



Assessment Report

Date: 23 OCT to 25 OCT

2017

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances.]

MSPO 2503:2013
Part 2

Company name	SMALLHOLDER PALM OIL CLUSTER (A10 KUALA KANGSAR)
Address	KO31A, TINGKAT 1, SUSUR SIMPANG, 34700 SIMPANG, TAIPING, PERAK
Report no	MS17MM003
Status of audit	Main Assessment If surveillance NA

Section A General Information

General	
Audit objectives	<input checked="" type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Issue of certificate	Yes

Scope of Certification	
Scope of certification in English	The provision of planting and harvesting of palm oil fruits by small land owner
Requirement not being applicable	Principle 7: New Planting
Justification	No new planting
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Md Hasmartuah bin Monh Hanapiah
Alternate contacts	-
Management Representative contact no.	017-517 1631
E-mail address	hasmartuah@mpob.gov.my
Fax Number	05-847 3782
Fixed Line Number	05-847 3718
NO OF SPOC MEMBERS	50

Section B Previous Audit Result

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

<input checked="" type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

Section C Conclusion

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

CONGRATULATION and has

- CONGRATULATION however some processes need to address non-compliance(s) but others has
- SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

- demonstrated
- not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are NIL unresolved issue.

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 (initial certification or recertification)
- Granted upon the acceptance of the noncompliance(s)
- Continued (surveillance)
- Continued (surveillance) upon the acceptance of the noncompliance(s)
- Withheld
- suspend until satisfactory corrective action(s) is completed
- Others (please specify)

Note :

The assessment and recommendation for the initial or continue was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party.

Section D (For Recertification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation

Zulkarnain Ishak	En Md Hasmatuah bin Mohd Hanapiah Other MPOB Representative	Group Managers
Team member		
Mohamad Zulkefli bin Md. Isa		
Trainee auditor		
1) Mohd Hafizzudin 2) Badrul Hisham		
Observer		
Fleming Teo		

Section F Audit Process Matrix

Next Audit Matrix (legend "☒" plan to cover & covered, "☐" for uncover)

Planned month & year	10/2017	09/2018	09/2019	09/2020	09/2021
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Continual Improvement	☒	☒	☒	☒	☒
4.2 Transparency					
4.2.1 Traceability	☒	☒	☒	☒	☒
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary rights	☒	☒	☒	☒	☒
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Complaints and grievances	☒	☒	☒	☒	☒
4.4.2 Employees safety and health	☒	☒	☒	☒	☒
4.4.3 Employment conditions	☒	☒	☒	☒	☒
4.4.4 Training and competency	☒	☒	☒	☒	☒
4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	☒	☒	☒	☒	☒
4.5.2 Efficiency of energy use and use of renewable energy	☒	☒	☒	☒	☒
4.5.3 Waste management and disposal	☒	☒	☒	☒	☒
4.5.4 Natural water resource	☒	☒	☒	☒	☒
4.5.5 Status of rare, threatened, or endangered species and high biodiversity value	☒	☒	☒	☒	☒
4.5.6 Zero burning practices	☒	☒	☒	☒	☒
4.6 Best Practices					

4.6.1 Site management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting					
4.7.1 Oil palm shall not mplant on land with a high biodiversity value	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Soil survey	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Extensive planting on steep terrain, marginal and fragile soils	<input type="checkbox"/> NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment : _md. Recertification:

Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate

Section G Audit Note

Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
ZU	23/10/2017	9.30
<p>Opening Meeting</p> <ul style="list-style-type: none"> a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; d) confirmation of formal communication channels between the audit team and the client; e) confirmation that the resources and facilities needed by the audit team are available; f) confirmation of matters relating to confidentiality; g) confirmation of relevant work safety, emergency and security procedures for the audit team; h) confirmation of the availability, roles and identities of any guides and observers; i) the method of reporting, including any grading of audit findings; j) information about the conditions under which the audit may be premature terminated; k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails; l) confirmation of the status of findings of the previous review or audit, if applicable; m) methods and procedures to be used to conduct the audit based on sampling; n) confirmation of the language to be used during the audit; o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns; p) opportunity for the client to ask questions. <p>Closing Meeting</p> <ul style="list-style-type: none"> a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty b) the method and timeframe of reporting, including any grading of audit findings; c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification; d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit; e) the certification body's post audit activities; f) information about the complaint handling and appeal processes. g) Any diverging opinion that are not resolved. h) opportunity for the client to ask questions. 		
Executive Summary		
<p>The audit was based on the MSPO2503:2013 Part 2 Standard, procedure and and applicable requirements. There is no issue during the First Assessment Visit (FAV) conducted on 6-7/09/2017 and found all the required document, procedure and form are available.</p> <p>The 2nd Stage audit was conducted on 23-25/10/2017 and the audit are divided into two session which first session is a documentation review on the Day 1 and second session is the site visit on the Day 2 and Day 3. This audit conducted based on the sampling and 11 smallholders been chosen and involve in this assessment activity. Noted that all the SPOC member are still in the awareness stage and all the implementation are still monitored by Group Manager.</p> <p>The audit was lead by Mr Zulkarnain Ishak who are have almost 8 years in the sustainable certification and other</p>		

management system certification such as RSPO, ISCC, ISO 14001, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by DQS. Co auditor cum Trainee Lead Assessor is Mr Mohamad Zulkefli who are experienced in the RSPO and ISCC Certification for almost 5 years and attended the MSPO Lead Assessor Course conducted by SIRIM.

