

FGV HOLDINGS BERHAD

RSPO Membership No: 1-0225-16-000-00

PLANTATION MANAGEMENT UNIT

Adela Grouping

Kota Tinggi, Johor Darul Takzim, Malaysia



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Assessment Report

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INITIAL ASSESSMENT
PUBLIC SUMMARY REPORT

FGV HOLDINGS BERHAD

RSPO Membership No: 1-0225-16-000-00

PLANTATION MANAGEMENT UNIT

Adela Grouping

Kota Tinggi, Johor Darul Takzim, Malaysia

Certificate No:

Start / Issued date:

Expiry date:

RSPO 931888

14 Dec 2018

13 Dec 2023

Assessment Type

Initial Certification

Annual Surveillance Assessment (ASA-01)

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

16–18 Jul 2018

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Initial Assessment was conducted on the Plantation Management Unit (PMU), Adela Grouping of FGV Holdings Berhad (hereafter abbreviated as FGVHB), from **16-18 Jul 2018**, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill (under Felda Palm Industries Sdn Bhd) and its supply bases which are made up of estates owned and/or managed by FGV Plantations (Malaysia) Sdn Bhd. (FGVPM) / FGVHB.

1.2 Location (address, GPS and map) of palm oil mill and estates

The Adela Grouping consists of one (1) palm oil mill, namely Adela Mill and one (1) estate as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estate. The location maps are provided in **Appendix C**.

The estate is an FGVPM/FGVHB owned estate. There are no Felda Smallholders (settlers) in this PMU. The palm oil mill is operated by Felda Palm Industries Sdn Bhd (FPISB), a subsidiary company of FGVHB.

Table 1: Address of Palm Oil Mill, Estates and GPS Location

Name	Address	GPS Reference	
		Latitude	Longitude
FGV Adela POM (Capacity:54 MT/hr)	Kilang Sawit Adela, P.O. Box 73, 81930, Bandar Penawar, Kota Tinggi, Johor Darul Takzim, Malaysia.	01° 33' 06.9"N	104° 11' 10.9"E
Kledang 02 Estate	Ladang Kledang 02, D/A Pejabat Sening, 81900 Kota Tinggi, Johor Darul Takzim, Malaysia.	1° 28' 52"N	104° 10' 52"E

1.3 Description of supply base (fruit sources)

The supply base, i.e. FFB sources to the POM at Adela Grouping, are from the abovementioned estate of this PMU, FTPSB Estates, Felda Estates, Outside Crop Producers (OCP) and smallholders. The FFB from the PMU estate are certified FFB. The FFB from FTPSB Estates, Felda Estates, Outside Crop Producers (OCP) and smallholders are considered as non-certified FFB.

Details of the planted hectareage for the FFB supply for Adela Grouping are as shown in Table 2 below.

Table 2: Estate Area Summary

Estate	Area Summary (ha): Year 2018	
	Certified (Titled) Area	Planted Area
Kledang 02 Estate	1,222.40	1,043.16
Total:	1,222.40	1,043.16

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including any HCV areas (if any) marked out at the estates.
2. Since there is only one estate in this PMU, it was selected for this Assessment. (For this case, there is non-applicability of the requirement for sampling of estates based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and any high conservation value areas).

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1.4 Summary of plantings and cycle

The age profile of the Kledang 02 Estate is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm as at Dec 2017

Estate Block	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) Planted
PM05C	2005	2 nd	111.28	0	111.28
PM13Q	2013	2 nd	464.25	0	464.25
PR14R	2014	2 nd	0	467.63	467.63
		Total	575.53	467.63	1,043.16

1.5 Summary of Land Use, Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in Adela Grouping during this assessment is as shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	As at Dec 2017 Hectarage (Ha)
1	Planted Area (ha) – Oil Palm	1,043.16
	- Mature	575.53
	- Immature	467.63
2	Conservation Area (ha)	
	- comprising buffer zones along small streams, hilly areas, swampy and unplantable areas	30.40
3	HCV Area (ha)	
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	0

1.6 Other certifications held and Use of RSPO Trademarks

Presently Adela Grouping holds valid ISO 9001, ISO 14001 and OHSAS 18001 certifications for the Palm Oil Mill. The RSPO's trademarks and logo are not used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

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1.7 Organizational information / Contact Person

Name: Norazam Abdul Hameed
 Designation: Head, Plantations Sustainability Department (PSD)
 Full Address:
 FGV Holdings Berhad (800165-P)
 (Formerly known as Felda Global Ventures Holdings Berhad)
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 50350 Kuala Lumpur, Malaysia
 Tel: +603 2789 0000
 Fax: +603 2789 0001
 Email: norazam.ah@feldaglobal.com

Name: Anthonius Sani
 Designation: Senior Manager, Certification & Due Diligence (CDD) Unit,
 Plantations Sustainability Department (PSD)
 Full Address:
 FGV Holdings Berhad (800165-P)
 (Formerly known as Felda Global Ventures Holdings Berhad)
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 50350 Kuala Lumpur, Malaysia
 Tel: +603 2789 0000
 Fax: +603 2789 0001
 Email: anthonius.sani@feldaglobal.com

1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Adela Grouping based on the on the **actual for the past 12 months (Jan – Dec 2017)** are as shown in Table 5 below:

Table 5: Tonnages Verified for Certification (Jan – Dec 2017)

#	Estate /Supplier	FFB Received (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification
A	PMU Estates: Certified:			
1.	Kledang 02 Estate	8,060.86	Adela POM	Intertek
	Sub-total: Certified	8,060.86		
B	FTPSB Estates, Felda Estates, Outside Crop Producers (OCP): Non-certified:			
2.	Felda Adela	14,824.39		
3.	Felda Sening	14,174.45		
4.	Felda Tunggal	11,972.07		
5.	Felda Kledang	6,113.85		
6.	FTPSB Adela	26,280.15		
7.	FTPSB Sening	35,917.09		
8.	FTPSB Tunggal	41,816.68		
9.	FTPSB Kledang	25,465.15		
10.	PPNJ	5,766.82		
11.	Wan Le Hin	5,442.60		
12.	Fong Tak	326.30		

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13.	Per. Sri Mahtai	3,416.73		
14.	Che Yu Trading	286.82		
15.	Santex	1,359.64		
16.	Kim Ma	2,743.53		
17.	Bakti Mas	27,978.43		
18.	AA Sawit	7,374.12		
19.	Kawthar	3,691.71		
20.	YPJ Palm	5,347.62		
21.	Ladang Petri	3,732.07		
22.	Bell Flower	8,208.20		
	Sub-total from FTPSB Estates, Felda Estates, OCP: Non-certified	252,238.42		
C	Smallholders: Non-certified			
1	Tan bee	473.72		
2	C A Antony	66.15		
3	Boon lip	210.70		
4	Low Kee Mok	173.09		
5	Kim Pong	182.67		
6	Lee Boon Seng	92.15		
7	Ong Ah Peng	87.49		
8	Tam ka sin	383.95		
9	Liew yew cheng	134.26		
10	Boo hon heng	192.30		
11	Kon see sewong	155.28		
12	Verasamy	70.32		
13	Chia ah moy	57.43		
14	Chia ching hwa	77.40		
15	Chan yoon chai	179.45		
16	Tam kuek	84.58		
17	Chong boon sow	338.96		
18	Chong su chorn	71.26		
19	Chong su fong	40.94		
20	Ismadi bolkin	44.14		
21	KPRJ	456.31		
	Sub-total from Smallholders: Non-certified	3,572.55		
	Sub-total: Non-certified	255,810.97		
	GRAND TOTAL	263,871.83		

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1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Adela Grouping POM during the previous period, current assessment period and projected period are as follows:

Table 6: Annual Tonnages of FFB

Estate / Supplier	FFB Processed in Jan – Dec 2017 - Actual		FFB Processed in Jan – Dec 2018 - Actual + Projected		FFB Processed for Jan – Dec 2019 - Projected	
	MT	%	MT	%	MT	%
Certified FFB from Kledang 02 Estate	8,060.86	3.05	9,777.12	3.77	7,333	2.80
Non-certified FFB from FTPSB estates, Felda estates, OCP	252,238.42	95.59	246,762.88	95.15	253,000	96.44
Non-certified FFB from smallholders	3,572.55	1.35	2,800.00	1.08	2,000	0.76
Total	263,871.83	100.00	259,340.00	100.00	262,333.00	100.00
SCCS Model for POM	MB		MB		MB	

1.8.3 The annual tonnages of CPO and PK production by the PMU Grouping as assessed and verified during the current assessment are detailed as shown in Table 7 below:

Table 7: Annual Tonnages of CPO and PK (produced from FFB from own estate)

POM	Jan – Dec 2017 - Actual		Jan – Dec 2018 - Actual		Jan – Dec 2019 - Projected	
Total own FFB Processed (MT)	8,060.86		9,777.12		7,333	
Total CPO Production (MT)	1,654.89	% OER: 20.53	2,040.31	% OER: 20.87	1,558	% OER: 21.25
Total PK Production (MT)	428.03	% KER: 5.31	533.83	% KER: 5.46	403	% KER: 5.50

Note: The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the **'Mass Balance – MB'** Model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section 3.1.1.**

1.9 Time Bound Plan and Multiple Management Units

Previously, FGVHB and FELDA were under the same RSPO membership number 1-0013-04-000-00 for RSPO P&C certification of their PMUs. On 03 May 2016, FGVHB and FELDA voluntarily withdrew from RSPO P&C certification for all the PMUs subsequent to the allegations and complaints regarding labour issues. Details may be obtained from the following web-links and RSPO's Complaints Tracker website:

1. [FGV's response to the Wall Street Journal \(WSJ\) article, 27 Jul. 2015](http://www.feldaglobal.com/fgvs-response-to-the-wall-street-journal-wsj-article/)
2. [FGV Clarifies on Wall Street Journal Allegations of Abuses of Malaysian Plantations, 30 Aug. 2015.](http://www.feldaglobal.com/fgv-clarifies-on-wall-street-journal-allegations-of-abuses-of-malaysian-plantations/#sthash.vsdSEPqp.dpuf)
3. <http://www.rspo.org/news-and-events/news/3rd-update-rspo-response-on-malaysian-plantations-published-by-the-wall-street-journal-on26th-July-2015>

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4. <https://www.rspo.org/members/complaints/status-of-complaints/view/85>

Intertek is also monitoring the status of the following complaint regarding land conflict at Lahad Datu, Sabah against FELDA filed by RSPO on 16 Feb 2015: Lembaga Kemajuan Tanah Persekutuan (FELDA) /Orang Dusun Desa Begahak: <https://www.rspo.org/members/complaints/status-of-complaints/view/79>

FGVHB has taken actions to resolve the issues resulting from the complaints. Consequently, FGVHB obtained a separate RSPO membership on 27 Dec 2016 and its PMUs are no longer under the RSPO membership of FELDA. FGVHB has submitted its Time Bound Plan for the certification of the PMUs over a period of 5 years. Currently, a number of the plantation management units under FGVHB is undergoing the RSPO certifying process in accordance with its Time Bound Plan to achieve RSPO certification for all its units within 5 years by 2021.

FGVHB Group operates 68 palm oil mills and 143 oil palm estates throughout Malaysia. FGVHB has only 2 estates groupings in Indonesia without palm oil mill. These mills and estates are under the management control of FGVHB. Details of the present status of the Time Bound Plan as submitted by FGV are in **Appendix E**.

Intertek was able to verify that FGVHB had conducted internal audits on the first group of 16 units in Peninsular Malaysia and 7 units in Sabah listed in the Time Bound Plan over the period Jan to Mar 2017 as required under Clause 4.5 (Minimum requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017) and declared that there are only potential labour issues such as the need for a clear understanding of employment contracts by foreign workers, pay slip discrepancies and suitable housing.

FGVHB has also declared on 28 Apr 2017 a recent article by Chain Reaction Research Article entitled "THE CHAIN: EXCLUSIVE - FGV RISKS SUPPLY CHAIN EXCLUSION OVER REPEAT OFFENSES - SEE VIDEO"; AND 2. VALUEWALK ARTICLE DATED 19 APRIL 2017 ENTITLED "EXCLUSIVE - FELDA GLOBAL VENTURE RISKS REVENUE BY VIOLATING BOARD'S POLICIES - SEE DRONE VIDEO".
<http://ir.chartnexus.com/fgv/onenew.php?id=77407&ttype=Announcement>

The above-mentioned articles alleged that, inter alia, FGV Holdings Berhad ("FGVHB") had cleared peat forest, contrary to its policies and industry standards, on its PT Temila Agro Abadi ("PT TAA") plantation in West Kalimantan, Indonesia.

FGVHB had also updated its declaration on the new planting and new acquisition of plantation units / lands and the progress of the said activities are ongoing. These have been reviewed and updated in the Time Bound Plan as submitted by FGVHB.

Based on Intertek's review progress made to-date, FGVHB is considered to have maintained its commitment under Clause 4.5 (Minimum requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017) to ensure that the issues are being resolved through an agreed process.

