

**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) C5 Jerantut
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: 9658730

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
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TABLE of CONTENTS	Page No
Section 1: Executive Summary	3
1.1 Organizational Information and Contact Person	3
1.2 Certification Information	3
1.3 Location of Certification Unit	4
1.4 Plantings and Cycle	4
1.5 FFB Production (Actual) and Projected (tonnage).....	4
1.6 CPO / PK Tonnage	4
Section 2: Assessment Process	6
1. Assessment Program	6
Section 3: Assessment Findings	8
3.1 Details of audit results	8
3.2 Summary of the findings by Principles and Criteria	8
3.3 Details of Nonconformities and Opportunity for improvement.....	24
3.4 Status of Nonconformities Previously Identified and OFI	24
3.5 Issues Raised by Stakeholders	24
3.6 Summary of the Nonconformities and Status.....	25
Section 4: Assessment Conclusion and Recommendations:	26
Appendix A: Assessment Plan	27
Appendix B: List of Stakeholders Contacted	29
Appendix C: Smallholder Member Details.....	30
Appendix D: Location and Field Map	32
Appendix E: List of Abbreviations Used.....	33

Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	N/A		
Company Name	Sustainable Palm Oil Cluster (SPOC) C5 Jerantut		
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	Engku Norsupian Ardi bin Engku Nordin		
Website	www.mpob.gov.my	E-mail	ardi@mpob.gov.my
Telephone	0199808042, 0189133042	Facsimile	09-2969470

1.2 Certification Information			
Certificate Number	MSPO 696999		
Issue Date	27/12/2018	Expiry date	26/12/2023
Scope of Certification	MPOB Sustainable Palm Oil Cluster (SPOC) C5 Jerantut		
Stage 1 Date	2/8/2018		
Stage 2 / Initial Assessment Visit Date (IAV)	29-31/10/2018		
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			

MSP0 Public Summary Report
Revision 0 (Aug 2017)

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) C5 Jerantut	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) C5 Jerantut	N/A	N/A	410.00 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 C5 Jerantut, 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 29-31/10/2018.

Based on the assessment result, SPOC C5 Jerantut 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
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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 29-31/10/2018. 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.

The assessment findings for the initial assessment are detailed in Section 3.3.

MSPO Public Summary Report
Revision 0 (Aug 2017)

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.

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: October 29, 2019 - October 31, 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 holds 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, implemented and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also supports in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attended 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 C5 Jerantut has been established which has been signed by Engku Norsupian Ardi Bin Engku Nordin, (Group Manager) dated 16 th May 2018. Noted that the policy is communicated with smallholders through group briefing which was held on 16/10/2018 (Bukit Dinding) and 15/5/2018 (Sg Mai).
Yes		

Criterion / Indicator	Assessment Findings	Compliance															
Criterion 4.1.2 – Continual Improvement																	
<p>4.1.2.1 The action plan for continual improvement shall be based on the consideration for the main social and environmental impact and opportunities of the independent smallholder’s group, such as SPOC. Independent smallholders shall be aware of the need to understand the importance of continuous improvement.</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 16/10/2018 (Bukit Dinding) and 15/5/2018 (Sg Mai) by Group Manager and ICS.</p>	<p>Yes</p>															
<p>4.1.2.2 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" data-bbox="1084 954 1733 1329"> <thead> <tr> <th>Date</th> <th>Section</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>30/5/18</td> <td>Sg Mai</td> <td>Mohamad Bin Musa</td> </tr> <tr> <td>25/5/18</td> <td>Sg Mai</td> <td>Man Bin Te</td> </tr> <tr> <td>24/5/18</td> <td>Sg Mai</td> <td>Sulaiman Bin Se</td> </tr> <tr> <td>31/5/18</td> <td>Sg Mai</td> <td>Majid Bin Lut</td> </tr> </tbody> </table>	Date	Section	Name	30/5/18	Sg Mai	Mohamad Bin Musa	25/5/18	Sg Mai	Man Bin Te	24/5/18	Sg Mai	Sulaiman Bin Se	31/5/18	Sg Mai	Majid Bin Lut	<p>Yes</p>
Date	Section	Name															
30/5/18	Sg Mai	Mohamad Bin Musa															
25/5/18	Sg Mai	Man Bin Te															
24/5/18	Sg Mai	Sulaiman Bin Se															
31/5/18	Sg Mai	Majid Bin Lut															

