



PLATINUM SHAUFFMANTZ VERITAS

Reliable And Practical Certification

PUBLIC SUMMARY REPORT

MS 2530-3 : 2013

Malaysian Sustainable Palm Oil (MSPO)

Part 2: General Principles For Independent Smallholders

NAME OF CLIENT : FELCRA BERHAD B4-BALINGIAN, SARAWAK
STANDARD : MS 2530-3:2013
DATE OF -
INITIAL AUDIT STAGE 1 : 21st NOVEMBER 2018
INITIAL AUDIT STAGE 2 : 17th – 19th DECEMBER 2018



PLATINUM SHAUFFMANTZ VERITAS
Management System Certification
Public Summary Report

Standard:
MS 2530-3:2013

File No.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

Page
1

| Table of Contents | Page |
|--|-------------|
| 1.0 Audit Process | |
| 1.1 Objective | 2 |
| 1.2 Scope | 2 |
| 1.3 Appointment of team members and reviewer | 2 |
| 1.4 Audit Plan | 2 |
| 2.0 Methodology | |
| 2.1 Description of the certification unit | 3 |
| 2.2 Description of the supply base (including planting profile) | 3 |
| 3.0 Organisation Information | |
| 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 |
| 4.0 Certification Assessment | |
| 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 |
| 5.0 Conclusion | |
| 5.1 Detail List of Audit Finding | 7 |
| 6.0 Recommendation | 7 |
| 7.0 References (List of Attachments) | |
| 8.0 Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities | |



PLATINUM SHAUFFMANTZ VERITAS
Management System Certification
Public Summary Report

Standard:
MS 2530-3:2013

File No.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

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)

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.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

Page
3

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

FELCRA Berhad for B4 Zone Balingian, Sarawak has 3 area. First area is Balingian with location code 11296 and coordinate 2.979370,112.4493250 and the size of the site is 1,983.08hectares. The planting site is 1,904.04hectares.

3.0 Organisation Information

3.1 Description of the certification unit

3.2 Description of the supply base (including planting profile)

- The certified estate is owned by 50 oil palm smallholders.
- The details of estates:

3.3 Production Volume

NOT APPLICABLE

3.4 Planting Program for each estate :

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

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

3.6. Maps of Company Location, Plantations and Organised Smallholders



PLATINUM SHAUFFMANTZ VERITAS
Management System Certification
Public Summary Report

Standard:
MS 2530-3:2013

File No.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

Page
4

4.0 Certification Assessment

4.1 Stage 1 Audit

- The Stage 1 audit was conducted on 21st 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.
- 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
- The Stage I audit was conducted on 21st November 2018 at Felcra Berhad Zon Balingian covering the following activities:
 - Onsite interviews and inspections;
 - Review of documentation for compliance to relevant P & C requirements for plantation and mill; □ Reporting of issues concern during Stage I audit;

4.1.1. Stage 2 – Certification audit:

- The Stage 2 audit was conducted on 17TH – 19TH DECEMBER 2018
- The objective of the Stage 2 is to assess the documentation established and implemented in accordance to MSPO 2530-2:2013 Part 2 (General Principles for Independant 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 organization has done Audit Stage I.
- The audit team has applied the Malaysian Sustainable Palm Oil Part 2.
- The Stage I audit was conducted 21st November 2018 and. covering the following activities:



PLATINUM SHAUFFMANTZ VERITAS
Management System Certification
Public Summary Report

Standard:
MS 2530-3:2013

File No.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

Page
5

- Onsite interviews and inspection
- Review of documentation for compliance to Principle and Criteria of MSPO.

4.2 Stakeholders' Consultation

4.2.1 A stakeholders' consultation meeting was conducted on 13/9/2018 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:

| Item | Subject discussed | Audit team findings | Company response and proposed action to be taken |
|------|--|---|---|
| 1. | Visit to a Collecting centre - FFB Ramp - information from SPOC members regarding MSPO Certification - was there any land conflicts - impacts of livelihood to the surrounding stakeholders after involvement of smallholders in MSPO Certification - HCV and environmental understanding of stakeholders - awareness towards species, habitats and high conservation values. - is there any SPOC members activity affecting stakeholders. - any suggestions for SPOC members - understanding of stakeholders on the complaints and grievance procedure - new practices prior information to local stakeholders | - attended talks by MPOB regarding MSPO - no conflicts discovered - no issues here - understand basic as no open burning, proper disposal of waste. Has some basic understanding - SPOC members happy as they sell and gets paid daily or monthly - happy to serve the smallholders - understand the procedure of complaints - none at the moment | - there was no issues as seen by the management except for the safety issue of cash payment on monthly basis which was without any security guards. The management will look into the matter. |



PLATINUM SHAUFFMANTZ VERITAS
Management System Certification
Public Summary Report

Standard:
MS 2530-3:2013

File No.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

Page
6

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 implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report. |
| | The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS 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 NOT been implemented effectively. Non-conformity will be re-raised. |
| √ | Not applicable. No non-conformity raised in previous audit. |
| <p><i>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.</i></p> <p><i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i></p> | |

5.0 Conclusion

Detail of Audit Findings Identified During This Audit

| Audit Outcome | |
|-----------------------------------|---|
| Major NCR | 0 |
| Minor NCR | 3 |
| Area of Concern (AOC) | 5 AOC were raised during audit stage 1. |
| Opportunity for Improvement (OFI) | 4 |
| Observation (OBS) | - |

6.0 Recommendation

- The audit team conducted a process-based audit focusing 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 organization 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 organization'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. |
| x | 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. |



PLATINUM SHAUFFMANTZ VERITAS
Management System Certification
Public Summary Report

Standard:
MS 2530-3:2013

File No.:
MASMSPO101023

Client:
FELCRA BERHAD ZONE B4

Page
7

Prepared by:

A handwritten signature in black ink, appearing to read 'Sahudin bin Sapiin', is written over a light blue rectangular background.

Sahudin bin Sapiin
-Lead Auditor

27/12/2018

Date