

**PRIMA CERT INTERNATIONAL SDN BHD (1107878-A)**

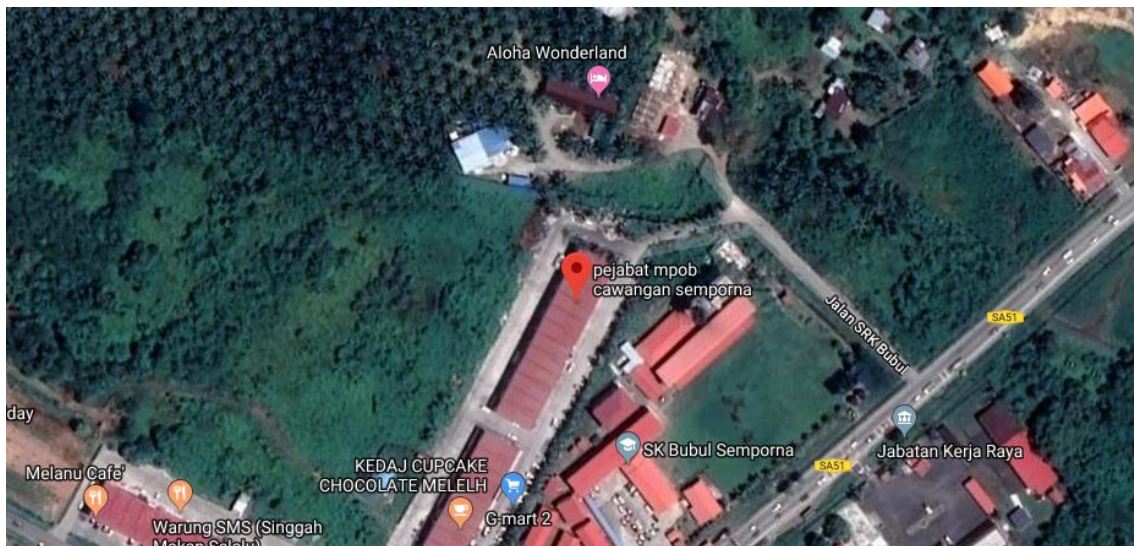
5A, Jalan Anggerik Eria AU 31/AU  
 Kota Kemuning, 40460 Shah Alam  
 Selangor, D. E. Malaysia  
 ([www.pci.com.my](http://www.pci.com.my) / +603-5525 8359)

**MSPO Audit Summary**

Company Name:	<b>SPOC Kunak (S26)</b>
Address:	<b>Pejabat MPOB Cawangan Semporna, No 159 &amp; 160, Marketplace @ Desa Seri Tong Talun, Jalan Burgaya, 91300 Semporna, Sabah.</b>
Reference No.:	<b>100017</b>
Standard(s):	<b>MS 2530-2:2013</b>
MPOB licence no: (for group certification, list all licences no. in the group)	<b>Contact PCI for details</b>
MPOB licence scope of activity:	<b>FFB Harvesting</b>
MPOB Licence expiry date:	<b>Contact PCI for details</b>
Audit Type:	<input type="checkbox"/> Stage 2 Audit <input checked="" type="checkbox"/> Surveillance Audit <input type="checkbox"/> Re-certification Audit
Audit scope:	<b>Oil Palm Smallholder Group</b>
Sites sampled: (for group certification only)	<b>16 Sites (SH 89, SH 97, SH 98, SH 99, SH 101, SH 106, SH 111, SH 122, SH 124, SH 125, SH 126, SH 127, SH 128, SH 149, SH 167)</b>

**GPS Coordinate:**    **N 4° 27' 59.681" E 118° 35' 40.847"**

**Map showing approximate location of certified entity:**



Audit date:	<b>19/09/2018 to 21/09/2018</b>
Total number of man-day(s):	<b>5.0 man-day(s)</b>
(for MSPO Part 2 & Part 3)	<input type="checkbox"/> Not applicable
Planted Area:	<b>856.04 ha.</b>

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(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable <b>6000</b> mt.
(for MSPO Part 4) Estimated processing capacity: Estimated certified palm oil (CSPO): Estimated certified palm kernel (CSPK):	<input checked="" type="checkbox"/> Not applicable mt. FFB/hour mt./hour mt./hour
(N/A for Stage 2 & Re-certification assessment) Date of certificate issued and validity	<input type="checkbox"/> Not applicable <b>11/01/2019 to 25/02/2023</b>
Please state if the organization certified for other sustainability scheme(s)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, _____

**Executive Summary**

Through MPOB, smallholders had indicated their consent to participate in the certification scheme by signing an MSPO policy document prepared by the Group Manager. There was general awareness on commitment toward improving productivity among the smallholders by adhering to their Group Manager's advice and recommendation on good agricultural practices. A starkly noted constraint was the limited financial resources among some smallholders especially in purchasing of fertilizers to follow MPOB standards of GAP. The smallholders interviewed were generally supportive and eager to participate in the management system toward sustainability through MSPO.

Commitment shown both by the Group Manager and the smallholders toward MSPO was evident through a signed letter of participation and establishment of communication initiated by the Group Manager to monitor the performances of the smallholders. The Group Manager had created two WhatsApp groups (an existing one for smallholders registered in 2017 and another one for new registration in 2018) to disseminate latest information.

Improvement plans were very much up to the initiative of the Group Manager. Talks were organised to communicate new ways and technology to be considered by smallholders to improve work methods. The MPOB journal Warta Sawit and research information were distributed to smallholders to get them abreast with recent event and agricultural practices.

While smallholders understood the need to maintain proper records, not all of them were able to do so. They were required by the Group Manager to submit or communicate information on their total FFB sales monthly but not all were found able to do so.

There is general awareness among smallholders toward the need of legal compliance. They understand the need to protect wildlife and the conservation of their habitats.

All the smallholders were either in possession of land titles or in the process of obtaining title from the authority. They all were able to identify and show their boundaries and there was no issue of any dispute over their land between neighbours. No complaint and grievances were received from the smallholders as the Group Manager's file had no entry on grievances and complaints at the time of the Surveillance audit.

Smallholders were given awareness briefing on safety and health including usage of proper PPE. Farms were mostly managed as family-owned with a reliance on family members for manpower. Where outsiders are engaged as casual workers, it was done under mutual agreement. These workers were either neighbours or are likely also to be relatives. They were paid according to their agreement. Among the smallholders interviewed, only the holding of Miss Watson had a permanent worker. He was a properly documented Filipino who had proved to be a quality migrant worker able to assume work on the oil palm holding. He and his family were provided with decent housing in the compound of the Watson family holding.

Smallholders show general awareness toward obtaining and preferring the best prices available within their area to sell their fruits. However, they have no choice except to send their crop to the nearest collection centre to save cost on transport. A Cooperative (Koperasi Penanam Sawit Mampan Daerah Kunak Sabah Berhad) for smallholders had been established but not all smallholders were registered as members.

Some keen smallholders were practicing integrated farming by intercropping (banana and pineapples) and two out of the 50 smallholders reared goats. Another smallholder reared cattle (1 bull and 12 cows).

Overall SPOC Kunak (S26) is implementing a management system that is fulfilling the requirement of MSPO standards with some improvement areas as outlined below.

**Listing of strength / strong point identified:**

No	Strength Statement
1.	<i>The organizational structure and strength of the MPOB office.</i>
2.	<i>Trained MPOB staff in handling extension services to smallholders</i>
3.	<i>A Group Manager who has clear support and respect from the smallholders.</i>
4.	<i>Logistics assets to support implementation of SPOC development.</i>

**Listing of improvement potential / opportunities for improvement (OFI)**

No	OFI Statement
1.	<i>MSPO Policy is yet to be included in the personal files of the smallholders.</i>
2.	<i>Group management to continue acquiring and keep copies of relevant records as evidence on traceability i.e. origin of seedlings and sales of FFB especially with more smallholders registered as members in the MSPO scheme.</i>
3.	<i>To ensure all smallholders are given BRL and start filling it with records of sales, etc.</i>
4.	<i>While it was commendable that a used tyre was installed at the outlet of a culvert to control water flow, a concern here was the possibility of the unperforated tyre serving as a breeding area for mosquitoes.</i>
5.	<i>Observed that at the smallholding of Madam Noraini binti Padong, a rogue young seedling was allowed to sprout at the base of a mature producing palm. This rogue seedling should have been removed.</i>
6.	<i>Solid wastes in the form of drinking bottles and discarded containers were noted to be improperly disposed-off in the smallholdings of Ing Teck Seng/Ong Leng Moi, Ong Jinag Yi, Nancy George Jomol and Noraini binti Padong</i>

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**Listing of nonconformity (NCR)**

No	Clause	NCR Statement	NCR status
1.	Nil	Nil	<input type="checkbox"/> Open <input type="checkbox"/> Close

**Stakeholder consultation summary**

Any issues raised by the stakeholder(s) towards the company?	<input type="checkbox"/> Yes, issue: _____ <input checked="" type="checkbox"/> No.
Remarks: <i>No stakeholder consultation was conducted for this surveillance as the SPOC received no complaint/concern from any stakeholder.</i>	

**Certification recommendation**

In reference to **MS 2530-2:2013**, the audit team recommends for:

<input type="checkbox"/> Issuance of the certificate.
<input type="checkbox"/> Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
<input checked="" type="checkbox"/> Maintenance of the certificate.
<input type="checkbox"/> Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.
<input type="checkbox"/> Not applicable, due to extraordinary type of report.

Tentative next audit date:	<b>09/2020</b>
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	<b>Mr. Sahmsuddin Toring</b>
Position:	<b>Group Manager</b>
Tel:	<b>+6014-3571 742</b>
Email:	<a href="mailto:sahamsuddin@mpob.gov.my">sahamsuddin@mpob.gov.my</a>
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Wood Science & Technology, EIA Expert
Tel:	+603-5525 8359
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PCI Audit Team Member 1	
Name:	Edward Agong Ajan
Position:	<input checked="" type="checkbox"/> Co-Auditor <input type="checkbox"/> Auditor-in-Training <input type="checkbox"/> Technical Expert <input type="checkbox"/> Observer <input type="checkbox"/> Other, please specify:
Area of expertise (N/A if observer & other)	Forestry, Plantation Management