

MSPO CERTIFICATION SUMMARY REPORT

MALAYSIAN PALM OIL BOARD SPOC Q29 BATU NIAH

SURVEILLANCE 04

Onsite Audit Date: 09/01/2023 - 13/01/2023

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Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah

Client Number: 92-057
Audit Type: ASA 04
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 surveillance four (04) audit for SPOC Q29 Batu Niah 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 Q29 Batu Niah 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 Q29 Batu Niah 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 (2) 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: Muhammad Khairul Anuar bin Azizul Hasan

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

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Requirement	Qualifications
v) Social Sciences and/or Anthropology;	
vi) Business Management; or	
vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS 2530 series 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) mandays under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as Lead auditor for MSPO scheme.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities	Successfully completed IMS ISO 45001 Lead Auditor course.
Or	
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	
Workers welfare and social auditing experience	Successfully completed SA 8000 Basic training.
or	
Successfully attended SA8000 or related social or ethical accountability codes	
Environmental and ecological auditing or experience with organic agriculture.	Successfully completed IMS ISO 14001 Lead Auditor course.
or	
Successfully completed Environmental Management Systems ISO 14001 standard	
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producers course.

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

Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following	Ariff bin Lokman	Graduate in Plantation Industry and Management	Yes
i) Agriculture;	Mohamad Norhisham	Graduate in Applied	
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);	bin Mohd Salleh	Science (Major In Agrobiology).	
iii) Engineering, Process Technology;			
iv) Energy Management, Quality Management;			
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	Ariff bin Lokman	7 years working experience in oil palm plantation	Yes
of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Mohamad Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	
Successfully completed MPOCC endorsed lead auditor training	Ariff bin Lokman	Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Mohamad Norhisham bin Mohd Salleh	Successfully completed MS2530 series of standards for Lead Auditors.	
Conducted a minimum six (6) on-site audits for a total of at least 20 mandays of audit experience as an	Ariff bin Lokman	Qualified as auditor based on audit log.	Yes
auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Mohamad Norhisham bin Mohd Salleh	Qualified as auditor based on audit log.	

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

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Requirement	Assessor	Qualification	Compliance
Able to communicate in Bahasa Malaysia, English and / or any other local language.		Able to communicate in both Bahasa Malaysia and English.	Yes
	Mohamad Norhisham bin Mohd Salleh	Able to communicate in both Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- · Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Latest smallholders list;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews SPOC personnel, review of documentation;
- Review of SPOC management system;
- Reporting;
- Resolution of non-conformance (NC) (if any);
- Draft audit reporting;
- Technical review;
- Final audit reporting;
- Final approval, certification decision and issuance of certificate.

Surveillance Audit four (4):

The surveillance four (04) audit conducted onsite from 09/01/2023 to 13/01/2023 covering the following activities but not limited to below:

Onsite:

- Onsite visit, observations and inspections of farms management and activities;
- Interview smallholders;
- Reviewed revised and updated documentation established and implemented;
- FFB production records;
- Training records;
- Land titles and land application approvals;
- Review and closed out of observations raised during last 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.

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

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

The group of smallholders consists of 61 new members and 1,930 old members. The total number of smallholders for this audit are 1991.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size S = $1.5\sqrt{1991}$ = 66.93 round up to the next integral of 67.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $67 \times 75\%$ = 50 and number of existing members are $67 \times 25\%$ = 17.

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

Table 2-1: List of Sample Smallholders

Name	GPS Coordinates	
Existing Member(s)		
Linggong Anak Saeng	3.753978 N 113.742647 E	
Dennis Anak Malayu	3.77134 N 113.756131 E	
Malayu Anak Pasai	3.768399 N 113.745131 E	
Abing Anak Langi	3.757631 N 113.747094 E	
Bulan Anak Ajong	3.75365 N 113.758899 E	
Entali Anak Naing	3.752063 N 113.758938 E	
Gupi Anak Jale	3.723458 N 113.744897 E	
Thomas Anak Patrick Goyang	3.756754 N 113.738912 E	
Patrick Goyang Anak Paul Ngumbang	3.751486 N 113.759487 E	
Micheal Anak Sandah	3.727911 N 113.744703 E	
Samina Anak Ajah	3.765269 N 113.731297 E	
Pudai Anak Bungin	3.752198 N 113.757276 E	
Effendi Bin Tuah	3.770245 N 113.813375 E	
Adit Anak Basat	3.758873 N 113.84753 E	