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1.10 Abbreviations Used

BOMBA	Fire Services Department	IPM	Integrated Pest Management
CB	Certification Body	ISCC	International Sustainability & Carbon Certification
CHRA	Chemical Health & Risk Assessment	IUCN	International Union for Conservation of Nature
CPO	Crude Palm Oil	JAS	Jabatan Alam Sekitar
CSDS	Chemical Safety Data Sheets	JKKP	Jabatan Kesihatan dan Keselamatan Pekerja
CSPO	Certified Sustainable Palm Oil	KER	Kernel Extraction Rate
CSPK	Certified Sustainable Palm Kernel	LTA	Lost Time Accidents
DOE	Department of Environment	MPOB	Malaysia Palm Oil Board
DOSH	Department of Occupational Safety and Health	MSDS	Material Safety Data Sheets
EFB	Empty Fruit Bunch	MTCS	Malaysia Timber Certification Scheme
EHS	Environmental Health & Safety	NCR	Non-Conformance Report
EIA	Environmental Impact Assessment	NGO	Non-Government Organization
ETP	Effluent Treatment Plant	OER	Oil Extraction Rate
FASSB	Felda Agricultural Services Sdn Bhd	OHS	Occupational Health & Safety
FELDA	Federal Land Development Authority	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
FGVHB	FGV Holdings Berhad	PMU	Plantation Management Unit
FGVPM	FGV Plantations (Malaysia) Sdn Bhd	POM	Palm Oil Mill
FTPSB	Felda Tekno Plant Sdn Bhd	POME	Palm Oil Mill Effluent
GAP	Good Agriculture Practice	PPE	Personal Protective Equipment
HCV	High Conservation Values	SCCS	Supply Chain Certification Standard
Intertek	Intertek Certification International Sdn Bhd	SOP	Standard Operating Procedures

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 13 Jun 2018, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on Adela Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From **16-18 Jul 2018**, the Assessment team conducted the Assessment in which the single estate (viz., FGV Kledang 02 estate) of Adela Grouping as well as the palm oil mill were assessed for compliance against the RSPO requirements. Since there is only one estate in the PMU, there is no sampling of estates and this estate shall be assessed at every assessment.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Adela Grouping POM was also assessed against the requirements of RSPO Supply Chain Certification Standard for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for the 'Mass Balance' - MB Model requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims. The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel and also submitted to another independent External Peer Reviewer for comments prior to the approval of this report and final decision on the certification by Intertek.

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment which will be carried out within a 12-month period prior to the annual certificate expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO, FGVHB and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies, NGOs, suppliers and contractors.

Details on stakeholders' feedback, PMU response and Intertek verification / comments are provided **in section 3.3**.

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

1. Department of Lands And Mines
2. Department of Environment
3. Department of Forestry Peninsular Malaysia
4. Department of Immigration
5. Department of Irrigation & Drainage
6. Department of Labour
7. Department of Occupational Safety & Health
8. Department of Orang Asli Affairs
9. Department of Wildlife & National Parks

Government Agencies - State (by emails)

10. Department of Environment – Johor
11. Department of Forestry - Johor
12. Department of Immigration – Johor
13. Department of Irrigation & Drainage - Johor
14. Department of Labour – Johor
15. Department of Occupational Safety & Health – Johor
16. Department of Wildlife & National Parks – Johor
17. Land and Mines Office – Johor
- Pertubuhan Keselamatan Sosial (SOCSO) – Johor

Statutory Bodies (by emails)

18. Malaysian Palm Oil Board (MPOB)
19. Malaysian Palm Oil Board (MPOB) - Southern Region
20. Malaysia Palm Oil Association (MPOA)
21. Malaysia Palm Oil Association Kuala Lumpur (MPOA)

NGOs (by emails)

22. All Women's Action Society (AWAM)
23. BCSDM - Business Council for Sustainable Development in Malaysia
24. Center for Orang Asli Concerns COAC
25. Centre for Environment; Technology and Development; Malaysia - CETDEM
26. EcoKnights
27. ENO Asia Environment
28. Environmental Management and Research Association of Malaysia (ENSEARCH)
29. Environmental Protection Society Malaysia (EPSM)
30. Friends of the Earth; Malaysia
31. Future in Our Hands Society; Malaysia
32. Global Environment Centre
33. Institute of Foresters; Malaysia (IRIM)
34. JUST - International Movement for a Just World
35. Malaysian CropLife & Public Health Association (MCPA)
36. Malaysian Environmental NGOs - MENGO
37. Malaysian National Animal Welfare Foundation - MNAWF
38. Malaysian Nature Society Johor
39. Malaysian Plant Protection Society (MAPPS)
40. National Council of Welfare & Social Development Malaysia - NCWSDM
41. National Union of Plantation Workers (NUPW)
42. Partners of Community Organisations (PACOS)
43. Pesticide Action Network Asia and the Pacific (PAN AP)

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44. Proforest - South East Asia Regional Office
45. SUARAM - Suara Rakyat Malaysia
46. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
47. Sustainable Development Network Malaysia (SUSDEN)
48. Tenaganita Sdn Bhd
49. The Malaysian Forum of Environmental Journalist (MFEJ)
50. TRAFFIC - the wildlife trade monitoring network
51. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
52. Transparency International - Malaysian Chapter
53. Treat Every Environment Special Sdn Bhd. (TrEES)
54. UNION – AMESU
55. United Nations Development Programme - UNDP Malaysia
56. Wetlands International (Malaysia)
57. Wild Asia Sdn Bhd
58. World Wide Fund for Nature (WWF) Malaysia

Local community (On-site interviews)

59. Gender representatives
60. Workers representatives
61. Suppliers / Contractors
62. Village Heads

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance	The PMU has established and implemented a documented procedure ML-1A/L2-Pr12 Issue 1 Rev 0 dated 01/06/2016 for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Date of public notification of this assessment of the PMU was made on 13 Jun 2018. No request for information from stakeholders for this PMU.	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	Implementation of above procedure was evident from records of visits, inspections and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), BOMBA, MPOB and Energy Commission (“Suruhanjaya Tenaga”). The PMU maintained a site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The list of stakeholders is to be updated whenever necessary. The POM and estate have conducted internal and external stakeholders’ consultation records of stakeholders’ feedback maintained (positive and negative) and management action plans recorded.	Refer to Minor NC# JMD-01 on Indicator 6.2.3
Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance	The organization’s policies declared that upon request, the following types of mandatory documents are available to the public: <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • HCV documentation, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. • Human Rights Policy. 	Complied

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	<p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estate.</p> <p>Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and estate. HQ kept the original copies.</p>	Complied
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Occupational Safety and Health (OSH) Plan that cover OSH Policy and risk assessment (HIRARC) was documented and implemented for both mill and estate.</p>	Complied
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr1 Issue 1 Rev 0 dated 01/06/2016 for Environmental Aspect and Impact Assessment.</p> <p>Environmental aspect and impact assessment conducted for the POM and estate and its action plan documented and implemented for both mill and estate.</p> <p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr21 Issue 1 Rev 0 dated 01/06/2016 for Social Impact Assessment. Social impact assessment carried out. Positive and negative impacts and action plan documented.</p>	Complied
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr17 Issue 1 Rev 0 dated 01/06/2016 for identification of HCV and Biodiversity.</p> <p>HCV and Biodiversity Survey was conducted by FGVHB Sustainability Officer in Jul 2018 on the Kledang 02 estate. Action Plan documented for biodiversity in the estate with specific actions to be taken by the Estate Manager / Assistant Manager.</p>	Complied
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Documented pollution prevention and reduction plans include measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, schedule wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).</p>	Complied
<ul style="list-style-type: none"> • Details of complaints and grievances (Criterion 6.3); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr4 Issue 1 Rev 0 dated 01/06/2016 for complaints and grievances. As to date, the PMU has not received any complaints from external stakeholders.</p> <p>There is also Complaints Box provided in the mill and estate with a Complaints and Grievances Form for recording any complaints/ grievances. A Complaint Book ("Buku Aduan") is also maintained in the POM and estate. Logbook entries for the period concerned found to be mainly complaints from employees relating to repairs on housing/quarters. Actions found to be taken to address the complaints and recorded in the Complaints Book.</p>	Complied
<ul style="list-style-type: none"> • Negotiation procedures (Criterion 6.4); 	<p>The PMU has established a documented procedure ML-1A/L2-Pr12 Issue 1 Rev 0 dated 01/06/2016 for participatory communication and negotiation. No case of land claims in the PMU.</p>	Complied
<ul style="list-style-type: none"> • Continual improvement plans (Criterion 8.1); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr7 Issue 1 Rev 0 dated 01/06/2016 for continual improvement.</p>	Complied

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• Public summary of certification assessment report;	Public summary of certification assessment reports are available from the company upon request.	Complied
• Human Rights Policy (Criterion 6.13).	The Human Rights Policy (“Polisi Hak Asasi Manusia”) has been documented and signed by the President and CEO of FGVHB on 01/06/2014. The Policy had been communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estate.	Complied
Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	The Policy of commitment to a Code of Ethical Conduct and Integrity has been documented and signed by the President and CEO of FGVHB on 01/06/2014. The Policy had been communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estate.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	A Register of Legal and Other Requirements covering the applicable local and international laws and regulations has been compiled for the mill and estate. A Compliance Checklist is used by the mill and estate for verification of compliance with legal requirements. The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities. There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance. Form JKPP8 for the reporting of incidences and accidents to DOSH and the Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 to DOE verified to be submitted. Based on the site observations, interviews and records checking at the POM and estate, there were evidences of compliance with the relevant laws, regulations, local and international laws. Licenses and permits (License for Foreign Workers Employment, Workers Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid. Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical	Complied

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	<p>and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester, authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>Legal documents (work permits, passports) of foreign workers in the estate. Insurance coverage is available for foreign workers in the estate. There are no foreign workers employed in the POM.</p>	
<p>2.1.2</p> <p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>Minor Compliance</p>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 for identifying, determining, reviewing and updating applicable legal and other requirements.</p> <p>It included the listing of laws and regulations that were being monitored for changes.</p>	Complied
<p>2.1.3</p> <p>A mechanism for ensuring compliance shall be implemented.</p> <p>Minor Compliance</p>	<p>Monitoring mechanism was done through a yearly evaluation check against the items in the Legal Register. The POM and the estate have carried out the evaluation check on 16/02/2018.</p> <p>The POM and estate have also conducted internal audits on 26/06/2018 and 27/06/2018 respectively for determining compliance of its operations with RSPO requirements and legal requirements. Records were maintained.</p>	Complied
<p>2.1.4 A system for tracking any changes in the law shall be implemented.</p> <p>Minor Compliance</p>	<p>Tracking of changes in the relevant laws are communicated and received from HQ. Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 and documented monitoring flowchart “Sistem Semakan Perubahan Undang-undang”.</p> <p>The Legal Requirements Register was verified to be reviewed for the POM and estate on 26/04/2018 for any relevant updates.</p>	Complied
<p>Criterion 2.2</p> <p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance

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<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.</p> <p>Major Compliance</p>	<p>Documented evidence of payments of quit rent for the POM and estate to the district land authorities of Johor. Lease of estate land for the cultivation of oil palm found to be in order. There is an agreement between FGVHB and Felda for a 30 years lease commencing 01/01/1994 of a portion of land situated within the Adela Scheme measuring approximately 26.98 ha for the POM.</p> <p>Kledang 02 Estate has a land lease of 99 years for the cultivation of oil palms with expiry on 24 Oct 2078.</p> <p>The land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</p>	<p>Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estate. On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estate.</p>	<p>Complied</p>
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not required to be applied for the PMU.</p>	<p>Complied</p>
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major Compliance</p>	<p>The PMU has established a documented procedure ML-1A/L2-Pr10 Issue 1 Rev 0 dated 01/06/2016 for the identification and resolution of land conflicts.</p> <p>The procedure covers:</p> <ul style="list-style-type: none"> (a) Local community rights and customary rights. (b) Resolution plan and compensation. (c) Compliance and boundary stone demarcation. <p>There is currently no land dispute in the PMU.</p>	<p>Not applicable</p>
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>Minor Compliance</p>	<p>No land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not Applicable</p>
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Complied</p>
<p>Criterion 2.3</p> <p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		

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Indicators	Findings and Objective Evidence	Compliance
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>Land leases for POM land and estate land verified to be in order.</p> <p>The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.</p>	<p>Complied</p>
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>	<p>Records are available to show that the land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	<p>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	<p>Not Applicable</p>
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>	<p>This process is not applicable during current assessment.</p>	<p>Not Applicable</p>

Principle 3: Commitment to long-term Economic & Financial Viability

Criterion 3.1

There is an implemented management plan that aims to achieve long-term economic and financial viability.

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Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Palm Oil Mill has documented a 3 years (2018, 2019 and 2020) Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour & services, cost of supplies and equipment, depreciation costs, salary costs, management costs, cost of materials, etc.). <p>The estate have documented a 3 years (2018, 2019 and 2020) Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Replanting program (planting materials are DxP seedling and cloned seedling); (2) Crop projection = FFB yield/ha trends; (3) Cost of Production = Cost/MT FFB trends; (4) Forecast prices; (5) Financial indicators = Cost of labour, cost of facilities, cost of materials, etc.). <p>Crop and operation budget cover weeding, manuring, harvesting, collection and transporting, pruning, drains and roads.</p> <p>The budgets also include provisions for sustainability efforts and improvement programmes (environmental aspects on road maintenance, domestic waste collection, maintenance of buffer zones).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc).</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the GM of Zone/Wilayah.</p>	<p>Complied</p>
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>Minor Compliance</p>	<p>The palm trees in Kledang 02 estate are 4 to 13 years old. There is no replanting required over the next 12 years until year 2030.</p>	<p>Complied</p>

Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1

Operating procedures are appropriately documented, consistently implemented and monitored.

