



# PLATINUM SHAUFFMANTZ VERITAS

Reliable And Practical Certification

## PUBLIC SUMMARY REPORT

MS 2530-3 : 2013

Malaysian Sustainable Palm Oil (MSPO)

Part 3: General Principles For Oil Palm Plantations And Organised Smallholders

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**NAME OF CLIENT** : FELCRA BERHAD ZON B5 SRI AMAN  
**STANDARD** : MS 2530-3:2013  
**DATE OF -**  
**INITIAL AUDIT STAGE 1** : 21<sup>st</sup> NOV 2018  
**INITIAL AUDIT STAGE 2** : 14<sup>th</sup> – 16<sup>th</sup> DECEMBER 2018

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**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3:2013

File No.:  
MASMSPO101023

Client:  
FELCRA BERHAD ZONE B5  
SRI AMAN

Page  
1

<b>Table of Contents</b>	<b>Page</b>
<b>1.0 Audit Process</b>	
1.1 Objective	2
1.2 Scope	2
1.3 Appointment of team members and reviewer	2
1.4 Audit Plan	2
<b>2.0 Methodology</b>	
2.1 Description of the certification unit	3
2.2 Description of the supply base (including planting profile)	3
<b>3.0 Organisation Information</b>	
3.1 Organisation Information / Contact Person(s)	3
3.2 Production volume	3
3.3 Planting Program for Each Estate	3
3.4 Replanting program for each estate	4
3.5 Maps of Company Location, Plantations and Organised Smallholders	4
<b>4.0 Certification Assessment</b>	
4.1 Stage 1 Audit	5
4.1.1 Stage 2 – Certification audit:	5
4.1.2 Status of Non-Conformities Previously Identified	5
4.2 Stakeholders' Consultation	6
4.3 Status of Non-Conformities Previously Identified	6
<b>5.0 Conclusion</b>	
5.1 Detail List of Audit Finding	7
<b>6.0 Recommendation</b>	7
<b>7.0 References (List of Attachments)</b>	
<b>8.0 Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities</b>	



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

**Standard:**  
MS 2530-3:2013

**File No.:**  
MASMSPO10101023

**Client:**  
FELCRA BERHAD ZONE B5  
SRI AMAN

**Page**  
2

### 1.0 Audit Process

#### 1.1 Objective

The objectives of this audit are:

- To confirm that the management system conforms with all the requirements of the audit standard
- To confirm that the organisation has effectively implemented the planned management system
- To confirm that the management system is capable of achieving the organisation's policy and objectives.

#### 1.2 Scope of Certification

- Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches

#### 1.3 Appointment of team members and reviewer (Qualification of audit team)

No.	Member of Audit Team	Role / area of MSPO Requirements	Qualification
1.	Hairulnizam Ramlan	Lead Auditor	MSPO, ISO, IMS, OHSAS 19001
2.	Syajaratul Nur binti Kamal	Auditor	MSPO, ISO, IMS

#### 1.4 Audit Plan

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

**Standard:**  
**MS 2530-3:2013**

**File No.:**  
MASMSPO10101023

**Client:**  
**FELCRA BERHAD ZONE B5**  
**SRI AMAN**

**Page**  
**3**

**2.0 Methodology (Scope of Certification Audit)**

**2.1 Description of the certification unit**

Reference for Audit Criteria:

Part 3: General principles for oil palm plantations and organized smallholders

Assessing past implementation from quality records that are required by the standard. (PAPER)

Assessing current implementation from observing current practices. (PRACTICE)

Assessing future maintenance from interviewing personnel on understanding and assessing competencies. (PEOPLE)

**2.2 Description of the supply base**

No	Name of Estate(s)	Planted Area (Ha)
1	Estate Gedong	1,350.77
2	Estate Dor Klauh	4,824.71
3	Estate Ever Herald	4,962.11
	<b>Total</b>	<b>11137.59</b>

**3.0 Organisation Information**

**3.1 Description of the certification unit**

Federal Land Consolidation and Rehabilitation Authority or FELCRA was established under the Act (incorporating)

The National Land Rehabilitation and Consolidation Authority of 1966 enforced on April 1, 1966. The goal is to develop rural sectors by helping the residents participate in economic activities and to improve their living standards and the value of their lives. The task given is to restore and advance any government land in its own right with approval or at the request of state and any other land at the request of the landlord according to mutually agreed terms. On 1<sup>st</sup> September 1997, FELCRA was corporatized and changed its name to FELCRA Berhad and its status was switched from a statutory body to an owned company full of government. The conversion of this corporate entity allows FELCRA Berhad goes into line with new business lines with National Development aspirations.

