

## MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

<b>CLIENT/COMPANY</b>	<b>KILANG SAWIT FELCRA BERHAD SEBERANG PERAK</b>	<b>AUDIT NO.</b>	004/19
<b>ADDRESS</b>	KilangSawitSeberang Perak, FelcraBerhad, 36800 Kg. Gajah, Perak DarulRidzuan.		
<b>TYPE OF ASSESSMENT</b>	Main Audit		
<b>MILL MANAGER</b>	Mr.MohdRosli Bin Hj. Salleh		
<b>EMAIL ADDRESS</b>	fazrelashraf@gmail.com		
<b>WEB PAGE</b>	www.felcra.com.my		
<b>AUDIT STANDARD(S)</b>	MS 2530-4:2013 - Malaysian Sustainable Palm Oil Part 4: General principles Palm Oil Mill		
<b>AUDIT SCOPE</b>	Provision of 60 MT/Hr of Sustainable Palm Oil Mill		
<b>STAGE 2 AUDIT DATE</b>	11 <sup>th</sup> & 12 <sup>th</sup> January 2019		
<b>STAGE 1 AUDIT DATE</b>	30 <sup>th</sup> November 2018 (Stage 1 Audit)		
<b>NEXT AUDIT DATE</b>	1 <sup>st</sup> Surveillance Audit tentatively plan on <b>January 2020</b>		
<b>CLIENT'S REFERENCE DOCUMENTS</b>	Per clients document master list		
<b>OTHER CERTIFICATION HELD</b>	Nil		
<b>CERTIFICATE VALIDITY</b>	08/03/2019 to 07/03/2024		
<b>AUDITOR TEAM MEMBERS</b>	<b>LEAD AUDITOR</b>	YusofKhairanNizar Ahmad Tarmizi (YKN)	
	<b>AUDITOR</b>	KhairulFarisSyamsurial (KFS)	

***These are your certification details.  
Please inform us immediately if amendments are required.***

<b>Audit Conclusion</b>
Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel's during this Stage 2 Audit, we conclude thatKilangSawitFelcraBerhadSeberang Perak, has effectively implemented its Malaysian Sustainable Palm Oil Part 4: General principles palm oil mill in accordance to the MS 2530-4:2013 requirements in line with the organization procedure & policy for the above mentioned scope.
<b>Recommendation</b>
The audit team has agreed to recommend for KilangSawitFelcraBerhadSeberang Perak to be awarded with MS 2530-4:2013 Certifications based on existing scope on the conditions that the raised NCRs are satisfactorily closed within the stipulated time framesubject to review by Certification Approval Panel (CAP).

<b>Lead Auditor</b>	YusofKhairanNizar Ahmad Tarmizi	<b>Signature</b>		<b>Date</b>	1/2/2019
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## EXECUTIVE SUMMARY

Stage 2 Audit was satisfactorily conducted to evaluate MSPO implementation at FELCRA Berhad Wilayah Perak, Kilang Sawit FELCRA Berhad Seberang Perak (KSFB Seberang Perak). KSFB Seberang Perak is located 45 KM from Teluk Intan and was constructed in 1990 with 30 MT/Hour and upgraded to 60 MT/Hour in June 2016. The mill is located on a land with the size of 41.22 Ha. In 2018, Kilang Sawit FELCRA Berhad Seberang Perak was processing estimated 185,943.41 MTY FFB from Felcra Berhad Estates in Seberang Perak, while 45,516.75 MT FFB from outside sources.

Stage 2 of MSPO certification was satisfactorily conducted by NIOSH Certification on 11-12<sup>th</sup> January 2019. NIOSH Certification is a certification body accredited by Standards Malaysia which providing a comprehensive certification services system mainly for management system of occupational safety and health, environment, quality and MSPO for various industries.

