

**MALAYSIAN SUSTAINABLE PALM OIL
 INITIAL ASSESSMENT
 Public Summary Report**

Client Company name
Client company Address: Pejabat MPOB Cawangan Temerloh, Lot 2123, Tingkat 2, Bangunan Tabung Haji 28000 Temerloh, Pahang
Certification Unit: Sustainable Palm Oil Cluster (SPOC) C2 Maran
Location of Certification Unit: Pejabat MPOB Cawangan Temerloh, Lot 2123, Tingkat 2, Bangunan Tabung Haji 28000 Temerloh, Pahang

Report prepared by:
Mohd Hafiz Bin Mat Hussain (Lead Auditor)

Report Number: 9658745

Assessment Conducted by:
 BSI Services Malaysia Sdn Bhd,
 Unit 3, Level 10, Tower A
 The Vertical Business Suites, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Tel +603 2242 4211 Fax +603 2242 4218
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	N/A		
Company Name	Sustainable Palm Oil Cluster (SPOC) C2 Maran		
Address	Pejabat MPOB Cawangan Temerloh, Lot 2123, Tingkat 2, Bangunan Tabung Haji 28000 Temerloh, Pahang		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Roshazali Bin Mat Harun		
Website	www.mpob.gov.my	E-mail	roshazali@mpob.gov.my
Telephone	019-2215137	Facsimile	09-2969470

1.2 Certification Information			
Certificate Number	MSPO 696986		
Issue Date	27/12/2018	Expiry date	26/12/2023
Scope of Certification	MPOB Sustainable Palm Oil Cluster (SPOC) C2 Maran		
Stage 1 Date	1/8/2018		
Stage 2 / Initial Assessment Visit Date (IAV)	01-03/11/2018		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
N/A			

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1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Sustainable Palm Oil Cluster (SPOC) C2 Maran	Pejabat MPOB. Caw. Temerloh Bangunan Tabung Haji.Tingkat 2 28000 Temerloh.Pahang	102° 25' 14.82"	3° 27' 05.77"

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
N/A					

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected from last audit	Actual production Jan – Dec 2018 or last 12 months	Projected production for next 12 months (Jan – Dec' 2019)
Sustainable Palm Oil Cluster (SPOC) C2 Maran	N/A	N/A	927.00 mt

1.6 Certified CPO / PK Tonnage						
Mill	Estimated (Previous Year)		Actual (This Year)		Forecast (Next Year)	
	CPO	PK	CPO	PK	CPO	PK
N/A						

1.7 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of SPOC C2 Maran, located in Temerloh, Pahang comprising 50 smallholders and infrastructure

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-2:2013 Malaysian Sustainable Palm Oil (MSPO) Part 2: General principles for Independent Small holders and MSPO Guidance - Part 2(060814).

The onsite assessment was conducted on 01-03/11/2018.

Based on the assessment result, SPOC C2 Maran complies with the MS 2530-2:2013 Malaysian Sustainable Palm Oil (MSPO) Part 2: General principles for Independent Small holders and MSPO Guidance - Part 2 (060814) and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 01-03/11/2018. The audit programme is included as Appendix A. The approach to the audit was to treat the 50 smallholders as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-2:2013 was used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment. The public notification was made on 27/9/2018.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

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This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 4)	Year 5 (ASA 5)
MPOB Temerloh Office	X	X	X	X	X
Smallholder members sample	X	X	X	X	X
Stakeholder consultation	X				

Tentative Date of Next Visit: November 4, 2019 - November 6, 2019

Total No. of Mandays: 6

BSI Assessment Team:

Mohd Hafiz Mat Hussain – Lead Auditor

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in RSPO auditing since May 2013 within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

Muhamad Nagiuddin Mazeli – Team Member

He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Summary of the findings by Principles and Criteria

Criterion / Indicator	Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility		
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy		
4.1.1.1	There shall be a policy binding smallholders to MSPO. Applicable to independent smallholders under group management. - Major compliance -	The MSPO Policy for SPOC C2 Maran has been established which has been signed by Roshazali Mat Harun, (Group Manager) dated 29/6/2018. Noted that the policy is communicated with smallholders through group briefing which was held on 14/5/2018 (Dewan Sri Jaya, Maran).
		Yes