FELCRA Berhad – Zone B5 is located at Sarawak. This zone has 3 estates which is Estate Gedong as a group manager, Estate Dor Klauh and Estate Ever Herald. These 3 estates were from districts of Sri Aman which is three hours from Kuching. Total hectares for all three estates were 10,843.14 hectares.



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

**Standard:**  
MS 2530-3:2013

**File No.:**  
MASMSPO10101023

**Client:**  
FELCRA BERHAD ZONE B5  
SRI AMAN

**Page**  
4

**3.2 Description of the supply base (including planting profile)**

- The certified estate is owned by FELCRA Berhad Zone B5, Sarawak.
- The details of estates:

Name of Supply Base	Coordinate	
	Latitude (N)	Longitude (E)
Estate Gedong	1.206725	110.675435
Estate Dor Klauh	1.183465	111.398247
Estate Ever Herald	1.417364	111.325269

**3.3 Production Volume**

Name of Estate	2018		FFB Budget 2019 Mt/Ha
	Total FFB (Mt)	FFB Production (mt/ha)	
Estate Gedong	24,323.95	18.00	18.98
Estet Dor Klauh	72,797.39	15.93	18.00
Estate Ever Herald	29,156.78	5.86	11.20



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
MS 2530-3:2013

File No.:  
MASMSPO10101023

Client:  
FELCRA BERHAD ZONE B5  
SRI AMAN

Page  
5

**3.4 Planting year details for each estate**

**Ladang Gedung**

Year / Estate (Planted Year)	GEDONG 1	GEDONG 2	LADANG RAKYAT TANAH PUTEH		Grand Total (Ha)
2001	406.92				
2004		749.85	194.00		
<b>Total</b>	<b>406.92</b>	<b>749.85</b>	<b>194.00</b>		<b>1,350.77</b>

**Ladang Dor Klauh**

Year / Estate (Planted Year)	FASA 1	FASA 2	FASA 3	FASA 4	Grand Total (Ha)
2002	974.49				
2003		1,003.02			
2006			1,320.10		
2006				1,527.10	
<b>Total</b>	<b>974.49</b>	<b>1,003.02</b>	<b>1,320.10</b>	<b>1,527.10</b>	<b>4,568.56</b>

**Ladang Ever Herald**

Year / Estate (Planted Year)	FASA 1	FASA 2	FASA 3	FASA 4	Grand Total (Ha)
2011	1,100.00				
2012		1,700.00			
2013			1,700.00		
2014				462.11	
<b>Total</b>	<b>1,100.00</b>	<b>1,700.00</b>	<b>1,700.00</b>	<b>462.11</b>	<b>4,962.11</b>