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Name	GPS Coordinates
Existing Memb	er(s)
Saiful Bin Abdullah @ Jonathan Tinggi Anak Lasan	3.750475 N 113.808326 E
Anda Anak Jalin	3.750429 N 113.814954 E
Tary Anak Juntang	3.761077 N 113.816516 E

Name	GPS Coordinates	
New member(s)		
Merindar Anak Munan	3.710130 N 113.777636 E	
Tadong Anak Ikat/Mawah Anak Buda	3.743593 N 113.745593 E	
Mas Amran Anak Ambi/Betty Anak Serang	3.586440 N 113.766313 E	
Jenny Anak Naong	3.772417 N 113.827888 E	
Magdeline Anak Lindang	3.766760 N 113.84891 E	
Lemy Anak Nyawai	3.772243 N 113.828703 E	
Mohammad Khairul Abdullah/Siti Nurazlin Bt Abdullah	3.705556 N 113.783889 E	
Mohammad Hafiz Firdhaus Bin Mohammad Khairul	3.703333 N 113.782778 E	
Entgar Anak Jabu	3.485833 N 113.561111 E	
Rosnie Anak Balang	3.689841 N 113.781603 E	
Servilia Lim Kim Hong/Ellie Willie Ak Kadom	3.756076 N 113.725835 E	
Andrew Kiu	3.588077 N 113.692173 E	
Merang Jalong/John Jalong	3.690034 N 113.779231 E	
Keegan Anak Adit	3.764371 N 113.829795 E	
Joeshua Anak Andu	3.647222 N 113.835833 E	
Ramih Anak Talap	3.493913 N 113.743134 E	

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Name	GPS Coordinates	
New member(s)		
Josephine Nyalia Anak Mengga	3.700829 N 113.777397 E	
Christina Anak Sigan	3.642778 N 113.850556 E	
Alexander Lunsa Anak Sigan	3.635000 N 113.848056 E	
Mohamad Bin Abdullah	3.621932 N 113.668017 E	
Senah Anak Atek	3.620134 N 113.593606 E	
Luking Anak Jebut	3.754106 N 113.742164 E	
Jepredan Anak Tamin	3.601975 N 113.65908 E	
Epoi Anak Hat	3.540033 N 113.642233 E	
Betsy Edah Anak Bani	3.530031 N 113.643483 E	
Annie Anak Etam	3.621622 N 113.820421 E	
Sanny Anak Etam	3.622017 N 113.819185 E	
Wardiana Binti Samsudin	3.653222 N 113.71175 E	
Yong Thiam Loi	3.479518 N 113.576762 E	
Emmy Anak Ibai	3.736389 N 113.787592 E	
Margaret Tini Anak Beriak	3.586125 N 113.889800 E	
Madon Bin Hamdan	3.576425 N 113.757764 E	
Christina Dula Anak Gerit	3.580983 N 113.601174 E	
Muli Anak Ngumbang/Nawi Anak Link	3.670260 N 113.882956 E	
Dick Anak Jehen	3.574612 N 113.717742 E	
Cecelia Lindan Anak Micheal	3.726421 N 113.769011 E	
Rosmi Anak Munjan	3.539065 N 113.648489 E	

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Name	GPS Coordinates
New member	er(s)
Josephine Anak Alo	3.533694 N 113.650981 E
Likong Anak Bungkong	3.725264 N 113.914453 E
Sri Utari Binti Ahmad Muhary	3.546103 N 113.727561 E
Morrison Bayang Anak Nyalong	3.824376 N 113.827816 E
Missi Binti Jusoh	3.568947 N 113.631928 E
Unting Anak Asan	3.754622 N 113.811567 E
Roseline Nawi Anak Ambang	3.642500 N 113.653056 E
Mohammad Bin Abdullah	3.706517 N 113.847137 E
Sembah Anak Ekok	3.538999 N 113.652901 E
Philip Anak Kechendai / Bonshi Anak Inchang	3.789541 N 113.830271 E
Fabilia Kho Binti Irwandi Kho	3.647191 N 113.710181 E
Nancy Anak Henry	3.664758 N 113.775723 E
Robert Anak Tipung	3.755522 N 113.733647 E

Non-conformance:

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

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

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3. ORGANISATION INFORMATION

MPOB Cawangan SPOC Q29 Batu Niah, is a branch of MPOB located at Pejabat MPOB Cawangan Batu Niah, First Floor, Survey Lot 1838, (SUBLOT 2) Lot 647, 1223 & 1225, Block 8 Sepupok, 98200 Niah, Sarawak, coordinate 3°51'46.6"N 113°42'54.9"E 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 Batu Niah district.

