

# MSPO CERTIFICATION SUMMARY REPORT

# MPOB -SPOC Q29 BATU NIAH

SURVEILLANCE 02

Remote Audit Date: 07/12/2020 - 10/12/2020

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Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah

Client Number: 92-057
Audit Type: ASA 02
Mode of Audit: Remote



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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 annual surveillance 02 audit for SPOC Q29 Bt. 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) Pekebun 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 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 (Trainee): Jasmandy Bin Syahrul

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following	Graduate in B. Sc (Hons) Plantation Technology 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;	
v) Social Sciences and/or Anthropology;	

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Requirement	Qualifications
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)	9 years working experience in oil palm plantations
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS2530 series of standards for Lead Auditors
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) mandays 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 and Lead Auditor in training
Field working experience in the palm oil sector, or demonstrable equivalent	9 years of working experience in oil palm plantations
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	9 years of working experience in oil palm plantations
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 Basic SA 8000 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	Qualified and appointed as auditor for MSPO scheme

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

# **Qualification of Team Member(s)**

Requirement	Name Asse	essor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following	Chan Shi Lie		Graduate in Bachelor of Media Technology (Major in Broadcasting)	Yes
i) Agriculture;	Khairul Anw	ar Bin	Graduate in Agricultural	Yes
ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);	Ismail		Science	
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	Chan Shi Lie		6 years working experience in oil palm plantations	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)	Khairul Anw Ismail	ar Bin	5 years working experience in oil palm plantations	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Chan Shi Lie		Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Khairul Anw Ismail	ar Bin	Successfully completed MS2530 series of standards for Lead Auditors	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 mandays of audit experience as an auditor-in-training under the direction	Chan Shi Lie		Qualified as Auditor for MSPO scheme	Yes
and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Khairul Anw Ismail	ar Bin	Qualified as Auditor for MSPO scheme	Yes

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Requirement	Name	Assesso	or	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Chan Shi	Lie		6 years working experience in oil palm plantations	Yes
	Khairul Ismail	Anwar	Bin	5 years working experience in oil palm plantations	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Chan Shi	Lie		6 years working experience in oil palm plantations	Yes
	Khairul Ismail	Anwar	Bin	5 years working experience in oil palm plantations	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Chan Shi	Lie		Successfully completed IMS ISO 9001 Lead Auditor course	Yes
	Khairul Ismail	Anwar	Bin	Successfully completed IMS ISO 9001 Lead Auditor course	Yes
Health and safety auditing on the farms processes and activities	Chan Shi	Lie		Successfully completed IMS ISO 45001 Lead Auditor course	Yes
Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Khairul Ismail	Anwar	Bin	Successfully completed IMS ISO 45001 Lead Auditor course	Yes
Workers welfare and social auditing experience	Chan Shi	Lie		Successfully completed Basic SA 8000 training	Yes
or Successfully attended SA8000 or related social or ethical accountability codes	Khairul Ismail	Anwar	Bin	Successfully completed Basic SA 8000 training	Yes
Environmental and ecological auditing or experience with organic agriculture.	Chan Shi	Lie		Successfully completed IMS ISO 14001 Lead Auditor course	Yes
Or Supposefully completed	Khairul	Anwar	Bin		Yes
Successfully completed Environmental Management Systems ISO 14001 standard	Ismail			IMS ISO 14001 Lead Auditor course	
Completed High Conversation Value assessment	Chan Shi	Lie		Qualified and appointed as auditor and lead auditor for MSPO scheme	Yes

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Requirement	Name Assessor	Qualification	Compliance
	Khairul Anwar Bin Ismail	Qualified and appointed as auditor and lead auditor for MSPO scheme	Yes
ble to communicate in Bahasa falaysia, English and / or any other ocal language.	Chan Shi Lie	Able to communicate in Bahasa Malaysia, English and Mandarin	Yes
	Khairul Anwar Bin Ismail	Able to communicate in Bahasa Malaysia and English	Yes

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### 2. METHODOLOGY

The audit approach consists of the following steps:

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

### Surveillance 02 Audit:

Surveillance audit conducted remotely from 07/12/2020 to 10/12/2020 covers the following activities but not limited to below:

### Remote:

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Desk documentation assessment
- Virtual interview management
- Virtual stakeholders communication; If required
- Virtual interview of smallholders via phone call or WhatsApp video call
- Virtual inspection of farm via photos and videos
- Production records
- Review revised and updated documentation
- · Training records
- Assessment reporting

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### **Remote Assessment**

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

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

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

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

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

Document verification based on soft copy and photo format while virtual field inspection by using photo and video format.

