



# MSPO CERTIFICATION SUMMARY REPORT

## MPOB – SPOC S10 KENINGAU

ANNUAL SURVEILLANCE 11

Onsite Audit Date: 17/10/2022 – 21/10/2022

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# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board (MPOB)  
Certifying Unit: SPOC S10 Keningau  
Client Number: 92- 069  
Audit Type: ASA 11  
Mode of Audit: Onsite

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## ABBREVIATIONS

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

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## 1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct an surveillance eleven (11) audit for SPOC S10 Keningau 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 S10 Keningau 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 S10 Keningau 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 i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management;	Graduate in Plantation Industry and 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) man-days 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 Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 14001 Lead Auditor course.
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 i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Ariff bin Lokman	Graduate in Plantation Industry and Management	Yes
	Mohamad Norhisham bin Mohd Salleh	Graduate in Applied Science (Major In Agrobiology).	
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)	Ariff bin Lokman	7 years working experience in oil palm plantation	Yes
	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 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Ariff bin Lokman	Qualified as auditor based on audit log.	Yes
	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) and Integrated Pest Management (IPM), pesticide and fertilizer use	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	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  Successfully completed Occupational, Health & Safety Management System ISO 45001 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 45001:2018 Lead Auditor course.	
Workers welfare and social auditing experience  or  Successfully attended SA8000 or related social or ethical accountability codes	Ariff bin Lokman	Successfully completed SA 8000 Basic training	Yes
	Mohamad Norhisham bin Mohd Salleh	Successfully completed SA 8000 Basic training	
Environmental and ecological auditing or experience with organic agriculture.  or  Successfully completed Environmental Management Systems ISO 14001 standard	Ariff bin Lokman	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	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.	Ariff bin Lokman	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 Eleven (11) Audit:

The surveillance eleven (11) audit conducted onsite from 17/10/2022 – 21/10/2022 covering the following activities but not limited to below:

#### Onsite:

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

### Onsite 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 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 247 new members and 1,689 old members. The total number of smallholders for this audit are 1936.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size  $S = 1.5\sqrt{1,936} = 66$  round up to the next integral of 66.

As per OPMC 2 issue 2, from the sample size, the number of the new members are  $66 \times 75\% = 50$  and number of existing members are  $66 \times 25\% = 17$ .

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)	
Lius Bin Gadung	N 5° 9'16.72" / E116°14'15.03"
Jukim Binti Dawat	N 5°13'53.76" / E116° 9'0.41"
Jidah Bigun	N 5°6'28.95348" / E116°24'31.35204"
Mohamad Sharul Hajinin	N 5° 9'31.41" / E 116°11'44.47"
Rose Ahchung	N 5°16'38.54" / E 116° 7'22.96"
Juliana Mamang	N 5° 8'14.34228" / E116° 8'30.97068"
Rahimin Bin Mohadin	N 5° 18'23.50584" / E116° 11'55.40856"
Mohd Hafizi Bin Rasinin	N 5° 7'41.87604" / E116° 14'11.55624"
Bohan Bigun	N 5°16'17.31936" / E116°24'59.32116"
Jasley Rumau	N 5° 5'50" / E116° 9'8"
Noraijika Binti Andapan	N 5° 06'23.0" / E116° 08'06.0"
Benedict Bigun	N 5° 16'39.02412" / E116° 24'28.19988"
Branden James Muin	N 5° 14.48697" / 116° 11.31673"
Jovineh Binti Bigun	N 5°16'5.15564" / E 116°24'37.50653"
Javelin Binti Bigun	N 5°16'32.69536" / E 116°25'10.74601"

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Name	GPS Coordinates
<b>Existing member(s)</b>	
Junis Bin Ambrose	N 5°13'30.15588" / E 116°15'39.636"
Haris Maridi	N 5°13'7.62" / E 116°8'49.64"

