



# 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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**NAME OF CLIENT** : FELDA GUGUSAN KERATONG 3  
**STANDARD** : MS 2530-3:2013  
**DATE OF -**  
**INITIAL AUDIT STAGE 1** : 16<sup>TH</sup> – 17<sup>TH</sup> MAY 2019  
**INITIAL AUDIT STAGE 2** : 15<sup>TH</sup> – 16<sup>TH</sup> JULY 2019

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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**

| No | Name of Supply Base | Geo Coordinates No        |
|----|---------------------|---------------------------|
| 1  | Felda Keratong 03   | 2.94244N, 102.89045E      |
| 2  | Felda Keratong 04   | 2.87460N, 102.9294E       |
| 3  | Felda Keratong 05   | 2.896475N, 102.914977E    |
| 4  | Felda Keratong 06   | 2.8538N, 102.9666E        |
| 5  | Felda Keratong 07   | 2.9075000N, 103.02888889E |

**3.0 Organisation Information**

**3.1 Description of the certification unit**

Felda Gugusan Keratong 3 is a Federal Land Development Authority (FELDA) scheme under management of Felda Cawangan Kuantan. Located in Rompin District of Pahang state, Malaysia. It consist of 5 scheme namely Filda Keratong 03, Felda Keratong 04, Felda Keratong 05, Felda Keratong 06 and Felda Keratong 07. Area planted are Felda Keratong 03 2,054.89 hectare, Felda Keratong 04 2,325.93 hectare, Felda Keratong 05 2,376.47 hectare, Felda Keratong 06 1,683.15 hectare, Felda Keratong 07 1,592.76 hectare. Total planted hectare for Felda Gugusan Keratong 3 are 10,024 hectare. All scheme under Felda Gugusan Keratong 3 are felda settler.

Area under Felda Gugusan Keratong 3 are mature area. FFB were send to Felda Keratong 03 Palm Oil Mill under management of Felda Industry services Sdn Bhd (FISSB) also subsidiary to FELDA.

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

| No | Name of Estate(s) | Planted Area (Ha) |
|----|-------------------|-------------------|
| 1  | Felda Keratong 03 | 2,054.89          |
| 2  | Felda Keratong 04 | 2,532.89          |
| 3  | Felda Keratong 05 | 2,367.47          |
| 4  | Felda Keratong 06 | 1,683.15          |
| 5  | Felda Keratong 07 | 1,937.44          |

**3.3 Production Volume**

| No | Name of Supply Base | FFB PRODUCTION (MT/HA) |              |
|----|---------------------|------------------------|--------------|
|    |                     | JAN-DEC 2018           | JAN-JUN 2019 |
| 1  | Felda Keratong 03   | 11.66                  | 5.20         |
| 2  | Felda Keratong 04   | 21.47                  | 13.68        |
| 3  | Felda Keratong 05   | 16.95                  | 0.85         |
| 4  | Felda Keratong 06   | 25.00                  | 9.96         |
| 5  | Felda Keratong 07   | 37.08                  | 15.85        |