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

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

The group of smallholders consists of 555 new members and 696 existing members. The total number of smallholders for this audit are 1,251.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size, S =  $1.5\sqrt{1,251}$  = 55 round up to the next integral of 55.

As per OPMC 2 issue 2, from the sample size, the number of the new members are  $55 \times 75\%$  = 41 and number of existing members are  $55 \times 25\%$  = 14.

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

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

Name	GPS Coordinates		
Existing Smallholders			
Bremau Anak Manggin @ Minggin	3º35'8.7" N 113º45'53.15" E		
Chundie Anak Naong	3°34'40.451" N 113°45'20.879" E		
Damat Anak Minggin	3º35'11.198" N 113º45'54.979" E		
Jackson Anak Dingin	3º34'39.878" N 113º45'10.18" E		
Baba Anak Ajee	3º35'44.2" N 113º36'8.258" E		
Timboo Anak Undi	3º35'32.431" N 113º36'2.059" E		
Charang Anak Sawing	3º42'32.738" N 113º47'4.97" E		
Joline Anak Bannei	3º42'29.83" N 113º46'56.949" E		
Nyagun Anak Luming	3º42'15.34" N 113º47'3.44" E		
Siba Anak Sumah	3º42'5.479" N 113º47'7.31" E		

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Name	GPS Coordinates
Suping Anak Buket	3°44'9.29" N 113°54'25.228" E
Paing Anak Ngaoh	3º41'11.789" N 113º47'11.468" E
Sem Anak Kalom	3º47'15.539" N 113º39'15.501" E
Linggi Anak Empili	3°34'52.691" N 113°36'24.98" E
New Sm	allholders
Usik Anak Budul	3º28'11.086" N 113º34'14.7" E
Enkuk Anak Awal	3º27'52.427" N 113º34'1.847" E
Monica Gunang Anak Anga	3°27'7.254" N 113°33'47.098" E
Anie Anak Jawan	3º27'10.12" N 113º33'40.867" E
Ugan Anak Penyambah	3º27'17.212" N 113º33'43.801" E
Oliver Tinggie Anak Janin	3º28'3.594" N 113º34'12.665" E
Ejau Anak Enchan	3º43'48.914" N 113º46'12.514" E
Dura Anak Jampong	3º43'32.056" N 113º45'39.211" E
Joanes Rajit Anak James	3º49'30.922" N 113º47'31.884" E
Francis Kemarau Anak Lembey	3°50'41.384" N 113°48'2.34" E
Lukas Anak Judas	3º49'56.672" N 113º47'23.805" E
Galang Anak Nymong	3º50'12.527" N 113º47'15.529" E
Bayang @ Junggok Anak Semut	3º50'26.041" N 113º49'3.629" E
Lulok Anak Suling	3º50'8.462" N 113º47'38.338" E
Nelson Anak Ajoi	3º50'1.007" N 113º51'4.737" E
Maria Anak Luat	3º39'32.386" N 113º44'0.949" E
Ugak Anak Udi	3º39'7.589" N 113º43'37.984" E
Jackson Moyang Anak Sabong	3º38'41.478" N 113º42'37.688" E
Chistina Layam Anak Sabong	3º39'4.867" N 113º42'40.712" E
Sabina Anak Sabong	3º38'35.603" N 113º42'40.355" E
Muan Bin Jadong	3º33'23.263" N 113º40'50.883" E
Jabidin Anak Jeman	3º33'2.257" N 113º40'47.578" E
Faridah Anak Gawing	3º33'36.385" N 113º40'26.803" E
Manap Bin Salleh	3º32'31.171" N 113º41'9.463" E
Ramiah Binti Ugos	3º33'7.348" N 113º40'49.475" E
Saran Anak Mus	3º32'38.508" N 113º41'10.392" E
Roosebeit Slee Jadum	3º33'10.026" N 113º41'7.598" E
Norela Binti Nordin	3º33'44.392" N 113º39'2.764" E