- a. ONE (1) – Major Nonconformity Report (NCR)
- b. EIGHT (8) – Minor Nonconformity Report (NCR)
- c. NONE – Opportunities for Improvement (OFI)

## ASSESSMENT TEAM MEMBER

Lead Auditor	<p><b>En. Yusof Khairan Nizar</b></p> <p>Has educational background Certificate of Safety and Health Officer-Malaysian Insurance Institute (2003). Bachelor of Corporate Administration (Hons)-MARA University of Technology, Malaysia (2003), Master of Science in Occupational Safety and Health Management-Northern University of Malaysia (2011). Successfully attended course ISO 9001:2000 IRCA/IATC A Lead Auditor Training-International Management &amp; Technology Limited (Kuala Lumpur), ISO 14001:2004 IEMA Approved EMS Advanced Lead Auditor Training Course-Aspects Moody Certification Ltd (UK). OH&amp;SMSIRCA Certified Lead Auditor Training Course-Moody International (KL). Also attended the Quality &amp; Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodies Providing Audit and Certification (ISO/IEC 17021:2015) collaboration with Institute of Quality Malaysia. MS 1722 Lead Auditor Training – Niosh Certification (KL) and RSPO – TUV Rheinland (Indonesia). MSPO Auditing – SGS (Malaysia)</p> <p>Experience in managing, consulting, training and auditing quality, environmental, occupational safety and health management systems such as ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, MS1722:2011 from 1996-Current. Contract Trainer of OSH &amp; Environmental Legal &amp; Other Requirements Lead Auditors course for SIRIM Training Services Sdn Bhd &amp; NIOSH Certification Sdn Bhd. Contract Auditor for Quality, Environmental, Occupational Safety and Health Management System and Malaysia Sustainable Palm Oil (MSPO). OSH, Legal and Environmental Auditor for TUV Rheinland Malaysia RSPO Principles &amp; Criteria. Contract Sirim QAS International Auditor (2006). Department of Occupational Safety and Health Malaysia (DOSH) Registered Safety and Health Officer (2003-2006). Approved Human Resources Development Fund (HRDF) Trainer (since 2011).</p> <p>Also appointed as Assessor for Prime Minister's Hibiscus Award (National premier environmental award) involving assessment for oil and gas companies, plantations industries, mills, manufacturing, utilities, cleaning and transportations services (since 2003).</p>
Auditor	<p><b>Khairul Faris Syamsurial</b></p> <p>Khairul Faris holds a Bachelor of Engineering (Hons) Chemical from MARA University of Technology, Malaysia and registered with Board of Engineers Malaysia as Grad. Eng. He has successfully obtained competency of Lead Auditor course for Malaysian Sustainable Palm Oil (MSPO), Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Safety &amp; Health Management System (OHSAS 18001:2007 &amp; MS 1722:2011). Also attended the Quality &amp; Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodies Providing Audit and Certification (ISO/IEC 17021:2015) collaboration with Institute of Quality Malaysia, ISO/IEC 17021 Competence for Auditing by Standards Malaysia, Hazard Identification Risk Assessment and Environmental Aspect Impact comprehensive course. He is a practitioner and experienced auditor since 2014 for the mentioned MSPO, Quality, Environmental and OSH schemes with various of auditing experience in relevant areas of palm oil plantation &amp; mill, manufacturing industries, governmental agencies, oil &amp; gas, construction, telecommunication and petrochemical industries.</p>

## AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted on 11<sup>th</sup> & 12<sup>th</sup> January 2019 involving palm oil mill under FELCRA Berhad Seberang Perak. The minimum manday has been justified as per ABC-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO scheme). The audit covers documentation review, internal policies and procedures, management system as well as records review in compliance with the audit criteria requirements. The assessment covers documentation and records review, physical mill observation covering all processes, workshop, chemicals store, effluent ponds, a stakeholders consultation, interview with mill workers and contractors.

## SUMMARY AUDIT FINDINGS

During the audit closing meeting held on 12<sup>th</sup> January 2019, the overall results of the audit are as follows:

The following items represented **positive observations** by the audit team:

- a. Good support and involvement of Sustainability staff from HQ (FELCRA BERHAD) and MSPO staff of KSFSB Seberang Perak during audit.

