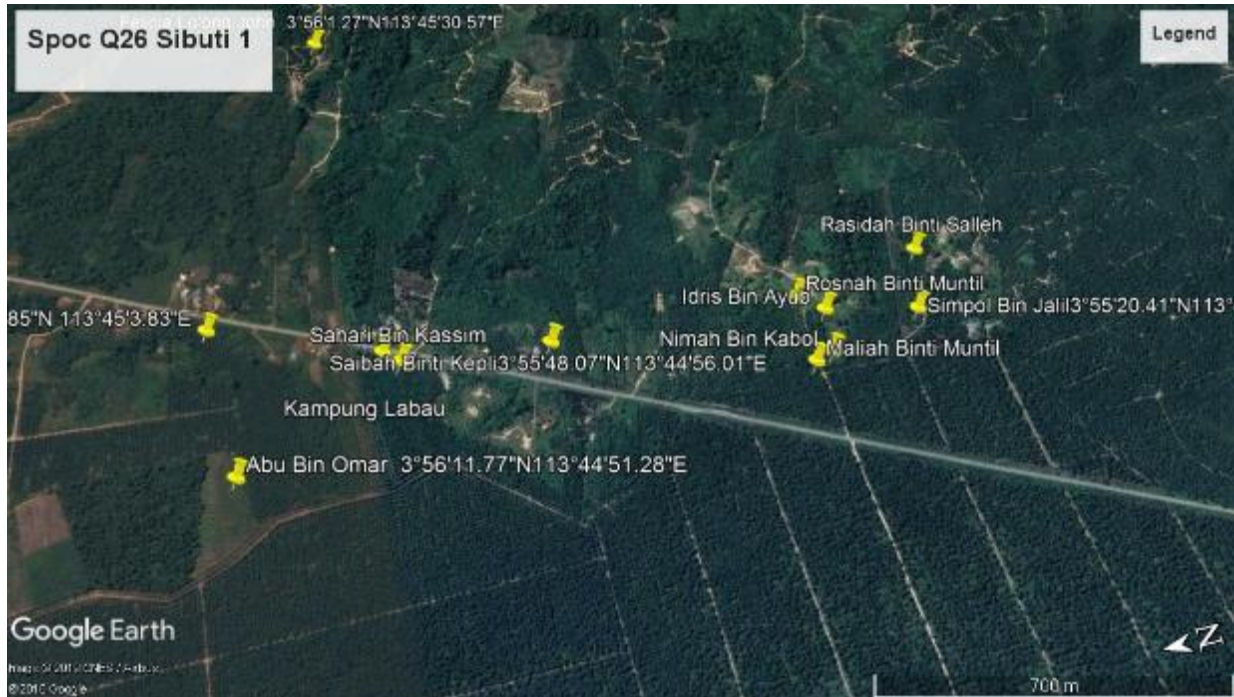
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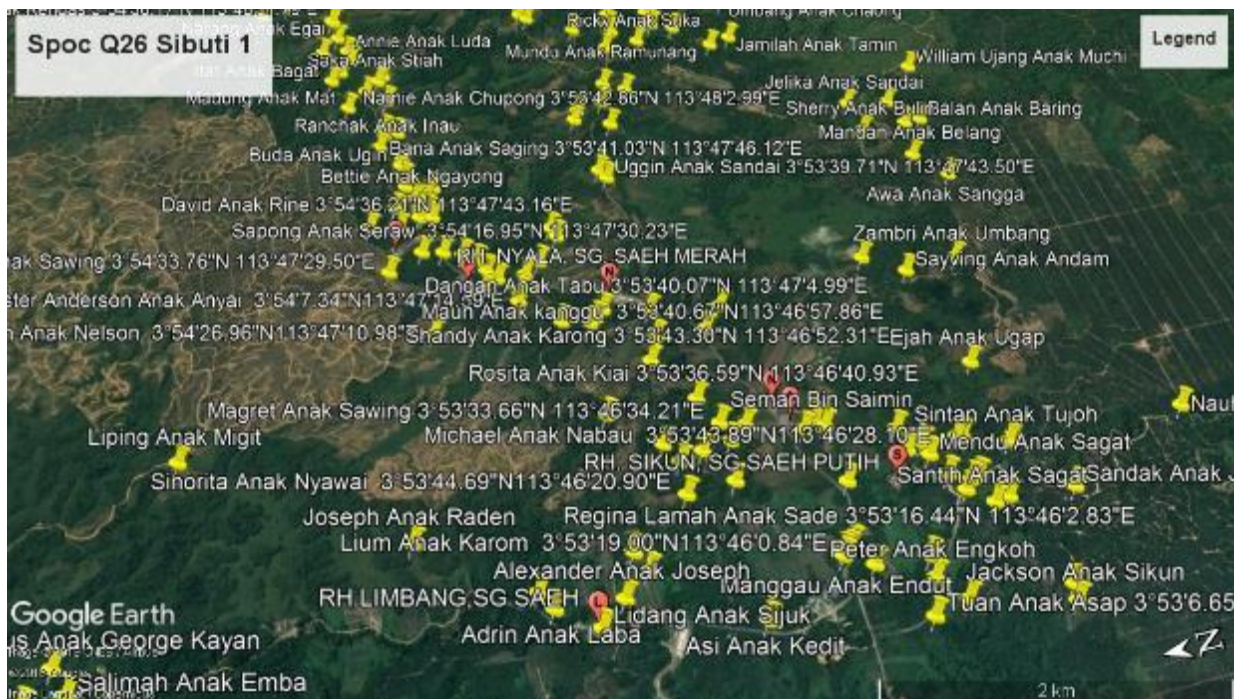
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