Criterion / Indicator		Assessment Findings	Compliance																								
Criterion 4.1.2 – Continual Improvement																											
4.1.2.1	<p>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.</p> <p>- Major compliance -</p>	<p>The group manager had established a list identifying the social and environmental impact as per "<i>Jadual Pemantauan Lawatan Khidmatan Nasihat/ GAP 2019</i>". Training for the smallholders in the event for improvement on the awareness of best practices, MSPO and safety has been provided. For examples, the training namely "<i>Program MSPO</i>" was conducted on 14/5/2018 (Dewan Sri Jaya, Maran) by Group Manager and ICS.</p>	Yes																								
4.1.2.2	<p>Group management shall establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the group members.</p> <p>- Major compliance -</p>	<p>The new technologies or information will disseminate through training program, site visit and discussion. The record of the training has been organized from time to time. The record of the recommended action will be recorded in the 'Laporan lawatan khidmat nasihat' MPOB (as part of internal audit).</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Section</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>26/7/2018</td> <td>Mukim Luit</td> <td>Yee Teck Chong</td> </tr> <tr> <td>18/7/2018</td> <td>Mukim Luit</td> <td>Chong Hock Heng</td> </tr> <tr> <td>17/7/2018</td> <td>Mukim Luit</td> <td>Ma Mee Hua</td> </tr> <tr> <td>26/6/2018</td> <td>Mukim Luit</td> <td>Thong Kuan Chai@ Tong Kin Chai</td> </tr> <tr> <td>20/6/2018</td> <td>Mukim Luit</td> <td>Loh Guan Seng</td> </tr> <tr> <td>23/5/2018</td> <td>Mukim Luit</td> <td>Gan Chong Leng</td> </tr> <tr> <td>12/6/2018</td> <td>Mukim Luit</td> <td>Yee Teck Ming</td> </tr> </tbody> </table>	Date	Section	Name	26/7/2018	Mukim Luit	Yee Teck Chong	18/7/2018	Mukim Luit	Chong Hock Heng	17/7/2018	Mukim Luit	Ma Mee Hua	26/6/2018	Mukim Luit	Thong Kuan Chai@ Tong Kin Chai	20/6/2018	Mukim Luit	Loh Guan Seng	23/5/2018	Mukim Luit	Gan Chong Leng	12/6/2018	Mukim Luit	Yee Teck Ming	Yes
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Criterion / Indicator		Assessment Findings			Compliance																		
		8/6/2018	Mukim Luit	Yap Su Yong																			
		<p>The monthly monitoring of FFB yield performance of the smallholder farms was monitored through "<i>Buku Rekod Ladang</i>".</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Tonnage (mt) Jan 18-Oct 18</th> </tr> </thead> <tbody> <tr> <td>Yee Teck Chong</td> <td>58.09</td> </tr> <tr> <td>Chong Hock Heng</td> <td>57.80</td> </tr> <tr> <td>Ma Mee Hua</td> <td>44.545</td> </tr> <tr> <td>Thong Kuan Chai@ Tong Kin Chai</td> <td>37.75</td> </tr> <tr> <td>Loh Guan Seng</td> <td>Immature</td> </tr> <tr> <td>Gan Chong Leng</td> <td>32.06</td> </tr> <tr> <td>Yee Teck Ming</td> <td>23.52</td> </tr> <tr> <td>Yap Su Yong</td> <td>9.98 (June – Aug 18)</td> </tr> </tbody> </table>			Name	Tonnage (mt) Jan 18-Oct 18	Yee Teck Chong	58.09	Chong Hock Heng	57.80	Ma Mee Hua	44.545	Thong Kuan Chai@ Tong Kin Chai	37.75	Loh Guan Seng	Immature	Gan Chong Leng	32.06	Yee Teck Ming	23.52	Yap Su Yong	9.98 (June – Aug 18)	
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Criterion / Indicator		Assessment Findings	Compliance																
4.2 Principle 2: Transparency																			
Criterion 4.2.1 – Traceability																			
4.2.1.1	The group management shall commit itself to implement and maintain the requirements for traceability. - Major compliance -	The individual field record book system has been implemented. The FFB sales data were collected on monthly basis by Group manager and compiled in the " <i>Buku Rekod Ladang</i> " as master list. However, the records for FFB sold to the dealer by members need to be recorded properly. Refer to OFI raised.	Yes																