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Name	GPS Coordinates
Nyurak Anak Keti	3°34'14.092" N 113°39'25.135" E
Peter Hii Lu Ung	3°34'31.339" N 113°37'30.471" E
Adam Anak Saba	3°37'32.606" N 113°47'46.107" E
Rawing Anak Ugic	3°37'21.324" N 113°47'41.056" E
Michael Lawat Anak Pagan	3°38'17.992" N 113°46'51.452" E
Enna Anak Pilit	3º37'14.002" N 113º47'6.885" E
Ida Chimenda Anak Undis	3º38'8.012" N 113º46'44.022" E
Musa Anak Kudi	3º46'14.905" N 113º49'3.126" E
Antik Anak Kudi	3°45'46.325" N 113°49'53.785" E
Anih Anak Kudi	3°45'53.539" N 113°49'29.215" E
Sida Anak Diom	3º46'0.826" N 113º48'49.633" E
Augustine Anak Ngumbang	3º46'5.948" N 113º48'56.797" E
George Anak Nyegang	3°40'38.896" N 113°53'19.309" 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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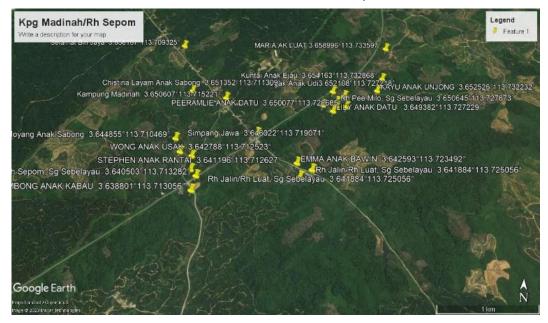
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### 3. ORGANISATION INFORMATION

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 are in Batu Niah as shown in the below maps.



Map 01: Kampung Madinah/ Rh. Sepom

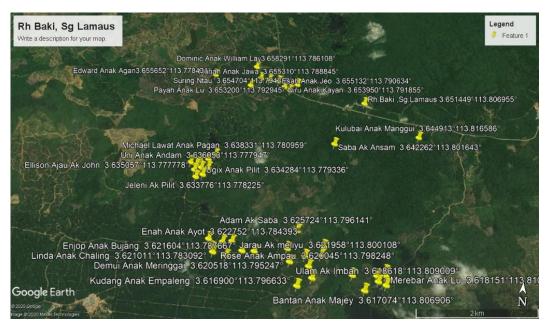


Map 02: Rh. Tulie, Batu 47

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Map 03: Rh. Baki, Sg Lamaus



Map 04: Rh. Patrick Libau

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Map 05: Rh. Pee Millo

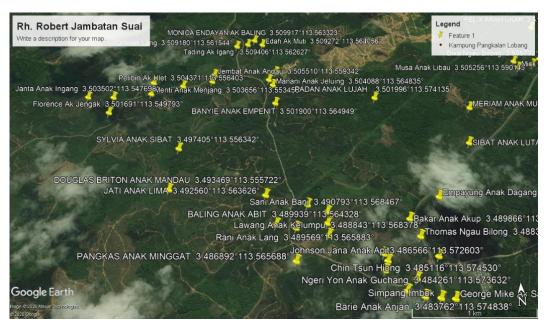


Map 06: Rh. Robert Jambatan Suai

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Map 07: Rh. Robert Jambatan Suai



Map 08: Rh. Stephen Kedu

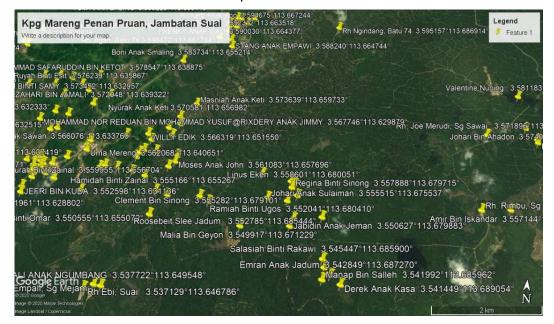
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Map 09: Rh. Usek



Map 10: Kpg. Mareng Penan Pruan, Jambatan Suai

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Map 11: Rh. Brain



Map 12: Rh. Aing, Sg. Lamaus

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Map 13: Rh. Akai, Sg. Merusa



Map 14: Rh. Bajing, Sekaloh

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Map 15: Rh. Bajing, Sekaloh



Map 16: Rh. Sabai, Sekaloh

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Map 17: Rh. Sabang, Sg. Sawai



Map 18: Rh. Sube, Sg. Aping

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Map 19: Rh. Sube, Sg. Aping



Map 20: Rh. Clarence, Sg. Sawai

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Map 21: Rh. Changgai, Sg. Sah



Map 22: Rh. Belilie, Sg. Tema

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### 4. CERTIFICATION ASSESSMENT

### 4.1. Annual Surveillance Audit

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 02:

The surveillance 02 audit is conducted from 07/12/2020 to 10/12/2020.