The list of selected SPOC members as a sampling are listed as below:

- 1) Ng Teck Seng
- 2) Norlizawaty binti Muhammad Auni
- 3) Ng Kim Zin
- 4) Ng Kim Wooi
- 5) Ghazali bin Abdul Hamid
- 6) Norhayati binti Abdullah
- 7) Ng Chun Yee
- 8) Ibrahim bin Jaafar
- 9) Khodijah binti Megat Jalaluddin
- 10) Megat Sabri bin Megat Jalaluddin
- 11) Peteri Alauyah binti Megat Jalaluddin

Audit Summary

The audit was cover all the MSPO 2503:2013 Part 2 Principle & Criterion and the summary of the finding are as below:

Principle 4.1. Management Commitment & Responsibility

SPOC has implementing the system according to Malaysian Sustainable Palm Oil (MSPO) demonstrated by the established SOP. It addressed the procedures and instructions to comply with the requirements of MSPO. Group manager MSPO has established training and briefing as per Laporan Taklimat MSPO to all smallholders. Sighted all SPOC members was signed the Perakuan Menyertai Pensijilan MSPO and attached together with the MSPO Policy. During site visit and interview sesseion with the smallholders, sighted there a aware with the standard requirement and implement to their palm oil activities.

Principle 4.2 Transparency

All the smallholders in SPOC Kuala Kangsar has record FFB received from smallholder and summaries on monthly basis. Record of sales and delivery of FFB has recorded weighbridge ticket and FFB receipt of payment statement on monthly basis.

Principle 4.3 Compliance to legal requirement

Noted that Senarai Keperluan Undang-Undang has been established effective date 1st April 2016, No Dokumen: L-02/SKU/2016. All SPOC have a valid license as per MPOB requirements Akta Lembaga Minyak Sawit Malaysia 1998. During interview all smallholders show their awareness on the legal & regulation such as OSHA 1994, EQA 1974, etc.

Principle 4.4 Social responsibility, health, safety and employment condition

No complaint by stakeholder was recorded since the implementation of MSPO Scheme in all SPOC Kluang smallholder. Stakeholder consultation was conducted on 24/10/2017 and participate by JKKK Chairman, Penghulu and crop dealers. No issue were raised during the stakeholder consultation. No occupational accident and health issue were reported since and there have no complaint raised regarding wage, payment, contract and ect. resulted all mutual verbal agreement has been agreed by both parties before work start. Group Manager organised the required training to give an awareness to all SPOC member in occupational safety and health issue.

However during the assessment found no valid agreement between the smallholders with the dealers who are supply the workers for the harversting activity to the smallholder (CAR 1) .

Smallholders also hire villagers to do spraying and manuring activity on a part-time basis but there is no payroll record estbalished by the smallholders (CAR 2).

Principle 4.5 Environment, natural resources, biodiversity and ecosystem services

Awareness training was conducted in order to give an understanding of sensitive area (river, steep, slope, forest, swamp area) and there is a format to monitor the usage of diesel. Noted all smallholders are practice the Triple Rinsing Method to all their used pesticide container before sold to the solid waste collector.

Principle 4.6 Best Practice

The group manager are responisble to visit the smallholders field and do the auditing to ensure they comply with all the requirement from the Code of Practice- Good Agriculture Practice (CoPGAP). From the sampling sighted all the smallholders was done the audit and found all smallholders was comply with the CoPGAP requirement. During site visit, the blanket spraying was practice in the field and not follow the MPOB GAP procedure for SPOC Members Megat Sabri, Azlan bin Hashim and Peteri Aluyah (CAR 3)

Principle 4.7 Development of New Planting

Not Applicable.

Stakeholder Consultation
<p>Audit Notification Audit notification was done by email to the stakeholders such as DOE, DOSH, PERHILITAN, MPOC etc on 21/09/2017. For the village community the notification was delivered to the Pengerusi JKKK and Penghulu for Mukim Sanggang, Mukim No feedback received from the stakeholders within the 1 month periods of the Audit Notification.</p> <p>Stakeholder Consultation Stakeholder consultation was conducted during the 2nd Stage Audit and the detailed as below:</p> <p>a) Risda Plantation Sdn Bhd dated 23/10/2017 Interviewed En Mohd Shahrul Rizal- Head Operation PP Kuala Kangsar RPSB is the collection ramp for the smallholders at the Mukim Sanggang. As to date no issue on the dealing with the SPOC Kuala Kangsar members and found RPSB was transparent with the price dealing.</p> <p>b) Meeting with Penghulu and Ketua Kampung from Mukim Senggang dated 23/10/2017 Attendees as below: 1) Zuraimi bin Razali- Penghulu Mukim Senggang 2) Hj Mokhtar Lotfy- Ketua Kampung Changkat Manong 3) Mohd Taib b Mohd Tahir- Ketua Kampung Ketior Luor</p> <p>No issues raised regarding the SPOC Keluang members on their palm oil activities. However they raised a general issues normally faced by the smallholders such as crop stealing, ramp purchased the stealing crop, improper frond placement at the riverside etc.</p>
Introduction
<p>SPOC Kluang was established and managed by TUNAS, MPOB Cawangan Taiping with 50 smallholder participate to apply the MSPO Certification Scheme with total planted hectareage is around 89.427 hectares. The list of the smallholder and the detail of each smallholder as per Appendix 1. Noted there is 50 smallholder are participate in this (A4) Kuala Kangsar Sustainable Palm Oil Cluster (SPOC). SPOC Kuala Kangsar was managed and monitored by TUNAS, MPOB Cawangan Taiping. All member of SPOC Kuala Kangsar been certified and audited the Code Of Good Agriculture Practice by MPOB Cawangan Taiping. The SPOC Kuala Kangsar was located at Mukim Sayung, Mukim Senggang, Mukim Chegar Galah, Mukim Kota Lama Kiri and Mukim Kota Lama Kanan.</p>

