

MSPO CERTIFICATION
INITIAL AUDIT
SUMMARY REPORT

FELDA GLOBAL VENTURES HOLDINGS BERHAD
Kilang Sawit Bukit Kepayang (POM)
Triang, Pahang Darul Makmur, Malaysia

Certificate No:	INTERTEK MSPO 007A
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Expiry date:	14 February 2024
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Initial / Stage 1	09-10 Aug 2018
Initial / Stage 2	26-28 Nov 2018
Annual Surveillance - 01	
Annual Surveillance - 02	
Annual Surveillance - 03	
Annual Surveillance - 04	
Re-Certification	

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TABLE OF CONTENTS

Section	Content	Page No
1.0	SCOPE OF AUDIT	3
1.1	Introduction	3
1.2	Location (address, GPS and map) mill, estates and hectarage	3
1.3	Description of FFB supply base	3
1.4	Year of plantings and cycle	4
1.5	Summary of Land Use, Conservation and HCV Areas	4
1.6	Other certifications held and Use of MSPO Trademarks	4
1.7	Organizational information/contact person	4-5
1.8	Tonnages Verified for Certification	5-6
1.9	Abbreviations Used	7
2.0	AUDIT PROCESS	8
2.1	Audit Methodology, Plan & Site Visits	8
2.2	Date of next scheduled visit	8
2.3	Qualifications of the Lead Assessor and Audit Team	8
2.4	Certification Body	8
2.5	Process of Stakeholder Consultation	8-9
3.0	AUDIT FINDINGS	10
3.1	Summary of findings	10-26
3.2	Status of Identified Noncompliance and Corrective Actions, Observations and Identified Positive Elements	26-30
3.3	Feedback raised by Stakeholders and Findings	30-31
4.0	AUDIT CONCLUSION AND RECOMMENDATION	32
4.1	Acknowledgement of Internal Responsibility and Confirmation of Audit Findings	32
4.2	Intertek MSPO Certification Details for the POM	33

APPENDICES		
Appendix A-1	Qualifications of the Lead Assessor and Audit Team (Stage 1 Assessment)	34
Appendix A-2	Qualifications of the Lead Assessor and Audit Team (Stage 2 Assessment)	35
Appendix B-1	Stage 1 Audit Plan	36
Appendix B-2	Stage 2 Audit Plan	37-38
Appendix C	Map of POM location	39-40
Appendix D	Stage 1 Assessment Summary of Findings	41-43



1.0 SCOPE OF AUDIT

1.1 Introduction

This Initial Audit / Stage 2 was conducted on the Bukit Kepayang Palm Oil Mill under the Bukit Kepayang Grouping of **Felda Global Ventures Holdings Berhad** (hereafter abbreviated as FGV), from **26-28 Nov 2018**, to assess the organization's operations of the Palm Oil Mill are in compliance against the **MSPO Standard for Palm Oil Mills (MSPO MS 2530-4: 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 Bukit Kepayang Grouping consists of one (1) palm oil mill, namely **Bukit Kepayang 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 Bukit Kepayang POM (Capacity: 40 MT/hr)	Kilang Sawit Bukit Kepayang, Pejabat Pos Triang, Pahang Darul Makmur, Malaysia	3° 16' 11" N	102° 35' 45" E
Terapai 03 Estate	d/a Felda Mayam, 28220 Bera, Pahang Darul Makmur, Malaysia	3° 25' 51.98" N	102°46' 53.65" 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 Bukit Kepayang Grouping are as shown in Table 2 below.

Table 2: Estate Area Summary

Estate	Area Summary (ha): Year 2018	
	Certified (Titled) Area	Planted Area
Terapai 03 Estate	2,552.42	2,034.90
Total:	2,552.42	2,034.90

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation / unplantable 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 Terapai 03 Estate is as shown in Table 3.

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

Estate Phase / Block	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) Planted
PM98B / 5-16	1990	1 st	901.08		901.08
PM98C / 17-26	1990	1 st	730.84		730.84
PR16D / 1-4	2016	2 nd		402.98	402.98
		Total	1,631.92	402.98	2,034.90

1.5 Summary of Land Use, Conservation and HCV Areas

The summary of Land Use, Conservation and HCV Areas as identified in Bukit Kepayang 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	2,034.90
	- Mature	1,631.92
	- Immature	402.98
2	Conservation Area (ha)	
	- comprising buffer zones along small streams, hilly areas, swampy and unplantable areas	14.95
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, Bukit Kepayang 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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**Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2**

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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 Bukit Kepayang Grouping based on the on the **actual for the past 12 months (Jan – Dec 2017)** are as shown in Table 5 below:

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

#	Estate /Supplier	FFB Received (MT)	Main Receiving Palm Oil Mill	MSPO Certification
A	PMU Estates: Certified:			
1.	Terapai 03 Estate	22,819.61	Bukit Kepayang POM	Intertek
	Sub-total: Certified			
B	FTPSB estates, Felda estates, Outside Crop Producers (OCP): Non-certified:			
2.	FTP BUKIT KEPAYANG	7,156.87		
3.	PTS MAYAM	7,717.81		
4.	FTP PURUN	10,255.79		
5.	FTP KUMAI	256.68		
6.	FELDA BUKIT KEPAYANG	25,499.57		
7.	FELDA MAYAM	25,499.57		
8.	FELDA PURUN	30,687.22		
9.	LADANG TERAPAI 1	24.39		
10.	LADANG BERA SELATAN 01	22.75		
11.	LADANG BERA SELATAN 04	15.88		
12.	KILANG SAWIT FELCRA BHD. MARAN	278.27		
13.	TAI ICHI ENTERPRISE SDN BHD	22,012.40		
14.	RISDA PLANTATIONS SDN BHD	298.07		
15.	KIM MA OIL PALM (TRANSPORT) SDN BHD	2,994.40		
16.	BKF SDN. BHD	3,796.99		
17.	BAKTI MAS BINA SDN BHD	33,886.67		
18.	KOOP. PENANAM SAWIT MAMPAN DAERAH BERA BERHAD	1,238.98		
19.	NONE TEGUH ENTERPRISE	5,580.14		
	Sub-total from FTPSB Estates, Felda Estates, OCP: Non-certified	177,222.45		
C	Smallholders: Non-certified			
1	MOHD TAHIR BIN MALAKA	237.17		
2	MOHAMAD BIN NEHIT	169.46		
3	MOHD SANUSI BIN SENIK	3,001.91		
4	WAN ABD SAMAT BIN WAN SULAIMAN	530.60		
5	SAARI BIN PUTAL	52.98		
6	JALIAH BINTI DOLLAH	948.38		
7	MANOLAN BIN MOHAMAD	102.33		



