



# 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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<b>NAME OF CLIENT</b>	<b>:</b>	<b>FELCRA BERHAD B6 MSPO ZON LAWAS SARAWAK FELCRA Berhad Kawasan Kuala Gemilang &amp; FELCRA Sundar Awat-Awat Plantation Sdn Bhd</b>
<b>STANDARD</b>	<b>:</b>	<b>MS 2530-3:2013</b>
<b>DATE OF -</b>		
<b>INITIAL AUDIT STAGE 1</b>	<b>:</b>	<b>20<sup>th</sup> April 2019</b>
<b>INITIAL AUDIT STAGE 2</b>	<b>:</b>	<b>15<sup>th</sup> &amp; 16<sup>th</sup> May 2019</b>

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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.	Hairulnizam bin Ramlan	Lead Auditor	MSPO, IMS
2.	Mohd Nur Amin bin Mohd Halim	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 Supply Base	Coordinate	
	Latitude	Longitude
FELCRA Berhad Kawasan Sungai Gemilang	4.861522	115.408853
FELCRA Sundar Awat-Awat Plantation Sdn Bhd	4.86.01238	115.4067071
Miri	1.461839	113.838753

**3.0 Organisation Information**

**3.1 Description of the certification unit**

**FELCRA Berhad** is a corporate organisation wholly owned by the Malaysian Government, under the Minister of Finance (Incorporated).

Felcra Berhad was started off and initially established as a statutory body in 1966 with the name Federal Land Consolidation and Rehabilitation Authority (FELCRA), with the objective to develop rural areas by helping the rural community to join in economic activities and to improve their living standards. Its goal is to create a dynamic, attractive and profitable rural sector.

It became a company in 1997, and was as of October 2018 reported to be managing 220,086 hectares of plantation and farmland of 111,684 FELCRA settlers and their families, and 30,189 hectares of FELCRA's own land

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

- The certified estate is owned by **FELCRA BERHAD – ZON B6**

- The details of estates:

Name of Estate(s)	Total Area (Ha)	Planted Area ( Oil Palm ) (Ha)
FELCRA Berhad Kawasan Sungai Gemilang	2863.4	2863.4
FELCRA Sundar Awat-Awat Plantation Sdn Bhd	581.2	496.4
Miri	1148.8760	936.2250

**3.3 Production Volume**

Name of Estate	Area (Ha)		Projected Production / Budget (From the year 2018)
	Total*	Production**	
FELCRA Berhad Kawasan Sungai Gemilang	28941.96	16.13	23.50
FELCRA Sundar Awat-Awat Plantation Sdn Bhd	7,579.56	15.27	22.16



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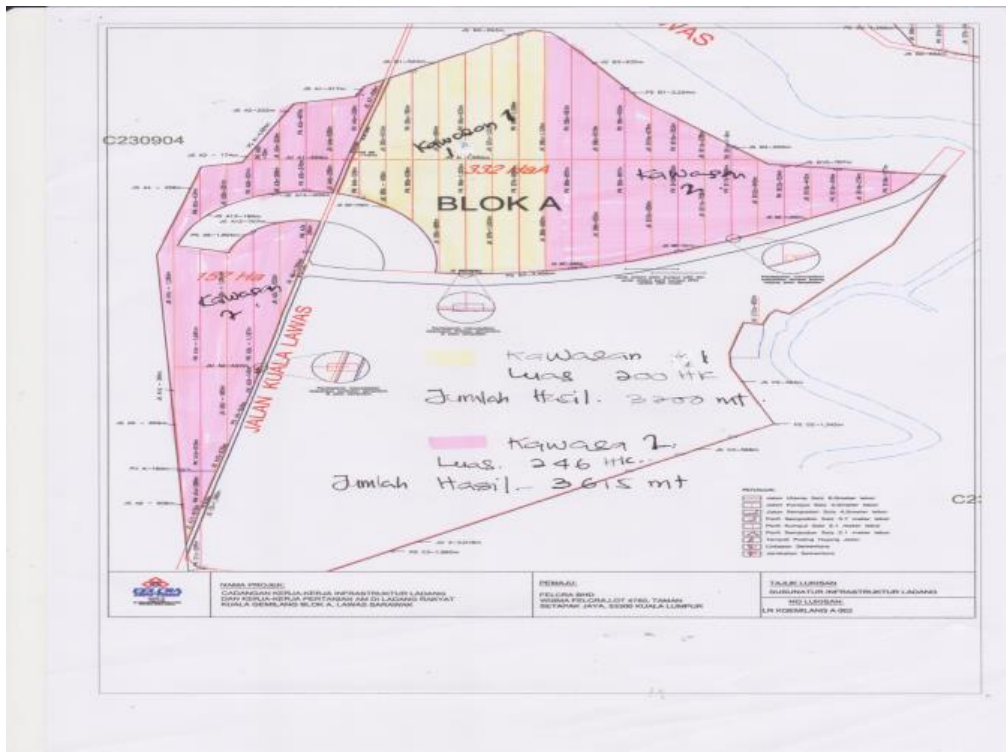
**3.4 Planting Program for each estate :**