The smallholders in Batu Niah as shown in the below maps;

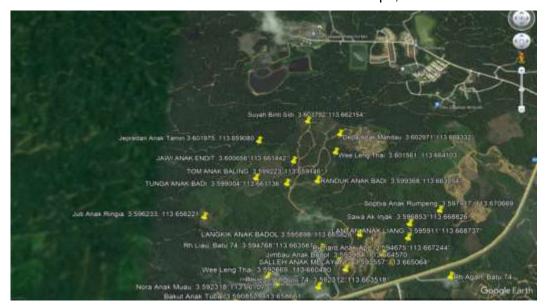


Figure 1: SPOC Q29 Batu Niah smallholders location.

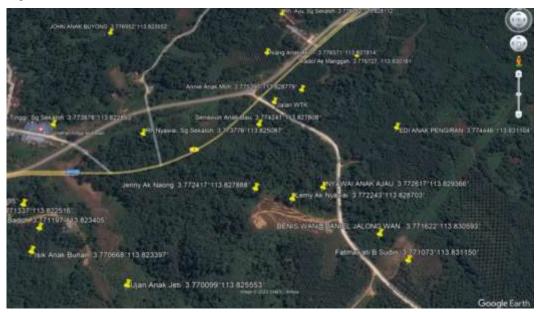


Figure 2: SPOC Q29 Batu Niah smallholders location.

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Figure 3: SPOC Q29 Batu Niah smallholders location.



Figure 4: SPOC Q29 Batu Niah smallholders location.

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Figure 5: SPOC Q29 Batu Niah smallholders location.



Figure 6: SPOC Q29 Batu Niah smallholders location.

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Figure 7: SPOC Q29 Batu Niah smallholders location.

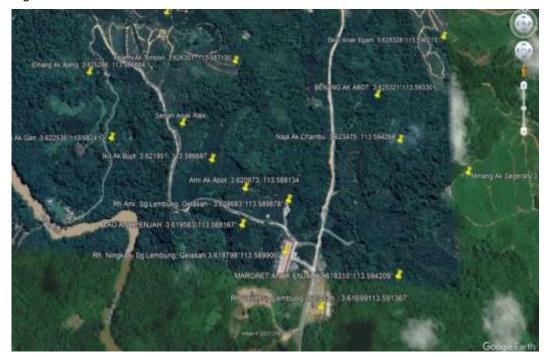


Figure 8: SPOC Q29 Batu Niah smallholders location.

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Figure 9: SPOC Q29 Batu Niah smallholders location.

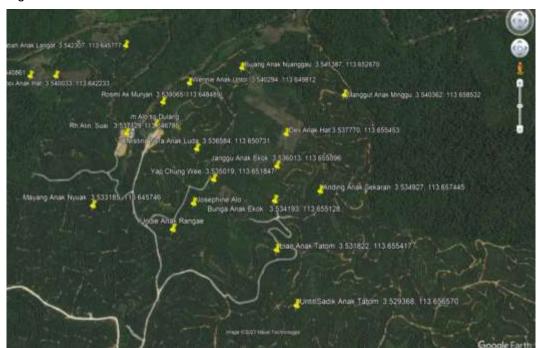


Figure 10: SPOC Q29 Batu Niah smallholders location.

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Figure 11: SPOC Q29 Batu Niah smallholders location.