Indicators	Findings and Objective Evidence	Compliance
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<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance</p>	<p>The Management had established over 100 SOPs and documented as Manual Pengurusan QOSHE and Manual Operasi and Manual Ladang Sawit Lestari for all its processes at the mill and the estate, including that of Supply Chain Certification System requirements.</p> <p>Examples of SOPs for the POM are for the following processes:</p> <ul style="list-style-type: none"> - FFB Receiving Station - Loading Ramp - Steriliser - Threshing Station - Digestion Pressing Station - Depericarperzation Station - Nut & Kernel Plant - Oil Room Station - Boiler Station - Engine Room Station - Product Storage and Despatch - Laboratory - Water Treatment Plant - Shovel - Threshing Station - Polishing Plant - Effluent Treatment Plant - Workshop <p>The estates have the following documented SOPs in their Manual Ladang Sawit Lestari:</p> <ul style="list-style-type: none"> - SOP for Oil Palm DxP Seed Production - SOP for Oil Palm Planting Density - SOP for Pre Nursery Seedlings - SOP for Large Polybag Nursery - SOP for Land Clearing - SOP for Land Preparation for new planting and replanting - SOP for Tidal Gates - SOP for Oil Palm Planting Technique - SOP for Planting Leguminous cover plant - SOP for Manuring - SOP for Weeding - SOP for Pest and disease - SOP for Harvesting - SOP for road maintenance - SOP for workshop - SOP for POME application <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	<p>Complied</p>
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records were checked by the respective Assistant Managers and Managers regularly.</p> <p>These records were satisfactorily maintained during the on-site visit.</p>	<p>Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>Daily Muster chits were available at estates and actual field activities were verified during on-site field inspection.</p>	

	<p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster chits.</p> <p>An Observation was raised as follows:</p> <p>One corner of the workshop at the palm oil mill was found to be in an untidy condition with a huge pile of discarded old records placed on the floor together with a few unusable fire extinguishers.</p>	<p>OBS# CBK-01</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>The mill received a large portion of FFB from third-parties for the processing. The management had held meetings with these growers to comply with their requirements which were in accordance with RSPO principles.</p>	<p>Complied</p>
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by Felde Agricultural Services Sdn Bhd. Good Agricultural Practice (GAP) for minimization of soil erosion and maintenance of soil fertility are maintained via the frond stacking and fertilizer application.</p> <p>These had been verified through the records for fertilizer application. The estate provided the evidence of GAP and was verified during the audit.</p> <p>Fertilizer application at the estate fields had adhered to the recommendations at all estate levels.</p>	<p>Complied</p>
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Records of fertilizer application at the estates were maintained and had been verified to be satisfactory.</p>	<p>Complied</p>
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p>	<p>Leaf sampling and analysis had been carried out annually. Soil sampling and analysis were carried out to determine the nutrient levels.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	<p>Complied</p>
<p>4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance</p>	<p>The EFB from the POM are delivered to the estate as evidenced by the "Laporan Tandan Kosong Tahun 2018" maintained by the POM.</p> <p>EFB Mulching Application and field maps indicate the amounts and locations of EFB application in the estate. EFB were spread in one row layer.</p>	<p>Complied</p>
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p>	<p>Soil maps for all the estates were available.</p> <p>Peat soil was present in part of Fields 02, 05, 06, 07, 09. The peat soil areas constituted a significant size of the estate.</p> <p>Verified that it was sufficiently well i managed.</p>	<p>Complied</p>

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<p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p>	<p>The terrain of the estate is mostly undulating. There was no steep slope.</p> <p>The fields were generally covered with soft grasses, ferns, and herbaceous plants in the mature area while leguminous cover crop had been maintained in the immature area.</p> <p>Generally, the Best Management Practice was followed to control and minimize soil erosion and degradation.</p>	<p>Complied</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Road maintenance programme and maintenance records had been verified at the estate.</p>	<p>Complied</p>
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	<p>Peat soil was present in a large part of the estate.</p> <p>Verified that water table management was implemented as follows: Pegs for measuring the soil subsidence and water level had been put up in the field and in the water collection drain. Records of water level monitoring showed the water level was between 40 cm and 70 cm below ground surface, and records of monitoring had been verified.</p> <p>It was noted actions were taken such as releasing water or damming by using sandbags to lower or raise the water level as the situation arise.</p> <p>The water level had been monitored once a month.</p> <p>Subsidence records sighted showed there was no significant change in level.</p>	<p>Complied</p>
<p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p>	<p>Verified that in the peat areas, there has been no recorded experience of any flood in the area.</p>	<p>Complied</p>
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>	<p>The management practices for soil conditions at the estate was considered to be adequate.</p> <p>Based on the estates soil maps and visit to the estates, there were no other fragile and problematic soils on the other estate.</p>	<p>Complied</p>
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented Water Management Plan verified to be in place for the palm oil mill and estate.</p> <p>The plan includes steps such as soil stabilization, run-off control, water level control in peat areas, waste water management to mitigate the disturbed earth entering waterways.</p> <p>Water for domestic consumption in the mill and estate is piped water supplied by the local water utility company. The treated water supply complies with the Ministry of Health Specification for Drinking Water, which include the requirement of 0 in 100 ml for E.Coli.</p>	<p>Complied</p>

	Rainfall data was monitored as part of the water management plan.	
4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	Buffer zones had been generally maintained for drains passing in the estate as verified during on-site field inspection. During field inspection, there was no evidence of spraying around palms marked as boundary for the buffer zones. Appropriate signages were placed with demarcation of buffer zone area. Workers are aware of the non-usage of chemicals within the buffer zone.	Complied
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	At the palm oil mill, water samples were taken at monthly interval at the discharge point of effluent pond. The BOD level from Jan to May 2018 had been in the range of 17 ppm (lowest) to 38 ppm (highest) with an average of 28.6 ppm. The BOD level complied with the current upper limit specified by D.O.E. i.e. at 100 ppm	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Water usage in the POM over past 6 months were monitored. From Jan to Jun 2018, water usage ranged from 0.99 to 1.24 m ³ /MT FFB with an average of 1.08 m ³ /MT FFB.	Complied
Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
Indicators	Findings and Objective Evidence	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Verified that IPM Plans were monitored at the estate and that pest infestation was minimal. Programmes for planting of beneficial plants such as <i>Turnera subulata</i> , and <i>Antigonon leptopus</i> were established and records on areas planted had been verified together with the respective maps. Rodent baiting was carried out based on the census and grading results of rodent attack on FFB. The threshold limit was set at 5% prior to any rodent baiting, which was found to have occasionally occurred. Rodent baiting was applied and the records of the rat baiting performed were verified to have been properly maintained.	Complied
4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	IPM training conducted by for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactorily maintained.	Complied
Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.		
Indicators	Findings and Objective Evidence	Compliance

<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable. The estate has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows: (1) Glyphosate isopropyl amine (41% a.i.) (2) Metsulfuron methyl (20% a.i.) (3) Triclopyr butoxy ethyl ester (32.1% a.i.) (4) 2, 4 Dimethylamine (60% a.i.) (5) Glufosinate ammonium (13.5% a.i.)</p> <p>Specific pesticides had been used to deal with the respective target pest, weed, or disease. Verified that the pesticides were selected to deal with specific species of weeds or pests as listed in the SOP (Manual Lestari). These were reflected in the weed and pest control records maintained.</p>	<p align="center">Complied</p>
<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained and kept for past 12 months years. Verified that the records of monitoring were satisfactorily maintained.</p>	<p align="center">Complied</p>
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>The policy to minimize the use of pesticides in accordance with IPM plan is maintained at the Estate. Verified that no prophylactic use of pesticides had been carried out at the estate.</p>	<p align="center">Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>The company had a complete list of WHO class 1A and class 1B and Stockholm or Rotterdam conventions pesticide. Records showed paraquat had not been used since 2016. Verified that alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of Paraquat.</p>	<p align="center">Complied</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used.</p>	<p>During interview at the estate, the pesticide operators confirmed that they were provided training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) were provided to the field workers.</p>	

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<p>All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>Verified that pesticides operators had worn the proper PPE during field inspection.</p> <p>Precautions attached to the pesticides (MSDS) have been generally understood and followed by the workers.</p> <p>Training programmes were planned and training records verified to be satisfactorily maintained.</p> <p>The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p> <p>The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area.</p> <p>The estate has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE. Equipment such as spraying pumps were maintained to be in proper functioning condition.</p> <p>First Aid Kits found to be available during pesticides spraying in the fields (as per 4th Schedule).</p> <p>Verified that portable signboard were displayed at areas of spraying activity (as per 5th Schedule).</p> <p>The following findings are raised: Location: Kledang 02 Estate</p> <p>(1) At Block 12, there was spraying of glyphosate at the field by 4 workers. The containers were not labelled with the pesticide name as written on the original label. It was found that one container was without any label.</p> <p>(2) The pesticide and fertilizer workers shared one shower room with walls that was approximately 1.5 m high without a roof and without a permanent door (only a plastic sheet).</p>	<p style="text-align: center;">Major NC# CBK-01</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.</p> <p>Emergency shower and eye wash are available near the pesticides store.</p> <p>Material Safety Data Sheets (MSDS) are available in the store. The MSDS are noted to be in English and Bahasa Malaysia version.</p> <p>Used chemical containers were mainly reused as containers for mixing of spraying solution and extras were retained and mixed into a new batch.</p> <p>Verified that there was no improper reuse of the chemical containers by the workers at the fields.</p>	<p style="text-align: center;">Complied</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts.</p> <p>During interview with workers at field visits to the estate, it was observed spraying operators had demonstrated knowledge and understanding of using correct nozzle, spray drift, spray quality and run-off. Proper technique for spraying was demonstrated by the workers.</p> <p>It was verified that the workers had been trained on safe handling and application of chemicals, and information of chemicals through MSDS and CSDS.</p>	<p style="text-align: center;">Complied</p>

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<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>No aerial application of pesticides was carried out. This was verified to be maintained during on-site field inspection.</p>	<p>Complied</p>
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>Verified that the Annual Training Plan has included training on pesticides handling. Noted that all new pesticides operators were trained before being assigned to work with pesticides. Existing pesticide operators were also given continual training to enhance their knowledge and skills on pesticides. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store were found to be satisfactorily maintained.</p>	<p>Complied</p>
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Used pesticides containers were triple-rinsed and punctured at the bottom and stored in a designated store before being disposed of through a licensed contractor approved by the Department of Environment. There was no disposal for the last 12 months. All pesticides containers were re-used.</p>	<p>Complied</p>
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>The CHRA recommendations has been followed in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 as follows: 1) Annual Medical Surveillance for all pesticide handlers due to toxicity and highly hazardous nature of the pesticides. 2) Monthly Health checks at the estate clinics were conducted for workers who handled agrochemicals and fertilisers. Based on the above recommendations, it was verified that the following was carried out over the past 12 months: Records of Annual medical surveillance for pesticide handlers were maintained. The medical reports had showed that there was no case of low blood cholinesterase levels for any of the workers. No abnormalities were stated in the reports and the workers were individually found to be fit for the work with pesticides. Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. There are no female sprayers and manurers. Verified that monthly clinical tests were carried out by the Estate Health Assistant on all sprayers and manurers. Records of the health checks were maintained. Verified that there were occasional cases of mild illness in which workers were accordingly given medical leave and rest. In more severe cases, the workers were sent to the nearest Hospital for the proper medical treatment. It is also verified that there were no reported cases of any blood poisoning amongst the workers at the estate over the past 12 months. An Observation was raised as follows: At the Estate, 10 workers were sent for medical surveillance on 11 Mar 2018. However, the Medical Surveillance Reports were only obtained by the estate from the doctor on the day</p>	<p>Complied</p> <p style="text-align: right;">OBS# CBK-02</p>

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	of the audit. This is an indication of lack of follow-up over 4 months.	
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>No pregnant or breast-feeding woman had been offered work as pesticide operator.</p> <p>List of pesticide operators (with female workers identified) was available on the estate.</p> <p>Verified that there were no pregnant female workers involved in handling pesticides on-site.</p>	Complied
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented.</p> <p>The Safety and health policy, approved by the Ketua Pegawai Eksekutif dated 20 Nov 2017, had been verified to be maintained. This policy had been explained to all employees by Field Supervisors during muster with the help of a translator. Confirmed during site interviews of sampled field workers that they do have basic understanding of the Safety and Health policy.</p> <p>Records on training and analysis on understanding of training were available and verified.</p>	Complied
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards at the various activities at the POM and Estate. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire etc. Procedures and actions were implemented to mitigate the hazards. Risk assessment was reviewed in Jun 2018.</p> <p>Incidences and accidents that occurred were notified and discussed in the OSH committee meetings. Noted that all workers were regularly reminded to adhere to safe working practices to avoid recurrence of accidents.</p> <p>Precautions as attached to the products via the MSDS had been observed to be complied by the workers.</p> <p>Annual audiometric tests conducted for all mill staff and workers on 27 Jan 2018. The audiometric reports revealed that 16 workers have hearing impairment and had been assigned other work at low noise level such as driving, loading FFB, landscape work etc. Audiometric re-test to be carried out within six months for these workers. The OSHA Doctor submitted the audiometric report and JKPP 7 to JKPP Putrajaya and Johore. The Doctor will only refer worker with Induced Hearing Loss to SOCSO for benefits in accordance with the regulations.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear muffers) verified to be provided and being used by the workers.</p>	Complied

