

MSPO CERTIFICATION
INITIAL AUDIT
SUMMARY REPORT

FELDA GLOBAL VENTURES HOLDINGS BERHAD
Kilang Sawit Peggeli (POM)
Kulai, Johor Darul Takzim, Malaysia

Certificate No:	INTERTEK MSPO 009A
Start date:	10 Apr 2019
Expiry date:	09 Apr 2024
Audit Type	Audit Dates
Initial / Stage 1	06 Sep 2018
Initial / Stage 2	10-12 Dec 2018
Annual Surveillance - 01	
Annual Surveillance - 02	
Annual Surveillance - 03	
Annual Surveillance - 04	
Re-Certification	

This report (including any enclosures and attachments) has been prepared for the exclusive use and benefit of the addressee(s) and solely for the purpose for which it was provided. Unless we provide prior written consent, no part of this report should be reproduced, distributed or communicated to any third party. We do not accept liability if this report is used for an alternative purpose from which it was intended, nor do we owe any duty of care to any third party in respect of this report.





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	26-29
3.3	Summary of Feedback Received from Stakeholders	29-30
4.0	AUDIT CONCLUSION AND RECOMMENDATION	31
4.1	Acknowledgement of Internal Responsibility and Confirmation of Audit Findings	31
4.2	Intertek MSPO Certification Details for the POM	32

APPENDICES		
Appendix A-1	Qualifications of the Lead Assessor and Audit Team (Stage 1 Assessment)	33
Appendix A-2	Qualifications of the Lead Assessor and Audit Team (Stage 2 Assessment)	34
Appendix B-1	Stage 1 Audit Plan	35
Appendix B-2	Stage 2 Audit Plan	36-37
Appendix C	Map of POM location	38-39
Appendix D	Stage 1 Assessment Summary of Findings	40-43



1.0 SCOPE OF AUDIT

1.1 Introduction

This Initial Audit / Stage 2 was conducted on the Penggeli Palm Oil Mill under the Penggeli Grouping of **Felda Global Ventures Holdings Berhad** (hereafter abbreviated as FGV), from **10-12 Dec 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 Penggeli Grouping consists of one (1) palm oil mill, namely **Penggeli 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 Penggeli POM (Capacity: 54 MT/hr)	Kilang Sawit Penggeli, Peti Surat 28, Bandar Tenggara, 81000 Kulai, Johor. Malaysia	1°49'34" N	103°38'25" E
Inas Selatan Estate	Ladang FGVPM Inas Selatan, Jalan Titiwangsa, 81000 Kulai, Johor, Malaysia	1° 46' 26" N	103°36' 45" 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 Penggeli Grouping are as shown in Table 2 below.

Table 2: Estate Area Summary

Estate	Area Summary (ha): Year 2018	
	Certified (Titled) Area	Planted Area
Inas Selatan Estate	1,160.21	1,063.09
Total:	1,160.21	1,063.09

Notes:

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



1.4 Summary of plantings and cycle

The age profile of the Inas Selatan 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
PM05E	2005	1 st	36.46	0	36.46
PM13R	2013	2 nd	347.25	0	347.25
PM14S	2014	2 nd	350.26	0	350.26
PR18U	2018	2 nd	0	329.12	329.12
		Total	733.97	329.12	1,063.09

1.5 Summary of Land Use, Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	As at Dec 2017 Hectarage (Ha)
1	Planted Area (ha) – Oil Palm	1,063.09
	- Mature	733.97
	- Immature	329.12
2	Conservation Area (ha)	
	- comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	0.56
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, Penggeli 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)
Level 20, West Wisma FGV, Jalan Raja Laut
50350 Kuala Lumpur, Malaysia
Tel: +603 2789 0000
Fax: +603 2789 0001
Email: norazam.ah@fgvholdings.com

Name: Anthonius Sani
Designation: Senior Manager, Certification & Due Diligence (CDD) Unit,
Plantations Sustainability Department (PSD)
Full Address:
FGV Holdings Berhad (800165-P)
(Formerly known as Felda Global Ventures Holdings Berhad)



**Report No.: M009A/18-2 FGV Penggeli Grouping: Penggeli POM
Initial Audit / Stage 2**

Level 20, West Wisma FGV, Jalan Raja Laut
50350 Kuala Lumpur, Malaysia
Tel: +603 2789 0000
Fax: +603 2789 0001
Email: anthonius.sani@fgvholdings.com

