

MSPO CERTIFICATION SUMMARY REPORT

MPOB – SPOC Q26 SIBUTI 1

RECERTIFICATION

Onsite Audit Date: 25/04/2022 – 29/04/2022

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MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC Q26 Sibuti 1
Client Number: 92-100
Audit Type: Recertification
Mode of Audit: Onsite



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ABBREVIATIONS

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

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1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct recertification audit for SPOC Q26 Sibuti 1 according to MS 2530-2:2013 Part 2 General Principles for Independent Smallholders.

1.1. Objective

The objective of this audit is to assess the MPOB Cawangan SPOC 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: Joseph Sim Siaw Seng

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 Diploma in Occupational Safety and Health.

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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)	4 years of working experiences in Health and Safety and 3 years of working experiences in 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 auditor for MSPO scheme.
Field working experience in the palm oil sector, or demonstrable equivalent	4 years of working experiences in Health and Safety and 3 years of working experiences in plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Qualified and appointed as auditor for MSPO scheme.
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.

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Requirement	Qualifications
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producers online course.
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia, Mandarin 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	Sheron Pui Ling Wui	Bachelor in Medical Science	Yes
	Chan Shi Lie	Graduate in Bachelor of Media Technology (Major in Broadcasting)	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)	Sheron Pui Ling Wui	3 years working experience in QA, QMS and internal audit, and 3.5 years working experience in MSPO audit.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Sheron Pui Ling Wui	Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Chan Shi Lie		
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.	Sheron Pui Ling Wui	Qualified as Auditor for MSPO scheme	Yes
	Chan Shi Lie		

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Requirement	Name Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Sheron Pui Ling Wui	3 years working experience in QA, QMS and internal audit, and 3.5 years working experience in MSPO audit.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Sheron Pui Ling Wui	3 years working experience in QA, QMS and internal audit, and 3.5 years working experience in MSPO audit.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Sheron Pui Ling Wui	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.	Yes
	Chan Shi Lie		
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Sheron Pui Ling Wui	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.	Yes
	Chan Shi Lie		
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Sheron Pui Ling Wui	Successfully completed Basic SA 8000 training.	Yes
	Chan Shi Lie		
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Sheron Pui Ling Wui	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.	Yes
	Chan Shi Lie		
Completed High Conversation Value assessment	Sheron Pui Ling Wui	Attended and completed the HCV-	Yes

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Requirement	Name Assessor	Qualification	Compliance
	Chan Shi Lie	HCS for producer online course.	
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Sheron Pui Ling Wui	Able to communicate in Mandarin, Bahasa Malaysia and English.	Yes
	Chan Shi Lie		

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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.

Recertification Audit:

The recertification audit conducted onsite on 25/04/2022 – 29/04/2022 covering the following activities but not limited to below:

Onsite:

- Onsite visit, observations and inspections of farms management and activities;
- Interview smallholders;
- Reviewed revised and updated documentation established and implemented;
- FFB production records;
- Training records;
- Land titles and land application approvals;
- Review and closed out of observations raised during stage 1 or stage 2 or SA audit;
- Assessment reporting.

Onsite

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

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

In accordance to MPOCC Guidance on Remote Audits due to Covid-19 Pandemic Restrictions Version 4.0 dated 26/10/2021 with reference to the latest announcement by the Government on the interstate travel approval for fully vaccinated individual “Pergerakan rentas negeri – dibenarkan bagi yang lengkap vaksin” on the 11th October 2021, the Accredited Certification Bodies (ACBs) and Certification Bodies (CBs) shall in their best position strive to ensure that an on-site audit by the Audit Team be conducted.

All ACBs and CBs are to adhere to the National Security Council (NSC) announcement of the National Recovery Plan (NRP) and the Enhanced Movement Control Order (EMCO) by referring to their official website at: <https://www.mkn.gov.my/web/ms/covid-19/>.

NRP (PHASE 1 – PHASE 4)

All MSPO 2530 Series & Supply Chain on-site MSPO audits are allowed on all the NRP Phases, with the following conditions: -

- a. 50% capacity meeting room space and following strict SOPs.
- b. For Peninsular - Crossing-state borders and districts must adhere to the conditions and SOPs set by the NSC.
- c. For the States of Sabah & Sarawak, the Crossing-state borders are only allowed from 1st November 2021 onwards and must adhere to the conditions and SOPs set by the respective state NSC guidelines.

EMCO

- a. All MSPO 2530 Series & Supply Chain on-site audits are not allowed. The ACBs & CBs must conduct audit remotely.

The remote audit shall be guided by ICT Tools as per IAF MD4:2018 and ISO 9001 Auditing Practices Group on Remote Audits 2020.

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

The group of smallholders consists of 59 new members and 1,648 old members. The total number of smallholders for this audit are 1,707.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size $S = 1.5\sqrt{1,707} = 61.97$ round up to the next integral of 62.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $62 \times 75\% = 47$ and number of existing members are $62 \times 25\% = 16$.

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

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Table 2-1: List of Sample Smallholders

Name	GPS Coordinates
Existing members	
Aron Anak Libang	3.804651°, 113.707207°
Jana Anak Ajai	3.818300°, 113.706722°
Azahari Bin Din	3.841468°, 113.744769°
Sura Anak Apok	3.831192°, 113.715712°
Zainudin Bin Majid	3.951515°, 113.762397°
Sahie Bin Ahat	4.003611°, 113.775278°
Majid Bin Liman	4.113681°, 113.826437°
Mariani Binti Ami	4.108971°, 113.828114°
Ami Bin Jumat	4.106892°, 113.826170°
Azizah Binti Tahar	4.119627°, 113.822775°
Sidi Bin Drahim	4.005278°, 113.835278°
Said Bin Salleh	3.953097°, 113.755812°
Alo Anak Buda	3.889701°, 113.809109°
Vincent Kuh Anak Pit	3.894497°, 113.786389°
Pa'ee Bin Bol	3.984772°, 113.774631°
Nawan Deng	3.958778°, 113.783222°

Name	GPS Coordinates
New members	
Pandong Anak Anggas	3.815714°, 113.706244°
Liman Anak Sigoh	3.799664°, 113.705299°

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Name	GPS Coordinates
New members	
Mathew Ela Anak Kabeng	3.798611°, 113.704444°
Maria Anak Sipang	3.802271°, 113.703064°
Kunong Anak Juntan	3.793528°, 113.703395°
Tunggiti Anak Sipang	3.802192°, 113.703102°
Awangku Khiruddin Bin Awang Ibrahim	3.85231°, 113.69571°
Banggi Anak Baau	3.810361°, 113.683422°
Rani Anak Baau	3.810394°, 113.682419°
Suel Anak Baau	3.763814°, 113.540214°
Jaba Anak Mat	3.807101°, 113.682431°
Sumentha Bandong Anak Gura	3.807603°, 113.678734°
Hasnah Binti Mahidin / Emery Reynard Anak Kemerau / Saloma Abdullah	3.824661°, 113.718123°
Sugu Anak Undu	3.776720°, 113.715925°
Semunjang Anak Sirit	3.793525°, 113.736725°
Didah Anak Siang	3.774444°, 113.659925°
Yong Kiam Jing	3.842027°, 113.720024°
Phang Sin Joon	3.841664°, 113.720589°
Walter Suring Anak Mawat	3.806483°, 113.730547°
Dayang Sulong Faridah Binti Abg Indah	3.917259°, 113.665192°
Suhaili Bin Jaker	4.017389°, 113.844667°
Philip Anak Atun / Rosita Anak Jonathan	3.821631°, 113.709167°
Jicky Chaong Anak Suring	3.793457°, 113.734515°