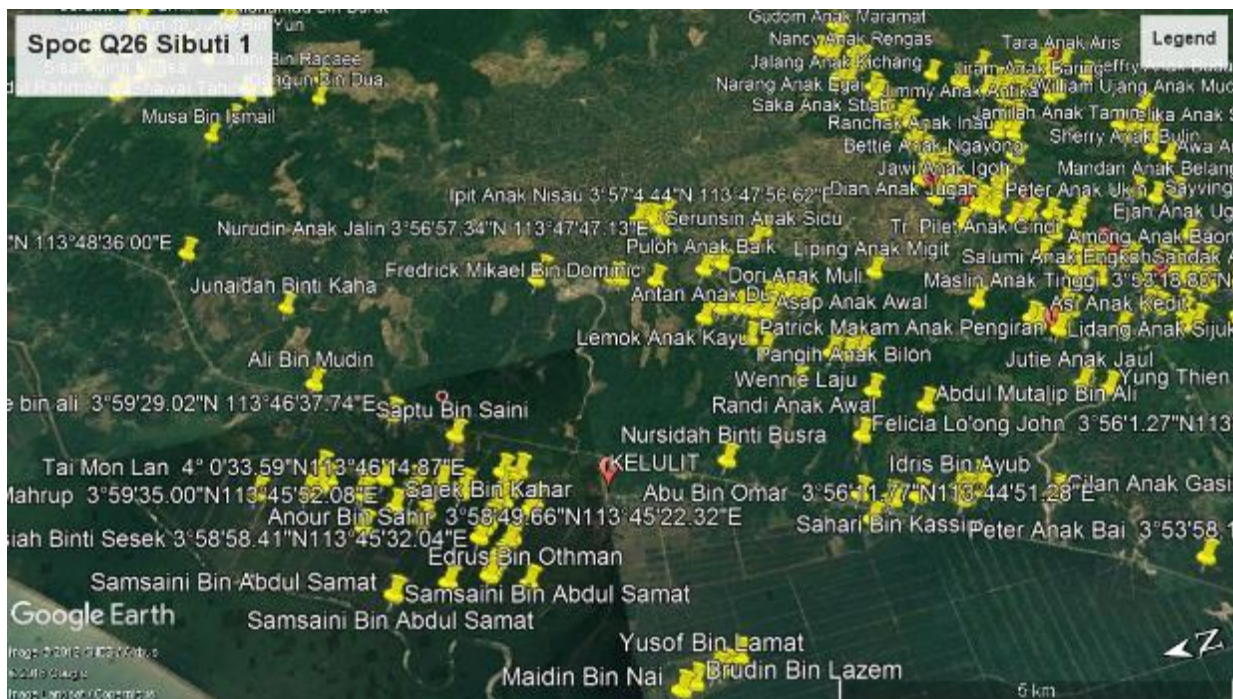
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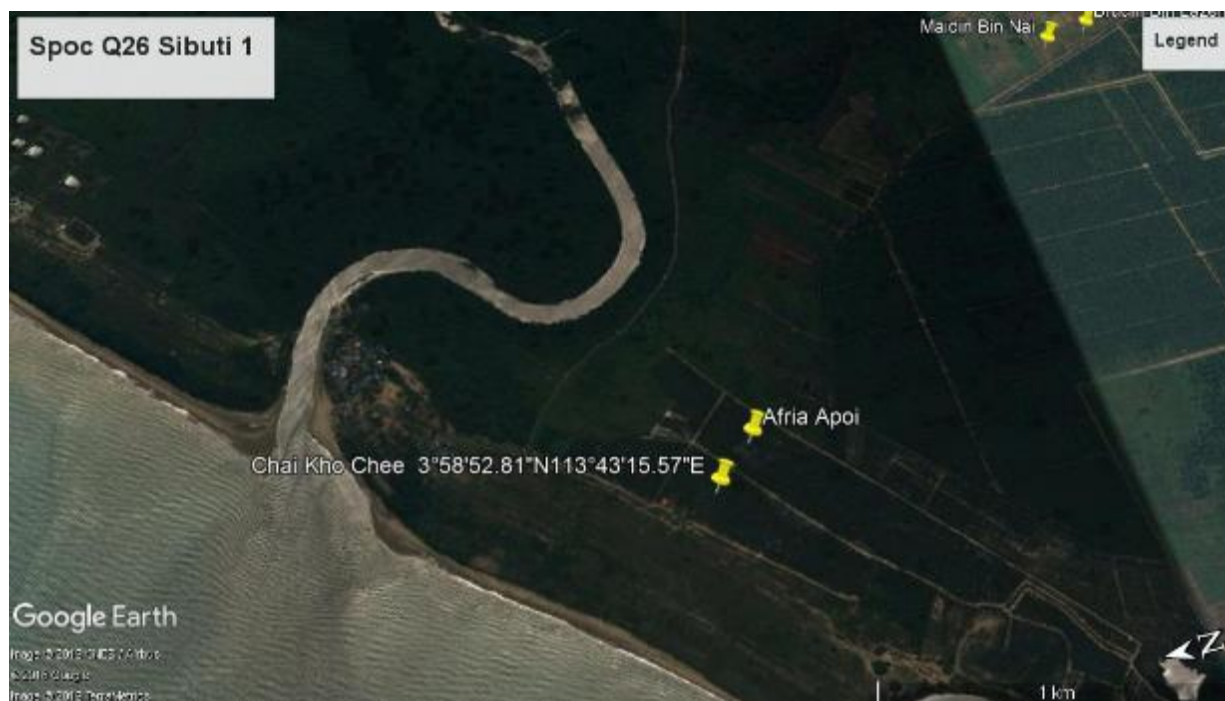