The number of smallholders in this surveillance audit are 1,251.

The number of smallholders 696 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance 02 audit are 555.

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

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

During the remote audit 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 fertilizing, chemical spraying and harvesting.

During the remote surveillance 02 audit, there are 01 Major and 2 OFIs raised.

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

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

### 4.2. Stakeholders' Consultation

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

The audit team leader has review the stakeholders' consultation feedback during the last surveillance audit and there are no concerns or complaints or disputes raised or any prior to this audit.

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Therefore, there is no stakeholders consultation conducted for this surveillance audit.

### 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	Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance	
4.1.1.1	SPOC Q29 Batu Niah established MSPO policy document number MSPO/SSCC/POLISI-01.	Yes	
	Remotely review the MSPO Policy that include in smallholder individual file and signed by SPOC GM.		
	MSPO training conducted on 05/02/2020 has brief on MSPO policy.		
	Phone call interviewed with smallholders they understand on the MSPO requirement. They attended training conducted by group manager.		
4.1.2.1	SPOC Q29 Batu Niah established List of Social and Environmental Impact and action plan, document number MSPO/SSCC/I-04/ISP dated 01/06/2020.	Yes	
	Example of Environmental Impact:		
	Activity: Manuring and crops integration		
	Impact: Improved in soil nutrients via manuring. Using organic / fertilizer integrated with other cash crops.		
	Action taken: Ongoing		
	From photos review and phone call interview confirmed smallholders have conduct manuring and crops integration in the block.		
4.1.2.2	SPOC Q29 Batu Niah Group Manager provide smallholders Warta Sawit to disseminate new information and techniques	Yes	
	Remotely document reviewed the Latest Warta Sawit distribute is Bil. 74 (1) January – April 2020.		
	Phone call interview with sampled smallholders informed they obtained new Warta Sawit.		

Principle 2: Transparency				
Indicator	Summary of Assessment	Compliance		
4.2.1.1	SPOC Q29 Batu Niah adopted MPOB Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan document number MSPO/SPOC/GP-01/PEK revision number 03, dated 01/06/2020 which include 'Carta Alir			

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Kebolehjejakan Perbelanjaan dan Pendapatan Pekebun Kecil' as a traceability procedure.	
	The traceability procedure describe smallholders provided with Buku Rekod Ladang (BRL) to record FFB sales.	
	Interview with smallholders by phone call informed FFB production, fertilizer and chemical application and operation expenses recorded in the BRL.	
	Review the BRL of smallholders available with information of FFB production.	
	During document review SPOC Q29 Batu Niah established and maintained record of FFB sales in smallholders' individual file.	
4.2.1.2	SPOC Q29 Batu Niah established FFB production summary record by monthly basis for each smallholders updated as at November 2020.	Yes
	SPOC Q29 Batu Niah keep records of FFB sales and weighbridge ticket in smallholders' individual file.	
	Phone call interview with smallholders informed FFB sales receipts and weighbridge tickets are available and maintained.	
	During document review, weighbridge ticket and FFB sales record of smallholders are verified.	

Principle 3	Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance	
4.3.1.1	SPOC Q29 Batu Niah established the list of legal register, document number MSPO/SPOC/L-02/LLR revision number 05 dated 01/10/2020.	Yes	
	Example:		
	1. 'Akta 149: Akta Racun Makhluk Perosak 1974'		
	<ol> <li>'Akta 342: Akta Pencegahan dan Pengawalan Penyakit Berjangkit 1988 Perintah Pencegahan dan Pengawalan Penyakit Berjangkit (Pindaaan Jadual Pertama)'</li> </ol>		
	3. 'Akta 350: Akta Kanak-Kanak dan Orang Muda (Pekerjaan) 1966'		
	4. 'Undang-undang Sarawak : Kod Tanah (CAP 81) 1958'		
	During document verification copy of MPOB license is kept in the smallholders' individual file.		
	Review the MPOB license for sampled smallholders are valid until 31/01/2024.		
	Phone call interview with smallholders informed they are aware of legal requirements and information of legal requirements obtained through MSPO training conducted on 05/02/2020 by SPOC Q29 Batu Niah.		
4.3.2.1	SPOC Q29 Batu Niah smallholders' land titles are Native Customary Right land (NCR).	Yes	

