



MSPO CERTIFICATION SUMMARY REPORT

SPOC S9 TAMBUNAN

ANNUAL SURVEILLANCE 11

Onsite Audit Date: 11/10/2022 – 14/10/2022

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MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board (MPOB)
Certifying Unit: SPOC S9 Tambunan
Client Number: 92- 068
Audit Type: ASA 11
Mode of Audit: Onsite



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ABBREVIATIONS

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

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1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct an initial surveillance eleven (11) audit for SPOC S9 Tambunan 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 S9 Tambunan 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 S9 Tambunan in managing the independent smallholders' scheme.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria mentioned below. TÜV NORD has employed a risk-based approach in the verification, focusing on the identification of significant risks and reliability of the monitoring and reporting.

The assessment is carried out on the basis of the MS 2530-2:2013: Part 2: General principles for independent smallholders.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked;

1. Kod Amalan Baik (GAP) Perkebun Kecil, Malaysia Palm Oil Board;
2. Guidelines for Development of a Standard Operating Procedure for Oil Palm Cultivation on Peat.

1.3. Appointment & Qualification of Audit Team Members

The audit team appointed consists of the team leader and two team members. The team contribute to the review of documents, assessment of the project activity and preparation of the report.

Qualification of the Lead Auditor: Ariff Bin Lokman

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 MS2530 series of standards for Lead Auditors
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified and appointed as lead auditor for MSPO scheme.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantations.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, 14001, 45001 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 9001, 14001, 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course.
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producer online 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	Muhammad Anuar Bin Hassan Khairul Bin Azizul Hassan	Graduate in Plantation Industry and Management	Yes
	Khairul Ismail Anwar Bin	Graduate in Agricultural Science	
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)	Muhammad Anuar Bin Hassan Khairul Bin Azizul Hassan	7 years working experience in oil palm plantation	Yes
	Khairul Ismail Anwar Bin	5 years working experience in oil palm plantations.	
Successfully completed MPOCC endorsed lead auditor training	Muhammad Anuar Bin Hassan Khairul Bin Azizul Hassan	Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Khairul Ismail Anwar Bin	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	Muhammad Anuar Bin Hassan Khairul Bin Azizul Hassan	Qualified as auditor based on audit log.	Yes

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Requirement	Assessor	Qualification	Compliance
auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Khairul Anwar Bin Ismail	Qualified as auditor based on audit log.	
Field working experience in the palm oil sector or demonstrable equivalent Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Khairul Anwar Bin Azizul Hassan	7 years working experience in oil palm plantations.	Yes
	Khairul Anwar Bin Ismail	5 years working experience in oil palm plantations.	
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Muhammad Khairul Anwar Bin Azizul Hassan	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Muhammad Khairul Anwar Bin Azizul Hassan	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Muhammad Khairul Anwar Bin Azizul Hassan	Successfully completed SA 8000 Basic training	Yes
	Khairul Anwar Bin Ismail	Successfully completed SA 8000 Basic training	
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Muhammad Khairul Anwar Bin Azizul Hassan	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Khairul Anwar Bin Ismail	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	
Completed High Conversation Value assessment	Muhammad Khairul Anwar Bin Azizul Hassan	Attended and completed the HCV-HCS for producers course.	Yes

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Requirement	Assessor	Qualification	Compliance
	Khairul Anwar Bin Ismail	Attended and completed the HCV-HCS for producers course.	
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Muhammad Khairul Anwar Bin Azizul Hassan	Able to communicate in both Bahasa Malaysia and English.	Yes
	Khairul Anwar Bin Ismail	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 on site from 11/10/2022– 14/10/2022 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 RC 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 139 new members and 732 old members. The total number of smallholders for this audit are 871.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size $S = 1.5\sqrt{871} = 44.27$ round up to the next integral 45.

As per OPMC 2 issue 2, from the sample size, the number of the new members are $45 \times 75\% = 34$ and number of existing members are $45 \times 25\% = 11$.