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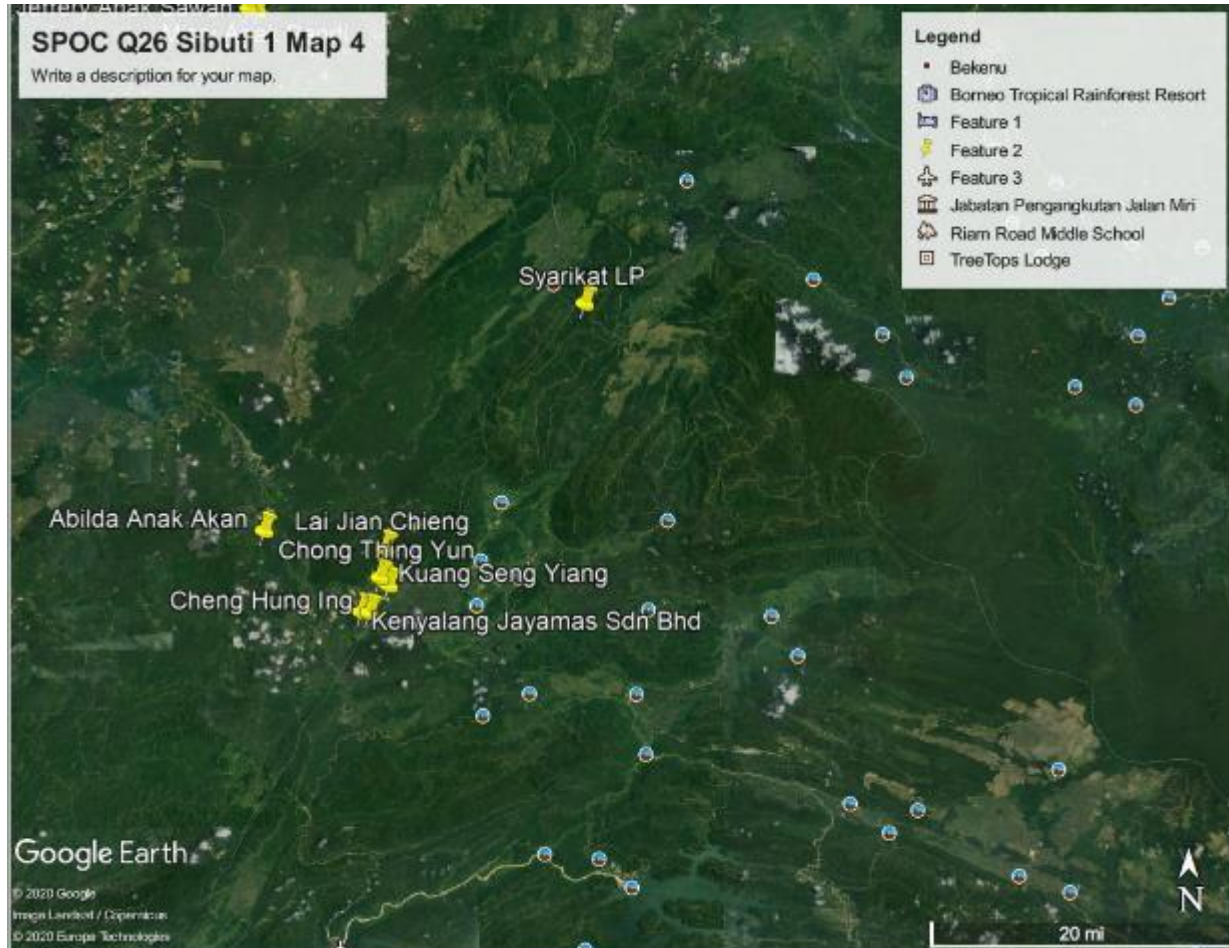
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### 4. CERTIFICATION ASSESSMENT