4.2.1.2	To keep records of sales and delivery or transportation of fresh fruit bunches. - Major compliance -	The record for the FFB sold to the dealer was available with the group management. <table border="1" data-bbox="1086 938 1621 1369"> <thead> <tr> <th>Name</th> <th>Tonnage (mt)</th> </tr> <tr> <td></td> <th>Jan 18-Oct 18</th> </tr> </thead> <tbody> <tr> <td>Yee Teck Chong</td> <td>58.09</td> </tr> <tr> <td>Chong Hock Heng</td> <td>57.80</td> </tr> <tr> <td>Ma Mee Hua</td> <td>44.545</td> </tr> <tr> <td>Thong Kuan Chai@ Tong Kin Chai</td> <td>37.75</td> </tr> <tr> <td>Loh Guan Seng</td> <td>Immature</td> </tr> <tr> <td>Gan Chong Leng</td> <td>32.06</td> </tr> </tbody> </table>	Name	Tonnage (mt)		Jan 18-Oct 18	Yee Teck Chong	58.09	Chong Hock Heng	57.80	Ma Mee Hua	44.545	Thong Kuan Chai@ Tong Kin Chai	37.75	Loh Guan Seng	Immature	Gan Chong Leng	32.06	Yes
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Criterion / Indicator		Assessment Findings			Compliance																									
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4.3 Principle 3: Compliance to legal requirements																														
Criterion 4.3.1 – Regulatory requirements																														
4.3.1.1	<p>Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Interview with the smallholders found that they are aware of the compliance with all applicable laws. Document review found all the 50 smallholders have obtained the MPOB license Samples of the MPOB license checked:-</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name</th> <th>MPOB License</th> <th>Ha.</th> <th>Expiry</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Yee Teck Chong</td> <td>436238-001000</td> <td>2.43</td> <td>30/6/2019</td> </tr> <tr> <td>2</td> <td>Chong Hock Heng</td> <td>201900-001000</td> <td>6.07</td> <td>31/1/2022</td> </tr> <tr> <td>3</td> <td>Ma Mee Hua</td> <td>438891-501000</td> <td>2.55</td> <td>31/8/2019</td> </tr> <tr> <td>4</td> <td>Thong Kuan Chai@ Tong Kin Chai</td> <td>583142-601000</td> <td>3.70 9</td> <td>30/6/2022</td> </tr> </tbody> </table>			No	Name	MPOB License	Ha.	Expiry	1	Yee Teck Chong	436238-001000	2.43	30/6/2019	2	Chong Hock Heng	201900-001000	6.07	31/1/2022	3	Ma Mee Hua	438891-501000	2.55	31/8/2019	4	Thong Kuan Chai@ Tong Kin Chai	583142-601000	3.70 9	30/6/2022	Yes
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Criterion / Indicator		Assessment Findings			Compliance
		Gan Chong Leng	Freehold	1.58	
		Yee Teck Ming	Leasehold	2.026	
		Yap Su Yong	Freehold	2.779	
<p>However, the copy of MPOB License and land title for smallholders need to be kept accordingly by the group manager as a prove the rights to their land. Please refer to OFI.</p>					
Criterion 4.3.3 – Customary rights					
4.3.3.1	<p>Independent smallholders shall demonstrate customary rights to their landholdings</p> <p>Note: Where recognized customary or legally owned land has been taken over and where there is documentary proof of a transfer of rights (e.g. sale) and of payment or provision of agreed compensation.</p> <p>- Major compliance -</p>	<p>Interview with smallholders confirmed that the have the customary rights on the land. The smallholders at Mukim Luit have the land title (leasehold and freehold) as a proof on land ownership. The land title was sighted.</p>			Yes
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>A map of the smallholder’s farm was available and the group manager can ensure that no overlapping with the neighbour by the number of palms as compare to the size as approved in the MPOB license. The survey map namely Area Map of SPOC Maran was available at site office which was carried out by using google map.</p>			Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition					