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

	Sub-total from Smallholders: Non-certified	5,042.83		
	Sub-total: Non-certified	182,265.28		
	GRAND TOTAL	205,084.89		

1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Bukit Kepayang 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 Terapai 03 Estate	22,819.61	11.13	18,748.86	9.98	18,000.00	9.40
Non-certified FFB from FTPSB estates, Felda estates, OCP	177,222.45	86.41	161,260.00	85.81	167,400.00	87.46
Non-certified FFB from smallholders	5,042.83	2.46	7,920.00	4.21	6,000.00	3.13
Total	205,084.89	100.00	187,928.86	100.00	191,400.00	100.00

1.8.3 The annual tonnages of CPO and PK production by the POM (produced from FFB supplied from Terapai 03 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 Terapai 03 Estate)

POM	Jan – Dec 2017 - Actual		Jan – Dec 2018 - Actual + Projected		Jan – Dec 2019 - Projected	
Total own FFB Processed (MT)	22,819.61		18,748.86		18,000.00	
Total CPO Production (MT)	4,415.59	% OER: 19.35	3,654.15	% OER: 19.49	3,618.00	% OER: 20.10
Total PK Production (MT)	1,193.47	% KER: 5.23	1,006.81	% KER: 5.37	945.00	% KER: 5.25



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 19 Oct 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 Bukit Kepayang Grouping regarding the environmental, biodiversity, community development and other relevant issues.

Stage 1 Assessment of the Bukit Kepayang POM was conducted on 09 Aug 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 26-28 Nov 2018, the Assessment team of Intertek conducted the Stage 2 Assessment in which the Bukit Kepayang POM and the single estate, Terapai 03 estate, of Bukit Kepayang Grouping were assessed for compliance against the MSPO requirements. Since there is only one estate in the Bukit Kepayang 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, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The 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



**Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2**

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

Statutory Bodies (by emails)

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

NGOs (by emails)

23. All Women's Action Society (AWAM)
24. BCSDM - Business Council for Sustainable Development in Malaysia
25. Borneo Child Aid Society (Humana)
26. Borneo Resources Institute Malaysia (BRIMAS)
27. Borneo Rhino Alliance (BORA)
28. Center for Orang Asli Concerns COAC
29. Centre for Environment; Technology and Development; Malaysia - CETDEM
30. Consumers Association Of Penang - CAP
31. EcoKnights
32. ENO Asia Environment
33. Environmental Management and Research Association of Malaysia (ENSEARCH)
34. Environmental Protection Society Malaysia (EPSM)
35. Friends of the Earth; Malaysia
36. Future in Our Hands Society; Malaysia
37. Global Environment Centre
38. Institute of Foresters; Malaysia (IRIM)
39. JUST - International Movement for a Just World
40. Malaysian CropLife & Public Health Association (MCPA)
41. Malaysian Environmental NGOs - MENGO
42. Malaysian National Animal Welfare Foundation - MNAWF
43. Malaysian Nature Society Pahang
44. Malaysian Plant Protection Society (MAPPS)
45. National Council of Welfare & Social Development Malaysia - NCWSDM
46. National Union of Plantation Workers (NUPW)
47. Partners of Community Organisations (PACOS)
48. Pesticide Action Network Asia and the Pacific (PAN AP)
49. Proforest - South East Asia Regional Office
50. Sabah Wetlands Conservation Society (SWCS)
51. SUARAM - Suara Rakyat Malaysia
52. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
53. Sustainable Development Network Malaysia (SUSDEN)
54. Tenaganita Sdn Bhd
55. The Malaysian Forum of Environmental Journalist (MFEJ)
56. TRAFFIC - the wildlife trade monitoring network
57. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
58. Transparency International - Malaysian Chapter
59. Treat Every Environment Special Sdn Bhd. (TrEES)
60. UNION - AMESU
61. United Nations Development Programme - UNDP Malaysia
62. Wetlands International (Malaysia)
63. Wild Asia Sdn Bhd
64. World Wide Fund for Nature (WWF) Malaysia

Local community (On-site interviews)

65. Gender representatives
66. Workers representatives
67. Suppliers / Contractors
68. Village Heads



3.0 AUDIT FINDINGS

3.1 Summary of findings

Certification Unit: Bukit Kepayang Grouping – Bukit Kepayang POM	
Auditor/s: Dr. Ooi Cheng Lee (OCL), Sazali Bin Hasni (SH), Jumat Bin Majid (JMD)	Audit Dates: 26-28 Nov 2018

P1: Management Commitment & Responsibility

Clause	Requirements	Evidence	Conformity
4.1.1	C1: MSPO Policy		
4.1.1.1	Indicator 1: 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 on the commitment to continual improvement with the objective of improving the milling operation.	The policy had also clearly stated the commitment of FGV management to the continual improvement in the activities involved in the production of palm oil.	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 POM was conducted on 11/07/2018. There were 30 non-conformances raised for the internal audits on the POM. Audit results evaluated and corrective actions taken on the non-conformances, which have all been closed.	Complied
4.1.2.3	Indicator 3: Reports 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		



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

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.	The 2 nd Management Review for the POM was conducted on 11/11/2018 (1 st review on 19/07/2018) and minutes of meeting maintained. The management review include the following: (1) Review of environmental issues. (2) Review of social issues. (3) Review of safety issues (4) Continual improvement and changes to the system, if any. However, the review did not mention about the 30 NCs from the MSPO internal audit of the POM and analyze the internal audit findings to determine whether the system is effectively implemented.	Major NC# OCL-01
4.1.4	C4: Continual improvement		
4.1.4.1	Indicator 1: The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.	Action plans for continual improvement on social and environmental impact and opportunities for improvement in operational performance have been specified and documented for the POM. 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 should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	Meetings and consultations were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company. e.g. The POM has implemented a system to increase the efficiency of effluent treatment to reduce BOD of effluent water at final discharge < 50 ppm every month..	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 adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.	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: The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).	The Mill Manager is responsible for any issues raised by local communities and other affected or interested parties regarding mill operations. Non-executive officers are also nominated to coordinate activities of the stakeholders, GC, FGV Workers' Union and Safety and Health Committee ("Ahli Jawatankuasa OSH"). Appointments letters as issued to the respective persons.	Complied
4.2.2.3	Indicator 3: A list of stakeholders, records of all consultation and	The lists of stakeholders at the POM are adequately maintained and kept current. The lists of stakeholders were	Complied



**Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2**

	communication and records of action taken in response to input from stakeholders shall be properly maintained.	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.	
4.2.3	C3: Traceability		
4.2.3.1	Indicator 1: The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.	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 shall identify and assign suitable employees to implement and maintain the traceability system.	The Palm Oil Mill and Estates Organization Charts and job responsibilities of employees (Mill Manager, Estate Managers, Assistant Manager, 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 storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	All records of incoming FFB transported / received, CPO and PK produced and delivered out, on a daily basis, were maintained and verified to be traceable via the Delivery Note and Weighbridge Ticket which were maintained at the POM office. The POM monitors the stock volumes of CPO in the storage tanks and PK in the silo on a daily basis.	Complied

P3: Compliance to legal requirements

Clause	Requirements	Evidence	Conformity
4.3.1	C1: Regulatory requirements		
4.3.1.1	Indicator 1: All operations shall be in compliance with applicable local, 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, environme, 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 POM, there were evidences of compliance with the relevant laws, regulations, local and international laws. Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, License for Controlled Items – Diesel, Petrol, MPOB license, MPOB license, DOSH Certificate, DOE Permit, BOMBA Fire Certificate, Energy Commission License, etc.) monitored for their expiry dates and found to be renewed and valid. Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty	Complied



		<p>chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission).</p> <p>The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH. Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”). Valid licenses for authorized gas tester, authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Medical history records of the workers were available and noted to be maintained. Noise Monitoring Report is available.</p> <p>There are no foreign workers employed in the POM.</p> <p>Statutory returns to relevant authorities found to be in compliance. For example, JKPP8 for the reporting of incidences and accidents to DOSH and the Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977.</p> <p>The POM is in compliance with the requirements of the Factories and Machinery (Noise Exposure) Regulations 1989.</p>	
4.3.1.2	Indicator 2: The management shall list all relevant laws related 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 POM on 18/07/2018 for any relevant updates.</p> <p>All relevant updates noted to be communicated by the FGV HQ to all POMs 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 milling activities do not diminish the land use rights of other users.	<p>Communities surrounding the POM are able to move freely without any issues or problems.</p> <p>Verified during site inspection that no such limitations had occurred.</p>	Complied
4.3.2.2	Indicator 2: The management shall provide documents	The POM has a land title registered on 22/05/1998 by the State of Pahang with a 66 years lease expiring on	Complied



**Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2**

	showing legal ownership or lease, history of land tenure and the actual legal use of the land.	21/05/2064 of a land area of 7.178 ha. The POM has legal use of the land for oil palm milling activities. There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition.	
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 markers were visited and verified to be within the boundary perimeter of the POM.	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).	No land disputes concerning the land occupied by the POM. 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 this is titled/leased land which is 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 POM were available and maintained. The lands at Bukit Kepayang POM 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 the relevant 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 Audit (SIA)		
4.4.1.1	Indicator 1: Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	Social Impact Assessment (SIA) report and Management Plans at the POM were documented by the Plantation Sustainability Department [PSD]. The plans included monitoring of negative impacts and enhancement of positive ones. External stakeholder consultation for Bukit Kepayang POM was conducted on 28/6/2018 together with other FGV, Felda and FTP groupings and the venue was at Felda Bukit Mendi. The external consultations were attended by external stakeholders including suppliers, contractors, neighbouring estates, transporters, government agencies, etc. Apart from external stakeholder consultation which will be conducted once in two years, annually the PSD will also consulted selected stakeholder through a series of interviews. At the POM the interviews were conducted on 11/7/2018 involving 23 interviewees. The activities related to social impact assessment are detailed out in "Prosedur Penilaian Impak Sosial" [ML-1A/L2-Pr21(0)]. Monitoring records were retained and made available as evidence that actions had been taken.	Complied



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

4.4.2	C2: Complaints and grievances		
4.4.2.1	Indicator 1: A system for dealing with complaints and grievances shall be established and documented.	<p>In dealing with complaints and grievances, the management had established a “Polisi Pemberi Maklumat” in Feb 2015 and “Polisi Komunikasi” in June 2014. It is mentioned that grievances from the stakeholders will be resolved fairly.</p> <p>In addition, the PMU also established a few procedures related to complaints and grievances as listed below.</p> <ol style="list-style-type: none"> 1. Prosedur Komunikasi, Penglibatan dan Rundingan [ML-1AL2-Pr12(0)] 2. Prosedur Menangani Aduan dan Rungutan [ML-1AL2-Pr13(0)] <p>A Complaints / Grievance Register is maintained. Verified that issues registered are mainly on housing repairs, road conditions, water and electricity disruptions, etc. The complaints are reviewed with appropriate actions taken and recorded.</p>	Complied
4.4.2.2	Indicator 2: The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.	<p>The procedure and flowchart outlined the mechanism whereby all complaints or grievances will be received and be acted upon by the Social Liaison Officers who will investigate the matter and resolve with the affected parties.</p> <p>Complaints and grievances are investigated, addressed and resolved based on their severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC.</p> <p>Verified that there were no instances of any serious disputes.</p>	Complied
4.4.2.3	Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	<p>All complaints and grievances received are documented either in the form of meeting minutes for the GCC, Safety meetings and annual stakeholder consultations or complaint forms. Decisions and actions/responses to the complaints and grievances received also very well documented with sufficient supporting documents. Other than reports made to the gender representatives, all other complaints and grievances are accessible to public. It was noted that numbers of grievances recorded from workers in the grievance books are declining. This decline is mainly due to many different avenues for the workers to raise their concerns to the management, especially through frequent meetings between workers and the management.</p>	Complied
4.4.2.4	Indicator 4: Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	<p>The Management informed the invited employees and surrounding communities at the internal and external stakeholders’ consultations regarding their complaint/grievance procedures and feedback mechanism. External consultation session for Bukit Kepayang POM was conducted on 28/6/2018. Participation of external stakeholders were verified from contractors, suppliers, government agencies, police, neighbouring estate, etc.</p> <p>During the audit, it was found at Bukit Kepayang POM that notification letters were sent out to the surrounding communities to make them aware that complaints or suggestions can be made any time. The letters were available for verification, however, evidence that the representatives of the surrounding communities have received the letters cannot be determined.</p>	Obs# JMD-01
4.4.2.5	Indicator 5: Complaints and solutions within the past 24 months shall be documented	<p>The complaint forms that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.</p>	Complied