#### 4.1. ASA

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q26 Sibuti 01 are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

##### 4.1.1. Surveillance:

The surveillance audit is conducted on 05/04/2021 to 09/04/2021.

The number of smallholders in this surveillance audit are 1,648.

The number of smallholders 1,176 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 472.

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 audit, there is 1 Major and 2 OFI raised.

For this audit, the 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.

#### 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'

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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.

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 08/03/2021 to announce the audit of the certified unit. As at audit date on 05/04/2021 there are no comments received.

### 4.3. Summary of Assessment

#### Principle and Criteria Assessment Summary

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

Principle 1: Management Commitment & responsibility															
Indicator	Summary of Assessment		Compliance												
4.1.1.1	MPOB SPOC Q26 Sibuti 1 adopted MPOB MSPO Policy document number MSPO/SSCC/POLISI-01 revision 2 updated 01/06/2020.  Virtual inspection on photo provided confirmed, the policy is publicly available at MPOB office notice board.  Remote document review on SPOC Q26 Sibuti 1 smallholders personal file, MSPO policy is included in MSPO application form, signed and acknowledged by SPOC GM.  Phone call interview with sampled smallholders informed they aware of the MSPO policy.		Yes												
4.1.2.1	SPOC Q26 Sibuti 1 adopted MPOB list of social and environmental impact and action plan, document number MSPO/SPOC/L-04/ISP, issue no: 3, revision no: 3, effective date: 01/06/2020.  The table includes type of impact, activity, social and environmental impact and action plan. <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> Phone call interview with sampled smallholders informed they recycle and reused the empty chemical containers for chemical spraying activity.		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	SPOC Q26 Sibuti 1 distribute latest Warta Sawit "Bil. 75 (2) May – August 2020" to smallholders during LKN visit on 21/07/2020.		Yes												

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### Principle 1: Management Commitment & responsibility

Indicator	Summary of Assessment	Compliance
	Phone call Interviewed with smallholders informed they obtained new information from group manager and received the Warta Sawit when attend training.	