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Name	GPS Coordinates
New members	
Jeffery Merayang Anak Bulin	3.671738°, 113.787322°
Jimmy Anak Dinsin	3.867205°, 113.794768°
Ajau Anak Jelani	3.777394°, 113.747517°
Teck Hing Plantation Sdn Bhd	4.169167°, 113.869167°
MJM Estate Sdn Bhd	3.968599°, 113.770841°
Suhanna Anak Narang	3.884086°, 113.784903°
Tawa Anak Amit	4.011174°, 113.829325°
Nur Nazri Shahwazi Siri	4.071141°, 113.907581°
Mahidi Bin Bab	4.005250°, 113.835446°
Masri Bin Kamin	3.594673°, 113.475299°
Salina Binti Kamis	4.113818°, 113.868594°
Serbillah Binti Dahlan	3.993930°, 113.782660°
Enchol Anak Uka	3.90428°, 113.743558°
Norhaslin Abdullah @ Katelin Anak Jimbat	3.892806°, 113.755889°
Siti Anak Liau	3.899252°, 113.789001°
Nomie Anak Epat	3.894126°, 113.790222°
Agnes Anak Sadong	3.92657°, 113.77040°
Zairie Bin Isa	4.003583°, 113.765758°
Winnie Anak Tigong	3.955381°, 113.762764°
Sibani Binti Mudin	3.998456°, 113.769472°
Norhayati Binti Abdullah	3.99795°, 113.76696°

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Name	GPS Coordinates
New members	
Malaysia Anak Nyuin	3.921052°, 113.828005°
Ding Wan Ngau	3.996925°, 113.768933°
Ali Bin Mat	3.914615°, 113.753038°

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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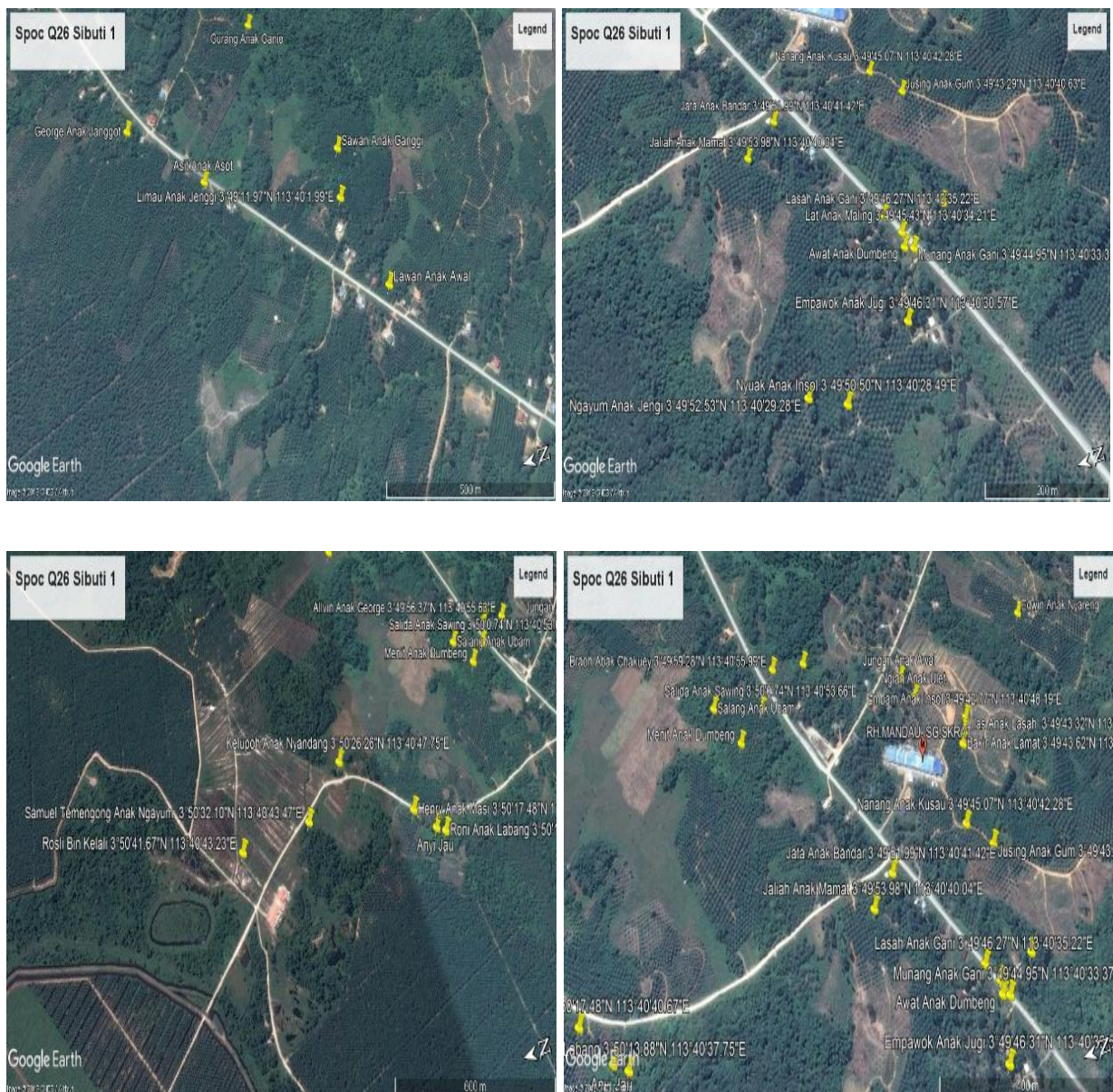
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3. ORGANISATION INFORMATION

MPOB Cawangan SPOC Q26 Sibuti 1, is a branch of MPOB located at 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 as shown in the below maps.