	and be made available to affected stakeholders upon request.		
4.4.3	C3: Commitment to contribute to local sustainable development		
4.4.3.1	Indicator 1: Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	Main contribution of the POM to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible. The mill management is also encouraging their workers to be actively participating in activities conducted by Felda Bukit Kepayang as their workers quarters are located at the same Felda settlement. The mill has been contributing to the religious activities organise by the mosque and Felda Bukit Kepayang settlers. At the initiative of the POM itself, the National Anti-drug Abuse Agency has been conducting unannounced drug tests without any restriction from the management. Apart from that the POM is also at the same time providing a considerably big number of job opportunities to the communities surrounding the POM.	Complied
4.4.4	C4: Employees safety and health		
4.4.4.1	Indicator 1: 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.	Occupational Safety and Health Policies and Plans were established and documented in accordance with the OSH Act, 1994 and Factories and Machinery Act 1967 (Act 139). The Plans have been reviewed (annually), up-dated and approved by the Mill Manager. The Occupational Safety and Health (OSH) Programme 2018 include the following: <ul style="list-style-type: none"> • Safety & Health Committee meetings were held quarterly, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • 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, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer. CHRA report issued in Sep 2014 is still valid and recommendations were verified to have been adhered. Next CHRA assessment scheduled for year 2019.	Complied
4.4.4.2	Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:	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 the Mill Manager and Assistant Manager. During site interviews with mill workers, they were able to demonstrate the basic understanding of the Safety and Health Policy. Risk assessment (HIRARC) conducted and reviewed for operations on 18/07/2018. There were risks identified as significant and control measures determined to mitigate the risks. Significant hazards determined and documented include noise exposure, chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards.	Complied



	<p>i) all employees involved are adequately trained on safe working practices; and</p> <p>ii) all precautions attached to products should be properly observed and applied.</p> <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 Audit and control such as Hazard Identification, Risk Audit 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 shall 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 that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment 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>There was an assessment of noise levels in the POM conducted by NIOSH. The report dated 05/05/2010 identified the work areas with high noise levels, viz., capstan driver (cages), boiler station, engine room, sterilization unit, oil clarification plant and kernel press where noise level exceeded 85 db. Mill management have taken steps to reduce the noise levels by construction of a room to isolate the gen sets, reducing the exposure time to high noise and mandatory use of both ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for POM staff and workers. The latest audiogram was carried out for 71 POM employees on 10/11/2017. There were 7 employees whose audiometric reports indicated hearing impairment and audiometric re-test required by the OSHA Doctor within 3 months (Regulations 23). Re-test conducted on the 7 employees on 24/02/2018 and only 3 employees found to have Standard Threshold Shift (STS) and required to be provided with hearing protector and to be tested within 3 months (this was done on 25/05/2018). The OSHA Doctor submitted the audiometric report and JKPP 7 to JKPP Putrajaya and Pahang. The audiometric re-test report stated that there is no noise induced hearing loss (NIHL) and recommendation is to reduce noise exposure for these workers. The Doctor will only refer worker with Induced Hearing Loss to SOCSO for benefits in accordance with the regulations.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues. An audit for determining compliance with the minimum standards had been conducted on all types of PPEs used in the POM.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estate and records maintained.</p> <p>"Permit to work" system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>Accident and emergency procedures had been established and briefed to staff, workers, contractors and visitors.</p> <p>The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year. Supporting</p>	
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		documentations and evidences of cases reported are maintained and adequately followed up.	
4.4.5	C5: Employment conditions		
4.4.5.1	Indicator 1: The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	<p>The management had established the “Polisi Hak Asasi Manusia” in June 2014 which covered the necessary aspects of human rights related issues.</p> <p>The employees are informed through briefing during muster and at the GCC. The policy is also displayed at notice boards in the office.</p> <p>In addition, the PMU also established a few procedures related to human rights monitoring as listed below.</p> <ol style="list-style-type: none"> 1. Prosedur Mengelak Penggajian Buruh Kanak-Kanak[ML-1A/L2-Pr18(0)] 2. Prosedur Kemasukan Pekerja Asing Ke Ladang [ML-1A/L5-AP10(0)] <p>In relation with GCC, it was found the understanding on the policy and procedures related to sexual harassment is very minimal. This was confirmed through an interview with the Vice Chair of the GCC and Kelab Daya Budi (KKD), it was determined that her knowledge on the policies and procedures related to sexual harassment whether to the workers or their dependents was insufficient.</p>	Major NC# JMD-01
4.4.5.2	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>The management had established the “Polisi Kesetaraan Peluang” in June 2014 which covered the necessary aspects of equal opportunities related issues.</p> <p>The employees are informed through briefing during muster and at the GCC. The policy is also displayed at notice boards in the office.</p> <p>In addition, the POM also established a few procedures related to equal opportunities monitoring as listed below. For example, the POM is using Prosedur Kemampuan, Kesederan dan Latihan [ML-1A/L2-Pr5(0)], to ensure all workers are equally trained based on their job description. Interviews of workers and inspections of employment records, pay slips and allowable deductions of wages confirmed that this criteria were implemented and maintained.</p>	Complied
4.4.5.3	Indicator 3: Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	Documentation and conditions of pay for workers are available for verification. Employment agreements 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. Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order 2016.	Complied
4.4.5.4	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.	The management ensured that employees of contractors are paid based on Minimum Wage Order 2016 by monitoring salary payment. At the POM, there is no incident where workers received less than stipulated minimum wages as all workers are paid on monthly basis and workers non-attendances are either covered with annual or medical leaves applications.	Complied
4.4.5.5	Indicator 5: The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender,	<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 all workers will be performing is written into the employment contract. Detail terms of employment is listed in a collective agreement</p>	Complied



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

	date of birth, date of entry, a job description, wage and the period of employment.	handbook between the FPISB and Workers Union of FPISB Peninsular Malaysia. Full job descriptions are documented for senior positions, such as Managers, Social Liaison Officer, and Safety & Health Officer, etc.	
4.4.5.6	Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.	All employees are provided with employment contracts in accordance with the regulations. The terms of employment are clearly specified in the contracts and in the collective agreement, 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, etc. The employment contract is signed by the Mill 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	Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.	The management had installed a time recording machine that records the working hours and is linked to the database containing the details of each employee. Data recorded by the time recording machine are used for calculating the working hours and overtime.	Complied
4.4.5.8	Indicator 8: The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.	The working hours of the employees and overtime rates are specified in the employment contract, i.e. 8 hours per day. The working hours, breaks and overtime rates are in accordance with the regulations.	Complied
4.4.5.9	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	Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings	The employees are offered shift incentives, training, access to medical care and other benefits such as free housing and subsidised water and electricity supplies. Also offered are free medical services to the workers and their dependents.	Complied
4.4.5.11	Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	The POM complied with the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) by providing adequate housing, water supplies, medical, educational and public amenities to their local workers. Workers are provided with free living quarters constructed of permanent materials that have living rooms, bedrooms, kitchen and toilets. All the houses are supplied with adequate subsidised treated water and electricity. The workers are provided with medical and public amenities. Linesite inspection is conducted once a week as required by the act mentioned above. Rubbish collection at the linesite is conducted twice a week by a	Complied