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.1: Complaints and grievances			
4.4.1.1	Independent smallholders shall be able to respond to complaints that are raised by their neighbours or other stakeholders. - Major compliance -	The established complaint and grievances system for internal and external "Aduan dan rungutan" (MSPO/SSCC/SOP-01/AR dated 30 March 2018) were implemented. The group manager(MPOB) En Roshazali bin Mat Harun is the responsible person to response to any complaints or grievances received. Appointment letter dated 28 March 2018 (14)03/A/IRE/ESU/TU/GM(1/2018) by Dr Ramle Moslim for SPOC- C2 Maran. As per Job description as per Memo dated 19 October 2016 GM must take responsibility to able respond to complaint from stakeholder. Review of the complaint record log book found no complaint or grievances was recorded as to date.	Yes
4.4.1.2	The local system should be able to resolve disputes. - Minor compliance -	The established complaint and grievances system for internal and external "Aduan dan rungutan" (MSPO/SSCC/SOP-01/AR dated 30 March 2018) were implemented. The group manager is the responsible person to response to any complaints or grievances received. The complaint log book was placed at MPOB Office. Review of the complaint record log book found no complaint or grievances was recorded as to date for SPOC C2 Maran.	Yes
Criterion 4.4.2: Employees safety and health			
4.4.2.1	Independent smallholders need not have a formal health and safety plan but shall ensure that all work practices are safe. - Major compliance -	The management already establish "Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC)" for Garis Panduan Keselamatan Dan Kesehatan Pekerjaan" (MSPO/SSCC/GP-02/KKP) dated 13 April 2018. The group manager has conducted training "Program Pensijilan Minyak Sawit Mampan(MSPO) "on 14 May 2018 on the Safety and Health requirement at Sri Jaya, Maran.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The MPOB officers also conduct regular visits to the smallholder farms to ensure the implementation. The record of the accidents reports is recorded followed as per Prosedur Notifikasi Aduan, Kemalangan, Kemalangan Nyaris, Kejadian Berbahaya, Keracunan Pekerjaan (MSPO/SSCC/SOP-04/KK) dated 30/3/2018. No record of accident or incident in SPOC Maran.</p> <p>There also have SOP for "Pengendalian Dan Pelupusan Bahan Kimia" (SOP-02/BK/2016) dated 1 April 2016 are implemented as per SOP and verified during interview.</p> <p>For PPE training already conduct on 30 August 2018 at Dewan MCA Kg Sri Jaya Maran by Roshazali. The triple rinsing training also already conduct on 5 October 2018 by Roshazali at same place.</p>	
Criterion 4.4.3: Employment conditions			
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. - Minor compliance -	This indicator is not applicable to this group of smallholder as there were no workers being employed in the smallholding as it was managed by themselves and their respective family members.	Yes
4.4.3.2	Independent smallholders & group managers shall provide equal opportunity and treatment regardless of race, gender, religion, political affiliation, nationality, social origin or other distinguishing	This indicator is not applicable to this group of smallholder as there were no workers being employed in the smallholding as it was managed by themselves and their respective family members.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	<p>characteristics and shall not engage in or support discriminatory practices in line with national aspiration.</p> <p>- Minor compliance -</p>		
4.4.3.3	<p>Group managers for Independent smallholders shall ensure that worker's pay and conditions meet legal standards as per mutual agreements.</p> <p>- Major compliance -</p>	<p>This indicator is not applicable to this group of smallholder as there were no workers being employed in the smallholding as it was managed by themselves and their respective family members.</p>	Yes
4.4.3.4	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities, where available and practical.</p> <p>- Major compliance -</p>	<p>This indicator is not applicable to this group of smallholder as there were no workers being employed in the smallholding as it was managed by themselves and their respective family members.</p>	Yes
4.4.3.5	<p>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 legislation. Work by children is acceptable on family farms, under adult supervision, and when it does not interfere with their education. Children are not to be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Young persons and children were not observed working in the farm during the visit. Interview with the smallholders found they were aware of the importance of education and allow their children's to attend school.</p>	Yes
Criterion 4.4.4: Training and competency			
4.4.4.1	<p>Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.</p>	<p>The Group manager already establish Manual for increase their competency in oil palm, "Garis Panduan Pelan Daya Ekonomi dan Kewangan" Doc. No. MSPO/SSCC/GP-01/PEK dated 13 April 2018.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	Group Manager together with the "Pegawai Tunas Kawasan" on-site MPOB Officers had planned and conducts regular trainings for the smallholders. Smallholders' interview found that they always seek advice from group manager and MPOB officers to increase their competency in oil palm management. Sample of training record checked; The group manager has conducted training "Program Pensijilan Minyak Sawit Mampan(MSPO)" on 14 May 2018 on " Ceramah Amalan Baik Pertanian GAP" by Pn Zainab and 'Laporan lawatan khidmat nasihat' MPOB (as part of internal audit).	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
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. - Minor compliance -	The Smallholders are trained by the group manager on the environmental Impacts. Last training was conducted on 14 May 2018, " <i>Ceramah: Keperluan Akta Alam Sekitar</i> " by DOE officer and " Ceramah: Keperluan Akta Hidupan Liar" by Wildlife department for all smallholders. Interview with smallholders found they were able to explain the environmental impacts and needs for the protection of environment.	Yes
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	The use of renewal energy should be applied where possible. - Minor compliance -	The Group manager keep the record of energy use per tonne FFB produce on daily basis for those use the cooperative transport as per <i>Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan (SPOC)</i> under " <i>Borang Rekod Penggunaan Tenaga(Diesel)</i> " (MSPO/SSCC/F-03/PTD) dated 13 April 2018. From sampling 8 person smallholder found 1 person (Chong Hock Heng) is using	Yes