Audit Checklist

P1: Management Commitment & Responsibility		
Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy	
Indicator	Requirement	Findings
4.1.1.1	There shall be a policy binding smallholders to MSPO	Verified MSPO Policy for Kelompok Minyak Sawit Mampan (SPOC) A10 Kuala Kangsar dated 11 Julai. Sighted and verified that the smallholders signed the Perakuan Menyertai Pensijilan MSPO attached together with the MSPO Policy and sample as below a) Ng Teck Seng - 12/07/2017 b) Norlizawaty Binti Muhammad Auni - 13/7/2017 c) Ng Kim Zin - 12/7/2017 d) Ng Chun Yee - 13/7/2017 e) Megat Sabri Bin Megat Jalaluddin - 13/7/2017
Criterion 2	Continual Improvement	
Indicator	Requirement	Findings

4.1.2.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the smallholders group. Independent smallholders shall be aware of the need to understand the importance of continual improvement.	Sighted Group Managers establish the continual improvement plan for stakeholder and verified the improvement plan as below: a) Sasaran Lawatan Khidmat Nasihat Kebun Tahun 2018 b) Kalender Aktiviti 2017 planned activity such as Kursus Sehari Sawit, Taklimat Pengenalan Pensijilan MSPO etc. c) Program Pembajaan Dan Kawalan Rumpai Tahun 2017
4.1.2.2	The group manager shall establish a system to improve practices in line with new information and techniques and disseminating this information throughout the group members	Group Managers conducted the Good Agriculture Practices (GAP) visit and sample as below: All the picture evidence have been upload on the MPOB system. Sighted on the Senarai Semak Pensijilan MPOB Amalan Pertanian Baik (GAP) Pekebun Kecil Sawit a) Nurhayati Binti Abdullah last visit on - 23/8/2017 b) Ghazali Bin Haji Abdul hamid last visit on - 11/5/2017 c) Ng Chun Yee last visit on 28/8/2017 d) Ng Teck Seng last visit on 11/5/2017 e) Ibrahim bin Jaafar last visit on 18/4/2017 f) Peteri Alauyah Binti Megat Jalaluddin last visit on 11/5/2017 g) Kholijah Bte Megat Jalaluddin last visit on 11/5/2017 h) Megat Sabri B Megat Jalaluddin last visit on 11/5/2017 i) Ng Kim Zin last visit on 29/8/2017
P2: Transparency		
Criterion 1	Traceability	
Indicator	Requirement	Findings
4.2.1.1	The group management shall commit itself to implement and maintain the requirements for traceability	Seen Group Managers establish the smallholders data base with appropriate information of address, IC number, lot number, land "syarat nyata", GPS Coordinat etc.
4.2.2.1	To keep records of sales, delivery or transportation of FFB shall be maintained.	During site visit sighted that records of sales, delivery or transportation of FFB have been keep with proper filing. Evidence :- a) Azlan Bi Hashim No Lot : 5087 Total Ha : 1.44 Ha Year of Planting : 2013 -During interview the owner state that he is using his own transportation to transport the FFB to the buyer collection place. Buyer : Sawit Sauk Enterprise(kuala Kangsar)MPOB No:506355115000 i)PO No: P0023097, Date : 13/9/2017, Net Weight(Kg) : 230, Price per tonne: RM535, Payment : RM123 ii)PO No:P0023446, Date : 11/10/2017, Net Weight(Kg) : 170, Price per tonne: RM520, Payment : RM88 b)Ghazali bin Abdul Hamid, No Lot : 10202 Total Ha : 1.37 Ha, Year of Planting 2013 - During site visit the worker En Yusof stated that the buyer come and do collection from field and facilitate the FFB to their collection place/ramp. The price charges for the ffb collection and transportation is stated on the sales and purchase slip sighted. Buyer : Risda Plantation Sdn Bhd (324822D) No GST : 000863748096 i)PO No: 155012, Date: 9/10/2017, Net Weight(Kg) :2410, Price per tonne : RM525, Payment : RM1265, Transportation charges per tone : RM30 Deduction : RM72.50

