

MY05037 Malaysian Palm Oil Board - SPOC (Engkilili & Lubok Antu) Audit Summary Report

Organization:	Malaysian Palm Oil Board – SPOC (Engkilili & Lubok Antu) Smallholder Palm Oil Cluster (SPOC) SPOC Q7 (Engkilili and Lubok Antu) 53 Smallholders		
Address:	MPOB Sri Aman Office Pejabat MPOB Caw. Sri Aman, Lot 571, Sublot 6, Tingkat 1, Jalan Durian, 95000 Sri Aman, Sarawak		
Standard(s):	MS2530-2 : Part 2: General Principles for Independent Smallholders	Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA (DSM)	
Representative:	En. Muhammad Nizamudin Mohamed (Research Officer) 013-374 4818 En. Riat ak Kalom (Group Manager Q7)		
Site(s) audited:	1. Ental ak Jugai 2. Masir ak Bitin 3. Muris ak Dundang 4. Bingka ak Lunyong 5. Jingga ak Lunyong 6. Maria Leping 7. Ngali ak Reman 8. Leping ak Grang	Date(s) of audit(s):	29th – 31st October 2018
Q70 Participants	Refer Appendix 1		
Visit Type:	MSPO Audit Stage 2	Type of Certification Assessment	Main Audit
Lead auditor:	Dickens Mambu (LA)	Additional team member(s): Audit Member (AM)	Abdul Khalik (AK) (AM)
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			

1. Audit objectives

The objectives of this audit were:

- to confirm that the management system conforms with all the requirements of the audit standard;
- to confirm that the organization has effectively implemented the planned management system;
- to confirm that the management system is capable of achieving the organization's policy objectives.

2. Scope of certification

Production of FFB for Independent Smallholders in compliance to the MSPO Certification Standard MS2530-2:2013 Part 2.

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	1 of 23	

The audit covered the MS 2530:2013 requirements particularly MSPO Certification Standard **MS2530-2:2013 Part 2**.

Validation of processes for production and service provision

Has this scope been amended as a result of this audit? Yes No

This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established (attached) and agreed with the client Yes No

3. Current audit findings and conclusions

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

The structure of the audit was in accordance with the audit plan as annexes to this summary report.

The audit team concludes that the organization has has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 2 Major 0 Minor

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

Granted / Continued / Withheld / Suspended until satisfactory corrective action is completed.

4. Previous Audit Results

The results of the last audit of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified. This review has concluded that:

- Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective.
- The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records.

The management system documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of the management system. Yes No

The organization has demonstrated effective implementation and maintenance / improvement of its management system. Yes No

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	2 of 23	

The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement. Yes No

The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system. Yes No

The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system. Yes No

Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard. Yes No

Certification claims are accurate and in accordance with SGS guidance N/A Yes No

6. Significant Audit Trails Followed

The specific processes, activities and functions reviewed are detailed in the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Organization:	Malaysian Palm Oil Board – SPOC (Engkilili & Lubok Antu) Smallholder Palm Oil Cluster (SPOC) SPOC Q7 (Engkilili and Lubok Antu) 53 Smallholders		
Address	<u>MPOB Sri Aman Office</u> Pejabat MPOB Caw. Sri Aman, Lot 571, Sublot 6, Tingkat 1, Jalan Durian, 95000 Sri Aman, Sarawak		
MPOB License No.:	1. Ental ak Jugai 2. Masir ak Bitin 3. Muris ak Dundang 4. Bingka ak Lunyong 5. Jingga ak Lunyong 6. Maria Leping 7. Ngali ak Reman 8. Leping ak Girang	Expiry date:	31.01.2020 31.03.2019 30.09.2021 30.09.2021 30.09.2021 28.02.2023 31.03.2023 31.03.2023
Scope of Activity:	<i>Mengalih dan Menjual FFB</i>		
Date of certificate issued and validity:	Nil (New Applicant)	Proposed Date of Next Surveillance Audit:	July 2019
Other Sustainability Certification:	Nil		
Visit Number:	02 (Stage 2)	Actual Visit Date:	29th – 31st Oct 2018
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor :	Dickens Mambu (DM)		
Audit Member	Abdul Khalik Arbi (AK)		

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	3 of 23	

Additional Attendees and Roles	Nil
Standard(s):	MS2530-2:2013 Part 2 : General Principles for Independent Smallholders
Audit Language:	English & Malay
Audit Scope:	<p>1.The audit covered Three (3) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and site assessment.</p> <p>2.The audit covered all the MSPO 2530 Part 3 requirements with no permissible exclusion of clause in compliance to the standard document</p>

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
29 th October 2018	<p>6.30 am 8.30 am 8.45 am 9.00 am</p> <p>12.00pm 1.00 pm</p> <p>6.00 pm</p>	DM & AK	<p>SPOC Q7 MS 2530-2-2013 Part 2</p> <p>Depart to Sri Aman (MPOB Office) Arrived Sri Aman Opening Meeting Audit Process (Document review)</p> <ul style="list-style-type: none"> • Principle 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices <p>Lunch Continue Audit Process (Document Review)</p> <p>End Audit Stage 2 Day 1</p>	SPOC Personnel