Name	GPS Coordinates
<b>New member(s)</b>	
Sylvester @ Peter Bin Junis	N 5°16'17.6574" / E 116°24'16.32096"
Yurim Ramlee	N 5°16'5.47788" / E 116°24'33.95412"
Lydia Binti Singkun	N 5°16'49.584" / E 116°25'13.836"
Gabriel Singkun	N 5°15'27.08784" / E 116°25'6.48048"
Demson Bin Dendry	N 5°18'43.31412" / E 116°27'41.65812"
Angkapon @ Denry Bin Kulinting	N 5°18'43.06932" / E 116°27'41.82012"
Edwin Bin Unsing	N 5°19'6.06828" / E 116°27'20.99844"
Dewi Sulisturianie Binti Mohd Jiimin	N 5°15'58.82652" / E 116°22'27.12036"
Lorensius Michael	N 5°18'18.594" / E 116°27'43.94988"
Tamparan Bin Kunal @ Konal	N 5°22'21.81612" / E 116°26'1.0032"
Suzianah Binti Umat	N 5°13'4.78128" / E 116°21'7.86564"
Agustine Bin Naing	N 5°18'29.48328" / E 116°27'37.99512"
Jevvy Bin Jeromi	N 5°18'9.81972" / E 116°27'46.42164"
Aloysius Ting Chang Seng	N 5°20'47.43528" / E 116°26'45.55212"
Sebastian Sakunil	N 5°19'24.6306" / E 116°25'11.79192"
Bonepes Bin Been	N 5°13'9.22224" / E 116°21'41.43276"
Jiniwa Binti Antaim	N 5°15'59.454" / E 116°24'28.28412"

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Name	GPS Coordinates
<b>New member(s)</b>	
Nani @ Siti Rohani Binti Lamat	N 5°12'21.71952" / E116°21'34.96032"
Ronny Gontoloi	N 5°15'57.645" / E116°25'18.49368"
Asnie @ Asneh Binti Karikang @ Jumain	N 5°10'49.91988" / E116°21'15.97788"
Adrina Binti Mideh	N 5°11'53.088" / E116°17'26.358"
Malanah Binti Unggau	N 5°16'19.62588" / E116°24'6.83388"
Bison Bin Bigun	N 5°16'31.98648" / E116°25'13.04112"
Masini Bin Kambuti @ Masni Bin Kambuti	N 5°21'34.36812" / E116°26'12.85188"
Dicryko Usang	N 5°22'25.84812" / E116°26'9.93624"
Doukin Bin Gangos	N 5°14'56.80104" / E116°21'55.48536"
Nurineh @ Wanika Binti Yantaim	N 5°16'11.59212" / E116°24'41.96412"
Saizeh Bin Laibin	N 5°22'28.9272" / E116°25'56.388"
Julian Bin Patrick	N 5°20'37.81644" / E116°26'37.07844"
Frendy Bin Munsang	N 5°11'3.73848" / E116°19'15.84948"
Jovina Binti Naing	N 5°18'37.43964" / E116°27'28.60704"
Dionysius Unsing	N 5°19'19.308" / E116°27'18.072"
Victor Bin Gabriel	N 5°11'52.95084" / E116°17'26.78928"
Biltinah Daimi	N 5°16'28.506" / E116°22'0.3"
Rischa Binti Gontorik	N 5°11'58.8138" / E116°17'49.5953"
Nicolas @ Neklos Bin Unsing	N 5°18'57.19284" / E116°27'21.28932"
Kennedy Bin Unsing	N 5°19'4.48968" / E116°27'16.46388"
Teofilus Bin Unsing	N 5°19'14.13372" / E116°27'21.15756"

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Name	GPS Coordinates
New member(s)	
Lasih Binti Kubis	N 5°13'28.58232" / E116°16'18.65676"
Handry Bin Asre	N 5°15'44.84988" / E116°24'59.652"
Rayner Gunong	N 5° 1' 6. 15612 " / E116° 6' 47.02788"
Donis Solipat	N 5° 13'46.254" / E116° 19'55.01388
Lai Set Ying	N 5° 16.556481" / E116° 14.727779"
Alfinno Diaqua Jamal @ Jamali	N 5° 16.05862" / E116° 9.24916"
Flovia Ampisan	N 5° 4'15.58812" / E116° 8'14.478"
Gim	N 5° 13.13705" / E116° 8.82736"
Mohd Azhar Bin Juhali	N 5° 11.38323" / E 116° 14.29278"
Jelary Bin Joannes	N 5° 18.03745" / E 116° 25.60696"
Salviah Binti Lapai	N 5° 18.03745" / E 116° 25.60696"
Ampisan @ Pencil Bin Gilam	N 5° 4'11.802" / E116° 8'20.39388"

### 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 S10 Keningau is a branch of MPOB located at Pejabat MPOB Caw. Keningau, Tingkat 1, Lot 15 & 16, Bariawa Shop House, Jalan Bank Bumiputera, 89008 Keningau, Sabah, coordinate 5° 19' 59.0" N, 116° 9' 20.0" E. It 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 Keningau district.

The smallholders are in Keningau as shown in the below Figures.