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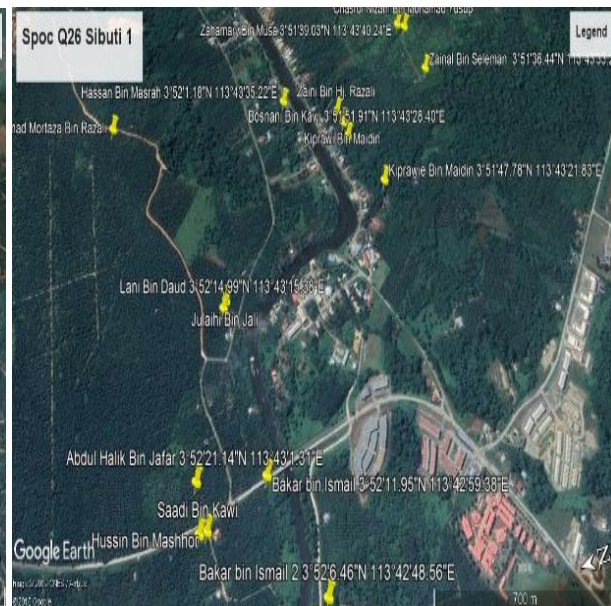
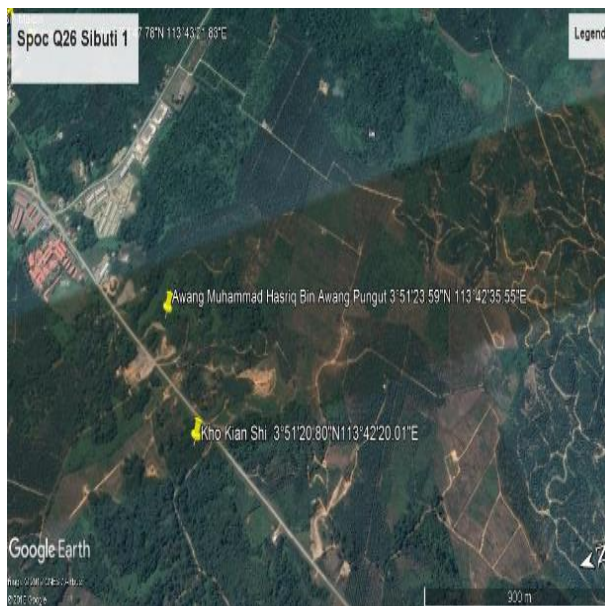
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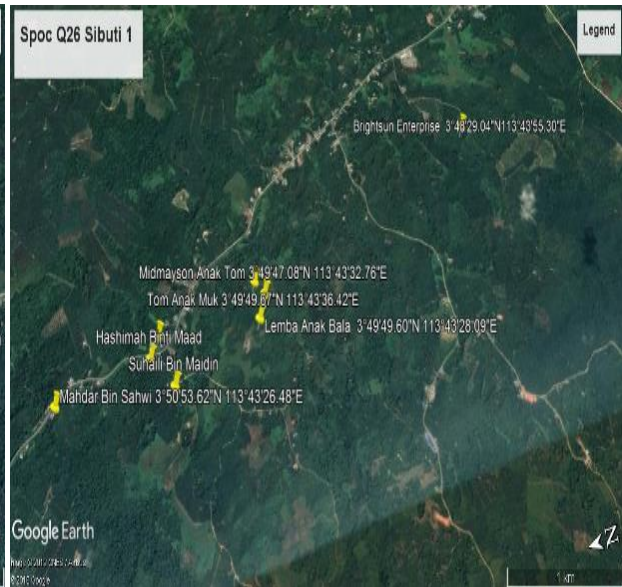
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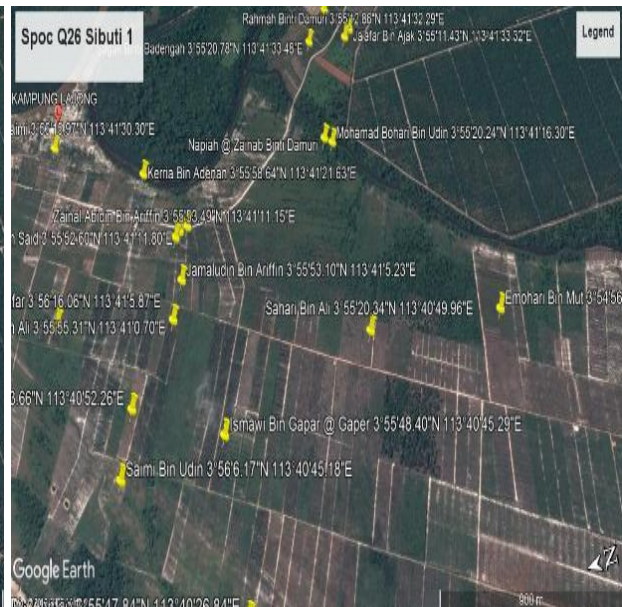
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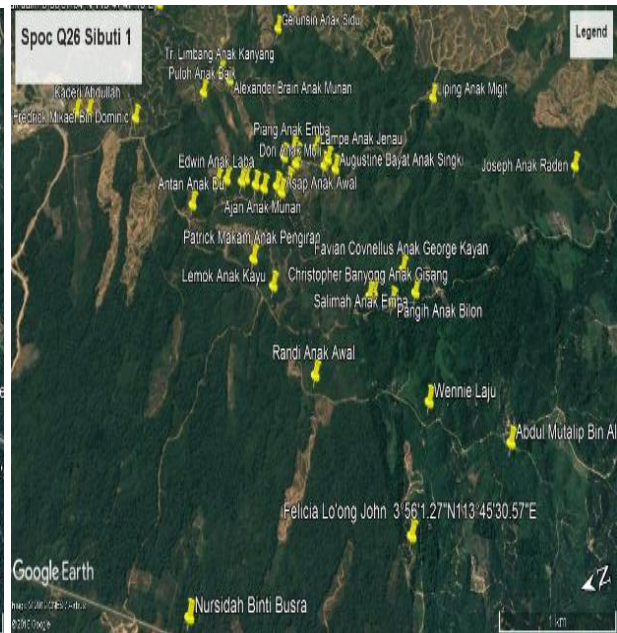