1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Penggeli 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.	Inas Selatan Estate	11,368.17	Penggeli POM	Intertek
	Sub-total: Certified	11,368.17		
B	FTPSB estates, Felda estates, Outside Crop Producers (OCP): Non-certified:			
1.	FTPSB Penggeli Timur	25,131.20		
2.	FTPSB Sungai Sibol	5,859.33		
3.	FTPSB Linggiu	29,999.94		
4.	FTPSB Inas Utara	20,532.98		
5.	Felda Penggeli Timur	26,182.67		
6.	Felda Sungai Sibol	31,942.08		
7.	Felda Linggiu	16,766.73		
8.	Felda Inas Utara	3,911.23		
9.	Bingan Jaya	15,511.17		
10.	Eng Huat Latex	15,274.54		
11.	AA Sawit	30,998.76		
12.	Kim Ma Oil	3,314.69		
13.	Bakti Mas	6,609.72		
	Sub-total from FTPSB Estates, Felda Estates, OCP: Non-certified	232,035.04		
C	Smallholders: Non-certified			
1	YAACOB BIN UDIN	2.80		
2	SARONI MAHFOZ	6.88		
3	BASIRAN SUPARDI	23.35		
4	NORRODIN FAMILY	13.69		
5	ITHANIN SAPUAN	482.67		
6	GUAN LENG	154.88		
7	WAN LE HIN	6.10		
8	FONG TAK	0.00		
9	CHE YU TRADING	0.00		
10	LDG PETRI JAYA	822.03		
11	SHAMSULBAHRI	15.95		
	Sub-total from Smallholders: Non-certified	1,528.35		



	Sub-total: Non-certified	233,563.39		
	GRAND TOTAL	244,931.56		

1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Penggeli 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 Inas Selatan Estate	11,368.17	4.64	13481.40	6.96	14,000.00	4.67
Non-certified FFB from FTPSB estates, Felda estates, OCP	232,035.04	94.73	180,170.02	92.97	284,285.86	94.83
Non-certified FFB from Smallholders	1,528.35	0.62	137.01	0.07	1,500.00	0.50
Total	244,931.56	100.00	193,788.43	100.00	299,785.86	100.00

Note. The increase in FFB volume from Inas Selatan Estate for year 2018 and 2019 is due to the maturing oil palms replanted in year 2013 and 2014 (see age profile of planted oil palms in Table 3).

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

POM	Jan – Dec 2017 - Actual		Jan – Dec 2018 - Actual + Projected		Jan – Dec 2019 - Projected	
Total own FFB Processed (MT)	11,368.17		13481.40		14,000.00	
Total CPO Production (MT)	2,207.69	% OER: 19.42	2,730.00	% OER: 20.25	2,842.00	% OER: 20.30
Total PK Production (MT)	591.14	% KER: 5.20	735.00	% KER: 5.45	770.00	% KER: 5.50



1.9 Abbreviations Used

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



2.0 AUDITING PROCESS

2.1 Auditing Methodology, Plan and Site Visits

Since 13 Nov 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 Penggeli Grouping regarding the environmental, biodiversity, community development and other relevant issues.

Stage 1 Assessment of the Penggeli POM was conducted on 06 Sep 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 10-12 Dec 2018, the Assessment team of Intertek conducted the Stage 2 Assessment in which the Penggeli POM and the single estate, Inas Selatan Estate, of Penggeli Grouping were assessed for compliance against the MSPO requirements. Since there is only one estate in the Penggeli Grouping, there is no sampling of estates and this estate shall be assessed at every assessment.

During the on-site audit, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance.

The Audit team covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the audit and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

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

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

2.2 Date of next scheduled visit

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

2.3 Qualifications of the Lead Auditor and Audit Team

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

2.4 Certification Body

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

2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming audit via e-mails sent to the relevant stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual audit and stakeholder's response and feedback received were followed up accordingly.

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

Among the list of key stakeholders consulted was the following:



**Report No.: M009A/18-2 FGV Penggeli Grouping: Penggeli POM
Initial Audit / Stage 2**

Government Agencies (by emails)

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

Government Agencies - State (by emails)

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

Statutory Bodies (by emails)

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

NGOs (by emails)

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

Local community (On-site interviews)

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



3.0 AUDIT FINDINGS

3.1 Summary of findings

Certification Unit: Penggeli Grouping – Penggeli POM
Auditor/s: Dr. Ooi Cheng Lee (OCL), Sazali Bin Hasni (SH), Jumat Bin Majid (JMD) Audit Dates: 10-12 Dec 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 24/04/2018. There were 42 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		