### Principle 2: Transparency

Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC Q26 Sibuti 1 adopted MPOB 'Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan' document number MSPO/SPOC/GP-01/PEK revision number 03, dated 01/06/2020 which include 'Carta Alir Kebolehejekan Perbelanjaan dan Pendapatan Pekebun Kecil' as a traceability procedure.</p> <p>Phone call interview with smallholders informed they kept the weighbridge ticket for traceability purposes.</p> <p>Remote document review verify, copy of weighbridge tickets are kept by smallholders.</p>	Yes
4.2.1.2	<p>SPOC Q26 Sibuti 1 Group Manager maintain records of FFB production updated as at December 2020.</p> <p>Remote document review verify, SPOC Q26 Sibuti 01 maintain records of FFB sales and weighbridge ticket in smallholders' individual file.</p> <p>Phone call interview with 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 Q26 Sibuti 1 adopted MPOB legal register document no: MSPO/SPOC/L-01/SKU, issue no.: 3, rev: 4 dated 01/06/2020.</p> <p>SPOC Q26 Sibuti 1 established list of applicable legal documents no. MSPO/SPOC/L-02/LLR, issue no.: 3, rev: 4 dated 01/06/2020.</p> <p>Example as follow:</p> <ol style="list-style-type: none"><li>1. Akta 149: Akta Racun Makhluk Perosak 1974</li><li>2. Akta 226: Akta Taman Negara 1980</li><li>3. Akta 582: Akta MPOB 1998 Peraturan – peraturan Lembaga Minyak Sawit Malaysia (Pelesenan) 2005</li><li>4. Akta 342: Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988'</li></ol> <p>Remote document review on sample smallholders verify, copy of MPOB license is maintained in the smallholder's individual file with validity until 31/01/2022.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Phone interview with sampled smallholders informed they are aware on legal requirement.	
4.3.2.1	SPOC Q26 Sibuti 1 smallholders' land titles are Native Customary Right land (NCR).  Review the 'Akuan Pengesahan Tanah NCR' form is signed by land owner and verified by 'Tuai Rumah'.  Remote document verification, there is no dispute recorded within SPOC Q26 Beluru 1 on land ownership.	Yes
4.3.3.1	SPOC Q26 Sibuti 1 smallholders' land titles are Native Customary Right land (NCR).  Document review confirmed 'Akuan Pengesahan Tanah NCR' is verified by 'Tuai Rumah'.	Yes
4.3.3.2	SPOC Q26 Sibuti 1 smallholders' land titles are NCR land verified by 'Tuai Rumah' as the rightful owner of the land.  Review the 'Akuan Pengesahan Tanah NCR' include sketch map of the field location.  Pictorial verification, boundary marker of each smallholders' field is installed and maintained.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC Q26 Sibuti 1 adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 03, revision 02 dated 01/06/2020.  The SOP describes; 1. Stated in the SOP timeline for addressing the grievance and complaint are within 14 days. 2. Group manager is in charge in handling the complaint and grievances. 3. All the grievance and complaint records are documented.  Remote document review on LKN report verified the complaint and grievances procedure has been briefed to smallholders dated 15/02/2021. Phone call interview with smallholders informed they are aware and understand the complaint and grievance procedure and process flow.	Yes
4.4.1.2	SPOC Q26 Sibuti 1 adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 03, revision 02 dated 01/06/2020.  Review the SOP stated time line to resolve disputes within 14 days.  Stated in the SOP person in charge is Group Manager. The Group Manager is assigned for:	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>1. Accepting the grievances</p> <p>2. Analyzed and investigate on issue raised</p> <p>Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.</p> <p>Phone call interview with smallholders informed they are aware on complaint and grievance process and timelines to resolve the complaints.</p>	
4.4.2.1	<p>SPOC Q26 Sibuti 1 adopt MPOB Guidelines Occupational Safety &amp; Health, document no. MSPO/SPOC/GP-02/KKP, issue: 3, revision: 0 effective date: 01/06/2020.</p> <p>SOP describes:</p> <ol style="list-style-type: none"> <li>Responsibility of GM and smallholders regarding safety and health.</li> <li>Procedure and type of PPE used for harvesting, manuring and spraying.</li> </ol> <p>Remote document review on safety and health training has been conducted on 09/09/2020.</p> <p>Phone call interview with smallholders informed they are aware importance of safety and health during working in field.</p> <p>Example:</p> <p>Wearing of PPE for chemical spraying activity: Face mask, apron, goggle, safety boot, safety helmet and rubber hand glove.</p>	Yes
4.4.3.1	<p>SPOC Q26 Sibuti 1 adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/06/2020.</p> <p>The form has includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.</p> <p>Phone call interview with smallholders informed, they working by themselves or assisted by family members in carrying out field operations.</p>	Yes
4.4.3.2	<p>SPOC Q26 Sibuti 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>SPOC Q26 Sibuti 1 adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/06/2020.</p> <p>The form describe:</p> <p>Against any form of discrimination, and implying human right in terms of opportunities, disregards of races, gender, religion, political affiliation, and nationality.</p> <p>There are no complaints related to discrimination during documents review.</p> <p>Phone call interview with 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
4.4.3.3	<p>SPOC Q26 Sibuti 1 adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/06/2020.</p> <p>The form has includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.</p> <p>Phone call interview with smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.</p>	Yes
4.4.3.4	<p>Phone call interview with SPOC Q26 Sibuti 1 sampled smallholders and photos of farm overview confirmed no on-site living quarters.</p>	Yes
4.4.3.5	<p>SPOC Q26 Sibuti 1 adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 updated 01/06/2020.</p> <p>The form describe:</p> <ul style="list-style-type: none"> <li>Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work.</li> </ul> <p>Phone call interview with smallholders informed no presence of child workers in field. Smallholders aware and understand on legal restriction on hiring under age workers.</p>	Yes
4.4.4.1	<p>SPOC Q26 Sibuti 1 establish training programme year 2021.</p> <p>The training programme include 'Taklimat MSPO, GAP and LKN visit.</p> <p>Example of training conducted:</p> <p>Title: MSPO introduction, GAP and Safety &amp; Health</p> <p>Date: 11/08/2020</p> <p>Remote document review verified the training has been conducted on 09/09/2020. Photos and attendance of training are documented and maintained.</p> <p>Phone call interview with smallholders informed they attended the MSPO training. Smallholders are able to demonstrate understanding of MSPO implementation in farms.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services									
Indicator	Summary of Assessment		Compliance						
4.5.1.1	<p>SPOC Q26 Sibuti 1 adopted MPOB List of Social and Environmental Impact and Action Plan, document number MSPO/SSCC/I-04/ISP, revision 03, issue 03 dated 01/06/2020.</p> <p>Impacts are highlighted as below:</p> <table><tr><th>Activity</th><th>Environmental Impact</th><th>Action Plan</th></tr><tr><td>Chemical and Fertilizer application</td><td>Water pollution due to chemical and fertilizer run off to nearby streams or river.</td><td>Good Agricultural Practice and visit by SPOC GM.</td></tr></table>		Activity	Environmental Impact	Action Plan	Chemical and Fertilizer application	Water pollution due to chemical and fertilizer run off to nearby streams or river.	Good Agricultural Practice and visit by SPOC GM.	Yes
Activity	Environmental Impact	Action Plan							
Chemical and Fertilizer application	Water pollution due to chemical and fertilizer run off to nearby streams or river.	Good Agricultural Practice and visit by SPOC GM.							