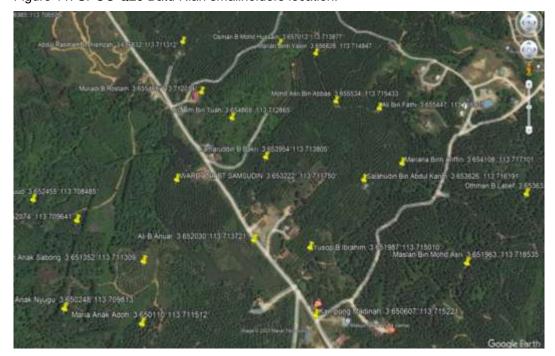


Figure 12: SPOC Q29 Batu Niah smallholders location.

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Figure 13: SPOC Q29 Batu Niah smallholders location.



Figure 14: SPOC Q29 Batu Niah smallholders location.

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Figure 15: SPOC Q29 Batu Niah smallholders location.

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4. CERTIFICATION ASSESSMENT

4.1. ASA Four (4)

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q29 Batu Niah are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance Audit Four (4)

The objective of the surveillance audit four (4) is to assess the readiness of the documentation establish and implemented in accordance to MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.2. Surveillance Audit Four (4):

The surveillance audit four (4) is conducted from 09/01/2023 to 13/01/2023.

The number of smallholders in this surveillance audit are 1,991.

The number of smallholders 1,930 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 61.

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 surveillance audit, there are 0 Major, 0 Minor and three (3) OFI raised.

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

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

4.2. Stakeholders' Consultation

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders'

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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 09/12/2022 to announce the audit of the certified unit. As at audit date on 09/01/2023 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 Assessme	ent	Compliance
4.1.1.1	SPOC Q29 Batu Niah MSPO/SPOC/POLISI- Manager and displaye	Yes	
	the MSPO policy inc	adopted MPOB MSPO certification application with cluded in the form duly agreed and signed by owledged by SPOC Q29 Batu Niah Group Manager.	
	Review on the training records, SPOC Q29 Batu Niah conducted briefing include the agenda of MSPO Policy on 03/11/2022.		
		POC Q29 Batu Niah sampled smallholders informed don the policy during MSPO briefing.	
4.1.2.1	SPOC Q29 Batu Niah action plan, document 04 dated 01/06/2021.	Yes	
	The table include topic	on activity, social impact and improvement plan.	
	Example of Environme	ental Impact and action:	
	Activity	Chemical spraying	
	Impact	Disposal of scheduled waste	
	Action plan	Triple rinsing and store at designated location.	
	they have been briefed	POC Q29 Batu Niah sampled smallholders informed d and practice triple rinsing and label with 'X' for all containers for chemical spraying and store at	
4.1.2.2	, -	distribute 'Warta Sawit' to smallholders on either via at or taklimat / training. Latest Warta Sawit distribute ust 2022.	Yes

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Principle 1: Management Commitment & responsibility			
Indicator	Summary of Assessment	Compliance	
	Field interviews with sampled smallholders informed they obtained the new information on oi palm management during the MSPO training and LKN visit by group manager.		
	Example:		
	SPOC Q29 Batu Niah group manager distribute the latest Warta Sawit to smallholders during MSPO training dated 03/11/2022.		

Principle 2	Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance	
4.2.1.1	SPOC Q29 Batu Niah adopted MPOB Guidelines for Economic and Financial Power Plans doc no MSPO/SSCC/GP-01/PEK, issue no.: 4, rev: 4 dated 01/06/2021.	Yes	
	The guideline describing the steps approach for delivering FFBs to collection center or mill with the type of documents:		
	1. Sales receipt;		
	Weighbridge ticket;		
	3. Transfer records to BRL;		
	4. Keep Receipt;		
	SPOC will collect records and prepare summary.		
	Document review verify weighbridge tickets are kept by the smallholders.		
	Field interviews with sampled smallholders informed they kept the weighbridge ticket for traceability purposes.		
4.2.1.2	SPOC Q29 Batu Niah Group Manager maintain records of FFBs production and sales of each smallholders in the database.	Yes	
	Document review verify SPOC Q29 Batu Niah smallholders maintain copy of FFBs sales and weighbridge ticket in the individual file.		
	Field interviews with sampled smallholders informed FFB sales receipts and weighbridge tickets are maintained.		