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	4 of 23	

<p>30th October 2018</p>	<p>7.30 am 8.00 am</p> <p>9.00 am</p> <p>5.00 pm</p>	<p>DM & AK</p>	<p><u>SPOC Q7</u> MS 2530-2-2013 Part 2</p> <p>Breakfast Depart to Smallholder Farm for site assessment</p> <p>Field Assessment 1. Maria Leping (MPOB: 503815-701000)</p> <p>2. Leping ak Gerang (MPOB : 418182-201000)</p> <p>3. Ngali ak Reman (MPOB : 418183-101000)</p> <p>4. Muris ak Dundang (MPOB : 476821101000)</p> <p>Field Assessment Role : Abdul Khalik 1. Boundary Area 2.Environment Component 3.Legal Compliances</p> <p>Field Assessment Role : Dickens Mambu 1.General Material Management 2.Safety And Health Component 3.Best Practices</p> <p>End Audit Stage 2 Day 2</p>	<p>SPOC Personnel</p>
<p>31st October 2018</p>	<p>7.30 am 8.00 am</p>	<p>DM & AK</p>	<p><u>SPOC Q7</u> MS 2530-2-2013 Part 2</p> <p>Breakfast Depart to Smallholder Farm for site assessment</p> <p>Field Assessment 1. Bingka ak Lunyong (MPOB: 476848-301000)</p> <p>2. Jingga ak Lunyong (MPOB: 476816-501000)</p> <p>3. Masir ak Bitin (MPOB : 521105-301000)</p> <p>4. Ental ak Tugai (MPOB: 537178601000)</p>	<p>SPOC Personnel</p>

Job / Cert. n°:	MY05035	Visit Type:	Stage 2	Visit n°:	01
Document:	SPOC Engkilili and Lubuk Antu	Issue n°:	1	Page n°:	2 of 3
Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10
				Page n°:	5 of 23

	4.00 pm		Closing Meeting	
	6.00pm		End MSPO Audit Stage 2	

Location and Maps

The GPS locations of the state are shown in Table 1.

Table 1: SPOC Location

No.	Smallholder		Location of Planted Area	Area Certified (ha)
	Name	IC No.		
1.	Bidi Ak Gendang	660808-13-5340	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	4.86
2.	Tinggie Ak Dagang	670503-13-5939	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	3.04
3.	Nibi Ak Maba	640913-13-5694	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	8.89
4.	Dina Ak Muyang	661231-13-5892	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	2.02
5.	Amit Ak Din	511206-13-5141	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	3.04
6.	Ancha Ak Akon	460321-13-5369	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	2.00

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	6 of 23	

7.	Syvester Tommy Ak Daun	750215-13-5395	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	3.02
8.	Belambang Ak Nyanggah	661123-13-5641	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	3.04
9.	Ugom Ak Panyin	560105-13-5637	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	8.79
10.	Melling Ak Kalambu	681126-13-5653	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	6.50
11.	Juing Ak Reman	371214-13-5115	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	4.50
12.	Chan Ak Indaw	510126-13-5091	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	5.21
13.	Ajong Ak Majie	751006-13-5537	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	2.02
14.	Indong Ak Mikai	640815-13-5666	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	7.67
15.	Geran Ak Mujap	641010-13-5313	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	8.22
16.	Dories Ak Mikai	660610-13-5724	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	6.55
17.	Tutong Ak Majie	771217-13-5383	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	4.03
18.	Army Ak Baong	661124-13-5643	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	7.23
19.	Catherine Ak Timbang	690830-13-5272	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	7.76
20.	Rebecca Ak Panji	700815-13-5254	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	5.41

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	7 of 23	

21.	Inggang Ak Darong	480105-13-5581	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	7.54
22.	Dinggai Ak Badak	370126-13-5081	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	4.73
23.	Limu Ak Ingkah	780504-13-6156	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	2.5
24.	Maria Leping	780412-13-6132	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	5.64
25.	Leping Ak Grang	510121-13-5375	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	7.23
26.	Ajau Ak Din	500111-13-5209	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	8.66
27.	Ngali Ak Reman	461124-13-5209	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	7.14
28.	Jaai Ak Jantan	760901-13-5474	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	2.5
29.	Lika Ak Kalambu	750623-13-5749	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	2.5
30.	Masir Anak Bitin	550708-13-5557	NCR Moris Soh 95800 Engkilili Sri Aman Sarawak	9.45
31.	Jingga Ak Lunyong	620707-13-5361	NCR Moris Soh 95800 Engkilili Sri Aman Sarawak	4.7
32.	Kassin Ak Tegalan	531117-13-5201	NCR Moris Soh 95800 Engkilili Sri Aman Sarawak	4.7
33.	Bingka Ak Lunyong	680513-13-5923	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	4.7
34.	Muris Ak Dundang	651114-13-5333	NCR Muris Soh 95800 Engkilili Sri Aman Sarawak	6.02
35.	Gansah Ak Ribut	530221-13-5290	NCR Morris Soh 95800 Engkilili Sri Aman Sarawak	2.03