Criterion / Indicator		Assessment Findings			Compliance																
		24/7/18	Bukit Dinding	Zaiton Binti Mad Daud																	
		24/7/18	Bukit Dinding	Hasanah Bt Mat Yunus																	
		24/7/18	Bukit Dinding	Hasnizam Bin Mat Yunus																	
		24/7/18	Bukit Dinding	Nik Habsah Bt Nik Haron																	
		<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)</th> </tr> <tr> <td></td> <td>Jan 18-Oct 18</td> </tr> </thead> <tbody> <tr> <td>Mohamad Bin Musa</td> <td>63.98</td> </tr> <tr> <td>Man Bin Te</td> <td>44.79</td> </tr> <tr> <td>Sulaiman Bin Se</td> <td>52.00</td> </tr> <tr> <td>Majid Bin Lut</td> <td>117.00</td> </tr> <tr> <td>Zaiton Binti Mad Daud</td> <td>3.283</td> </tr> <tr> <td>Hasanah Bt Mat Yunus</td> <td>21.00</td> </tr> </tbody> </table>			Name	Tonnage (mt)		Jan 18-Oct 18	Mohamad Bin Musa	63.98	Man Bin Te	44.79	Sulaiman Bin Se	52.00	Majid Bin Lut	117.00	Zaiton Binti Mad Daud	3.283	Hasanah Bt Mat Yunus	21.00	
Name	Tonnage (mt)																				
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Mohamad Bin Musa	63.98																				
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Hasanah Bt Mat Yunus	21.00																				

Criterion / Indicator		Assessment Findings		Compliance
		Hasnizam Bin Mat Yunus	20.84	
		Nik Habsah Bt Nik Haron	9.56	
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.		Yes
		Name	Tonnage (mt)	
			Jan 18-Oct 18	
		Mohamad Bin Musa	63.98	
		Man Bin Te	44.79	

Criterion / Indicator		Assessment Findings				Compliance																
		Sulaiman Bin Se	52.00																			
		Majid Bin Lut	117.00																			
		Zaiton Binti Mad Daud	3.283																			
		Hasanah Bt Mat Yunus	21.00																			
		Hasnizam Bin Mat Yunus	20.84																			
		Nik Habsah Bt Nik Haron	9.56																			
4.3 Principle 3: Compliance to legal requirements																						
Criterion 4.3.1 – Regulatory requirements																						
4.3.1.1	Independent smallholders shall show awareness of compliance with all applicable local, state, national and ratified international laws and regulations. - Major compliance -	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:-				Yes																
		<table border="1"> <thead> <tr> <th>Name</th> <th>MPOB License</th> <th>Ha.</th> <th>Expiry</th> </tr> </thead> <tbody> <tr> <td>Mohamad Bin Musa</td> <td>435056-001000</td> <td>7.29</td> <td>31/5/2019</td> </tr> <tr> <td>Man Bin Te</td> <td>437964-901000</td> <td>2.43</td> <td>31/7/2019</td> </tr> <tr> <td>Sulaiman Bin Se</td> <td>435059-401000</td> <td>9.72</td> <td>31/5/2019</td> </tr> </tbody> </table>				Name	MPOB License	Ha.	Expiry	Mohamad Bin Musa	435056-001000	7.29	31/5/2019	Man Bin Te	437964-901000	2.43	31/7/2019	Sulaiman Bin Se	435059-401000	9.72	31/5/2019	
Name	MPOB License	Ha.	Expiry																			
Mohamad Bin Musa	435056-001000	7.29	31/5/2019																			
Man Bin Te	437964-901000	2.43	31/7/2019																			
Sulaiman Bin Se	435059-401000	9.72	31/5/2019																			

Criterion / Indicator		Assessment Findings				Compliance
		Majid Bin Lut	438477-401000	4.86	31/7/2019	
		Zaiton Binti Mad Daud	721933-001010	0.73	30/9/2023	
		Hasanah Bt Mat Yunus	561042-001000	1.21	31/3/2021	
		Hasnizam Bin Mat Yunus	561043-801000	1.22	31/3/2021	
		Nik Habsah Bt Nik Haron	721932-001010	0.73	30/9/2023	
Criterion 4.3.2 – Lands use rights						
4.3.2.1	Independent smallholders shall demonstrate rights to their landholdings and there is no evidence of major land disputes. - Major compliance -	The land that owned by the smallholders are NCR land and leasehold hold and MPOB license was the proof of legal ownership.				Yes
		Name	Type Land	Ha.		
		Mohamad Bin Musa	Gazetted Land	7.29		
		Man Bin Te	Gazetted Land	2.43		
		Sulaiman Bin Se	Gazetted Land	9.72		