**3.4 Planting Program for each estate :**

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



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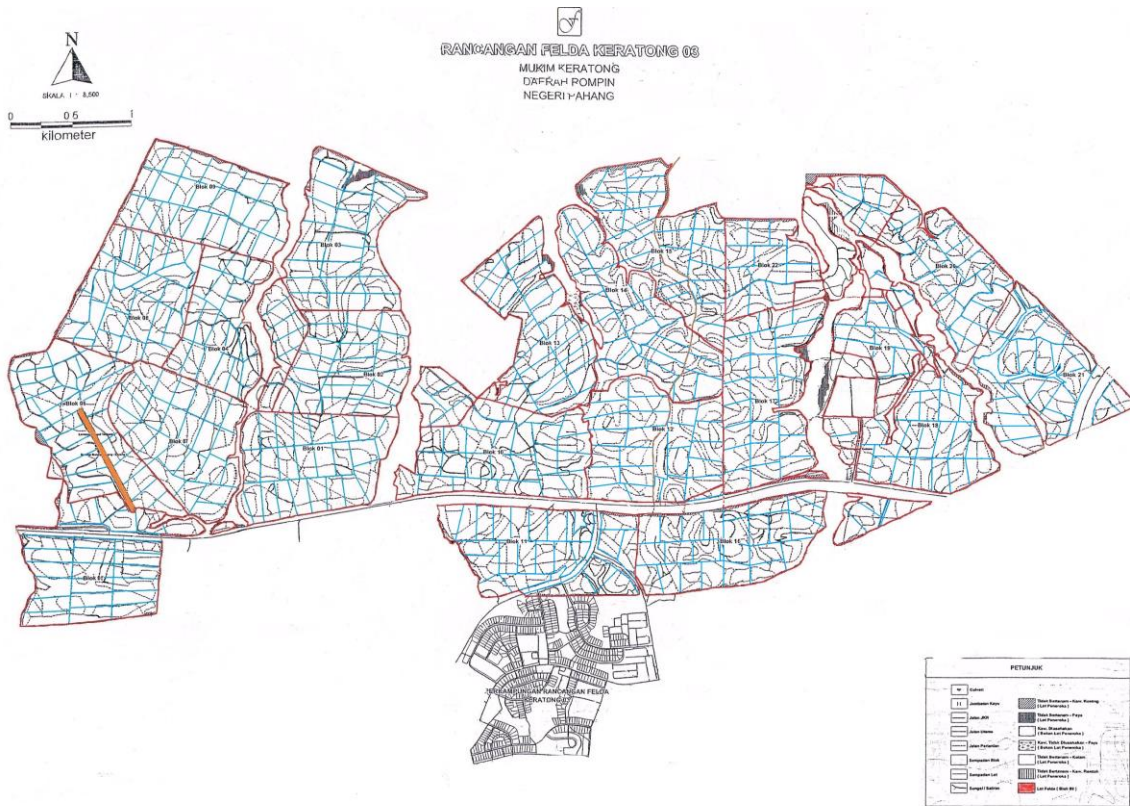
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**3.5. Replanting program for each estate:**

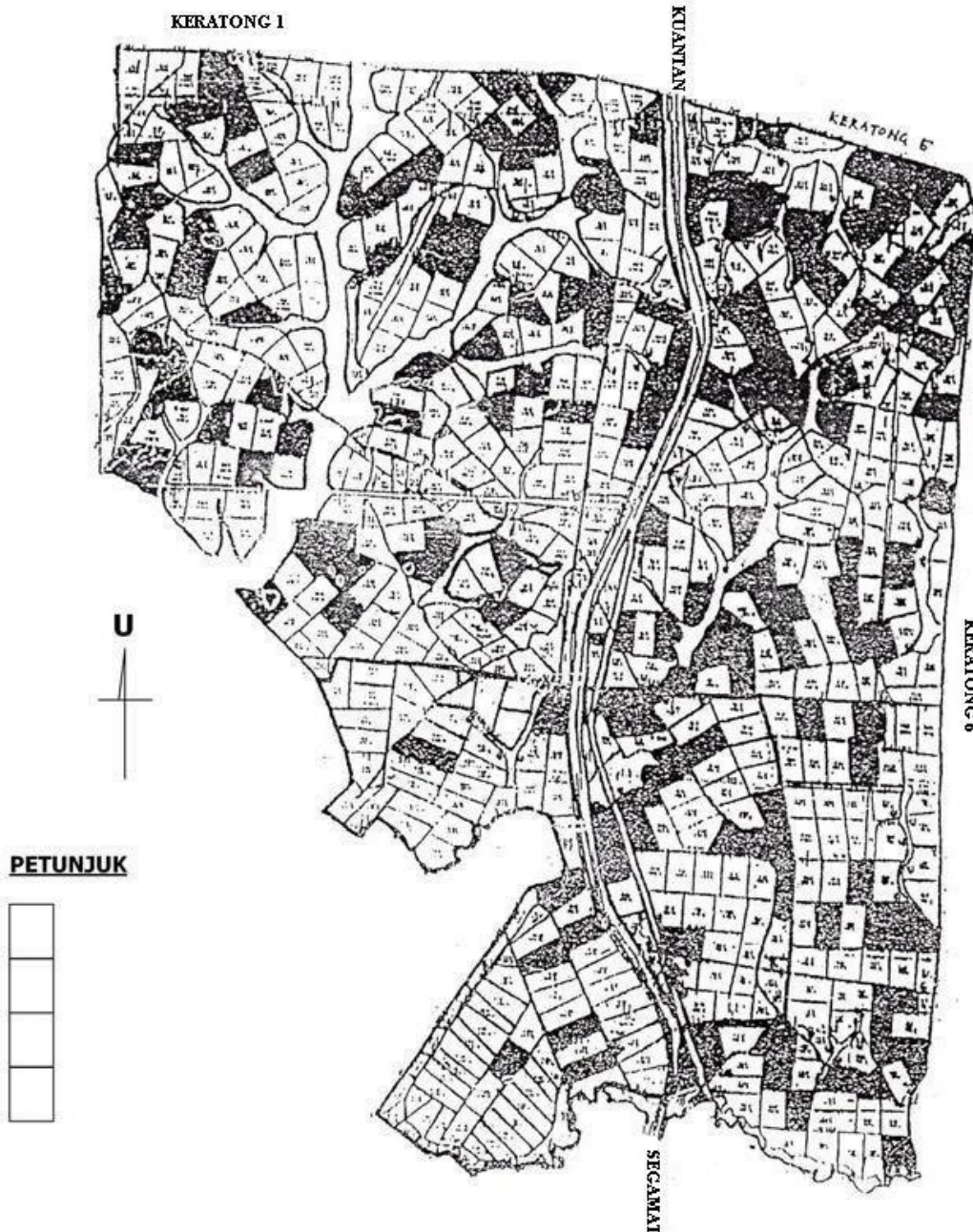
| Year of replanting   | Planted area (ha) in each estate |      |      |      |      |      |      |      | Total area to be replanted (ha) |
|--|----------------------------------|------|------|------|------|------|------|------|---------------------------------|
|  | 2018                             | 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**





