



# Assessment Report

Date: 14 Nov to 15 Nov

# 2016

*[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	<b>Sustainable Palm Oil Cluster (Daerah Kluang)</b>
Address	<b>Stesen Penyelidikan MPOB Kluang, P.O.Box 532, KM 11, Jalan Johor Tenggara, 86009 Kluang, Johor.</b>
Report no	<b>MS16MM001</b>
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	Production of MSPO certified FFB
Requirement not being applicable	Clause 4.7 Development of New Planting
Justification	All smallholder was establish since 10-20 year ago.
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Nor Azila binti Mat Ripin
Alternate contacts	
Management Representative contact no.	019 788 0477
E-mail address	<a href="mailto:azila@mpob.gov.my">azila@mpob.gov.my</a>
Fax Number	07-789 2282
Fixed Line Number	07-789 2282
NO OF SPOC MEMBERS	21

## 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	1) Pn Nor Azila	SPOC Manager

Team member		
Mohd Farul Rosli		
Mohamad Zulkefli		
Trainee auditor		
NIL		
Observer		
Hasbullah- MPOCC		

## Section F Audit Process Matrix

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

Planned month & year	11/2016	10/2017	10/2018	10/2019	10/2020
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
<b>4.1 Management Commitment &amp; Responsibility</b>					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Continual Improvement	☒	☒	☒	☒	☒
<b>4.2 Transparency</b>					
4.2.1 Traceability	☒	☒	☒	☒	☒
<b>4.3 Compliance to legal requirements</b>					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary rights	☒	☒	☒	☒	☒
<b>4.4 Social responsibility, health, safety and employment condition</b>					
4.4.1 Complaints and grievances	☒	☒	☒	☒	☒
4.4.2 Employees safety and health	☒	☒	☒	☒	☒
4.4.3 Employment conditions	☒	☒	☒	☒	☒
4.4.4 Training and competency	☒	☒	☒	☒	☒
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>					
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	☒	☒	☒	☒	☒
<b>4.6 Best Practices</b>					
4.6.1 Site management	☒	☒	☒	☒	☒

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"/>
<b>4.7 Development of new planting</b>					
4.7.1 Oil palm shall not planted on land with a high biodiversity value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Soil survey	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Assessment man days for the next assessment : 3.5 md. Recertification: 10/2020**

**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
ZI	14/11/2016	0930
<p>Opening Meeting</p> <ul style="list-style-type: none"> <li>a) introduction of the participants, including an outline of their roles;</li> <li>b) confirmation of the scope of certification;</li> <li>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;</li> <li>d) confirmation of formal communication channels between the audit team and the client;</li> <li>e) confirmation that the resources and facilities needed by the audit team are available;</li> <li>f) confirmation of matters relating to confidentiality;</li> <li>g) confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>h) confirmation of the availability, roles and identities of any guides and observers;</li> <li>i) the method of reporting, including any grading of audit findings;</li> <li>j) information about the conditions under which the audit may be premature terminated;</li> <li>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;</li> <li>l) confirmation of the status of findings of the previous review or audit, if applicable;</li> <li>m) methods and procedures to be used to conduct the audit based on sampling;</li> <li>n) confirmation of the language to be used during the audit;</li> <li>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</li> <li>p) opportunity for the client to ask questions.</li> </ul> <p>Closing Meeting</p> <ul style="list-style-type: none"> <li>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</li> <li>b) the method and timeframe of reporting, including any grading of audit findings;</li> <li>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</li> <li>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</li> <li>e) the certification body's post audit activities;</li> <li>f) information about the complaint handling and appeal processes.</li> <li>g) Any diverging opinion that are not resolved.</li> <li>h) opportunity for the client to ask questions.</li> </ul>		
<b>Executive Summary</b>		
<p>The audit was based on the MSPO2503:2013 Part 2 Standard, procedure and applicable requirements. There is no issue during the First Assessment Visit (FAV) conducted on 01/08/2016 and found all the require document, procedure and form are available. Noted there is 21 smallholder are participate in this Kluang Sustainable Palm Oil Cluster (SPOC). SPOC Kluang was manage and monitored by TUNAS, MPOB Kluang. All member of SPOC Kluang been certified the Code Of Good Agriculture Practice by MPOB.</p> <p>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. This audit conducted based on the sampling and 6 smallholder 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 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 management system certification such as RSPO, ISCC, ISO 14001, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by DQS. Co auditor is Mr Mohd Farul Rosli who are experienced in the RSPO and ISCC Certification for almost 5 years and attended the MSPO Lead Assessor Course conducted by DQS.</p>		