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

Standard:  
 MS 2530-3:2013

File No.:  
 MASMSPO10101023

Client:  
 FELCRA BERHAD ZONE B5  
 SRI AMAN

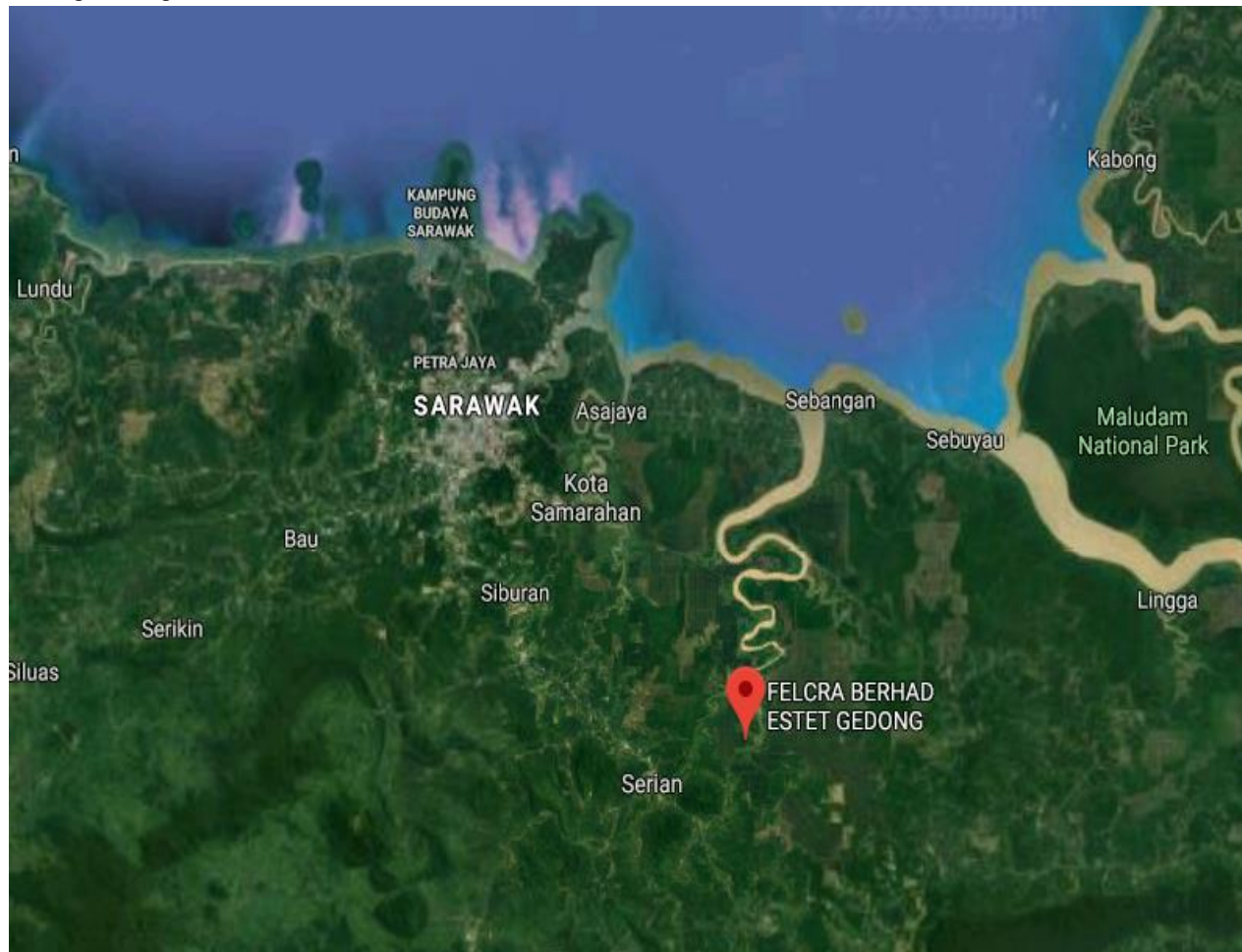
Page  
 6

**3.5. Replanting program for each estate:**

Year of replanting	Planted area (ha) in each estate								Total area to be replanted (ha)
	2018	2019	2020	2021	2022	2023	2024	2025	
Ladang Gedung	Not Applicable								
Ladang Dor Klauh	Not Applicable								
Ladang Ever Herald	Not Applicable								