Criterion / Indicator		Assessment Findings	Compliance																
		<p>personal lorry for FFB transportation. The record of Diesel usage is available from July until September 2018 under document no. MSPO/SSCC/F-03/PTD for Lorry (CDJ 522) as per below data:-</p> <table border="1"> <thead> <tr> <th>No</th> <th>Date</th> <th>Activity</th> <th>Cost (RM)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>31 July 2018</td> <td>FFB transportation</td> <td>200</td> </tr> <tr> <td>2</td> <td>31 Aug 2018</td> <td>FFB transportation</td> <td>250</td> </tr> <tr> <td>3</td> <td>30 Sept 2018</td> <td>FFB transportation</td> <td>180</td> </tr> </tbody> </table>	No	Date	Activity	Cost (RM)	1	31 July 2018	FFB transportation	200	2	31 Aug 2018	FFB transportation	250	3	30 Sept 2018	FFB transportation	180	
No	Date	Activity	Cost (RM)																
1	31 July 2018	FFB transportation	200																
2	31 Aug 2018	FFB transportation	250																
3	30 Sept 2018	FFB transportation	180																
Criterion 4.5.3: Waste management and disposal																			
4.5.3.1	All waste products and sources of pollution shall be identified by the group manager. - Major compliance -	Identification of waste products and sources of pollution was identified by the group manager under "Senarai Impak Sosial, Persekitaran & pelan Tindakan" (MSPO/SSCC/L-04/ISP) dated 13 April 2018. The Maran group manager has conducted training to all smallholders on 14 May 2018, "Program Pensijilan Minyak Sawit Mampan Malaysia (MSPO)" with regards to safety, GAP (training date latest 8/6/2018) and on the identification of agriculture waste and its management guidelines (Training date latest 30 August 2018).	Yes																
4.5.3.2	Group managers shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and	The group manager has established "Pengurusan Bahan Buangan Terjadual" dated 13 April 2018 Document No; MSPO/SSCC/SOP-	Yes																