		<p>c) Norhayati Binti Abdullah No Lot : 4951 Total Ha : 0.78 Year of Planting : 2014 During interview with the owner stated that harvesting activity is not yet been done due to immaturity period.</p> <p>d) Megat Sabri bin Megat Jalalluddin Buyer: Perniagaan Sawit Chia Ticket# 017760 dated 27/09/2017 with information of lorry# AJM3221, Nett Weight= 2100KG, FFB Price=RM540/ Ton</p> <p>e) Ibrahim Bin Jaafar During site visit, interview with the owner stated that all transportation and sale of FFB manage by his worker name Baharin Bin Abd Rahman using his own transport to the collection ramp. Buyer : Sawit Sauk Enterprise (Kuala Kangsar) MPOB No: 506355115000, PO No:P0022042 Date:20/06/2017, Net Weight(Kg) :4330 Price per Tonne: RM495.00, Payment : RM2143.00</p>
P3: Compliance to legal requirements		
Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
4.3.1.1.	Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations.	<p>Awareness Training was recorded on 3 Mei 2017 under Program Taklimat MSPO Kepada Pekebun Kecil Persendirian Kuala Kangsar, Perak Total Participant 40 evidence - tentative program conducted on awareness of compliance - Ceramah 3 : MSPO MS2530-3:2013 Prinsip-prinsip Umum untuk Pekebun Kecil Persendirian attendance list: Sample who participate the program a)Megat Sabri Bin Megat Jalalludin b)Ng Chun Yee c)Norlizawaty Bt Muhd Auni d) Ibrahim Bin Jaafar</p>
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	Independent smallholders shall demonstrate rights to their land holdings and ther is no evidence of major land disputes.	<p>1) Verified the location, hectares, license and land title as below: License: a) Khodijah binti Megat Jalaluddin- i) License# 573818301000 ii) No hak milik: GM 3022 iii) Kategori Penggunaan Tanah: Pertanian</p> <p>b) Azlan bin Hashin i) MPOB Lichese: 46048630100 valid: 31/12/2020 ii) No hak milik: GM 51, No Lot: iii) Kategori Penggunaan Tanah: Pertanian</p> <p>c) Ng Teck Seng i) MPOB License: 553049301000 valid: 30/09/2020 ii) No hak milik: PM 1288, No Lot: Lot 25020 iii) Syarat Nyata: Kelapa Sawit</p> <p>d) Norlizawaty bt Muhammad Auni i) MPOB License: 576938101000 valid: 28/02/2022 ii) No hak milik: GM9622, No Lot: Lot 8994 iii) Syarat Nyata: Kelapa Sawit</p> <p>2) Sighted that there is fencing pole, neighbour estate road and boundary stone have been shown by the owner during site visit. Evidence :</p>

		<p>a) Azlan Bin Hashim No. Lot : 5087 Total Ha: 1.44 Year of Planting 2013 - During interview the owner said that their boundry with the neighbour estate is the estate road.</p> <p>b) Ghazali Bin Abdul Hamid No. Lot : 10202 Total Ha : 1.37 Year of Planting 2013 - During site visit sighted that there is a fencing pole marking as their boundry.</p> <p>c) Nurhayati Binti Abdullah No. Lot : 4951 Total Ha : 0.78 Year of Planting 2014 - Sighted during site visit there is a boundary stone marking.</p> <p>d) Khodijah binti Megat Jalaluddin- i) License# 573818301000 ii) No hak milik: GM 3022 iii) Kategori Penggunaan Tanah: Pertanian - Sighted boundary stone as the land marking</p> <p>b) Azlan bin Hashin i) MPOB Licnese: 46048630100 valid: 31/12/2020 ii) No hak milik: GM 51, No Lot: iii) Kategori Penggunaan Tanah: Pertanian - Sighted boundray stone as the land marking</p> <p>c) Ng Teck Seng i) MPOB License: 553049301000 valid: 30/09/2020 ii) No hak milik: PM 1288, No Lot: Lot 25020 iii) Syarat Nyata: Kelapa Sawit - Sighted boundary stone as the land marking</p> <p>d) Norlizawaty bt Muhammad Auni i) MPOB License: 576938101000 valid: 28/02/2022 ii) No hak milik: GM9622, No Lot: Lot 8994 iii) Syarat Nyata: Kelapa Sawit - Sighted boundary stone as the land marking</p>
Criterion 3	Customary rights	
Indicator	Requirement	Findings
4.3.3.1	Independent smallholders shall be demonstrate rights to their land holding.	As per 4.3.2.1 Verified the boundary stone and land marking during site visit and found satisfactory as per land titile.
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	Verified the GPS map established by the Gorup Managers and stated all the SPOC members location as per GPS coordinate.
P4: Social responsibility, health, safety and employment condition		
Criterion 1	Complaints and grievances	
Indicator	Requirement	Findings
4.4.1.1	Independent smallholders shall be able to respond to complaints that are raised by their neighbours or other stakeholders	Established the complaints procedures Doc# SOP-01/AR/2016 effective date 01/04/2016. Interview done during site visit and stakeholder consultation and as to date no complaint received from stakeholder.

4.4.1.2	The local system should be able to resolves disputes.	Establish the Borang Aduan Dan Rungutan Doc# F-01/AR/2016 effective date 01/04/2016 Noted the form already distributed to Penghulu and all SPOC members.
Criterion 2	Employees safety and health	
Indicator	Requirement	Findings
4.4.2.1	Independent smallholders need not have a formal health and safety plan but shall ensure that all work practices are safe.	<p>Sighted smallholders attend the Keselamatan dan Kesihatan Pekerjaan di Sektor Perladangan conducted by DOSH Perak dated 13/07/2017</p> <p>Site visit: No spraying and harversting activity during site visit however during interview Megat Sabri, Khodijah and Peteri Aluyah found they understand on the safety requirement for spraying and harvesting.</p> <p>During site visit sighted that the smallholder are aware on using the personel protective equipment as a safe work practice in all operation work such as weeding spray , manuring application and harvesting.</p> <p>Evidence :</p> <p>a) Kelompok Minyak Sawit Mampan(SPOC) A10 Owner : Azlan Bin Hashim No. Lot : 5087 Total Ha: 1.44 Year of Planting 2013 During interview the smllholders stated clearly understand the important of using the PPE as a safe work practice. The smallholder show and demonstrate wearing mask when doing the weeding spray.</p> <p>b) Kelompok Minyak Sawit Mampan(SPOC) A10 Owner: Ghazali Bin Abdul Hamid No. Lot : 10202 Total Ha : 1.37 Year of Planting 2013 - During interview with the worker En Yusof said that he is aware of the importance of using PPE when doing the operation activity.</p> <p>c) Kelompok Minyak Sawit Mampan (SPOC) A10 Owner : Ibrahim Bin Jaafar No Lot : 1177 Total Ha :3.34 Year of Planting :2012 -During site visit interview with the owner told the auditor that he already give the PPE to his worker and make sure the worker are wearing the correct PPE base on operation activity.</p> <p>d) Kelompok Minyak Sawit Mampan (SPOC) A10 Owner : Ng Chun Yee No Lot : 6620 Total Ha : 1.17 Tahun Tanam : 2014 During site visit, auditor interview the owner and noted currently no safety personnel equipment use by the owner as a safety practice due to lack of understanding and awareness.</p> <p>e) Kelompok Minyak Sawit Mampan Owner : Norlizawaty Binti Muhammad Auni No Lot : 8994 Total Ha : 1.33 Tahun Tanam : 2012 - During interview with the worker En Halim said that he is aware of the importance of using PPE when doing the operation activity.</p>
Criterion 3	Employment	

