

## MSPO Audit Summary

Company Name:	<b>SPOC Layang-Layang 2 - Bukit Nyamuk/ Felda Layang-Layang/ Bukit Besi Bt. 39/ Rengam (J8)</b>
Address:	<b>Pejabat MPOB Cawangan Simpang Renggam No. 6, Tingkat 1, Bangunan Cemara, Jalan Cemara, 86200 Simpang Renggam, Johor</b>
Reference No.:	<b>100065</b>
Standard(s):	<b>MS 2530-2:2013</b>
MPOB licence no: (for group certification, list all licences no. in the group)	<b>1. Contact PCI for detail</b>
MPOB licence scope of activity:	<b>1. FFB Harvesting</b>
MPOB Licence expiry date:	<b>1. Contact PCI for detail</b>
Audit Type:	<input checked="" type="checkbox"/> <b>Stage 2 Audit</b> <input type="checkbox"/> <b>Surveillance Audit</b> <input type="checkbox"/> <b>Re-certification Audit</b>
Audit scope:	<b>Provision of oil palm plantation, including planting, harvesting and delivery of palm fresh fruit bunches (FFB).</b>
Sites sampled: (for group certification only)	<b>Contact PCI for detail</b>

**GPS Coordinate:** 1.821058, 103.316530

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



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Audit date:	<b>30/06/2019 to 02/07/2019</b>
Total number of man-day(s):	<b>7.0</b> man-day(s)
(for MSPO Part 2 & Part 3) Planted Area:	<input type="checkbox"/> Not applicable <b>566.7</b> ha.
(for MSPO Part 2 & Part 3) Estimated tonnage of annual FFB produced:	<input checked="" 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 <b>dd/mm/yyyy to dd/mm/yyyy</b>
Please state if the organization certified for other sustainability scheme(s)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, _____

**Executive Summary**

This stage 2 audit assessment was carried out on sampling basis for 200 smallholders within the MPOB layang2 J8 group. A total of 22 smallholder's had been sampled. The smallholders had indicated their consent to participate in the certification scheme by submitting the borang permohonan pensijilan minyak mampan Malaysia. The MSPO policy was stated in the MSPO Application form. MPOB Good agriculture practices checklist were included in the form. The Smallholders general awareness regarding the objectives and the standard requirement related to MSPO was noted during the interviews carried out during the site visit assessment.

Series of Talimat related to the MSPO requirements such as Amalan pertanian baik and MPOB – Prinsip am untuk pekebun kecil were done accordingly. However, the Group Manager might consider the needs of documenting the defined action plan related to talimat and other activities for better monitoring and follow up. Sighted publications regarding updates on the industry maintained by the group manager for group members. The group manager however might consider the use of technology for the purpose of better knowledge dissemination to group member.

Through sampling made, most of the smallholders do maintain proper records. Receipts of purchases and sales were seen in each individual file. The smallholder's crop was delivered to the collection centre in a manner that was traceable to its origin.

Awareness of smallholders regarding the importance of complying with the legal requirements was noted. All of the smallholders assessed had a valid MPOB license relevant to their trading activity. Land title were available for all the smallholders and there were no land disputes as per

assessed. Land titles with different land usage rights were identified and listed out to be referred to the land office for further consultation.

As per interviewed sessions, smallholders were aware on the methods of lodging a complaint or suggestion. Normally these complaints were reported verbally and followed up by the group manager through the lawatan khidmat nasihat.

Regarding safety and health among the smallholders during their work activities, it was noted sufficient knowledge among them on the importance of wearing PPE, however the effectiveness of the PPE used could be reviewed to avoid possible chemical health incidents.

The smallholder's fields were mostly managed by their families or themselves. Rates of pay were communicated well before the work assignment. Most of the time works were paid on piece rated basis. Due to the existence of a number of collection centres, prices of FFB/mt were sighted to be competitive and most of the collection centres offered maintenance services such as harvesting, spraying and manuring. No sign of child labour was sighted during the audit assessment.

Interviews conducted manage to note the environmental awareness among the smallholders. The group manager had listed out the agricultural input and waste generated by the smallholders. Empty chemical containers were managed accordingly by the smallholders. Most of the smallholder's domestic waste was collected and disposed by the municipal.

There were no intrusion of rare species or endangered animal as per site visit assessment or records from smallholders in SPOC Layang – layang J8. Common animals sighted and recorded were Monkeys, squirrels and wild boars.

Zero burning during land preparation without any prior consent from the authority is prohibited as stated in the MSPO application form. However, during the site visit assessment, it was sighted traces of burnt palm chippings in a small plot of one of the smallholders.