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	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' land titles are Native Customary Right land (NCR).	Yes
	Document review indicate 'Akuan Pengesahan Tanah NCR' is verified by 'Tuai Rumah'.	
4.3.3.2	SPOC Q29 Batu Niah smallholders' land titles are NCR land verified by 'Tuai Rumah' as the rightful owner of the land.	Yes
	Review the 'Akuan Pengesahan Tanah NCR' include sketch map of the field location.	
	Photograph verification indicate boundary marker of each smallholders' field is installed and maintained.	

Principle 4	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 number 03, revision number 02 dated 01/06/2020.	Yes	
	Complaint form established, document number MSPO/SSCC/F-01/AR, issue number 02, revision number 0, date effective 01/06/2020.		
	The procedure comprised 3 sections:		
	Complaints and grievances form (Form AR)		
	Complaints and grievance discussion record (PAR Record)		
	3. Complaints and grievance file (AR File)		
	Timeline stated for the grievance to be addressed within 14 days as stated in the grievance chart.		
	The flow chart in the SOP state the normal complaint process is to be resolved within 14 days. If the complainant is not satisfied with the action taken the complaint will extend another 10 days for the response.		
	Reviewed on the complaint record for SPOC Q29 Batu Niah, no complaint lodged from November 2019 till the audit date		
4.4.1.2	SPOC Q29 Batu Niah adopted MPOB guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue number 03, revision number 02 dated 01/06/2020.	Yes	
	The procedure has a flowchart to resolve any complaints.		
	The group manager is the responsible person to handle and manage any complaints.		

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah



Principle 4	Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance	
	Document review verify flowchart describe the steps and timeline to manage and respond any complaint received.		
	The total days to resolve is 14.		
	Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ to handle the matter.		
	Reviewed on the complaint record for SPOC Q29 Batu Niah, no complaint lodged from November 2019 till the audit date.		
4.4.2.1	SPOC Q29 Batu Niah adopt MPOB Guidelines Occupational Safety & Health, document number MSPO/SPOC/GP-02/KKP, issue number 03, revision number 0 effective date 01/06/2020.	Yes	
	Scope of the guideline describe:		
	Responsibilities of the group manager and smallholders / workers.		
	Safety work practices for harvesting, chemical spraying and fertilizer application.		
	MSPO training conducted on 05/02/2020 has brief on Guidelines Occupational Safety & Health.		
	Phone call interview smallholders' informed that they aware on safe work practices such as use personnel protective equipment for chemical spraying and manuring.		
4.4.3.1	SPOC Q29 Batu Niah adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, revision number 01 for hiring of field workers by smallholders.	Yes	
	The document describe the requirements for hiring of workers.		
	Phone call interview smallholders inform they are aware prior commencement of work, a mutual verbal agreement on the price rate.		
	Phone call interview with smallholders informed they operate on family based for FFB harvesting, chemical spraying and fertilizing activities. Therefore, no workers are hired.		
4.4.3.2	SPOC Q29 Batu Niah adopt MPOB Conditions for hiring workers in oil palm fields, document number MSPO/SPOC/SMP-01, revision number 01 signed by the group manager.	Yes	
	Document review verify smallholders signed MSPO application form include with the descriptions on statement of "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.		
	MSPO training conducted on 05/02/2020 has brief on MPOB Conditions for hiring workers and policy on discrimination.		
	Phone call interview smallholders inform they are aware about the policy on discrimination.		