Indicator	Requirement	Findings
4.4.3.1	For independent smallholders with temporary workers, work conditions shall be in accordance with a mutual verbal agreement made transparently and freely.	<p>Site visit</p> <p>1) Contract agreement with for the harvesting, spraying, etc</p> <p>Sampling:</p> <p>a) Megat Sabri, Khodijah and Peteri Aluyah Found no contract agreement with the Perniagaan Sawit Chia who are supply the workers for harvesting and spraying. (CAR)</p> <p>Sighted that form of agreement provided by MPOB have been distributed to the SPOC member. Somehow some of the smallholder still did not perform the agreement with the workers.</p> <p>Evidence :</p> <p>a) Kelompok Minyak Sawit Mampan(SPOC) A10 Owner : Azlan Bin Hashim No. Lot : 5087 Total Ha: 1.44 Year of Planting 2013 All operation is doing by himself without engage with any contract worker or hired workers.</p> <p>b) Kelompok Minyak Sawit Mampan(SPOC) A10 Owner: Ghazali Bin Abdul Hamid No. Lot : 10202 Total Ha : 1.37 Year of Planting 2013 During interview with the worker En Yusof show the employment agreement made by the owner. Inside the agreement clearly state the amount of payment for every operation charges and mutually signed by both party, owner and the worker.</p> <p>c) Kelompok Minyak Sawit Mampan(SPOC) A10 Owner: Nurhayati Binti Abdullah No. Lot : 4951 Total Ha : 0.78 Year of Planting 2014 During interview with owner representative who is her husband stated currently all operation such as weeding, manuring and pruning hired a contract workers without having mutual agreement only by verbal because of difficulty to have a permanent workers.</p> <p>d) Kelompok Minyak Sawit Mampan (SPOC) A10 Owner : Ibrahim Bin Jaafar No Lot : 1177 Total Ha :3.34 Year of Planting :2012 - During interview with the employer and the employee show the employment agreement made by both party. Inside the agreement clearly state the amount of payment for every operation charges and mutually signed by both party, owner and the worker.</p> <p>e) Kelompok Minyak Sawit Mampan (SPOC) A10 Owner : Ng Chun Yee No Lot : 6620 Total Ha : 1.17 Tahun Tanam : 2014 -During site visit, the owner said currently there is no permanent worker and difficult to hired. No mutual agreement sighted and no evidence of payment slip issued to the temporary workers. (CAR)</p> <p>f) Kelompok Minyak Sawit Mampan Owner : Norlizawaty Binti Muhammad Auni No Lot : 8994 Total Ha : 1.33 Tahun Tanam : 2012 - During interview with the employer and the employee show the employment agreement made by both party.</p>

		Inside the agreement clearly state the amount of payment for every operation charges and mutually signed by both party, owner and the worker.
4.4.3.2	Independent smallholders shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political affiliation, nationality, social origin or other distinguishing characteristics and shall not engage in or support discriminatory practices in line with national aspiration.	No discrimination sighted during the site visit.
4.4.3.3	Independent smallholders shall ensure that workers' pay and conditions meet legal standards as per mutual agreements	During site visit and interview with the smallholders sighted there is no evidence of payment slip made by the owner to their worker (CAR)
4.4.3.4	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities, where available and practical	No workers quarters
4.4.3.5	Children and young persons are not to be employed or exploited. The minimum age and conditions of employment shall comply with local, state or national laws. Work by children and young persons is acceptable on family farms, under adult supervision, and when it does not interfere with their education. They are not to be exposed to hazardous working conditions.	<p>Sighted that the smallholder did not have underage workers work in their place. Evidence :</p> <p>a) Azlan Bin Hashim No. Lot : 5087 Total Ha: 1.44 Year of Planting 2013 The Owner manage all the operation by himself. Name : Azlan Bin Hashim Police No: RF/T 9102</p> <p>b) Ghazali Bin Abdul Hamid No. Lot : 10202 Total Ha : 1.37 Year of Planting 2013 Workers name : Yusof Bin Haji Abdullah IC No: 641218-08-5589</p> <p>d) Kelompok Minyak Sawit Mampan (SPOC) A10 Owner : Ibrahim Bin Jaafar No Lot : 1177 Total Ha :3.34 Year of Planting :2012 Workers Name : Baharin Bin Abd Rahman IC No: 580515-08-5263</p> <p>e) Kelompok Minyak Sawit Mampan (SPOC) A10 Owner : Ng Chun Yee No Lot : 6620 Total Ha : 1.17 Tahun Tanam : 2014 Sighted there is no employment record.</p> <p>f) Kelompok Minyak Sawit Mampan Owner : Norlizawaty Binti Muhammad Auni No Lot : 8994 Total Ha : 1.33 Tahun Tanam : 2012 Worker Name : Abdul Halim Peh Bin Abdullah IC No :550107-08-6155</p>