Figure 1: SPOC S10 Smallholders location



Figure 2: SPOC S10 Smallholders location

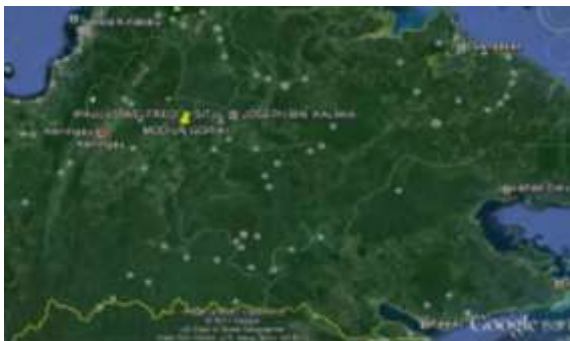


Figure 3: SPOC S10 Smallholders location

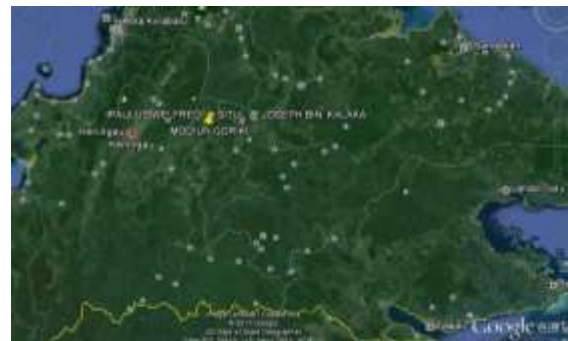


Figure 4: SPOC S10 Smallholders location



Figure 5: SPOC S10 Smallholders location

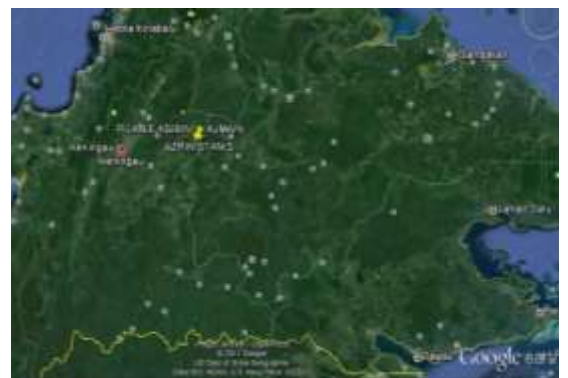


Figure 6: SPOC S10 Smallholders location

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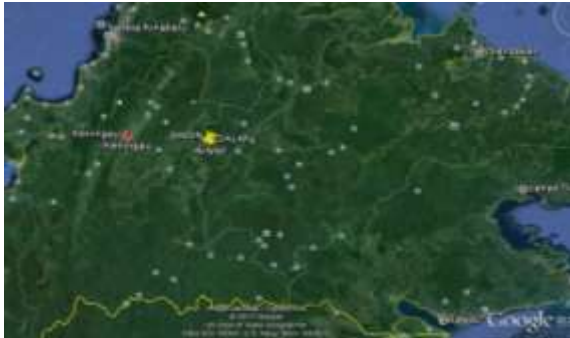


