

MSPO CERTIFICATION
INITIAL AUDIT
SUMMARY REPORT

FELDA GLOBAL VENTURES HOLDINGS BERHAD
FGV Adela Grouping: Kledang 02 Estate
Kota Tinggi, Johor Darul Takzim, Malaysia

Certificate No:	INTERTEK MSPO 005B
Start date:	31 December 2018
Expiry date:	30 December 2023
Audit Type	
Audit Dates	
Initial / Stage 1	20 Jul 2018
Initial / Stage 2	18-20 Sep 2018
Annual Surveillance - 01	
Annual Surveillance - 02	
Annual Surveillance - 03	
Annual Surveillance - 04	
Re-Certification	

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1.0 SCOPE OF AUDIT

1.1 Introduction

This Initial Audit / Stage 2 was conducted on the Kledang 02 Estate under the Adela Grouping of **Felda Global Ventures Holdings Berhad** (hereafter abbreviated as FGV), from **18-20 Sep 2018**, to assess the organization's operations of the FFB supplying plantations / estates are in compliance against the **MSPO Standard for Oil Palm Plantations (MSPO MS 2530-3: 2013)**.

The plantation management unit (PMU) or management unit is equivalent to a certification unit that consists of one mill (under Felda Palm Industries Sdn Bhd) and its supply base which is made up of estate(s) owned and/or managed by Felda Global Ventures Plantations (Malaysia) Sdn Bhd. (FGVPM) / FGV Holdings Berhad (FGV).

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 Palm Oil 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 a FGV owned estate. The palm oil mill is operated by Felda Palm Industries Sdn Bhd (FPISB), a subsidiary company of FGV.

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 FFB supply base

The supply base, i.e. FFB sources to the POM at Penggeli Grouping, are from the abovementioned estate of this Grouping, FTPSB estates, Felda estates, Outside Crop Producers (OCP) and Smallholders. The FFB from the PMU estate are certified FFB. The FFB from the FTPSB estates, Felda estates, 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 / unplanted areas including HCV (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).



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 Land Use, Conservation and HCV Areas as identified in Adela Grouping during this assessment is 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	33.98
3	HCV Area (ha)	
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	0

1.6 Other certifications held and Use of MSPO Trademarks

Currently, Adela Grouping holds valid ISO 9001, ISO 14001 and OHSAS 18001 certifications for the Palm Oil Mill. The MSPO trademarks and logo are not used by the POM / Estates audited. Instructions for use were provided and acknowledged by the POM / Estates through a signed Memorandum of commitment agreeing to adhere to the latest “MSPO Rules on Use of Logos and Trademarks; provided prior to the Audit.

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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Plantations Sustainability Department (PSD)

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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 actual for the past 12 months (Jan – Dec 2017) are as shown in Table 5 below:

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

#	Estate /Supplier	FFB Received (MT)	Main Receiving Palm Oil Mill	MSPO 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:			
1.	Felda Adela	14,824.39		
2.	Felda Sening	14,174.45		
3.	Felda Tunggal	11,972.07		
4.	Felda Kledang	6,113.85		
5.	FTPSB Adela	26,280.15		
6.	FTPSB Sening	35,917.09		
7.	FTPSB Tunggal	41,816.68		
8.	FTPSB Kledang	25,465.15		
9.	PPNJ	5,766.82		
10.	Wan Le Hin	5,442.60		
11.	Fong Tak	326.30		
12.	Per. Sri Mahtai	3,416.73		
13.	Che Yu Trading	286.82		
14.	Santex	1,359.64		
15.	Kim Ma	2,743.53		
16.	Bakti Mas	27,978.43		
17.	AA Sawit	7,374.12		
18.	Kawthar	3,691.71		
19.	YPJ Palm	5,347.62		
20.	Ladang Petri	3,732.07		
21.	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		

1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Adela Grouping POM during the previous, current and projected period are as shown in Table 6 below:

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	253000	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



1.8.3 The annual tonnages of CPO and PK production by the POM (produced from FFB supplied from Kledang 02 Estate) verified during this **current audit and projected for next 12 months** are detailed as follows:

Table 7: Annual Tonnages of CPO and PK (produced from FFB from Kledang 02 Estate)

POM	Jan – Dec 2016 - Actual		Jan – Dec 2017 - Actual		Jan – Dec 2018 - 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	1558	% OER: 21.25
Total PK Production (MT)	428.03	% KER: 5.31	533.83	% KER: 5.46	403	% KER: 5.50

1.9 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	Felda Global Ventures Holdings Berhad	PMU	Plantation Management Unit
FGVPM	Felda Global Ventures 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



2.0 AUDITING PROCESS

2.1 Auditing 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.

Stage 1 Assessment of the Kledang 02 Estate was conducted on 20 Jul 2018 by the Audit Team (Appendix A-1) in accordance with the Stage 1 Audit Plan (Appendix B-1). The Stage 1 Summary of Findings is as shown in Appendix D.

From 18-20 Sep 2018, the Assessment team of Intertek conducted the Stage 2 Assessment in which the Adela POM and the single estate, Kledang 02 estate, of Adela Grouping were assessed for compliance against the MSPO requirements. Since there is only one estate in the Adela Grouping, there is no sampling of estates and this estate shall be assessed at every assessment.

During the on-site audit, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare 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 Audit team 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 audit and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

The details of the Audit Plans (actual on-site) for Stage 1 and Stage 2 audits are provided in **Appendix B-1 and B-2** respectively.

Intertek has also performed the evaluation of conformity against the MSPO Certification System requirements for CBs. The audit report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Review and the External Peer Reviews prior to the approval of this report and decision on certification by Intertek.

2.2 Date of next scheduled visit

The next scheduled visit will be the annual Surveillance Audit which will be carried out within a 12-month period of the certificate anniversary date.

2.3 Qualifications of the Lead Auditor and Audit Team

Competency details of the Lead Auditor and Audit Team for Stage 1 and Stage 2 audits are provided in **Appendix A-1 and A-2** respectively.

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organisation dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO P&C, 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 audit via e-mails sent to the relevant stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual audit and stakeholder's response and feedback received were followed up accordingly.



During the audit, stakeholders (who were available) were interviewed and their feedbacks were recorded and followed up during audit. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies and NGOs, suppliers and contractors.

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 (SOCSCO) – 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)
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)



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- 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



3.0 AUDIT FINDINGS

3.1 Summary of findings

Certification Unit: Adela Grouping - Kledang 02 Estate	
Auditor/s: Dr. Ooi Cheng Lee (OCL), Chin Bit Kee (CBK) and Ahmad Kamal (AKS)	Audit Dates: 18-20 Sep 2018