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Criterion / Indicator		Assessment Findings	Compliance
	national legislation to dispose of hazardous chemicals and their containers. - Major compliance -	03/BT. The group manager also conducted refresher training to all smallholders on 14 May 2018, " <i>Program Pensijilan Minyak Sawit Mampan Malaysia (MSPO)</i> " with regards to safety, GAP and the agriculture waste management guidelines. The MPOB officers also conduct regular visits to the smallholder farms to ensure the proper disposal of hazardous chemicals and their containers by the smallholders. Interview with smallholders and visit to the smallholders' farms found that the empty chemical containers and empty fertilizer bags were re-use for spraying and harvesting activity.	
Criterion 4.5.4: Natural water resources			
4.5.4.1	Group managers should ensure that 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. - Minor compliance -	The training namely " <i>Program MSPO</i> " was conducted on 14/5/2018 (Dewan Sri Jaya, Maran) by Group Manager and ICS to covers the need to maintain the quality and availability of surface and ground water. Smallholders interviewed are able to explain the needs and steps were taken such as no blanket spraying, maintenance of riparian buffer zones.	Yes
4.5.4.2	Water harvesting practices should be implemented. - Minor compliance -	Rain water harvesting has been implemented by the smallholders that are being used for pre-mix of agrochemicals.	Yes
Criterion 4.5.5: Status of rare, threatened, or endangered species and high biodiversity value			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.5.1	Group manager or relevant government agency should ensure that Independent smallholders are able to 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. - Minor compliance -	Interview of smallholders found that they are able to show a basic understanding of any species or habitats of concern, together with their conservation needs. The group manager has managed to conduct the awareness training on the conservation of flora and fauna during "Program MSPO" which was held 14/5/2018 (Dewan Sri Jaya, Maran) by Jabatan Hidupan Liar.	Yes
Criterion 4.5.6: Zero burning practices			
4.5.6.1	Independent smallholders shall not practice open burning during land preparation for oil palm cultivation or replanting, unless with the permission of relevant state authorities. - Major compliance -	Group manager conduct regular visit to the smallholder fields to monitor for any open burning activity. During site visit at smallholder's farm, there is no open burning was carried out. The group manager has been brief to all smallholders on the restriction of open burning for land preparation during "Program MSPO" which was conducted on 14/5/2018 (Dewan Sri Jaya, Maran).	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Group managers & relevant government agencies should encourage all independent smallholders' to implement best practices such as the MPOB Codes of Practice, Malaysian Standards and the Kod Amalan Baik (GAP) Pekebun Kecil.	Group manager conduct regular inspection following the MPOB Good Agricultural Practice. Trainings on best practices have been given to smallholders during "Program MSPO" which was conducted on 14/5/2018 (Dewan Sri Jaya, Maran). Field visit found that	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>smallholders are implementing best practices such as frond stacking, road maintenance, water management.</p> <p>However, the spraying method used by the smallholders need to be improved. Refer to OFI raised.</p>	
4.6.1.2	<p>A visual identification or reference system shall be established for each field or block of oil palm planting by group manager (where practical).</p> <p>- Major compliance -</p>	<p>Boundary markers between Smallholders were marked with frond stacking, trenches and rubber trees. For members visited at Mukim Luit, the boundary stones were available. Majority farms visited, there were no disputes noted.</p>	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>Group manager shall establish a documented business or management plan to demonstrate attention to economic and financial viability.</p> <p>- Major compliance -</p>	<p>The business management plan namely "<i>Dana Insentif MSPO Pekebun Kecil for 2018</i>" has been prepared by Finance Department, Sustainability Department and Implementation Research Extension Department, MPOB HQ. The budget includes MSPO training, documentation, audit fees, PPE cost, and other cost. The budget has been presented during the committee meeting on 12/02/2018.</p>	Yes
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Independent smallholders are encouraged to communicate with and have consultations with dealers, millers, local communities and other affected or interested parties.</p> <p>- Minor compliance -</p>	<p>The price was clearly stated at dealer's ramp as per negotiated FFB price with palm oil mill. There were no disputes on the payment noted during the audit. Group manager keeps a copy of all the FFB sales records and compiled in the "<i>Buku Rekod Ladang</i>" as master list.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: Oil palm shall not be planted on land with a high biodiversity value			
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. - Major compliance -	Noted that, no new planting was carried out by smallholders.	Yes
Criterion 4.7.2: Soil Survey			
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. - Minor compliance -	No new planting was carried out by smallholders.	Yes
Criterion 4.7.3: Extensive planting on steep terrain, marginal and fragile soils			
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 appropriate and viable conservation measures. - Major compliance -	No new planting was carried out by smallholders.	Yes