	<p>Internal Safety audit was done to ensuring compliance with the minimum standards needed for the types of PPE used.</p> <p>Fire extinguishers and hose reels found to be located at strategic locations and noted in functioning conditions. Location map of fire extinguishers is available at POM.</p> <p>First Aid equipment was available at POM, estate and at worksites and weekly checked. Samples of First Aid boxes checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estate and records maintained.</p> <p>The POM and estate have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKKP8 regulations was submitted to JKKP on Jan 2017.</p> <p>Verified that records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps is up-to-date.</p>	
<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	<p>Awareness and training programme had been carried out, and training records had been verified.</p> <p>All workers involved had been adequately trained in safe working practices.</p> <p>Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations, and all workers had been noted to be wearing the appropriate PPE.</p> <p>Fire-fighting training and fire drills were carried out with the attendance of workers or residents, crèche caretakers and Location: Workshop at POM</p> <p>Section 6 of the “Prosedur Penggunaan Power Saw (Doc FPI-PK-105)” stated that operator is required to use personal protection equipment such as safety shoes, gloves, safety goggles, face protection, mask & ear protection when operating the machine.</p> <p>At the Palm Oil Mill workshop, a mechanic did not use any of these PPEs when operating the machine.</p>	<p align="center">Major NC# CBK-02</p>
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance</p>	<p>The persons nominated to be responsible for health, safety and welfare were Mill Manager and Estate Managers.</p> <p>Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p>	<p align="center">Complied</p>
<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations.</p> <p>First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Accident cases were handled according the established procedure.</p> <p>The respective Safety & Health Committees chaired by the Mill Manager and the Estate Manager reviewed accident cases during the Safety Committee meeting every three months.</p>	<p align="center">Complied</p>

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<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	<p>Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG.</p>	Complied
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics had been maintained and verified. JKKP8 reports had been sent to JKKP before end Jan of each year.</p>	Complied
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance</p>	<p>The formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.</p>	Complied
<p>4.8.2 Records of training for each employee shall be maintained. Minor Compliance</p>	<p>Records of training for each employee, including new employees were maintained.</p>	Complied

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

<p>Criteria 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance</p>	<p>The Environmental Aspect and Impacts Assessment for the POM was conducted and documented on 01/07/2018. It had included assessment on all polluting activities such as potential pollution to water, gaseous emissions to air and contamination on land. Environmental Aspect and Impacts Assessment for Kledang 02 Estate was documented on 04/01/2018. It had included the identification of aspects and impacts from field activities that includes fertilizing, spraying, transportation of FFB, domestic waste disposal and also road maintenance.</p>	Complied
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance</p>	<p>The impacts have been identified and plans were developed to mitigate the issues. Location: POM Environmental Management Action Plans have been established and implemented at both the mill and estate. However, the Action Plan for the POM did not identify the responsible person/persons for monitoring and taking the appropriate action. The plans had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as reducing dust emission by installing a wet scrubber and bio-polishing to reduce BOD for</p>	Minor NC# OCL-01

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	the POM, together with other conservation activities applicable to the estate.	
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans were reviewed on an annual basis.</p> <p>The review took into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone and clearing of overgrown natural vegetation.</p>	Complied
<p>Criteria 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>Biodiversity (HCV) assessment for Kledang 02 Estate was conducted by the Certification & Due Diligence (CDD) Unit of FGVHB HQ and documented in a report dated Jul 2018.</p> <p>The assessment was done in consultation with interested stakeholders such as Jabatan Perhutanan, Jabatan Perhilitan, Jabatan Alam Sekitar, and also the surrounding neighbours and local communities.</p> <p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as steep slopes, streams, wildlife boundaries and was documented.</p> <p>Visits to the site confirmed that the Kledang 02 Estate is surrounded by Felda scheme small holders (Felda Sening and Fleda Kledang) and another oil palm plantation, Ladang YPJ, along all its boundaries. There is no traditional local villages or native communities at or near the estate boundary.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. There is no forest reserve bordering the estate.</p> <p>The topography of Kledang 02 Estate is 50% undulating, 45% medium and 5% hilly. Soil series are Beserah, Local Alluvium and peat soil.</p> <p>A significant part (45%) of Kledang 02 Estate is of peat land on which oil palm trees have been planted since 1982. An area of 25.10 ha had been left unplanted as it under water and is being maintained in its natural state as a conservation area.</p> <p>There is a river, Sungai Pungai, flowing through a neighbouring estate, Ladang YPJ. This river is located about 1 km from Kledang 02 Estate. It was verified that there is no river passing through Kledang 02 Estate. There are drains within the estate and water management of the peat land implemented to monitor the water level. Water does not flow directly to Sungai Pungai located in the neighbouring estate, Ladang YPJ.</p> <p>Kledang 02 Estate has to determine the total hectarage of conservation areas consisting of the unplanted peat land area and buffer zones along the estate main drains.</p>	<p>Major NC# OCL-01</p>

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<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance</p>	<p>Regular patrols within the estate were being carried out and findings recorded by the respective Estate executives to monitor the conservation / buffer zone areas and other parameters.</p> <p>The estate had taken appropriate measures to monitor and control any illegal or inappropriate hunting, fishing or collecting activities within the estate.</p> <p>Action plan to maintain or enhance the presence of RTE or HCV areas were implemented.</p> <p>Signages that prohibit hunting, fishing and water polluting activities were verified on-site at the estate and found to have been satisfactorily maintained.</p> <p>Signages placed at the buffer zone of the main drains in the estate.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance</p>	<p>A program was established with ongoing consultation with the relevant authorities and to regularly educate the workforce and community about the status of these RTE species.</p> <p>There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the communication held with other parties, especially with the smallholders surrounding the estate.</p> <p>Training on RTE was also conducted to the workers on 27 Jun 2018.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. Minor Compliance</p>	<p>Management plan was established and monitoring outcomes were reviewed by the Estate Manager.</p> <p>The overall management plan on the status of HCV/RTE of estate was collated, reviewed and monitored by the CDD sustainability team.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance</p>	<p>It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estate. Thus negotiated agreement of such nature is not applicable.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented. Major Compliance</p>	<p>The POM and estate have identified and documented the waste products and sources of pollution in their respective documented Waste Management Plans. However, not all the waste products have been identified by the POM, e.g. effluent and domestic waste.</p> <p>Scheduled waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers / drums (SW 409), used filters (SW 410) and used batteries (SW 102). Records on the usage and disposal of scheduled waste at the POM were well recorded and documented.</p> <p>Currently, there is no scheduled waste at the estate as the vehicles are all serviced outside by an approved third party.</p>	<p style="text-align: center;">Obs# OCL-01</p>

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<p>5.3.2 All chemicals and their containers shall be disposed of responsibly. Major Compliance</p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with the regulatory requirement as per their schedule on waste management as planned.</p> <p>Store for scheduled waste were inspected at site, i.e. POM and disposal was done by Kualiti Alam Sdn Bhd., which is a scheduled waste disposal company authorized and licensed by Department of Environment. Latest disposal was conducted on 12/04/2018. The POM has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>The estate sent its vehicles to an approved external party for servicing and maintenance.</p>	<p style="text-align: center;">Complied</p>
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance</p>	<p>The waste management and disposal plan has been documented and implemented at the POM and estate.</p> <p>At the POM, segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory. The disposal of schedule waste was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>There is no landfill at the POM and estate. Domestic waste is collected twice weekly and disposed by a contractor at a site monitored by DOE.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management of EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the POM and estate.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data were compiled for comparison and control for future improvement.</p> <p>Visit made to mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The shell is sold as bi-products to other agencies/clients, whereas the EFB is used for mulching at the plantations.</p> <p>The use of energy in palm oil mill and estate/line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the POM and estate were made available during the audit.</p>	<p style="text-align: center;">Complied</p>

	It was verified that energy usage are being monitored at the POM and estate for better control and comparison of trends.	
Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
Indicators	Findings and Objective Evidence	Compliance
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Major Compliance	Both the POM and estate had observed the policy of 'Zero open burning' for any replanting, if any, at the estate. Field inspections made at the estate showed no evidence of open burning.	Complied
5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Minor Compliance	During the audit, there were no replanting activities carried out at the estate. Also, there was no evidence of any burning of domestic waste at the housing line sites during on-site field assessment.	Complied
Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). Major Compliance	The POM and estate had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. Assessment of all polluting activities such as gaseous/particulate emissions and effluent was conducted and documented.	Complied
5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Identification of significant pollutants and greenhouse gas (GHG) emissions has been done, e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and estate. Plan to reduce and minimise the emissions were implemented.	Complied
5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the site visit to the mill. The emission of all parameters tested also complied with their respective limits as stipulated in the Environmental Quality (clean air) regulations. There is no field application of the POME as the estate is not nearby. Water samples were taken monthly at final discharge point and analysed to ensure compliance to DOE requirements (BOD < 100 ppm). Records are maintained and verified on-site to have met the permissible regulatory limits.	Complied

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	<p>The final discharge is into streams leading to Sungai Lebam located 2 km away from the POM. There is no direct discharging to any water course.</p> <p>Online Environmental Reporting (OER) to the Department of Environment was also conducted every 3 months and the record documented and made available during audit.</p>	
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Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

Criterion 6.1		
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>At the PMU, social impact assessment is conducted using various methods, i.e. annual internal and external stakeholders meetings, bi-annual generic internal and external surveys as well as topic specific surveys mostly involving the internal stakeholders. Each of this activity is appropriately documented and analysed. Comments were received from the participants and actions taken to address the comments were verified to be satisfactory by the auditor. For example selected stakeholders were consulted through a series of interviews conducted by the Plantation Sustainability Department (PSD) at the POM and the estate audited. At the POM the interviews were conducted on 25 Jun 2018, at Kledang 02 Estate the interviews were conducted on 27 Jun 2018. There were 30 interviews and 16 interviews conducted at the POM and at Kledang 02 Estate respectively. In each interviews, PSD randomly selected stakeholders from various background, such as workers, suppliers, surrounding communities, government officials, etc.</p>	<p>Complied</p>
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>The group has considered issues of social impact to employees and communities affected by their activities. Records of meeting with stakeholders indicated discussions held were generally on matters pertaining to access roads and use rights, working conditions, cultural/festival activities, health facilities and other community concerns as stated in 6.1.1.</p> <p>In all minutes of stakeholders, women's committee and trade union representative meetings, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. Through verification of entries made in the grievance book at the POM and at Kledang 02 Estate as well as through interviews conducted by the auditors, it was clear that the workers are well informed of issues related to their rights.</p>	<p>Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>For each comments received during meetings or surveys conducted by the POM and the estate, a time table of activities were developed with time frame on implementation plans and persons responsible. Comments received through the meetings, stakeholder logbook, etc., were recorded and also indicated with status either continuous, completed or pending. For example in the interview conducted with canteen operator, the PSD found out that POM workers did not pay their debt on time and unsatisfactory. The management come out with</p>	<p>Complied</p>

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	<p>solution that debt for each worker is to be limited up to RM150/month and all unpaid meals must be recorded. At Kledang 02 Estate, in an interview session with the government clinic, it was found that foreign workers from the estate only bring reference letter from the office for registration at the clinic without any passport. The clinic registration procedure requires passport identification. The estate management immediately implement a procedure that all foreign workers are to be supplied with copies of their passports together with reference letter every time they are going to the clinic.</p>	
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The plans are reviewed annually together with affected parties, especially the workers, who were always consulted during the annual interview session and workers representative meetings with the management called Mesyuarat Kebajikan Pekerja.</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>The PMU is surrounded by Felda smallholder schemes such as Felda Adela, Felda Sening, Felda Kledang and Felda Tunggal. These scheme smallholders are under the management of Felda and not FGVHB. Issues involving the PMU and all the scheme smallholders are discussed at the higher managerial level.</p>	Complied
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>FGVHB grievance procedure is available via website links provided below;</p> <ol style="list-style-type: none"> 1. http://www.feldaglobal.com/wp-content/uploads/2017/04/FGV_whistleblowing_policy_v5.pdf 2. http://www.feldaglobal.com/our-company/whistleblowing/ <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' meetings as well as surveys on general and specific issues. This policy is spelt out clearly in complaint and grievance handling procedures as verified during the audit (Prosedur Menangani Aduan dan Rungutan, ML-1A/L2-Pr13(0))</p>	Complied
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>Records sighted show evidence of appointed teams headed by the Managers and assisted by assigned staff. e.g. Mr. Azlan Abd Razak, Assistant Manager at Adela POM and Mr. Husain Razali, PDPL at Kledang 02 Estate</p>	Complied
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in</p>	<p>The list of stakeholders, communication and actions taken were maintained in file. Consultations with various stakeholders held and meeting minutes have been verified to be satisfactory during the audit.</p> <p>Location: Adela POM and Kledang 02 Estate</p>	

