



Assessment Report	11 <sup>th</sup> September - 11 <sup>th</sup> September
	2018

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the Malaysian Sustainable Palm Oil (MSPO) MS 2530-2:2013 General Principles For Independent Smallholder and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances. ]

**MSPO**

Company Name	Felcra Berhad - Kilang Kelapa Sawit Bukit Kepong
Address	Peti Surat 12, 85300 Labis Johor Darul Takzim.
Report No.	MS18FM0060
Status of Audit	First Assessment Audit (Document Review)

## Section A    General Information

General	
Standard Assessed	MSPO MS 2530-4:2013
Audit objectives	To verify the document established to met the requirement of the standard and ready for the stage 2 assessment
Integrate Assessment	<b>No</b>

Contact Details	
Management Representative	Norhuda Binti Nor Azman
Alternate contacts	En Azahar Bin Ali
Management Representative contact no.	010 6639220/012 25343577
E-mail address	hudaazman384@gmail.com/azahar.ali@felcra.com.my
Fax Number	
Phone Number	07 9370494

Scope of Certification	
Scope of certification in English	Production of Fresh Fruits Bunch
Applicable clause of the MS 2530-2:2013	Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6
Changes from Previous registration	No
Extension/changes of scope date	NA

System Documentation Information	
Quality Manual Document Identification	NA
Last Management System revision date	NA
Previous Management System date	NA
Management Review Date	Not ye done will be verified during 2 <sup>nd</sup> stage audit.
Internal audit Date	Not ye done will be verified during 2 <sup>nd</sup> stage audit.

## Section B    Audit Note

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY
Opening Meeting and Closing Meeting	<p>Opening Meeting</p> <ul style="list-style-type: none"> <li>a) introduction of the participants, including an outline of their roles;</li> <li>b) confirmation of the scope of certification;</li> <li>c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management;</li> <li>d) confirmation of formal communication channels between the audit team and the client;</li> <li>e) confirmation that the resources and facilities needed by the audit team are available;</li> <li>f) confirmation of matters relating to confidentiality;</li> <li>g) confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>h) confirmation of the availability, roles and identities of any guides and observers;</li> <li>i) the method of reporting, including any grading of audit findings;</li> <li>j) information about the conditions under which the audit may be premature terminated;</li> <li>k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails;</li> <li>l) confirmation of the status of findings of the previous review or audit, if applicable;</li> <li>m) methods and procedures to be used to conduct the audit based on sampling;</li> <li>n) confirmation of the language to be used during the audit;</li> <li>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</li> <li>p) opportunity for the client to ask questions.</li> </ul> <p>Closing Meeting</p> <ul style="list-style-type: none"> <li>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</li> </ul>

