



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

NAME OF CLIENT : FELCRA A2 ZONE MELAKA
STANDARD : MS 2530-3:2013
DATE OF -
INITIAL AUDIT STAGE 1 : 17TH APRIL 2019
INITIAL AUDIT STAGE 2 : 2ND – 3RD MAY2019



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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)

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

3.0 Organisation Information

3.1 Description of the certification unit

Felcra Berhad A2 Zon Melaka is one of schame under FELCRA BERHAD located in state of Melaka. Felcra Berhad A2 Zon Melaka total area is 2,592.72 hectare consist of 4 Division Namely Felcra Bukit Sedanan, Felcra Sri Mendapat, Felcra Bertam Malim and Felcra Ramua China. Total Hactare of each division are Felcra Bukit sedanan 694.90 ha, Felcra Sri Mendapat 593.04 ha, Felcra Bertam Malim 631.34 and Felcra Ramua China 673.47 ha. Total planted hectare ia 2,443.553 hectare consists of Felcra Bukit Sedanan 663.00 ha, Felcra Sri Mendapat 541.873, Felcra Bertam Malim 561.33 and Felcra Ramua China 657.35 ha. The Planting profile ranging from Immature oil Palm to mature old oil palm which due for replanting. Fercra Berhad A2 MSPO Zon Melaka managing the property belong to FELCRA Holding Berhad as well as properties owned by settlers.

3.2 Description of the supply base (including planting profile)

Name of Supply Base	Coordinate	
	Latitude (N)	Longitude (E)
Bukit Sedanan	2.381997	102.355328
Sri Mendapat	2.189594	102.250086
Bertam Malim	2.237908	102.21097
Ramua China	2.418721	102.0966

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)
Bukit Sedanan	694.90	663.00
Sri Mendapat	593.04	541.873
Bertam Malim	631.34	581.33
Ramua China	673.47	657.35
TOTAL	2,592.75	2,443.553

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								



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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	
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

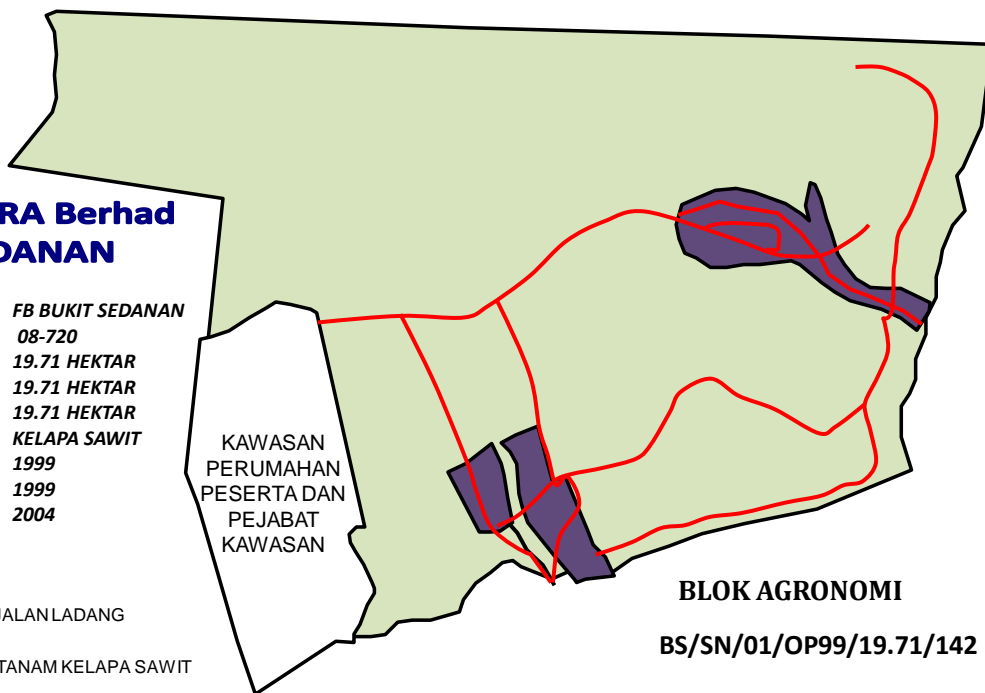


KAWASAN BUKIT SEDANAN

LADANG FELCRA Berhad
BUKIT SEDANAN

Nama Ladang : **FB BUKIT SEDANAN**
 Kod Lokasi : **08-720**
 Luas Keliling : **19.71 HEKTAR**
 Luas Bertanam : **19.71 HEKTAR**
 Luas Berhasil : **19.71 HEKTAR**
 Jenis Tanaman : **KELAPA SAWIT**
 Tahun Buka : **1999**
 Tahun Tanam : **1999**
 Tahun Berhasil : **2004**

- PETUNJUK
- JALAN MASUK/JALAN LADANG
 - KAWASAN BERTANAM KELAPA SAWIT
 - KAWASAN PA



4.0 Certification Assessment

4.1 Stage 1 Audit

- The Stage 1 audit was conducted on **17TH April 2019**.
- The objective of the Stage 1 is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-2/3:2013.
- 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.



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- 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 **17th april 2019** at **Felcra Berhad Bukit Sedanan** 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 **2nd – 3rd 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 PRINCIPLE FOR OIL PALM PLANTATION 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 organization has done Audit Stage I.
- The audit team has applied the Malaysian Sustainable Palm Oil Part 2.
- The Stage I audit was conducted on **17TH APRIL 2019** and covering the following activities:
 - Onsite interviews and inspection
 - Review of documentation for compliance to Principle and Criteria of MSPO.



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4.2 Stakeholders' Consultation

4.2.1 A stakeholders' consultation meeting was conducted on **2ND 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:

Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Transparencies of information	There has been incident where operation expenditure was higher than income between FY2015- FY2016, causing participants of Chin Chin 3 cannot receive their dividend. Complaints have been lodged by KPR but respond by FELCRA was not sufficient for the participants. Finance statement is available but too general.	<ol style="list-style-type: none">1. In FY2016, Chin Chin 3 was just in the second-year production, where yield was still low. The income not sufficient for payment of dividend to participants. Felcra took the initiative to subsidize the dividend and convert it to development cost.2. Information given to settlers are sufficient. Financial information was discussed and shared to settlers during AJKKP every two months.



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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 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	03
Minor NCR	02
Area of Concern (AOC)	AOC were raised during audit stage 1.
Opportunity for Improvement (OFI)	06
Observation (OBS)	00

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.
	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:

-Lead Auditor

3/5/2019

Date

Accepted by
client:

Name :

RAMLI BIN ALIAS
Pengurus Kawasan
FELCRA BHD. Bukit Sebaran

3/5/2019

Date