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)	
Alfred Nitai	N 5.538056, E 116.283945
Yah Yang Bilog	N 5.574722, E 116.2625
Rustinah Binti Paunil	N 5.868056, E 116.5056
Rupert Laudi	N 5.453889, E 116.2787
Tilok Bin Umbol	N 5.813022, E 116.4682
Yazid Bin Mohd Hasnan Tawik	N 5.874664, E 116.5307
Rupin Bin Sikun @ Jasamin Bin Hajiman	N 5.636767, E 116.404840
Paul Jonathan Jaua Junior	N 5.833933, E 116.495838
Pijeh Kopon	N 5.343629, E 116.134050
Nayan Sipin	N 5.420525, E 116.166951
Charles @ Jaini Gugau	N 5.074219, E 116.079753

Name	GPS Coordinates
New member(s)	
Leo Gansilou	N 5.649407, E 116.403747

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Name	GPS Coordinates
New member(s)	
Naim Bin Majin	N 5.795604, E 116.437710
Walter B Hantagang @ Kamilus Kamil	N 5.482250, E 116.261883
Rose Binti Otigil	N 5.447493, E 116.219611
Yangun Bin Digang	N 5.6500893, E 116.3715251
Paul Bin Francis	N 5.706441, E 116.332175"E
Rubincin Rupin	N 5.7597405, E 116.4370123
Daniel Bin Gumi	05.474313°N, 116.198726°E
Milius Bin Untim	05.433179°N, 116.194524°E
Lasinin Bin Kainun 10	05.402530°N, 116.153594°E
Alvin Bin Ansulop	05.081495°N, 116.121882°E
Gonsol Anulis	05.216547°N, 116.118038°E
Jukin Bin Angan	05.283166°N, 116.113393°E
Phillip Yomorong	05.319972°N, 116.240192°E
Anthony @ Turayu Bin Akimau	05.283295°N, 116.113284°E
Suhaidi Bin Birikan	05.355221°N, 116.0597230°E
Victor Bin Birikan	05.025252°N, 116.126514°E
Enalir Bin Ensin	05.041273°N, 116.133345°E
Maritess Gutierrez	05.041273°N, 116.133345°E
Enayor @ Enizah Binti Rusip	05.066856°N, 116.074247°E
Ayub Bin Bokulon	05.074219°N, 116.079753°E
Edris Bin Taiman	05.0694349°N, 116.0752378°E

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Name	GPS Coordinates
New member(s)	
Jaimis Bin Rani	05.072856°N, 116.074257°E
Jalinus Risik	05.076677°N, 116.080182°E
Jalius Bin Taiman	05.057341°N, 116.987391°E
Jaminah Binti Akong	05.073188°N, 116.085269°E
Julaidah Binti Bukulun	05.076677°N, 116.080182°E
Ledia @ Mariom Binti Raipi	05.0681214°N, 116.0756532°E
Peturus Bin Taiman	05.068079°N, 116.075651°E
Maria Binti Sangkir	05.0691215°N, 116.0756532°E
Sulinah Binti Ansingut	05.074258°N, 116.077772°E
Sevalstoh Sapinggin	05.765421°N, 116.1534930°E
Risik Bin Ansurat	05.062392°N, 116.068480°E
Naflih Kinuli	05.052830°N, 116.204086°E

Non-conformance:

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

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

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3. ORGANISATION INFORMATION

MPOB Cawangan SPOC S9 Tambunan, is a branch of MPOB located at Pejabat MPOB Caw. Keningau, Tingkat 1, Lot 13, Bariawa Shop House, Jalan Bank Bumiputera, 89008 Keningau, Sabah, office's coordinate 5.333056 N, 116.1556 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 Tambunan district.

The smallholders in Tambunan as shown in the below maps.