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Principle 5: Environment, natural resources, biodiversity and ecosystem services																			
Indicator	Summary of Assessment			Compliance															
	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.																
	<p>Phone interview with sampled smallholders informed that they are aware of environmental impacts on their activities and have been briefed regarding the matter by the SPOC management during “Lawatan Khidmat Nasihat” carried out on 22/02/2020 and 21/07/2020.</p> <p>“Lawatan Khidmat Nasihat” year 2021 for smallholders are scheduled to take place from April 2021 mainly due to the Covid-19 movement restrictions that has been implemented by the Sarawak state government.</p>																		
4.5.2.1	Pictorial evidences verified and phone interviews with SPOC Sibuti 1 sampled smallholders have informed that there are no renewable energy used.			Yes															
4.5.3.1	<p>SPOC Q26 Sibuti 1 adopted MPOB SOP on handling of empty chemical containers, 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><tr><th>Agricultural input</th><th>Waste produced</th><th>Impact</th></tr><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 rinse.</td><td>1. Breeding ground for mosquitoes; 2. Polluting water sources.</td></tr></table> <p>From non-agricultural input:</p> <table><tr><th>Non-Agricultural equipment</th><th>Waste produced</th><th>Impact</th></tr><tr><td>PPE</td><td>1. Irresponsible disposal of PPE.</td><td>Environmental pollution.</td></tr></table>			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 rinse.	1. Breeding ground for mosquitoes; 2. Polluting water sources.	Non-Agricultural equipment	Waste produced	Impact	PPE	1. Irresponsible disposal of PPE.	Environmental pollution.	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 rinse.	1. Breeding ground for mosquitoes; 2. Polluting water sources.																	
Non-Agricultural equipment	Waste produced	Impact																	
PPE	1. Irresponsible disposal of PPE.	Environmental pollution.																	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Indicator	Summary of Assessment			Compliance
	Domestic waste from neighbouring village or housing area	1. Irresponsible disposal of wastes; 2. Unsegregated wastes.	1. Water pollution; 2. Mosquitoes breeding ground.	
	<p>Phone Interview with GM SPOC Q26 Sibuti 1 informed, the list of wastes is briefed during the LKN visit and "Taklimat MSPO" on 22/02/2020 and 21/07/2020.</p> <p>Phone interviews with SPOC Sibuti 1 sampled smallholders informed that type of wastes generated in smallholders' farms are mainly empty chemical containers and fertilizer bags.</p> <p>Phone interviews with SPOC Sibuti 1 sampled smallholders informed 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.</p>			
4.5.3.2	<p>SPOC Q26 Sibuti 1 adopted MPOB Guideline on "Pengendalian dan Perlupusan Bahan Kimia", document number: MSPO /SSCC/SOP-03/BT, revision 01, issue 03 dated 01/06/2020.</p> <p>Phone interviews with sampled smallholders demonstrate understanding on waste management such as empty pesticide containers and plastic from 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>Empty fertilizer bags are used for loose fruit collections.</p> <p>Reviewed and verified pictorial evidences from sampled smallholders field lots and there are no evidence of scattered empty chemical containers or fertilizer bags.</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> <p><b>Major Non-Conformity 01:</b></p> <p>Review of pictorial evidence found empty lubricant containers scattered at smallholders (MPOB licence no 582026201000 and 540489701000) farms.</p>			No
4.5.4.1	<p>SPOC Q26 Sibuti 1 adopt MPOB Guidelines "Garis Panduan Zon Penanaman Sungai", document number: MSPO/SSCC/GP-03/ZPS, issue 03 dated 01/06/2020.</p> <p>The SOP describes:</p> <ol style="list-style-type: none"> <li>Guideline on buffer zone length;</li> <li>Non-permitted activities such as chemical spraying and manuring;</li> </ol>			Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>3. Flow chart on buffer zone establishment.</p> <p>Briefing on environmental awareness conducted on 22/02/2020 and 21/07/2020 during "Lawatan Khidmat Nasihat" carried out by the Sibuti 1 SPOC GM.</p> <p>Phone interview with sampled smallholders informed they maintain the water quality and its importance.</p> <p>Example:</p> <p>No spraying at edge of drains and streams.</p>	
4.5.4.2	<p>Pictorial evidence reviewed and verified shows SPOC Sibuti 1 sampled smallholders farms with field drains constructed for water harvesting.</p> <p>Besides, rainwater is also harvested using cleaned drums to assist in spraying activities.</p> <p>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 Q26 Sibuti 1 conducted "Lawatan Khidmat Nasihat" MSPO dated 22/02/2020 and 21/07/2020.</p> <p>The programme include briefing of Rare, Threaten and Endangered Species. SPOC Q 26 Sibuti 1 group Manger has provided SPOC members with list of totally protected plants and wildlife, by Sarawak Forestry Corporation.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Pangolin;</li> <li>2. Squirrel;</li> <li>3. Porcupine.</li> </ol> <p>Pictorial evidence of no hunting activities displayed at sampled smallholders farms to create awareness.</p> <p>Smallholders interviewed via phone are aware of protected wildlife where hunting of wildlife is prohibited.</p>	Yes
4.5.6.1	<p>SPOC Q26 Sibuti 1 adopted MPOB Guidelines "Garis Panduan Amalan Pembakaran Sifar" document number: MSPO/SPOC/GP-04/APS, revision 01, issue 03 dated 01/06/2020.</p> <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>SPOC Q26 Sibuti 1 conducted "Lawatan Khidmat Nasihat" MSPO dated 22/02/2020 and 21/07/2020.</p> <p>The training program include information and awareness on zero burning.</p> <p>Reviewed and verified pictorial evidences of sampled smallholders farms and there we no signs of burning activities. Signage's of zero burning is also available at smallholders' farms.</p>	Yes