Criterion 4	Training and competency	
Indicator	Requirement	Findings
4.4.4.1	Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management	Sighted Group Managers establish the training plan for stakeholder plan as below: a) Kalender Aktiviti 2017 planned activity such as Kursus Sehari Sawit, Taklimat Pengenalan Pensijilan MSPO etc.
P5: Environment, natural resources, biodiversity and ecosystem services		
Criterion 1	Environmental management plan	
Indicator	Requirement	Findings
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	Verified the Senarai Impak Sosial, Persekitaran & Pelan Tindakan effective date 15/09/2017. Conduct Taklimat Kesedaran Alam Sekitar by DOE Perak dated 13/07/2017 and verified the attendance list with photo evidence.
Criterion 2	Efficiency of energy use and use of renewable energy	
Indicator	Requirement	Findings
4.5.2.1	The use of renewable energy should be applied where possible.	Group Managers establish the Rekod Penggunaan Tenaga (Diesel). As to date, no diesel usage by smallholders.
Criterion 3	Waste management and disposal	
Indicator	Requirement	Findings
4.5.3.1	All waste products and sources of pollution shall be identified	Group Managers establish procedure "pengendalian Dan Pelupusan Bahan Kimia", "Senarai Bahan Buangan Berjadual" year 2016 and "Senarai Sisa Racun dan Domestik" year 2016. Site visit:
4.5.3.2	Independent smallholders shall ensure that waste from their smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers	Noted small holders attend the Taklimat Kesedaran Alam Sekitar by DOE Perak dated 13/07/2017. Site visit Megat Sabri, Khodijah, Ng Teck Seng and Chon Wai Choy - Interview the smallholder noted for pesticide container disposal is by practice the triple rinsing method as per MPOB procedure. - Khodijah establish the store for empty pesticide container however no safety signage display at the store. (OBS) All the SPOC member are fully aware regarding the procedure to dispose the schedule waste. a) Azlan Bin Hashim -During site visit and interview with the owner, the owner stated that all the empty chemical container are punctured and sold to the recycler shop. b) Ghazali Bin Abdul Hamid -Sighted during site visit there is no empty chemical container being left inside the field planting area.

		<p>c) Nurhayati Binti Abdullah -During site visit spotted that there is one empty chemical container left behind at the area (OBS). - She are aware and told the auditor that his workers forget to bring back the container and will bring back the container and disposed it with proper handling as per MSPO requirement.</p> <p>d) Megat Sabri - During site visit no empty chemical container left behind at the area</p> <p>e) Khodijah - She stored the empty container however no safety signage display at the store (OBS)</p> <p>f) Ibrahim Bin Jaafar - Sighted during site visit there is no empty chemical container being left inside the field planting area.</p> <p>g) Ng Chun Yee - Sighted during site visit there is no empty chemical container being left inside the field planting area.</p> <p>f) Norlizawaty Binti Muhammad Auni -Sighted during site visit there is no empty chemical container being left inside the field planting area.</p>
Criterion 4	Natural water resources	
Indicator	Requirement	Findings
4.5.4.1	Independent smallholders can demonstrate that they understand the need to maintain the quality and availability of surface and ground water and steps are being taken for its implementation.	<p>a) Azlan Bin Hashim - During site visit spotted there was a blanket spraying activity at near natural lake. The auditor interview the owner regarding the understanding of awareness to maintain the quality of natural resources and spraying activity is not allowed near the natural resources and founded that the owner is not fully understood.</p> <p>b) Ghazali Bin Abdul Hamid Sighted during site visit there is natural river at the boundary of the area and there no chemical spraying activity and there is paint marking on the palm marked as buffer zone .</p> <p>c) Ibrahim Bin Jaafar - Sighted during site visit there is small stream crossing the owner land which can impact on soil erosion.</p>
4.5.4.2	Water harvesting practices should be implemented.	Site visit Sighted the water harvesting practices was practiced by all smallholder by using the culvert and drum. The rain water was used for spraying activities by all the smallholders.
Criterion 6	Status of rare, threatened, or endangered species and high biodiversity value area.	
Indicator	Requirement	Findings
4.5.6.1	Independent smallholders should show a basic understanding of any species or habitats of concern, together with their conservation needs. Information on protected species and their habitat with high biodiversity value may be obtained from relevant government agencies, such as the Forestry Department, Forest Research Institute of Malaysia and the Wildlife Department.	All smallholders attend the briefing on the "Perlindungan Hidupan Liar" conducted by PERHILITAN Negeri Perak dated on 03/05/2017.