P1: Management Commitment & Responsibility

Clause	Requirements	Evidence	Conformity
4.1.1	C1: MSPO Policy		
4.1.1.1	Indicator 1: A policy for the implementation of MSPO shall be established.	Felda Global Ventures (FGV) has documented the Group Sustainable Policy for sustainability matters – FGV/SED/POL/001 Rev 1 dated 24 Aug 2017. In Section 6.4 of the Policy, FGV has documented its commitment to comply with MSPO certification for all its operations for the production of sustainable palm oil. The various policies on sustainability include: 1. Policy on the Production of Sustainable Palm Oil in FGV Group (“Polisi Pengeluaran Minyak Sawit Lestari dalam Kumpulan FGV”) 2. Policy on Equal Opportunity (“Polisi Kesetara Peluang”) 3. Policy on Communication (“Polisi Komunikasi”) 4. Policy on Steep Slope Protection and River Buffer Zone (“Polisi Perlindungan Tanah Curam dan Rezab Sungai”) 5. Policy on Child Labour (“Polisi Pekerjaan Kanak-Kanak”) 6. Policy on Replanting (“Polisi Tanam Semula”) 7. POLISI PENGGUNAAN RACUN PARAQUAT 8. POLISI PENGAMBILAN PEKERJA ASING 9. POLISI PERLINDUNGAN DAN PENJAGAAN ALAM SEKITAR 10. POLISI GANGGUAN SEKSUAL, KEGANASAN SERTA HAK KEBEBASAN REPRODUKSI 11. POLISI HAK KEBEBASAN BERSUARA & MENGANGGOTAI KESATUAN 12. POLISI HAK ASASI MANUSIA 13. POLISI KOD ETIKA KERJA DAN INTERGRITI 14. POLISI LARANGAN PEMBAKARAN TERBUKA 15. POLISI LARANGAN MENGGUNAKAN SENJATA DAN KETENTERAAN 16. POLISI KITAR SEMULA	Complied
4.1.1.2	Indicator 2: The policy shall also emphasize commitment to continual improvement.	The policy had also clearly stated the commitment of FGV management to the continual improvement in the estate activities.	Complied
4.1.2	C2: Internal audit		
4.1.2.1	Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	There is a documented procedure for conducting Internal audit - FGV/ML-1A/L2-Pr11 Issue 1, Rev 0 dated 01/06/2016. The Internal Audit Procedure stated that audit shall be planned and carried out at least once a year. It also stated that additional internal audits shall be conducted based upon the number of non-conformances raised, new process or changes in system and any issues raised by interested parties.	Complied
4.1.2.2	Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	A procedure for internal audit was established and documented, i.e. FGV/ML-1A/L2-Pr11 Issue 1, Rev 0 dated 01/06/2016. Internal audit on Kledang 02 Estate was conducted on 27/06/2018. There were 27 non-conformances raised for the internal audits on the estate. Audit results evaluated and corrective actions taken on the non-conformances, which have all been closed.	Complied
4.1.2.3	Indicator 3: Report shall be made available to the management for their review.	The audit report was documented and made available for Management Review.	Complied
4.1.3	C3: Management review		



4.1.3.1	Indicator 1: The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Management review for Kledang 02 Estate was conducted on 02/07/2018 and minutes of meeting maintained. The management review include the following: (1) Analysis of the audit findings to demonstrate that the audit was effective and can be relied upon. (2) Review of environmental issues. (3) Review of social issues. (4) Review of safety issues (5) Continual improvement and changes to the system, if any.	Complied
4.1.4	C4: Continual improvement		
4.1.4.1	Indicator 1: The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Action plans for continual improvement on social and environment impact and opportunities for improvement in operational performance have been specified and documented for the estate. The action plans include measurable objectives/targets in order to determine the effectiveness of the outcomes.	Complied
4.1.4.2	Indicator 2: The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.	Meetings and consultations were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. The estate has implemented the use of mini tractors for the in-field collection of FFB.	Complied
4.1.4.3	Indicator 3: An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	Training to workers in various aspects of plantation management were conducted throughout the year. Training was provided on 24/07/2018 concerning above implementation of in-field collection of FFB.	Complied

P2: Transparency

Clause	Requirements	Evidence	Conformity
4.2.1	C1: Transparency of information and documents relevant to MSPO requirements		
4.2.1.1	Indicator 1: The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	The management 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 and smallholders by personal invitation to attend the internal and external stakeholders' consultation meetings. Languages used in written communications are in Bahasa Malaysia and English, coupled with verbal native dialects.	Complied
4.2.1.2	Indicator 2: Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the FGV website: http://www.feldaglobal.com/sustainability Any commercially confidential information will need special request before being provided.	Complied
4.2.2	C2: Transparent method of communication and consultation		
4.2.2.1	Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.	The management had established procedures and mechanisms to conduct stakeholders consultations, handle complaints and grievances through stakeholders meetings, Gender Committee (GC), FGV Workers' Union, Safety and Health Committee ("Ahli Jawatankuasa OSH") and Community Development and Cooperation Committee ("Jawatankuasa Pembangunan dan Kerjasama Komuniti").	Complied



4.2.2.2	Indicator 2: A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	The Estate Manager is responsible for any issues raised by local communities and other affected or interested parties regarding estate operations. Non-executive officers are also nominated to coordinate activities of the stakeholders, GC, FGV Employees Union and Safety and Health Committee. Appointments letters as issued to the respective persons.	Complied
4.2.2.3	Indicator 3: List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	The lists of stakeholders at the estate were adequately maintained and kept current. The lists of stakeholders were used for inviting external stakeholders during external stakeholders' consultation. Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes. Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up.	Complied
4.2.3	C3: Traceability		
4.2.3.1	Indicator 1: The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	The FGV Group has established, implemented and maintained a procedure for traceability of FFB from the estate to the CPO and PK produced by the POM. Documented SOP on Traceability: Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 3.0 Rev 3.0 (Effective 11/06/2018) SOP for RSPO Supply Chain Certification System.	Complied
4.2.3.2	Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.	Compliance with the traceability system determined via regular inspections, checking of records and internal audits.	Complied
4.2.3.3	Indicator 3: The management should identify and assign suitable employees to implement and maintain the traceability system.	The Palm Oil Mill and Estate Organization Charts and job responsibilities of employees (Mill Manager, Estate Manager, Assistant Managers, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined for the implementation and maintenance of the traceability procedure. Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations.	Complied
4.2.3.4	Indicator 4: Records of sales, delivery or transportation of FFB shall be maintained.	All records of FFB harvested, transported and delivered to the Adela POM were maintained and verified to be traceable via the Delivery Note and Weighbridge Ticket which were maintained at the estate office.	Complied

P3: Compliance to legal requirements

Clause	Requirements	Evidence	Conformity
4.3.1	C1: Regulatory requirements		
4.3.1.1	Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	A Legal Register covering the applicable local and international laws and regulations has been compiled for the mill and estate. 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. Based on the site observations, interviews and records checking at the 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	Complied



		<p>for Controlled Items – Diesel and Fertilizer, MPOB license, DOE license, etc.) were monitored for their expiry dates and found to be renewed and valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as chemical containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Levy and other deductions have been taken with the consent of the workers in accordance with the Employment Act 1955, FOMEMA (The Foreign Workers Medical Screening Expert) fees, for the health screening of foreign workers which was borne by the company and carried out as per the Ministry of Health guidelines.</p> <p>The contractors engaged by the estate have complied with Part XII of the Employment Act 1955, with regard to public holidays, annual leave, sick leave and overtime wages for their workers. In addition to interview sessions; employment contracts, pay slips, working permits and passports of the contractor workers were examined and verified to be in order.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Medical history records of the workers were available and noted to be maintained.</p> <p>Legal documents (work permits, passports) of foreign workers in the estate are renewed and valid. Insurance coverage is available for foreign workers in the estate.</p> <p>There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.</p>	
4.3.1.2	Indicator 2: The management shall list all laws applicable to their operations in a legal requirements register.	The organization has listed all local and international laws applicable to their operations in a Legal Register.	Complied
4.3.1.3	Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<p>The organization 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> <p>The Legal Requirements Register was verified to be reviewed for the estate on 26/04/2018 for any relevant updates.</p> <p>All relevant updates noted to be communicated by the FGV HQ to all estates within the FGV group.</p>	Complied
4.3.1.4	Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	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".	Complied
4.3.2	C2: Land use rights		
4.3.2.1	Indicator 1: The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	Communities surrounding the estate are able to move freely without any issues or problems. Verified during site inspection that no such limitations had occurred.	Complied