	<p>b) the method and timeframe of reporting, including any grading of audit findings;</p> <p>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</p> <p>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</p> <p>e) the certification body's post audit activities;</p> <p>f) information about the complaint handling and appeal processes.</p> <p>g) Any diverging opinion that are not resolved.</p> <p>h) opportunity for the client to ask questions.</p>
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System requirements	Y / N	Document reference if select "Y" or comments if select "N"
<b>4.1 Management Commitment &amp; Responsibility</b>		
4.1.1 MSPO Policy	<b>YES</b>	<p>4.1.1.1 Verified the policy regarding MSPO were stated inside "MSPO Policy date on 22/5/ 2018 - sign by Ketua Pegawai Eksekutif Felcra Berhad.Sighted there is 4 others policy etc ;</p> <p>i. Environmetnal and Biodiversity Policy ii. Occupational Safety &amp; Health Policy iii. Social Policy iv. Policy of Prevention of Sexual Inturption and Violence in Workplace</p> <p>The above policy shown commitment of the company towards compliance on the MSPO requirement.</p> <ul style="list-style-type: none"> <li>• A written policy statement on the commitment towards sustainable production of palm oil. This policy shall be communicated to all levels of the workforce and stakeholders. Verified the policy had been brief to all staff and workers during "Taklimat Berkaitan MSPO" dated on 1/10/2018.</li> <li>• Interview of personnel and stakeholders whether they are aware of the MSPO Policy and its implementation at the site.Will verified during stage</li> </ul> <p>4.1.1.2 Sighted the continula improvement aspect were stated inside the "MSPO Policy"..</p>
4.1.2 Internal Audit	<b>YES</b>	<p>4.1.2.1 Internal audit memo were dated on 18/9/2018, and internal audit plan were established before conducted the internal audit. The Internal audit wer conducted on 10-11/10/2018..</p> <p>4.1.2.2-Internal audit procedure-FB-MSPO-01- Internal Audit Procedure dated on 1/8/2018 Rev 00.</p> <p>4.1.2.3-Internal audit wer conducted on 10-11/10/2018 . Sighted the Internal Audit report had shown the result with 20 NCR and 6 OFI. The result of audit had been disscussed during Management review meeting dated on 25/10/2018.</p>
4.1.3 Management Review	<b>YES</b>	<p>4.1.3-Management review dated on 25/10/2018 -</p> <p>The content of disscusion wer as per below :</p> <p>i.Status of internal auidt findings ii. OSH plan iii. Environmetal plan iv. Schedule waste management plan v. Water management plan</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		vi. Social management plan vii. continual improvement plan
4.1.4 Continual Improvement	<b>YES</b>	4.1.4-Continues improvement plan- , Waste management plan, water management plan , Envuronnemental management plan, pollution prevention plan, business strategic plan year 2018/2019 - Will be verified during 2 <sup>nd</sup> stage..
<b>4.2 Transparency</b>		
4.2.1 Transparency of information and documents relevant to MSPO requirement	<b>YES</b>	4.2.1.1-The document related on MSPO can seen at notice board - eg MSPO Policy. Sighted also the requirement of MSPO had been brief to the employees during Policy briefing dated on 1/10/2018 as verified in the training attendance record. Others information will be verified during 2 <sup>nd</sup> stage.
4.2.2 Transparent method of communication and consultation	<b>YES</b>	<p>4.2.1.2- The transparency method of communication had been brief during policy briefing dated on 1/10/2018 . The briefing were include employee and relevant stakeholder such as contractors and supplier. Will be verified during 2<sup>nd</sup> stage</p> <p>4.2.2.1-Sighted procedure and verified document : Pengurusan dan Komunikasi Pihak Berkepentingan dated on 1/8/2018. Complaint form available at the office and the procedure have been well brief to all employee during policy briefing as mention above. Sighted the company had establish File Pengurusan Sosial - "Aduan dan Cadangan , this file will record all the complaint receive. Record complaint and action taken will be verified during 2<sup>nd</sup> stage. According the transparency of activities CSR can be verified and been seen by public in the Felcra website.</p> <p>.4.2.2.2- Sighted the nomination of responsible person to handle of consultation for stakeholder issues is Nor Huda Binti Nor Azman dated on 1/11/2018.</p> <p>4.2.2.3-List of stakeholder -List of stakeholder of mill consist of supplier, contractor , government agencies and authorities , etc - total 32.</p>
4.2.3 Traceability	<b>YES</b>	4.2.3.1-The traceability("Kebolehhejakan") procedure , Doc no : FB-MSPO-SOP01 establish dated on 1/8/2018 and as interview with the auditee the current traceability system will collect the below document for traceability activity delivery of CPO as per mention in Mill SOP; i. Pas Masuk hantaran dan Terimaan minyak Sawit (CPO) ii. DO delivery CPO iii. Collection order from buyer iv. WB ticket v. Borang MPOB L3 vi. Pas ambil CPO- Verification of Seal