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	8 of 23	

36.	Gelu Ak Po	450221-13-5397	NCR Morris Soh 95800 Engkilili Sri Aman Sarawak	2.7
37.	Stephen Anak Ran	690227-13-5593	NCR Morris Soh 95800 Engkilili Sri Aman Sarawak	2.7
38.	Ayong Ak Jabu	710629-13-5575	NCR Morris Soh 95800 Engkilili Sri Aman Sarawak	4.05
39.	Enteri Ak Sap	680615-13-5959	NCR Morris Soh 95800 Engkilili Sri Aman Sarawak	2.7
40.	Ramsay Ak Tegalan	680617-13-5493	NCR Morris Soh 95800 Engkilili Sri Aman Sarawak	5.38
41.	Ngedun Anak Sigi	530121-13-5357	NCR Leping Sayat Engkilili 95800 Engkilili Sri Aman Sarawak	6.2
42.	Naga Anak Tagee	650708-13-5395	NCR Rasau 95800 Engkilili Sri Aman Sarawak	4.19
43.	Belanyun Anak Tarang	660821-13-5150	NCR Rasau 95800 Engkilili Sri Aman Sarawak	2.1
44.	Mangkat Anak Tajie	530422-13-5457	NCR Rasau 95800 Engkilili Sri Aman Sarawak	2.1
45.	Tema Anak Tagee	600615-13-5892	NCR Rasau 95800 Engkilili Sri Aman Sarawak	2.02
46.	Lajang Anak Tagee	671212-13-5167	NCR Rasau 95800 Engkilili Sri Aman Sarawak	2.09
47.	Luya Anak Ubam	690729-13-5884	NCR Rasau 95800 Engkilili Sri Aman Sarawak	2.09
48.	Empaling Ak Garugok	750325-13-5193	NCR Bukit Tungku 95800 Engkilili Sri Aman Sarawak	5.12
49.	Manggau Ak Meliam	600608-13-5245	NCR Bukit Tungku 95800 Engkilili Sri Aman Sarawak	4.79
50.	Unang Ak Entalang	700211-13-5579	NCR Bukit Tungku 95800 Engkilili Sri Aman Sarawak	4.79
51.	Edwind Ak Buntak	500805-13-5289	NCR Bukit Tungku 95800 Engkilili Sri Aman Sarawak	3.03
52.	Sumbi Ak Ilong	520416-13-5013	NCR Bukit Tungku 95800 Engkilili Sri Aman Sarawak	6.06

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	9 of 23	

53.	Ental Anak Jugai	721130-13-5078	NCR Bukit Tungku 95800 Engkilili Sri Aman Sarawak	4.05
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Description of Processing Capacity

The FFB are sourced from the Q7 participants which are directly managed by their own. The crop yield from the estate as mention in **Table 2** below.

Table 2: FFB Production

No	Estate	FFB PRODUCTION MAY-DECEMBER 2018							
		May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
1	Bidi Ak Gendang	1.99	1.90	1.75	1.60	1.50	1.4	1.3	Nil
2	Tinggie Ak Dagang	4.00	5.30	5.58	5.00	5.20	5.3	5.2	Nil
3	Nibi Ak Maba	6.70	5.97	7.06	7.00	7.20	7.2	7	Nil
4	Dina Ak Muyang	5.50	4.60	4.95	5.00	4.80	4.9	5	Nil
5	Amit Ak Din	3.00	6.11	6.70	6.00	6.50	6.0	5.2	Nil
6	Ancha Ak Akon	3.20	3.00	2.80	3.00	3.50	3	2.8	Nil
7	Syvester Tommy Ak Daun	3.10	2.20	2.68	2.50	2.30	2.2	2.3	Nil
8	Belambang Ak Nyanggah	1.86	6.76	5.67	5.00	5.20	5.1	5	Nil
9	Ugom Ak Panyin	5.25	4.39	6.50	7.00	6.80	6	6	Nil
10	Melling Ak Kalambu	4.50	2.04	1.90	2.00	2.30	2.2	2	Nil
11	Juing Ak Reman	1.99	3.40	4.45	4.00	4.50	4.0	4.0	Nil
12	Chan Ak Indaw	3.00	1.68	1.80	2.00	2.50	2.3	2.3	Nil
13	Ajong Ak Majie	2.50	2.43	2.43	2.70	2.70	2.0	2.1	Nil
14	Indong Ak Mikai	4.00	5.30	6.00	5.80	5.00	4.5	4.0	Nil
15	Geran Ak Mujap	6.00	6.83	6.25	6.00	6.50	6.0	5.0	Nil