4.3.2.2	Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	There is an agreement between FGV and Felda the lease of the estate land. Felda had an agreement with the Johor State Government dated 25/10/1979 granting a 99 years lease of the estate land situated within the Bukit Kledang Scheme. The legal use of the land confirmed to be for the cultivation of oil palms and agricultural use. There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition.	Complied
4.3.2.3	Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Locations of several boundary stones and pole markers were visited and verified to be within the boundary perimeter of the estate. On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the estate.	Complied
4.3.2.4	Indicator 4: Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	The estate is surrounded by Felda Scheme smallholders and another oil palm plantation (Ladang YPJ), at its boundary. There has been no land disputes. As such, the process of fair compensation and FPIC is currently not required to be applied.	Complied
4.3.3	C3: Customary rights		
4.3.3.1	Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	Not applicable as the lands are titled/leased lands which are not encumbered by customary rights.	Not applicable
4.3.3.2	Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	Appropriate landscape map with latitudes and longitudes showing the legal boundary and neighbouring / surrounding areas of the estate were available and maintained. The lands at Kledang 02 Estate are legally leased by FGV Group and it is verified that there were no other users or affected parties in the land areas.	Complied
4.3.3.3	Indicator 3: Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	Not applicable as the titled/leased lands are not encumbered by customary rights.	Not applicable

P4: Social responsibility, health, safety and employment condition

Clause	Requirements	Evidence	Conformity
4.4.1	C1: Social impact assessment (SIA)		
4.4.1.1 Minor	Indicator 1: Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Social impact assessment was conducted to identify and implement plans to mitigate the negative impacts and promote the positive one on 27 June 2018. Methods used included annual internal and external stakeholders meetings, bi-annual generic internal and external surveys as well as topic specific surveys mostly involving the internal stakeholders. Comments were received from the participants and actions taken to address the comments were verified. Issues that had impacts on employees and communities were considered by the management.	Complied



		<p>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.</p> <p>Each of this activity was appropriately documented and analysed.</p> <p>Plans were developed that described the time frames for the activities or actions for implementation. These plans included the persons responsible for implementing the plans and records showed the status of the implementations.</p>	
4.4.2	C2: Complaints and grievances		
4.4.2.1 Major	<p>Indicator 1: A system for dealing with complaints and grievances shall be established and documented.</p>	<p>The management had established the Prosedur Aduan and Carta Alir Laporan Aduan handle complaint cases from employees and the public.</p> <p>The management had also established a website and Facebook account for the public to submit feedback and complaints.</p> <p>FGV 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 Estate had 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
4.4.2.2 Major	<p>Indicator 2: The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p>	<p>The procedure and flowchart and online channels outlined the mechanism whereby all complaints or grievances will be received by an appointed person and be acted upon by investigating the matter and resolve with the affected parties.</p> <p>Grievance books were sighted at the estate office. The books were actively used by the workers. Timelines for response to complaints and grievances are indicated in the logbook. Generally, response times for minor requests were within 2 to 3 days.</p> <p>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 were used for recording such cases. Complainants were given the option whether to report personally or through nominated workers' representatives or meet directly with the gender committee members.</p> <p>It was verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature.</p>	Complied
4.4.2.3	<p>Indicator 3: A complaint form should be made available at the premises, where employees</p>	<p>Employees and affected stakeholders can make complaints by recording in the Complaints & Grievance Book kept at the Estate office.</p>	Complied



Minor	and affected stakeholders can make a complaint.	Complaint boxes are placed at the entrances of offices where affected employees and other stakeholders can drop in their complaints to be acted upon by the assigned person. The complaints were submitted by the workers and were mostly related to requests for repair and maintenance of houses and lighting.	
4.4.2.4 Minor	Indicator 4: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	The Management informed the employees and surrounding communities at the internal and external Stakeholders consultations regarding their complaint/grievance procedure and feedback mechanism.	Complied
4.4.2.5 Major	Indicator 5: Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	The Complaint and Grievance Books that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.	Complied
4.4.3	C3: Commitment to contribute to local sustainable development		
4.4.3.1 Minor	Indicator 1: Growers should contribute to local development in consultation with the local communities.	Main contribution of the estate to the local development included the provision of facilities, services and where feasible, monetary. At Kledang 02 Estate. it was observed during the audit that the management was in the process of building another housing block for the foreign workers.	Complied
4.4.4	C4: Employees safety and health		
4.4.4.1 Major	Indicator 1: An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	Occupational Safety and Health Plan has been established. Safety & Health Policy and HIRARC documented was reviewed for the estate. The OSH Programme 2018 included the following: <ul style="list-style-type: none"> • Safety & Health Committee meetings every quarter, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • SDS, • JKPP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist). • Monthly KPI Report on HSE performance, • Safety inspection & audit by Safety Officer At the Estate, it was found that the aprons worn by three workers carrying out pesticide application at the fields were above the knees and not covering their boots. The Major NC: CBK-01 was raised.	Major NC# CBK-01
4.4.4.2 Major	Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented.	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. During site interviews with field	Complied



<p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i) all employees involved shall be adequately trained on safe working practices; and ii) all precautions attached to products shall be properly observed and applied. <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and</p>	<p>workers, they were able to demonstrate the basic understanding of the Safety and Health Policy.</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 estate. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire. Procedures and actions were implemented to mitigate the hazards. Risk assessment was reviewed in Jun 2018.</p> <p>The estate uses its own workers for pesticides spraying and there are no contractor's workers for pesticides spraying.</p> <p>The CHRA recommendations has been followed in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 as follows:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>The medical reports had showed that there was no case of low blood cholinesterase level 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.</p> <p>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.</p> <p>Records of training provided for pesticides workers, as well as other workers, and analysis on understanding of training were available and verified.</p> <p>During field visits, estate workers were observed to be using the appropriate PPEs such as safety helmets, safety goggles/glasses, face masks, aprons, safety boots, rubber boots, gloves etc.</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>The management had established safe work procedures for each of the activities and implemented. Precautions as attached to the products via the MSDS had been observed to be complied with by the workers.</p>	
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	<p>instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<p>Quarterly review on accident cases had been carried out during quarterly meeting of Safety, & Health committee.</p> <p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG insurance noted to be valid.</p> <p>Records on Lost Time Accident (LTA) metrics and occupational injuries were available and verified to be satisfactorily maintained.</p>	
4.4.5	C5: Employment conditions		
4.4.5.1 Major	<p>Indicator 1: The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p>	<p>The management had established policies that included human rights, employment and labour, prevention of sexual harassment, minimum wage, minimum age, equal opportunity, no discrimination. The policy was approved by the Chief Executive Officer.</p> <p>The employees are informed through briefing during muster, at the Gender Council Committee meetings and Employee Consultative Council meetings. The policies were also displayed at notice boards in the office.</p>	Complied
4.4.5.2 Major	<p>Indicator 2: The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p>	<p>The management had established the Equal Job Opportunity Policy where the commitments included providing equal opportunities and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>The Policy is available in local languages and English and displayed at the estate's notice boards.</p> <p>Employment records showed that this policy had been implemented and maintained.</p>	Complied
4.4.5.3 Major	<p>Indicator 3: Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p>	<p>Documentation and conditions of pay for foreign workers hired in the estate are available. Employment agreements with the workers (from Indonesia, Bangladesh and India), stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Company procedures require the employment contract to be explained by management to potential migrant workers before contracts are signed.</p> <p>Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order 2016.</p>	Complied
4.4.5.4 Minor	<p>Indicator 4: Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p>	<p>The management ensured that employees of contractors are paid based on Minimum Wage Order 2016 by monitoring salary payment and interviewing the contractor's employees.</p>	Complied
4.4.5.5 Major	<p>Indicator 5: The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should</p>	<p>The management maintained lists of employees that recorded the full names, gender, date of birth, date of entry, wage and period of employment.</p> <p>A brief description of the work that the foreign workers will be performing is written into the employment contract.</p>	Complied



	contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	Full job descriptions are documented for senior positions, such as Managers, Executives, and General Staff etc.	
4.4.5.6 Major	Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	All employees are provided with employment contracts. The terms of employment are clearly specified in the contracts, which included position offered, period of employment, salary, overtime rate, rest days every Sundays, rate of pay when working on rest days, days and hours of work, approved deductions, termination of employment, holiday pay, rate of pay when working on holidays, leave pay, sick leave, maternity leave, passage expenses, expatriations of remains and burial arrangement, insurance. The employment contract is signed by the Estate Manager or his Assistant and the employee. Interview with the employees confirmed that they received a copy of the employment contract.	Complied
4.4.5.7 Major	Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	The management had installed a biometric time recording machine that records the working hours and is linked to the database containing the details of each employee. Time of work for workers was recorded manually in the Rekod Pemantauan Kedatangan & Tugas Harian Pekerja for field workers. Data rare used for calculating the working hours and overtime.	Complied
4.4.5.8 Major	Indicator 8: The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	The working hours of the employees and overtime rates are specified in the employment contract i.e. 8 hours per day and overtime rates are in accordance with the Employment Act.	Complied
4.4.5.9 Major	Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Pay slips clearly showed the basic pay or piece rate, number of days worked or total output, any allowable deductions and net amount. Any overtime, holiday pay, working on rest days or Sundays or Holidays, when applicable, are also shown on the pay slips.	Complied
4.4.5.10 Minor	Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.	The employees are offered incentives on output, provided training, access to medical care and other benefits such as free housing, free water supply and free electricity supply.	Complied
4.4.5.11 Major	Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing	Workers are provided free living quarters constructed of permanent materials that have living rooms, bedrooms, kitchen and toilets. All the houses are supplied with treated water and electricity. The houses and amenities met the Workers' Standard of Housing and Amenities Act 1990 (Act 446).	Complied



	and Amenities Act 1990 (Act 446) or any other applicable legislation.	The workers are provided with medical, educational and public amenities.	
4.4.5.12 Major	Indicator 12: The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	The management had established the Policy On Prevention And Eradication Of Sexual Harassment In The Workplace. The policy is displayed at the notice board of the office and the workers are briefed about the policy during muster.	Complied
4.4.5.13 Major	Indicator 13: The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	The management had established the "Freedom of Speech and Freedom of Association" policy (ML-1A/L1-Po11(0)) dated 1 Jun 2014. The policy recognised employee's freedom of association. It was noted that the policy was available and widely displayed to the public. This policy was 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 estate. The estate allowed the workers to join workers unions which the workers had agreed their wages were deducted 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 representatives from the workers at the estate. Concerns of foreign workers at Kledang 02 Estate were discussed at the workers-management meeting called Mesyuarat Kebajikan Pekerja. Latest meeting conducted at Kledang 02 Estate was on 21 May 2018. Minutes and attendance list for the meeting was verified.	Complied
4.4.5.14 Major	Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	The management had established the "Child Labour Policy" (ML-1A/L1-Po5(0)) dated 01/06/2014 which recognised that no child or young persons shall be employed or exploited. This policy was spelt out clearly in Procedures To Prevent Hiring Child Labour (ML-1A/L1-Pr18(0)). During the audit there was no evidence of any child labor being used at the estate. Inspection of the employment records including site visit to the estate and interviews confirmed that this criterion has been complied with.	Complied
4.4.6	C6: Training and competency		
4.4.6.1 Major	Indicator 1: All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	Training programme planned for year 2018 included training for all employees and contractors. Appropriate trainings on safe working practices are planned for: <ul style="list-style-type: none">- harvesters- pesticides operators- chemical handlers- fertilisers operators- contractors The training programme included the various types of training such as firefighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training. The trainings were conducted for year	Complied



		<p>2018 and evaluation carried out on each of the trainings to determine its effectiveness.</p> <p>Appropriate PPE (safety helmets) had been provided to FFB harvesters and loaders at the place of work to cover all potentially hazardous operations.</p> <p>Records of training for each employee, including new employees were maintained.</p>	
4.4.6.2	Indicator 2: Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description	<p>A formal training programme on all aspects of MSPO requirements have been established and implemented.</p> <p>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
4.4.6.3	Indicator 3: A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	Training programme planned for year 2018 included training for all categories of workers.	Complied

P5: Environment, natural resources, biodiversity and ecosystem services

Clause	Requirements	Evidence	Conformity
4.5.1	C1: Environmental management plan		
4.5.1.1	Indicator 1: An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	A policy on environment was developed in accordance with the relevant country and state laws. It is documented and communicated to all levels of the workforce through briefings and placement of the policy on notice boards. Briefing on the said policy and management plans was conducted on 05 Jul 2018 to all staff and workers.	Complied
4.5.1.2	Indicator 2: The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations.	<p>The Environmental Management Plan for 2018 has been documented. It included the environmental policy and also the objectives.</p> <p>The Environmental Aspects and Impacts Assessment (EIA) was conducted and documented. It was reviewed on 04/01/2018. The scope of assessment had included the management of pests and disease palms (IPM), maintenance of roads, drainage system, fertilizing, spraying, transportation of FFB, domestic waste disposal, accordingly to the legal requirements. The EIA report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones.</p>	Complied
4.5.1.3	Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	<p>The estate has developed and implemented an Environmental Improvement Plan for the mitigation of negative impacts and promotion of positive impacts.</p> <p>The implementation and monitoring of the documented environmental improvement plan were reviewed annually.</p>	Complied
4.5.1.4	Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.	It was found that the Environmental Improvement Plan for Kledang 02 Estate did not identify and include the positive environmental impacts that can be promoted and the action plan required for improvement.	Major NC# OCL-01
4.5.1.5	Indicator 5: An awareness and training programme shall be	Awareness and training programme had been established and implemented to ensure employees understood the	Complied



	established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	policy and objectives of the environmental management and improvement plans, viz; training on HCV/RTE on 27/06/2018, training on spraying & buffer zone on 08/05/2018, etc. Training records were maintained.	
4.5.1.6	Indicator 6: Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Regular meetings and discussions or consultation with relevant employees were conducted in relation to environmental issues. Examples: (1) Management review conducted on 02/07/2018 covered environment issues. (2) Job briefings were also conducted by the personnel to the relevant workers during chemical spraying and manuring works and also during the morning roll call, especially when the work to be conducted is at an environmentally sensitive area.	Complied
4.5.2	C2: Efficiency of energy use and use of renewable energy		
4.5.2.1	Indicator 1: Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Usage of non-renewable energy is monitored. Monthly records on the consumption of diesel and electricity were maintained for comparison to optimize the use of the non-renewable energy at the estate.	Complied
4.5.2.2	Indicator 2: The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	Records on the usage of non-renewable energy for machineries involved in the plantation operations were maintained and available. Monthly records on energy consumption, i.e. diesel both for own machinery, transport & field operations including the diesel usage provided to contractors for estate road maintenance, FFB & EFB transportation were monitored and maintained at the estates offices. Data compiled (5 years) for comparison and monitored to optimize efficiency on the use of non-renewable energy. Records maintained had showed proper control of the fuel usage.	Complied
4.5.2.3	Indicator 3: The use of renewable energy should be applied where possible.	At the estate, use of renewable energy is mainly in the use and application of EFB being recycled for mulching purpose.	Complied
4.5.3	C3: Waste management and disposal		
4.5.3.1	Indicator 1: All waste products and sources of pollution shall be identified and documented.	The documentation and identification of all the waste products such as scheduled waste, domestic waste, and recyclable waste such as metal, plastic, POM waste and polluting materials e.g. EFB, POME, stack emissions and boiler ashes were maintained and monitored. 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). Currently, there is no scheduled waste at the estate as the vehicles are all serviced outside by an approved third party.	Complied
4.5.3.2	Indicator 2: A waste management plan to avoid or reduce pollution shall be developed and implemented.	A Waste Management and Disposal Plan has been documented and implemented. However, the Waste Management and Disposal Plan did not include the	Major NC# OCL-02