Figure 1: Smallholders location for SPOC S9 Tambunan

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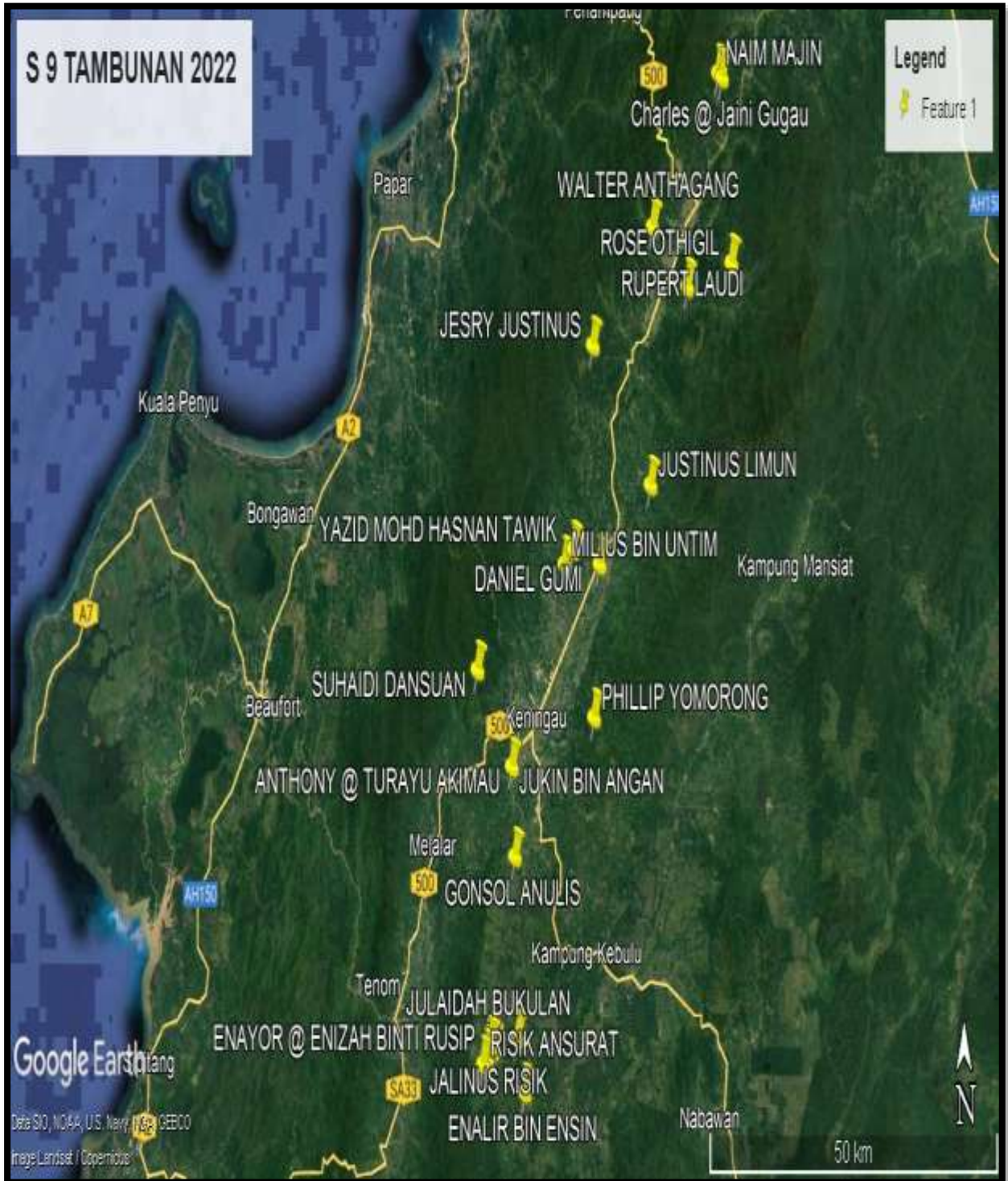


Figure 2: Smallholders location for SPOC S9 Tambunan

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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 S9 Tambunan are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance Eleven (11):

The surveillance eleven (11) audit is conducted from 11/10/2022 to 14/10/2022.

