



# 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 A11 Pekan, Pahang  
**STANDARD** : MS 2530-3:2013  
**DATE OF -**  
**INITIAL AUDIT STAGE 1** : 24<sup>TH</sup> APRIL 2019  
**INITIAL AUDIT STAGE 2** : 28<sup>th</sup> May 2019

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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.	Nor Halis Bin Abu Zar	Auditor	MSPO, IMS, ISO
2.	W.Hidney	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**

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**

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)
FELCRA PAHANG TENGGARA	4469.69	4244.56
FELCRA SERAMBI	2226.06	2049.93
FELCRA PERMATANG BESAR	1075.27	985.59
FELCRA SRI MAKMUR	2347.23	2165.56
FELCRA SG BATU	944.87	886.60

**3.0 Organisation Information**

**3.1 Description of the certification unit**

FELCRA Berhad sebelum ini adalah merupakan sebuah Badan Berkanun Kerajaan dikenali sebagai Lembaga Penyatuan dan Pemulihan Tanah Persekutuan atau Federal Land Consolidation and Rehabilitation Authority (FELCRA). FELCRA ditubuhkan di bawah Akta Memperbadankan Lembaga Pemulihan dan Penyatuan Tanah pada 1 April 1966. Bermula 1 September 1997, FELCRA telah dikorporatkan keseluruhannya dan telah berubah statusnya daripada sebuah Badan Berkanun kepada sebuah entiti Syarikat milik penuh Kerajaan. FELCRA Berhad ditubuhkan dibawah Akta 570, Akta Lembaga Pemulihan dan Penyatuan Tanah Negara (Penggantian dan Pembubaran) 1997. Penggubalan Akta baru ini telah dijadikan FELCRA Berhad sebagai Syarikat yang mengambilalih peranan FELCRA. Perubahan status entiti korporat ini membolehkan FELCRA Berhad menceburi bidang perniagaan baharu selaras dengan aspirasi pembangunan nasional. Di sebalik perubahan itu, namun FELCRA Berhad masih melaksanakan tanggungjawab sosial terhadap masyarakat peserta serta penduduk luar bandar. Obligasi sosial merupakan prasyarat utama dalam perjanjian pengkorporatan FELCRA Berhad dengan kerajaan. Berbekalkan kemahiran dalam bidang pengurusan ladang dan aktiviti-aktiviti teras, FELCRA Berhad kini telah mempelbagaikan bidang kegiatannya bagi menyertai sektor perindustrian dan perkhidmatan serta bidang perniagaan yang sedang berkembang. Justeru itu, FELCRA Berhad berhasrat untuk menjadi sebuah konglomerat yang berjaya, di samping mencipta sektor luar bandar yang lebih dinamik, menarik dan menguntungkan selaras dengan strategi operasi berimbangannya di antar program berorientasikan keuntungan dan program obligasi sosial.



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

- The certified estate is owned by FELCRA BERHAD ZON A11 PEKAN, PAHANG.
- The details of estates:

Name of Supply Base	Coordinate	
	Latitude	Longitude
FELCRA PAHANG TENGGARA	3.290312 N	103.118558 E
FELCRA SERAMBI	3.490156N	103.397377E
FELCRA PERMATANG BESAR	3°36'22.9"N	103°19'42.3"E
FELCRA SRI MAKMUR	3°32'.1N	102°55'7 E
FELCRA SG BATU	3°51'54.7"N	103°08'19."E

**3.3 Production Volume**

Name of Estate	Area (Ha)		Projected Production / Budget (From the year 2018)
	Total*	Production**	
FELCRA PAHANG TENGGARA	3183.86	12023.53	30207.22
FELCRA SERAMBI	1239.118	1551.21	3598.86
FELCRA PERMATANG BESAR	987.606	3,431.08	8,505.42
FELCRA SRI MAKMUR	886.48	1512.34	3728.93
FELCRA SG BATU	886.60	4502.98	13,212.59

**3.4 Planting Program for each estate :**

Year / estate (tahun ditanam)	FELCRA PAHANG TENGGARA	FELCRA SERAMBI	FELCRA PERMATANG BESAR	FELCRA SRI MAKMUR	FELCRA SG BATU
1995					
1996			/		
1997			/		
1998			/	/	/
2002			/		/
2009			/	/	
2010	/	/	/	/	/
2012	/	/	/		/
2013	/			/	/
2014	/	/			/
2015	/			/	
2016	/	/	/		