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 1 st , 2 nd and 3 rd Management Review for the POM were conducted on 05/06/2018, 12/09/2018 and 03/12/2018 respectively. Minutes of these review meetings maintained include the following: (1) Review of audits and analysis of audit findings. (2) Review of environmental issues. (3) Review of social issues. (4) Review of safety issues. (5) Continual improvement and changes to the system. However, these management reviews did not mention about the audit findings raised during the Stage 1 MSPO audit conducted on 06 Sep 2018 by the Certification Body and to determine that 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 environment 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. The POM has implemented an Innovative Creative Circle (ICC) project under the National Productivity Centre to increase the revenue from sale of shell. The objective is to use less shell for boiler fuel as the shell can be sold at a higher price. The project is under consideration by management for implementation.	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 communication and records of action taken in response to input from stakeholders shall be properly maintained.	The lists of stakeholders at the POM were adequately maintained and kept current. Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes. Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up.	Complied
4.2.3	C3: Traceability		
4.2.3.1	Indicator 1: The management shall 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. FGVP-MSPO 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 Estate Organization Charts and job responsibilities of employees (Mill Manager, Estate Manager, Assistant Managers, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined for the implementation and maintenance of the traceability procedure. Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations.	Complied
4.2.3.4	Indicator 4: Records of 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, environment, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities. Based on the site observations, interviews and records checking at the POM, there were evidences of compliance with the relevant laws, regulations, local and international laws. Licenses and permits (Workers' Wages Deduction Permit, Overtime Permit, Permit for Diesel, Permit for Chemicals, MPOB license, MPOB license, DOSH Certificate, DOE Permit, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid. Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty	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 – latest submission for Q3 (01 Jul – 30 Sep 2018) sighted.</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 10/07/2018 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.	Communities surrounding the POM are able to move freely without any issues or problems. Verified during site inspection that no such limitations had occurred.	Complied
4.3.2.2	Indicator 2: The management shall provide documents	There is an agreement dated 25/11/1996 between FGV and Felda for a 30 years lease commencing 01/01/1994 of	Complied



	showing legal ownership or lease, history of land tenure and the actual legal use of the land.	a portion of land situated within the Penggeli Scheme measuring 27.18 ha for the POM. 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 the 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 Penggeli POM was conducted on 24/5/2018 together with other FGV, Felda and FTP groupings and the venue was at Felda Ulu Belitong. 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 25/4/2018 involving 20 interviewees. The activities related to social impact assessment are detailed out in "Prosedur Penilaian Impak Sosial" [ML-1A/L2-Pr21(0)].	Complied



		Monitoring records were retained and made available as evidence that actions had been taken.	
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. 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 Penggeli POM was conducted on 24/5/2018. Participation of external stakeholders were verified from contractors, suppliers, government agencies, police, neighbouring estates, etc.</p> <p>It was found during the audit, the surrounding communities and external FFB suppliers were not made aware of that complaints or suggestions channels are available and can be made anytime. The evidence for this non-compliance was POM conducted the external consultation on 24/05/2018 and a few external stakeholders, including surrounding communities and external FFB suppliers to the POM, were absent from the list of participants. It was verified the POM did not take additional action to</p>	Minor NC# JMD-01



		contact these stakeholders and obtain feedback, suggestions and complaints, if any.	
4.4.2.5	Indicator 5: Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	The complaint forms that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.	Complied
4.4.3	C3: Commitment to contribute to local sustainable development		
4.4.3.1	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.	<p>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 Penggeli as their workers quarters are located at the same Felda settlement.</p> <p>The mill has been contributing to the religious activities organise by the mosque and Felda Penggeli 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.</p>	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.	<p>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.</p> <p>The Occupational Safety and Health (OSH) Programme 2018 include the following:</p> <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, • JKKP 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. <p>CHRA report issued on 01/10/2015 is still valid and recommendations were verified to have been adhered. Next CHRA assessment scheduled for year 2020.</p>	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.	<p>The Safety and Health Policy, approved by the Ketua Pegawai Eksekutif dated 20 Nov 2017, had been verified to be maintained. This policy had been explained to all employees by 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.</p> <p>Risk assessment (HIRARC) conducted and reviewed for operations on 03/07/2018. There were risks identified as</p>	Complied