### Audit Summary

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

**Clause 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 Laporan Taklimat MSPO to all smallholders. Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders.

**Clause 4.2 Transparency**

KPSM – Koperasi Penanam Sawit Mampan, Kluang Utara 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

**Clause 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 has license as per MPOB requirements Akta Lembaga Minyak Sawit Malaysia 1998

**(Non-Conformance)**

Found that one of SPOC members license has expired against as per requirements Akta Lembaga Minyak Sawit Malaysia 1998 and term of land was not stated for oil palm planting

**Clause 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 14/11/2015 and participate by JKKK Chairman, District Police Officer and Cooperation Manager. 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.

**Clasue 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.

**Clause 4.6 Best Practise**

Established “Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil”. Latest date done on 12/10/15 for each Individual Smallholder. Noted all 21 smallholder was certified GAP.

**Clause 4.7 Development of New Planting**

Not Applicable since all the SPOC member already planted their palm oil tree since 20 years ago.

### Introduction

SPOC Kluang was established since year 2010 and was manage by TUNAS, MPOB Kluang with 21 smallholder participate to apply the MSPO Certification Scheme with total planted hectarage is around 46.76 hectares. The list of the smallholder and the detail of each smallholder as per table below:

No	Small holder	Lot No	Planted area (ha)	GPS Coordinate	License No	Adress
1	HANIZA BINTI ABD RAHAMAN	6657	3.1958	2°01'45.280"N 103°14'24.444"E	506914101000	RANCANGAN BATU 67, JALAN AIR HITAM/KLUANG
2	JAYARAJ A/L RENGASAMY	PTD 1202	3.3387	1°48'51.782"N 103°32'03.720"E	553077901000	MUKIM LAYANG-LAYANG
3	MOHD RAZIF BIN HJ MOHD ALIMAN	PTD 11406	1.2140	2°05'17.851"N 103°17'41.261"E	UNDER APPLICATION PROCESS	KG PERADONG
4	BAHARIN B SUKIMAN	1061	3.2370	2°09'51.682"N 103°16'00.734"E	UNDER APPLICATION PROCESS	KG GSA CHAMEK

5	SARJONO B PARMAN	1044	2.4300	2°04'55.9"N 103°17'28.6"E	297170301000	KG GSA CHAMEK
6	BARIAH BINTI ABD SAMAD	PTD 51318	0.809	2°07'15.6"N 103°28'28.5"E	UNDER APPLICATION PROCESS	KG SRI TIMUR
7	JAMADON B BAHARI	257	2.0200	1°57'13.3"N 103°15'04.4"E	312121001000	KG RAHMAT
8	TEE A BA @ TAY AH BER	1321	3.4400	2°07'17.085"N 103°24'48.737"E	293758101000	BATU 11, JALAN KLUANG MERSING
9	R. SELVAM A/L RENGASAMY	1918	3.7280	2°07'02.225"N 103°24'31.720"E	446983401000	BATU 11, JALAN KLUANG MERSING
10	SIEW YORK MOI	3462	2.0000	2°03'41.829"N 103°18'19.661"E	DALAM PROSES PERMOHONAN	BELAKANG NIYOR ESTATE, MUKIM KLUANG
11	POH KONG NGEE	1583	3.2400	2°11'42.4"N 103°15'04.9"E	512594701000	KAMPONG GSA CHAMEK, PALOH
12	LIEW BOON YIT	6383	0.9352	2°08'23.1"N 103°13'49.8"E	446368201000	KAMPONG CHAMEK, NIYOR
13	LEE TECK HUAT	4353	2.0500	2°07'20.2"N 103°14'45.6"E	542153801000	KAMPONG CHAMEK, NIYOR
14	SAN AH NING @ SAN MAN NING	1090	2.1200	1°58'30"N 103°15'59"E	304671401000	KAMPONG MIC, SRI LALANG, KLUANG
15	TE HOCK SAN	362	2.5200	2°13'52"N 103°23'20"E	291903501000	KAMPONG CHAMEK, NIYOR
16	TEE ON HOK	PTD 357	2.4281	2°14'14.096"N 103°8'8.335"E	543199101000	BEHIND CHAN WING ESTATE, MUKIM PALOH
17	LIM YONG @ LIM KING YONG	3041, 3042	1.6187, 1.6187	2°10'56.890"N 103°09'39.977"E	438151101000	MUKIM PALOH, KLUANG
18	LIM KIM HOI	3043, 3044, 3045	1.6187, 1.6187, 6.8796	2°10'53.979"N 103°09'36.725"E	317350301000	MUKIM PALOH, KLUANG