3.3 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there was no nonconformity raised. However 3 opportunity for improvement were raised.

Opportunity For Improvement		
Ref	Area/Process	Clause
1691859-201810-I1	SPOC C2 Maran/ MS2530-2:2015 Part 2	4.6.1.1
Requirements:	Group managers & relevant government agencies should encourage all independent smallholders' to implement best practices such as the MPOB Codes of Practice, Malaysian Standards and the Kod Amalan Baik (GAP) Pekebun Kecil.	
Objective Evidence:	The spraying method used by the smallholders need to be improved	

Ref	Area/Process	Clause
1691859-201810-I2	SPOC C2 Maran/ MS2530-2:2015 Part 2	4.2.1.1
Requirements:	The group management shall commit itself to implement and maintain the requirements for traceability.	
Objective Evidence:	The records for FFB sold to the dealer by members need to be recorded properly	

Ref	Area/Process	Clause
1691859-201810-I3	SPOC C2 Maran/ MS2530-2:2015 Part 2	4.3.2.1
Requirements:	Independent smallholders shall demonstrate rights to their landholdings and there is no evidence of major land disputes.	
Objective Evidence:	The copy of MPOB License and land title for smallholders need to be kept accordingly by the group manager as a prove the rights to their land.	

Noteworthy Positive Comments	
1	The SPOC Maran management has maintained a very good relationship with the local community and other stakeholders.
2	Good commitment and cooperation from both group management and members were towards MSPO certification was noted throughout the audit.

3.4 Status of Nonconformities Previously Identified and OFI

No NCR raised during previous assessment.



3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: Positive feedback from all stakeholders during stakeholder interview
	Management Responses: Maintain good relationship with them.
	Audit Team Findings: No other issue

3.6 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
N/A			

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment SPOC C2 Maran Certification Unit complies with the MS 2530-2:2013. It is recommended that the certification of SPOC C2 Maran Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name ROSHAZALI BIN MAT HARUN	Name: Mohd Hafiz Bin Mat Hussain
Company name: SPOC MARAN (C2)	Company name: BSI Services Malaysia Sdn. Bhd.
Title: GM SPOC MARAN	Title: Lead Auditor
Signature:  ROSHAZALI MAT HARUN PEGAWAI TUNJANG LEMBAGA MINYAK SAWIT MALAYSIA (MPOB) 23/11/18	Signature:  Date: 20/11/2018

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Appendix A: Assessment Plan

Date	Time	Subjects	MH	MN
28/10/2018	PM	Audit team travel from KL to Temerloh	✓	✓
29/10/2018 Day 1 SPOC Jerantut	0830	Audit team arrive at MPOB Cawangan Temerloh	✓	✓
	0910	Opening presentation by audit team leader & confirmation of scope and finalize audit plan	✓	✓
	0930	Field Inspection: Field visit, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, Conservation area, Office, workshop, Agriculture Best Practices, Chemical store and mixing, etc. (4 members for SPOC Jerantut)	✓	✓
	1230	Lunch break	✓	✓
	1330	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1630	Assessment team discussion & interim briefing	✓	✓
30/10/2018 Day 2 SPOC Jerantut	0830	Field Inspection: Field visit, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, Conservation area, Office, workshop, Agriculture Best Practices, Chemical store and mixing, etc. (4 members for SPOC Jerantut)	✓	✓
	1230	Lunch break	✓	✓
	1330	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1630	Assessment team discussion & interim briefing	✓	✓
31/10/2018 Day 3 SPOC Jerantut	0830	Audit team arrive at MPOB Cawangan Temerloh	✓	✓
	0910	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1000	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	✓	
	1230	Lunch break	✓	✓
	1330	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1630	Assessment team discussion & interim briefing	✓	✓
01/11/2018 Day 4 SPOC Maran	0830	Field Inspection: Field visit, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, Conservation area, Office, workshop, Agriculture Best Practices, Chemical store and mixing, etc. (4 members for SPOC Maran)	✓	✓
	1230	Lunch break	✓	✓
	1330	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1630	Assessment team discussion & interim briefing	✓	✓

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02/11/2018 Day 5 SPOC Maran	0830	Field Inspection: Field visit, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, Conservation area, Office, workshop, Agriculture Best Practices, Chemical store and mixing, etc. (4 members for SPOC Maran)	✓	✓
	1200	Lunch break	✓	✓
	1400	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1630	Assessment team discussion & interim briefing	✓	✓
03/11/2018 Day 6 SPOC Maran	0830	Document Audit: Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc	✓	✓
	1200	Lunch break	✓	✓
	1400	Continue unfinished elements	✓	✓
	1530	Verify any outstanding issues & Preparation for closing meeting	✓	✓
	1630	Closing Meeting for SPOC C5 Jerantut and SPOC C2 Maran	✓	✓