Criterion / Indicator		Assessment Findings			Compliance
		Majid Bin Lut	Gazetted Land	4.86	
		Zaiton Binti Mad Daud	Leasehold	0.7335	
		Hasanah Bt Mat Yunus	Leasehold	1.21	
		Hasnizam Bin Mat Yunus	Leasehold	1.22	
		Nik Habsah Bt Nik Haron	Leasehold	0.7346	
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 "<i>Tok Batin</i>" confirmed that the smallholders have the customary rights on the land. MPOB license is the legal document for the land ownership for the NCR lands as it is recognised by the village heads.</p> <p>The smallholders at Bukit Dinding have the land title (leasehold) 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 Jerantut was available at site office which was carried out by using google map.</p>			Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition			
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 Engku Norsupian Ardi bin Engku Nordin is the responsible person to response to any complaints or grievances received. Appointment letter dated 28 March 2018 (17)03/A/IRED/ESU/TU/GM(1/2018) by Dr Ramle Moslim. 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.	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	Yes

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>"Program Pensijilan Minyak Sawit Mampan(MSPO) "on 15 May 2018 on the Safety and Health requirement.</p> <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 Jerantut.</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 the MPOB will provide 100 PPE refer as per Meeting 04/A/KP/PA/379/JKP 87 dated 11 October 2018.</p>	
Criterion 4.4.3: Employment conditions			
4.4.3.1	<p>For independent smallholders with temporary workers, work conditions shall be in accordance with a mutual verbal agreement made transparently and freely.</p> <p>- Minor 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
4.4.3.2	<p>Independent smallholders & group managers shall provide equal opportunity and treatment regardless of race, gender, religion, political affiliation, nationality, social origin or other distinguishing</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

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	characteristics and shall not engage in or support discriminatory practices in line with national aspiration. - Minor compliance -		
4.4.3.3	Group managers for Independent smallholders shall ensure that worker's pay and conditions meet legal standards as per mutual agreements. - Major 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
4.4.3.4	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities, where available and practical. - Major 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
4.4.3.5	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 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. - Major compliance -	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.	Yes
Criterion 4.4.4: Training and competency			
4.4.4.1	Independent smallholders are encouraged to seek knowledge to increase their competency in oil palm management.	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.	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 plam management. Sample of training record checked; The group manager has conducted training "Program Pensijilan Minyak Sawit Mampan(MSPO)" on 15 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 15 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 manual "Rekod Penggunaan Tenaga(Diesel)" (R-01/PT/2016). No record of Diesel usage because the lorry for FFB transportation is handle by external party (Dealer).	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 group manager has conducted training to all smallholders on 15 May 2018, "Program Pensijilan Minyak Sawit Mampan Malaysia (MSPO)" with regards to safety, GAP and on the identification of agriculture waste and its management guidelines.	Yes
4.5.3.2	Group managers shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers. - Major compliance -	The group manager has established "Pengurusan Bahan Buangan Terjadual" dated 13 April 2018 Document No; MSPO/SSCC/SOP-03/BT. The group manager also conducted refresher training to all smallholders on 15 May 2018, "Program Pensijilan Minyak Sawit Mampan Malaysia (MSPO)" 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.	Yes
Criterion 4.5.4: Natural water resources			

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
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 16/10/2018 (Bukit Dinding) and 15/5/2018 (Sg Mai) 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			
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 " <i>Program MSPO</i> " which was held on 15/5/18 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.	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	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	of open burning for land preparation during "Program MSPO" which was conducted on 16/10/2018 (Bukit Dinding) and 15/5/2018 (Sg Mai).	
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. - Minor compliance -	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 16/10/2018 (Bukit Dinding) and 15/5/2018 (Sg Mai). Field visit found that smallholders are implementing best practices such as frond stacking, road maintenance, water management. However, the spraying method used by the smallholders need to be improved. Refer to OFI raised.	Yes
4.6.1.2	A visual identification or reference system shall be established for each field or block of oil palm planting by group manager (where practical). - Major compliance -	Boundary markers between Smallholders were marked with frond stacking, trenches and rubber trees. For members visited at Kg Bukit Dinding, the boundary stones were available. Majority farms visited, there were no disputes noted.	Yes
Criterion 4.6.2: Economic and financial viability plan			

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.6.2.1	Group manager shall establish a documented business or management plan to demonstrate attention to economic and financial viability. - Major compliance -	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.	Yes
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Independent smallholders are encouraged to communicate with and have consultations with dealers, millers, local communities and other affected or interested parties. - Minor compliance -	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.	Yes
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	No new planting was carried out by smallholders.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>relevant government agency. New planting plans should be prepared in consultation with extension service officers.</p> <p>- Minor compliance -</p>		
Criterion 4.7.3: Extensive planting on steep terrain, marginal and fragile soils			
4.7.3.1	<p>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.</p> <p>- Major compliance -</p>	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 2 opportunity for improvement were raised.