**FELDA TECHNOPLANT SDN BHD**  
**PETA FELDA KERATONG 4**





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#### 4.1 Stage 1 Audit

- The Stage 1 audit was conducted on **16<sup>TH</sup> -17<sup>TH</sup> MAY 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.
- 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 **16<sup>th</sup> – 17<sup>th</sup> MAY 2019** at **Felda Keratong 04** 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 **15<sup>TH</sup> – 16<sup>TH</sup> JULY 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 PRINCIPLES FOR OIL PALM PLANTATION AND ORGANIZED SMALLHOLDER)**
- 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 3.
- The Stage I audit was conducted on **16<sup>TH</sup> -17<sup>TH</sup> MAY 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 **16<sup>TH</sup> JULY 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  |
|---------------------------------------|--|--|---|
| <p><b>P1, P2, P3, P4, P5, P6.</b></p> | <p>Subject discussed during stakeholder consultation covered Principle 01 to principle 06. Principle 7 not being discussed since no New/Replanting in Felda Gugusan Keratong 3. Popular topic being discussed is a Social Impact on low CPO price, environment issue and the important of perusing MSPO Certification by Felda Gugusan Keratong 3.</p> | <p>The management of Felda Gugusan Keratong 3 has briefed stakeholder on MSPO policy and policies related to stakeholder during stakeholder monthly meeting and daily muster roll-call for estate workers. Stakeholder also has been brief on awareness to protect and maintained environment. Stakeholder also aware on complaints and grievance procedure and complaint method/tools available. The complaints book/form are make available and accessible.</p> <p>During consultation, majority of the members were demonstrate good level awareness on MSPO and the concern on environment issues. They also show their concern on low CPO price and the impact to social.</p> <p>No issue raised by member of stakeholder required correction/corrective action from auditee.</p> | <p>Company have been briefed on the out-come of Stakeholder consultation during closing meeting. No action need to be taken by company.</p> |





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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.   |

*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.*

**5.0 Conclusion**

Detail of Audit Findings Identified During This Audit

| Audit Outcome                     |                                       |
|-----------------------------------|---------------------------------------|
| Major NCR                         | 05                                    |
| Minor NCR                         | 01                                    |
| Area of Concern (AOC)             | AOC were raised during audit stage 1. |
| Opportunity for Improvement (OFI) | 05                                    |
| 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.  |
|  | 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:

**AZMAN SAMION**  
Lead Auditor

Date: 16<sup>TH</sup> JULY  
2019

Accepted by  
client:

Name : **MOHD RAZAIM BIN HUSAIN**  
Designation : Pengurus Felda Keratong 4  
26900 Bandar Tun Razak  
Pahang Darul Makmur

16/7/2019  
Date