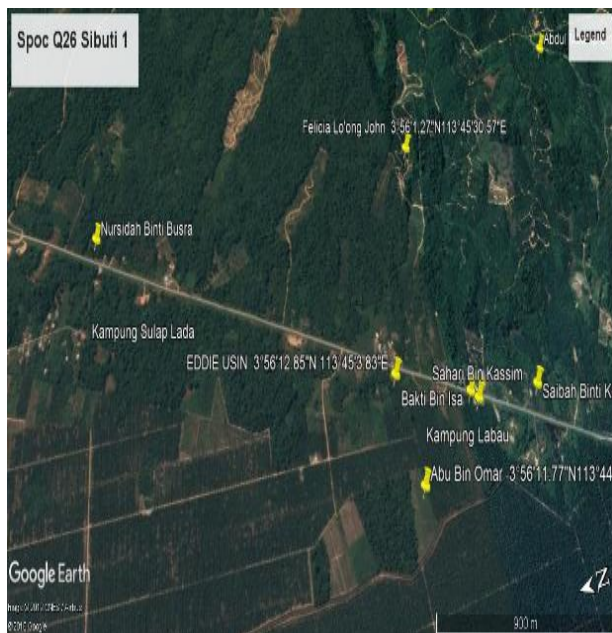
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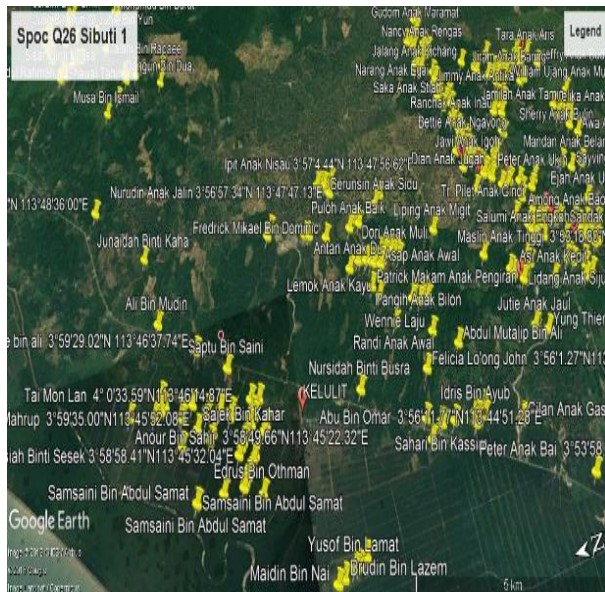
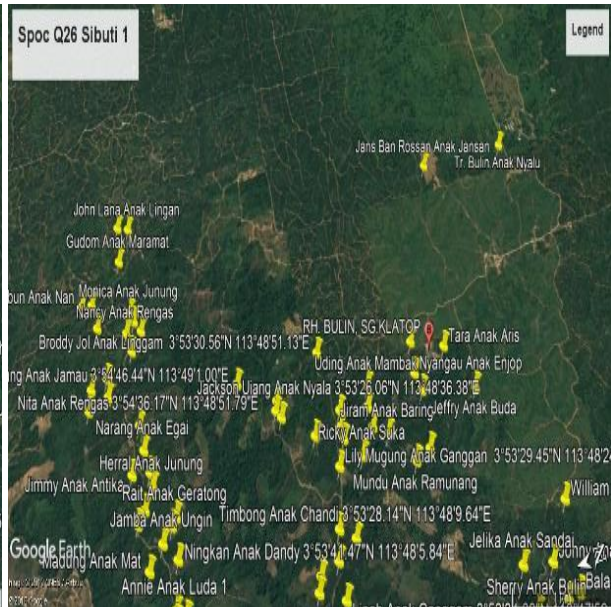
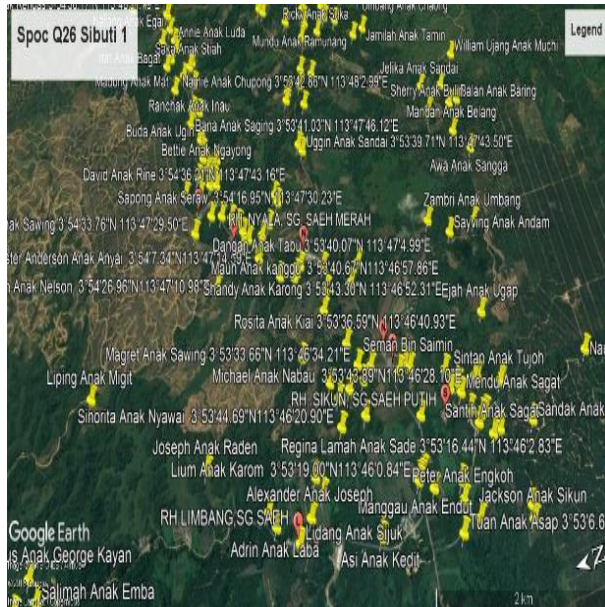
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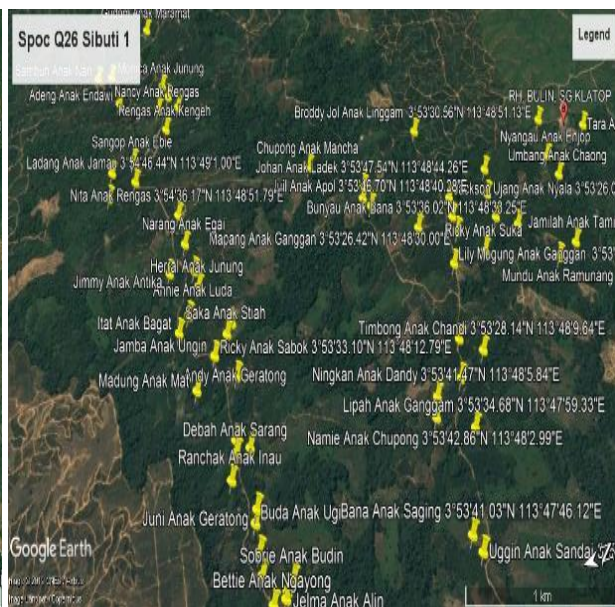
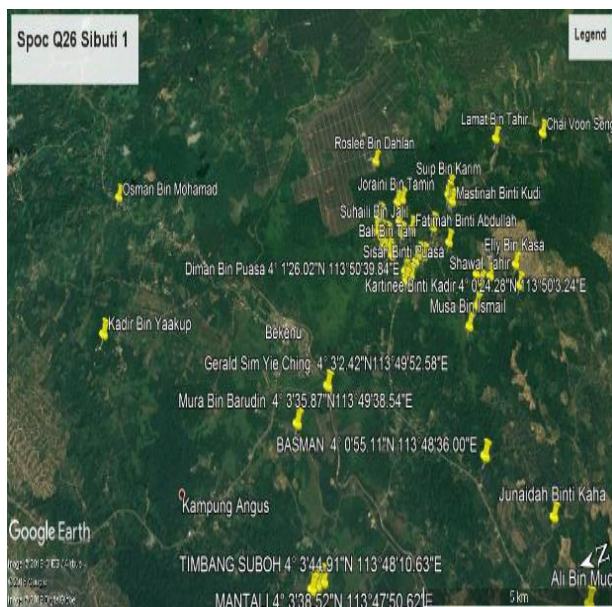