19	LIN SOON TECK	5031	3.4500	2°09'50.888"N 103°13'25.274"E	471920201000	MUKIM PALOH, KLUANG
20	GOH TIAM ANN	PT 3971	2.5799	2°09'00.518"N 103°16'45.440"E	439733701000	H.S.(M) 672, PT 3971, JALAN PALOH-KLUANG, MUKIM NIYOR KLUANG
21	CHEONG BOON HUAT	6291	1.6260	2°07'27.965"N 103°17'16.205"E	464709101000	H.S.(M) 3498, PTD 6291, JALAN PALOH-KLUANG, MUKIM NIYOR KLUANG

MSPO Clause	Clause applicable	Auditor	Date
Management Commitment & Responsibility	4.1	ZI	14/11/2016
Indicator	Indicator applicable	Auditor	Date
Policy	4.1.1	ZI	14/11/2016

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.  
MSPO policy established by MPOB (Polisi Minyak Sawit Mampan Malaysia – MSPO). Policy has signed by Group Manager, SPOC Daerah Kluang, Pn Nor Azila Binti Mat Ripin dated 13 Jun 2016. The policy applies to all independent smallholder.

Group manager has planned to conduct a briefing on the MSPO on 30th November 2016

Requirement	Indicator applicable	Auditor	Date
Continual improvement	4.1.2	ZI	14/11/2016

Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders dated 24 April 2016 at Dewan Seminar Prime City Hotel, Kluang. Training as below;

1. Good Agricultural Practice (GAP).
2. MSPO:MS2530 part I and
3. MSPO:MS2530 part II
4. Perundangan dan Status Penggunaan Tanah

Attendance list available and recorded in 17 out of 21.

Senarai Lawatan Pensijilan MSPO GAP Pekebun Kecil Tahun 2016 has established to monitor compliance and upload into Portal MPOB GAP by each region. Procedure for GAP has established and implemented effective date 19 November 2014, Doc 02, Issue No 02 and revision 02. Flowchart and details activities for MPOB GAP certification with the checklist golden agricultural practice smallholders.

MPOB Malaysia has set target compliance to GAP for 2016 total 10,000 Ha target visited for GAP is 362 smallholders.

Noted that from Lawatan Khidmat Nasihat individu every monthly, record that MPOB has take action assist smallholder take care of the issue during operating.

Noted that communication procedure well implemented, refer to letter dated 8 September 2016 to Jabatan Pertanian Bahagian Kawalan Racun Perosak and reply from Jabatan and cced to MPOB (Ketua Pengarah), JAS (KP), JPNJ, Jabatan Pertanian K/U Negeri Johor and Jabatan Penerbangan Awam dated 19 September 2016 regarding Kebenaran Menggunakan Produk ECOBAC-1 untuk program semburan udara bagi kawalan ulat bungkus has been recorded by GM SPOC.

Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders

Requirement	Principle applicable	Auditor	Date
Transparency	4.2	ZI	14/11/2016
indicator	Indicator applicable	Auditor	Date
Traceability	4.2.1	ZI	14/11/2016

KPSM – Koperasi Penanam Sawit Mampan (KPSM), Kluang Utara has record FFB received from smallholder and summaries on monthly basis.

Noted out of 21 members of SPOC Kluang, only 6 members are registered as KPSM member and the list name as below:

- 1) Jayaraj A/L Rengasamy- License No.: 553077901000
- 2) Mohd Razif bin Hj Mohd Aliman- License No.: In progress of license application
- 3) Baharin Bin Sukiman- License No.: In progress of license application
- 4) Sarjono bin Parman- License No.: 297170301000
- 5) Abd Mutalib Bin Hashim- License No.: 486859301000
- 6) Jamadon bin Bahari- License No. 312121001000

(Observation)

SPOC to ensure the tracking system can be trace FFB to the source such as smallholders (Field, Block, Plot etc). Noted that some of the record of FFB maintained by Koperasi for ahli KPSM. GM SPOC to ensure standardize of reporting as per Buku Rekod Ladang (BRL).

Record of sales and delivery of FFB has recorded weighbridge ticket and FFB receipt of payment statement on monthly basis. Sample refer to FFB supply for the month of September 2016, payment from Kluang Oil Palm Processing Sdn Bhd – Koperasi Penanam Sawit Mampan daerah Kluang Bhd. MPOB Licence No: 585223-015000 dated 30 Sept 2016.

Payment of the FFB stated in Garis Panduan Jualan Kelompok BTS dated 11 July 2013 stated Koperasi charged RM5/MT. Noted.

Requirement	Principle applicable	Auditor	Date
Compliance to legal requirement	4.3	ZI	14-15/11/2016
Indicator	Indicator applicable	Auditor	Date
Regulatory requirements	4.3.1	ZI	14-15/11/2016

Noted that Senarai Keperluan Undang-Undang has been established effective date 1st April 2016, No Dokumen: L-02/SKU/2016. All SPOC has license as per MPOB requirements Akta Lembaga Minyak Sawit Malaysia 1998;

1. Haniza Bt Abd Rahaman expiry on 31 May 2018
2. Jayaraj A/L Rengasamy (No record sampled during assessment)
3. Mohd Razif B Hj Mohd Aliman (No record sampled during assessment)
4. Baharin B Sukiman (No record sampled during assessment)
5. Sarjono B Paiman expired on 31 July 2014
6. Bariah Bt Abd Samad (No record sampled during assessment)
7. Jamadon B Bahari (No record sampled during assessment)
8. Tee A Ba @ Tay Ah Ber (No record sampled during assessment)
9. R.Selvam A/L Rengasamy (No record sampled during assessment)
10. Siew York Moi expiry on 31 March 2021
11. Poh Kong Ngee (No record sampled during assessment)
12. Liew Boon Yit (No record sampled during assessment)
13. Lee Teck Huat (No record sampled during assessment)
14. San Ah Ning @ San Man Ning (No record sampled during assessment)
15. Te Hock San (No record sampled during assessment)
16. Tee On Hok (No record sampled during assessment)
17. Lim Yong @ Lim King Yong (No record sampled during assessment)
18. Lim Kim Hoi (No record sampled during assessment)
19. Lin Soon Teck (No record sampled during assessment)
20. Goh Tiam Ann (No record sampled during assessment)
21. Cheong Boon Huat (No record sampled during assessment)

(Non-Conformance)

Found that one of SPOC members license has expired against as per requirements Akta Lembaga Minyak Sawit Malaysia 1998 and term of land was not stated for oil palm planting.

Objective evidence:

1. Sarjono bin Paiman, MPOB license has expired (expiry date 31 July 2014)
2. Haniza bt Abd Rahman – Lot 6611 (tanaman getah) and
3. Bariah bt Samad – PTD 51318 (tanaman dusun)

No child has been appointed during site observation. Most of the harvesting activity, spraying has been contract out to contractor.

No activities observed during site visit because of raining for both two days during assessment.