Figure 7: SPOC S10 Smallholders location

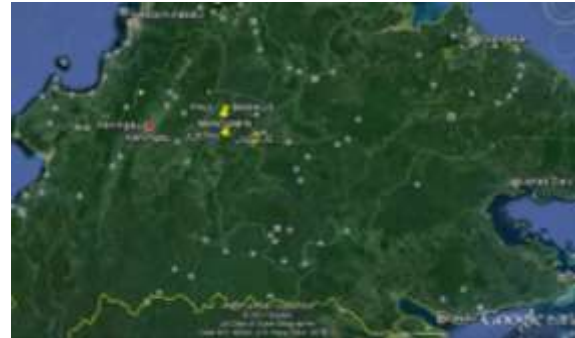


Figure 8: SPOC S10 Smallholders location

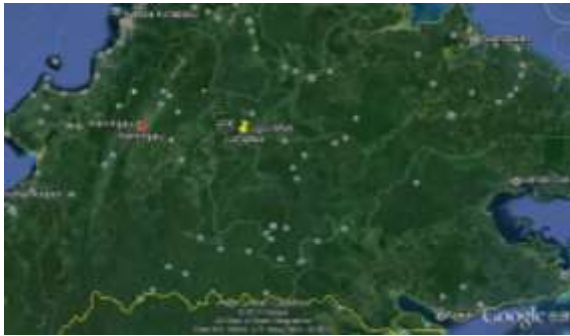


Figure 9: SPOC S10 Smallholders location



Figure 10: SPOC S10 Smallholders location

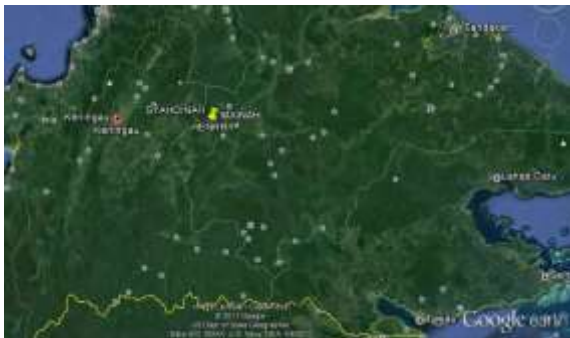


Figure 11: SPOC S10 Smallholders location

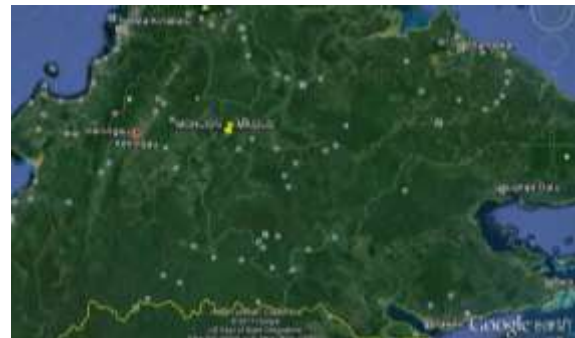


Figure 12: SPOC S10 Smallholders location

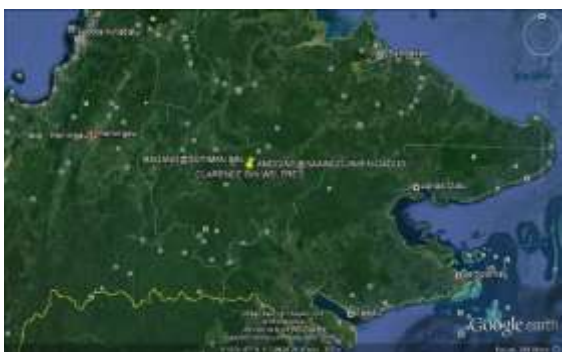


Figure 13: SPOC S10 Smallholders location



Figure 14: SPOC S10 Smallholders location

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Figure 15: SPOC S10 Smallholders location



Figure 16: SPOC S10 Smallholders location



Figure 17: SPOC S10 Smallholders location



Figure 18: SPOC S10 Smallholders location



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### 4. CERTIFICATION ASSESSMENT

#### 4.1. ASA 11

The objective of the audit is to assess the activities of MPOB Cawangan SPOC S10 Keningau are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

##### 4.1.1. Surveillance 11:

The surveillance eleven (11) audit is conducted from 17/10/2022 to 21/10/2022.

The number of smallholders in this surveillance audit are 1,936.

The number of smallholders 1,689 for this surveillance audit.

The number of smallholders joined during this surveillance audit are 247.

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 11 audit, there are 0 Major, 0 Minor and 2 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' 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.

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TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 15/09/2022 as to accommodate stakeholder’s consultation meeting for SPOC S10 Keningau to provide comments. As at audit date on 17/10/2022 there are no comments received.

## 4.3. Summary of Assessment

Principle and Criteria Assessment Summary	
<p>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.</p>	

Principle 1: Management Commitment & responsibility								
Indicator	Summary of Assessment	Compliance						
4.1.1.1	<p>SPOC S10 Keningau adopted MPOB MSPO Policy document number MSPO/SPOC/POLISI-01 (rev 03) dated 01/08/2021 signed by Group Manager and displayed at the noticeboard.</p> <p>SPOC S10 Keningau adopted MPOB MSPO certification application with the MSPO policy included in the form duly agreed and signed by smallholders and acknowledged by SPOC S10 Keningau Group Manager.</p> <p>Field interviews with sampled smallholders informed they understand the MSPO policy briefing by the Group Manager.</p> <p>Onsite visit to MPOB office observed MSPO policy displayed at notice board.</p> <p>Reviewed sampled smallholders file, the MSPO application forms are signed by the smallholders and maintained in their file.</p>	Yes						
4.1.2.1	<p>SPOC S10 Keningau adopted List of social and environmental impact and action plan, document number MSPO/SPOC/L-04/ISP, revision 04, issue 04 dated 01/06/2021.</p> <p>The table include topic on activity, social, environmental impact and improvement plan.</p> <p>SPOC S10 Keningau updated CIP for year 2022.</p> <p>Example:</p> <table border="1" data-bbox="347 1720 1219 1928"> <thead> <tr> <th>Activity</th> <th>License application</th> </tr> </thead> <tbody> <tr> <td>Impact</td> <td>Smallholders license period due.</td> </tr> <tr> <td>Action Plan</td> <td>Smallholders are reminded to updated their MPOB license registration via training and LKN conducted</td> </tr> </tbody> </table> <p>Field interviews with sampled smallholders informed they aware on their license period and review on individual files verify their license are up to date.</p>	Activity	License application	Impact	Smallholders license period due.	Action Plan	Smallholders are reminded to updated their MPOB license registration via training and LKN conducted	Yes
Activity	License application							
Impact	Smallholders license period due.							
Action Plan	Smallholders are reminded to updated their MPOB license registration via training and LKN conducted							

