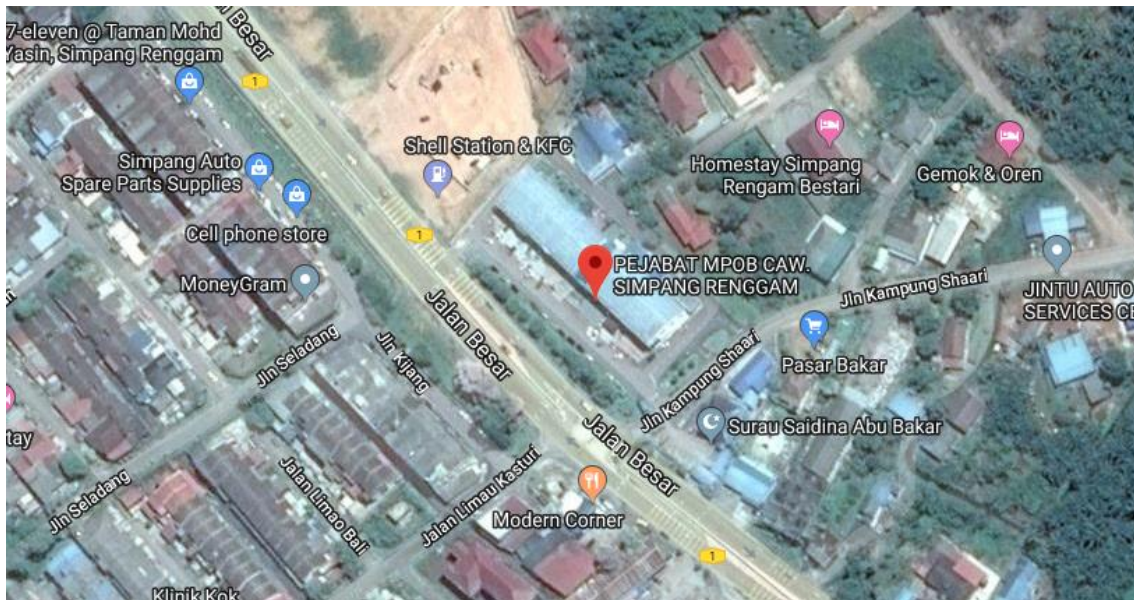


MSPO Audit Summary

Company Name:	SPOC Sedenak, Bukit Batu (J9)
Address:	MPOB Cawangan Simpang Renggam, No.6, Tingkat 1, Bangunan Cemara, Jalan Cemara, 86200 Simpang Renggam, Johor Darul Takzim
Reference No.:	100032
Standard(s):	MS 2530-3:2013
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 (SH1, SH2, SH4, SH5, SH7, SH25, SH26, SH27, SH41)

GPS Coordinate:	N 1° 49' 15.791" E 103° 18' 59.349"
Map showing approximate location of certified entity:	



Audit date:	04/11/2018 to 05/11/2018
Total number of man-day(s): (for MSPO Part 2 & Part 3)	4.0 man-day(s) <input type="checkbox"/> Not applicable

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Planted Area:	131.31 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 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

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 a WhatsApp group to disseminate latest information. Both WhatsApp and Facebook were used to broadcast notices.

The Group Manager planned and conducted regular site visits and GAP seminars. 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.

All smallholders 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.

As for written complaints and grievances, only one had been received by the time of this Stage 2 Audit. A smallholder had sought advice about rhinoceros beetle attacks on his palms. The Group Manager had

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immediately responded by advising him to spray a solution of Biocus EC 025 on the infected palms. Smallholders had recourse to use any of 3 options to forward their grousers or suggestion:

- a) MPOB website - www.mpob.gov.my (e-aduan),
- b) MPOB branch office (verbally & filling up the Borang Aduan dan rungutan (doc. no. F-01/AR/2016) and
- c) Suggestion box.

Smallholders were given awareness briefing on safety and health including usage of proper PPE at seminars such as the one held at Balai Raya Bukit Batu on 28/01/2018 attended by 20 smallholders. At such seminars, smallholders were made aware of government rulings on protected species and protection of the environment.

Farms were mostly managed as family-owned with a reliance on family members for manpower. Workers hired were casual labourers on an as-and-when required basis. Generally piece-rated (by tonnage of FFB harvested), employee and employer verbally reached mutually agreeable terms and conditions. This process was found to be in order after interviews at site.

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 have access to information via WhatsApp as well as updates on the latest price and OER from the nearby 5 collection centres and one oil mill (Kilang Sawit Mahamurni Sdn Bhd).

Overall SPOC Sedenak (J9) 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.	Easily accessible information
2.	Smallholders manifested good organization, evident of good interaction with the Group Manager
3.	Well established infrastructure contributory to efficient management and facilitating contacts between all stakeholders

Listing of improvement potential / opportunities for improvement (OFI)

No	OFI Statement
1.	Exposed blade of harvesting sickle posed a risk of injury to personnel when extracting the tool from the store as sighted at the holding of Hj Zainuddin.
2.	Mr Tan Kuan Eng whose smallholding adjoins a main road, may be advised to put up a "No Dumping of Rubbish in Private Property" to alert potential litterbugs against indiscriminate waste disposal.
3.	The "Inventori Pemantauan Spesis Haiwan Terlindung dan Terancang SPOC J9" does not have a reference no. and effective date.
4.	VOPS sighted at the holdings of Hj Sulaiman Suradi & Hj Mohamad bin Salim indicated that there was incomplete collection of loose fruits.

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5.	<i>Site management maybe better enhanced with proper housekeeping with regards to solid waste (discarded drinking bottles) seen at the smallholdings of Hj Kalambit Salim.</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>The opinions and views expressed by both stakeholders were positive with no specific issues raised.</i>	

Certification recommendation

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

<input checked="" 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 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:	10/2019
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Company Representative	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	En Mohamad Abdul Jabbar Bin Marjan / En Mohammad Shahrul Fikri Badarisham
Position:	Penolong Pegawai Penyelidik / Group Manager
Tel:	+6017-7745 425 (En Jabbar)
Email:	abduljabbar@mpob.gov.my / fikri@mpob.gov.my
PCI Audit Team Leader	
Name:	Dominic Retan Giah
Area of expertise	Plantation management; Safety, health and environment; EIA Expert
Tel:	+603-5525 8359
Email:	info@pci.com.my
PCI Audit Team Member 1	
Name:	Daman Huri Mohammad
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)	Management systems, Environment, Safety & Health, Training consultancy