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Sighted the above information will key in the Lyntra Max Mill directory system.</p> <p>Sighted the CPO despatch work were handled by Pn Ismariah binti Ithnin. The raceability for delivery CPO is responsible by her as per mention In Job description. Sighted the appointment letter dated ob 12/7/2012.</p> <p>Others will be verified during stage 2 audit.</p>
<b>4.3 Compliance to legal requirements</b>		
4.3.1 Regulatory requirements	<b>YES</b>	<p>4.3.1.1 Verified the law and regulation compliance:</p> <p>1. Sighted the legal register had list 27 related legal which need to comply by the mill. OBS- Sighted Akta Timbang dan Sukat is not in the list.</p> <p>2. Refer to Jadual Pematuhan 01/07/2018 - 30/06/2019 - 57 "Syarat pematuhan";</p> <p>i. Obs Air poution system monitoring must be handled by the competent person- sighted still in progress</p> <p>ii. Obs -Boundry noise test is still in progress.</p> <p>3. Confine space: Sighted 3 person available as competence person.</p> <p>4. Jabatan Alam Sekitar: Licensece dated on26/6/2018.</p> <p>5. MPOB license License of Menjual dan mengalih, Membeli dan mengalih, menyimpan &amp; mengilang date 01/1/2018 - 31/12/2018 #500247104000.</p> <p>6. List of Permit and License - Sighted all the permit and license were lal been renew and updated.</p> <p>4.3.1.2 Legal and Other Requirement Register (LORR) available and listed 27 of requirement.</p> <p>4.3.1.3 Refer to LORR Verified with auditee, the references legal are in softcopy.</p> <p>4.3.1.4 Appointment letter for communication and legal compliance officer - Mr. Muhammad B. Abdullah #FB (04-440)1/1 (1)</p>
4.3.2 Land use rights	<b>YES</b>	<p>4.3.2.1 OBS- The land Grant still under processing with Land Department .</p> <p>4.3.2.2 Verified during 2<sup>nd</sup> Stage</p> <p>4.3.2..3 Verified during 2<sup>nd</sup> Stage</p> <p>4.3.3.4 Verified during 2<sup>nd</sup> Stage</p> <p>Obs - Sighted letter of award from "Majlis Mesyuarat kerjaan Johor" dated 29/9/1976 permitted Felcra berhad to manage the land .The management had send application letter to land department (Pejabat Tanah Muar) on applicat of land requisition for lot no PTD 7647-PTD 7651. However until now the process still on going. Advice to follow up with land department.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.3.3 Customary rights	<b>YES</b>	4.3.3.1 No customary land.- not applicable. 4.3.3.2 No official map 4.3.3.3 No land dispute issue
<b>4.4 Social responsibility, health, safety and employment condition</b>		
4.4.1 Social impact assessment (SIA)	<b>YES</b>	4.4.1.1 Sighted that the SIA assessment dated on 30-31/7/2018 - Will be verified during stage 2 audit.
4.4.2 Complaints and grievances	<b>YES</b>	4.4.2.1 -Complaint and Grievances procedure were detail in "Pengurusan dan Komunikasi Pihak Berkepentingan" date on 1/08/2018 . Sighted the establishment of complaint - complaint register. 4.4.2.2 - Will be verified during stage 2 audit 4.4.2.3-Complaint form were located at post guard. 4.4.2.4-The procedure had been mention during policy briefing to the all employee while for the stakeholder during stakeholder meeting (on 30/7/2018). 4.4.2.5-All complaint form will be recorded in the Complaint Register log . As at todate there is 1 complaint receive. OBS- Sighted the complaint is still not yet been respond by the management which stated in the procedure to respond the complaint within 14 days.
4.4.3 Commitment to contribute to local sustainable development	<b>YES</b>	4.4.3.1 CSR record - Corporate Social Responsibility - sighted record of CSR activities in the management system Lyntra Maz Mill directy sytem - Total activities counted as at todate 12.
4.4.4 Employees safety and health	<b>YES</b>	4.4.4.1 Verified bilanguage (Malay & English) Occupational Safety & Health Policy dated 22/05/2018 4.4.4.2 a) Briefing to 68 employees dated 1/08/2018 & has display at office. b) Verified HIRARC has cover operation such confine space & other routine process (loading ramp, sterilizer, Thresher & etc. dated 1/8/2018 by Norhuda. Verified CHRA assessment dated 18/09/2018 and the report is still in progress. c) training on chemical Safety training by Professional IT Academic Sdn Bhd date 1-2/10/2018 participant 4 . i) verified training for chemical safety at workplace had been conducted on 1-2/10/2018. ii) SDS available at site and filing for office references. d) Verified the PPE issuance record available and met with the HIRARC control measure. e) Sighted procedure "Pengurusan Keselamatan Bahan Kimia" : FB-MSPO-P10 dated on 1/9/2018. f) Sighted Appointment of Safety and Health Comitte Chairman - En Hilmi Bin Ali dated 07/08/2018 signed by CEO felcra Berhad . g) Verified the OSHC minute meeting on 25/10/2018 & etc. The meeting attended by