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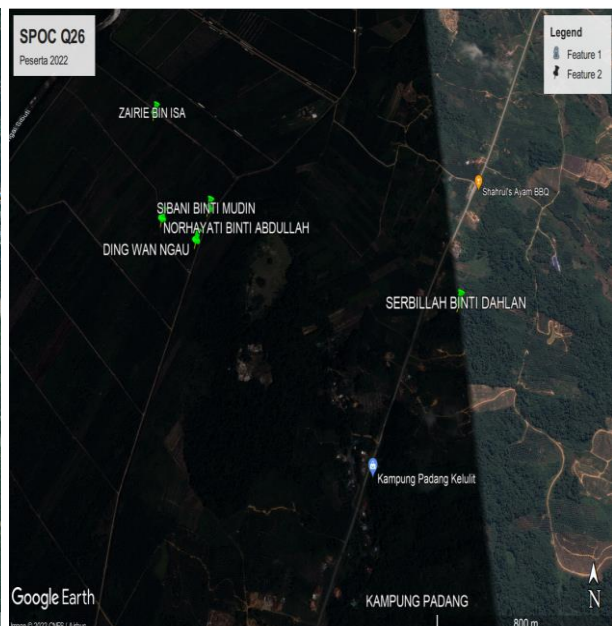
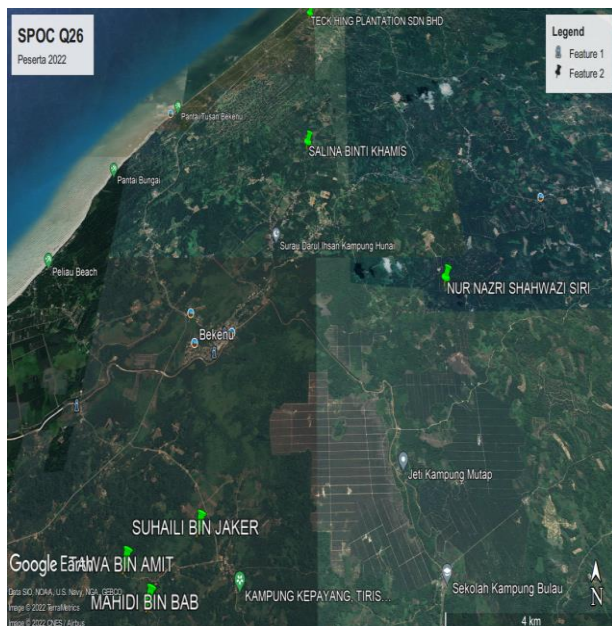
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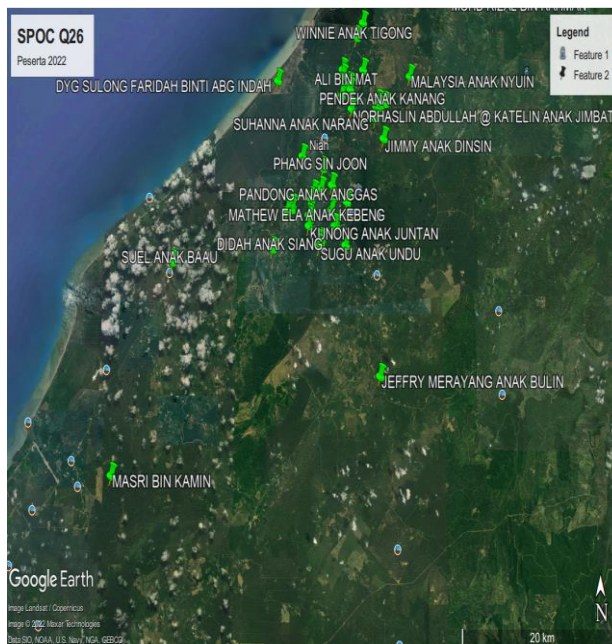
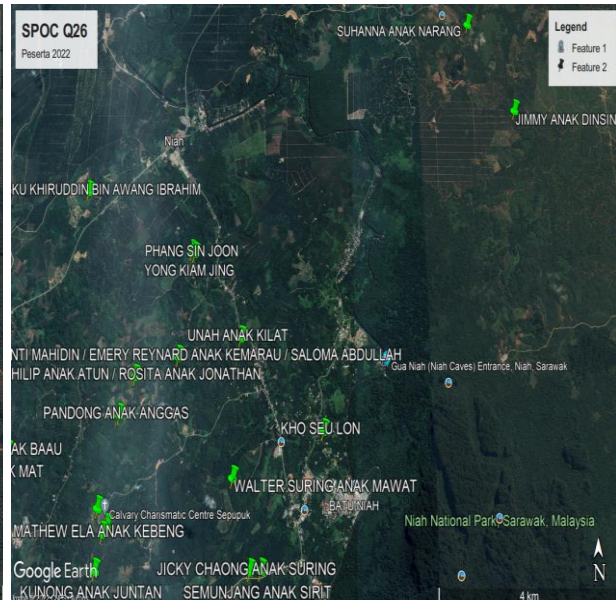
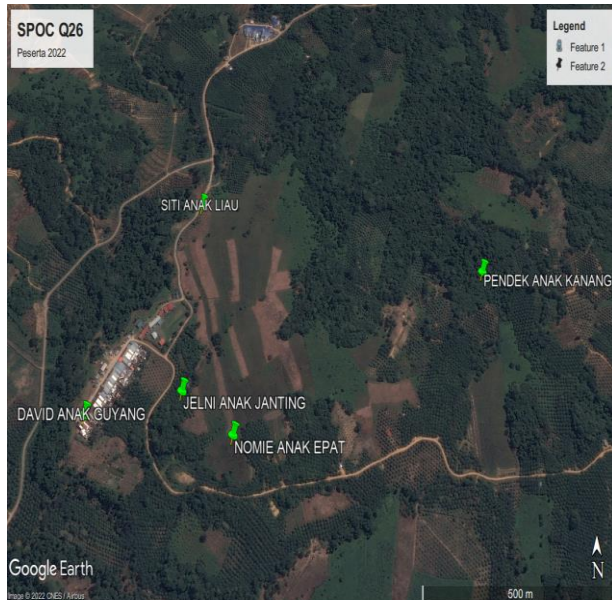
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4. CERTIFICATION ASSESSMENT