The number of smallholders in this surveillance audit are 871.

The number of smallholders 732 remain the same for this surveillance audit.

The number of smallholders joined during this surveillance audit are 139.

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 eleven (11) audit, there are zero (0) Major, zero (0) Minor and two (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 audit notification on 12/09/2022 to announce the audit of the certified unit. As at audit date on 11/10/2022 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 S9 Tambunan adopted MPOB MSPO Policy document number MSPO/SSCC/POLISI-01 (rev 03) dated 01/08/2021 signed by Group Manager and displayed at the office notice board.</p> <p>SPOC S9 Tambunan adopted MPOB MSPO certification application with the MSPO policy included in the form duly agreed and signed by smallholders and acknowledged by SPOC S9 Tambunan Group Manager.</p> <p>Briefing on the MSPO policy conducted on 25/08/2022.</p> <p>Field interviews with sampled smallholders informed they understand on the MSPO policy briefing by the Group Manager.</p>	Yes									
4.1.2.1	<p>SPOC S9 Tambunan adopted List of social and environmental impact and action plan, document number MSPO/SSCC/L-04/ISP, revision 04, issue 04 dated 01/06/2021.</p> <p>The table include topic on activity, social impact and improvement plan.</p> <p>Example of environmental and social activity:</p> <table border="1" data-bbox="347 1541 1082 1778"> <thead> <tr> <th>Activity</th> <th>Chemical Spraying</th> <th>Harvesting</th> </tr> </thead> <tbody> <tr> <td>Impact</td> <td>Disposal of empty chemical container</td> <td>FFBs stolen</td> </tr> <tr> <td>Action plan</td> <td>Triple rinsed, punctured and proper storage</td> <td>Report to MPKK and Police station.</td> </tr> </tbody> </table> <p>Field interviews with sampled smallholders informed they understand that empty chemicals shall be triple rinse and punctured if not reused for chemical spraying activity.</p> <p>Site inspection verified no empty containers sighted in the field. Empty container used for spraying activities are labeled with 'X'.</p>	Activity	Chemical Spraying	Harvesting	Impact	Disposal of empty chemical container	FFBs stolen	Action plan	Triple rinsed, punctured and proper storage	Report to MPKK and Police station.	Yes
Activity	Chemical Spraying	Harvesting									
Impact	Disposal of empty chemical container	FFBs stolen									
Action plan	Triple rinsed, punctured and proper storage	Report to MPKK and Police station.									
4.1.2.2	<p>SPOC S9 Tambunan distribute "Warta Sawit" to smallholders on either via Latihan Khidmat Nasihat (LKN) or MSPO training. Latest Warta Sawit available is Bil. 80(1) Jan – Apr 2022.</p>	Yes									

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Field interviews with sampled smallholders informed they have obtained the new information on oil palm management during the MSPO training.</p> <p>Example:</p> <p>SPOC S9 Tambunan group manager distribute 'Warta Sawit' to smallholders during MSPO training dated 25/08/2022.</p>	

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC S9 Tambunan adopted MPOB Guidance for Financial and economy, document number MSPO/SSCC/GP-01/PEK, revision 4 dated 01/06/2021. The procedure has describe on:</p> <p>The guideline include flow chart describing the step approach for delivery of FFB to ramp operator / collection center or mill with type of documents.</p> <ol style="list-style-type: none"> i. Sale receipts; ii. Weighbridge ticket; iii. Enter BRL; iv. Keep Receipt; v. Collect records and prepare summary. <p>Field interviews with sampled smallholders informed FFB production, fertilizer and chemical application recorded in the BRL.</p> <p>Reviewed BRL of smallholders with information of FFB production.</p> <p>SPOC S9 Tambunan maintain record of FFB sales in smallholders individual file.</p>	Yes
4.2.1.2	<p>SPOC S9 Tambunan Group Manager maintain records of FFB production updated as at September 2022.</p> <p>SPOC S9 Tambunan maintain records of FFB 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