		contractor collector and disposed off at a local municipal approved landfill area.	
4.4.5.12	Indicator 12: The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	<p>The management had established the “Polisi Ganggan Seksual, Keganasan Serta Hak Bebas Reproduksi” in June 2014 which covered the necessary aspects of sexual harassment, domestic violence and reproductive rights related issues.</p> <p>The employees are informed through briefing during muster and at the GCC. The policy is also displayed at notice boards in the office.</p> <p>In addition, the POM also established a few procedures related to equal opportunities monitoring as listed below. For example, the POM is using “Prosedur Menangani Aduan Melalui Jawatankuasa Wanita” [ML-1A/L2-Pr14(0)], to ensure these issues are handle accordingly and all workers are aware of it.</p>	Complied
4.4.5.13	Indicator 13: The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or 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.	<p>The management had established the “Polisi Hak Kebebasan Bersuara dan Menganggotai Kesatuan” in June 2014 which covered the necessary aspects of freedom of speech and workers union related issues.</p> <p>The employees are informed through briefing during muster and at the GCC. The policy is also displayed at notice boards in the office.</p> <p>FPISB staff and workers currently are represented by FPISB Workers Union and collective agreement has been established as mentioned in 4.4.5.5, whilst the executives are represented by a union specifically just for executives staff. FPISB Workers Union meeting at the national level is organised annually with the attendance of all committee members from each FGV POMs in Peninsular Malaysia. The meeting minutes are accessible to all members in the committee and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised.</p>	Complied
4.4.5.14	Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	<p>The management had established the “Polisi Pekerjaan Kanak-Kanak” in June 2014 which which specifically mentioned that no workers below the age of 18 years old to be employed by the POM.</p> <p>In addition, the POM also established a few procedures related to child labour monitoring, for example, the POM is using “Prosedur Mengelak Penggajian Buruh Kanak-Kanak” [ML-1A/L2-Pr18(0)].</p> <p>There was no evidence of any child labor being used at the POM. Inspection of the employment records including site visit to the POM confirmed that this requirement has been complied with.</p>	Complied
4.4.6	C6: Training and competency		
4.4.6.1	Indicator 1: All employees and contractors shall be appropriately trained. A training programme shall include regular Audit of training needs and documentation, including records of training.	<p>Training programme planned for year 2018 includes training for all categories of workers. Appropriate trainings on safe working practices are planned for workers exposed to machinery and high noise levels and workers working in confined space. 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 2018 and evaluation carried out on each of the trainings to determine its effectiveness.</p> <p>Appropriate PPE (such as safety helmets, shoes, ear plugs, goggles etc.) had been provided to mill workers, FFB unloaders at the place of work to cover all potentially hazardous operations.</p>	Complied



		Records of training for each employee, including new employees were maintained.	
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.	A formal training programme on all aspects of MSPO requirements have been established and implemented. Training for various categories of operators, including all operation and office staff, with regards to their duties and training needs had been reviewed and found acceptable. The training needs analysis discuss in Safety and Health meetings under the agenda of Safety & Health Training.	Complied
4.4.6.3	Indicator 3: A continuous training programme shall 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 includes training for all categories of workers. Trainings were conducted based on categories of work stations. Sampled trainings and records include first aid and fire drill on 31/5/2018.	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 on 20 November 2017. It is communicated to all levels of the workforce through briefings and placement of the policy on notice boards.	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.	The Environmental Management Plan was prepared on 1 st December 2017. It included the environmental policy. The Environmental Aspects and Impacts Assessment (EIA) was conducted and documented. The scope of assessment had included the management of mill effluents, management of pests and disease palms(IPM), maintenance of roads, drainage system fertilizing, spraying, transportation of FFB, schedule waste and garbage disposal, accordingly to the local requirements. The EIA report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones. The assessment had also included the relevant stakeholders to identify impacts and develop the mitigation measures such as relevant conservation activities.	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.	The EIA document had also included the development of the Environmental Improvement Plan for the mitigation of negative impacts and promotion of positive impacts. The POME and EFB are delivered and recycled to the plantation for fertiliser and moisture retention purposes. Waste materials, other than the schedule wastes, were recycled and sometime sold as scrap and is recorded in a register book. The implementation and monitoring of the documented environmental improvement plan were found to be satisfactorily implemented.	Complied
4.5.1.4	Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.	A Continual Improvement Plan has been developed and implemented for the promotion of positive impacts such as the cleaning and desludging of the effluent ponds, putting up relevant signages at strategic locations around the POM. The mill has also ceased the operation of incinerator since August 2018 to ensure less negative impact to the environment from the burning activity.	Complied



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

4.5.1.5	Indicator 5: An awareness and training programme shall be 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.	There were a number of training programmes established and being implemented. Specific awareness training programme to ensure employees understood the policy and objectives of the environmental management and improvement plans was conducted on 20 th Jan 2018.	Complied
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 employees were conducted in relation to environmental issues. The meeting was conducted quarterly, latest being done on 13 th November 2018. On the job briefings were also conducted by the personnel to the workers.	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. Record on the usage of diesel and electricity is available for review. Monthly and yearly records on the consumption were maintained for comparison to optimize the use of the non-renewable energy at the POM. Records were made available and showed satisfactory monitoring of the resources.	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 mill 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 FFB & EFB transportation were monitored and maintained. Data is being compiled 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 POM, use of renewable energy is mainly in the use fibre and shell as fuel for the boiler.	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.	There was no specific document to show the waste products and sources of pollution being documented. Document available only showed the action plan on how the disposal of waste is to be carried out.	Major NC# SH-01
4.5.3.2	Indicator 2: 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.	A waste management and disposal plan to avoid or reduce pollution has been implemented. Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the mill. Proper storage areas were identified for the storage of the recyclable wastes at the mill. Schedule waste disposal was done by an appointed contractor that is licensed by the Department of Environment, Kualiti Alam Sdn Bhd. The disposal of these waste was done in accordance with the rules and regulation for schedule waste disposal. The solid waste management and disposal plan for household waste is subcontracted to Syarikat Bumi Bera Enterprise and disposal was to sites approved by local authority, Majlis Daerah Bera. Recycling of crop residues / biomass i.e. EFB, fibre, shell and POME (decanter cake) had been implemented.	Complied