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Chairman, secretary, employer reps. and employee reps.</p> <p>h) Verified Incident /Accident Procedure had been established.</p> <p>- Verified "Tindak balas Kecemasan dan Perseidian " procedure #FB-MSPO-P12 available and adequately and ERT for Searcher/Rescue Team, Evacuator/Fire Team &amp; First Aider Team .</p> <p>i) Verified training on First Aids and CPR conducted on 1-2/9/ 2018 conducted by Pro IT Academic Sdn Bhd</p> <p>j) Verified the JKPP 6 and JKPP 8 available. Sighted registration of JKPP 8 dated on 12/10/2018 were received by DOSH. As at todate nil incident cases were reported.</p> <p>Any compliance at site will be verified in 2nd stage.</p>
4.4.5 Employment conditions	<b>YES</b>	<p>4.4.5.1 Verified the policy regarding Equal rights were stated inside "Social Policy" date on 22/5/2018.</p> <p>4.4.5.2-Will verified in stage 2.</p> <p>4.4.5.3-Offer letter for Employee - will be verified during 2<sup>nd</sup> stage.</p> <p>4.4.5.4-Contractor payment slip - will be verified during 2<sup>nd</sup> stage.Salary according to the minimum wages standard.</p> <p>4.4.5.5-Attendance record - etc Daily attendance , thumb print - will be verified during 2<sup>nd</sup> stage.</p> <p>4.4.5.6-Offer letter and contract agreement for Employee - will be verified during 2<sup>nd</sup> stage.</p> <p>4.4.5.9-Salary slips in place and comply with requirement.</p> <p>4.4.5.10-Salary slips payment for overtime and production more than target.</p> <p>4.4.5.11-Will verified in Stage 2</p> <p>4.4.5.12-Will verified in stage 2</p> <p>4.4.5.13-Statement can join union inside the Social Policy date on 22/5/2018</p> <p>4.4.5.14-List of workers name complete with Age are available complete sighted in the excell record format- notice non underage worker..</p>
4.4.6 Training and competency	<b>YES</b>	<p>4.4.6.1 Sighted record of training for year 2018 in File "Latihan Pekerja".</p> <p>4.4.6.2 OBS - The training need analysis is not yet been conducted by managemenet.</p> <p>4.4.6.3 Training program had been established for year 2018 - included in safety training, chemical handling, etc</p>
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>		

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.5.1 Environmental management plan	<b>YES</b>	<p>4.5.1.1 Verified bilanguage (Malay &amp; English) Environmental and Biodiversity Policy dated 22/05/2018 signed by CEO                      a) Policy and objectives available as refer to 4.5.1.1                      b) Environmental Impact Assessment dated 1/08/2018</p> <p>4.5.1.3 Verified EMP date 1/08/2018 stated 10 issues item been included in the plan and has identify the mitigation measure for each issues.</p> <p>4.5.1.4 Program to promote the positive impact for environment. Will be verified during 2<sup>nd</sup> stage</p> <p>4.5.1.5 An awareness and training program for environment are available date 01/09/2018 included Env meeting, Env. awareness training, waste management training &amp; etc.</p> <p>4.5.1.6 Latest environmental meeting conducted on 25/10/2018 attended by manager, EO and committees.</p>
4.5.2 Efficiency of energy use and use of renewable energy	<b>YES</b>	<p>4.5.2.1 As per Debit notes charges by estate for mil tractor diesel usage . Record of electricity usage and water usage had been proper recorded by the company.</p> <p>4.5.2.2 As per Summary of Diesel, electricity for milling activity and process.</p> <p>4.5.2.3 Palm Fibre and Shell Kernel are used in order to reduce the dependent on TNB energy. Verified the daily energy generated recorded and trend anlysis is available.</p>
4.5.3 Waste management and disposal	<b>YES</b>	<p>4.5.3.1 Inventory Of Schedule Waste (Fifth Schedule) latest updated on 1/8/2018 listed SW102,SW103,SW110 SW305, SW 306, SW410 etc.</p> <p>4.5.3.2 As per Waste Management Plan</p> <p>4.5.3.3 Procedure of "Pengurusan Bhan Buang berjadual" - date 1/09/2018 available.</p> <p>4.5.3.4 Domestic waste are handled by mill management, and the frequent of waste taking are once a week. Will verified during 2<sup>nd</sup> stage for the site compliance.</p>
4.5.4 Reduction of pollution and emission	<b>YES</b>	<p>4.5.4.1 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2<sup>nd</sup> stage.</p> <p>4.5.4.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2<sup>nd</sup> stage.</p> <p>4.5.4.3 Valid DOE License (jadual pematuhan) for period of 01/07/2018 to 30/06/2019 and POME lab test result . Will be verified during 2<sup>nd</sup> stage.</p>
4.5.5 Natural water resource	<b>YES</b>	<p>4.5.5.1 As per water management plan - Will be verified during 2<sup>nd</sup> stage.</p>