4.1. Recertification Audit

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q26 Sibuti 1 are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Recertification 01:

The recertification audit is carried out from 25/04/2022 to 29/04/2022.

The total number of smallholders in this recertification audit are 1,707.

The number of existing smallholders 1,648 remain the same for this recertification audit.

The number of new smallholders joined during this recertification audit are 59.

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

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

During the onsite the following were verified but not limited to below:

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

During this recertification audit, there are one minor NC and one OFI raised.

For this audit, the major non-compliance raised in the last surveillance 04 audit, the audit team has review by means of onsite inspection of smallholders' farms, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the SPOC team. The corrective measures implemented could be verified as appropriate.

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

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

4.2. Stakeholders' Consultation

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

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TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 23/03/2022 as to accommodate stakeholder's consultation meeting for SPOC Q26 Sibuti 1 to provide comments. As at audit date on 24/04/2022 there are no comments received.

Invitation letters are sent on 23/03/2022 to invite relevant stakeholders to attend a local stakeholders' consultation on 25/04/2022 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

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

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

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

The list of stakeholders who attended the meeting refer to table 7.1.

Item	Subject discussed	Audit team finding	Comments or Feedback to SPOC
1	Any information from Group Manager for MSPO audit?	Stakeholders informed they received the information for MSPO audits by phone called from Group Manager SPOC Q26 Sibuti 1.	No action required
2	Social issues	Stakeholders informed no social issues occur.	No action required
3	Understanding of Land Title – Native, Customary Land, Freehold, Leased, Land application (LA)	Stakeholders informed that most of the smallholders are having native land titles.	No action required
4	Economy / Livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders informed that having MSPO certification has increase knowledge on good agriculture practices. Thus, smallholders have proper farm management and improved production yield.	No action required
5	Does MSPO largely benefits the local communities?	Stakeholders informed the MSPO certification provide benefits to local communities.	No action required
6	Any environment awareness provided by SPOC	Stakeholders informed they participate in the environment	No action required

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		awareness briefing held by SPOC Q26 Sibuti 1.	
7	Any awareness of wildlife conducted by SPOC	Stakeholders informed they participate in the awareness of wildlife briefing held by SPOC Q26 Sibuti 1.	No action required
8	Is the FFB quality improved with MS2530 certification	There are no issues on the FFB quality. The smallholders understand the standard of FFB ripeness.	No action required
9	Are there any smallholders practices affect you?	Stakeholders informed there are no any smallholder practices affect them.	No action required
10	Do you consider any management conflict with the MS2530 principles and criteria?	Stakeholders informed there are no conflicts with the MS2530 principles and criteria.	No action required
11	Do you have any suggestions for SPOC management?	Stakeholders commented they would like to involve in more programmes held by SPOC Q26 Sibuti 1.	SPOC Q27 Sibuti 1 Group Manager informed they will contact stakeholders and ensure involvement from all relevant stakeholders for any future smallholders programme conducted.

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	<p>MPOB SPOC Q26 Sibuti 1 adopted MPOB MSPO Policy document number MSPO/SPOC/POLISI-01 revision 4 updated 01/06/2021.</p> <p>The MSPO policy is publicly available at MPOB office notice board.</p> <p>Document review on SPOC Q26 Sibuti 1 smallholders personal file, MSPO policy is included in MSPO application form, signed and acknowledged by SPOC GM.</p>	Yes

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Principle 1: Management Commitment & responsibility															
Indicator	Summary of Assessment		Compliance												
	Site interview with sampled smallholders informed they are aware of the MSPO policy.														
4.1.2.1	<p>SPOC Q26 Sibuti 1 adopted MPOB list of social and environmental impact and action plan, document number MSPO/SPOC/L-04/ISP, issue no: 4, revision no: 4, effective date: 01/06/2021.</p> <p>The table includes type of impact, activity, social and environmental impact and action plan.</p> <table><tr><th>Type</th><th>Activity</th><th>Impact</th><th>Action Plan</th></tr><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></table> <p>Site interview with sampled smallholders informed they recycle and reused the empty chemical containers for chemical spraying activity.</p>		Type	Activity	Impact	Action Plan	Social	Manuring, spraying	Theft of fertilizer and pesticide	Stored in the designated store.	Environment	Manuring, spraying	Polluting water source if activities conducted near the waterways	Avoid activities near the waterways.	Yes
Type	Activity	Impact	Action Plan												
Social	Manuring, spraying	Theft of fertilizer and pesticide	Stored in the designated store.												
Environment	Manuring, spraying	Polluting water source if activities conducted near the waterways	Avoid activities near the waterways.												
4.1.2.2	<p>SPOC Q26 Sibuti 1 distribute latest Warta Sawit “Bil. 79 (3) Sep – Dec 2021” to smallholders during LKN visit on 17/02/2022.</p> <p>Onsite interview with sampled smallholders informed they obtained new information from group manager and received the Warta Sawit when attend training.</p>		Yes												

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 04, dated 01/06/2021 which include ‘Carta Alir Kebolehejekan Perbelanjaan dan Pendapatan Pekebun Kecil’ as a traceability procedure.</p> <p>During site interview with sampled smallholders informed they kept the weighbridge ticket for traceability purposes.</p> <p>Document review verify, copy of weighbridge tickets are kept by smallholders and smallholders individual files.</p>	Yes
4.2.1.2	<p>SPOC Q26 Sibuti 1 Group Manager maintain records of FFB production updated as at December 2021.</p> <p>Document review verify, SPOC Q26 Sibuti 01 maintain records of FFB sales and weighbridge ticket in smallholders’ individual file.</p> <p>During site interview with sampled smallholders informed FFB sales receipts and weighbridge tickets are maintained.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC Q26 Sibuti 1 adopted MPOB List of Legal requirement document MSPO/SPOC/L-01/SKU revision no. 07 dated 01/06/2021</p> <p>Example as follow:</p> <ol style="list-style-type: none"> 1. Akta 149: Akta Racun Makhluk Perosak 1974; 2. Akta 226: Akta Taman Negara 1980; 3. Akta 582: Akta MPOB 1998 Peraturan – peraturan Lembaga Minyak Sawit Malaysia (Pelesenan) 2005; 4. Akta 342: Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988’. <p>Document review on sampled smallholders files, copy of MPOB license is maintained in the smallholders’ individual files and are valid.</p> <p>Onsite interview with sampled smallholders informed they are aware on legal requirement.</p>	Yes
4.3.2.1	<p>SPOC Q26 Sibuti 1 smallholders’ land titles are Native Customary Right land (NCR) and state land.</p> <p>Review on the ‘Akuan Pengesahan Tanah NCR’ form is signed by land owner and verified by ‘Tuai Rumah’.</p> <p>Review on the state land title document verified by Land and Survey of Sarawak.</p> <p>Review on the smallholders files and interview with sampled smallholders informed there are no land dispute within SPOC Q26 Sibuti 1 on land ownership.</p>	Yes
4.3.3.1	<p>SPOC Q26 Sibuti 1 smallholders’ land titles are Native Customary Right land (NCR) and state land.</p> <p>Review on the ‘Akuan Pengesahan Tanah NCR’ form is signed by land owner and verified by ‘Tuai Rumah’.</p> <p>Review on the state land title document verified by Land and Survey of Sarawak.</p>	Yes
4.3.3.2	<p>SPOC Q26 Sibuti 1 smallholders’ land titles are Native Customary Right land (NCR) and state land</p> <p>Review on the ‘Akuan Pengesahan Tanah NCR’ form is verified by ‘Tuai Rumah’ as the rightful owner of the land include sketch map of the field location.</p> <p>Review on the state land title document include the map verified by Land and Survey of Sarawak.</p> <p>Onsite verification, boundary marker of each smallholders’ farms are installed and maintained.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC Q26 Sibuti 1 adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 04, dated 01/06/2021.</p> <p>The SOP describes;</p> <ul style="list-style-type: none"> Stated in the SOP timeline for addressing the grievance and complaint are within 14 days; Group manager is in charge in handling the complaint and grievances; All the grievance and complaint records are documented. <p>Review the LKN report verified the complaint and grievances procedure has been briefed to smallholders dated 20/01/2022.</p> <p>During site interview, sampled smallholders informed they are aware and understand the complaint and grievance procedure and process flow.</p>	Yes
4.4.1.2	<p>SPOC Q26 Sibuti 1 adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 04, dated 01/06/2021.</p> <p>Review the SOP stated time line to resolve disputes within 14 days.</p> <p>The SOP stated the Group manager is person in charge to handle complaint and grievance. The Group Manager is assigned for:</p> <ul style="list-style-type: none"> Accepting the grievances; Analyzed and investigate on issue raised. <p>Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.</p> <p>During site interview with sampled smallholders informed they are aware on complaint and grievance process and timelines to resolve the complaints.</p>	Yes
4.4.2.1	<p>SPOC Q26 Sibuti 1 adopt MPOB Guidelines Occupational Safety & Health, document no. MSPO/SPOC/GP-02/KKP, issue: 4, effective date: 01/06/2021.</p> <p>SOP describes:</p> <ul style="list-style-type: none"> Responsibility of GM and smallholders regarding safety and health; Procedure and type of PPE used for harvesting, manuring and spraying. <p>Document review on safety and health training has been conducted on 20/01/2022.</p> <p>During site interview with sampled smallholders informed they are aware on 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 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-02 updated 01/06/2021.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The form includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.</p> <p>During site interview with sampled smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.</p>	
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-02 updated 01/06/2021.</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>During site interview with sampled smallholders informed no discrimination occurs.</p>	Yes
4.4.3.3	<p>SPOC Q26 Sibuti 1 adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>The form has includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.</p> <p>During site interview with sampled smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.</p>	Yes
4.4.3.4	<p>During site interview with SPOC Q26 Sibuti 1 sampled smallholders and site verification at smallholder's farm no on-site living quarters are available.</p>	Yes
4.4.3.5	<p>SPOC Q26 Sibuti 1 adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>The form describe:</p> <ul style="list-style-type: none"> Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work. <p>During site interview with sampled smallholders informed they are aware and understand legal restriction on hiring under age worker. Onsite verification no children presence in the field.</p>	Yes
4.4.4.1	<p>SPOC Q26 Sibuti 1 establish training programme year 2022.</p> <p>The training programme include 'Taklimat MSPO, GAP and LKN visit.</p> <p>Training and LKN conducted includes the GAP, scheduled waste and chemical handling, environmental, social, and safety and health.</p>	No