The overall results of the audit are as follows:

- a. **ONE (1)** – Major Nonconformity Report (NCR);
- b. **EIGHT (8)** – Minor Nonconformity Report (NCR); and
- c. **NONE** – Opportunity For Improvement (OFI)

*\*The grading of nonconformity (Major / Minor) is based on ISO/IEC 17021:2015 guidelines.*

The audit team has satisfactorily verified the corrective action plan provided by the client. The effectiveness on the action plan for the corrective action will be reviewed by NIOSH Certification's auditors during the next surveillance audit.

## Review and follow-up on previous audit findings

**Seven (7) Area of Concern** raised during the previous audit found has been partially addressed. Those not adequately addressed and recurring will be raised as non-conformity based on evidences verified during Stage 2 Audit.

#### **Stakeholders Consultation Session**

Stakeholder consultation began with notification of upcoming assessment by official letter in 3<sup>rd</sup> December 2018 to identified stakeholders. Emails, phone call and official letter were sent to applicable interested stakeholders to obtain positive / negative information or any issues in connection to KSFB Seberang Perak.

Audit team after the Opening Meeting, conducted a stakeholders consultation session. It was started with a slide presentation by NIOSH Certification Sdn. Bhd. explaining about the objectives of the MSPO certification scheme and purpose of stakeholder consultation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No major adverse issue been raised as consulted during the audit. Among stakeholders attended the session:

- Representatives from MPOB, Bagan Datuk Office – Issue related to licensing, involvement of independent smallholders in MSPO Certification Scheme. No adverse issue.
- Kolej Komuniti Seberang Perak – Received support and donation in CSR Programs, However generally worry about road safety due to big lorries with FFB sometime driving dangerously. Management has noted.
- Contractor Machinery – Recently since Felcra Berhad facing financial difficulties, a payment was a bit slow but still can be managed as payment still being made. Attended MSPO Briefing session and found it sufficient.
- Representatives from Felcra Berhad Zon C4 Seberang Perak Estates – FFB produced sent to KSFB Seberang Perak, price according to MPOB. So far the receiving of FFB on the mill side not having any problem. Payment directly made to Felcra Berhad.
- Jabatan Pengairan & Saliran (AIDA Seberang Perak) – Saliran Pertanian request water waste quality being monitored, KSFB Seberang Perak to have their own water storage facility. Management has noted.

The input from stakeholder consultation has been discussed with management of KSFB Seberang Perak. Proper action plan has been justified to improve the MSPO implementation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No adverse issue been raised as consulted during the audit.

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## DETAILS OF MILL UNIT (S)

NO	NAME	ADDRESS OF MILL	MILL CAPACITY	GPS COORDINATE	TOTAL MILL AREA (HA)
1	KilangSawitSeberang Perak FelcraBerhad	Bandar BaruSeberang Perak, 36800 Kg. Gajah, Perak	60 Mt/Hr	4°8'58' N 100°50'24' E	41.22 Ha

## Mill Processing Data

Supply Base	Mill Processing and Production Data Actual Previous Year (2017)			Mill Processing and Production Data Forecast Current Year (2018)		
	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)
Supply Base						
a. Own Supply	212,895.06	44,003.78	10,420.67	185,943.41	40,095.26	9,434.15
b. Other Supply	39,341.10			45,516.76		
Conversion Rate		OER: 18.54	KER: 4.39		OER: 18.40	KER: 4.33

## LOCATION AND MAP



Locations Map





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### Others

Nil

### Disclaimer

NIOSH Certification provides services which are designed to determine whether the referenced Management System of the client:

- a) complies with the relevant (mentioned) Standard; and
- b) has been properly implemented and maintained.

Audits are based on random sampling techniques and non conformances may exist which did not become apparent during the audit.

NIOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOSH Certification, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

*- End of Audit Report -*