**3.6. Maps of Company Location, Plantations and Organised Smallholders**

**Ladang Gedung**





**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

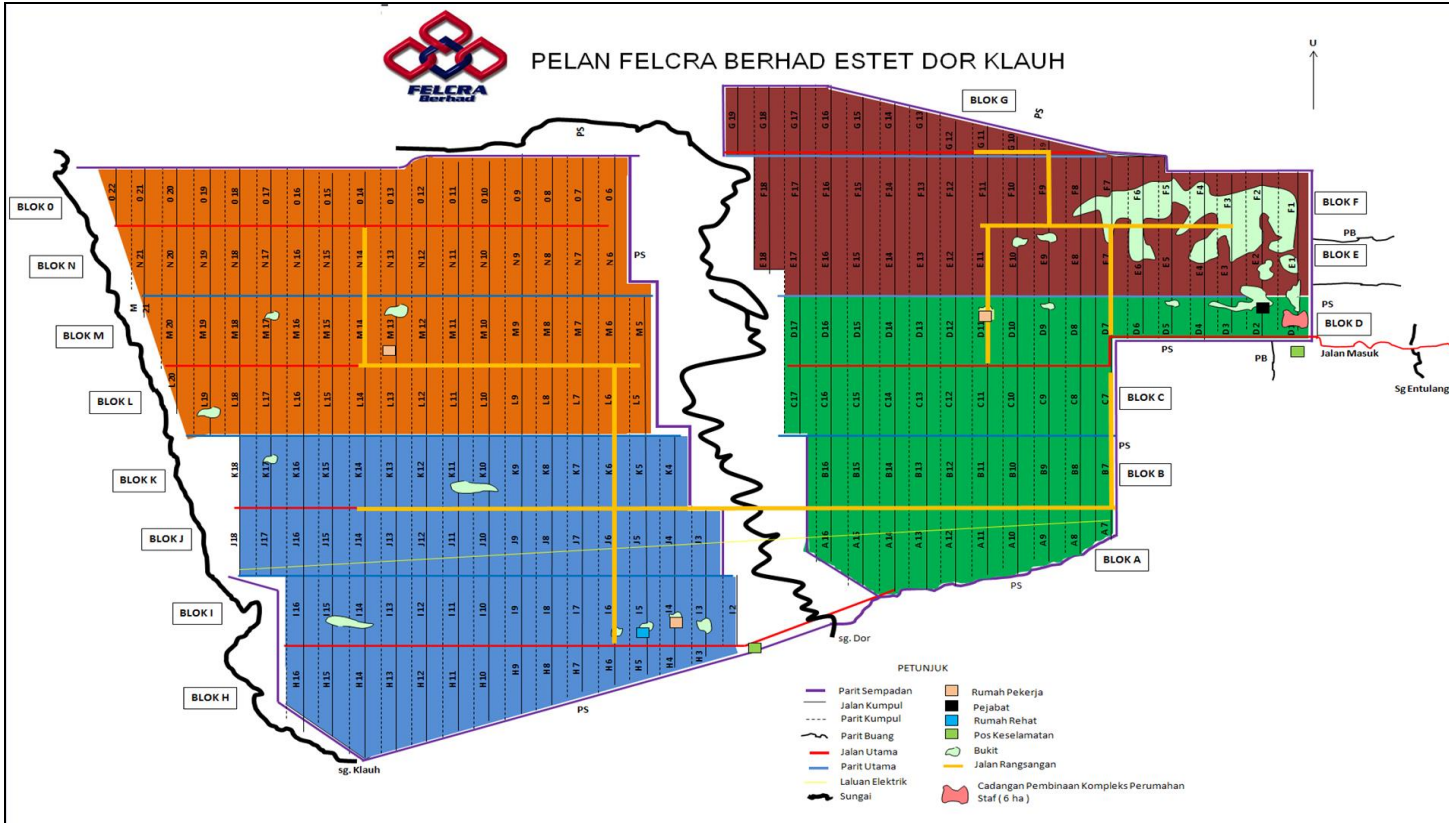
Standard:  
 MS 2530-3:2013

File No.:  
 MASMSPO10101023

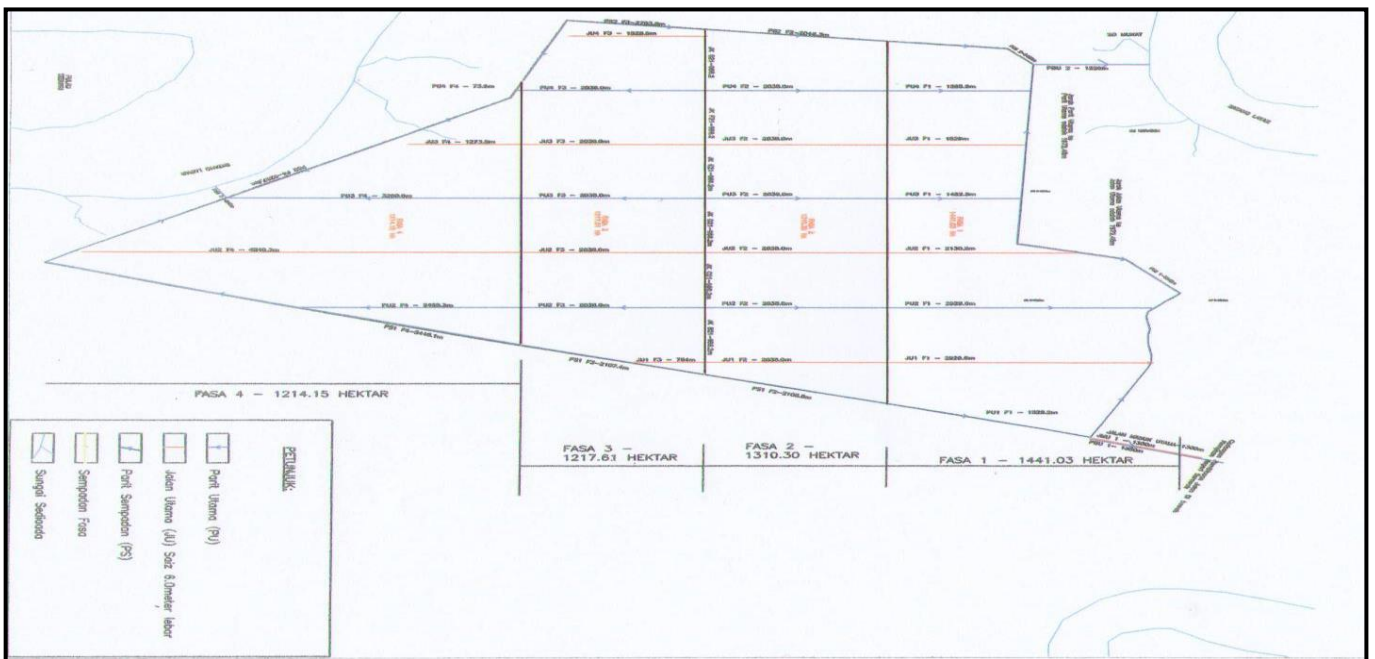
Client:  
**FELCRA BERHAD ZONE B5**  
**SRI AMAN**