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <ul style="list-style-type: none"> LKN conducted on 20/01/2022; MSPO training at Rh Enju dated 09/08/2020; MSPO training at Rh Mandau dated 17/02/2022; MSPO training at Rh Jelanie dated 25/11/2021; MSPO training at Perkarangan Sepupok, dated 21/04/2021. <p>Document review verified the training has been conducted with photos and attendance list.</p> <p>Onsite interview with sampled smallholders informed they attended the MSPO training. Smallholders are able to demonstrate understanding of MSPO implementation in farms.</p> <p>Minor NC:</p> <p>During site visit to smallholder's farms found that the awareness on GAP and handling of pest and disease are insufficient.</p> <p>Observed on the smallholder's farm there is a sign of pest and disease attack, interview with them informed they do not know on how to manage the pest outbreak.</p>	

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 04, issue 04 dated 01/08/2021.</p> <p>Impacts are highlighted as below:</p> <table border="1"> <thead> <tr> <th>Activity</th><th>Environmental Impact</th><th>Action Plan</th></tr> </thead> <tbody> <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 visiting by SPOC GM.</td></tr> <tr> <td>Domestic Waste</td><td>Poor management of domestic waste will cause air, water and land pollution.</td><td>Good management of domestic waste such as appropriate disposals at designated disposal areas.</td></tr> </tbody> </table> <p>Onsite 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 MSPO and GAP training program dated 31/03/2022</p> <p>Reviewed and verified "Program Tahunan & Rujukan LKN & GAP" 2022.</p>	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 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.	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 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																		
4.5.2.1	Onsite visit and interviews with sampled smallholders informed that there are no renewable energy used.	Yes																		
4.5.3.1	<p>SPOC Q26 Sibuti 1 adopted MPOB List of Scheduled and Domestic Wastes MSPO/SPOC/L-03/SRD Issue 4 rev 1 effective date 01/08/2021.</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 rinse. </td><td> 1. Breeding ground for mosquitoes; 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>1. 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 wastes; 2. Unsegregated wastes. </td><td> 1. Water pollution; 2. Mosquitoes breeding ground. </td></tr> </tbody> </table> <p>SPOC Q26 Sibuti 1 conducted MSPO and GAP training program dated 31/03/2022 include briefing for waste management.</p> <p>Onsite interviews with sampled smallholders informed that type of wastes generated in smallholders' farms are mainly empty chemical containers and fertilizer bags.</p> <p>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>	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.	Domestic waste from neighbouring village or housing area	1. Irresponsible disposal of wastes; 2. Unsegregated wastes.	1. Water pollution; 2. Mosquitoes 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 rinse.	1. Breeding ground for mosquitoes; 2. Polluting water sources.																		
Non-Agricultural equipment	Waste produced	Impact																		
PPE	1. Irresponsible disposal of PPE.	Environmental pollution.																		
Domestic waste from neighbouring village or housing area	1. Irresponsible disposal of wastes; 2. Unsegregated wastes.	1. Water pollution; 2. Mosquitoes breeding ground.																		

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.3.2	<p>SPOC Q26 Sibuti 1 adopted MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-04/BT dated 01/08/2021.</p> <p>The SOP describe:</p> <ol style="list-style-type: none"> 1. To conduct triple rinsing for each empty chemical container before disposed; 2. To put marking on empty chemical container for chemical mixing purposes; 3. All scheduled waste shall be disposal according to the Environmental Quality (Scheduled waste) Regulations, 2015. <p>Onsite interviews with sampled smallholders informed 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>Fertilizer bags plastics are washed and reapplied in the field while the bags are used for loose fruit collections.</p> <p>Onsite visit from sampled smallholders farms and there are no evidence of scattered empty chemical containers or fertilizer bags.</p>	Yes
4.5.4.1	<p>SPOC Q26 Sibuti 1 adopted MPOB guidelines River Buffer Zone, doc no: MSPO/SPOC/GP-03/ZPS, issue 4 dated 01/08/2021.</p> <p>The SOP describes:</p> <ul style="list-style-type: none"> • Guideline on buffer zone length; • Non-permitted activities such as chemical spraying and manuring; • Flow chart on buffer zone establishment. <p>SPOC Q26 Sibuti 1 conducted MSPO and GAP training program dated 31/03/2022 include briefing for environmental protection awareness.</p> <p>Onsite visit and interviews with sampled smallholders informed they aware on the protection of waterways, streams or rivers.</p> <p>Onsite visit observed there is no spraying activity carried out at edge of drains and streams.</p>	Yes
4.5.4.2	<p>Onsite visit observed smallholders farms with field drains and silt pits 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 MSPO and GAP training program dated 31/03/2022 include briefing of Rare, Threaten and Endangered</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>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"> 1. Pangolin; 2. Squirrel; 3. Porcupine. <p>Onsite visit observed the list of totally protected plants and wildlife, by Sarawak Forestry Corporation was displayed at MPOB Batu Niah office notice boards.</p> <p>Onsite interviews with sampled smallholders informed they are aware that hunting of wildlife are prohibited. They informed normal sighted animals in their farms are squirrels, wild boars and monkeys.</p>	
4.5.6.1	<p>SPOC Q26 Sibuti 1 adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 4 rev. 1, effective date 01/06/2021.</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 MSPO and GAP training program dated 31/03/2022 include zero burning topic.</p> <p>Onsite visit interviews with sampled smallholders informed no open burning practices during replanting or new planting.</p>	Yes