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response to input from stakeholders, shall be maintained. Minor Compliance	However, it was found list of stakeholders are incomplete. Stakeholders such as contractors and schools are not included in the lists.	Minor NC# JMD-01
Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
Indicators	Findings and Objective Evidence	Compliance
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	Both the POM and estate have established complaints and grievances procedures and they were all well implemented. Grievance books were sighted at the POM and at the estate audited. The books are actively used by workers. Timelines for response to complaints and grievances are indicated in the logbook. Generally respond time for minor requests will be within 2-3 days. Grievance books are for complaints which are not private and confidential in nature. However, for reports which are related to private matters such as sexual harassment, separate logbooks are prepared. Complainants are given the option whether the make the report personally or through nominated workers' representatives or meet directly with the gender committee members. It is verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature.	Complied
6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.	Complied
Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Indicators	Findings and Objective Evidence	Compliance
6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	No borders of the Kledang 02 Estate adjacent to villages in the area. Even Adela POM is located within an estate belong to Felda Adela. Nearest residential area with the PMU is Felda settlement area, i.e. Felda Sening, Felda Adela, Felda Kledang and Felda Tunggal. No issues related to legal, customary and user rights arise involving the PMU due to the fact that Felda is a government owned land development.	Complied
6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups'	The FGVHB Group has a procedure for calculating and distributing compensation which is available for verification. The procedure is spelt out in Land Claim Identification and Resolution Procedures (ML-1A/L2-Pr10(0)). It outlines the procedure for identifying legal, customary or user rights. The procedures stated that the compensation shall take into account issues such as proof of legal versus communal ownership in ethnic group, communities' period of residing and origins and gender difference in the ability to claim rights. To date, there has been no dispute by any parties reported at the PMU.	Complied

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<p>proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>		
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Major Compliance</p>	<p>To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.</p>	<p>Complied</p>
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>Offer letters and work contracts for local staff and foreign workers were verified. The contracts met the industry minimum standards, including extra pays under the statutory fringe benefits.</p> <p>The pay slips for workers at the estate and mill were verified to contain all necessary information and can easily be understood by the workers, e.g. type and rate of works completed, days offered, days worked, days absent, total deduction, etc.</p> <p>Review of field workers' pay slips showed that the calculation of pay is clearly itemised, for example, normal working day rate, normal working day overtime rate, rest day work, rest day work overtime, public holiday work, public holiday work overtime, annual leave pay in December, sick leave pay and deductions.</p>	<p>Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>All employment contracts are in languages understood by the workers, e.g. in Bahasa Indonesia for Indonesian workers, in Bengali language for Bangladesh workers and in English language for Indian workers. Through interviews it was verified that the contracts were clearly understood by the foreign workers when they were able to give correct responds on pertinent issues such as daily minimum rate, public holiday entitlement and pay for work during public holiday, etc. Local workers are covered by a collective agreement which is written in Bahasa.</p> <p>No foreign workers at the POM and all local workers are paid based on monthly rate. All workers at Kledang 02 Estate are paid based mainly on piece rate. During the audit at the estate, workers who received below minimum wages are only those who worked less than offered working days.</p>	<p>Complied</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>The PMU has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities Act 1990 to the workers.</p> <p>Housing, electricity and water supply</p> <p>The workers are staying in the housing quarters provided by the PMU. No rental charges by the PMU. Maintenance of the houses is the responsibility of the PMU as well. Electricity is provided 24-hours with no charge to the estate workers. Workers at the POM are paying their own electricity bill. Water is supplied free to workers at the estate whilst workers at the</p>	<p>Complied</p>

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	<p>POM have to pay if the water bill is above the subsidised volume. In calculating the subsidised volume, the POM management and the workers union takes into consideration number of family members of each worker, i.e. RM3/person/month with maximum up to RM15/month. The act mentioned above requires the management to subsidise sufficient volume of water to the workers only and does not include their family members. The housing quarters are inspected by assigned person from the POM and the estate at least once a week. For foreign workers at the estate, water usage is fully subsidised by the management.</p> <p><u>Schools</u></p> <p>Primary and secondary government schools are located within the vicinity of the POM and estate.</p> <p><u>Sundry shops</u></p> <p>Sundry shops are available within the vicinity of the POM and the estate. Interviews with the workers confirmed that the sundry shops are complete with most household sundries as they are also frequented by the local people.</p> <p><u>Medical clinics</u></p> <p>At the POM and estate, all workers with minor illnesses will be sent to the government clinic located nearby. If major treatment is required, the clinic will decide which hospital the patient should be sent to. Medical fees at the government clinics as well as the transport to the clinics are covered by the managements. Medical bill from local clinic to Kledang 02 Estate dated 31 Mar 2018 for a total of RM626.00 covering eleven workers from the estate was sighted.</p> <p>All workers at the POM and the estate was also covered with valid insurance policies. Local workers are all covered under SOCSO with compulsory monthly employer contribution and foreign workers are all covered under valid Foreign Workers Compensation Schemes issued by Etiqa Takaful.</p>	
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>The PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within their compounds.</p> <p>The workers of the POM and estate as mentioned above are located within a very well developed Felda settlements area with sufficient public facilities.</p>	<p>Complied</p>
<p>Criterion 6.6</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	<p>The published statements of policy which recognises employee's freedom of association is established in "Freedom of Speech and Freedom of Association" (ML-1A/L1-Po11(0)) dated 1 Jun 2014. It was noted that the policy is available and widely displayed to the public.</p> <p>This policy is verified as sufficiently implemented with the formation of different categories of workers union, e.g. workers union for the POM workers, workers union for the POM executives, workers union for estate local workers and a committee to represent the interests of foreign workers in the</p>	<p>Complied</p>

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	estate.	
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>Minor Compliance</p>	<p>The PMU allowed the workers to join workers unions and this evidence through deduction of their wages directly to pay the union monthly fees and meetings attended by the workers. Workers union organised an annual meeting which was verified as attended by representative from the workers at the PMU. For example Mr. Mohd Yazid Md. Sedik representing workers union from Adela POM to attend Felda POM workers union national level meeting on 13 Mar 2018 in Kuala Terengganu.</p> <p>Concerns of foreign workers at Kledang 02 Estate are discussed at the workers-management meeting called as Mesyuarat Kebajikan Pekerja. Latest meeting conducted at Kledang 02 Estate was on 21 May 2018. Minutes and attendance list for the meeting was verified.</p> <p>Location: Kledang 02 Estate</p> <p>It was found that the foreign workers are not aware of who exactly their representatives in “Mesyuarat Kebajikan Pekerja” between the workers and the management.</p>	<p>Minor NC# JMD-02</p>
<p>Criterion 6.7 Children are not employed or exploited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met.</p> <p>Major Compliance</p>	<p>The published statements of policy which recognises no child labour is established in “Child Labour Policy” (ML-1A/L1-Po5(0)) dated 01/06/2014. This policy is spelt out clearly in Procedures To Prevent Hiring Child Labour (ML-1A/L1-Pr18(0)).</p> <p>During the audit there was no evidence of any child labor being used at the PMU. Inspection of the employment records including site visit to the estate and interviews confirmed that this criterion has been complied with. Youngest worker, i.e. 19 year old, on date join is working at Adela POM.</p>	<p>Complied</p>
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>Major Compliance</p>	<p>The published statements of policy which recognises employee’s freedom of association is established in “Policy on Equal Opportunities” (ML-1A/L1-Po2(0)) dated 1 Jun 2014. All decisions shall be made based on business needs, job requirements and individual qualifications and without regard to race, religion or gender.</p> <p>Inspections including interviews in the estate, checking of the employment records including foreign workers, pay slips and deductions of wages (according to law) confirmed that this criterion had been maintained.</p>	<p>Complied</p>
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>Major Compliance</p>	<p>Based on interviews and feedback from the employees, foreign workers, review of workers union meeting minutes and grievance records, it is verified that there has been no issue of discrimination at the PMU.</p>	<p>Complied</p>

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<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>The PMU demonstrated that staff are hired and promoted based on specific criteria. However, promotion to higher position sometime take a longer period mainly due to the position sought is not yet vacant.</p> <p>For foreign workers, hiring is mainly conducted through employment agents and handled by the head office in Kuala Lumpur. It was verified that there is no discrimination on promotion as both male and female, local and foreign workers have equal opportunity to be promoted.</p>	<p>Complied</p>
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The published statements of policy which recognises no tolerance on sexual harassment and violence is established in “Policy on Sexual Harassment, Domestic Violence and Reproductive Rights” (ML-1A/L1-Po10(0)) dated 01/06/2014. This policy is spelt out clearly in Procedures In Handling Grievances Received Through Gender Committee (ML-1A/L1-Pr14(0)).</p> <p>There are women committees in both the POM and estate specifically to address areas of concerns to women. These committees headed by the managers and members are representatives from all areas of work. Spouse of the workers, especially at the POM, have their own gender committee which is called Kelab Keluarga Dayabudi (KKD). All activities of KKD are sponsored by the POM and sometimes will be invited to join the activities conducted by gender committee at the POM. Spouses of workers in Kledang 02 Estate will be mainly part of women’s group in Felda settlement called Gerakan Persatuan Wanita (GPW).</p> <p>The minutes of gender committee meetings at the POM and the estate were documented and kept. For examples, at the POM, latest women’s committee meeting was conducted on 28 Jun 2018. Latest meeting for the KKD was on 8 July 2018 involving workers at the POM and the spouses of the workers.</p> <p>The policy statements on prevention of sexual harassment, protection of gender and women reproductive rights were widely available and displayed in local languages and English.</p>	<p>Complied</p>
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The management of the estate audited and the POM are aware that pregnant and breastfeeding women must be exempted from work associated with potentially hazardous chemicals. Prohibition of pregnant or breastfeeding women from working with hazardous chemicals is clearly mentioned in Procedure of Handling and Controlling of Poison (ML-1A/L2-Pr9(0)).</p> <p>However, since there were no child bearing women workers within the group, thus this policy cannot be verified during the audit.</p>	<p>Complied</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p>	<p>The grievance process flowchart and procedures are displayed in the estate and POM offices. The grievance mechanism established at the PMU has been maintained. There are gender committees specifically to address areas of concerns to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and kept.</p>	<p>Complied</p>

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Minor Compliance		
Criterion 6.10		
Growers and millers deal fairly and transparently with smallholders and other local businesses.		
Indicators	Findings and Objective Evidence	Compliance
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	FFB prices are publicly displayed at the POM based on current prices as determined by MPOB. These prices are available publicly access at MPOB website.	Complied
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Price mechanism is generally understood by the industry players as the POM is using FFB prices set by the MPOB.	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Based on employee contracts and meeting minutes (between the PMU managements and employees) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored during work in progress to follow safety requirements.	Complied
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments are made on time according to common practice of 60-day grace period.	Complied
Criterion 6.11		
Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Main contribution of the estate to the local development can be demonstrated in the provision of facilities, services and where feasible, monetary. Adela POM for example responded to requests from external parties for some assistance, e.g. from Mados's Holding for empty fruit bunches (EFB) and from Parent Teacher Association of SK Senai Utama for contributions. Adela POM also is using the services offered by the Felde settlers such as rubbish collection at the workers housing area, grass cutting and food catering at the POM canteen, etc. At Kledang 02 Estate. it was observed during the audit that the management is in the process of building another housing block for the foreign workers.	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance	The certification scope covered during the audit does not include the smallholder. Thus this criterion is not applicable.	Not applicable

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Criterion 6.12		
No forms of forced or trafficked labour are used.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Major Compliance</p>	<p>Estate workers are sourced by the FGVHB appointed agents and handled via FGVHB Head Office in Kuala Lumpur.</p> <p>All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in FGVHB estate or POMs. Procedures on bringing foreign workers from their original countries are clearly spelt in Manual for Handling of FGVHB Plantation Workers (FGV/JTK/POL/001) dated 1 Mar 2017.</p> <p>Klebang 02 Estate at the time of audit is still keeping the passports for the foreign workers. The foreign workers agrees with this arrangement as it is stated in Section 16: Withholding of Workers Passports in the employment contract between the foreign workers and the estate management. Foreign workers interviewed during the audit understand the reasons for their passports being kept by the management and no complaints raised specifically on this issue by the workers. This practice is allowed by MYNI-2014 as long as the passports are voluntarily surrendered by the legal owners.</p> <p>Contractors hired by the POM and Kledang 02 Estate do not employ any foreign workers, thus no issue related to the contractors withholding passports of their workers.</p>	Complied
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>Minor Compliance</p>	<p>No issue of contract substitution has been found and this was confirmed through interviews mainly with internal stakeholders.</p>	Complied
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>Major Compliance</p>	<p>The policy statement established in "Policy on Employing Foreign Workers" (ML-1A/L2-Po8(0)) dated 1 Jun 2014.</p> <p>Implementation of this policy is evident as explained above, for example, all decisions related to hiring of new workers shall be made based on business needs, job requirements and individual qualifications and without regard to race, religion or gender. Also mentioned above that the equal opportunity policy was adopted and implemented by the PMU and verified to have covered all necessary aspects of including migrant workers related issues. Freedom of association as earlier mentioned permitted not only to the local workers but also to the foreign workers.</p> <p>This policy is communicated to all workers during annual refresher training and to all new intakes.</p>	Complied
Criterion 6.13		
Growers and millers respect human rights.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>Major Compliance</p>	<p>The published statements of policy which recognises human right is established in "Policy on Human Rights" (ML-1A/L2-Po12(0)) dated 1 Jun 2014. This policy is explained to all new workers during upon registration at the POM and estate and during annual briefing on RSPO principles and criteria. Latest briefing on RSPO P&C in the POM for example was</p>	Complied

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	conducted on 5 Jul 2018.	
6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	Not applicable for Peninsular Malaysia.	Not applicable

Principle 7: Responsible development of new plantings

To date the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure.