Year / estate	FELCRA Berhad Kawasan Sungai Gemilang	FELCRA Sundar Awat-Awat Plantation Sdn Bhd
1999		496.40
2011	1794.32	
2012	229.54	
2013	43.64	
2014		
2015		
2016		

**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	
FELCRA Berhad Kawasan Sungai Gemilang									Nil
FELCRA Sundar Awat-Awat Plantation Sdn Bhd			50.00	75.00	63.00	105.40	101.10	101.10	496.40

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







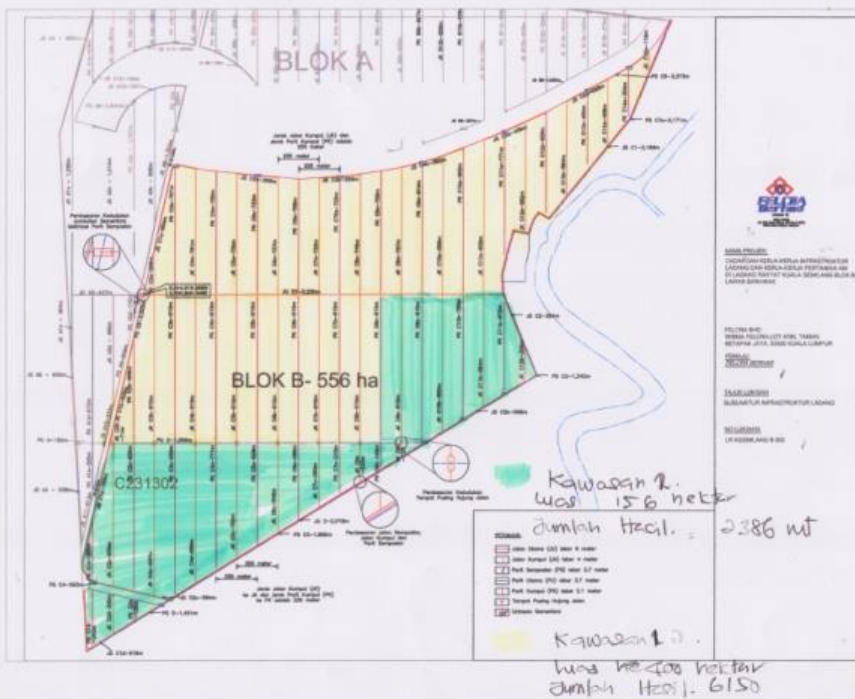
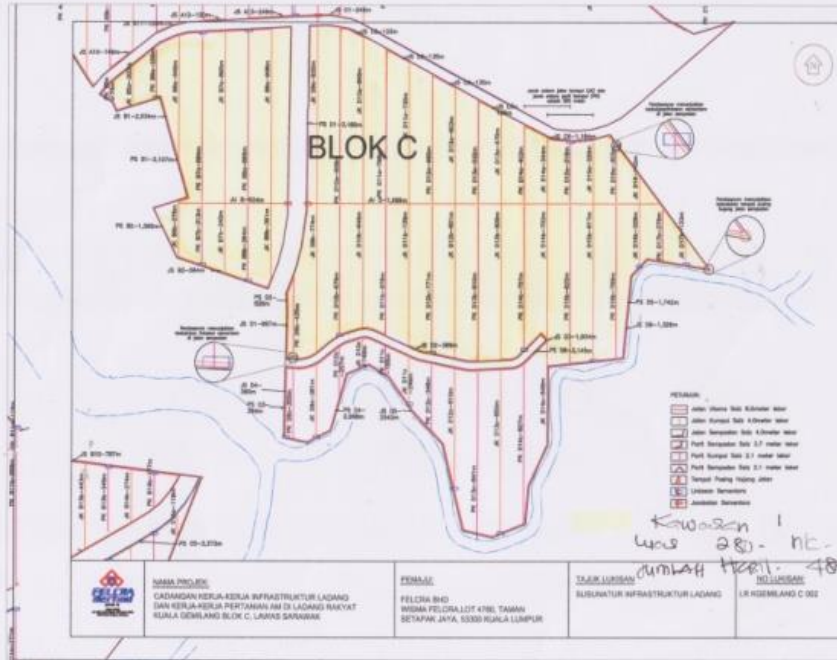
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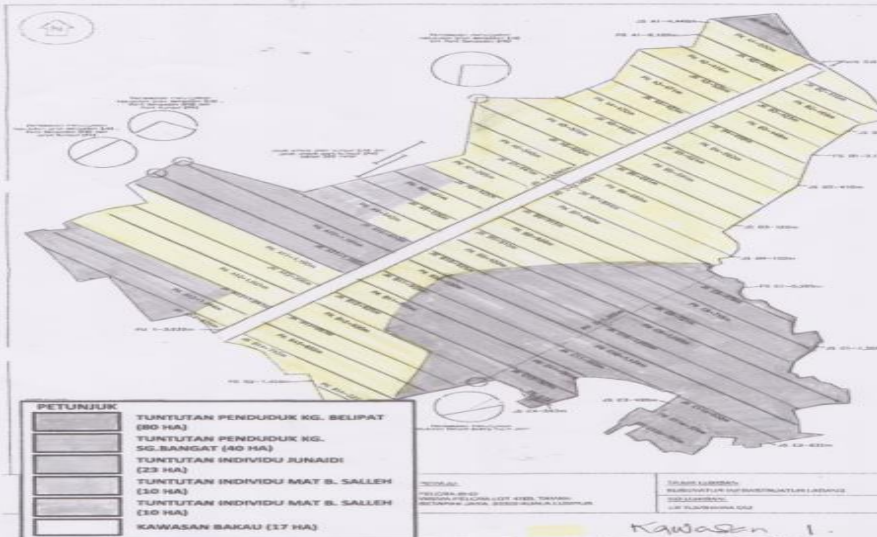
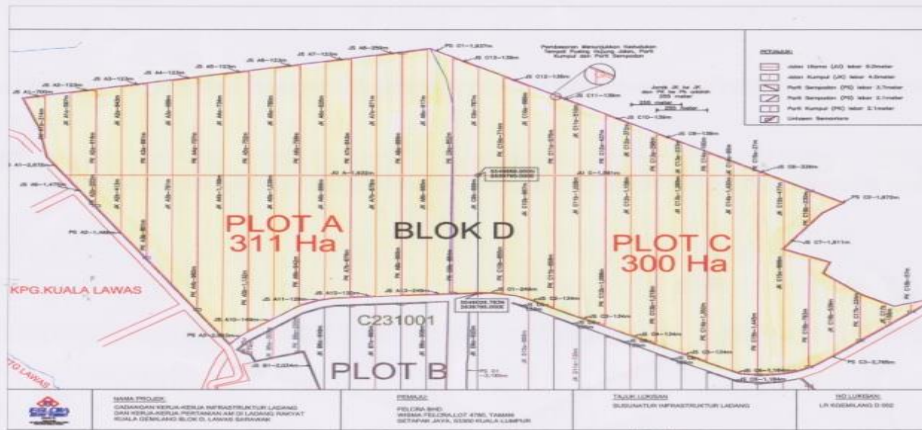
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**4.0 Certification Assessment**

**4.1 Stage 1 Audit**

- The Stage 1 audit was conducted on **20<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 **20<sup>th</sup> April 2019** and covering the following activities:



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- 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 **15 & 16 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 **20<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 **15 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	MSPO	During interview, it was found that no negative issue raised and stakeholder will keep good cooperation with the estate	Improvement plan need to do to make sure all issue will be solved.
2	Safety & Health	During interview, it was found that no negative issue raised and stakeholder will keep good cooperation with the estate	Improvement plan need to do to make sure all issue will be solved.
3	Environment	During interview, it was found that no negative issue raised and stakeholder will keep good cooperation with the estate	Improvement plan need to do to make sure all issue will be solved.
4	CSR	During interview, it was found that no negative issue raised and stakeholder will keep good cooperation with the estate	Improvement plan need to do to make sure all issue will be solved.
5	Complaint & Grievances	During interview, it was found that no negative issue raised and stakeholder will keep good cooperation with the estate	Improvement plan need to do to make sure all issue will be solved.

**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	0
Minor NCR	0
Area of Concern (AOC)	0
Opportunity for Improvement (OFI)	3
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.



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Prepared by:

**NOR HALIS BIN ABU ZAR**

Lead Auditor

16 May 2019

Date