<p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i) all employees involved are adequately trained on safe working practices; and ii) all precautions attached to products should be properly observed and applied. <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk 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>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.</p> <p>There was an assessment of noise levels in the POM conducted by an external qualified consultant. The report dated Sep 2013 identified the work areas with high noise levels, viz., boiler station, engine room, sterilization unit 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 muffers.</p> <p>Annual audiometric test conducted for POM staff and workers. The latest audiogram was carried out for 69 POM employees on 09/11/2018. Results indicated 11 employees with standard threshold shift (STS) and 13 employees with hearing impairment respectively, to be subjected to re-test in accordance with regulations 22 and 23 of the Factories and Machineries (Noise Exposure) Regulations 1989. Only after re-test, the OSHA Doctor will decide whether to refer worker with Induced Hearing Loss to SOCSO for benefits in accordance with the regulations.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear muffers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear muffers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</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 the mill office and workstations. 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 records are 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>The POM have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKKP8 regulations was submitted to JKKP on time, i.e. in January of each year. Supporting documentations and evidences of cases reported are maintained and adequately followed up.</p> <p>The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents,</p>	
--	--	--



		fatalities and non-fatalities captured to prevent mishaps. Verified that additional HIRARC reviews also made by the Safety & Health team upon occurrence of incidences or accidents.	
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.	The management had established the “Polisi Hak Asasi Manusia” in June 2014 which covered the necessary aspects of human rights related issues. The employees are informed through briefing during muster and at the GCC. The policy is also displayed at notice boards in the office. In addition, the PMU also established a few procedures related to human rights monitoring as listed below. 1. Prosedur Mengelak Penggajian Buruh Kanak-Kanak[ML-1A/L2-Pr18(0)] 2. Prosedur Kemasukan Pekerja Asing Ke Ladang [ML-1A/L5-AP10(0)]	Complied
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.	The management had established the “Polisi Kesetaraan Peluang” in June 2014 which covered the necessary aspects of equal opportunities related issues. The employees are informed through briefing during muster and at the GCC. The policy is also displayed at notice boards in the office. 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.	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, no incident where workers received less than stipulated minimum wages are mainly due to allowable and approved deductions, e.g. SOCSO, EPF, loans, insurances. 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, date of birth, date of entry, a job description, wage and the period of employment.	The management maintained lists of employees that recorded the full names, gender, date of birth, date of entry, wage and period of employment. 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 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.	Complied



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 contractor collector and disposed off at a local municipal approved landfill area.	Complied
4.4.5.12	Indicator 12: The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	The management had established the "Polisi Ganggan Seksual, Keganasan Serta Hak Bebas Reproduksi" in June 2014 which covered the necessary aspects of sexual	Complied



		<p>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>	
4.4.5.13	<p>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>	<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	<p>Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p>	<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	<p>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>	<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> <p>Records of training for each employee, including new employees were maintained.</p>	Complied
4.4.6.2	<p>Indicator 2: Training needs of individual employees shall be identified prior to the planning</p>	<p>A formal training programme on all aspects of MSPO requirements have been established and implemented.</p>	Complied



	and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	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.	
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 1 st September 2016 as the group sustainability policy. 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 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 EMP 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. However, it was observed that the documents relating to environmental management plan was not documented and arranged accordingly and without the policy and objectives. The details of environmental issues or subject matter were in bits and pieces and filed separately. As a result, it became individualistic and difficult to trace.	Major SH-01
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 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 disposal of chemical containers, the recycling of EFB to plantations as fertilizer and to increase the sale of shell, as mill by product, to avoid having excess being stored and occupying the mill compound.	Complied
4.5.1.5	Indicator 5: An awareness and training programme shall be	There were a number of training programmes established and being implemented. Specific awareness training	Complied



	established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	programme to ensure employees understood the policy and objectives of the environmental management and improvement plans was conducted on 1 st October 2018.	
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 and discussed as agenda in the OSHE meeting. The meeting has been conducted starting 28 th May 2018. On the job briefings were also conducted by the personnel to the workers, where environmental issues are a concern.	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.	All the waste products and their sources of pollution had been identified and documented on 1 st October 2018.	Complied
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 other mill waste and household waste is subcontracted to Syarikat SWM Environment and disposal was to sites approved by local authority, Majlis Daerah Kulai, Johor. Recycling of crop residues / biomass i.e. EFB, fibre, shell and POME had also been implemented.	Complied



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. No own landfill practise being conducted at POM.	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 and the latest being conducted on 29 th August 2018.	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, The latest report submitted to DOE 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 1 st August 2018. The plan had indicated the sources of water supply for usage to the POM only. For the line site, water supply is supplied by Syarikat Air Johor. The source of water is from Sungai Sayong. 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. However, the latest analysis done on 20 th September 2018, provided a BOD reading of 4mg/l. 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 to low lying areas within the mill area initially, before going into other water courses. The discharge was not directly to stream.	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 its SOPs and Best Management Practices (BMP). BMP implemented include: <ul style="list-style-type: none"> • Implementation of ISO 9001 to achieve quality objectives • Implementation of ISO18001 to achieve safety objectives • Implementation of ISO14001 to achieve environmental objectives • 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	Business Plans for the next 3 years (FY 2017/2018 to FY 2019/2020) for POM have been established, documented and reviewed.	Complied