The requirements of Principle 7 were verified to be 'Not applicable' to this PMU during this assessment.

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The PMU had submitted the GHG data to the RSPO Secretariat on 16 Oct 2018.

See Summary of Net GHG Emissions submitted by the POM in the Tables below.

Based on the details provided in the record of submission, it is also verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this PMU.

SUMMARY OF NET GHG EMISSIONS

All information and data below as submitted by the POM was verified against the retrieved summary report generated through **PalmGHG Calculator Version 3.0.1**.

GHG Table 1: Summary of Net GHG Emissions (Jan-Dec 2017)

Emissions per Product	tCO ₂ e/tProduct
CPO	12.09
PK	12.09

Production	t/year
FFB processed	263,871.83
CPO Produced	54,172.89

Extraction	%
OER	20.53
KER	5.31

GHG Table 2: Summary of Net GHG Emissions

Land use	ha
OP planted area	1043.16
OP planted on peat	335.233

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Conservation (forested)	0
Conservation (non-forested)	30.4
Total	1408.793

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land Conversion	10302.9	9.88	0	0	0	0	10302.9	9.88
CO ₂ Emissions from Fertiliser	1039.15	1	0	0	0	0	1039.15	1
N ₂ O Emissions	3367.98	3.23	0	0	0	0	3367.98	3.23
Fuel Consumption	32.95	0.03	0	0	0	0	32.95	0.03
Peat Oxidation	18304.65	17.55	0	0	0	0	18304.65	17.55
Sinks								
Crop Sequestration	-9765.79	-9.36	0	0	0	0	-9765.79	-9.36
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	23281.84	22.32	0	0	0	0	23281.84	22.32

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO ₂ e	tCo ₂ e/tFFB
Emissions		
POME	1580.07	0.2
Fuel Consumption	289.81	0.04
Grid Electricity Utilisation	29.45	0
Credits		
Export of Excess Electricity to Grid and Housing	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	1899.33	0.24

GHG Table 4b: Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

GHG Table 4c: POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	100 %
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Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

Principle 8: Commitment to continuous improvement in key areas of activity

Criterion 8.1		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>The POM has identified and implemented the following Continual Improvement Action Plans for year 2018:</p> <ol style="list-style-type: none"> 1. Increase OER to > 21.05%. 2. To achieve VM < 7.0% for Kernel Dispatched. 3. To achieve boiler dark emission < 2 Carta Ringelman during operation. 4. To achieve zero accident inside the mill. 5. To achieve zero road accident outside the mill. 6. Control the effluent water at final discharge with BOD < 50 ppm every month. <p>The estate has identified and implemented the following Continual Improvement Action Plans for year 2018:</p> <ol style="list-style-type: none"> 1. Increase barn owl boxes by 20 units. 2. Increase the planting of beneficial plants (<i>tumera subulata</i>, <i>cassia cobanensis</i> and <i>antigonon leptopus</i>) by 100 points 3. Increase the number of grass cutting machine for clearing the harvesting path by 2 units. 4. EFB mulching of 805 pieces. <p>Social Continual Improvement Action Plans for the POM and estate include the following:</p> <ol style="list-style-type: none"> 1. Contribution to the local development demonstrated in the provision of facilities, services and where feasible, monetary. Some examples are: <ol style="list-style-type: none"> (a) Adela POM for example responded to requests from external parties for some assistance, e.g. from Mados's Holding for empty fruit bunches (EFB) and from Parent Teacher Association of SK Senai Utama for contributions. (b) Adela POM also is using the services offered by the Felda settlers such as rubbish collection at the workers housing area, grass cutting and food catering at the POM canteen, etc. 2. At Kledang 02 Estate, the management is in the process of building another housing block for the foreign workers. <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>



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3.1.1 Supply Chain Certification Standards Findings

The Supply Chain Model applied at Adela POM during this assessment is Model E – CPO Mills: Mass Balance (MB).

Details of findings are as follows:

5. General chain of custody requirements for the supply chain		
	Findings and Objective Evidence	Compliance
5.1 Applicability of the general chain of custody requirements for the supply chain		
5.1.1 Legal ownership and physical handling of RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Yes	Complied
5.1.2 Trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable	Complied
5.1.3 Member of the RSPO and shall register on the RSPO IT platform.	Yes	Complied
5.1.4 Processing aids do not need to be included within an organization's scope of certification.	No processing aids	Complied
5.2 Supply chain model		
5.2.1 Same supply chain model as its supplier	Mass Balance (MB)	Complied
5.2.2 Combination of supply chain models	Only MB	Complied
5.3 Documented procedures		
5.3.1 Written procedures and/or work instructions	Yes	Complied
5.3.2 Internal audit procedure and internal audit conducted to determine compliance.	Yes	Complied
5.4 Purchasing and goods in		
5.4.1 Purchases of RSPO certified oil palm products with all the specified information.	Yes	Complied
5.4.2 Mechanism for handling non-conforming oil palm products and/or documents.	Yes	Complied
5.5 Outsourcing activities		
5.5.1 Outsourcing of activities	Not applicable	Complied
5.5.2 Outsourcing within the scope of its RSPO SC certificate	Not applicable	Complied
5.5.3 Names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable	Complied
5.5.4 Names and contact details of new contractor used for the processing or physical handling of RSPO certified oil palm products.	Not applicable	Complied
5.6 Sales and goods out		
5.6.1 Sales of RSPO certified oil palm products with all the specified information.	Yes	Complied
5.7 Registration of transactions		
5.7.1 Transaction registered in the RSPO IT platform and confirmed upon receipt.	Yes	Complied
5.7.2 RSPO IT Platform: Shipping Announcement, Traceability, Confirming Shipping Announcements.	Yes	Complied
5.8 Training		
5.8.1 Training plan on RSPO SC Standards requirements and records of the training.	Yes	Complied
5.8.2 Appropriate training shall be provided	Yes	Complied
5.9 Record keeping		
5.9.1 Accurate, complete, up-to-date and accessible records and reports maintained.	Yes	Complied
5.9.2 Retention times for all record and reports.	Yes	Complied
5.9.3 Volume purchased (input) and claimed (output) over a period of twelve (12) months.	Yes	Complied
5.10 Conversion factors		
5.10.1 Conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs.	Yes	Complied
5.10.2 Conversion rates shall be periodically updated.	Yes	Complied
5.11 Claims		
5.11.1 Claims shall be in compliance with the RSPO Rules on Market Communications and Claims.	Yes	Complied
5.12 Complaints		
5.12.1. Documented procedures for collecting and resolving stakeholder complaints.	Yes	Complied
5.13 Management review		
5.13.1 Appropriate frequency of management review.	Yes	Complied

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5.13.2 All the specified inputs for the management review.	Yes	Complied
5.13.3 All the specified outputs from the management review.	Yes	Complied

Model E – CPO Mills: Mass Balance (MB)		
E.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>The POM processed FFB from its own estate, FTPSB Estates, Felda Estates, OCP and smallholders. The FFB from the PMU estate (own supply base) are certified FFB. The FFB from FTPSB Estates, Felda Estates, Outside Crop Producers (OCP) and smallholders are considered as non-certified FFB [see Section 1.3 Description of supply base (fruit sources)]. The CPO Mill is therefore applying the Mass Balance (MB) model.</p>	<p>Complied</p>
E.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment Report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced has been reported in Section 1.8.2 Table 6 and Section 1.8.3 Table 7.</p>	<p>Complied</p>
<p>E.2.2 The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>The POM meets all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform).</p>	<p>Complied</p>
E.3 Documented procedures		

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<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>A documented Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 3.0 Rev 3.0 (Effective 11/06/2018) SOP for Mill RSPO Supply Chain Certification System has been established and implemented. The procedure covered the implementation of all elements of MB Model that include Organization Chart, Management Functions & Job Descriptions, Claims, FFB Delivery Plantation to Mill, CPO/PK Delivery Mill to customer, Record Keeping, Training.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Mass Balance (MB) Model E.</p>	<p>Complied</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>The Adela POM Mill Manager, Mr. Mohd. Nasir Bin Munajat has been appointed as the person in charge for the overall responsibility and authority for implementation and compliance with the documented procedure. He is assisted by Assistant Mill Managers, Mr. Mohd. Hamizi Shahdan and Mr. Azlan Razak. He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Model E requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Operations Supervisor, Security Officer, Weighbridge Operator, Laboratory Chemist, FFB Grader and clerks) have been suitably defined in the SOP.</p>	<p>Complied</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The SOP covers the receiving of FFB supply from the PMU estates and Outside Crop Producers. All supplies of FFB were subjected to verification of documents (delivery notes) to determine the origin, quantity and quality of the FFB. The Weighbridge Ticket for FFB indicated the date, vehicle number, estate & field number, harvesting date, security seal number and weight. All Storage tanks at the POM are designated as Mass Balance CPO and PK. Monthly FFB and CPO/PK Report and YTD Report for the Jan – Dec 2017 were verified to have complied with requirements of the MB Model whereby the Palm Oil Mill received and processed FFB from its own estate, FTSPB Estates, Felde Estates, OCP and smallholders.</p>	<p>Complied</p>
<p>E.4 Purchasing and goods in</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>E.4.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>The Mill verifies and records tonnages and supply source of FFB received at the weighbridge in the delivery notes and weighbridge tickets and all FFB data are entered by the weighing clerk into the computer system or reporting spreadsheet every day. Daily and monthly reports are submitted to the Regional Office and Kuala Lumpur Head Office through the Mill Performance Report (MPR) system. Production Report for Jan – Dec 2017 verified to be Mass Balance palm products. Satisfactory performance of deliveries of FFB made by transport contractors hired by the estate.</p>	<p>Complied</p>

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	Noted that there are FFB from FTPSB Estates, Felda Estates, OCP and smallholders received and processed by the POM, which are considered as non-certified FFB using the Mass Balance Model.	
E.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The documented Supply Chain SOP has specified that the responsible POM personnel shall check production quantity against the certified amount and notify RSPO, the CB and Sustainability Department of any projected overproduction of certified tonnage. So far, there is no projected overproduction.	Complied
E.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock).	As per the SOP, the records are archived and to be stored for a minimum of 5 years. Traceability was verified for the Production Report for Jan – Dec 2017 from the related records (FFB Delivery Note, Weigh Ticket, FFB & Truck Daily Summary, Production Report, CPO & PK Storage Report, and CPO & PK Delivery Orders. Transaction documents and bookkeeping of CPO and PK are done daily and monthly summary report of FFB receipt, FFB processed, CPO production, PK production and balance stocks submitted to the Regional Office and Kuala Lumpur Head Office. The two weighbridges at the Mill are duly calibrated and calibration certificates found to be in order. CPO is delivered to Kuantan Oil Products and Pasir Gudang Bulking Installation. There is no Palm Kernel mill for production of PKO at the POM. PK sold and delivered to the Felda Kernel Crushing Plant at Pasir Gudang. Deduction and conversion ratios for the volumes of CPO and PK delivered from the Palm Oil Mill have been appropriately done and recorded. All deliveries of the MB sales are from positive stock. The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. This inventory is balanced every 3 months.	Complied

3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the requirements of the RSPO SCCS under the 'MB' Model and is thus eligible for 'MB' trading for its palm products for year 2018/2019.

3.1.3 Monitoring of CSPO and CSPK traded:

As this is the Initial Assessment, there is no prior trading of CSPO and CSPK via RSPO PalmTrace and GreenPalm platforms for this PMU.