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 4, no. revised. 04 dated 01/06/2021.</p> <p>The procedure describes:</p> <ol style="list-style-type: none"> 1. Good agricultural practice starting from land preparation until harvesting; 2. Dosage of fertilizer and chemical application on field; 3. Calculation on smallholders yield, RM/hectare/year. <p>SPOC Q26 Sibuti 1 conducted "Lawatan Khidmat Nasihat" MSPO dated 20/01/2022 & 17/02/2021.</p> <p>Onsite visit at smallholders farms, best practices are implemented such as:</p> <ol style="list-style-type: none"> 1. Fertilizer is applied on fronds stacking to retain moisture; 2. Good palm canopy and clean palm circle; 	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	3. No over pruning of palms.	
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">• Name of smallholder;• Lot No;• Hectare;• GPS Coordinates;• Year of Planting. <p>Onsite visits at sampled smallholders' farms, signage is installed with name of smallholder, lot number, area, year of planting and coordinate.</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 4, no. revised. 04 dated 01/06/2021.</p> <p>Review on budget allocation for 2022 dated 31/03/2022 include MSPO training, stationary and PPE.</p> <p>All other operations budget and cost are under control of MPOB HQ.</p> <p>Training plan for year 2022 state the MSPO training is planned on June 2022.</p>	Yes
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>Onsite interviews with SPOC Q26 Sibuti 1 smallholders informed they have access to FFB prices via WhatsApp group, MPOB portal and mill or dealer weighbridge displayed.</p> <p>Document review verify payment voucher from ramp or dealers kept in smallholders' files.</p>	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	Document review on list of smallholders and planting statements no new planting in SPOC Q26 Sibuti 1. The first planting is in year 1989 and the latest new planting is in year 2019. There are no new plantings for existing and new members in year 2021. Thus, there is no assessment on high biodiversity area.	Yes
4.7.2.1	Document review on list of smallholders and planting statements no new planting in SPOC Q26 Sibuti 1. The first planting is in year 1989 and the latest new planting is in year 2019. There are no new plantings for existing and new members in year 2021. Therefore, no soil survey or topography is required.	Yes
4.7.3.1	Document review on list of smallholders and planting statements no new planting in SPOC Q26 Sibuti 1. The first planting is in year 1989 and the latest new planting is in year 2019. There are no new plantings for existing and new members in year 2021. Therefore, no data for type of terrain available.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.
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.
	No non-conformity raised in previous audit.
Note 1: If a minor non-conformity raised in last audit, is not closed out, the finding will be raised to a Major non-conformity. Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.	

4.5. Detail of Audit Findings in last Audit

AUDIT OUTCOME		
During last audit	1	MAJOR Non-Conformities
	0	MINOR Non-Conformities

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Non Conformity Number < 01 >			
Indicator # and Description	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.		
Location:	SPOC Q26 Sibuti 1		
Description of Finding / Objective Evidence:			
Review of pictorial evidences indicate empty lubricant containers are scattered at smallholders (MPOB licence no 582026201000 and 540489701000) farms.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Navin Baskram	Date Raise:	09/04/2021
Deadline for implementation		Within 60 days from date of closing meeting.	
Root Cause Analysis (by company):			
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.			
Correction (by company):			
Discussion with En. Leom Ak Ratom to conduct short term courses with DOE Agencies and smallholders.			
Corrective / Preventive Action (by company)			
Select the smallholder area that can be entered during the Covid -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-19 is controlled/ PKP is cancelled.			
Review of Correction & Corrective / Preventive Action			
Action plan to carry out short term courses with DOE Agencies and smallholders has been submitted and reviewed.			
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.			
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.			
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			
During site visit to sampled smallholders' farms, it was observed that empty lubricant containers were kept in designated store.			
Interview with smallholders informed they are aware on proper handling of scheduled waste such as empty chemical container and empty lubricant containers.			
Awareness briefing on scheduled waste management have been conducted by SPCO Q26 Sibuti 1 Group manager on 31/03/2022.			

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Non Conformity Number < 01 >	
Name of Auditor: Chan Shi Lie	Date of Review: 29/04/2022

4.6. Detail of Audit Findings Identified During This Audit

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

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

Non Conformity Number 01			
Indicator # and Description	4.4.4.1 Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.		
Location:	SPOC Q26 Sibuti 1		
Description of Finding / Objective Evidence:			
During site visit to smallholder's farms found that the awareness on GAP and handling of pest and disease are insufficient.			
Observed on the smallholder's farm there is a sign of pest and disease attack, interview with them informed they do not know on how to manage the pest outbreak.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
Raise by:	Sheron Pui Ling Hui	Date Raise:	29/04/2022
Deadline for implementation		28/05/2022	
Root Cause Analysis (by company):			
During site visit to smallholder's farms fund that the awareness on GAP & handling of pest and diseases are insufficient due to lack of training on GAP & pest and diseases to smallholders during COVID 19 Pandemic.			
Correction (by company):			
We agreed to conduct training on GAP & short-term course on pest and diseases in oil palm plantation together with Pest & Diseases Unit from MPOB Sessang for smallholders.			
Corrective / Preventive Action (by company)			
Training on GAP will be conducted during GAP evaluation site visit to smallholder's farms and for pest and diseases, we will help them fill a complaint form and then report it to MPOM Pest and Diseases Unit for further actions. Annual training programme will be implemented as planned.			
Review of Correction & Corrective / Preventive Action			
Action plan and Annual Training Programme for Year 2022 includes with topics on GAP & Handling Pest and Diseases has been submitted for reviewed.			
The updated action plan and annual training programme are sufficient to close the non-conformity raised.			
Review of implementation will be conducted in the next surveillance audit.			

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Non Conformity Number 01	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Sheron Pui Ling Wui	Date of Closure: 22/05/2022
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Nr.	Indicator	Description	Location	Opportunity for Improvement
1	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.	Office	SPOC Q26 Sibuti 1 may consider improve on "Rekod Pengurusan Bahan Buangan Terjadual" generated by smallholders.

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5. CONCLUSION

Malaysia Palm Oil Board has commissioned TÜV NORD (Malaysia) Sdn Bhd to carry out the certification for the Sustainable Palm Oil Cluster (SPOC) for SPOC Q26 Sibuti 1 consisting of 1,707 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There is one Minor NC raise with action plan submitted and accepted. Furthermore Minor NC 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: 1,707

Total certified acreage of smallholders: 11,769.2536 Ha

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6. RECOMMENDATION

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

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

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

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

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

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

Puchong, 14/05/2022

Joseph Sim Siaw Seng
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 09/06/2022

Navin Baskram
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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7. LIST OF STAKEHOLDERS

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, stakeholders listed as below.

Table 7-1: List of Interviewed Stakeholders

No.	Organisation
1	Tuai Rumah Kawasan Sibuti
2	Empresa Palm Oil Mill
3	Pejabat Daerah Kecil Sibuti
4	Golden Palm Harvest Sdn Bhd
5	Sarawak Forestry Corporation

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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