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	10 of 23	

16	Dories Ak Mikai	3.50	5.65	5.60	5.00	5.20	5.0	4.8	Nil
17	Tutong Ak Majie	1.60	1.30	2.09	2.00	2.50	2.5	2.3	Nil
18	Army Ak Baong	5.23	4.98	4.98	4.00	4.20	4.2	4.0	Nil
19	Catherine Ak Timbang	3.10	4.43	4.09	4.20	4.00	4.2	4.00	Nil
20	Rebecca Ak Panji	1.09	1.10	2.40	2.40	2.00	2.00	2.20	Nil
21	Inggang Ak Darong	10.00	5.50	5.55	5.55	5.20	4.50	4.00	Nil
22	Dinggai Ak Badak	6.63	6.20	5.50	5.50	5.00	4.50	4.00	Nil
23	Limu Ak Ingkah	1.50	2.30	1.50	1.50	1.50	1.30	1.20	Nil
24	Maria Lembang	5.00	6.46	6.30	6.30	6.00	6.00	5.80	Nil
25	Lembang Ak Grang	17.00	17.43	15.46	15.46	15.00	13.00	12.00	Nil
26	Ajau Ak Din	7.67	7.95	7.00	7.00	6.80	6.00	5.80	Nil
27	Ngali Ak Reman	3.93	3.28	4.20	4.20	4.00	3.80	3.50	Nil
28	Jaai Ak Jantan	4.10	3.00	3.10	3.10	2.80	2.70	2.70	Nil
29	Lika Ak Kalambu	2.50	2.10	1.10	1.10	1.50	1.50	1.50	Nil
30	Masir Anak Bitin	4.50	3.80	2.90	2.90	4.50	5.00	5.00	Nil
31	Jingga Ak Lunyong	4.00	5.13	6.50	6.50	7.19	6.80	6.50	Nil
32	Kassin Ak Tegalan	3.06	4.79	4.70	4.70	3.60	3.50	3.00	Nil
33	Bingka Ak Lunyong	4.00	4.85	4.50	4.50	6.78	6.50	6.00	Nil
34	Muris Ak Dundang	2.38	9.10	8.40	8.40	13.40	13.00	12.00	Nil
35	Gansah Ak Ribut	1.50	2.16	1.45	1.45	2.30	2.00	2.00	Nil
36	Gelu Ak Po	3.00	3.14	4.38	4.38	6.40	6.40	6.00	Nil

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	11 of 23	

37	Stephen Anak Ran	3.00	2.00	2.38	2.38	5.83	5.50	5.00	Nil
38	Ayong Ak Jabu	1.40	2.14	1.16	1.16	3.51	3.51	3.00	Nil
39	Enteri Ak Sap	3.96	4.30	4.10	4.10	4.19	4.19	4.00	Nil
40	Ramsay Ak Tegalan	5.00	5.50	5.40	5.40	8.27	8.27	8.00	Nil
41	Ngedun Anak Sigi	3.50	4.94	5.00	5.00	4.80	4.50	4.00	Nil
42	Naga Anak Tagee	4.38	4.00	4.50	4.08	4.00	4.00	3.80	Nil
43	Belanyun Anak Tarang	2.30	2.00	2.00	2.33	2.00	2.50	2.20	Nil
44	Mangkat Anak Tajie	2.30	2.20	2.10	2.33	2.20	2.20	2.20	Nil
45	Tema Anak Tagee	4.50	4.00	4.20	4.66	4.00	3.50	3.20	Nil
46	Lajang Anak Tagee	2.77	3.00	3.20	4.00	4.00	3.80	3.50	Nil
47	Luya Anak Ubam	2.77	3.20	3.50	3.60	3.80	3.50	3.00	Nil
48	Empaling Ak Garugok	7.43	13.16	12.50	11.25	13.16	12.00	11.00	Nil
49	Manggau Ak Meliam	3.62	6.30	6.00	2.89	6.30	6.00	5.80	Nil
50	Unang Ak Entalang	3.26	3.57	3.50	3.88	3.57	3.00	3.00	Nil
51	Edwind Ak Buntak	5.35	5.80	6.00	4.35	5.80	5.50	5.60	Nil
52	Sumbi Ak Ilong	5.04	9.50	10.00	8.95	9.50	9.00	8.70	Nil
53	Ental Anak Jugai	8.00	7.50	8.00	8.00	7.50	7.60	7.00	Nil

Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit,

<https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/-/media/945f28b2133f4098866e47f7b3942783.ashx>

Comment on MS2530-2 Compliance Status:

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	12 of 23	

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> Inline to ensure smallholders follow/ participate in MSPO certification. Malaysian Palm Oil Berhad (MPOB) appointed Mr Riat Kalom as SPOC Manager name Q7 (Engkilili and Lubok Antu), dated 16th May 2018. Appointed done by Dr. Ramle Moslim (Pengarah, Bahagian Penyelidikan Integrasi dan Pengembangan) with reference letter no. (117)03/A/IREN/ESU/TU/GM (1/2018)</p> <p>It was observed, there was a form of “<i>Perakuan Menyertai Pensijilan MSPO</i>” fill by participant of group of SPOC Q7. As evidence, random pick document file was done. List of participant had been pick list as below:</p> <ul style="list-style-type: none"> i. Ms Maria Leping (ic no.: 780412-13-6132), Rh Leping, Sayat, Engkilili. With size 5.64ha MPOB licence no.:503815-701000 Expiry date: 1st March till 28 February 2018. ii. Masir Anak Bitin (ic.no.: 550708-13-5557) Rumah Morris Soh, 95800 Engkilili, Sarawak. With size 9.45 ha, MPOB licence no.521105-301000), Expiry date: 28th April 2014 till 31st March 2019. iii. Muris Ak Dundang (ic no.: 651114-13-5333), Rh Muris, Sg. Soh 95800 Sri Aman, Sarawak, with size 6.02 ha, MPOB licence no.476821-101000, Expiry date: 1st October 2016 till 30th September 2021. <p>All of the participants above was provide document as follow:</p> <ul style="list-style-type: none"> a. Identification Copy(Ic) b. <i>Salinan geran tanah/ pengesahan/ lakaran tanah NCR</i> c. <i>Salinan Lesen MPOB</i> d. <i>Polisi & Borang penyertaan MSPO</i> e. <i>Peta Lakaran kebun (NCR-Sarawak/ Sabah) – Tanah Tanpa gran.</i> f. <i>Buku rekod Ladang (Resit Jualan/ Pembelian Baja Racun)</i> g. <i>Senarai penerimaan warta sawit</i> h. <i>Senarai kehadiran taklimat, latihan dan ceramah.</i> i. <i>Borang GAP/ Sijil GAP</i> j. <i>Borang lawatan khidmat nasihat (LKN)</i> <p><u>Continual Improvement -</u> Kalender aktiviti 2018 was made available for SPOC Q7 Engkilili & Lubok Antu. Program activities was list as below:</p> <ul style="list-style-type: none"> i. <i>Kursus MSPO Pekebun Kecil</i> ii. <i>Keselamatan dan Kesihatan di tempat kerja</i> iii. <i>Kesedaran penjagaan alam sekitar di ladang sawit</i> iv. <i>Kesedaran kepada haiwan terlindung</i>
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Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	13 of 23	

	<p>v. Panduan pembajaan sawit pekebun kecil vi. Panduan pengurusan rumpai di Ladang sawit vii. Latihan penggunaan PPE semasa merumpai di lading sawit viii. Pensijilan GAP pekebun kecil ix. Latihan pemangkasan dan penuaian sawit pekebun kecil x. Pengenalan kepada kekurangan nutrient pada pokok sawit xi. Latihan kesedaran pada alam sekitar di kebun sawit xii. Pengenalan kepada perosak yang sering menyerang buah sawit di kebun.</p> <p>The latest training was conduct on 4th September 2018 at kebun peserta, agenda to be discuss “Laporan lawatan khidmat Nasihat/ Perbincangan/ Perjumpaan for Q7 Engkilili & Lubok Antu. The SPOC Manager was provide “Buku Rekod Ladang” for participants Q7.</p> <p>It was observed the records of sales and delivery or transportation was recorded in “<i>Buku Rekod Ladang</i>”.</p> <p>Observation 1 However, record of transportation was not included, since some of the participant use out sources of service, it should include in the book record. It easy to monitor and calculate the exactly income of the participant and easy to manage and monitor</p>
<p>Comment on Principle 2</p>	<p><u>Traceability</u> – It was observed that the records of sales was recorded in “<i>Buku Rekod Ladang</i>”.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> – It was observed the independent smallholders obtain valid of MPOB license. As random pick of participants file, the MPOB License list as below:</p> <p>i. 418246-201000 – Nobi Ak Maba, Rh Leping Sg. Sayat, Engkilili 95800 Sri Aman. (expiry dated: 1st April 2018 till 31st March 2023. ii. 578734-601000 – Ajong Anak Majie, Rh Leping, Sayat, Engkilili 95800 Lubok Antu. 4th April 2017 till 31st March 2022.</p> <p>457128-401000 – Empaling Anak Garugok, Rh Egar, Bukit Tunku 95800 Sri Aman, Sarawak. (Expiry date 1st Oct till 30th September 2020.</p> <p><u>Legal land use rights</u> – Based on the file of participants:</p> <p><u>Random pick</u> Land use right of participant name Mr. Nini Anak Maba was approved by Tr. Leping ak Grang, Sg Sayat, Engkilili. It was supported by SPOC Q7 Engkilili & Lubok Antu which write letter to Penguasa, Jabatan Tanah dan</p>

