



MSPO CERTIFICATION SUMMARY REPORT

FELDA GUGUSAN KRAU

Project No: 009-2018

Date: 28/10/2018

**TRANS CERTIFICATION INTERNATIONAL SDN BHD (1257088-T)
No. B52, TINGKAT 1, JALAN IM3/10, BANDAR INDERA MAHKOTA, 25200
KUANTAN, PAHANG**

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1.Executive Summary

Date(s) of Audit	14-16 August 2018
Company Name	FELDA
Certification No	009-2018
Contact No	MSPO-03-TCI-0092018-01
Certified Site	FELDA Gugusan Krau
Address	
MSPO Standard	MS 2530-3:2013 General Principles For Oil Palm Plantations And Organized Smallholders
Lead Auditor	Mohd Rizal Kassim
Auditors(s)	Rahmat Karto Mohd Johari Kassim Wan Mohd Azlan

Gugusan Felda Krau require MS2530-3:2013 certification to align with their headquarters commitment to attain the recognized Malaysia sustainability standard for palm oil - Malaysia Sustainable Palm Oil (MSPO). Their management system is found to have met the intent of MS2530-3:2013 requirements.

2.Audit Results

Non-conformities raised	Major	Minor	OFI	Total
	10	9	0	19

1	Indicator 4.1.2.2	Principle : <i>P1Management Commitment and Responsibility</i>
	Major Non-conformity	Corrective action and root cause of internal audit findings has yet to be defined.



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| 2 | Indicator 4.1.3.1
Minor Non-conformity | Principle : <i>P1 Management Commitment and Responsibility</i>
Minutes of meetings of management reviewed is not sighted. |
| 3 | Indicator 4.2.1.1
Minor Non-conformity | Principle : <i>P2 Transparency</i>
No record of request and response is documented. |
| 4 | Indicator 4.2.2.3
Minor Non-conformity | Principle : <i>P2 Transparency</i>
Stakeholder consultation is yet to be conducted. (All estate) |
| 5 | Indicator 4.2.2.4
Minor Non-conformity | Principle : <i>P2 Transparency</i>
There are found that no mechanism has been addressed to ensure that Record of sales from individual manage is available. (All estate) |
| 6 | Indicator 4.3.1.1
Major Non-conformity | Principle : <i>P3 Compliance to Legal Requirement</i>
There are sighted foreign worker permit has been expire. There are no evident status of permit for foreign workers
i) 3 workers working permit is expired (Krau 01)
ii) 1 workers working permit is expired (Lembah Klau and Lurah Bilut) |
| 7 | Indicator 4.4.4.1

Minor Non-conformity | Principle : <i>P4 Social Responsibility, Health ,Safety and Employment Condition</i>
There no evident has been provided for Person who are in charge in safety and health is qualified |

- 8 Indicator 4.4.4.2(e) Principle : *P4 Social Responsibility, Health, Safety and Employment Condition*
Minor Non-conformity There are sighted all estate has not going thru Chemical Health risk assessment Chemical Health risk assessment will conducted in August..
- 9 Indicator 4.4.5.4 Principle : *P4 Social Responsibility, Health, Safety and Employment Condition.*
Minor Non-conformity There are sighted that workers of Contractor-(Koperasi Penderoka Felda Krau 1) are paid less than minimum salary.
Example:
1. Ahmad Mukhlis bin Yaakub
Salary RM600/Month.
2. Azeman bin Jaafar
Salary RM600/Month.
3. Norsiah binti Jaafar
Salary 900/Month.
- 10 Indicator 4.4.5.6 Principle : *P4 Social Responsibility, Health, Safety and Employment Condition.*
Major Non-conformity Has been sighted contract for Driver is based on 23 December 2008. There are sighted also minimum salary is based on RM18/Day with is less than minimum Salary. There is no new contract has been show.
- 11 Indicator 4.4.5.7 Principle : *P4 Social Responsibility, Health, Safety and Employment Condition.*
Major Non-conformity Workers Card is use for recording attendance of workers
Example taken as follow:
1. Tuliawan.
2. Jhantu molla.
3. Jonatan

However, there are sighted that no signature of both parties to ensure that is transparent.



- 12 Indicator 4.4.2.2 Principle : *P4 Social Responsibility, Health, Safety and Employment Condition.*
Major Non-conformity No evidence of any action has been taken to resolve the complaint from Buku Aduan Peneroka (Lurah Bilut)Salary 900/Month.
- 13 Indicator 4.5.2.2 Principle : *P5 Environment ,Natural Resources , Biodiversity and Ecosystem Services.*
Major Non-conformity The estate estimation on non-renewable energy is not available
- 14 Indicator 4.5.5.1 Principle : *P5 Environment, Natural Resources, Biodiversity and Ecosystem Services*
Minor Non-conformity As sighted in FELDA Krau 1 and FELDA Lembah Klau: No report of water quality for incoming and outgoing source. As sighted in FELDA Lurah Bilut: Buffer zone signage is not available at the site.
- 15 Indicator 4.5.3.2 Principle : *P5 Environment, Natural Resources, Biodiversity and Ecosystem Services*
Major Non-conformity There are no action plan has been addressed to ensure, dedicated Schedule Waste Store is built. Scheduled Waste item such as empty chemical containers were kept in Chemical Store. (Lembah Klau)
- 16 Indicator 4.5.3.4 Principle : *P5 Environment, Natural Resources, Biodiversity, and Ecosystem Services.*
Major Non-conformity Empty Chemical Containers kept in the chemical store were not punctured. (Lembah Klau)



- 17 Indicator 4.5.3.5
Major Non-conformity
- Principle : *P5 Environment, Natural Resources ,Biodiversity and Ecosystem Services.*
Poor management of landfills. Domestic waste was dumped haphazardly at the landfills site located in Field Peringkat 2 Block E. (Lembah Klau)
As sighted in FELDA Krau 1, FELDA Lembah Klau & FELDA Lurah bilut. - The land fill management was not well managed and not following the actual spec.
- Zero burning signage was not available at the land fill. - As sighted in FELDA Lurah Bilut: Open burning activity was identified and sighted during the audit at the landfill.
The landfill at the worker housing area is too close and not managed properly.
- 18 Indicator 4.6.1.3
Major Non-conformity
- Principle : *P6 Best Practices*
The are no action plan has been develop to ensure Clear boundary within land owners (settlers) are demarcated(All estate)
- 19 Indicator 4.6.3.2
Minor Non-conformity
- Principle : *P6 Best Practices.*
Payment for the work done in June 2018 by Contractor Nor Asni bt. Ghazali was made on 2nd July 2018 as stated on the Payment Voucher with the acknowledgement (signatory)r of the Contractor concerned however the date of the signature was not sighted.(Krau 01)



3. Conclusion

Certification Recommendation:

This report details the audit results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success.

In reference to MSPO Standard, MS 2530-3:2013 General Principles for Oil Palm Plantations and

Organized Smallholders, the audit team recommends to:

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|----------------------|-------------------------------------|
| Granting Certificate | <input checked="" type="checkbox"/> |
| Suspend Certificate | <input type="checkbox"/> |
| Withdraw Certificate | <input type="checkbox"/> |
| Re-certificate | <input type="checkbox"/> |

For FELDA GUGUSAN KRAU CERTIFICATION UNIT

Mohd Rizal Kassim