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.3.3	Phone call interviewed with SPOC Q29 Batu Niah smallholders confirm smallholders' operate on family based for FFB harvesting, chemical spraying and fertilizing activities. Therefore, no workers are hired.	Yes
4.4.3.4	Phone call interviewed with SPOC Q29 Batu Niah smallholders and remotely photos review confirmed no on-site living quarters provided to workers.	Yes
4.4.3.5	SPOC Q29 Batu Niah adopt MPOB Conditions for hiring workers in oil palm fields, document number MSPO/SPOC/SMP-01, revision number 01 signed by GM and Zone Manager with a statement "No hiring or allow children below age of 15 years to work in the farm.	Yes
	MSPO training conducted on 05/02/2020 has brief on hiring child labour to smallholders.	
	Phone call interviewed smallholders inform no child labour working in the field.	
4.4.4.1	SPOC Q29 Batu Niah establish annual training programme for 2020.	No
	The program conducted includes:	
	1. MSPO Training	
	2. Lawatan Khidmat Nasihat (LKN)	
	Document review verify briefing record on MSPO conducted on 09/01/2020, 05/02/2020 and 26/06/2020.	
	Major NC	
	Referring to Opportunity for Improvement (OFI) raised in last surveillance audit related to awareness on complaint and grievance procedure, no briefing conducted to brief smallholders on complaint and grievances procedure during training dated 09/01/2020, 05/02/2020 and 26/06/2020.	
	Phone call interview with sampled smallholders confirmed the lack of awareness briefing related to complaint and grievances procedure.	

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 SOP "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), Senarai Impak Sosial Persekitaran & Pelan Tindakan" document number MSPO/SSCC/L-04/ISP, issue number 03, revision number 03, effective date 01/06/2020.  Example:  Activity: Fertilizing  Environmental impact: Water pollution due to exceed of fertilizer application	Yes	
	SPOC Q29 Batu Niah informed smallholders on environmental impacts during MSPO briefing dated 09/01/2020.		

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah



Principle :	5: Environment, natural resources, biodiversity and ecosystem services	3
Indicator	Summary of Assessment	Compliance
	Review on the submitted photos, there was no sign of pollution observed, the vegetation was retain and no sign of over spraying or fertilizing.	
	Interviewed via phone call with the smallholders' feedback they are aware on protection on environment. Empty chemical containers are kept in proper and safe location after triple rinsing and labelled.	
4.5.2.1	Phone interview with SPOC Q29 Batu Niah smallholders feedback no renewal energy was used.	Yes
4.5.3.1	SPOC Q29 Batu Niah adopted MPOB SOP "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), Senarai Sisa Racun dan Domestik", document number MSPO/SPOC/L-03/SRD, issue number 03, effective date 01/06/2020.	Yes
	Example list of wastes generated:	
	Empty chemicals containers	
	2. Used fertilizer bags	
	SPOC Q29 Batu Niah established "Rekod Pengurusan Bahan Buangan" to list and monitor amount of wastes generated from smallholders latest updated 31/10/2020.	
	Phone interview with smallholders' feedback they are aware that empty chemical containers can be recycle and reused after triple rinsing.	
	Review on the submitted photos empty chemical container is labelled and stored at designated area.	
4.5.3.2	SPOC Q29 Batu Niah adopted MPOB SOP "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), Pengurusan Bahan Buangan Terjadual" document number MSPO/SSCC/SOP-03/BT, issue number 03, revision number 03 effective date 01/06/2020.	Yes
	The SOP describe:	
	To conduct triple rinsing for each empty chemical container before disposed	
	To put marking on empty chemical container for chemical mixing purposes	
	3. All waste disposal shall follow according the Environmental Quality (Scheduled waste) regulations, 2015	
	SPOC Q29 Batu Niah informed smallholders on generated wastes and disposal method during MSPO briefing dated 09/01/2020.	
	Phone interviewed with SPOC Q29 Batu Niah smallholders feedback they practice triple rinse for empty chemical containers and reused for chemical spraying.	
	Review on the submitted photos, empty chemical containers are marked and kept in designated store.	
4.5.4.1	SPOC Q29 Batu Niah adopted MPOB SOP "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), SOP Garis Panduan	Yes

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Certifying Unit: SPOC Q29 Batu Niah