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

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, i.e. FPI/L2/QOSHE -8 and -9. Record on the usage and disposal were well recorded and documented at mill. All scheduled waste were collected and stored at designated area in the premise under lock and key and labelled (schedule waste store).At the store, the schedule waste is segregated into appropriate bulk containers which are durable and able to prevent spillage or other untoward incidence. The contractor handling the schedule waste will receive the schedule waste in the container bulk itself for treatment or disposal to other prescribed premise. There was no transfer of the waste into other containers while receiving at the mill.	Complied
4.5.3.4	Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	The disposal of household waste was contracted out to third party handlers and the disposal is in accordance to the rules and regulation of the local authority, Majlis Daerah Bera. No landfill practise being conducted here.	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 assessed through the aspect and impact method, and are documented. The activities are inclusive of green gas emissions, chemicals, fertilizer, scheduled waste, solid waste and household waste. Data relating to such activities were collected and analysed. GHG emissions calculation has been compiled for Jan-Dec 2017. This process in on going for year 2018.	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. Mill gas emissions is monitored online by DOE using the Continuous Emission Monitoring System and verified to be within the permissible limits of DOE. POME treatment, monitoring and land application were monitored, maintained and adhered to DOE regulations. Stacks monitoring analysis was also conducted every 6 months in compliance to the DOE requirements, latest being conducted on 29 th August 2018. Improvement such as on consumption of diesel and electricity are noted during the audit.	Complied
4.5.4.3	Indicator 3: Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.	Significant pollutants and greenhouse gas (GHG) emissions were identified, e.g. POME, diesel / fuel usage have been documented at the POM. This has been verified on-site. Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are available and adhered to and is within the Malaysian Environmental Air Quality Regulations, 1978 Standard and Limits. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. It was verified that the POME is treated using aerobic and anaerobic ponds before the final discharge. Water samples were regularly taken monthly and tested by POM environment officer in charge and analysed to ensure compliance to DOE requirements at the final discharge point. The discharged water is 100% used for land application into the nearby area. Records are maintained and verified on-site to have met the permissible regulatory limits. For the mill, the latest BOD reading for October 2018 was 23 mg/l.	



		Quarterly report on the environmental monitoring of effluent was also done and submitted to DOE, latest report was dated Sept 2018.	
4.5.5	C5: Natural water resources		
4.5.5.1	Indicator 1: 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.).	A water management plan was documented on 5 th January 2018. The plan had indicated the sources of water supply for usage to the POM only. For the line site, water supply is from the Jabatan Bekalan Air Pahang. The source of water is from Sungai Batu, located 5 km from the mill. Water is pumped to a reservoir in the POM. The amount of water intake and water quality is measured daily. Record on the water quality was made available during the audit. Water quality analysis is mainly for processing purpose and not for drinking. No rain water harvesting being conducted at the housing site for other alternative uses.	Complied
4.5.5.2	Indicator 2: Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	The POME was discharged for land irrigation, low lying area before going into any water courses directly.	Complied

P6: Best practices

Clause	Requirements	Evidence	Conformity
4.6.1	C1: Mill management		
4.6.1.1	Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	The POM has documented the following SOPs: 1. Palm Oil Mill Operation Manual. 2. Laboratory Operation Manual. 3. Quality, Occupational Health & Safety and Environmental (QOHSE) Manual and Procedures of Palm Oil Mill. 4. Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 3.0 Rev 3.0 (Effective 11/06/2018) SOP for Mill RSPO Supply Chain Certification System using the Mass Balance (MB) Model. Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.	Complied
4.6.1.2	Indicator 2: All palm oil mills shall implement best practices.	The POM had adhered to their SOPs and best management practices (BMP). BMP implemented include: <ul style="list-style-type: none"> • Water Management Plan • POM Waste & Pollution Management Plan • Safety, Health and Environment Plan • Recycling – EFB and shell • Renewal Energy – fibre and shell burned to replace diesel. 	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	Palm Oil Mill has documented a 3 years (2018, 2019 and 2020) Management Plan with details of budget and costs of operation that include the following:	Complied



	demonstrate attention to economic and financial viability through long-term management planning.	<p>(1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour & services, cost of supplies and equipment, depreciation costs, salary costs, management costs, cost of materials, etc.). (5) Budget for Environmental, Social, Safety & Health and Training.</p> <p>The Mill has monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, 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 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 FGVH HQ.</p>	
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.	<p>The mill processed fresh fruit bunches (FFB) from Terapai 03 Estate and from outside suppliers (FTPSB estates, Felda estates, OCP and Smallholders). Sighted the list of FFB suppliers.</p> <p>Verified that the FFB pricing followed the PORLA formula and MPOB prices.</p> <p>Sighted the price of FFB displayed at the weighbridge counter. Pricing of FFB is from FGV HQ.</p> <p>There was also no evidence to suggest any unfair business practices with the suppliers.</p>	Complied
4.6.3.2	Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	<p>The POM engaged contractors for the following services:</p> <p>(1) a contractor the transportation of EFB from the mill to various identified estates for a contract period of one year (01/01/2018 to 31/12/2018).</p> <p>(2) a contractor for the collection and disposal of domestic waste for a contract period of one year (01/01/2018 to 31/12/2018). Collection of domestic waste twice per week and disposal at local authority landfill.</p> <p>Based on contracts agreed between contractors/service providers and POM, it is evident that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>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.</p>	Complied
4.6.4	C4: Contractor		
4.6.4.1	Indicator 1: In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	<p>The contractor workers were interviewed and do basically understand the MSPO requirements. Information such as policies and procedures are provided.</p> <p>Monitoring records on Road Tax, Driving license and Insurances are available. Checks done on sample basis verified that the licenses and insurance coverage were still valid.</p> <p>During external stakeholder's consultations and during training provided, the contractors are made to understand MSPO requirements. Information such as policies and procedures are provided.</p>	
4.6.4.2	Indicator 2: The management shall provide evidence of	Contract agreements are signed between FGV and the contractors. The terms and conditions of the contract are	Complied



**Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2**

	agreed contracts with the contractor.	explained to the contractor. A copy of the contract is given to the contractor. Sighted the agreement by the contractors concerning compliance to MSPO requirements in the performance of the work task.	
4.6.4.3	Indicator 3: The management shall accept MSPO approved auditors to verify the Audits through a physical inspection, if required.	Acceptance was obtained from the FGV Management. The acceptance was provided via signing by FGV Management on the Contract of Agreement for the MSPO Audit and confirmation of the Audit Plan & Auditors, before the actual audit.	Complied

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	3 (3 Major, 0 Minor)	1	Next Surveillance Audit