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC S9 Tambunan established Legal Register for Sabah, Malaysia, document no. MSPO/SPOC//L-01/SKU, dated 01/06/2021.</p> <p>Training on awareness of legal documents conducted for smallholders on 25/08/2022.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>Sampled smallholders MPOB licenses are valid and a copy of license is kept in smallholder's individual file.</p> <p>Example: Smallholders 'x' MPOB license validity from 05/02/2021 to 31/01/2026.</p>	
4.3.2.1	<p>SPOC S9 Tambunan sampled smallholders land titles are country lease title, native title or PT land.</p> <p>The activity stated in the actual use of land title is for the purpose of the cultivation of an agriculture crop of 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 dispute recorded lodged for SPOC S9 Tambunan.</p>	Yes
4.3.3.1	<p>SPOC S9 Tambunan sampled smallholders land titles are country lease title, native title 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 S9 Tambunan 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 sampled smallholders informed there is no land dispute occurs.</p>	Yes
4.3.3.2	<p>SPOC S9 Tambunan sampled smallholders land titles have maps includes location, lot number, size of the area and boundary stone markers.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC S9 Tambunan 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> <ol style="list-style-type: none"> 1. The flow chart in the SOP describes grievance and complaint process is to be resolved within 14 days; 2. Group manager is in charge in handling the complaint and grievances; 3. Grievance and complaint records are archived and maintained. <p>Review on 'Taklimat MSPO" report verified the complaint and grievances procedure has been briefed to smallholders dated 25/08/2022.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Field interviews with sampled smallholders informed they understand the complaint and grievance procedure and process flow.	
4.4.1.2	<p>SPOC S9 Tambunan adopted MPOB Guidelines Complaint and Grievance, document number MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.</p> <p>Review the SOP stated time line to resolve disputes within 14 days.</p> <p>Stated in the SOP person in charge is Group Manager. The Group Manager is assigned for:</p> <ul style="list-style-type: none"> Accepting the grievances; Analyzed and investigate on issue raised. <p>Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.</p> <p>Field interviews with sampled smallholders informed they understand the complaint and grievance procedure and process flow.</p>	Yes
4.4.2.1	<p>SPOC S9 Tambunan adopt MPOB Guidelines Occupational Safety & Health, document number MSPO/SPOC/GP-02/KKP, issue: 3, revision: 0 effective date: 01/06/2021.</p> <p>SOP describes:</p> <ul style="list-style-type: none"> Responsibility of GM and smallholders regarding safety and health. Procedure and type of PPE used for harvesting, manuring and spraying. <p>Document review on ‘Taklimat MSPO” report, safety and health training has been conducted on 25/08/2022.</p> <p>Field interviews with sampled smallholders informed they have been briefed on importance of safety and health during working in field.</p> <p>Example:</p> <p>Wearing of PPE for chemical spraying activity: Apron, face mask, goggle, safety boot, rubber hand glove and safety helmet.</p>	Yes
4.4.3.1	<p>SPOC S9 Tambunan 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 working by themselves or assisted by family members in carrying out field operations.</p>	Yes
4.4.3.2	<p>SPOC S9 Tambunan adopted MPOB MSPO application form with a statement “provide equal opportunity and treatment regardless of race, colour, sex, religion, political affiliation, nationality, social origin and shall not engage in or support discriminatory practices.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>SPOC S9 Tambunan 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 S9 Tambunan 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 and assisted by family members in carrying out field operations or hiring casual workers.</p> <p>Field interviews with sampled smallholder informed the casual worker is paid according to the agreeable rates.</p>	Yes
4.4.3.4	<p>Site inspection at sampled smallholders SPOC S9 Tambunan farm verified, there is no on-site living quarters.</p>	Yes
4.4.3.5	<p>SPOC S9 Tambunan 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"> Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work. <p>Field inspection at sampled smallholders SPOC S9 Tambunan farm sighted no hiring of underage workers in the field.</p>	Yes
