

## MSPO Audit Summary

Company Name:	SPOC Machap / Ulu Benut (J6)
Address:	Pejabat MPOB Cawangan Simpang Renggam No. 6, Tingkat 1, Bangunan Cemara, Jalan Cemara, 86200 Simpang Renggam, Johor
Reference No.:	100066
Standard(s):	MS 2530-2:2013
MPOB licence no: (for group certification, list all licences no. in the group)	1. Contact PCI for detail
MPOB licence scope of activity:	1. FFB Harvesting
MPOB Licence expiry date:	1. 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:	Provision of oil palm plantation, including planting, harvesting and delivery of palm fresh fruit bunches (FFB).
Sites sampled: (for group certification only)	Contact PCI for detail

**GPS Coordinate:** 1.821058, 103.316530

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



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

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 Selangor, D. E. Malaysia  
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Audit date:	<b>02/07/2019 to 04/07/2019</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>439.93</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 SPOC Machap / Ulu Benut J6 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.

Awareness seminars regarding matters related to MSPO were carried out among the smallholders. Communication and distribution of information regarding new technology or MSPO related matters were extended to the use of media such as whatsapp, giving copies of Warta Sawit and dissemination of leaflets and slide handouts during the MSPO awareness seminar.

Personal information of smallholders was kept in each individual file including the MPOB licenses, samples of records of transactions and receipt purchases of agrochemicals. Noted during site visit assessment the transparent practice of FFB transport from field to mill/FFB collection centre.

A list of legal acts or requirements were established through Senarai Keperluan undang – undang issue no 1 for SPOC J6. Documents assessment and interview sessions carried out noted the awareness of smallholders on importance of legal compliance. All smallholders possess a valid MPOB license permitting their operational activities. On land use right matters, the group management had listed 70 smallholders to be further consulted on the needs of land use rights amendments.

Complaints regarding matters among or related to smallholders are usually managed by the group manager. Borang aduan dan rungutan was established and made available at the MPOB's Office.

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Series of briefings regarding safety was planned and carried out accordingly. Awareness level of workers on safety related issues such as wear of PPE were abundant as per interview sessions carried out. Majority of the field operational works such as harvesting, and manuring were executed by themselves with assistance of other family members or appointed FFB collection centres. The practice of outsourcing labour to collection centres not only diminishes the responsibility of smallholders to provide worker’s housing but also addresses the labour shortage issue faced by many of them. Works and rates of pay were agreed prior to execution of work. Sighted the use of Terma penggajian pekerja and –syarat mengupah pekerja di kebun kelapa. No child labour was sighted during site visit and document assessment.

Environmental awareness was raised among the smallholders through briefings such as the one held at Dewan Orang Ramai Renggam that was participated by 151 smallholders. Noted the general awareness of smallholders in managing their operational wastes. Documentation assessment sighted Senarai sisa racun dan domestik which identifies the types of waste generated by the smallholders. However, base on site visit assessment, the group manager might consider the needs to enhance control on domestic waste disposal methods.

The existence of rare, threatened and endangered species animals was not available in SPOC Machap/Ulu Benut. In the event of such sightings or human wild life conflict, the smallholders were aware to inform the relevant local authority such as forestry or wildlife department for assistance. Members of SPOC Machap/Ulu Benut were made aware of illegal burning during land preparation. Such practices were not sighted during the site visit assessment.

Smallholders assessed maintained a buku rekod ladang for the purpose of recording monthly sales of FFB. The assessment noted the crop and prices trend for the smallholders. Smallholders site management was based on Good Agriculture Practice guidelines from MPOB. Field boundary markers were available in smallholders with bigger land area. However, smallholders with small plots of land maintained their perimeter boundary by practices of frond stacking or construction of field drains. No land disputes were recorded during the assessment.

No new planting available during assessment.

In general SPOC Machap / Ulu Benut is implementing a management system that is fulfilling the requirement of MSPO standards.

**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 J6. 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>

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6.	<i>The smallholders in SPOC J6 have developed a proactive solution to labour shortage by interacting with the collection centre.</i>
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**Listing of improvement potential / opportunities for improvement (OFI)**

No	OFI Statement
1.	<i>The group manager might consider to enhance the control on domestic waste disposal methods among the smallholders for better site upkeep management.</i>
2.	<i>The smallholders/FFB collection centres might consider the needs to document the rates of payment for each services/works employed for better transparency.</i>
3.	<i>The group manager might consider to consult land office on the needs to amend the specific terms and condition stated in the land title for each smallholder if necessary, in order to prevent incompliance of land use rights.</i>

**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.
<b>Remarks:</b> <i>The collection centre has served as a conduit of information between MPOB and the smallholders due to its constant contact with FFB suppliers. To maintain loyalty with its suppliers, the collection centre has to diversify its business activities from merely being a purchaser of FFB to a provider of other essential services that the smallholder requires particularly manpower.</i>  <i>The local headman also performs as a distributor of information being well connected with the government administration but feels the constraint of delivering specific material especially with respect to MSPO.</i>  <i>Both parties acknowledge that the implementation of the certification scheme has brought changes in oil palm plantation management in terms of transparency and observation of safety and health. Other smallholders however have yet to sign up for the scheme.</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.

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Tentative next audit date:	<b>07/2020</b>
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<b>Company Representative</b>	
Designation:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Other, please specify:
Name:	Mohd Isdarul Bin Abd Rahman
Position:	Group Manager
Tel:	012 7610 568
Email:	<a href="mailto:mohd.isdarul@mpob.gov.my">mohd.isdarul@mpob.gov.my</a>
<b>PCI Audit Team Leader</b>	
Name:	Dominic Retan Giah
Area of expertise	Forestry, Plantation Management, Health & Safety, EIA Expert
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<b>PCI Audit Team Member 1</b>	
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
<b>PCI Audit Team Member 2</b>	
Name:	Lim Aik Loong
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)	Social Economic, Quality Management, Business Management
<b>PCI Audit Team Member 3</b>	
Name:	Tee Kee Hu
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)	Environmental, Health & Safety and HIRARC