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<b>Principle 1: Management Commitment &amp; responsibility</b>		
Indicator	Summary of Assessment	Compliance
4.1.2.2	<p>SPOC S10 Keningau distributed 'Warta Sawit' to smallholders either via Latihan Khidmat Nasihat or taklimat / training. Latest Warta Sawit available was Bil. 77(1) Jan – Apr 2021.</p> <p>Field interviews with sampled smallholders informed they have obtained the new information on oil palm management during the MSPO training.</p> <p>Example: SPOC S10 Keningau group manager distribute to PK during MSPO training dated 29/09/2022.</p>	Yes

<b>Principle 2: Transparency</b>		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC S10 Keningau 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.</p> <p>The guideline describing the steps approach for delivering FFBS to collection center or mill with the type of documents.</p> <ol style="list-style-type: none"> <li>1. Sales receipt;</li> <li>2. Weighbridge ticket;</li> <li>3. Transfer records to BRL;</li> <li>4. Keep Receipt;</li> <li>5. SPOC will collect records and prepare summary.</li> </ol> <p>Document review verify weighbridge tickets are kept by the smallholders.</p> <p>Field interviews with sampled smallholders informed they kept the weighbridge ticket for traceability purposes.</p>	Yes
4.2.1.2	<p>SPOC S10 Keningau Group Manager maintain records of FFBS production and sales of each smallholder.</p> <p>Document review verify SPOC S10 Keningau maintain copy of FFBS sales and weighbridge ticket in smallholders individual file.</p> <p>Field interviews with sampled smallholders informed FFB sales receipts and weighbridge tickets are maintained.</p>	Yes

<b>Principle 3: Compliance to legal requirements</b>		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC S10 Keningau established Legal Register for Sabah, Malaysia, document no. MSPO/SPOC//L-01/SKU, dated 01/06/2021.</p> <p>Training on awareness of legal requirements conducted for smallholders as follows:</p>	Yes

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<b>Principle 3: Compliance to legal requirements</b>		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>09/05/2022 at Malima Hall;</li> <li>29/09/2022 at P2O Management collecting centre.</li> </ul> <p>Smallholders MPOB licenses are valid and a copy of license is kept in smallholder's individual file.</p>	
4.3.2.1	<p>SPOC S10 Keningau sampled smallholder's land titles are country lease, native or PT land.</p> <p>The land use of country lease land titles state for purpose of cultivation of agriculture crop for economic value.</p> <p>The CL land titles issue by Sabah Land Authority with tenure of 99 years.</p> <p>The native land titles are freehold status.</p> <p>All members with PT land obtain the 'Surat Pengesahan PT' from Lands and Surveys Department.</p> <p>There are no land dispute recorded lodged for SPOC S10 Keningau.</p>	Yes
4.3.3.1	<p>SPOC S10 Keningau sampled smallholder's land titles are country lease, native or PT land.</p> <p>The native land titles issue by Sabah Land Authority with freehold status.</p> <p>All members with PT land in SPOC S10 Keningau obtain the "Surat Pengesahan PT" from Lands and Surveys Department stated land application status currently under technical process.</p> <p>Site interview with group manager and smallholders informed there is no land dispute occurs.</p>	Yes
4.3.3.2	<p>SPOC S10 Keningau sampled smallholders land titles have Figures include location, lot number, size of the area and boundary stone markers.</p>	Yes