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	14 of 23	

	<p>Survey Bahagian Sri Aman, 95000 Sri Aman, Sarawak. Dated 22nd May 2018.</p> <p>Land use right of participant name Mr. Bingka Ak Lunyong was approved by Tr. Leping ak Grang, Sg Sayat, Engkilili. It was supported by SPOC Q7 Engkilili & Lubok Antu which write letter to Penguasa, Jabatan Tanah dan Survey Bahagian Sri Aman, 95000 Sri Aman, Sarawak. Dated 22nd May 2018.</p> <p>Land use right of participant name Mr. Amit Ak Din was approved by Tr. Leping ak Grang, Sg Sayat, Engkilili. It was supported by SPOC Q7 Engkilili & Lubok Antu which write letter to Penguasa, Jabatan Tanah dan Survey Bahagian Sri Aman, 95000 Sri Aman, Sarawak. Dated 22nd May 2018.</p> <p><u>Customary rights –</u> Based on the file of participants:</p> <p><u>Random pick</u></p> <p>Land use right of participant name Mr. Nini Anak Maba was approved by Tr. Leping ak Grang, Sg Sayat, Engkilili. It was supported by SPOC Q7 Engkilili & Lubok Antu which write letter to Penguasa, Jabatan Tanah dan Survey Bahagian Sri Aman, 95000 Sri Aman, Sarawak. Dated 22nd May 2018.</p> <p>Land use right of participant name Mr. Bingka Ak Lunyong was approved by Tr. Leping ak Grang, Sg Sayat, Engkilili. It was supported by SPOC Q7 Engkilili & Lubok Antu which write letter to Penguasa, Jabatan Tanah dan Survey Bahagian Sri Aman, 95000 Sri Aman, Sarawak. Dated 22nd May 2018.</p> <p>Land use right of participant name Mr. Amit Ak Din was approved by Tr. Leping ak Grang, Sg Sayat, Engkilili. It was supported by SPOC Q7 Engkilili & Lubok Antu which write letter to Penguasa, Jabatan Tanah dan Survey Bahagian Sri Aman, 95000 Sri Aman, Sarawak. Dated 22nd May 2018.</p>
<p>Comment on Principle 4</p>	<p><u>Complaints and grievances –</u> Training on complaints & grievances to smallholders for SPOC Q7 was conducted on 14th April 2018. The training included ‘<i>Procedure Aduan dan Rungutan</i>’ (Doc No : SOP-01-AR/2016)</p> <p>Grievances Form can be found at longhouse and MPOB office. Group Manager will be responsible to collect grievances Form from the two location.</p> <p>Any grievances will be compiled by the Group manager and will be attend accordingly as refer to the MPOB grievances procedure.</p>

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	15 of 23	

	<p><u>Employees health and safety –</u> Training on safety & Health were twice organized by MPOB SPOC Group Manager to members of SPOC Q7.</p> <p>1. 17th April 2018 <i>‘Keperluan Akta Keselamatan dan kesihatan Pekerjaan’</i> Trainer : Occupational Safety & Health Officer</p> <p>2. 21st May 2018 <i>‘Langkah Langkah Keselamatan dalam penggunaan Racun Perosak’</i> Trainer: En. Riat ak Kalom</p> <p><u>Major 1</u> Personal Protective Equipment (PPE)</p> <ul style="list-style-type: none"> - It was unclear how GM ensure PPE usage implemented by the smallholders as there is no record of PPE owned and no PPE equipment sighted during site visit. <p><u>Employment conditions –</u> It was identified that all 53 farm in Q7 was managed by the smallholders themselves assisted by their family’s members. There is no usage of external workforce.</p> <p>Record to verify these information given are Smallholders Personal file & MPOB FFB record for Q7.</p> <p>Sample record Check :</p> <p>1. Bidi ak Gendan MPOB License: 418222501000</p> <p>2. Tinggie ak Dagang MPOB License: 418233101000</p> <p>3. Nibi ak Maba MPOB License: 418246201000</p> <p>4. Dina ak Muyang MPOB License: 418245401000</p> <p><u>Training and competency –</u> Training Record for the year 2018 was available at MPOB office in Sri Aman.</p> <p>The Program Implemented on 2018 (April-September 2018)</p> <ul style="list-style-type: none"> i. <i>Kursus MSPO Pekebun Kecil.</i> ii. <i>Keselamatan dan kesihatan di Tempat Kerja.</i> iii. <i>Kesedaran Penjagaan Alam Sekitar di Ladang Sawit.</i> iv. <i>Panduan Pembajaan Sawit pekebun kecil.</i>
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Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	16 of 23	

	<p>v. <i>Panduan Pengurusan Rumpai di Ladang Sawit.</i> vi. <i>Pensijilan GAP Pekebun Kecil.</i> vii. <i>Pengenalan Kepada kekurangan Nutrient pada Pokok Sawit.</i> viii. <i>Latihan Kesedaran Pada Alam Sekitar di kebun Sawit.</i> ix. <i>Pengenalan Kepada Perosak yang Sering Menyerang Buah Sawit di kebun</i></p> <p>Trainer from DOE :Mr Orlando ak Jurid Trainer from DOSH: Mr Dominic Charles Trainer from Forestry: Anthony Sinju</p>
<p>Comment on Principle 5</p>	<p><u>Environmental management plan</u> – Smallholders Training (Q7) on environment was conducted on 14th April 2018.</p> <p>The training : Kesedaran Penjagaan Alam Sekitar di Ladang Sawit (Akta Kualiti Alam Sekeliling 1974) Trainer : DOE Officer</p> <p>Among Training Module :</p> <ol style="list-style-type: none"> 1.Awareness on Buffer 2.Open Burning 3.Scheduled waste management 4.Scheduled waste disposal <p><u>Efficiency of energy use and use of renewal energy</u> – Renewable energy is yet to be applied for SPOC Q7</p> <p><u>Waste management and disposal</u> – GM for Q7 inform that all chemical container / scheduled waste were triple rinsed. Letter from Department of Agriculture (DOA) was shown during audit that informed that triple rinsed item (empty chemical container) will not be categorized as scheduled waste. Document No : JAS 91/110/619/130 Jld. 51 (8).</p> <p>Source of Pollution was identified in the document : <i>Senarai Impak Social, Persekitaran & Pelan Tindakan . Document No : MSPO SSCC/L-04 / ISP</i></p> <p><i>Source of pollution identified in the document.</i></p> <ol style="list-style-type: none"> 1.Poultry : Smell & Water Pollution 2.Land Clearing : Water and Air Pollution 3.Chemical Usage: Water Pollution <p><u>Natural water resources</u> –</p>