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	SPOC Q29 Batu Niah established the list of legal requirement, document number MSPO/SPOC/L-01/SKU revision number 07 dated 01/06/2021.	Yes
	Example:	
	1. 'Akta 149: Akta Racun Makhluk Perosak 1974';	

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Principle 3	Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance	
	'Akta 342: Perintah Pencegahan dan Pengawalan Penyakit Berjangkit (Pindaan Jadual Pertama) 2020';		
	3. 'Akta 350: Akta Kanak-Kanak dan Orang Muda (Pekerjaan) 1966';		
	4. 'Undang-undang Sarawak : Kod Tanah (CAP 81) 1958'.		
	MSPO briefing include legal requirement conducted on 03/11/2022.		
	Document review on SPOC Q29 Batu Niah sampled smallholders confirmed copy of MPOB license is maintained.		
	Example MPOB license SPOC Q29 Batu Niah smallholder's with validity until 28/02/2023.		
	Field interviews with sampled smallholders informed they understand on legal requirement.		
4.3.2.1	SPOC Q29 Batu Niah smallholders' have native titles or Native Customary Rights land (NCR).	Yes	
	Stated in native titles the land use for agricultural purposes.		
	Review the 'Akuan Pengesahan Tanah NCR' form is signed by land owner and verified by 'Tuai Rumah'.		
	During document verification, there is no dispute recorded for SPOC Q29 Batu Niah.		
4.3.3.1	SPOC Q29 Batu Niah smallholders' have native title or Native Customary Rights land (NCR).	Yes	
	Document review indicate 'Akuan Pengesahan Tanah NCR' is verified by 'Tuai Rumah'.		
4.3.3.2	SPOC Q29 Batu Niah smallholders' have native title or NCR land verified by 'Tuai Rumah' as the rightful owner of the land.	Yes	
	Document review the native title map include in the land title with the detail of land ownership and boundary marker.		
	Review the 'Akuan Pengesahan Tanah NCR' include sketch map of the field location.		
	Field visit to the boundary marker area of sampled SPOC Q29 Batu Niah smallholders' field is installed with wooden red stick and maintained.		

Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
4.4.1.1	SPOC Q29 Batu Niah adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.	Yes	
	The SOP describes;		
	 The flow chart in the SOP describes grievance and complaint process is to be resolved within 14 days; 		

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Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
	2. Group manager is in charge in handling the complaint and grievances;		
	Grievance and complaint records are archived and maintained.		
	Document review on 'Taklimat MSPO' report, complaint and grievances procedure has been briefed to smallholders dated 03/11/2022.		
	Field interviews with sampled smallholders informed they have been briefed on complaint and grievance procedure and process flow.		
4.4.1.2	SPOC Q29 Batu Niah adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.	Yes	
	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:		
	Accepting the grievances;		
	Analyzed and investigate on issue raised.		
	Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.		
	Document review confirmed no complaint lodged as at audit date.		
	Field interviews with sampled smallholders informed they have been briefed on complaint and grievance process dated 03/11/2022.		
4.4.2.1	SPOC Q29 Batu Niah adopt MPOB Guidelines Occupational Safety & Health, document number MSPO/SPOC/GP-02/KKP, issue: 4, revision: 0 effective date: 01/06/2021.	Yes	
	SOP describes:		
	Responsibility of GM and smallholders regarding safety and health;		
	Procedure and type of PPE used for harvesting, manuring and spraying.		
	MSPO training conducted on 03/11/2022 include safety and health training.		
	Field interviews with sampled smallholders informed they have been briefed on safety and health during working in farm.		
	Example:		
	Wearing of PPE for chemical spraying activity: Apron, face mask, goggle, safety boot, hand glove and safety helmet.		
4.4.3.1	SPOC Q29 Batu Niah adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes	
	The form has included payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.		
	Field interviews with sampled smallholders informed, they operate by themselves or assisted by family members in carrying out field operations.		

