



# 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 – B9 Pantai Timur Sabah  
**STANDARD** : MS 2530-3:2013  
**DATE OF -**  
**INITIAL AUDIT STAGE 1** : 14<sup>th</sup> NOVEMBER 2018  
**INITIAL AUDIT STAGE 2** : 16<sup>th</sup> – 18<sup>th</sup> DECEMBER 2018

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### 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	Badrul Hisham Hj Baharin	Lead Auditor	MSPO, IMS
2	Hamsah Sulaiman	Auditor	MSPO, 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



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

**2.1 Description of the certification unit**

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**

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)
<b>Bahagian Telupid</b>		
Kg. Kiabau	612.62	573.32
Kg. Ansuan	92.16	78.61
Kg. Kaba	396.83	303.34
Ansuan 2	26.00	22.06
Kiabau Tambahan	64.47	64.47
<b>Bahagian Sandakan</b>		
Kop Sg. Balaban	305.28	305.28
Kop. Metrajaya	154.34	154.34
Kop. Sg, Mataggar	169.74	169.74
Kg. Bambang	102.70	72.63
Kg. Piritan Muanad 3	78.30	77.29
<b>TOTAL</b>	<b>3203.96</b>	<b>2861,88</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 B9 is located at Pantai Timur Sabah. This zone has 3 estates which is Estet Sandakan/Telupid, estate Lahad Datu and Estate Kinabatangan. Mr. Muhamad Hairulizam bin Muhamad Noor as the leader for zone B9-Pantai Timur Sabah.

**3.2 Production Volume**

Year / estate	2018	2019	2020	2021	2022	2023	2024	2025
NOT APPLICABLE								



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**3.3 Planting Program for each estate :**

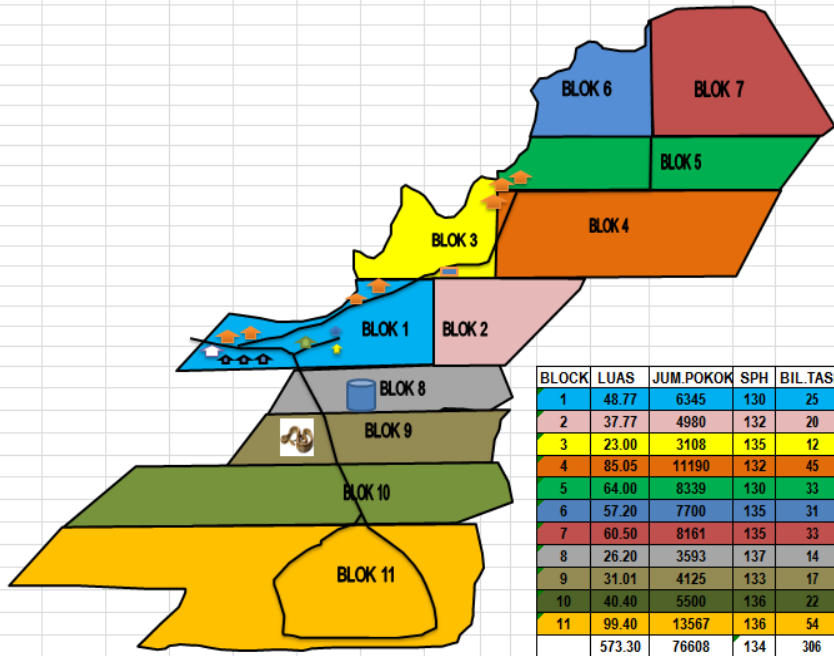
Year / estate	2018	2019	2020	2021	2022	2023	2024	2025
NOT APPLICABLE								

**3.4. 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	
No plan for replanting for the next few years. The palms are below 20 years old.									