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	17 of 23	

Training on river buffer management was conducted by MPOB GM and DOE officer on 14th April 2018.
The training covered river buffer awareness and chemical application control near river buffer.

Major 2
Site visit was conducted to several smallholder's farm. It was found that spraying was done at both side of the water way.

Status of rare, threatened or endangered species and high biodiversity value area –
Awareness on Rare, Threatened and Endangered Species was conducted via training on Wildlife Act on 14th April 2018 at Rh Lembang Sayat, Engkilili.
The training was conducted by Wildlife Department Personnel & Forestry Officials.

Based on interview with participant Q7, they show awareness regarding the Rare, Threatened and Endangered Species.

Zero burning practices -
There is no record of Open Burning done by smallholders for SPOC Q7 todate.

Training on no open burning was conducted by DOE on 14th April 2018 at Rh Lembang Sayat.

Comment on Principle 6

Site management –
Based on interview with Group Manager (GM) Q7 Engkilili and Lubok Antu. GAP was conduct and monitor by GM himself and will be insert in system GAP.MPOB.GOV.MY. Raw data of GAP was made available in the individual file for each participant. Random inspection of individual file of participants Q7, all of GAP reports was made available in the filing. List of name pick random file was help by Ms. Dayang Nur Malhijrah (MPOB staff). The name was list as below:

No.	Participant	Site visit of GAP
1	Lembang ak Grang	20.12.2017
2	Empaling ak Garugok	21.05.2018
3	Ental anak Tugai	21.05.2018
4	Jingga ak Lunyong	21.05.2018
5	Bingka ak Lunyong	21.05.2018
6	Ngali ak Reman	21.05.2018
7	Nibi ak Maba	21.05.2018
8	Muris ak Dundang	21.05.2018

9	Maria Leping	20.12.2017
10	Masir anak Bitin	21.05.2018

Based on the GAP records, the contents of the reports list as below:

- i. *Maklumat Pekebun*
- ii. *Maklumat Kebun*
- iii. *Kriteria Penilaian GAP Mandatori*
- iv. *Kriteria Penilaian GAP Dimestikan/ Boleh Ditambahbaik*
- v. *Kriteria Penilaian GAP Digalakkan.*

All recorded made by Group Manager of Q7 Engkilili and Lubok Antu (Mr. Riat ak Kalom).

Economic and financial viability plan –

It was observed the “Koperasi Penanam Sawit Mampan Lubok Antu Berhad (KPSMLAB)” was registered on 19th July 2018, with registration no.: Q-3-1302.

Function of the Koperasi for agriculture purpose. Which conduct activities as below:

- a. *Membeli, mengalih dan menjual buah tandan segar (BTS)*
- b. *Membeli, menyimpan dan menjual input pertanian*
- c. *Menyediakan perkhidmatan tanam bar/ tanam semula sawit*
- d. *Pengangkutan.*

Before KPSMLAB officially registered with Suruhanjaya Koperasi Malaysia (SKM) there was “Minit Mesyuarat Agung Permulaan” was conduct on 28th June 2018, start from 8.30 am at Rh Muris Soh Engkilili, Lubok Antu, Sarawak. Which attended by 120 participants. The details of “Minit Mesyuarat Agung Permulaan” can verified in Fail Koperasi KPSMLAB

Since Penubuhan koperasi tersebut, there was two “Minutes Mesyuarat” was conducted list as below:

- i. *Minit mesyuarat lembaga pertama tahun 2018, 28th Jun 2018, venue: RH Muris Soh Engkilili, Lubok Antu, Sarawak, time: 12.30 pm to 2.30 pm. Which attended by 12 attendees.*

Minit mesyuarat lembaga kedua tahun 2018, 10th August 2018, venue: Bilik mesyuarat, Pejabat MPOB Cawangan Sri aman, time: 9.30 am to 11.30 am.