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

NCR	MSPO Indicator	Details of NCR
Major OCL-01	4.1.3.1 MS 2530-4 POM	Date issued: 28/11/2018
		Requirement:
		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.
		Statement of Nonconformance:
		Management review minutes were not adequately documented.
		Evidence of Nonconformance:
		Location: Bukit Kepayang POM The 2 nd Management Review for the POM was conducted on 11/11/2018 (1 st Management Review on 19/07/2018) and minutes of meeting maintained. The management review include the following: (1) Review of environmental issues. (2) Review of social issues. (3) Review of safety issues (4) Continual improvement and changes to the system, if any. However, the review did not mention about the 30 NCs from the MSPO internal audit of the POM and analyze the internal audit findings to determine whether the system is effectively implemented.
		Root Cause and Corrective Action(s): by Auditee Representative
		Root cause: Careless author which do not minute the review and progress of internal audit MSPO NCR discussed in Management Review meeting. Corrective Action: 1. Corrective action has been completed on the management review minute meeting which include the status of MSPO NCR Internal Audit. 2. Reminder letter has been released to the management review author to ensure the minutes is provided within seven (7) working days after the meeting.
		Verification on Corrective Action(s): by Lead Auditor / Auditor



		<p><u>MAJOR NC:</u> On-site / Off-site Verification on date: 10/01/2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Revised Management Review Meeting minutes and Reminder Letter verified to be satisfactory. 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 address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>		
		<p><u>Minor NC: N.A</u> 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.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 30%;">Date closed: 10/01/2019</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 10/01/2019
NC status verified by auditor: Closed by OCL	Date closed: 10/01/2019			
		Verification of effectiveness: Next Assessment		

NCR	MSPO Indicator	Details of NCR
Major JMD-01	4.4.5.1 MS 2530-4 POM	Date issued: 28/11/2018
		Requirement:
		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.
		Statement of Nonconformance:
		Gender Committee understanding on the policy and procedures related to sexual harassment is very minimal.
		Evidence of Nonconformance:
		Location: Bukit Kepayang POM Through an interview with the Vice Chair of the Gender Consultative Committee and Kelab Daya Budi (KKD), it was determined that her knowledge on the policies and procedures related to sexual harassment whether to the workers or their dependents was insufficient.
		Root Cause and Corrective Action(s): by Auditee Representative
		<p>Root cause: Awareness of policies and procedures in sexual harassment was carried out to the whole committee of Gender Consultative Committee and Kelab Daya Budi (KKD). However, the management cannot assess the level of understanding due to no evaluation after the explanation is implemented to the committee.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> Awareness session of policies & procedures related to sexual harassment has been completed by PSD representative to the KKD and Gender Consultative Committee. (Date of session : 17 December 2018) <u>Assessment after awareness session</u> has been implemented to observe the level of understanding on policies & procedures related to sexual harassment.



	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>MAJOR NC: On-site / Off-site Verification on date: 10/01/2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Following documented evidences submitted verified to be satisfactory: 1. Minutes of Gender Committee Meeting held on 17 Dec 2018. 2. List of Attendance Program (Policies and Procedures Sexual Harassment) 3. Records of test of each participant after the training. 4. Annual Training Programme 2019 for POM All KKD and GCC members were trained and their understanding on the policy and procedures on gender related were assessed. The training and assessment have been included in the annual training programme. 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 address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p> <p>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.</p> <table border="1" style="width: 100%;"> <tr> <td>NC status verified by auditor: Closed by JMD</td> <td>Date closed: 10/01/2019</td> </tr> </table> <p>Verification of effectiveness: Next Assessment</p>	NC status verified by auditor: Closed by JMD	Date closed: 10/01/2019
NC status verified by auditor: Closed by JMD	Date closed: 10/01/2019		

NCR	MSPO Indicator	Details of NCR
Major SH-01	4.5.3.1 MS 2530-4 POM	Date issued: 28/11/2018
		Requirement: All waste products and sources of pollution shall be identified and documented.
		Statement of Nonconformance: The identification of waste products and its sources was not documented accordingly.
		Evidence of Nonconformance: Location: Bukit Kepayang POM There was no specific document to show the waste products and sources of pollution being documented. Document available only showed the action plan on how the disposal of waste is to be carried out.
		Root Cause and Corrective Action(s): by Auditee Representative



		<p>Root cause: The appointed PIC does not provide detail required information, i.e identification of waste sources document within the mill and staff quarters.</p>	
		<p>Corrective Action:</p> <ol style="list-style-type: none"> 1. Identification of waste sources has been included in Waste Management Plan report for the POM Bukit Kepayang. 2. Identification of waste sources & domestic waste by PIC is implemented in waste management plan report. 	
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>	
		<p>MAJOR NC: On-site / Off-site Verification on date: 10/01/2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Following documented evidences submitted verified to be satisfactory: 1. Identification of Waste Sources & Waste Management. (Section 8 in Waste Management Plan). 2. Appointment of PIC in monitoring waste management plan activity. 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</p>	
		<p>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.</p>	
		<p>NC status verified by auditor: Closed by SH</p>	<p>Date closed: 10/01/2019</p>
		<p>Verification of effectiveness: Next Assessment</p>	

3.2.2 Year 2018: Initial Audit / Stage 2: 0 Minor NC

3.2.3 Year 2018: Initial Audit / Stage 2: 1 Observation

Ref No:	MSPO Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS# JMD-01	4.4.2.4	Location: Bukit Kepayang POM Notification letters were sent out to the surrounding communities to make them aware that complaints or suggestions can be made any time. The letters were available for verification. However, evidence that the representatives of the surrounding communities have received the letters cannot be determined.	28/11/2018	Next audit	



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 Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of 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 19 Oct 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 28/11/2018. A total of 16 stakeholders (including transporters, government officials, contractors, neighbouring estates, local communities) were present at the consultation. They were interviewed by the auditors without the presence of any of the POM/estate staff. Concerns and suggestions received during interviews and stakeholder consultations: <ol style="list-style-type: none"> 1. Some part of the river nearby to the orang asli community already cleaned up by the estate management. Request is to maintain the cleaning programme to ensure source of food from the river not polluted by the activities in the plantation. 2. Payment for FFB delivered from Felda to the POM should be immediate rather than once or twice a month transferred through Felda HQ. 	The POM/Estate Management responded that these matters will be reviewed by the management.	To be followed up during the next Audit.	



**Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2**

Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 26-28 Nov 2018 at the PMU: Staff/Workers sampling: POM = 22 males, 7 females Estate = 28 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



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

4.0 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, FGV Bukit Kepayang Palm Oil Mill had been able to demonstrate its compliance with the MSPO MS 2530-4:2013 Standard for Palm Oil Mills.