Page  
 7

**Ladang Dor Klauh**



**Ladang Ever Herald**







**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

**Standard:**  
**MS 2530-3:2013**

**File No.:**  
MASMSPO10101023

**Client:**  
**FELCRA BERHAD ZONE B5**  
**SRI AMAN**

**Page**  
**8**

#### 4.0 Certification Assessment

##### 4.1 Stage 1 Audit

- The Stage 1 audit was conducted on 21<sup>st</sup> November 2018
- The objective of the Stage 1 is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders)
- According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which do not have any certification or those having management system certification e.g. ISO, COP.
- These organizations shall undergo both Stage 1 and Stage 2 audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage 1 audit was conducted on 21<sup>st</sup> November 2018 at Estate Gedong and covering the following activities:
  - Onsite interviews and inspections;
  - Review of documentation for compliance to relevant P & C requirements for plantation
  - Reporting of issues concern during Stage 1 audit

##### 4.1.1. Stage 2 – Certification audit:

- The Stage 2 audit was conducted on 14<sup>th</sup> – 16<sup>th</sup> December 2018
- The objective of the Stage 2 is to assess the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders)
- According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which do not have any certification or those having management system certification e.g. ISO, COP.
- These organizations has done Audit Stage 1 and 2 audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage I audit was conducted on 14<sup>th</sup> – 16<sup>th</sup> December 2018 and. covering the following activities:
  - On site interviews and inspections;
  - Review of documentation for compliance to relevant P & C requirements for plantation
  - Reporting of issues concern during Stage 2 audit



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

**Standard:**  
**MS 2530-3:2013**

**File No.:**  
**MASMSPO10101023**

**Client:**  
**FELCRA BERHAD ZONE B5**  
**SRI AMAN**

**Page**  
**9**

**4.2 Stakeholders' Consultation**

4.2.1 A stakeholders' consultation meeting was conducted on 14<sup>th</sup> August 2018 to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

The topics of discussion are as below:

- a. Introduction
- b. Development of oil palm plantations
- c. Community service and support provided wildlife management and wildlife corridor
- d. Type of wildlife sighted.
- e. Local communities' development.

4.2.2 The following relevant Principles & Criteria of the applied standard have discussed during the stakeholders' consultation:

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1.	Payment for FFB	Payment monthly to be paid earlier than current practice (1st week of the month).	Action is taken and implemented with the supervision of assistant manager and all actions are recorded in the CAR form and closed with evidence of action taken.
2.	Security post	Reactive back the "Pondok Polis".	
3.	Pest & Disease	Slow action taken to overcome the <i>Ganoderma</i> Disease problem.	
5.	Housing	Request for repairing all the irrigation system surrounding housing area.	
6.	FFB Quality	Delayed on FFB collection (2-3 days) due heavy downpour (rainfall). Road repair matters.	

**4.3. Status of Non-Conformities Previously Identified :**

Kindly tick (/) to the related information / non-conformance

/	The Stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address identified audit findings.
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented effectively. Non-conformity will be re-raised.
	Not applicable. No non-conformity raised in previous audit.

*Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major nonconformity.*

*Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.*



**PLATINUM SHAUFFMANTZ VERITAS**  
**Management System Certification**  
**Public Summary Report**

**Standard:**  
**MS 2530-3:2013**

**File No.:**  
**MASMSPO10101023**

**Client:**  
**FELCRA BERHAD ZONE B5**  
**SRI AMAN**

**Page**  
**10**

**5.0 Conclusion**

Detail of Audit Findings Identified During This Audit

Audit Outcome	
Major NCR	-
Minor NCR	10
Area of Concern (AOC)	-
Opportunity for Improvement (OFI)	3
Observation (OBS)	-

**6.0 Recommendation**

- The audit team conducted a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used were interviews, observations, sampling of activities and review of documentation and records.
- The structure of the audit was in accordance with the audit plan included in to this summary report.
- The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policy and objectives. Therefore, the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be :

	No NCR recorded. Recommended to continue certification
/	Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit
	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.
	Recommended to continue certification
	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s) ..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Prepared by:

**Badrul Hisham Hj Baharin**  
 Lead Auditor

**14<sup>th</sup> – 16<sup>th</sup> /12/2018**  
 Date