System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.5.5.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.
<b>4.6 Best Practices</b>		
4.6.1 Mill management	<b>YES</b>	4.6.1.1 As per Standard Operation Procedure For Palm Oil Mill with total 13 SOPs for all activities.  4.6.1.2 Sighted the best practices were accordance to SOP for Palm oil mill.
4.6.2 Economic and financial viability plan	<b>YES</b>	4.6.2.1 As per Budget Overall Fiscal Year 2018 for capital expenditure, general charges, mill processing cost, machinery maintenance and upkeep .
4.6.3 Transparent and fair price dealing	<b>YES</b>	4.6.3.1 As per MPOB CPO price- sighted it were fairly transparent that the contractor agreed the price as mention in the contract agreement evidence :- , payment voucher to FFB supplier.  4.6.3.2 Verify during the 2 <sup>nd</sup> Stage
4.6.4 Contractor	<b>YES</b>	4.6.4.1 According to the auditee the briefing on the requirement on MSPO will be conducted on 7/9/2018 (Stakeholder meeting) - will be verified during 2 <sup>nd</sup> stage.  4.6.4.2 Verified during the 2 <sup>nd</sup> Stage

### Observation for Improvement

Auditor	Observation
HF	<p>4.3.1.1 Verified the law and regulation compliance:                      1. Sighted the legal register had list 27 related legal which need to comply by the mill.                      OBS- Sighted Akta Timbang dan Sukat is not in the list.                      2. Refer to Jadual Pematuhan 01/07/2018 - 30/06/2019 - 57 "Syarat pematuhan";                      i. Obs - Air pollution system monitoring must be handled by the competent person- sighted still in progress                      ii. Obs -Boundry noise test is still in progress.</p> <p>4.3.2.1                      3.Obs - Sighted letter of award from "Majlis Mesyuarat kerajaan Johor" dated 29/9/1976 permitted Felcra berhad to manage the land .The management had send application letter to land department (Pejabat Tanah Muar) on application of land requisition for lot no PTD 7647-PTD 7651. However until now the process still on going. Advice to follow up with land department.</p> <p>4.4.2.5-All complaint form will be recorded in the Complaint Register log . As at todate there is 1 complaint receive.                      OBS- Sighted the complaint is still not yet been respond by the management which stated in the procedure to respond the complaint within 14 days.</p> <p>4.4.6.2 OBS - The training need analysis is not yet been conducted by management.</p>

During the assessment 0 nonconformities were identified. (refer to attachment)

**Document Review Conclusion**

- The documentation is acceptable and complete, there is no finding/issue at this time and progress has been established towards next stage of audit/MAV.
- The documentation is generally acceptable, however there are a numbers of finding/issued which the company needs to address before proceeding to stage 2/MAV.

*(Please proceed to follow up section)*

Note : The assessment was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party

Number of Employees (covered by scope of registration) **95**

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohammad Hafizuddin Bin Rossley	En Hilmi Hj Ali	Mill Manager
	En Azahar Bin Ali	MSPO Manager
Team member	Mohd Fadely Bin Md Asri	Assistant manager
	Muhammad B. Abdullah	Assistant Manager
Trainee auditor	Norhuda Bt Norazman	Evironmental Officer
NIL		
Observer		
NIL		

Company Information if different from above

Invoicing address if different from above	Same as above
Alternate contact (if applicable)	Same as above

**Acknowledge receipt of this report:**

	Signed for on behalf of CCI	Signed for on behalf of the client
Signed		
Name	Mohammad Hafizuddin Bin Rossley	En Hilmi Hj Ali
Date	11/11/2018	11/11/2018
E-mail	admin@cciglobe.com	

Fax No	03-8073 2688	
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FOLLOW – UP:

Area of Concern status:

No	Description				
1					
	Auditor comment				
	Status	close		open	
2					
	Auditor comment				
	Status	close		open	
3					
	Auditor comment				
	Status	close		open	

Stage 1 audit conclusion:

Corrective action completed, site is now ready for stage 2 audit.

Signatory of auditor	
Date	