Therefore, it is recommended that the certification of FGV Bukit Kepayang Palm Oil Mill 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: 14 Feb 2019

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: 15 Feb 2019



4.2 INTERTEK – MSPO Certificate details for the Bukit Kepayang Palm Oil Mill

Certificate No:	MSPO 007A
Start date:	15 Feb 2019
Expiry date:	14 Feb 2024
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 POM	Bukit Kepayang Palm Oil Mill
Address of POM	Kilang Sawit Bukit Kepayang, Pejabat Pos Triang, Pahang Darul Makmur, Malaysia
MPOB License No:	562537102000
Standards:	MSPO MS 2530-4:2013 for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel

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

Name	Address	GPS Reference		Mature Planted Area - ha	Certified (Titled) Area (ha)
		Latitude	Longitude		
FGV Bukit Kepayang POM (Capacity: 40 MT/hr)	Kilang Sawit Bukit Kepayang, Pejabat Pos Triang, Pahang Darul Makmur, Malaysia	3° 16' 11" N	102° 35' 45" E	-	2,552.42
Terapai 03 Estate	d/a Felda Mayam, 28220 Bera, Pahang Darul Makmur, Malaysia	3° 25' 51.98" N	102°46' 53.65" E	1,631.92	

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

Bukit Kepayang POM	Annual Tonnages (MT)
Certified FFB	18,000.00
Certified CPO	3,618.00
Certified PK	945.00



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 also a former 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. Sazali Hasni – Assessor / Technical Expert

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

Mr. Sazali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects.

Mr. Jumat Majid – 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 also a former 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. Sazali Hasni – Assessor / Technical Expert

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

Mr. Sazali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects.

Mr. Jumat Majid – 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 B-1:

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

Date	Time	Assessors and Assessment Activity (MS 2530-4)		
		Assessment Team		
9 August 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 • P6 Best Practices 	SH Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	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	SH	JMD
10 August 2018 Friday (Day 2)	9.00 am – 1.00 pm	Site assessment at Terapai 03 Estate <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P6 Best Practices • P7 New Planting 	Site assessment at Terapai 03 Estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	Site assessment at Terapai 03 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 Terapai 03 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		
26 November 2018 Monday (Day 1)	7.00 am – 10.00 am	Travel to Bukit Kepayang Oil Mill		
	10.00 am – 10.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	10.30 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	SH	JMD
		Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P6 Best Practices at mill 	Site Audit at Mill <ul style="list-style-type: none"> • P1 Management Commitment • 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
		<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	SH	JMD
27 November 2018 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at Terapai 03 estate <ul style="list-style-type: none"> • P1 Management Commitment • P2 Transparency • P3 Compliance to Legal requirements • P6 Best Practices at estate • P7 New Planting 	Site assessment at Terapai 03 estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P5 Environment, natural resources, biodiversity and ecosystem services 	Site assessment at Terapai 03 estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P4 Social responsibility, health, safety and employment condition
		Lunch Break		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Terapai 03 estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
6.30 pm – 7.30 pm	Team Meeting and Discussion			



Report No.: M007A/18-2 FGV Bukit Kepayang Grouping: Bukit Kepayang POM
Initial Audit / Stage 2

Date	Time	Assessors and Assessment Activity		
		OCL	SH	JMD
28 November 2018 Wednesday (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. 	
	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 – 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office		
	5.30 pm onwards	Travel back to Kuala Lumpur		



APPENDIX C-1:

Location Map of Bukit Kepayang Grouping, Triang, Pahang Darul Makmur, Malaysia





APPENDIX D:

Stage 1 Assessment Summary of Findings

Certification Unit	FGV Bukit Kepayang Grouping – Bukit Kepayang Palm Oil Mill
Assessment Type	Stage 1 Assessment
Standards	MSPO MS 2530-4:2013 for the Palm Oil Mill
Lead Auditor	Dr. Ooi Cheng Lee (OCL)
Auditors	Sazali Bin Hasni (SH), Jumat Bin Majid (JMD)
Audit Dates	10 Aug 2018
Total No. of Findings	Ten (10) 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	4.1.3.1 Indicator 1	Date issued: 10/08/2018
		Requirement: 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.
		Description of Finding: Management review for the POM was conducted on 19/07/2018 and minutes of meeting maintained. However, the minutes did not elaborate on the NCs from the Internal Audit conducted on the POM and there was no analysis of the audit findings to demonstrate that the audit was effective and can be relied upon.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
OCL-02	4.1.4.1 Indicator 1	Date issued: 10/08/2018
		Requirement: The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.
		Description of Finding: The POM has not clearly identify and document the continual improvements relating to environmental and social impact and set measurable objectives/targets for the action plans.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
SH-01	4.5.1.2 Indicator 2	Date issued: 10/08/2018
		Requirement: The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.
		Description of Finding: A Policy on environment is available but there is no mention on its objectives. A single objective relating to environment is mention in the QOSHE objectives, Environmental objectives should be expanded in the environmental policy objectives.
		Remark: Action required to address the finding satisfactorily.



Finding No.	MSPO Indicator	Details of Finding
SH-02	4.5.1.5 Indicator 5	Date issued: 10/08/2018
		Requirement: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.
		Description of Finding: There was no program or record of training on the awareness on MSPO, environmental policies and objectives, management plan being established and implemented to all employees.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
SH-03	4.5.1.6 Indicator 6	Date issued: 10/08/2018
		Requirement: Management shall organize regular meetings with workers where concern of workers about the environmental quality are discussed.
		Description of Finding: No record of such meeting being conducted.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-01	4.4.2.4 Indicator 4	Date issued: 10/08/2018
		Requirement: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.
		Description of Finding: Procedures on social impact assessment, i.e. "Penilaian Impak Sosial" (ML-1A/L2-Pr21(0)) does not include any follow-up steps if invited stakeholders did not attend the stakeholder consultation.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-02	4.4.4.2 Indicator 1	Date issued: 10/08/2018
		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).
		Description of Finding: (1) Para (d) in Indicator: Risk related to the workers quarters are not identified in the HIRARC, e.g. transportation of students to schools, maintenance of workers houses, etc.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-03		Date issued: 10/08/2018



	4.4.2.2 Indicator 2	Requirement: The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties
		Description of Finding: Grievance procedures, i.e. “Prosedur Menangani Aduan Dan Rungutan” (ML1/1A/L2-Pr13(0)) does not require date of closure of the issues raised to be stated clearly.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-04	4.4.5.3 Indicator 3	Date issued: 10/08/2018
		Requirement: Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.
		Description of Finding: Deduction limit set in Salary Deduction Policy (FGV/GHR/POL/019) is inaccurate and not complying with Employment Act 1955, Section 24(8).
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
JMD-05	4.4.5.4 Indicator 4	Date issued: 10/08/2018
		Requirement: 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.
		Description of Finding: “Contract Document Policy” under Group Procurement Policies (GPP) does not include requirement to the contractors to supply evidence of legal compliance, esp. employment contract agreed between the contractor and his employee.
		Remark: Action required to address the finding satisfactorily.