Principle 5	5: Environment, natural resources, biodiversity and ecosystem services	
Indicator	Summary of Assessment	Compliance
	Zon Penampanan Sungai" document number MSPO/SSCC/GP-03/ZPS, issue number 03 dated 01/06/2020.	
	The SOP describes:	
	Guideline on buffer zone length	
	Non permitted activities are spraying, manuring	
	3. Flow chart on buffer zone establishment	
	SPOC Q29 Batu Niah informed smallholders on protection of water ways and quality water during MSPO briefing dated 05/02/2020 and 26/06/2020.	
	Phone interview with smallholders' feedback they aware on importance to maintain the water quality.	
4.5.4.2	Review on the submitted photos, SPOC Q29 Batu Niah smallholders' practices rain harvesting by using culvert or old drum for chemical spraying activities or washing purpose.	Yes
4.5.5.1	SPOC Q29 Batu Niah adopted MPOB SOP "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC), Senarai Impak Sosial Persekitaran & Pelan Tindakan" document number MSPO/SSCC/L-04/ISP, issue number 03, revision number 03, effective date 01/06/2020.	Yes
	SPOC Q29 Batu Niah provide training to smallholders on 09/01/2020 and 05/02/2020 with regards of protection on wildlife and plant. Topic highlighted during the training are:	
	Relevant laws and regulation with regards to wildlife protection	
	2. List of protected wildlife in Sarawak	
	3. Type of penalty if found fault	
	Review on the submitted photo list of wildlife is displayed at office notice board MPOB Batu Niah branch.	
	Example:	
	Fully protected:	
	Common name: Bulwer's pheasant	
	Scientific name: Lophura bulweri	
	Local name: Bekia	
	Protected:	
	Common name: Osprey	
	Scientific name: Pandion haliaetus	
	Local name: Lang, Menaul	
	Phone interview with smallholders' feedback they are aware and understand on protection of wildlife and illegal hunting is prohibited by laws.	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.6.1	SPOC Q29 Batu Niah adopted MPOB SOP "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC) SOP Garis Panduan Amalan Pembakaran Sifar" document number MSPO/SSCC/GP-04/APS, issue number 03, revision number 01, dated 01/06/2020.	Yes
	The guideline describes that smallholders are prohibited to practice open burning for replanting or new planting.	
	SPOC Q29 Batu Niah conducted no open burning training dated 09/01/2020 and 05/02/2020.	
	Review on the photos submitted observed there is no sign of open burning.	
	Phone interview with the smallholders' feedback they are aware and understand that open burning is prohibited and is against the law requirement.	

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	SPOC Q29 Batu Niah group manager conducted field visit to smallholders field for good agriculture practice (GAP).	Yes
	Activity includes:	
	Harvesting operation	
	2. Weed management	
	3. Fertilizer application	
	4. Pest and disease	
	Phone call interview with the smallholders informed:	
	GAP knowledge obtained during field visit by SPOC Group Manager	
	2. Harvesting at 2 rounds per month	
	3. Chemical spraying at 3 to 4 rounds per year	
	4. Fertilizer applied 3 to 4 rounds per year	
	During photo verification soft grassess are maintained for moisture retention, palm fronds stacked properly and palm pruning is maintained.	
4.6.1.2	SPOC Q29 Batu Niah established signage as reference system for each smallholder field.	Yes
	During photo verification signage is displayed at each smallholderfield includes information on smallholder name, lot number, field size, GPS coordinate and planting year.	
4.6.2.1	SPOC Q29 Batu Niah adopted MPOB SOP, 'Garis Panduan Pelan Daya Ekonomi dan Kewangan', document number MSPO/SPOC/GP-01/PEK, issues number 03, revision number 03, effective date 01/06/2020.	Yes
	SPOC Q29 Batu Niah established management plan include financial budget for 2020 for training program and field visit.	

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Mode of Audit: Remote



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Phone call interview with the management informed all operation budget and cost under MPOB HQ control.	
4.6.3.1	SPOC Q29 Batu Niah monitor FFB pricing through input from collection centre and mill for fair pricing.	Yes
	Phone call interview with smallholders informed FFB price obtained through phone call and daily FFB price displayed at collection centre and mill notice board.	

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 1990 and latest replanting in year 2019.			
	There are no new planting in year 2020. 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 1990 and latest replanting in year 2019.			
	There are no new planting in year 2020.			
	Therefore, no soil type available.			
4.7.3.1	SPOC Q29 Batu Niah established smallholders' database is review with 1st planting in 1990 and latest replanting in year 2019.	Yes		
	There are no new planting in year 2020.			
	Therefore, no data for type of terrain available.			

### 4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.	
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address any nonconformity identified.	
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS NOT been implemented effectively. Non-conformity will be re-raised.	
X	No non-conformity raised in previous audit.	
·		

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**

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah

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Mode of Audit: Remote



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.