Indicator	Indicator applicable	Auditor	Date
Land use rights	4.3.2	ZI	14-15/2016

Site Visit:

Smallholder aware of river reserve along the river and observed that no child labour during site assessment. Most of smallholder has contract out spraying activity and harvesting activity.

List of Smallholders in SPOC;

1. Haniza Bt Abd Rahaman
2. Jayaraj A/L Rengasamy
3. Mohd Razif B Hj Mohd Aliman
4. Baharin B Sukiman
5. Sarjono B Paiman
6. Bariah Bt Abd Samad

7. Jamadon B Bahari
8. Tee A Ba @ Tay Ah Ber
9. R.Selvam A/L Rengasamy
10. Siew York Moi
11. Poh Kong Ngee
12. Liew Boon Yit
13. Lee Teck Huat
14. San Ah Ning @ San Man Ning
15. Te Hock San
16. Tee On Hok
17. Lim Yong @ Lim King Yong
18. Lim Kim Hoi
19. Lin Soon Teck
20. Goh Tiam Ann
21. Cheong Boon Huat

During interview with smallholder discussion there have no land disputes. Smallholder has construct drain, installing burb wire and boundary marker to ensure boundary between the smallholders.

Indicator	Indicator applicable	Auditor	Date
Customary rights	4.3.3	ZI	15/11/2016

NA

Requirement	Principle applicable	Auditor	Date
Social responsibility, health, safety and employment condition	4.4	FA	14/11/2016

Indicator	Indicator applicable	Auditor	Date
Complaint and grievances	4.4.1	FA	14/11/2016

#### SOP

- Refer to SOP-01/AR/2016 (ADUAN DAN RUNGUTAN) Effective date : 01/04/2016

#### Complaint from stakeholder record.

Refer to SPOC Group Manager, there is no complaint issue by stakeholder or other parties recorded for the period of review.

#### Stakeholder consultation

Stakeholder consultation was conducted on 14/11/2016 and list of attendee as below:

- a) Hj Sagiran bin Kassan- Ketua Kampung GSA Chamek
- b) Sarjan Mejr Hashim Hassan- Ketua Balai Renggam
- c) Afiq Muhamad- Manager, Koperasi Penanam Sawit Mampan Kluang Utara Bhd

Outcomes from the meeting, no complaints were issued by the stakeholder.

Issue concern.

- a) Hj Sagiranan bin Kassan- concern about the other palm oil operation such as river polluted by nearer palm oil mill. Not received any complaints from the Kampung GSA Chamek on the smallholder plam oil operation.
- b) Sarjan Mejr Hashim Hassan- concern about a FFB stealing case at the other palm oil plantation and the issue of the foreign workers especially on the social issue. However no issue on the operation of the SPOC Kluang smallholder operation.
- c) Afiq Muhamad- concern about the FFB price during purchased the FFB from the SPOC Kluang smallholder. Cooperative Manager always explain to all the cooperative members on the changes of FFB price.

Indicator	Indicator applicable	Auditor	Date
Employees safety and health	4.4.2	FA	14-15/11/2016

SOP - Refer to document Effective date : 01/04/2016

- a) SOP-03/AK/2016- Prosedur Notifikasi Aduan, Kemalangan Nyaris, Kejadian Berbahaya, Keracunan Pekerjaan.
- b) SOP-02/BK/2016- Pengendalian Dan Pelupusan Bahan Kimia

SPOC Kluang established the procedure on accident notification and chemical handling to ensure all the smallholder aware and follow the safety requirement as per OSHA 1994.

#### Accident record

- according to SPOC Group Manager, There is no accident case were reported for the period of review.

#### Safety Training record

- a) Plan to conduct safety training on 30/11/2016 (JKKP, JAS, PERHLITAN)
- b) As per Kalender Aktiviti 2016- Tunas Zon: Selatan 1.

PPE

During site visit, there is no activity of spraying and harvesting due to raining season, however from the interviewed session, sighted the awareness of the smallholder on the PPE usage for the spraying activities and they already provide to the PPE such as face mask, glove and apron to their sprayer.

Indicator	Indicator applicable	Auditor	Date
Employment condition	4.4.3	FA	14-15/11/2016

During interview conducted, 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.

**Wages / Salary**

Mutual agreement

- Workers agreement and pay slip (Payment Voucher) and keep in the smallholder personnel file.
- Payslip - Ldg Siew York Mui

E.g Payment to Encik Yono dated 07 February 2016, Potong buah 6.11. ton x rm 45 = RM 274.95

Indicator	Indicator applicable	Auditor	Date
Training and competency	4.4.4	FA	14/11/2016

**Training Plan**

Verified the Kalender Aktiviti 2016 (Tunas Zon: Selatan 1) and listed 2 training which is Kursus Sehari Sawit Bersama Pekebun Kecil and Kursus Sehari Bersama Ahli Kelab 30 Tan.

**Training record:**

- Taklimat MSPO Kepada Pekebun Kecil di SPOC Kluang dated 26/04/2016 conducted MPOB attended by San Ah Ning, Azman Sapran, Moh Aliman etc.
- Kursus Sehari Sawit Bersama Ahli Kelab 30 Tan dated 30/08/2016 conducted by MPOB attended by Sukidi Jasman, Anuar, KT Lim etc.
- Pembajaan Sawit dated 20/07/2016 conducted by MPOB attended by Ramli, CP Chang, CH Lim etc.

Sighted the training material and records of attendance as evidence for training for the period of review

Requirement	Principle Indicator	Auditor	Date
Environment, natural resources, biodiversity and ecosystem services	4.5	FA	14/11/2016
Process	Clause applicable	Auditor	Date
Environmental Management Plan	4.5.1	FA	14/11/2016

**Training :**

Understanding of sensitive area (river, steep, slope, forest, swamp area )

- Evidence on Training on "Taklimat MSPO kepada Pekebun Kecil di SPOC Kluang, Johor" on 26/4/16 at Kluang, Johor. Next MPOB planned to conduct detail training on 30 November 2016

Indicator	Clause applicable	Auditor	Date
Efficiency of energy use and use of renewable energy	4.5.2	FA	14/11/2016

**Diesel usage**

**Noted the SPOC Manager already establish** "Rekod Penggunaan Tenaga (Diesel)". Doc No. R-01/PT/2016 date on 1/4/16 and will instruct all smallholder to apply this format in order to monitor the usage of diesel for their operation.

**Electricity consumption**

N/A

Indicator	Clause applicable	Auditor	Date
Waste management and disposal	4.5.3	FA	14/11/2016

**(Observation)**

**Sighted used pesticides container contain with fresh water in the block smallholder (Bariah Abd samad) without safety label. SPOC is advised to display label sign to all reused pesticed container in order to comply with USECHH Reg 2000 and the SOP-02/BK/2016 - Pengendalian dan Perlupusan Bahan Kimia.**

**Disposal method :**

- SOP disposal method (EQA Act 1974 (Scheduled waste))
- Refer to SOP-02/BK/2016- Pengendalian dan Pelupusan Bahan Kimia Effective date : 01/04 2016
- SPOC Kluang has establish the procedure on the storage of fertilizer, storage of pesticide, disposal of pesticide container and used pesticide and obsolete pesticide.

During site visit, sighted no storage of the chemical waste or schedule waste since all smallholder not keep any stock of used chemical and they only bought the pesticide or herbicide and will utilized the chemical for one used only.			
Indicator	Indicator applicable	Auditor	Date
Natural water resource	4.5.4	FA	14-15/11/2016
<p>4.5.4.1</p> <p>Evidence on Training on "Taklimat MSPO kepada Pekebun Kecil di SPOC Kluang, Johor" on 26/4/16 at Kluang, Johor. Next MPOB planned to conduct detail training on 30 November 2016. Noted currently all the small holder is still under the awareness stage and yet to implement any natural resource management and monitoring.</p> <p>(Observation)  <b>Observed that blanket spraying has applied at smallholder (Baharin b Sukiman). GM SPOC to ensure and provide training no blanket spraying applied to maintain the quality of surface, ground water and reduction of chemical usage as per MSPO clause 4.5.4 (Natural Water Resources) and 4.1.2 (Continual Improvement)</b></p> <p>4.5.4.2</p> <p>Water harvesting</p> <p>a) During site visit sighted smallholder established rain water harvesting at individual smallholder area.</p> <p>b) Evidence on Training on "Taklimat MSPO kepada Pekebun Kecil di SPOC Kluang, Johor" on 26/4/16 at Kluang, Johor. Next MPOB planned to conduct detail training on 30 November 2016</p>			
Indicator	Indicator applicable	Auditor	Date
Status of rare, threatened, or endangered species and high biodiversity value	4.5.5	FA	14-15/11/2016
<p>a) Noted list of rare, threatened, or endangered species and high biodiversity value was not available since all the smallholder is still under the awareness stage and will implement after below training conducted.</p> <p>b) Evidence on Training on "Taklimat MSPO kepada Pekebun Kecil di SPOC Kluang, Johor" on 26/4/16 at Kluang, Johor. Next, MPOB planned to conduct detail training on 30 November 2016.</p>			
Indicator	Indicator applicable	Auditor	Date
Zero burning practices	4.5.6	FA	14-15/11/2016
<p>Evidence on Training on "Taklimat MSPO kepada Pekebun Kecil di SPOC Kluang, Johor" on 26/4/16 at Kluang, Johor. Next MPOB planned to conduct detail training on 30 November 2016.</p> <p>During site visit, no open burning was sighted at the small holder palm oil planted area.</p>			
Indicator	Indicator applicable	Auditor	Date
Best practices	4.6	FA	16/11/2016
Indicator	Indicator applicable	Auditor	Date
Site management	4.6.1	FA	14-15/11/2016
<p>4.6.1.1</p> <p>Established "Pensijilan Kod Amalan Pertanian Baik(GAP) Pekebun Kecil". Latest date done on 12/10/15 for each Individual Smallholder.</p> <p>Noted all 21 smallholder was certified GAP.</p> <p>Sarjono b. Parman (No. Lesen 438347-601000)  Te Hock San (No. Lesen 291903-501000)</p> <p>4.6.1.2</p> <p>Identification or reference system establish for each field.</p> <p>a) Boundary marker SITE</p> <p>b) Coordinate reading</p>			
Indicator	Indicator applicable	Auditor	Date
Economic and financial viability plan	4.6.2	FA	14-15/11/2016
Evidence based on "Anggaran Kos untuk 1 hektar Tanaman Sawit bagi Pekebun Kecil" year 2015 and monitored by SPOC Manager.			
Indicator	Indicator applicable	Auditor	Date
Transparent and fair price dealing	4.6.3	FA	14/11/2016

About the FFB price during purchased the FFB from the SPOC Kluang smallholder, Cooperative Manager always explain to all the cooperative members on the changes of FFB price.

Principle	Principle applicable	Auditor	Date
Development of new planting	4.7		
Not applicable			

### Observation for Improvement

Details
<p>4.2.1 (Observation) SPOC to ensure the tracking system can be trace FFB to the source such as smallholders (Field, Block, Plot etc). Noted that some of the record of FFB maintained by Koperasi for ahli KPSM. GM SPOC to ensure standardize of reporting as per Buku Rekod Ladang (BRL).</p>
<p>4.5.3.1 (Observation) Sighted used pesticides container contain with fresh water in the block smallholder (Bariah Abd samad) without safety label. SPOC is advised to display label sign to all reused pesticed container in order to comply with USECHH Reg 2000 and the SOP-02/BK/2016 – Pengendalian dan Perlupusan Bahan Kimia.</p>
<p>4.5.4.1 (Observation) Observed that blanket spraying has applied at smallholder (Baharin b Sukiman). GM SPOC to ensure and provide training no blanket spraying applied to maintain the quality of surface, ground water and reduction of chemical usage as per MSPO clause 4.5.4 (Natural Water Resources) and 4.1.2 (Continual Improvement)</p>

During the assessment **01** nonconformities were identified.