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### Principle 5: Environment, natural resources, biodiversity and ecosystem services

Indicator	Summary of Assessment	Compliance
	Phone interview with sampled smallholders informed their understanding and awareness on zero burning practices at their farms.	

### Principle 6: Best Practices

Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC Q26 Sibuti 1 adopted MPOB Guideline, “Garis Panduan Pelan Daya Ekonomi dan Kewangan”, document number: MSPO/SPOC/GP-01/PEK, issue 3, no. revised. 03 dated 01/06/2020.</p> <p>The procedure describes:</p> <ol style="list-style-type: none"> <li>1. Good agricultural practice starting from land preparation until harvesting.</li> <li>2. Dosage of fertilizer and chemical application on field.</li> <li>3. Calculation on smallholders yield, RM/hectare/year.</li> </ol> <p>SPOC Q26 Sibuti 1 conducted “Lawatan Khidmat Nasihat” MSPO dated 22/02/2020 &amp; 21/07/2020.</p> <p>Reviewed and verified pictorial evidence of smallholders farms and best practices are implement at smallholders’ farms.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Fertilizer is applied on fronds stacking to retain moisture;</li> <li>2. Good palm canopy and clean palm circle;</li> <li>3. No over pruning of palms.</li> </ol>	Yes
4.6.1.2	<p>SPOC Q26 Sibuti 1 established field references at smallholders’ farms.</p> <p>Information in the field identification include:</p> <ul style="list-style-type: none"> <li>• Name of smallholder;</li> <li>• Lot No;</li> <li>• Hectare;</li> <li>• GPS Coordinates;</li> <li>• Year of Planting.</li> </ul> <p>Pictorial evidence of visual identification or reference system for each sampled smallholders has been reviewed and verified.</p>	Yes
4.6.2.1	<p>SPOC Q26 Sibuti 1 adopted MPOB guideline, “Garis Panduan Pelan Daya Ekonomi dan Kewangan”, document number: MSPO/SPOC/GP-01/PEK, issue 3, no. revised. 03 dated 01/06/2020.</p> <p>All other operations budget and cost are under control of MPOB HQ.</p> <p>MPOB HQ has allocated budget combine with SPOC Q27 Sibuti 1 covering all cost such as documentation and training for smallholders,</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	MSPO audit fees, PPE, chemical storage shelves and signage's at smallholders' farms.	
4.6.3.1	<p>SPOC Q26 Sibuti 1 monitors FFB pricing on monthly basis through input from mills / ramps or dealers for fair price.</p> <p>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.</p> <p>Reviewed and verified evidence of records of FFB sales with FFB pricing and earnings in the Buku Rekod Ladang.</p>	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>Remote document review on list of smallholders and planting statements no new planting in SPOC Q26 Sibuti 1.</p> <p>The first planting is in year 1989 and the latest new planting is in year 2019.</p> <p>There are no new plantings for existing and new members in year 2020.</p> <p>Thus, there is no assessment on high biodiversity area.</p>	Yes
4.7.2.1	<p>Remote document review on list of smallholders and planting statements no new planting in SPOC Q26 Sibuti 1.</p> <p>The first planting is in year 1989 and the latest new planting is in year 2019.</p> <p>There are no new plantings for existing and new members in year 2020.</p> <p>Therefore, no soil survey or topography is required.</p>	Yes
4.7.3.1	<p>Remote document review on list of smallholders and planting statements no new planting in SPOC Q26 Sibuti 1.</p> <p>The first planting is in year 1989 and the latest new planting is in year 2019.</p> <p>There are no new plantings for existing and new members in year 2020.</p> <p>Therefore, no data for type of terrain available.</p>	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.
X	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.