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3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NCR) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Initial Assessment	2018	6 (3 Major and 3 Minor)	3	Next assessment

3.2.1 Year 2018: Initial Assessment (3 Major NCRs)

NCR	MYNI Indicator	Details of NCR
Major CBK-01	4.6.5	Date issued: 18/07/2018
		Indicator requirement: Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).
		Nonconformance: Location: Kledang 02 Estate (1) At Block 12, there was spraying of glyphosate at the field by 4 workers. The containers were not labelled with the pesticide name as written on the original label. It was found that one container was without any label. (2) The pesticide and fertilizer workers shared one shower room with walls that was approximately 1.5 m high without a roof and without a permanent door (only a plastic sheet).
		Root Cause and Corrective Action: Root Cause: 1) The premix containers were previously labeled with tagged colours ("Tong premix telah dilabelkan dengan label premix iaitu mengikut tagging warna sebelum ini"). 2) The shower room at the premix area was in process of upgrading in phases and still not yet complete ("Pembaikan bilik air di stor premix dilaksanakan secara berperingkat dan tidak menyeluruh").
		Corrective Action: 1) The estate implemented the labelling of premix containers with the appropriate label indicating the pesticide brand ("Pihak ladang melaksanakan perlabelan semula pada tong premix dengan label brand racun yang asal"). 2) The shower room undergoing upgrading has been fixed with a roof and a door ("Pihak ladang melaksanakan pembaikan bilik air di stor premix secara menyeluruh (bumbung dan pintu bilik air)").
		Verification (Corrective Action): On-site verification carried out: (1) It was found that premix containers were affixed with the appropriate label. (2) Shower room fixed with a roof and a door. In addition, another new shower room had been constructed. The corrective actions satisfactorily addressed the non-conformance.
NC status verified by auditor: Closed by OCL		Date closed: 21/09/2018
Verification (for effectiveness): Next assessment.		

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NCR	MYNI Indicator	Details of NCR
Major CBK-02	4.7.3	Date issued: 18/07/2018
		<p>Indicator requirement: All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Nonconformance: Location: Workshop at POM Section 6 of the “Prosedur Penggunaan Power Saw (Doc FPI-PK-105)” stated that operator is required to use personal protection equipment such as safety shoes, gloves, safety goggles, face protection, mask & ear protection when operating the machine. At the Palm Oil Mill workshop, a mechanic did not use any of these PPEs when operating the machine.</p> <p>Root Cause and Corrective Action: Root Cause: The training on the usage of PPE was last conducted at the end of year 2017 (“Latihan Penerangan PPE terakhir dilaksanakan pada akhir tahun 2017”).</p> <p>Corrective Action: 1) The POM issued a reminder letter to the staff concerned to ensure that there is no repeat of the same matter (“Pihak kilang memberikan surat peringatan kepada petugas berkaitan bagi mengelakkan perkara yang sama berulang”). 2) The POM conducted a training on the usage of PPE for the year 2018 (“Pihak kilang melaksanakan latihan penerangan Pemakaian PPE diberikan kepada petugas kilang untuk tahun 2018”). 3) The POM issued new PPE to the relevant staff (“Pihak kilang melaksanakan pemberian PPE baru kepada petugas berkaitan”). 4) The POM updates the monitoring record for usage of PPE in accordance with the SOP (“Pihak kilang mengemaskini rekod pemantauan PPE dilaksanakan mengikut SOP”).</p> <p>Verification (Corrective Action): On-site verification carried out: (1) Reminder letter dated 01 Aug 2018 acknowledged by the fitter mechanic concerned. (2) Training conducted on 08/08/2018 with attendance list and photos. (3) Acknowledgement of receipt of PPE by the staff. (4) Monitoring records on usage of PPE. The corrective actions satisfactorily addressed the non-conformance.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 30%;">Date closed:21/09/2018</td> </tr> </table>
NC status verified by auditor: Closed by OCL	Date closed:21/09/2018	
		Verification (for effectiveness): Next assessment.
NCR	MYNI Indicator	Details of NCR
	5.2.1	Date issued: 18/07/2018

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Major OCL-01		<p>Indicator requirement: Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p>		
		<p>Nonconformance: Location: Kledang 02 Estate A significant part (45%) of Kledang 02 Estate is of peat land on which oil palm trees have been planted since 1982. An area of 25.10 ha had been left unplanted as it under water and is being maintained in its natural state as a conservation area. There is a river, Sungai Pungai, flowing through a neighbouring estate, Ladang YPJ. This river is located about 1 km from Kledang 02 Estate. It was verified that there is no river passing through Kledang 02 Estate. There are drains within the estate for water management of the peat land. Water does not flow directly to Sungai Pungai located in the neighbouring estate, Ladang YPJ. Kledang 02 Estate has to determine the total hectarage of conservation areas consisting of the unplanted peat land area and buffer zones along the estate main drains.</p>		
		<p>Root Cause and Corrective Action: Root Cause: The estate basic information did not include the size of the conservation areas ("Maklumat asas ladang tidak merangkumi luas kawasan konservasi yang terdapat di ladang"). Corrective Action: The estate had updated the estate basic information to include the size of conservation areas according to the estate phases and blocks ("Pihak ladang melaksanakan kemaskini maklumat asas ladang mengikut peringkat, blok dan merangkumi luas kawasan konservasi di ladang").</p>		
		<p>Verification (Corrective Action): On-site verification carried out: The size of the conservation areas according to phases and blocks in the estate have been determined and documented in the "Estate Basic Information Form". The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 21/09/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/09/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/09/2018			
		Verification (for effectiveness): Next assessment.		

3.2.2 Year 2018: Initial Assessment (3 Minor NCRs)

NCR	MYNI Indicator	Details of NCR
Minor OCL-01	5.1.2	Date issued: 18/07/2018
		<p>Indicator requirement: Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.</p>
		<p>Nonconformance: Location: POM Environmental Management Action Plans have been established and implemented at both the mill and estate. However, the Action Plan for the POM did not identify the responsible person/persons for monitoring and taking the appropriate action.</p>

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause: The responsible person was only indicated in the Identification of Aspect and Impact Form but not in the Environmental Management Action Plans 2018 for the POM (“Pegawai bertanggungjawab bagi Pengurusan Aspek Impak kilang telah dimasukkan dalam Borang Pengenalpastian Aspek Impak tahun 2018 dan bukan dalam Pelan Tindakan Aspek Impak tahun 2018”).</p> <p>Corrective Action: The POM updated the Environmental Management Action Plans 2018 to include the person in charge, corrective action and evidence (“Pihak kilang melaksanakan kemaskini Pelan Tindakan Alam Sekitar (Aspek Impak) untuk tahun 2018 yang merangkumi Pegawai Bertanggungjawab (PIC), tindakan pembedulan dan bukti pembedulan”).</p>		
		<p>Verification (Corrective Action): On-site verification carried out: The Environmental Management Plan for the POM included the corrective action and person responsible. The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 21/09/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/09/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/09/2018			
		<p>Verification (for effectiveness): Next assessment</p>		

NCR	MYNI Indicator	Details of NCR		
Minor JMD-01	6.2.3	Date issued: 18/07/2018		
		<p>Indicator requirement: A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p>		
		<p>Nonconformance: Location: Adela POM and Kledang 02 Estate List of stakeholders are incomplete. Stakeholders such as contractors and schools are not included in the lists.</p>		
		<p>Root Cause and Corrective Action:</p> <p>Root Cause: The last update of the Stakeholder Lists was on end of year 2017 (“Kemaskini Senarai Pihak Berkepentingan (Stakeholder) adalah terakhir dilaksanakan pada akhir tahun 2017”).</p> <p>Corrective Action: The POM and estate updated their Stakeholder Lists for year 2018. The schools and contractors were included in the lists (“Pihak kilang dan ladang melaksanakan kemaskini pada senarai Pihak Berkepentingan (Stakeholder) untuk tahun 2018. Kemaskini merangkumi pihak kontraktor dan pihak sekolah”).</p>		
		<p>Verification (Corrective Action): On-site verification carried out: The Stakeholders’ Lists had been updated to include the relevant stakeholders concerned. The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 21/09/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/09/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/09/2018			

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	Verification (for effectiveness): Next assessment
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NCR	MYNI Indicator	Details of NCR
Minor JMD-02	6.6.2	Date issued: 18/07/2018
		Indicator requirement: Minutes of meetings with main trade unions or workers representatives shall be documented.
		Nonconformance: Location: Kledang 02 Estate Foreign workers are not aware of who exactly their representatives in “Mesyuarat Kebajikan Pekerja” between the workers and the management.
		Root Cause and Corrective Action: Root Cause: The representatives for the foreign workers in the estate were agreed upon verbally at the Workers Welfare Meeting and there was no documented record (“Persetujuan daripada semua pekerja bagi perlantikan wakil mereka dalam Mesyuarat Kebajikan Pekerja dilaksanakan secara lisan dan tiada bukti bertulis”). Corrective Action: The estate obtained the written agreement of all the foreign workers on the appointment of their representatives (“Pihak ladang mendapatkan persetujuan daripada semua pekerja bagi perlantikan wakil mereka dalam Mesyuarat Kebajikan Pekerja”).
		Verification (Corrective Action): On-site verification carried out: (1) The appointment letters dated 22 Jul 2018 of the representatives for workers from Indonesia, Bangladesh and India with acknowledgment by the representatives. (2) The appointment letters were displayed on the notice board at the estate office. (3) Photo of the briefing session on the appointment of the representatives. The corrective actions satisfactorily addressed the non-conformance.
		NC status verified by auditor: Closed by OCL Date closed: 21/09/2018
Verification (for effectiveness): Next assessment		

3.2.3 Year 2018: Initial Assessment (3 Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS# CBK-01	4.1.3	POM	One corner of the workshop at the palm oil mill was found to be in an untidy condition with a huge pile of discarded old records placed on the floor together with a few unusable fire extinguishers.	18 Jul 2018		Follow up at next assessment
OBS# CBK-02	4.6.11	Kledang 02 Estate	At the Estate, 10 workers were sent for medical surveillance on 11 Mar 2018. However, the Medical Surveillance Reports were only obtained by the estate from the doctor on the day of the audit.	18 Jul 2018		Follow up at next assessment

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			This is an indication of lack of follow-up over 4 months.			
OBS# OCL-01	5.3.1	POM	The POM and estate have identified and documented the waste products and sources of pollution in their respective documented Waste Management Plans. However, not all the waste products have been identified by the POM, e.g. effluent and domestic waste.	18 Jul 2018		Follow up at next assessment

3.2.4 Identified Positive Elements

- 1) The PMU has provided proper infrastructure such as roads, housing and sport facilities.
- 2) The PMU has contributed towards the local economy in providing business and employment opportunities. It has made significant financial contributions to the local communities.

3.3 Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of Adela PMU operations were sourced. All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See tables below:

3.3.1 Feedback Raised by Stakeholders (Initial Assessment – Year 2018)

Communication done via email on 13 Jun 2018 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 18 Jul 2018. A total of 8 stakeholders (including transporters, government officials, contractors and canteen operator) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations:			

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
<ol style="list-style-type: none"> 1. Transit rubbish collection post for Felda settlers especially, located near the schools in order to avoid the settlers from entering the schools to use their rubbish bins. 2. Workers from POM, Kledang 02 Estate and Felda in general to consider sending their children to schools nearest to their houses instead in order to ensure students safety and easier transportation. 3. Improvement for the POM canteen especially, external blind. 4. Certificate of excellence services to be awarded by the POM or the estate to local contractors with good service records which can be used by the local contractors to expand their business. 	<p>The PMU will consider the suggestion from the stakeholders as briefed by the auditors during the closing meeting.</p>	<p>To be followed up during the next Assessment.</p>	
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 16 to 18 Jul 2018 at the PMU: Staff/Workers sampling: POM = 18 males, 7 females Estates = 41 males, 12 females No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, FGV Adela Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

Therefore, it is recommended that the certification of FGV Adela Grouping be approved and continued.

Signed for and on behalf of
Intertek Certification International Sdn Bhd



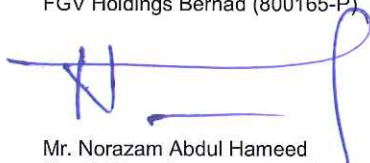
Dr. Ooi Cheng Lee
Lead Assessor

Date: 04 Dec 2018

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of
FGV Holdings Berhad (800165-P)



Mr. Norazam Abdul Hameed
Head, Plantations Sustainability Department (PSD)

Date: 10/12/2018

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4.2 INTERTEK- RSPO P&C Certificate details for Adela Grouping

Certificate No:	RSPO 931888
New Certificate date:	14 Dec 2018
Expiry date:	13 Dec 2023
Organization	FGV Holdings Berhad (800165-P) (Formerly known as Felda Global Ventures Holdings Berhad)
Address of Head Office:	Plantations Sustainability Department (PSD) Level 20, West Wisma FGV, Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
RSPO Membership No:	1-0225-16-000-00
Plantation Management Unit:	FGV Adela Grouping
Address of POM:	Kilang Sawit Adela, P.O. Box 73, 81930, Bandar Penawar, Kota Tinggi, Johor Darul Takzim, Malaysia.
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain Model for POM	Mass Balance (MB)

Details of the Mill and Supply Base covered by this certificate:

Name	Address	GPS Reference		Certified (Titled) Area (ha)	Mature Planted Area (ha)
		Latitude	Longitude		
Adela POM (Capacity: 54 MT/hr)	Kilang Sawit Adela, P.O. Box 73, 81930, Bandar Penawar, Kota Tinggi, Johor Darul Takzim, Malaysia.	1° 33' 06.9"N	104° 11' 10.9"E	-	-
FGVPM Kledang 02 estate	Ladang Kledang 02, D/A Pejabat Sening, 81900 Kota Tinggi, Johor Darul Takzim, Malaysia.	1° 28' 52"N	104° 10' 52"E	1,222.40	575.53

The annual certified tonnages produced at the PMU are detailed as follows:

Adela Grouping	Annual Tonnages (MT)
Certified FFB	7,333
Certified CPO	1,558
Certified PK	403
Supply Chain Model	Mass Balance (MB)

Appendix A:**Qualifications of Lead Assessor and Assessment Team****Dr. Ooi Cheng Lee (OCL) Lead Assessor / Team Leader / Technical Expert**

(Palm Oil Mill, Environment, OHSAS, Social, HCV, Land Use and Supply Chain)

- PhD in Welding, Cranfield University, UK
- M.Sc. (Engineering) in Metallurgy, University of Birmingham, UK
- B.App.Sc (Hons), Science University of Malaysia
- Diploma in Translation for Science and Technology, Malaysia Translation Society

Dr. Ooi Cheng Lee is an IRCA Lead Auditor and Lead Tutor for ISO 9001. He is also involved in auditing in other integrated management systems. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C) and the RSPO Supply Chain Certification (RSPO SCC). He is currently involved in the management of all types of system and process/product certification in Intertek. He has more than 32 years work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He is currently the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

Mr. Chin Bit Kee (CBK) – Assessor / Technical Expert

(Good Agriculture Practice, Integrated Pest Management and Social)

– Degree in Food Technology from University of Reading, United Kingdom

Mr. Chin Bit Kee has more than 5 years working experience in the oil palm plantation, agriculture & social (worker welfare) related field. He has successfully participated in RSPO training conducted internally by Intertek on 17 April 2014 and completed a supervised period of training in practical auditing in agriculture industry and related field, with more than 15 days audit experience in at least 3 audits at different organizations. He has adequate knowledge on Palm Oil sector such as industry fundamentals sustainability, social and OHS issues (e.g. worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) environmental matters (e.g. pollution control, conservation of resources). He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

Mr. Jumat Majid (JMD) – Assessor – Social Responsibility and Workers Welfare

– BSc (Social Science)

Mr Jumat Majid (JM) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.