<b>Principle 4: Social Responsibility, health, safety and employment conditions</b>		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC S10 Keningau adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.</p> <p>The SOP describes;</p> <ul style="list-style-type: none"> <li>The flow chart in the SOP describes grievance and complaint process is to be resolved within 14 days;</li> <li>Group manager is in charge in handling the complaint and grievances;</li> <li>Grievance and complaint records are archived and maintained.</li> </ul> <p>Review on 'Taklimat MSPO' report verified the complaint and grievances procedure has been briefed to smallholders as follows:</p> <ul style="list-style-type: none"> <li>09/05/2022 at Malima Hall;</li> </ul>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>29/09/2022 at P2O Management collecting centre.</li> </ul> Field interviews with sampled smallholders informed they understand the complaint and grievance procedure and process flow.	
4.4.1.2	SPOC S10 Keningau adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.  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: <ul style="list-style-type: none"> <li>Accepting the grievances;</li> <li>Analyzed and investigate on issue raised.</li> </ul> Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.  Field interviews with sampled smallholders informed they have been briefed on complaint and grievance process.	Yes
4.4.2.1	SPOC S10 Keningau adopt MPOB Guidelines Occupational Safety & Health, document number MSPO/SPOC/GP-02/KKP, issue: 3, revision: 0 effective date: 01/06/2021.  SOP describes: <ul style="list-style-type: none"> <li>Responsibility of GM and smallholders regarding safety and health;</li> <li>Procedure and type of PPE used for harvesting, manuring and spraying.</li> </ul> Review the 'Taklimat MSPO' conducted include safety and health as follows: <ul style="list-style-type: none"> <li>09/05/2022 at Malima Hall;</li> <li>29/09/2022 at P2O Management collecting centre.</li> </ul> Field interviews with sampled smallholders informed they have been briefed on importance of safety and health during working in field such as wearing PPEs for chemical spraying activity in the field.	Yes
4.4.3.1	SPOC S10 Keningau adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.  The form has included payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.  Field interviews with sampled smallholders informed, they working by themselves or assisted by family members or gotong- royong in carrying out field operations.	Yes
4.4.3.2	SPOC S10 Keningau adopted MPOB MSPO application form with a statement "provide equal opportunity and treatment regardless of race,	Yes

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<b>Principle 4: Social Responsibility, health, safety and employment conditions</b>		
Indicator	Summary of Assessment	Compliance
	<p>colour, sex, religion, political affiliation, nationality, social origin and shall not engage in or support discriminatory practices”.</p> <p>SPOC S10 Keningau adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>There are no complaints related to discrimination during documents review.</p> <p>Field interviews with sampled smallholders informed no discrimination occurs.</p>	
4.4.3.3	<p>SPOC S10 Keningau adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>The form has included payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.</p> <p>Field interviews with sampled smallholders informed they are working by themselves, assisted by family members or gotong – royong in carrying out field operations or hiring casual workers.</p>	Yes
4.4.3.4	<p>Site verification and field interviews with sampled smallholders SPOC S10 Keningau farm informed there is no on-site living quarters.</p>	Yes
4.4.3.5	<p>SPOC S10 Keningau adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.</p> <p>The form describe:</p> <ul style="list-style-type: none"> <li>Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work.</li> </ul> <p>Farm visits at sampled smallholder’s farm and field interviews with sampled smallholders informed no hiring of underage workers in the field.</p>	Yes
4.4.4.1	<p>SPOC S10 Keningau established training programme year 2021. The training programme include ‘Taklimat MSPO, GAP and LKN visit.</p> <p>Review on training record year 2022 verified there is training carried out for smallholders.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>09/05/2022 at Malima Hall;</li> <li>29/09/2022 at P2O Management collecting centre.</li> </ul> <p>Field interviews with sampled smallholders informed they have been briefed on MSPO implementation in farms</p>	Yes

<b>Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC S10 Keningau adopted MPOB List of Social, Environmental impacts and action plan, document number: MSPO/SPOC/L-04/ISP, version: 04, dated 01/06/2021.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services														
Indicator	Summary of Assessment	Compliance												
	Environmental impact and action plan: Activity: Chemical application; Environmental impacts: Water pollution due to chemical application near to drains; Action plan: Continuous of good agricultural practice and advisory visit by TUNAS officer. Document review verify environmental training has been conducted on 29/09/2022. Field interviews with sampled smallholders informed they have been briefed on the environmental impacts for chemical application at farm.													
4.5.2.1	Field visits at sampled smallholder’s farm indicates there is no renewal energy use. Field interviews with sampled smallholders informed they are not using any renewable energy at farm.	Yes												
4.5.3.1	SPOC S10 Keningau adopted MPOB list of chemical and domestic waste, document number: MSPO/SPOC/L-03/SRD, issued: 4 dated 01/06/2021. Example: From agricultural input: <table border="1" data-bbox="347 1261 1197 1697"> <thead> <tr> <th>Agricultural input</th> <th>Waste produced</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td>Pesticides Herbicides</td> <td>                             1. Empty chemical containers;                              2. Chemical residue after triple rinse                              3. Contaminated rags                              4. Contaminated soil while spillage                              5. Smoke produce during combustion                         </td> <td>                             1. Breeding ground for mosquitoes;                              2. Water pollution                              3. Air pollution                         </td> </tr> </tbody> </table> From non-agricultural input: <table border="1" data-bbox="347 1760 1216 2051"> <thead> <tr> <th>Non-Agricultural equipment</th> <th>Waste produced</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td>Chemical Pump</td> <td>                             1. Chemical residue discharge into the water course.                              2. Contaminated pumps.                         </td> <td>                             1. Breeding ground for mosquitoes;                              2. Polluting water sources.                         </td> </tr> </tbody> </table>	Agricultural input	Waste produced	Impact	Pesticides Herbicides	1. Empty chemical containers; 2. Chemical residue after triple rinse 3. Contaminated rags 4. Contaminated soil while spillage 5. Smoke produce during combustion	1. Breeding ground for mosquitoes; 2. Water pollution 3. Air pollution	Non-Agricultural equipment	Waste produced	Impact	Chemical Pump	1. Chemical residue discharge into the water course. 2. Contaminated pumps.	1. Breeding ground for mosquitoes; 2. Polluting water sources.	Yes
Agricultural input	Waste produced	Impact												
Pesticides Herbicides	1. Empty chemical containers; 2. Chemical residue after triple rinse 3. Contaminated rags 4. Contaminated soil while spillage 5. Smoke produce during combustion	1. Breeding ground for mosquitoes; 2. Water pollution 3. Air pollution												
Non-Agricultural equipment	Waste produced	Impact												
Chemical Pump	1. Chemical residue discharge into the water course. 2. Contaminated pumps.	1. Breeding ground for mosquitoes; 2. Polluting water sources.												