	The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	management and disposal of used chemicals containers. Segregation of wastes was verified to be satisfactory carried out at the estate. Proper storage areas were identified for the storage of the recyclable wastes (fertilizer bags, metal, plastic, paper. etc.) at the estate. Recycling bins of three different colour codes for specific recycle waste were available in the estate and were used for solid waste segregation and recycling. There is no landfill at the estate. Domestic waste is collected twice weekly and disposed by a contractor at an approved site monitored by DOE. 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.	
4.5.3.3	Indicator 3: The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	Standard operating procedure for the handling of used chemicals classified as Scheduled Waste has been developed and adhered to accordingly. At Kledang 02 Estate, used chemical containers are reused as containers for spraying solution. Unused chemical containers are tripled rinsed and pierced at the bottom and disposed sold off to contractors.	Complied
4.5.3.4	Indicator 4: Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	Unwanted empty pesticide containers were triple rinsed and pierced at the bottom and sold off to a contractor. Empty pesticide containers is only recycled for the purpose permitted.	Complied
4.5.3.5	Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	There is no landfill at the estate. Domestic waste is collected and disposed by a contractor at a site monitored by DOE	Complied
4.5.4	C4: Reduction of pollution and emission		
4.5.4.1	Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	All polluting activities were identified through the aspect and impact assessment, and are documented. The activities are inclusive of green gas emissions, chemicals, fertilizer, solid waste and household waste. Data relating to such activities were collected and analysed.	Complied
4.5.4.2	Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	The action plan has been established and implementation is ongoing. Improvement such as on consumption of diesel and fertilizers are noted during the audit.	Complied
4.5.5	C5: Natural water resources		
4.5.5.1	Indicator 1: The management shall establish a water management plan to maintain	Water Management Plan for Kledang 02 Estate was documented on 15/02/2018. The plan had indicated the sources of water supply to the estate. Water for domestic	Complied



	<p>the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources of supply.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p>	<p>use is the treated water supply from the government water utility company, Syarikat Air Johor (SAJ) where water usage is monitored from the meters and water bills.</p> <p>There is no river passing through Kledang 02 Estate. However, there is a river, Sungai Pungai, flowing through a neighbouring estate, Ladang YPJ. This river is located about 1 km from Kledang 02 Estate. Water does not flow directly to Sungai Pungai located in the neighbouring estate, Ladang YPJ.</p> <p>There are drains within the estate and water management of the peat land implemented to monitor the water level. Monitoring of the subsistence of the peat soil was implemented and recorded. Water table levels monitored and recorded once a month and verified to be maintained at the minimum of 50 cm level. Subsidence records sighted showed there was no significant change in water level.</p> <p>Rainfall data monitored by the estate but rain water harvesting not practiced at the housing site for other alternative uses.</p>	
4.5.5.2	<p>Indicator 2: No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	<p>This is not applicable as there is no river passing through Kledang 02 Estate.</p>	<p>Not applicable</p>
4.5.5.3	<p>Indicator 3: Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p>	<p>Currently, no rain water harvesting being practiced. Water source for domestic use in the estate is the treated water supply from the government water utility company, Syarikat Air Johor (SAJ).</p>	<p>Complied</p>
4.5.6	<p>C6: Status of rare, threatened, or endangered species and high biodiversity value area</p>		
4.5.6.1	<p>Indicator 1: Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	<p>Biodiversity (HCV) assessment for Kledang 02 Estate was conducted by the Certification & Due Diligence (CDD) Unit of FGV 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,</p>	<p>Complied</p>



	<p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>	<p>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. 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>	
4.5.6.2	<p>Indicator 2: If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.</p>	<p>Regular patrols within the estate were being carried out and sightings 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>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>	Complied
4.5.6.3	<p>Indicator 3: A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>	<p>A management plan was developed, established and effectively implemented. It include a program 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>	Complied
4.5.7	C7: Zero burning practices		
4.5.7.1	<p>Indicator 1: Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p>	<p>The estate had observed the policy of 'Zero open burning' for any replanting, if any, at the estate.</p> <p>Field inspections made at the estate showed no evidence of open burning.</p>	Complied
4.5.7.2	<p>Indicator 2: A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a</p>	<p>Confirmed that there were no instances of such issue at present.</p>	Not applicable



	significant risk of disease spread or continuation into the next crop.		
4.5.7.3	Indicator 3: Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	The company practiced a 'No Open Burning' policy. Visit at sites confirmed no such activity took place.	Complied
4.5.7.4	Indicator 4: Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	The Best Management Practice guidelines for Replanting was available at the estate. Previous crops were felled, chipped and shredded as this was the best practice.	Complied

P6: Best practices

Clause	Requirements	Evidence	Conformity
4.6.1	C1: Site management		
4.6.1.1	Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<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>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 - SOP for riparian zone management with specified buffer zones. <p>Safe working practices and application of pesticides and chemicals covered within the above SOPs for manuring, weeding, pest and disease.</p> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	Complied
4.6.1.2	Indicator 2: Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater	<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>FGVH has SOP for planting on slope@Planting terraces were constructed on land with slope more than 6°. Terraces constructed had included proper stop bunds</p> <p>The PMU has a SOP (Best Management Practices) for erosion control during replanting or any activities involving</p>	Complied



	through runoff of either soil, nutrients or chemicals.	earth disturbance. Steps were taken for erosion control included soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no apparent soil erosion observed during the field inspections. Leguminous cover crop, <i>Macuna bracteata</i> was well established at the replanted field blocks.	
4.6.1.3	Indicator 3: A visual identification or reference system shall be established for each field.	Field Block Maps is available with Block numbers and planting year has been established at each field.	Complied
4.6.2	C2: Economic and financial viability plan		
4.6.2.1	Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<p>The 5-year Business Management Plan (FY 2018 to FY 2023) for the PMU was documented and reviewed.</p> <p>The Annual Budget for each year include the following:</p> <ol style="list-style-type: none"> (1) Staff and Labour requirements; (2) Crop projection; FFB yield/ha trends; (3) Mill extraction rates; OER trends; (4) Cost of Production; Cost/mt FFB trends; (5) Cost of Production; Cost/MT CPO trends; (6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.). (7) Budget for Environmental, Social, Safety & Health, Training and Promotions. <p>The Mill and Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>Records of monitoring of costs against budget to achieve specified targets were verified to be available.</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 FGV HQ in KL</p>	Complied
4.6.2.2	Indicator 2: Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	<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>Last replanting was on year 2013.</p> <p>A replanting cycle of 25 years has been adopted by the FGV Plantation (Malaysia).</p> <p>The replanting areas (ha) at the estates audited are as follows:</p> <p>PM05C : Replanting in 2005 Acreage -131.81 Ha Planted - 111.28</p> <p>PM13Q : Replanting 2013 Acreage -546.96 Ha Planted - 111.28</p> <p>PR14R : Replanting in 2014 Acreage -543.63 Ha</p>	Complied