Criterion 7	Zero burning practices	
Indicator	Requirement	Findings
4.5.7.1	Independent smallholders shall not practice open burning during land preparation for oil palm cultivation or replanting, unless with the permission of relevant state authorities.	Site visit. No open burning activity sighted at the smallholders farm during the site visit.
P6: Best Practices		
Criterion 1	Site management	
Indicator	Requirement	Findings
4.6.1.1	All independent smallholders oil palm farms shall implement best practices such as the MPOB Codes of Practice, Malaysian Standards or ISO Standards and the Kod Amalan Baik (GAP) Pekebun Kecil	Smallholders practices as per "Manual Penanaman Dan Penyelenggara Sawit Untuk Sektor Pekebun Kecil dated Julai 2004. Site Visit Megat Sabri and Peteri Aluyah Found that the blanket spraying was practice in the field and not follow the MPOB GAP procedure.(CAR) Khodijah, Ng Tech Seng, Chon Wan Choy Apply the circle spraying in the field as per MPOB GAP procedure. a) Azlan Bin Hashim During site visit sighted there is blanket spraying activity which is against MPOB codes of practice. The owner are using mechanize power spray as their spraying application which impose to blanket spray. b) Ghazali Bin Abdul Hamid During site visit , sighted that the worker are followed Good Agriculture Practice in operation weeding which is spraying only on circle and harvester path as per MPOB code of conduct. The auditor also sighted that all bunches at the palm oil tree have at least two retained frond as per MPOB Code of conduct. c) Ibrahim Bin Jaafar During site visit , sighted that the worker are followed Good Agriculture Practice in operation weeding which is spraying only on circle and harvester path as per MPOB code of conduct. The auditor also sighted that all bunches at the palm oil tree have at least two retained frond as per MPOB Code of conduct. The owner also do numbering for every 5 palm per row to ease the job tasking.
4.6.1.2	A visual identification or reference system shall be established for each field or block of oil palm planting	Site visit Sighted the signboard was establish at all smallholder field with appropriate information of Land Lot No., hectares, GPS Coordinate and painted years. Verified the land marking and sighted the marking is by the availability of the boundary stone and fencing.
Criterion 2	Economic and financial viability plan	
Indicator	Requirement	Findings
4.6.2.1	Group Manager shall establish a documented business or management plan to demonstrate attention to economic and financial viability.	Group Manager establish the procedure "Pelan Daya Ekonomi dan Kewangan" No Doc: P-01/PDEK/2016 with effective date 01/05/2017. Sighted there a Program Pembajaan Dan Kawalan Rumpai Tahun 2017 was establish for all smallholder.

Criterion 3	Transparent and fair price dealing	
Indicator	Requirement	Findings
6.6.3.1	Independent smallholders are encouraged to communicate with and have consultations with dealers, millers, local communities and other affected or interested parties.	Noted and sighted the price dealing was clearly showed at the official receipt from the buyers. Sample records: a) Megat Sabri- ticket# 017760 dated 27/09/2017, Price= RM540/ Ton b) Peteri Aluayah- Ticket#017791 dated 29/09/2017, Price= RM 540/ Ton c) Khodijah Megat Jalaluddin- Ticket# 18/09/2017 dated 18/09/2017, Price= RM530/ Ton
P7: Development of new plantings		
Criterion 1	Oil palm shall not be planted on land with high biodiversity value	
Indicator	Requirement	Findings
4.7.1.1	Independent smallholders shall not plant oil palm on land with high biodiversity value as identified by local, state and national legislation	Not Applicable
Criterion 2	Soil survey	
Indicator	Requirement	Findings
4.7.2.1	Independent smallholders should obtain information on soil types, topography and their suitability for oil palm plantings from the relevant government agency. New planting plans should be prepared in consultation with extension service officers	Not Applicable
Criterion 3	Planting on steep terrain, marginal and fragile soils	
Indicator	Requirement	Findings
4.7.3.1	Extensive planting on steep terrain, marginal and fragile soils, shall be avoided unless permitted by local legislation. Independent smallholders who establish new plantings on steep terrain, marginal and fragile soils, should adopt the appropriate and viable conservation measures.	Not Applicable

Observation for Improvement

Details
1) 4.5.3.2 Smallholders disposed their pesticide container by Triple Rinsing Method however no evidence of the disposal by triple rinsing. Advise Group Manager to establish the record of empty pesticide container disposal or sale to the solid waste contractor.

- 2) 4.5.3.2 During site visit, spotted that there is one empty chemical container left behind at the Nurhayati field.
- 3) 4.5.3.2 Sighted Khodijah stored the empty container however no safety signage display at the store
- 4) 4.5.4.1 During site visit at Azman bin Hasyim field, spotted there was a spraying activity at near natural lake. The auditor interview the owner regarding the understanding of awareness to maintain the quality of natural resources and spraying activity is not allowed near the natural resources and founded that the owner is not fully understood
- 5) Noted Group Managers established the Buku Rekod Ladang and few records, advise management to ensure the records was fill up by the smallholders.
- 6) Site visit at field Ibrahim bin Jaafar sighted the soil erosion at the stream in the field, advise group managers to educate the smallholders on the conservation of stream bank to prevent the bank failure.
- 7) During site visit and interview the smallholders, found a few smallholders still lack of awareness on the PPE requirement, advise Group Managers to conduct an intensive training on the PPE awareness to the smallholder.

During the assessment_03_nonconformities were identified.

APPENDIX 1

LIST OF SPOC KUALA KANGSAR MEMBERS

No	NAMA	NO GERAN / LOT KEBUN	MUKIM	SYARAT NYATA	TAHUN TANAM	KELUASAN (HEKTAR)
1	BADLI SHAH BIN ARIFFIN	6018	SAYUNG	KELAPA SAWIT	2012	1.39
2	BAKAR BIN PUTEH	14171	SENGGANG	KELAPA SAWIT	2012	1.829
3	MOHAMAD NASAR BIN KORDI	9162	SENGGANG	KELAPA SAWIT	2012	1.14
4	NASRI BIN MAT DESA	7010 / 7009	SENGGANG	KELAPA SAWIT	2012	3.62
5	NORLIZAWATY BINTI MUHAMMAD AUNI	8994	SENGGANG	KELAPA SAWIT	2012	1.33