Transparent and fair pricing dealing –

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	19 of 23	

	The smallholders communicate with the dealers, miller, local communities and interested parties regarding the fair price dealing of FFB via mpob website and current price at the collector centre.
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7. Nonconformities

MS2530-2:2013 Part 2

Nonconformity	N° 1 of 2		Major 1			
	Date Recorded>	31 st October 2018	Due Date>	31 st December 2018	Date Closed>	5 th December 2018
Department / Function:	MPOB Q7		Standard Ref.: Indicator		MSPO 2350-Part 2 4.4.2.1	
Document Ref.:	Criterion 4: Safety and Health		Issue / Rev. Status:		Open	
Details of Nonconformity:	It was unsure PPE usage and availability by the smallholders					
Objective Evidence:	Personnel Protective Equipment (PPE) - It was unclear how GM ensure PPE usage implemented by the smallholders as there is no record of PPE owned and no PPE equipment sighted during site visit					
Close-out evidence:	- Rekod availability of PPE oleh smallholder - Latihan pemakaian PPE dan rekod kehadiran					

Nonconformity	N° 2 of 2		Major 2			
	Date Recorded>	31 st October 2018	Due Date>	31 st December 2018	Date Closed>	5 th December 2018
Department / Function:	MPOB Q7		Standard Ref.: Indicator		MSPO 2350-Part 2 4.5.4.1	
Document Ref.:	Criterion 5: Natural water resources		Issue / Rev. Status:		Open	
Details of Nonconformity:	No spraying activity allowed both side of the water surface runoff					
Objective Evidence:	Site visit was conducted to several smallholders farm. It was found that spraying was done at both side of the water way.					
Close-out evidence:	- papan tanda "dilarang meracun di kawasan air mengalir" - Latihan dan rekod kehadiran					

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	20 of 23	

Observation

Nonconformity	N° 1 of 1		Observation 1			
	Date Recorded>	31 st October 2018	Due Date>	Nil	Date Closed>	NIL
Department / Function:	MPOB Q7		Standard Ref.: Indicator		MSPO 2350-Part 3 4.1.2.1	
Document Ref.:	Criterion 1: Continual Improvement		Issue / Rev. Status:		Open	
Details of Nonconformity:	There was no appropriate records in the " <i>Buku Rekod Ladang</i> ".					
Objective Evidence:	The smallholder's record are found lacking in term of social components and some data were missing (Example FFB sales record for some smallholders).					
Close-out evidence:	<ul style="list-style-type: none"> - rekod jualan FFB - demographic workforce. senarai yang bekerja di ladang PK 					

Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

- Corrective actions to address identified major nonconformities shall be carried out immediately and SGS notified of the actions taken within 30 days. An SGS auditor will perform a **follow up visit** within 60 days to confirm the actions taken, evaluate their effectiveness, and determine whether certification can be granted or continued.
- Corrective actions to address identified major nonconformities shall be carried out immediately and **records with supporting evidence sent to the SGS auditor** for close-out within 60 days.
- Corrective Actions to address identified minor non conformities shall be documented on a action plan and sent by the client to the auditor within 60 days for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit
- Corrective Actions to address identified minor non-conformities have been detailed on an action plan and the intended action reviewed by the Auditor, deemed to be satisfactory and will be followed up at the next scheduled visit.
- Appropriate immediate action taken in response to each non-conformance as required

Note:- Initial, Re-certification and Extension audits – recommendation for certification cannot be made unless check box 4 is completed. For re-certification audits the time scales indicated may need to be reduced in order to ensure re-certification prior to expiry of current certification.

Note: At the next scheduled audit visit, the SGS audit team will follow up on *all* identified nonconformities to confirm the effectiveness of the corrective actions taken.

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	21 of 23	

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Malaysian Palm Oil Board personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are assets to the company. Their cooperative, knowledgeable and hospitality are commendable
- Organised documentation & highly commitment towards certification.

Important Observations and Opportunities for Improvements:

- The implementation of safe working practices should be implemented accordingly.
- Scheduled waste management should be implement according to Department of Environment (DoE) practices.

Appendix 2: List of Stakeholders Contacted

Stakeholders	Issue	Remarks
<u>External</u> Jabatan Pertanian Ms Fiona Office: 083-563051	No issue raised	Knowledge on MSPO ok
<u>External</u> Jugah Trading Company (Collection Centre) Mr. Su Teng Eik (Director) Jelukong	No issue raised	Knowledge on MSPO ok
<u>External</u> Tuai Rh Moris (18 Pintu), Tel: 019-87945221 Antar buah ke Salcra dan ramp operator Kpg Soh, Engkililili 15 pintu	No issue raised	Knowledge on MSPO ok
<u>External</u> Tuai Rh Lembang Ak Gerang, 0198562976 30 pintu	No issue raised	Knowledge on MSPO ok
<u>External</u> WWF	Nil	No answer from WWF office Kuching Call time: 2.00 pm

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	22 of 23	

Signed on behalf of Group Manager SPOC Q7	Signed on behalf of SGS Malaysia Sdn Bhd
 <p>RIAT ANAK KALOM Pembantu Penyelidik (UKP) Bahagian Penyelidikan Integrasi & Pengembangan Pejabat MPOB Sri Aman</p> <p>Mr Riat Anak Kalom Pembantu Penyelidik (UKP) 5th December 2018</p>	 <p>DICKENS MAMBU</p> <p>Mr Dickens Mambu Regional Head Certification (Sarawak) Manager, Palm Oil Base (East Malaysia) 5th December 2018</p>

Job n°:	MY05037	Report date:	19.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	23 of 23	