REMOTE AUDIT OUTCOME		
During this remote	1	MAJOR Non-Conformities
audit	0	MINOR Non-Conformities

Non Conformity Number 01					
Indicator # a Description		4.4.4.1 Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.			
Location:	Office				
Description of	Finding / Objective Evidence:				
Referring to Opportunity for Improvement (OFI) raised in last surveillance audit related to awareness on complaint and grievance procedure, no briefing conducted to brief smallholders on complaint and grievances procedure during training dated 09/01/2020, 05/02/2020 and 26/06/2020.					
Phone call interview with sampled smallholders confirmed the lack of awareness briefing related to complaint and grievances procedure.					
Classification		☐ Minor			
Mode of Audit	□ Remote	☐ Onsite			
Raise by: Kh	nairul Anwar Bin Ismail	Date Raise:	10/12/2020		
Deadline for implementation 10/02/2021					
Root Cause Analysis (by company):					
We acknowledge that in 2020, the training provided to smallholders is not as comprehensive as in previous years. This is due to time constraints and movement due to the covid-19 pandemic. This includes training and information on Complaints and Complaints Procedures. Apart from that, training on complaints and grievances also does not have a specific slot which causes the possibility of smallholders not understanding.					
Correction (by company):					

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Mode of Audit: Remote



### **Non Conformity Number 01**

Re-training on complaints and grievances has been made and continuously conduct from longhouse to longhouse. So far 4 long house has been visited, namely:

RumahDate VisitRh.Sepom,Smpg BLD Suai,Niah05 Jan 2021Rh.Akai,Sg.Merusa,Suai Niah05 Jan 2021Rh.Changgai,Sg.Sah,Ulu Niah06 Jan 2021Rh.Micheal,Suai Niah06 Jan 2021

Reports and Pictures of the visit are as in appendix 1.

At this session as well, we have submitted complaints and grievance procedures to all smallholders under SPOC Q29. Proof of acceptance of complaints and grievance procedures as in appendix 2.

We have also affixed MPOB complaint and grievance procedures to strategic locations in longhouses. A picture of the intended complaint and grievance procedure is as in appendix 3.

The balance of the longhouse to be visited is as per Appendix 4 Visit Schedule.

### Corrective / Preventive Action (by company)

To prevent this from happening again, we plan to create a special slot regarding complaints and grievances during training and briefing in upcoming training session. In addition, we will also explain comprehensively during the LKN – *Lawatan Khidmat Nasihat* session.

### **Review of Correction & Corrective / Preventive Action**

Review documents submitted, the complaint and grievance procedures training had been conducted on 05/01/2021 to 06/01/2021 to brief the smallholders..

The evidence provided sufficient to close the NC.

Further verification will be conducted in the next surveillance audit.

Closed: ⊠ Yes □ No	Site verification :  Yes  No
Name of Auditor:	Date of Closure:
Khairul Anwar Bin Ismail	08/01/2021
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Nr.	Indicator	Description	Location	Opportunity for Improvement
1	4.1.2.2	Group management shall establish a system to improve practices in line with new information and techniques; and for disseminating this information	Office	SPOC Q29 Batu Niah management may consider improve the dissemination of new information and technique for smallholders.

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Certifying Unit: SPOC Q29 Batu Niah



Nr.	Indicator	Description	Location	Opportunity for Improvement
		throughout the group members.		
2	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.	Field	SPOC Q29 Batu Niah may consider improve on handling of the empty chemical containers.

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Mode of Audit: Remote



### 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 1,251 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There is 01 Major NC raised in this audit and closed out successfully. No site inspection to review the implementation since the Major NC is related to management system document.

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: 1,251

Total certified acreage of smallholders: 11,513.93 Ha

Certified FFBs output January to November 2020: 180,853.90 Mt

Projected FFBs output December 2020: 14.210.40 Mt

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah

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Audit Type: ASA 02

Mode of Audit: Remote



### 6. RECOMMENDATION

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

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

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

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

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

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

Puchong, 22/01/2021

Jasmandy Bin Syahrul

TUV NORD (Malaysia) Sdn Bhd

Audit Team Leader (Trainee)

Puchong, 22/01/2021

Nur Amanina Zahir

TUV NORD (Malaysia) Sdn Bhd

Certifier / Approver

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah

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# 7. LIST OF STAKEHOLDERS

### Table 7-1: List of Interviewed 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.

Company Name: Malaysian Palm Oil Board

Certifying Unit: SPOC Q29 Batu Niah

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Mode of Audit: Remote



# 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	<ul><li></li></ul>	