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Principle 5: Environment, natural resources, biodiversity and ecosystem services					
Indicator	Summary of Assessment	Compliance			
	<table border="1"> <tr> <td></td> <td>3. Spill of lubricant oil from pump to onto soil.</td> <td></td> </tr> </table> <p>During field visits observed empty chemical containers are used to store water for chemical spraying activities.</p> <p>Document review on environmental training has been conducted on 29/09/2022 include topic on waste management and disposal.</p> <p>Field interviews with sampled smallholders informed they have been briefed on empty chemical containers can be recycle and reused after conducted triple rinsing.</p>		3. Spill of lubricant oil from pump to onto soil.		
	3. Spill of lubricant oil from pump to onto soil.				
4.5.3.2	<p>SPOC S10 Keningau adopted MPOB SOP MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-03/BRP issue 4 effective date 01/06/2021.</p> <p>The SOP describe:</p> <ol style="list-style-type: none"> <li>To conduct triple rinsing for each empty chemical container before disposed;</li> <li>To put marking on empty chemical container for chemical mixing purposes;</li> <li>All scheduled waste shall be disposal according to the Environmental Quality (Scheduled waste) Regulations, 2015.</li> </ol> <p>Document review verify SPOC S10 Keningau established “Rekod Pengurusan Bahan Buangan Terjadual 2022” to monitor of scheduled waste generated such as empty chemical containers and fertilizer bags.</p> <p>Field visits at sampled smallholders farms confirmed no empty chemical containers left in the farm.</p> <p>Field interviews with sampled smallholders informed they recycled and reused the empty chemical containers.</p>	Yes			
4.5.4.1	<p>SPOC S10 Keningau adopt MPOB Guidelines River Buffer Zone, doc no.: MSPO/SPOC/GP-03/ZPS, issue 4 dated 01/06/2021.</p> <p>The SOP describes:</p> <ol style="list-style-type: none"> <li>Guideline on buffer zone length;</li> <li>No activities such as chemical spraying and manuring;</li> <li>Flow chart on buffer zone establishment.</li> </ol> <p>Document review verify briefing on environmental conducted to smallholders on 29/09/2022 include topic on buffer zone management.</p> <p>Field interviews with sampled smallholders informed they understand the need to conserve the buffer zone areas and not to carry out any chemical spraying or manuring activity near the waterways.</p>	Yes			
4.5.4.2	<p>Field interviews and farms visits observed sampled smallholders practice rain harvesting using drum for chemical spraying.</p>	Yes			



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<b>Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>		
Indicator	Summary of Assessment	Compliance
4.5.5.1	<p>SPOC S10 Keningau adopted MPOB List of Social, Environmental impacts and action plan, document number: MSPO/SPOC/L-04/ISP, version: 04, dated 01/06/2021.</p> <p>SPOC S10 Keningau established list of wildlife identified by Pejabat Perhilitan Daerah Keningau dated 05/10/2022.</p> <p>Example of wildlife:</p> <ol style="list-style-type: none"> <li>1. Wild boar;</li> <li>2. Elephant;</li> <li>3. Monkey.</li> </ol> <p>Document review verify briefing on environmental conducted to smallholders on 29/09/2022 include topic on wildlife management and requirement.</p> <p>Field interviews with sampled smallholders informed they sighted the jungle fowl within their farm.</p>	Yes
4.5.6.1	<p>SPOC S10 Keningau adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 4 rev. 01, effective date 01/06/2021.</p> <p>SOP describes the responsibilities of all parties in caring for the environment by not practicing open burning during the work of opening plantations or replanting oil palm.</p> <p>Documents review verify briefing on environmental conducted to smallholders on 29/09/2022 include topic on zero burning requirement.</p> <p>Field visits at sampled smallholders observed no open burning practice within the smallholders' farms.</p> <p>Field interviews with sampled smallholders informed they only practice with felling and mulching palm trees during replanting.</p>	Yes