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Principle 4	ple 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
4.4.3.2	SPOC Q29 Batu Niah 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.	Yes	
	SPOC Q29 Batu Niah adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.		
	There are no complaints related to discrimination during documents review.		
	Field interviews with sampled smallholders informed no discrimination occurs.		
4.4.3.3	SPOC Q29 Batu Niah adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes	
	The form includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.		
	Field interviews with sampled smallholders informed, they are working by themselves or assisted by family members in carrying out field operations.		
4.4.3.4	Field interviews and site verification at sampled smallholders SPOC Q29 Batu Niah farm, there are no on-site living quarters.	Yes	
4.4.3.5	SPOC Q29 Batu Niah adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes	
	The form describe:		
	Not to employ young workers below the age of 15-18 years old for working in dangerous and heavy work.		
	Field verification at sampled smallholder's farm informed no hiring of underage workers in the field.		
4.4.4.1	SPOC Q29 Batu Niah established training programme year 2021. The training programme include 'Taklimat MSPO', GAP and LKN visit.	Yes	
	Remote document review on training record year 2022 verified there is training carried out for smallholders.		
	Example:		
	Title: Taklimat MSPO;		
	Date: 03/11/2022.		
	Field interviews with sampled smallholders informed they have been briefed on MSPO implementation in farms.		

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Principle !	Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance	
4.5.1.1	SPOC Q29 Batu Niah adopted MPOB Social and Environment Impacts and Action Plan, document number: MSPO/SPOC/L-04/ISP, rev 4, updated on 01/06/2021.	Yes	
	Environment impact and action plan had been identified and included in the MPOB Social and Environment Impacts and Action Plan.		
	Example:		
	Activity: Chemical spraying;		
	Environment impacts: Water source pollution;		
	Action plan: Conduct continuous awareness training to smallholders.		
	Field interviews with sampled smallholders informed they aware on environmental impacts on their activities.		
	SPOC Q29 Batu Niah conducted trainings for smallholders on environmental impact dated 17/06/2022.		
4.5.2.1	Field visit at SPOC Q29 Batu Niah sampled smallholders' farms and interviews with smallholders informed there is no renewable energy use by them.	Yes	
4.5.3.1	SPOC Q29 Batu Niah adopted MPOB List of Scheduled and Domestic Wastes, Doc. No. MSPO/SPOC/L-03/SRD, rev 4, updated on 01/06/2021.	Yes	
	The SOP described 2 types of waste generated by smallholders which are from agricultural or non-agricultural activities.		
	Example of waste generate from agriculture: Empty chemical containers.		
	SPOC Q29 Batu Niah Group Manager brief to smallholders on waste management during LKN visit on 19/05/2022 and 03/11/2022.		
	Field interviews with sampled smallholders informed empty chemical containers will be recycled and reused after triple rinsing.		
4.5.3.2	SPOC Q29 Batu Niah adopt MPOB SOP 'Pengurusan Bahan Buangan Terjadual' doc. No. MSPO/SPOC/SOP-03/BT, rev 4, updated on 01/06/2021.	Yes	
	The SOP describes as follows:		
	To monitor and ensure the process of scheduled waste handling in proper manner;		
	All empty chemical containers shall be triple rinsed before reused.		
	Field interviews with sampled smallholders informed empty chemical containers will be kept at designated store and reused for chemical spraying activity.		
	Briefing on disposal of empty chemical containers conducted during LKN visit by Group Manager SPOC Q29 Batu Niah on 19/05/2022 and 03/11/2022.		
4.5.4.1	SPOC Q29 Batu Niah adopted MPOB Guidelines 'Garis Panduan Zon Penampanan Sungai' MSPO/SPOC/GP-03/ZPS, rev 4 dated 01/06/2021.	Yes	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Field interviews with sampled smallholders informed they understand and practice the restriction on chemical application at buffer zone area.	
	Training on buffer zone protection conducted during LKN visit dated 19/05/2022 and 03/11/2022.	
4.5.4.2	SPOC Q29 Batu Niah sampled smallholders practice rain harvesting by using drums or culverts for rain water collection.	Yes
4.5.5.1	SPOC Q29 Batu Niah establish list of wildlife in Batu Niah, Miri district dated 31/12/202	Yes
	Poster of totally protected wildlife of Sarawak is displayed at MPOB SPOC Q29 Batu Niah office.	
	Example:	
	1. Wild boar;	
	2. Crocodile.	
	Field interviews with sampled smallholders informed types of wildlife commonly observed at farms are monkeys and squirrels.	
4.5.6.1	SPOC Q29 Batu Niah adopted MPOB Guidelines 'Garis Panduan Amalan Pembakaran Sifar', doc. No. MSPO/SPOC/GP-04/APS, rev 4, updated on 01/06/2021.	Yes
	Field visit at smallholders' farms, no sign of open burning sighted.	
	Field interviews with sampled smallholders informed they understand no open burning is allowed. Briefing on zero burning awareness conducted during LKN visit dated 19/05/2022 and 03/11/2022.	