Opportunity For Improvement		
Ref	Area/Process	Clause
1691858-201810-I1	SPOC C5 Jerantut/ 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
1691858-201810-I2	SPOC C5 Jerantut/ 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	

Noteworthy Positive Comments	
1	The SPOC Jerantut 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 C5 Jerantut Certification Unit complies with the MS 2530-2:2013. It is recommended that the certification of SPOC C5 Jerantut Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name ZAINAB MOHD	Name: Mohd Hafiz Bin Mat Hussain
Company name: SPOC JERANTUT - C5	Company name: BSI Services Malaysia Sdn. Bhd.
Title: ICS	Title: Lead Auditor
Signature: 	Signature: 
Date:	Date: 22/11/2018

MSPO Public Summary Report Revision 0 (Aug 2017)

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	✓	✓

MSP0 Public Summary Report
Revision 0 (Aug 2017)

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. Mohamad Bin Musa 2. Man Bin Te 3. Sulaiman Bin Se 4. Majid Bin Lut 5. Zaiton Binti Mad Daud 6. Hasanah Bt Mat Yunus 7. Nik Habsah Bt Nik Haron 8. Hasnizam Bin Mat Yunus 	<p>NGO/Government</p> <p>JAKOA</p> <p>No complaint by NGO for SPOC C5 Jerantut 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	Sidek Bin Mem	2011	2.4300	15
2	Man Bin Te	2011	2.4300	15
3	Mohamad Bin Musa	2011	2.4300	18
4	Ali Bin Mem	2011	2.4300	15
5	Ali A/L Bud	2011	2.4300	15
6	Ismail Bin Jalan	2011	2.4300	18
7	Badang A/L Puteh	2011	2.4300	15
8	Tad Bin Awang	2011	2.4300	12
9	Majid Bin Lut	2011	4.8600	20
10	Woh Bin Kurus	2011	2.4300	12
11	Rosli A/L Wek	2011	2.4300	10
12	Raman Bin Noor	2011	2.4300	10
13	Sulaiman Bin Se	2011	4.8600	18
14	Saripah A/P Bud	2011	2.4300	15
15	Mahat A/L Lut	2011	2.4300	18
16	Ap Bin Kan	2011	2.4300	13
17	Sudin Bin Panjang	2011	2.4300	15
18	Yangman Bin Kohel	2011	2.4300	10
19	Jamil A/L Pungguk	2011	2.4300	15
20	Along A/L Labu	2011	2.4300	10
21	Jamaliah bt Nowawi	2013	0.8947	6
22	Hasanah bt Mat Yunus	2012	1.2050	12
23	Zaiton binti Mad Daud	2013	0.7335	6
24	Hasnizam bin Mat Yunus	2013	1.2150	12
25	Nik Habsah bt Nik Haron	2013	0.7346	6
26	Mohamad b Abdullah	2013	1.3600	6
27	Shamsuriyah bt Mohamad	2013	1.2140	0
28	Faridah bt Abdul Rahman	2011	2.1372	18
29	Raja Yusoff b Raja Awang	2014	2.6703	0
30	Mohd Najib b Abdullah Hassan	2015	1.2140	0
31	Tee Soo	2015	3.3290	0

MSP0 Public Summary Report
Revision 0 (Aug 2017)

32	Mamat b Mahmood	2015	1.1630	0
33	Ahmad Kamaluddin b Mohd Yunus	2015	0.8090	10
34	Zaitun bt Muhammad	2015	0.8093	10
35	Samingon b. Jangi	2016	2.6140	0
36	Mohd. Adam Zakaria	2013	1.4410	8
37	Zaitun bt Mat Jani	2015	0.7327	0
38	Seripah Razimah bt Syed Yusof	2015	2.8869	0
39	Jamiah binti Abdullah	2015	1.2140	0
40	Suhaimin b Mohamad Dhalan	2015	1.0876	0
41	Arbaiah bt Yunus	2016	2.5976	0
42	Najamuddin b Mohamad	2016	1.2140	0
43	Zaharah binti Md Kunchi	2018	2.7435	0
44	Shamsiah bt. Ibrahim	2012	1.5403	15
45	Wan Nur Hanisah bt A.Halim	2014	2.7020	6
46	Abdullah Halim b Latiff	2015	2.6120	0
47	Yusof b Abd Rahman	2014	2.5660	6
48	Nur Faezah bt Ahmad Kamaludin	2018	0.7810	0
49	Roslayly binti Jaafar	2018	1.2860	0
50	Ahmad Rahimi bin Bahaudin	2018	1.2140	0
TOTAL			102.1812	410.00 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