<b>Principle 6: Best Practices</b>		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC S10 Keningau conducted GAP briefing for harvesting, manuring, chemical application and PPE usage dated 09/05/2022.</p> <p>Field interviews with sampled smallholders informed they had been briefed on GAP implementation in their farm.</p> <p>Field visits at sampled smallholders farms observed implementation of good agricultural practice on frond stacking and proper palm pruning.</p>	Yes
4.6.1.2	<p>Field visit at SPOC S10 Keningau sampled smallholders field, field signage displayed at their farm.</p> <p>Information included in the signage are:</p> <ol style="list-style-type: none"> <li>1. Land owner;</li> </ol>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	2. Lot number; 3. Total area; 4. Year planting; 5. GPS coordinate.	
4.6.2.1	SPOC S10 Keningau adopted MPOB guideline Economic and Financial Plan, document no. MSPO/SPOC/GP-01/PEK, issue 3, no. revision 04 dated 01/06/2021.  All other operation budgets and costs are under the control of MPOB HQ.  Document review verify evidence of budget approval for MSPO training and LKN visit. The budget includes MSPO training, LKN and miscellaneous expenses.	Yes
4.6.3.1	SPOC S10 Keningau monitors FFB pricing on monthly basis through input from selected mills/ ramps or dealers for fair price.  Field interviews with sampled smallholders informed they have access to the FFB prices via phone call and FFB price display on mill or dealer's weighbridge.	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SPOC S10 Keningau smallholder's database is review.  1 <sup>st</sup> planting conducted in year 1996 and latest replanting is in year 2020.  There are no new planting for old members and new members of SPOC S10 Keningau.  Therefore, no assessment required on high biodiversity value to be carry out.	Yes
4.7.2.1	SPOC S10 Keningau smallholder's database is review.  1 <sup>st</sup> planting conducted in year 1996 and latest replanting is in year 2020.  There are no new planting for old members and new members of SPOC S10 Keningau.  Therefore, no soil survey or topography is required.	Yes
4.7.3.1	SPOC S10 Keningau smallholder's database is review.  1 <sup>st</sup> planting conducted in year 1996 and latest replanting is in year 2020.  There are no new planting for old members and new members of SPOC S10 Keningau.  Therefore, no data for type of terrain available.	Yes

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## 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.
<b>X</b>	No non-conformity raised in previous audit.
<i>Note 1: If a minor non-conformity raised in last audit, is not closed out, the finding will be raised to a Major non-conformity.</i> <i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i>	

## 4.5. Detail of Audit Findings in last Audit

AUDIT OUTCOME		
During last audit	0	<b>MAJOR Non-Conformities</b>
	0	<b>MINOR Non-Conformities</b>

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

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

ON-SITE AUDIT OUTCOME		
During this onsite audit,	0	<b>MAJOR Non-Conformities</b>
	0	<b>MINOR Non-Conformities</b>

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	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 S10 Keningau could improve buffer zone marking.
2.	4.6.1.1	All independent smallholders oil palm farms shall implement best practices such as the MPOB Codes of Practice, Malaysian Standards, ISO Standards and and the Kod Amalan Baik (GAP) Pekebun Kecil.	Field	SPOC S10 Keningau could improve GAP on; - Weeding; - Manuring.

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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 S10 Keningau consisting of 1,936 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 TÜV NORD (Malaysia) with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

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

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

Total certified number of independent smallholders:	1,936
Total certified acreage of smallholders:	9,925.313 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
<b>X</b>	Recommended for Continuity of Certification
	Suspended of Certification

Puchong, 01/11/2022

Muhammad Khairul Anuar bin Azizul  
Hasan  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 30/11/2022

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

# MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board (MPOB)  
Certifying Unit: SPOC S10 Keningau  
Client Number: 92- 069  
Audit Type: ASA 11  
Mode of Audit: Onsite



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

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

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

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

Salvo clause:

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

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

## Annex / Enclosures

Annex /  
corresponding audit documentation

- P&C Audit Report / Checklist(s)
- Audit Plan