Principle 6	Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance	
4.6.1.1	SPOC Q29 Batu Niah conducted GAP briefing for harvesting, manuring, chemical application and PPE usage dated 03/11/2022.	Yes	
	Field interviews with sampled smallholders informed they had been briefed on GAP implementation in their farm.		
	Field visits at sampled smallholders farms observed implementation of good agricultural practice on frond stacking and proper palm pruning.		
4.6.1.2	Field visit at SPOC Q29 Batu Niah sampled smallholders farms, observed signage displayed at their farm.	Yes	
	Information included in the signage are:		
	1. Land owner;		
	2. Lot number;		
	3. Total area;		
	4. Year planting;		

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Principle (Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance	
	5. GPS coordinate.		
	Example:		
	1. Land owner: X;		
	2. Total area: 4.05 Ha;		
	3. GPS coordinate: 3.750475; 113.808326;		
	4. Year Planting: 2007.		
4.6.2.1	SPOC Q29 Batu Niah established SOP, 'Garis Panduan Pelan Daya Ekonomi dan Kewangan', doc no: MSPO/SPOC/GP-01/PEK, issue no: 4, date effective: 01/06/2021.	Yes	
	The procedure described the expenses and income management for smallholders.		
	Document review, budget for MSPO training and LKN visit year 2022 has been approved.		
	The operation budgets includes MSPO training, MSPO auditing, PPE and miscellaneous expenses.		
4.6.3.1	SPOC Q29 Batu Niah established monthly MPOB FFB mill price at office notice board and via WhatsApp group.	Yes	
	Field interviews with sampled smallholders informed they have access to the FFB prices via phone call, WhatsApp group, MPOB portal, MPOB office notice board and FFB price display on mill or dealer's weighbridge.		

Principle 7: Development of new planting				
Indicator	Summary of Assessment	Compliance		
4.7.1.1	SPOC Q29 Batu Niah established smallholders' database is review with 1st planting in 1966 and latest replanting in year 2019.	Yes		
	There are no new planting in year 2022. Thus, there is no assessment on high biodiversity area.			
4.7.2.1	SPOC Q29 Batu Niah established smallholders' database is review with 1st planting in 1966 and latest replanting in year 2019.	Yes		
	There are no new planting in year 2022.			
	Therefore, no soil type available.			
4.7.3.1	SPOC Q29 Batu Niah established smallholders' database is review with 1st planting in 1966 and latest replanting in year 2019.	Yes		
	There are no new planting in year 2022.			
	Therefore, no data for type of terrain available.			

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Mode of Audit: Onsite



4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.	
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address any nonconformity identified.	
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS NOT been implemented effectively. Non-conformity will be re-raised.	
Х	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	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

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	0	MAJOR Non-Conformities
audit,	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.2.1.2	To keep records of sales and delivery or transportation of fresh fruit bunches.	Field	SPOC Q29 Batu Niah could improve FFBs sales record in the individual BRL.
2.	4.5.1.1	Independent smallholders are expected to be aware of the environmental impact but are not expected to undertake any formal impact assessment unless there is a legal requirement.	Field	SPOC Q29 Batu Niah could improve buffer zone marking.

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Nr.	Indicator	Description	Location	Opportunity for Improvement
3.	4.6.1.2	A visual identification or reference system shall be established for each field or block of oil palm planting.	Field	SPOC Q29 Batu Niah could improve visual identification information for new 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 Q29 Batu Niah consisting of 1,991 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

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

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

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

Total certified number of independent smallholders: 1,991

Total certified acreage of smallholders: 17,818.2383 Ha

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6. RECOMMENDATION

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

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

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

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

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

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

Puchong, 19/01/2023

Muhammad Khairul Anuar TUV NORD (Malaysia) Sdn Bhd

Audit Team Leader

Puchong, 20/01/2023

Navin Baskram

TUV NORD (Malaysia) Sdn Bhd

Certifier / Approver

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7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

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

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

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

Salvo clause:

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

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

Annex / Enclosures		
Annex / corresponding audit documentation		