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Appendix B: Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
16 July 2018 Monday (Day 1)	7.30 am – 10.00 am	Travel to Adela Palm Oil Mill		
	10.00 am – 10.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estate as well)		
	10.30 am – 1.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C: P1 to P8 at POM		
		OCL	CBK	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P7 New Plantings • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mill • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
		<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm - 5.30 pm	OCL	CBK	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P7 New Plantings • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.30 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

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Date	Time	Assessors and Assessment Activity		
		OCL	CBK	JMD
17 July 2018 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at FGV Kledang 02 Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P7 New Plantings • P8 Continual Improvement 	Site assessment at FGV Kledang 02 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P8 Continual Improvement 	Site assessment at FGV Kledang 02 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Site assessment at FGV Kledang 02 Estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		OCL	CBK	JMD
18 July 2018 Wednesday (Day 3)	8.30 am – 11.00 am	Site assessment at Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement</p>	
	11.00 am – 12.30 pm	Site assessment at POM or estate to follow up on any specific criteria/areas		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 3.30 pm	Preparation for Closing Meeting		
	3.30 pm – 4.30 pm	Team Meeting and Discussions with POM Management Representative		
	4.30 pm – 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office		

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Appendix C-1:

Location of FGVHB

- Adela Grouping, Kota Tinggi, Johor Darul Takzim, Malaysia



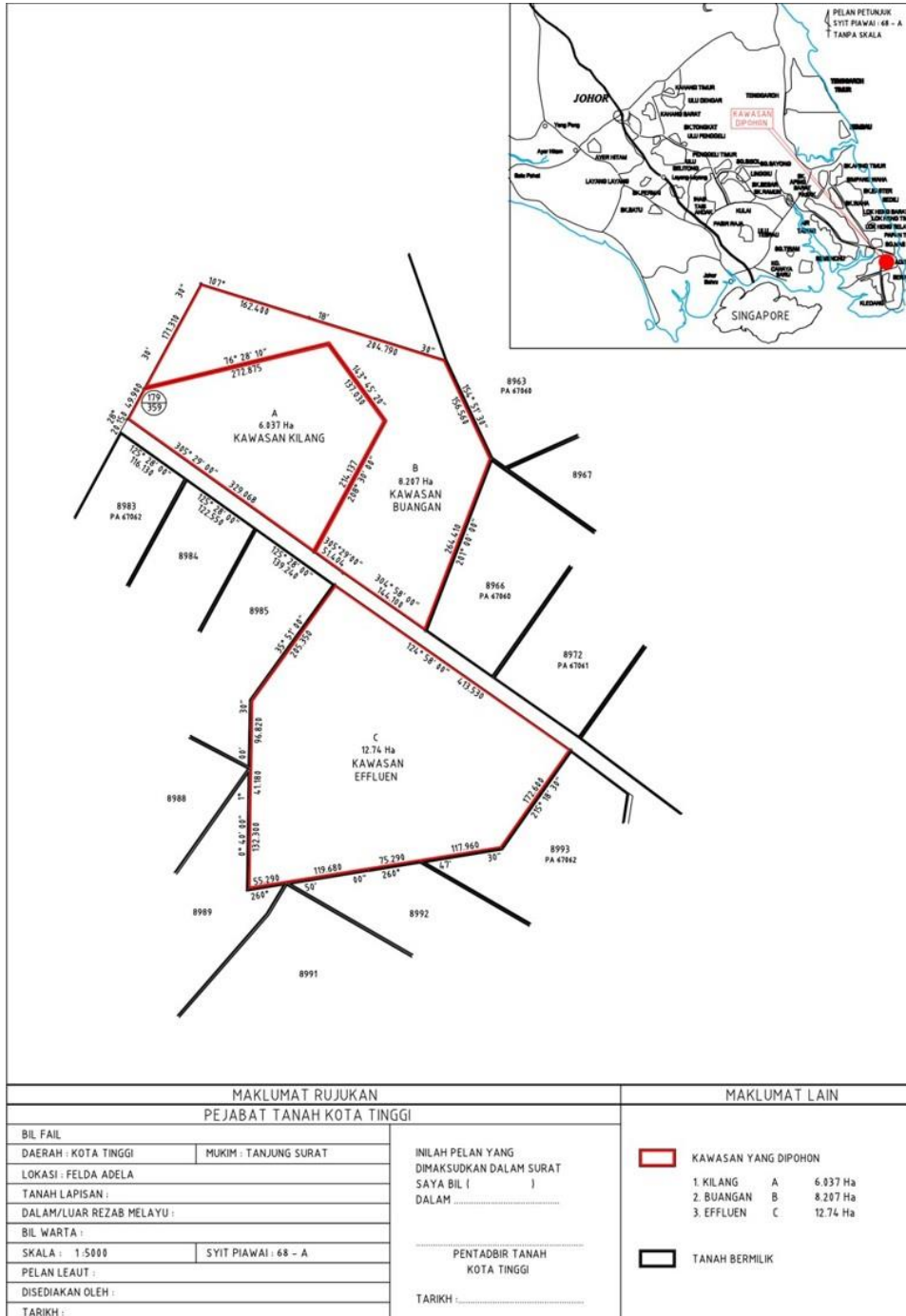
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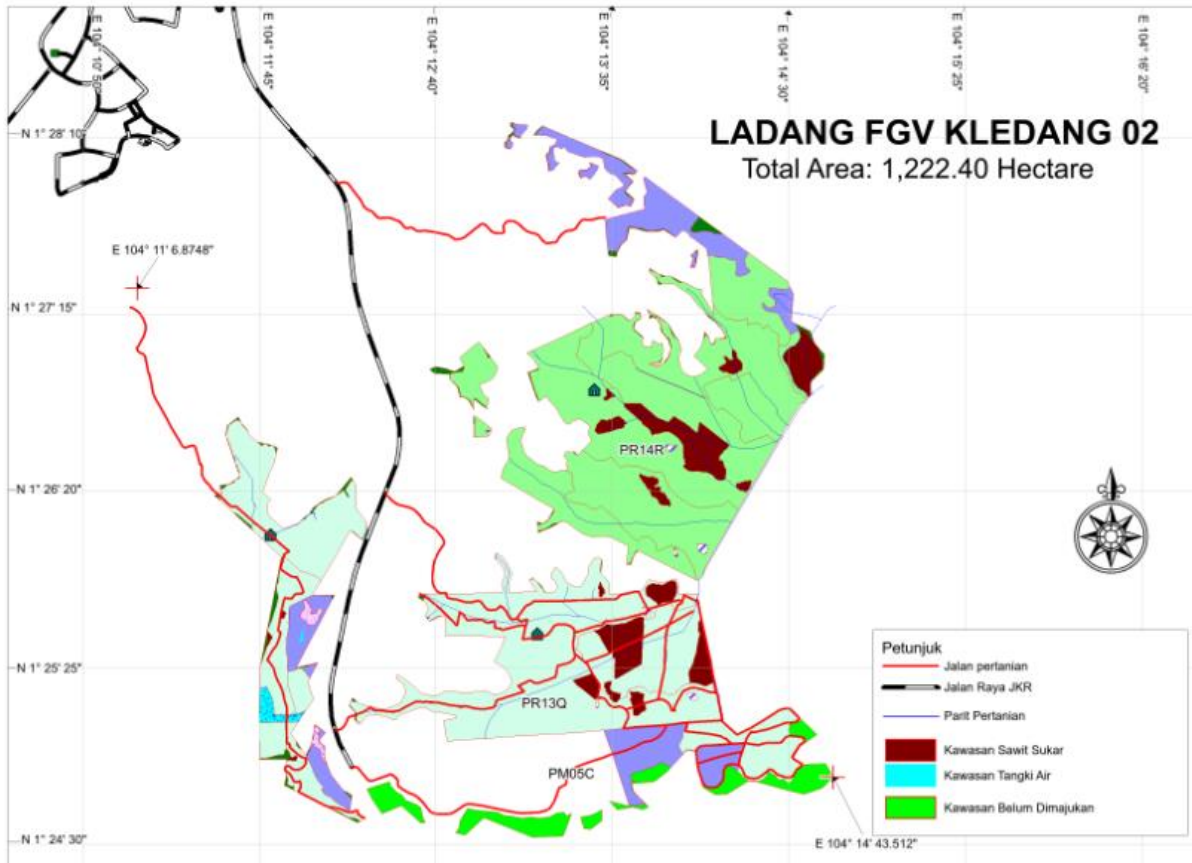
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Appendix C-2-1: Location Map of FGV Adela POM



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Appendix C-2:
Map of FGV Kledang 02 Estate



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Appendix D:

Photographs taken at FGV Adela Grouping

	
<p>Adela Palm Oil Mill</p>	<p>Kledang 02 Estate – Drain for water management of peat land area planted with oil palms</p>
	
<p>Sand mining operation on lands outside the boundary Kledang 02 Estate.</p>	<p>An area of 25.10 ha of unplanted peat land left as a conservation area within Kledang 02 Estate. It is next to the barren area seen in the forefront currently being developed as the Refinery and Petrochemical Integrated Development (RAPID) Project by Petronas.</p>

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Appendix E:

Details of Time Bound Plan - as submitted by FGV (13 Aug 2018)

FGV RSPO Certifications Time Bound Plan					
No	2017	2018	2019	2020	2021
1	KS SELANCAR 2B	KS CHIKU	KS KALABAKAN	KS KEMAHANG	FGV ASIAN MILLING PLANTATION
2	KS ARING A	KS KERATONG 2	KS KEMBARA SAKTI	KS CHINI 2	FGV YAPID MAS (Golden Land)
3	KS SELENDANG	KS SERTING	KS NILAM PERMATA	KS JERANGAU BARAT	PT CITRA NIAGA PERKASA (Indonesia)
4	KS BUKIT SAGU	KS KERATONG 3	KS HAMPARAN BADA1	KS TROLAK	PT TEMILIA AGRO ABADI (Indonesia)
5	KS KERATONG 09	KS KERTEH	KS MERCU PUSPITA	KS SEMENCHU	FGV estate without mill.
6	KS LEPAR UTARA 06	KS KOTA GELANGGI	KS LANCANG KEMUDI	KS PANCHING	
7	KS MAOKIL	KS JENGA 21	KS EMBARA BUDI	KS AIR TAWAR	
8	KS KEMASUL	KS PENGGELI	KS BAIKURI AYU	KS LOK HENG	
9	KS KRAU	KS BELITONG	KS UMAS	KS SG TENGI	
10	KS LEPAR HILIR	KS KULAI	KS TENGGAROH TIMUR	KS PASOH	
11	KS TRIANG	KS ADELA	KS SELANCAR 2A	KS KAHANG	
12	KS KECHAU B	KS SERTING HILIR	KS BUKIT MENDI		
13	KS PALONG TIMUR	KS BUKIT KEPAYANG	KS JENGA 8		
14	KS BESOUT	KS JERANGAU BARU	KS JENGA 18		
15	KS NERAM	KS TENGGAROH	KS JENGA 3		
16	KS CHINI 3	KS NITAR	KS PADANG PIOL		
17		KS CHALOK	KS TERSANG		
18		KS WAHA	KS PONTIAN UNITED PLANTATION		
19		KS SAMPADI	KS TEMENTI		
20		KS MEMPAGA			
TOTAL	16	20	19	11	5
	16	36	55	66	71
					Certified
					External Audit
					Internal Audit
					Preparation for audit