**3.5 Maps of Company Location, Plantations and Organised Smallholders**

Map of Telupid Sg. Kiabau





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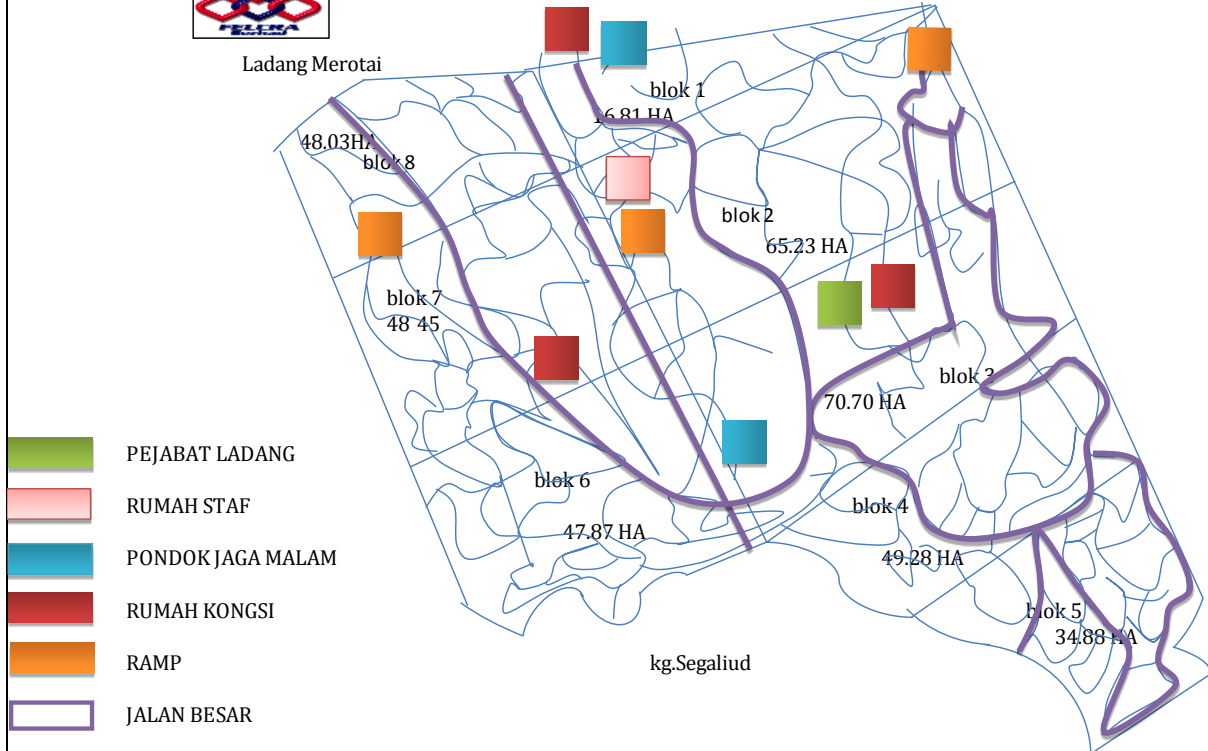
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**FELCRA BERHAD KOPERASI KARAMUNTING KINABATANGAN**



PELAN UKUR AKHIR	DIUKUR OLEH:	NOTA:
FELCRA BERHAD KOP.KARAMUNTIN	Jurukur Tempatan Sdn.Bhd. Peti Surat 12845	Keluasan Asal : 407.99HA
DAERAH SANDAKAN	88831 Kota Kinabalu	Keluasan Kawasan Yang dikeluarkan: 0.539HA
PELAN UKUR 3kg/080/98/15/UA/1	Sabah (Tel : 088-264888)	Baki kawasan Tanah Dimajukan : 407.40HA



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#### 4.0 Certification Assessment

##### 4.1 Stage 1 Audit

- The Stage 1 audit was conducted on 14<sup>th</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 I and II audit.
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3.
- The Stage I audit was conducted on 14<sup>th</sup> November 2018 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 I audit

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

- The Stage 2 audit was conducted on 16<sup>th</sup> – 18<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.
- The organization has done Audit Stage1 and 2 audit.
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3 standard.
- The Stage I audit was conducted on 14<sup>th</sup> November 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.



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**4.2 Stakeholders' Consultation**

4.2.1 A stakeholders' consultation meeting was conducted on 16<sup>th</sup> December 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:

No.	Subject discussed	Audit team findings / Comment	Company response and proposed action to be taken
1	Understanding of MSPO	All of the stakeholders understand what is MSPO all about.	All the issues raised by the stakeholders have been informed to the auditee during closing meeting.
2	Safety work	The company provided all the PPE needs for the employees.	
3	Health	There is no outbreak reported.	
4	FFB production	It was confirmed that FFB quality was satisfactory. They have acknowledged and training their workers to harvest the good quality bunches and timing evacuate to the mill as possible within 24 hours.	
5	High conservation value and endangered species.	People are aware on the habitat in the surrounding area. During the consultation they also understand the need to protect this environmental and HCV area. They have acknowledged that MSPO certification will further assist in protection of the environmental.	All the issues raised by the stakeholders have been informed to the auditee during closing meeting.





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**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.*



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**5.0 Conclusion**

Detail of Audit Findings Identified During This Audit

Audit Outcome	
Major NCR	11
Minor NCR	01
Area of Concern (AOC)	18
Opportunity for Improvement (OFI)	07
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

18/12/2018  
 Date

Accepted by  
 client:

Name : MUHAMAD HAIRULIZAM BIN MUHAMAD NOOR  
 Designation : Ketua Zon B9

18/12/2018  
 Date