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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
	1	MINOR Non-Conformities

Non Conformity Number < 01 >			
<b>Indicator # and Description</b>	4.4.4.1 Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management. (MINOR)		
<b>Location:</b>	SPOC Q26 Sibuti 1		
<b>Description of Finding / Objective Evidence:</b>			
SPOC Q26 Sibuti 1 conducted training to old smallholders in year 2019. However, there are no training conducted to new smallholders in year 2020 to seek knowledge in oil palm management.			
<b>Classification</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor		
<b>Raise by:</b>	Muhammad Khairul Anuar bin Azizul Hasan	<b>Date Raise:</b>	10/09/2020
<b>Deadline for implementation</b>		09/10/2020	
<b>Root Cause Analysis (by company):</b>			
Lack of time due to MCO implemented from March 2020 to July 2020			
<b>Correction (by company):</b>			
Training are conducted on 21/09/2020 to 23/09/2020 at 5 "Rumah Panjang" and will continuously to cover all smallholders.			
<b>Corrective / Preventive Action (by company)</b>			
Training programme and CIP established to monitor the implementation.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
SPOC Q26 Sibuti 1 established training programme and CIP year 2020 for consistently implemented.			
SPOC Q26 Sibuti 1 has conducted MSPO group training to new smallholders at selected "Rumah Panjang" to seek knowledge on oil palm management. The training discuss on oil palm management, environment and safety & health. Attendance and photos of training conducted is recorded and maintain.			
Example:			
Training conducted at Rumah Panjang on 21/09/2020, 22/09/2020 and 23/09/2020			
The implementation could be consider as appropriate and will be verify on next surveillance audit.			
<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	

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Non Conformity Number < 01 >	
<b>Name of Auditor:</b> Muhammad Khairul Anuar bin Azizul Hasan	<b>Date of Closure:</b> 30/09/2020
<b>Review of Implementation</b>	
Interview with SPOC Q26 Sibuti 01 sample smallholders by phone call informed they are aware and understand the oil palm management. Reviewed the training plan 2021 dated 02/01/2021, the next training will be conducted on May 2021 Thus, based on evidence provided, the implementation is consider appropriate.	
<b>Name of Lead Auditor:</b> Mohamad Norhisham Bin Mohd Salleh	<b>Date of Review:</b> 05/04/2021

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

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

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

Non Conformity Number < 01 >	
<b>Indicator # and Description</b>	4.5.3.2 Independent smallholders shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers.
<b>Location:</b>	SPOC Q26 Sibuti 1
<b>Description of Finding / Objective Evidence:</b>	
Review of pictorial evidences found empty lubricant containers are scattered at smallholders (MPOB licence no 582026201000 and 540489701000) farms.	
<b>Classification</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
<b>Raise by:</b>	Navin Baskram
<b>Date Raise:</b>	09/04/2021
<b>Deadline for implementation</b>	Within 60 days from date of closing meeting.
<b>Root Cause Analysis (by company):</b>	
During the auditing process there was one of the pictures sent by the participants (old sample) found that the waste material was not managed properly. The knowledge of smallholders on scheduled waste management is still at low level.	
<b>Correction (by company):</b>	
Discussion with En. Leom Ak Ratom to conduct short term courses with DOE Agencies and smallholders.	
<b>Corrective / Preventive Action (by company)</b>	

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Non Conformity Number < 01 >	
<p>Select the smallholder area that can be entered during the Corvid -19 pandemic as the Subis Zone is still gazetted as the Red Zone. This is because the village and longhouse areas impose an entry ban for outsiders. The planned annual training programme of 2021 will be continued after spread of Covid-10 is controlled/ PKP is cancelled.</p>	
Review of Correction & Corrective / Preventive Action	
<p>Action plan to carry out short term courses with DOE Agencies and smallholders has been submitted and reviewed.</p> <p>The plan is deemed sufficient to address the problem considering that the state of Sarawak is currently being put under movement restriction order due to the Covid-19 pandemic outbreak.</p> <p>The non-conformity is closed considering the current situation and action plans submitted by the SPOC group manager. Implementation will be further verified during the next surveillance audit.</p>	
Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Navin Baskram	Date of Closure: 16/04/2021
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	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 the Kod Amalan Baik (GAP) Pekebun Kecil.	SPOC Q26 Sibuti 1 Office	SPOC Q26 Sibuti 1 could improve "Lawatan Khidmat Nasihat" for new smallholders.
2.	4.6.1.2	A visual identification or reference system shall be established for each field or block of oil palm planting.	Smallholders farms.	SPOC Q26 Sibuti 1 could improve visual identification or reference system at new smallholder farms.

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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 Q26 Sibuti 01 consisting of 1,648 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There is one Major NC raised in this audit and closed out successfully.

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:	1,648	
Total certified acreage of smallholders:	11,441.65	Ha
Certified FFBs output January to December 2020:	141,166.02	Mt
Certified FFBs output January to February 2021:	27,016.33	Mt
Projected FFBs output March to December 2021:	146,083.00	Mt

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

Puchong, 30/04/2021

Mohamad Norrisham Bin Mohd Salleh  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 30/04/2021

Cheong Chun Yuen (Robert)  
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 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