4.4.4.1	<p>SPOC S9 Tambunan established training programme year 2022. 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> <p>Title: Taklimat MSPO;</p> <p>Date: 25/08/2022.</p> <p>Field interviews with sampled smallholders informed they have been briefed on MSPO implementation in farms.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC S9 Tambunan adopted MPOB List of Social and Environmental Impact and Action Plan, document number MSPO/SSCC/I-04/ISP, revision 04, issue 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
	<p>Example of environmental impact and action plan:</p> <p>Activity: Chemical Spraying;</p> <p>Environmental impact: Empty containers;</p> <p>Action Plan: Triple rinsed, punctured and kept in the stores.</p> <p>SPOC S9 Tambunan briefed smallholders on the environmental topics dated 25/08/2022.</p> <p>Field visits at sampled smallholders farms observed there are no over spray activities observed in the smallholders farm.</p> <p>Field interviews with sampled smallholders informed they have been briefed on environmental impacts on empty chemical container.</p>	
4.5.2.1	<p>There is no usage of renewable energy by the SPOC S9 Tambunan smallholders.</p> <p>Field interviews with sampled smallholders informed they do not use renewable energy at farms.</p>	Yes
4.5.3.1	<p>SPOC S9 Tambunan adopted MPOB List of Scheduled and Domestic Wastes MSPO/SPOC/L-03/SRD Issue 4 rev 1 effective date 01/06/2021.</p> <p>Document review of waste record, GM SPOC include the monitoring of empty containers from smallholders fields updated 08/08/2022.</p> <p>Review of MSPO training reports dated 25/08/2022, briefing included the agenda of managing and disposal of empty chemical containers.</p> <p>Field visits at sampled smallholder's farms observed, empty chemical containers marked with 'X' and kept in stores.</p> <p>Field interviews with sampled smallholders informed empty chemical containers will be recycle and reused after triple rinsing.</p>	Yes
4.5.3.2	<p>SPOC S9 Tambunan adopted MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-04/BT issue 4 revision 4 effective date 01/06/2021.</p> <p>The SOP describe:</p> <ol style="list-style-type: none"> To conduct triple rinsing for each empty chemical container before disposed; To put marking on empty chemical container for chemical mixing purposes; All scheduled waste shall be disposal according to the Environmental Quality (Scheduled waste) Regulations, 2015. <p>SPOC S9 Tambunan established "Rekod Pengurusan Bahan Buangan Terjadual Tahun 2022" established by SPOC S11 for monitoring of scheduled waste generated such as empty chemical containers and fertilizer bags.</p> <p>Field interviews with sampled smallholders, informed empty chemical containers need to rinse 3 times before reused and marked with 'X'.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.4.1	<p>SPOC S9 Tambunan 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"> 1. Guideline on buffer zone length; 2. No activities such as chemical spraying and manuring; 3. Flow chart on buffer zone establishment. <p>SPOC S9 Tambunan conduct briefing on environmental protection include buffer zone topics dated 25/08/2022.</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>SPOC S9 Tambunan smallholders practice rain harvesting.</p> <p>Field interviews with sampled smallholders informed they practice rain harvesting using empty drums for chemical spraying activity and washing purpose.</p>	Yes
4.5.5.1	<p>SPOC S9 Tambunan adopted list of totally protected plants and wildlife from Wildlife Department of Keningau, document no.: JHL.KGU.100-0/1jid.13/33 dated 05/10/2022.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Sun bear; 2. Sunda clauded leopard; 3. Sunda pangolin; 4. Elephant. <p>SPOC S9 Tambunan briefed smallholders on protection of wildlife dated 25/08/2022.</p> <p>Review on wildlife posters are displayed at the MPOB Keningau notice board.</p> <p>Filed interviews with sampled smallholders informed they have sighted monkey and squirrel within their farm.</p>	Yes
4.5.6.1	<p>SPOC S9 Tambunan adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 4 rev. 1, effective date 01/06/2021.</p> <p>SOP describes there is no open burning of any kind on the operating unit, except those comply with the Environmental Quality Order 2003 and obtain approval from Department of Environment.</p> <p>SPOC S9 Tambunan conduct briefing on zero burning to smallholders dated 25/08/2022.</p> <p>Field visits at sampled smallholder’s farms, there are no open burning practice within the smallholders’ farms.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC S9 Tambunan conducted GAP briefing for harvesting, manuring, chemical application and PPE usage dated 25/08/2022.</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 S9 Tambunan sampled smallholders farms, observed signage displayed at their farm.</p> <p>Information included in the signage are:</p> <ol style="list-style-type: none"> 1. Land owner; 2. Lot number; 3. Total area; 4. Year planting; 5. GPS coordinate. 	Yes