6	NG KIM ZIN	2963	KOTA LAMA KIRI	KELAPA SAWIT	2012	1.15
7	NG KIM WOOL	2962	KOTA LAMA KIRI	KELAPA SAWIT	2012	1.16
8	AZLAN BIN HASHIM	5087	CHEGAR GALAH	KELAPA SAWIT	2013	1.4366
9	ROSNI JULIA BINTI ISMAIL	3864	SENGGANG	KELAPA SAWIT	2012	0.79
10	THAYALAN A/L MUNUSAMY	10375/10374	SENGGANG	KELAPA SAWIT	2013	4.04
11	GHAZALI BIN ABDUL HAMID	10202	SENGGANG	KELAPA SAWIT	2013	1.37
12	SUHAIMI BIN SALLEH	3244	SENGGANG	KELAPA SAWIT	2013	0.82
13	EFFANDY BIN AHMAD ARIF	PT 4613 / PT 4574	SENGGANG	KELAPA SAWIT	2013	1.407
14	RAHENAH BINTI ZAINUDDIN	3174	SENGGANG	KELAPA SAWIT	2014	1.42
15	MOHD SHAMSUDIN BIN OSMAN	6420	SENGGANG	KELAPA SAWIT	2014	3.67
16	ROBEAH BINTI NGAH AHMAD	9039	SENGGANG	KELAPA SAWIT	2014	1.2064
17	LIN POH TIN	3182	SAYUNG	KELAPA SAWIT	2014	4.16
18	SYAIFUL BIN ALI SUPIA	3874	SENGGANG	KELAPA SAWIT	2014	0.76
19	MAINAH BINTI BAJURI	8330	SENGGANG	KELAPA SAWIT	2014	1.41
20	NG CHUN YEE	6620	SAYUNG	KELAPA SAWIT	2014	1.17
21	MOHD HAIDIN BIN MOHAMD DON	5404	SENGGANG	KELAPA SAWIT		1.61
22	KHAIRUL MUIS BIN MOHAMED YUSOF	5117	SENGGANG	KELAPA SAWIT	2014	1.01
23	IBRAHIM BIN JAAFAR	1177	KPG BUAIA	KELAPA SAWIT	2012	3.3400
24	SUWAIBATUL ASLAMIAH BINTI ABDULLAH	7205	SENGGANG	KELAPA SAWIT	2012	1.7199
25	KHODIJAH BINTI MEGAT JALALUDDIN	2522	CHEGAR GALAH	KELAPA SAWIT	2014	1.499
26	PETERI ALAUYAH BINTI MEGAT JALALUDDIN	1830	CHEGAR GALAH	KELAPA SAWIT	2014	1.2216
27	SELVARAJ A/L GOUNDAYEE	10367	SENGGANG	KELAPA SAWIT	2008	1.08
28	MEGAT SABRI BIN MEGAT JALALUDDIN	1995	CHEGAR GALAH	KELAPA SAWIT	2012	1.14
29	AHMAD TAWAZI BIN HJ MAT NOR	3150	SENGGANG	KELAPA SAWIT	2013	3.4398
30	MOHD SAZALI BIN NOORDIN	3368 / 4294	SAYUNG	KELAPA SAWIT	2014	1.904
31	LUKMAN BIN ABDUL MUTALIB	7441/7656	SENGGANG	KELAPA SAWIT	2013	2.89
32	RADZIAH BINTI ZAINUDDIN	11679	SENGGANG	KELAPA SAWIT	2014	0.318
33	MOHD SAFRI BIN MOHAMED ARFAH	PT4810	SENGGANG	KELAPA SAWIT	2013	1.035
34	KAMARIAH BINTI SIDIK	4648/4647	SAYUNG	KELAPA SAWIT	2014	1.16
35	SAMSUDDIN BIN AZIZ	13604	SENGGANG	KELAPA SAWIT	2015	0.63
36	SHAHRUL NIZAM BIN ZAKARIA	7148/1907	SENGGANG	KELAPA SAWIT	2014	3.6
37	JEFFRI BIN ISMAIL	10041/13756 /PT6040/10040/PT6039	SAYUNG/SENGGANG	KELAPA SAWIT	2014	5.023
38	GOH ENG HUA	6857/10269	SENGGANG	KELAPA SAWIT	2014	2.94
39	NORHAYATI BINTI ABDULLAH	4951	SENGGANG	KELAPA SAWIT	2014	0.779
40	AHMAD FARIZAL BIN MAHAIYUDDIN	PT 1261	SENGGANG	KELAPA SAWIT	2014	1.26
41	MUHAMAD TAZRI BIN MOKHTAR	48202	SENGGANG	KELAPA SAWIT	2014	2.062
42	MOHAMAD DAUD BIN HAMID	9583/9584/9585	SENGGANG	KELAPA SAWIT	2015	3.4

43	NG TECK SENG	25020	KOTA LAMA KANAN	KELAPA SAWIT	2015	1.295
44	MOHAMAD ARSHAD BIN MAT JELANI	7827	SENGGANG	KELAPA SAWIT	2015	1.65
45	MUHAMAD IDRIS BIN HAMZAH	8074	SENGGANG	KELAPA SAWIT	2015	1.03
46	LIEW FONG YONG	3295/3294	SAYUNG	KELAPA SAWIT	2015	1.62
47	GOH ENG JAI	11163	SENGGANG	KELAPA SAWIT	2014	1.496
48	CHONG WAN CHOY	20519	KOTA LAMA KANAN	KELAPA SAWIT	2015	0.88
49	ROZITA BINTI MOHAMAD FADZIL	6168	SENGGANG	KELAPA SAWIT	2015	1.33
50	AHMAD PUAD BIN YEOP OMAR	1.7857	SENGGANG	KELAPA SAWIT	2015	1.7857
Jumlah Keluasan						89.427