Appendix B: List of Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Group Manager</p> <p>MPOB Officers (Pegawai Tunas Kawasan)</p> <p>MPOB Officers (HQ)</p> <p>Cooperative Assistant</p> <p>Cooperative Smallholders</p>	<p>External Stakeholders</p> <p>Malaysian Palm Oil Board</p> <p>FFB Dealer</p>
<p>Group Members sampled</p> <ol style="list-style-type: none"> 1. Yee Teck Chong 2. Chong Hock Heng 3. Ma Mee Hua 4. Thong Kuan Chai@ Tong Kin Chai 5. Loh Guan Seng 6. Gan Chong Leng 7. Yee Teck Ming 8. Yap Su Yong 	<p>NGO/Government</p> <p>No complaint by NGO for SPOC C2 Maran CU. The Stakeholder Consultation Invitation was done on 28/10/2018.</p>

Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	LIAN PEH TEE	1998	3.6590	28
2	YAP SU YONG	2015	2.7790	12
3	KEK HUAT	2015	2.9620	12
4	LIAN HOCK SENG	2016	1.4900	4
5	LIAN TAI LEK	2015	2.9080	12
6	YEE TECK MING	2000	2.0260	25
7	ONG HENG LEE	2001	2.2560	18
8	MAH BI LING	1998	3.4440	20
9	ONG ENG WENG	2000	3.6017	18
10	YEE TECK KUANG	1998	3.6400	25
11	HOO KEK SENG	2003	3.3994	32
12	TING AH CHONG	1998	3.6400	28
13	GAN CHONG LENG	2000	1.5800	20
14	GAN TEK CHUAN	2014	3.6360	9
15	LIM SON KING	2016	2.2030	4
16	LOW KIM JOO	2016	2.6305	4
17	CHAN CHEE TUCK	2016	2.8024	6
18	LOH GUAN SENG	2017	1.0780	6
19	LEONG WHAI SING	2015	3.2350	29
20	DING LEAN TIN	2000	3.2400	22
21	LEONG CHIN KONG	2008	3.2370	25
22	YONG NGAU	2003	2.4281	28
23	SIM GIOK GIONG	2012	2.4281	18
24	THONG KUAN CHAI@ TONG KIN CHAI	2015	3.7090	12
25	WONG MOI MOI	2015	3.6400	12
26	GAN KEE THAK	2018	3.2375	6
27	YEAP CHONG HAI	1998	2.4276	25
28	LOI SENG HUAT	2015	3.2368	6
29	CHEW KOO ING	2011	3.8445	22
30	MA MEE HUA	1998	3.6422	24

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31	DING LIM BENG	1998	2.3920	24
32	YU SIEW CHONG	1998	3.4900	27
33	CHONG KIAN YONG	2016	3.4900	6
34	CHONG HOCK HENG	2002	3.2380	27
35	LEONG SOK HA	2002	3.4110	26
36	LEONG SOK LING	2005	1.7860	26
37	CHONG TIAN SIN	2006	2.4940	26
38	CHONG KIEN HOE	2011	3.7570	28
39	CHONG TIAN PUAH	1998	3.7980	24
40	TING KWAN YONG	2003	3.5815	26
41	KWAN SIEW YING	1998	3.8780	25
42	KONG KON KHEONG	2003	3.1930	26
43	KHOO SIONG HUAT	2000	2.6619	26
44	YEE TECK CHONG	2011	2.5430	28
45	CHAN KEE YING	2015	3.6170	6
46	TONG SIONG YEE	2001	3.3300	26
47	LIM SEW WAH	2001	3.6140	28
48	NG YAN HONG	2015	3.6422	6
49	LIM POH @ LIM BOO	2016	3.6422	4
50	GAN BEE CHIN	2017	0.8906	0
TOTAL			150.4902	927.00 mt

Appendix D: Location and Field Map

N/A

Appendix E: List of Abbreviations Used

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids