

PRIMA CERT INTERNATIONAL SDN BHD (1107878-A)

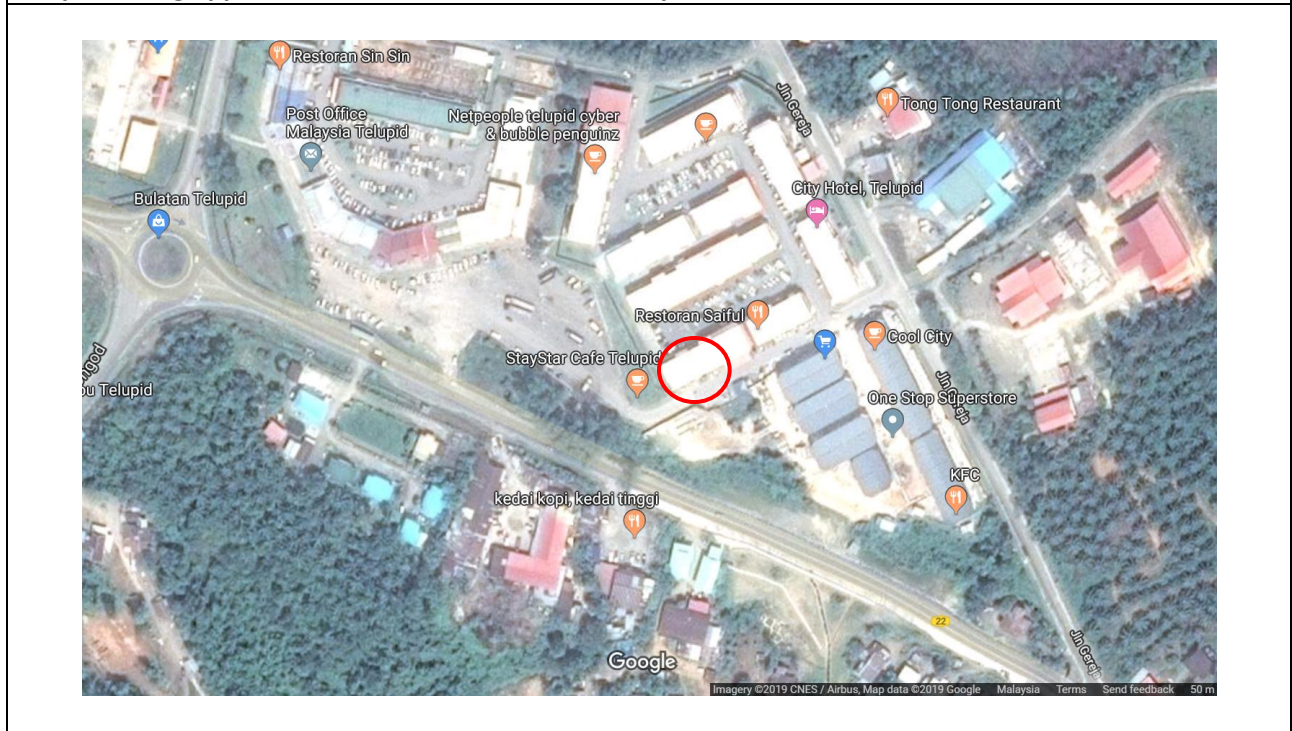
5A, Jalan Anggerik Eria AU 31/AU
 Kota Kemuning, 40460 Shah Alam
 Selangor, D. E. Malaysia
www.pci.com.my / +603-5525 8359

**MSPO Audit Summary**

Company Name:	SPOC Entilibon & Tongod (S18)
Address:	MPOB Cawangan Telupid, Tingkat Bawah, Blok J, Lot 6, Telupid, 89300 Sandakan, Sabah
Reference No.:	100027
Standard(s):	MS 2530-2:2013
MPOB licence no: (for group certification, list all licences no. in the group)	Contact PCI for detail
MPOB licence scope of activity:	FFB harvesting
MPOB Licence expiry date:	Contact PCI for detail
Audit Type:	<input checked="" type="checkbox"/> Stage 2 Audit <input type="checkbox"/> Surveillance Audit <input type="checkbox"/> Re-certification Audit
Audit scope:	Oil palm independent smallholder group management.
Sites sampled: (for group certification only)	8 smallholders (SH6, SH7, SH8, SH17, SH19, SH24, SH29, SH35)

GPS Coordinate: N 5° 37' 34.612" E 117° 7' 58.735"

Map showing approximate location of certified entity:



Audit date:	12/11/2018 to 13/11/2018
Total number of man-day(s):	4.0 man-day(s)

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(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable 190.265 ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input type="checkbox"/> Not applicable 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 checked="" type="checkbox"/> Not applicable dd/mm/yyyy to dd/mm/yyyy
Please state if the organization certified for other sustainability scheme(s)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, _____

Executive Summary

The 50 smallholders had indicated their consent through MPOB, 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. As had been noted elsewhere among other smallholders, the financial resources were a limiting factor among some smallholders in the purchase 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 was the administrator of a WhatsApp group Penanam Sawit Tongod (which included non-SPOC smallholders in Entilibon) to disseminate latest information.

The Group Manager was responsible for initiating Improvement Plans. 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. The frequent excuse given was that they had not received the Buku Rekod Ladang. They were required by the Group Manager to submit or communicate information on their total FFB sales for the month but not all were found able to do so.

There was 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

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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 this Stage 2 Audit. Smallholders were given awareness briefing on safety and health including usage of proper PPE.

Farms were a family-owned and managed 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.

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. Smallholders could opt to sell their FFB to either Veetar or Bestasawit private ramps.

A trend noticed among the smallholders interviewed in the sample was the reliance on grass cutting to keep weeds down and to reduce cost on chemical spray. Although acceptable and environment-friendly, they were advised that resistant weeds like lallang and those with woody tissues needed more potent treatment.

Overall SPOC Entilibon-Tongod S18 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.	The organizational structure and strength of the MPOB office in Telupid
2.	Trained MPOB staff in handling extension services to smallholders
3.	A Group Manager who has clear support and respect from the smallholders
4.	Logistics assets to support implementation of SPOC development
5.	Good practices prevalent among smallholders
6.	Knowledgeable and committed owners/smallholders

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	Group Manager to maintain correct and enough information for ease of retrieving of information and traceability.
2.	Group Manager to acquire updated information from smallholders including sales of FFB, fertilizer and chemical purchase.
3.	Group Manager to indicate and complete the checklist on receipt of Warta Sawit by the smallholders.

Listing of nonconformity (NCR)

No	Clause	NCR Statement	NCR status
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1.	4.5.3.1	<p><i>The MS 2530-4:2013 clause 4.5.3.1 states: "All waste products and sources of pollution shall be identified."</i></p> <p><i>Some smallholders do not understand that domestic waste is a source of pollution and fail to practice proper disposal.</i></p> <ul style="list-style-type: none"> • <i>Admission to burning of rubbish – Misi Sibat</i> • <i>Admission of rubbish thrown into river – Kassim bin Belongku</i> 	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.6.1	<p><i>All independent smallholders oil palm farms shall implement best practices such as the MPOB Codes of Practice, Malaysian Standards or ISO Standards and the Kod Amalan Baik (GAP) Pekebun Kecil.</i></p> <p><i>Some aspects of Best Practices were found not conformed completely, including:</i></p> <ol style="list-style-type: none"> 1. <i>VOP on the ground – Sindam Ruanti</i> 2. <i>VOP on palm trunk – Langkabi Jimpi @ Betty</i> 3. <i>Symptoms of nutrient deficiency – Kassim Belongku</i> 4. <i>Tall Doubletons – Misi Sibat</i> 5. <i>Lalang not eradicated – Elson, Tukin, Langkabi</i> 6. <i>To practice establishment of cover crop in new planting (replanting) – Tamrid Taming</i> 7. <i>8. Damaged fronds due to beetle attacks: Tukin, Elson @ Gongosan Taming</i> 8. <i>Asystasia spraying ineffective – Tukin Bangilon</i> 9. <i>Weeding behind schedule – Tukin Bangilon</i> 10. <i>Yellowing palms – Tukin, Kassim</i> 11. <i>Pruning not done flushed to the palm base – Langkabi</i> 12. <i>Broad leaves to be removed – Sindam</i> 	<input type="checkbox"/> Open <input checked="" 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.
<p>Remarks:</p> <p><i>The general perception of the 2 gentlemen was that gathering the smallholders into a sustainable cluster under MPOB and to follow MSPO requirements had brought positive values in managing oil palm cultivation on a family scale.</i></p>	

Certification recommendation

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

<input type="checkbox"/> Issuance of the certificate.
<input checked="" type="checkbox"/> Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
<input 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.

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Tentative next audit date:	11/2019
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Company Representative	
Designation:	<input type="checkbox"/> Mr. <input checked="" type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Nooranirazlyne bte Osman
Position:	Group Manager
Tel:	+6016-842 6492
Email:	nera@mpob.gov.my
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Forestry, plantation management, health & safety, EIA expert
Tel:	+603-5525 8359
Email:	info@pci.com.my
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