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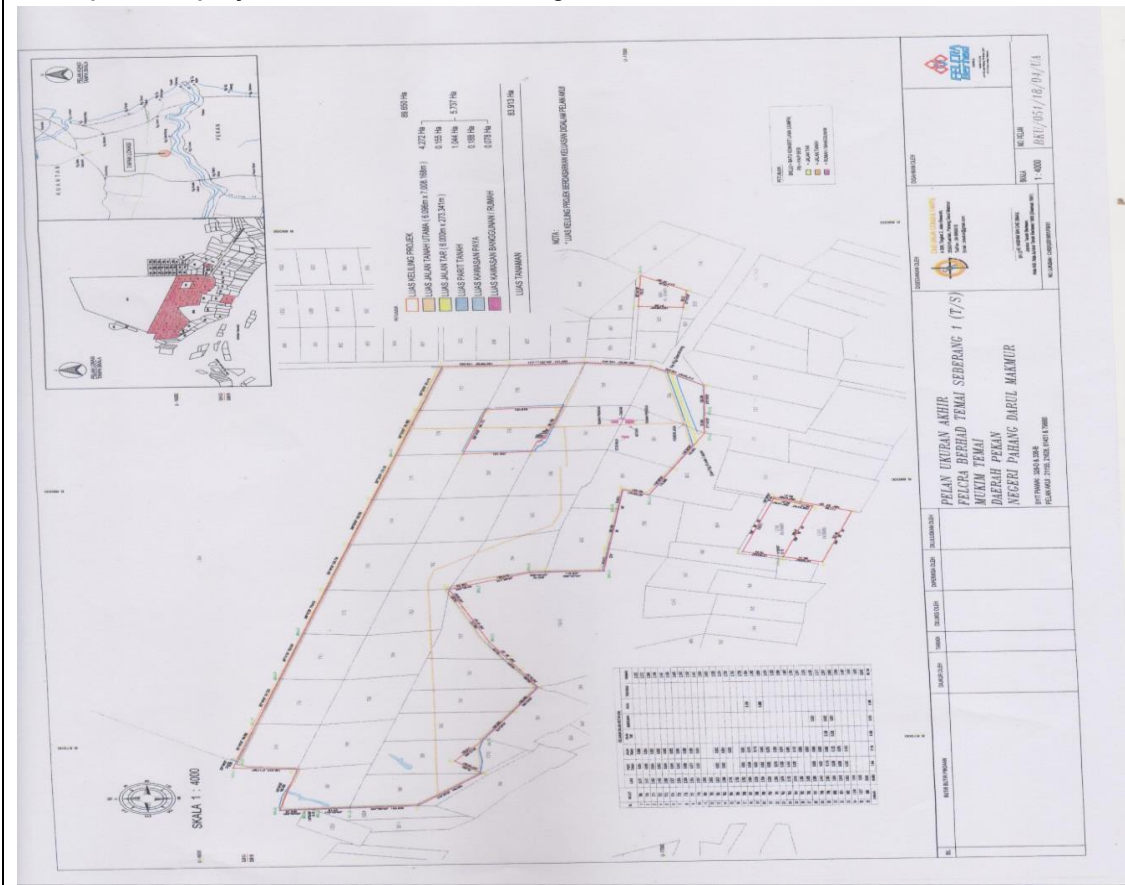
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**3.5. Replanting program for each estate:**

Year of replanting	Planted area (ha) in each estate								Total area to be replanted (ha)
	2018	2019	2020	2021	2022	2023	2024	2025	
NIL									

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









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#### 4.0 Certification Assessment

##### 4.1 Stage 1 Audit

- The Stage 1 audit was conducted on 22<sup>th</sup> April 2019
- 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 22<sup>th</sup> April 2019 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 12<sup>th</sup> May 2019
- 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 Stage1 and 2 audit
- The audit team has applied the Malaysian Sustainable Palm Oil Part 3
- The Stage I audit was conducted on 22<sup>th</sup> April 2019 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 12<sup>th</sup> May 2019 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.	There have been a few problems raised by Felcra Participants in regards to operation (fertilizer delivery, road condition, substandard loose fruit collection & delayed FFB payment), but the time taken by the management to mitigate the issue is not immediate. (Sri Makmur)	Action by management taken on grievances	Continuous response have been made.

#### 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	1
Minor NCR	0
Area of Concern (AOC)	0
Opportunity for Improvement (OFI)	5
Observation (OBS)	0

**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:

\_\_\_\_\_  
 Auditor

28 May 2019

\_\_\_\_\_  
 Date