		Planted – 467.63 All palms are in 2 nd cycle	
4.6.2.3	Indicator 3: The business or management plan may contain: a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment.	The 5-year Business Management Plan (FY 2018 to FY 2023) for the estate was documented and reviewed. The Annual Budget for each year include the following: (1) Staff and Labour requirements; (2) Crop projection; FFB yield/ha trends; (3) Mill extraction rates; OER trends; (4) Cost of Production; Cost/mt FFB trends; (5) Cost of Production; Cost/MT CPO trends; (6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.). (7) Budget for Environmental, Social, Safety & Health, Training and Promotions. The Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.). Records of monitoring of costs against budget to achieve specified targets were verified to be available.	Complied
4.6.2.4	Indicator 4: The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Performances are discussed in the monthly meetings held 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. Monthly, quarterly, half-yearly and yearly reports are submitted to the Regional GM.	Complied
4.6.3	C3: Transparent and fair price dealing		
4.6.3.1	Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Verified that the FFB pricing followed the PORLA formula and MPOB prices. There was also no evidence to suggest unfair business practices with the suppliers.	Complied
4.6.3.2	Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	Based on contracts agreements between contractors/service providers and estate, it is evident that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Interview with parties concerned confirmed that business practices with local businesses were conducted in a fair and transparent manner. It is further verified that payments to contractors and other service providers are paid within the period specified in the contract agreement. Sighted the payment made to contractors in timely manner.	Complied
4.6.4	C4: Contractor		
4.6.4.1	Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	During external stakeholders' consultations and during training, the contractors are made to understand MSPO requirements. Information such as policies and procedures are provided. Sighted briefing on MSPO requirement to contractors on 9 April 2018	Complied
4.6.4.2	Indicator 2: The management shall provide evidence of agreed contracts with the contractor.	Contract agreements are signed between the Estate Manager or his Assistant and the contractor. The terms and conditions of the contract are explained to the contractor. A copy of the contract is given to the contractors.	Complied
4.6.4.3	Indicator 3: The management shall accept MSPO approved auditors to verify Audits through	Acceptance is obtained from the FGV Management. The acceptance was provided via signing by FGV Management on the Contract of Agreement for the MSPO Audit and	Complied



	a physical inspection if required.	confirmation of the Audit Plan & Auditors, before the actual audit.	
4.6.4.4	Indicator 4: The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the Audit of the contractor for each task and season contracted.	There are no contractor used for plantation operations except for FFB and EFB transportation which is monitored by the estate management.	Complied

P7: Development of new plantings

Clause	Requirements	Evidence	Conformity
4.7.1	C1: High biodiversity value		
4.7.1.1	Indicator 1: Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.	Verified that there was no development of any new plantings at the estate.	Complied.
4.7.1.2	Indicator 2: No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.	Verified that there was no development of any new plantings at the estate.	Not applicable.
4.7.2	C2: Peat land		
4.7.2.1	Indicator 1: New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	The palm trees in Kledang 02 estate are 4 to 13 years old. The last replanting was carried out in year 2014, where there was replanting on peat land. The estate carried out the replanting on peat land in accordance with the Peat-SOP (0) Rev 0 (15/05/2014) "Manual Pengurusan Perladangan FGV". However, the various documentation on peat land hectarage, location map of peat land areas, water management, subsidence measurement, peat soil sampling and monitoring records of water level were not properly collated in an organized manner. There is no further replanting required over the next 12 years until year 2030.	Minor NC# OCL-01
4.7.3	C3: Social and Environmental Impact Audit (SEIA)		
4.7.3.1	Indicator 1: A comprehensive and participatory social and environmental impact Audit shall be conducted prior to establishing new plantings or operations.	Verified that there was no development of any new plantings at the estate.	Not applicable.
4.7.3.2	Indicator 2: SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology	Verified that there was no development of any new plantings at the estate.	Not applicable.



	which includes external stakeholders.		
4.7.3.3	Indicator 3: The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	Verified that there was no development of any new plantings at the estate.	Not applicable.
4.7.3.4	Indicator 4: Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.	Verified that there was no development of any new plantings at the estate.	Not applicable.
4.7.4	C4: Soil and topographic information		
4.7.4.1	Indicator 1: Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.4.2	Indicator 2: Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.5	C5: Planting on steep terrain, marginal and fragile soils		
4.7.5.1	Indicator 1: Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.5.2	Indicator 2: Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.5.3	Indicator 3: Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6	C6: Customary land		
4.7.6.1	Indicator 1: No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their	Verified that there was no development of any new plantings at the estate.	Not Applicable



	views through their own representative institutions.		
4.7.6.2	Indicator 2: Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6.3	Indicator 3: Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6.4	Indicator 4: The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6.5	Indicator 5: Identification and Audit of legal and recognised customary rights shall be documented.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6.6	Indicator 6: A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6.7	Indicator 7: The process and outcome of any compensation claims shall be documented and made publicly available.	Verified that there was no development of any new plantings at the estate.	Not Applicable
4.7.6.8	Indicator 8: Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	Verified that there was no development of any new plantings at the estate.	Not Applicable

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 MSPO Compliance Indicators is as per the details below:

Audit Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Initial Audit / Stage 2	2018	4 (2 Major & 2 Minor)	2	Next Surveillance Assessment

3.2.1 Year 2018: Initial Audit / Stage 2: 3 Major NCs

NCR	MSPO Indicator	Details of NCR



Major CBK-01	4.4.4.1 MS 2530-3 Estate	Date issued: 20/09/2018	
		Requirement:	
		An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated and implemented.	
		Noncompliance:	
		Location: Estate	
		It was found that the aprons worn by three workers carrying out pesticide application at the fields were above the knees and not covering their boots.	
		Root Cause and Corrective Action(s): by Auditee Representative	
		Root Cause: Apron purchasing was centralized by regional office, estate did not check on the apron specification.	
		Corrective Action: Immediate action: Purchased new apron for the workers as per specification. Long term action: Checking on specification of apron once received.	
		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		MAJOR NC: On-site / Off-site Verification on date: 22 Nov 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Photos of pesticide sprayers wearing aprons that meet the requirement. Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment	
		Minor NC: N.A On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.	
		NC status verified by auditor: Closed by OCL	
Verification of effectiveness: Next Assessment			
NC status verified by auditor: -		Date verified: -	

NCR	MSPPO Indicator	Details of NCR	
Major OCL-01	4.5.1.4	Date issued: 20/09/2018	
		Requirement:	



	MS 2530-3 Estate	A programme to promote the positive impacts should be included in the continual improvement plan.	
		Noncompliance:	
		It was found that the Environmental Improvement Plan for Kledang 02 Estate did not identify and include the positive environmental impacts that can be promoted and the action plan required for improvement.	
		Root Cause and Corrective Action(s): by Auditee Representative	
		Root Cause: Estate management only identified and include negative impact for improvement plan.	
		Corrective Action: Immediate action: Estate included the positive environmental impacts that can be promoted and the action plan required for improvement. Long term action: Identify and develop improvement plan for positive and negative impacts at least once a year.	
		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		MAJOR NC: On-site / Off-site Verification on date: 22 Nov 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Revised Environmental Improvement Plan found to be satisfactory. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment	
		Minor NC: N.A On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.	
		NC status verified by auditor: Closed by OCL	Date closed: 22/11/2018
Verification of effectiveness: Next Assessment			
NC status verified by auditor: -	Date verified: -		

NCR	MSPO Indicator	Details of NCR
Major OCL-02	4.5.3.2	Date issued: 20/09/2018
		Requirement:



	MS 2530-3 Estate	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	
	Noncompliance:	A Waste Management and Disposal Plan has been documented and implemented. However, the Waste Management and Disposal Plan did not include the management and disposal of used chemicals containers.	
	Root Cause and Corrective Action(s): by Auditee Representative		
	Root Cause:	Estate management have been overlooked the management plan as all triple rinsed container was sold to contractors.	
	Corrective Action:	Immediate action: Update Waste Management and Disposal Plan and include the management and disposal of used chemicals containers. Long term action: Monitor all waste produced and put it into the waste management plan.	
	Verification on Corrective Action(s): by Lead Auditor / Auditor		
	MAJOR NC:	<p>On-site / Off-site Verification on date: 22 Nov 2018</p> <p>Corrective actions taken: As stated by Auditee in their RC & CA</p> <p>Supportive evidences: Revised Waste Management and Disposal Plan found to be satisfactory.</p> <p>Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>	
	Minor NC: N.A	<p>On-site / Off-site Verification on date:-</p> <p>Corrective Actions taken: -</p> <p>Supportive evidences:-</p> <p>Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>	
	NC status verified by auditor: Closed by OCL	Date closed: 22/11/2018	
	Verification of effectiveness: Next Assessment		
NC status verified by auditor: -		Date verified: -	

3.2.2 Year 2018: Initial Audit / Stage 2: 1 Minor NC

NCR	MSPO Indicator	Details of NCR
Minor	4.7.2.1	Date issued: 20/09/2018



OCL-01	MS 2530-3 Estate	Requirement:	
		New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	
		Noncompliance:	
		The last replanting was carried out in year 2014, where there was replanting on peat land. The estate carried out the replanting on peat land in accordance with the Peat-SOP (0) Rev 0 (15/05/2014) "Manual Pengurusan Perladangan FGV". However, the various documentation on peat land hectarage, location map of peat land areas, water management, subsidence measurement, peat soil sampling and monitoring records of water level were not properly collated in an organized manner.	
		Root Cause and Corrective Action(s): by Auditee Representative	
		Root Cause: Management kept all documents in different files.	
		Corrective Action: Immediate action: Establishment of a single file for all peat management documents. Long term action: Monitoring of filing system on peat management.	
		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		MAJOR NC: N.A On-Site / Off-site Verification on dates: Corrective actions taken: Supportive evidences: Conclusion: [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates):	
		Minor NC: On-site / Off-site Verification on date: 22 Nov 2018 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: A new file for peat management created and all pertinent documents kept in the file. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.	
		NC status verified by auditor: Closed by OCL	
		Date closed: 22/11/2018	
Verification of effectiveness: Next Assessment			
NC status verified by auditor: -			
Date verified: -			

3.2.3 Year 2018: Initial Audit / Stage 2: 0 Observation

3.2.4 Identified Positive Elements

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



3.3 Summary of Feedback Received from Stakeholders

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of the Estates 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 table below:

3.3.1 Feedback Raised by Stakeholders (Initial Audit / Stage 2 – Year 2018)

Communication done via email on 13 Aug 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 audit 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 20/09/2018. A total of 4 stakeholders (including, government officials, suppliers, local communities) were present at the consultation. They were interviewed by the auditors without the presence of any of the Estate staff. Concerns and suggestions received during interviews and stakeholder consultations: <ol style="list-style-type: none"> 1. Motorcyclists were sometimes seen not wearing safety helmets. 2. The trucks could be overloaded judging by the height of FFB loaded onto the trucks. 3. FFB were sometimes seen fall off lorries or trucks. 4. Stakeholders were not aware of the channel of complaints including website and Facebook. 	The Estate Management responded that these matters will be reviewed by the management.	To be followed up during the next Audit.	Nil



Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 18-20 Sep 2018 at the PMU: Staff/Workers sampling: POM = 15 males, 5 females Estate = 29 males, 6 females No negative issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
Other interested parties: No feedback received.	No response needed.	No response needed.	Nil



4.0 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, Kledang 02 Estate had been able to demonstrate its compliance with the MSPO MS 2530-3:2013 Standard for the Oil Palm Plantations.

Therefore, it is recommended that the certification of Kledang 02 Estate be approved.

Signed for and on behalf of
Intertek Certification International Sdn Bhd

A handwritten signature in black ink, appearing to read 'Ooi Cheng Lee'.

Dr. Ooi Cheng Lee
Lead Assessor

Date: 27 Dec 2018

4.1 Acknowledgement of Internal Responsibility and Confirmation of Audit Findings

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

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

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

Date: 29 Dec 2018



4.2 INTERTEK – MSPO Certificate details for the Kledang 02 Estate

Certificate No:	MSPO 005B
Start date:	31 Dec 2018
Expiry date:	30 Dec 2023
Organisation	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
Name of Estates	Kledang 02 Estate
Address of Estates	As per Table A (below)
MPOB License No:	559933002000
Standards	MSPO MS 2530-3:2013 for the Oil Palm Plantations.
Certification scope:	Oil Palm Plantations Supplying FFB

Table A: Details of the Estate covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Certified (Titled) Area (ha)	Mature Planted Area (ha)
		Latitude	Longitude		
FGV 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 tonnage produced at the Estate is detailed as follows:

Kledang 02 Estate	Annual Tonnages (MT)
FFB	7,333



APPENDIX A-1:

Qualifications of Lead Auditor and Audit Team (Stage 1 Assessment)

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 Certifications (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.



APPENDIX A-2:

Qualifications of Lead Auditor and Audit Team (Stage 2 Assessment)

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 Certifications (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. Ahmad Kamal Shahabuddin (AKS) – Assessor / Technical Expert

(Good Agriculture Practice, Integrated Pest Management, Safety and Health)

– Diploma in Industrial Chemistry

Mr. Ahmad Kamal has more than 25 years working experience in the oil palm plantations and mill operations, agriculture, safety and health related field. He was attached to the Malaysian Palm Oil Board since 1979 until his retirement from MPOB in 2011. He was a Lead Auditor for the MPOB CoP certification for Palm Oil companies since 2014. He has successfully completed the RSPO Supply Chain Certification Lead assessor course in 2015 and the MSPO Lead Auditor course in 2017. He has good on-field knowledge in the Palm Oil sector such as industry fundamentals on good agricultural practices (GAP), best management practices (BMP), 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 has conducted training for growers and smallholders organised by MPOB for MSPO certifications. He is a member of the RSPO CB Assessment team which audited several RSPO and MSPO certified mills and plantation management units since 2015.



Appendix B-1:

Stage 1 Audit Plan (Actual) – POM and Estate Grouping audited simultaneously

Date	Time	Assessors and Assessment Activity (MS 2530-4)		
		Assessment Team		
19 July 2018 Thursday (Day 1)	9.00 am - 9.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	9.30 am – 1.00 pm	Document Review and Audit by Auditors on respective MSPO Principles :1 to 6 for POM		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 6.00 pm	OCL Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	CBK Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P6 Best Practices 	JMD Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P4 Social responsibility, health, safety and employment condition

Date	Time	Assessors and Assessment Activity (MS 2530-3)		
		OCL	CBK	JMD
20 July 2018 Friday (Day 2)	9.00 am – 1.00 pm	Site assessment at Kledang 02 Estate <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	Site assessment at Kledang 02 Estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirement • P6 Best Practices • P7 New Planting (if any) 	Site assessment at Kledang 02 Estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P4 Social responsibility, health, safety and employment condition
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 4.00 pm	Continue site assessment at Kledang 02 Estate		
	4.00 pm – 5.00 pm	Preparation for Closing Meeting		
	5.00 pm - 5.30 pm	Team Meeting and Discussions with POM Management Representative		
	5.30 pm – 6.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office		



Appendix B-2:

Stage 2 Audit Plan (Actual) – POM and Estate Grouping audited simultaneously

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
18 Sept 2018 Tuesday (Day 1)	7.00 am – 10.00 am	Travel to Adela Palm Oil Mill		
	10.00 am – 11.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	11.30 am – 1.00 pm	Document Review and Audit by Auditors on respective MSPO Principles :1 to 6 for POM		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 5.00 pm	OCL	CBK	AK
		Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P4 Social responsibility, health, safety and employment condition 	Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P6 Best Practices
		<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances (previous audit – if applicable) 		
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		OCL	CBK	AK
19 Sept 2018 Wednesday (Day 2)	8.30 am – 12.30pm	Site assessment at FGVPM Kledang 02 estate <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	Site assessment at FGVPM Kledang 02 estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P4 Social responsibility, health, safety and employment condition 	Site assessment at FGVPM Kledang 02 estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P6 Best Practices • P7 New Plantings (if any)
		Lunch Break		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at FGVPM 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	AK
20 Sept 2018 Thursday (Day 3)	8.30 am – 12.30 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Management commitment and responsibility • P2 Transparency • P3 Compliance to legal requirements 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below – subject to availability): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. Notes <ol style="list-style-type: none"> 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 prior to the audit. 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. 	
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 3.00 pm	Preparation for Closing Meeting		
	3.00 pm – 4.30 pm	Team Meeting and Discussions with POM Management Representative		
	4.30 pm – 6.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office		



APPENDIX C-1:

Location Map of Kledang 02 Estate, Kota Tinggi, Johor Darul Takzim, Malaysia

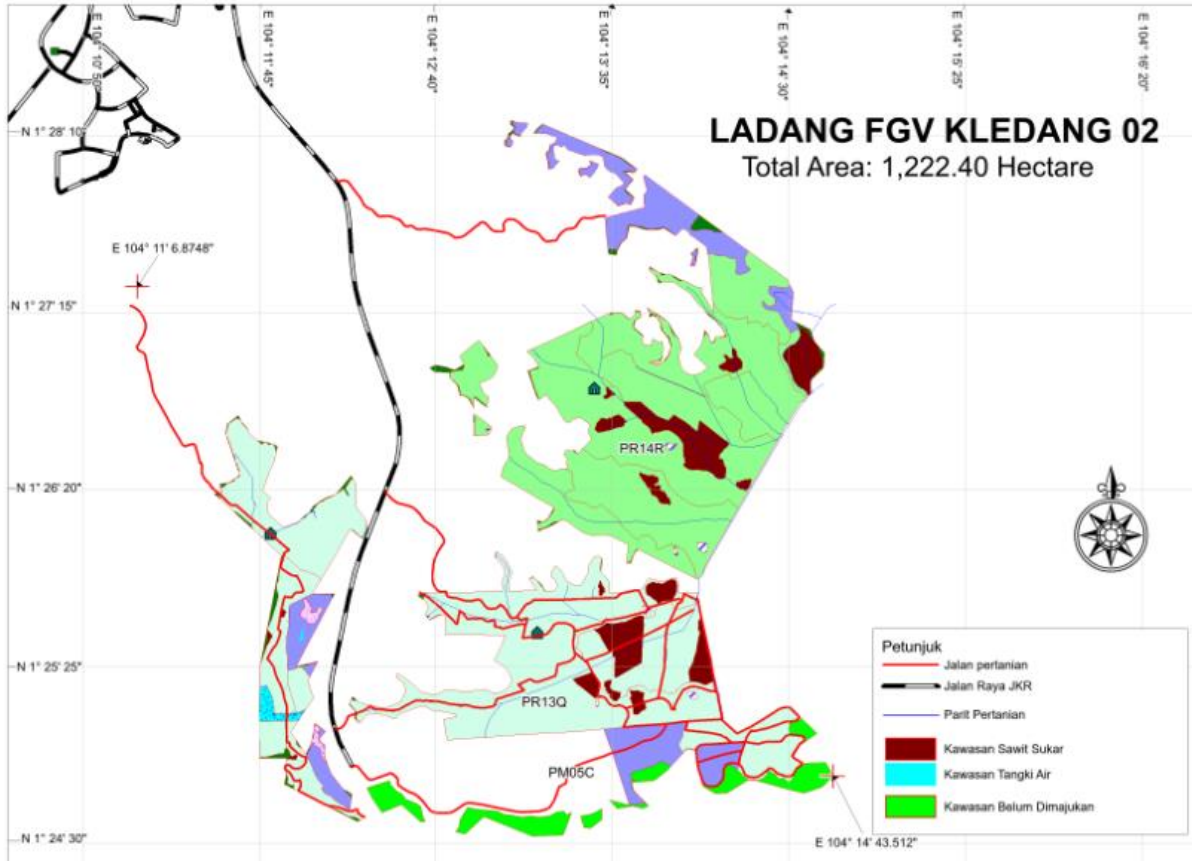


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APPENDIX C-2:

Map of FGV Kledang 02 Estate





APPENDIX D:

Stage 1 Assessment Summary of Findings

Certification Unit	Adela Grouping - Kledang 02 Estate
Assessment Type	Stage 1 Assessment
Standards	MSPO MS 2530-3:2013 for the Oil Palm Plantations
Lead Auditor	Dr. Ooi Cheng Lee (OCL)
Auditors	Chin Bit Kee (CBK), Jumat Majid (JMD)
Audit Dates	20 Jul 2018
Total No. of Findings	Six (6) findings as listed below
NOTE: The organization must take action to ensure that the requirement concerned is fully addressed prior to the Stage 2 assessment, otherwise a non-conformance shall be raised during Stage 2.	

Finding No.	MSPO Indicator	Details of Finding
OCL-01	4.5.5.1 Indicator 1	Date issued: 20/07/2018
		Requirement: The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.
		Description of Finding: The Water Management Plan for the Kledang 02 Estate was not adequately documented to give the necessary details and action plans. It shall also include the management of water level in the peat land areas.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
CBK-01	4.6.2.3 Indicator 3	Date issued: 20/07/2018
		Requirement: The business or management plan may contain: a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment.
		Description of Finding: The Business Plan should include parameters/basis for estimation and financial indicators such as Return on Investment.
		Remark: Action required to address the finding satisfactorily.



Finding No.	MSPO Indicator	Details of Finding
CBK-02	4.6.4.1 Indicator 1	Date issued: 20/07/2018
		Requirement: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.
		Description of Finding: Transport contractors were not provided with information and training for their understanding of the MSPO requirements.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-01	4.3.1.1 Indicator 1	Date issued: 20/07/2018
		Requirement: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.
		Description of Finding: FGV/JTK/POL/001, 1.0 Pekerja Lari Meninggalkan Ladang Secara Tidak Sah did not include a procedure to report absconded workers to Immigration Dept.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-02	4.4.4.1 Indicator 1	Date issued: 20/07/2018
		Requirement: An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.
		Description of Finding: OSH Plan presented during the audit is insufficient as it only include training plan. The OSH Plan shall include other pertinent items concerning occupational safety and health.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-03	4.4.4.2 Indicator 1	Date issued: 20/07/2018
		Requirement: The occupational safety and health plan shall cover the following: d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk Audit and control such as Hazard Identification, Risk Audit and Risk Control (HIRARC). i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite. .



	<p>Description of Finding:</p> <p>(1) Para (d) in Indicator: Prosedur Pengurusan Keselamatan Penempatan Petugas dan TKA [FGVPM/L3/PK-27] is available in the list of SOPs developed by the FGV Head Office but not included in the list of identified hazard [HIRARC] at the estate level [FGVPM/L4/PP-1.2 Pind. 0 for Ladang Kledang 02 dated 1 Feb 2018].</p> <p>(2) Para (i) in Indicator: Maximum only around six staff trained in First Aid available at the estate at any given time and only two out of six are fully involved in the field operation. This situation did not satisfy the indicator that at least one employee trained in First Aid be present at each field operation.</p> <p>Remark: Action required to address the finding satisfactorily.</p>
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