Site visit assessment noted good field upkeep and good smallholder's awareness in upholding best practices in managing their fields. However, few fields visited do require further improvement actions as per Good Agriculture Practices guidelines. Prices of FFB were mainly communicated by the collection centres on monthly basis. Crop delivered to the mills from different smallholders were either in separate transport or segregated in partitions to avoid dispute. Works are paid on piece rated and normally briefed before execution of work. The form Senarai harga upah in each individual smallholder's file listed the price for each work.

During the sight visit assessment, no replanting works were sighted.

In general SPOC Layang-layang is implementing a management system that is fulfilling the requirement of MSPO standards with some improvement areas as outlined below.

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

No	Strength Statement
1.	<i>Each Smallholder registered for MSPO was assigned with a Reference No. for easy file and information retrieving.</i>
2.	<i>FFB Dealers were actively involved in disseminating information and awareness regarding MSPO</i>
3.	<i>Fair and higher price for the FFB delivered to FFB Collection centre were noted in J8. This was due to the existence of many FFB collection centre thus the competitive price.</i>
4.	<i>Good relationship among the group managers and smallholders</i>
5.	<i>Mutually benefitting business rapport exists between the smallholders and the FFB Collection centres.</i>
6.	<i>The smallholders in SPOC J8 have developed a proactive solution to labour shortage by interacting with the collection centre.</i>

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

No	OFI Statement
1.	<i>To consider documentation of the defined action plan related to talimat and other activities for better monitoring and follow up.</i>
2.	<i>To consider using social media (Whatapp) to continue distribute new information / technique to Perkebun Kecil for more effective way to disseminating information continuously.</i>
3.	<i>Ensuring used tyres do not collect water and thereby becoming a breeding area for mosquitoes can promote better hygienic conditions near the shelter area.</i>
4.	<i>There was awareness on using PPE during chemical spraying among the smallholders. However, the use of proper/complete PPE during chemical spraying could be enhanced to avoid chemical health incidents.</i>
5.	<i>Storage of chemical and chemical mixing activity can be further improved by carrying out the activities at designated area for more robust implementation.</i>
6.	<i>The smallholders might consider to review the control for domestic waste disposal to have a better field upkeep.</i>
7.	<i>The group manager could consider to enhance the control of woody broad leaves and circle weeding control according to the GAP for better site management upkeep and fruit recovery</i>

**Listing of nonconformity (NCR)**

No	Clause	NCR Statement	NCR status
1.	4.5.6.1	<i>Evidence that open burning had been carried out was detected in the estate of 1) Mr Lai Veen Long (burning of palm chippings in 1 small spot of the area).</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close
2.	4.6.1.1	<i>During the time of audit 1. at the field of En Huzali, it was sighted uncollected Loose fruits at the palm base of a few palms in his field. 2. VOPs were sighted at the palm base of Pn Robiah.</i>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Close

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	<p>Reference to Good Agriculture Practice No. 24 stated: Semua Buah lerai mesti dikutip.</p> <ul style="list-style-type: none"> <li>Tidak terdapat biji lerai dan anak benih liar di Kawasan kebun.</li> </ul>	
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**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>Based on interviews with relevant stakeholders, there is no issue highlighted related to social, environmental, and land. No issue with any foreign workers nearby as most of field workers are local, no issue on environmental from smallholders and Bomba do not found any issue of open burning from smallholders for any replanting activity. No land dispute was noted as per interviewed with ketua kampung and pusat timbang who help to manage some of the smallholder's field activities.</i>	

**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.

Tentative next audit date:	<b>07/2020</b>
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Company Representative	
Designation:	<input type="checkbox"/> Mr. <input checked="" type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Zurina Binti Mohamad
Position:	Group Manager
Tel:	017 7580 903
Email:	<a href="mailto:zurina.mohamad@mpob.gov.my">zurina.mohamad@mpob.gov.my</a>
PCI Audit Team Leader	
Name:	Lim Aik Loong
Area of expertise	Social Economic, Quality Management, Business Management
Tel:	+603-5525 8359
Email:	<a href="mailto:info@pci.com.my">info@pci.com.my</a>
PCI Audit Team Member 1	
Name:	Muhammad Khaidir Bin Zulkornain
Position:	<input type="checkbox"/> Co-Auditor <input type="checkbox"/> Auditor-in-Training <input checked="" type="checkbox"/> Lead Auditor-in-training <input type="checkbox"/> Observer <input type="checkbox"/> Other, please specify:
Area of expertise (N/A if observer & other)	Plantation management, management system
PCI Audit Team Member 2	
Name:	

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Position:	<input 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)	