4.6.2.1	<p>SPOC S9 Tambunan established SOP, 'Garis Panduan Pelan Daya Ekonomi dan Kewangan', doc no: MSPO/SPOC/GP-01/PEK, issue no: 4, date effective: 01/06/2021.</p> <p>The procedure described the expenses and income management for smallholders.</p> <p>From document review of smallholder file, SPOC GM include smallholders name into budget for land conversion to oil palm issued to MPOB HQ dated 11/08/2022.</p> <p>Example:</p> <p>Smallholder name</p> <p>Planted Area: 3.55 ha;</p> <p>Current land terms in grant: Rubber.</p>	Yes
4.6.3.1	<p>SPOC S9 Tambunan established monthly MPOB FFB mill price at office notice board and via WhatsApp group.</p> <p>Field interviews with sampled smallholders inform they have access to the FFB prices via phone call, WhatsApp group, MPOB portal, MPOB office notice board and FFB price display on mill or dealer's weighbridge.</p>	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SPOC S9 Tambunan smallholders' database is review. 1 st planting conducted in year 1989 and latest replanting is in year 2018. There are no new planting for old members and new members of SPOC S9 Tambunan. Therefore, no assessment required on high biodiversity value to be carry out.	Yes
4.7.2.1	SPOC S9 Tambunan smallholders' database is review. 1 st planting conducted in year 1989 and latest replanting is in year 2018. There are no new planting for old members and new members of SPOC S9 Tambunan. Therefore, no soil survey or topography is required.	Yes
4.7.3.1	SPOC S9 Tambunan smallholders' database is review. 1 st planting conducted in year 1989 and latest replanting is in year 2018. There are no new planting for old members and new members of SPOC S9 Tambunan. Therefore, no data for type of terrain available.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.
	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.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p>	

4.5. Detail of Audit Findings in last Audit

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

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4.6. Detail of Audit Findings Identified During This Audit

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

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

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.1.2.1	The action plan for continual improvement shall be based on the consideration for the main social and environmental impact and opportunities of the independent smallholder's group, such as SPOC. Independent smallholders shall be aware of the need to understand the importance of continuous improvement.	Office	SPOC S9 Tambunan could improve CIP on MPOB license action plan.
2.	4.5.1.1	Independent smallholders are expected to be aware of the environmental impact but are not expected to undertake any formal impact assessment unless there is a legal requirement.	Field	SPOC S9 Tambunan could improve the buffer zone marking.

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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 S9 Tambunan consisting of 871 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:	871
Total certified acreage of smallholders:	3,964.765 Ha

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6. RECOMMENDATION

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

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

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

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

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

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

Puchong, 01/11/2022

Ariff Bin Lokman
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 16/11/2022

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.

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

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

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

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

Salvo clause:

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

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

Annex / Enclosures

Annex / corresponding audit documentation	<input checked="" type="checkbox"/> P&C Audit Report / Checklist(s) <input checked="" type="checkbox"/> Audit Plan
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