	demonstrate attention to economic and financial viability through long-term management planning.	<p>Details of the Business Plans for the POM include the following:</p> <p>(1) Mill extraction rates = OER and KER trends;</p> <p>(2) Cost of Production = Cost/MT CPO trends;</p> <p>(3) Forecast prices;</p> <p>(4) Financial indicators = Cost of labour, cost of supervision, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>The Mill have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>Records of monitoring of costs against budget to achieve specified targets were verified to be available.</p> <p>Performances are discussed in the monthly meetings held 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 Inas Selatan 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 FGV subsidiary company, Felda Transport Services Sdn Bhd, for the transportation of CPO and PK. The POM also engaged the engineering services of FGV subsidiary company, Bengkel Seing Sdn Bhd., for the maintenance and repairs services for the POM. The above arrangements are contractually agreed between FGV HQ and the contractors/service providers.</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 FFB suppliers delivered the FFB to the POM using their own transport from the estate and therefore no FFB transport engaged by the POM. Collection of EFB from the POM is made using transport from the estate.</p> <p>There is a contractor engaged for the transfer of FFB from Penggeli POM to other FGV mills when the situation arises.</p> <p>There is also a contractor for the collection of domestic waste twice a week. Disposal is at the municipal waste dump site at Simpang Renggam and evidenced by records of entry pass issued by the dump site.</p> <p>Contracts are available for these two contractors, which include an agreement by the contractors concerning compliance to MSPO requirements.</p>	Complied



		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.	
4.6.4.2	Indicator 2: The management shall provide evidence of agreed contracts with the contractor.	Contract agreements are signed between FGV and the contractors. The terms and conditions of the contract are 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.	Complied
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 (2 Major, 1 Minor)	0	Next Surveillance Assessment

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

NCR	MSPO Indicator	Details of NCR
Major OCL-01	4.1.3.1 MS 2530-4 POM	Date issued: 12/12/2018
		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: Peggeli POM The 1 st , 2 nd and 3 rd Management Review for the POM were conducted on 05/06/2018, 12/09/2018 and 03/12/2018 respectively. Minutes of these review meetings maintained include the following: (1) Review of audits and analysis of audit findings. (2) Review of environmental issues. (3) Review of social issues. (4) Review of safety issues (5) Continual improvement and changes to the system. However, these management reviews did not mention about the audit findings raised during the Stage 1 MSPO audit conducted on 06 Sep 2018 by the Certification Body and to determine that the system is effectively implemented.
		Root Cause and Corrective Action(s): by Auditee Representative
		Root cause: Careless author of the management review minute did not capture the Stage 1 MSPO audit findings raised by the Certification Body. Corrective Action: Corrective action has been done on the management review minute meeting.



	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>MAJOR NC: On-site / Off-site Verification on date: 12/02/2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Revised Management Review Meeting minutes dated 13 Dec 2018 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 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:- <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> <p>NC status verified by auditor: Closed by OCL Date closed: 12/02/2019</p> <p>Verification of effectiveness: Next Assessment</p> <p>NC status verified by auditor: - Date verified: -</p>
--	---

NCR	MSPO Indicator	Details of NCR
Major SH-01	4.5.1.2 MS 2530-4 POM	Date issued: 12/12/2018
		Requirement:
		The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.
		Statement of Nonconformance:
		There were no specific document relating to the environmental management plan being documented.
		Evidence of Nonconformance:
		Location: Penggeli POM It was observed that the documents relating to environmental management plan was not documented and arranged accordingly. The details of environmental issues or subject matter were in bits and pieces and filed separately. As a result, it became individualistic and difficult to trace.
		Root Cause and Corrective Action(s): by Auditee Representative
		Root cause: i. The appointed PIC does not provide a more detailed environmental management plan document for the mill environmental management activities. ii. Lack of understanding in order to provide environmental management plan.
		Corrective Action: Environmental Management Plan has been provided which include policy, objectives and assessment of aspects & impacts analysis of all operations involved.



	Verification on Corrective Action(s): by Lead Auditor / Auditor	
	MAJOR NC:	
	On-site / Off-site Verification on date: 12/02/2019	
	Corrective actions taken: As stated by Auditee in their RC & CA	
	Supportive evidences: Environmental Management Plan dated 01 Dec 2018 verified to be satisfactory.	
	Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment	
Minor NC: N.A		
On-site / Off-site Verification on date:-		
Corrective Actions taken: -		
Supportive evidences:-		
Conclusion:- [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.		
NC status verified by auditor: Closed by SH and OCL		Date closed: 12/02/2019
Verification of effectiveness: Next Assessment		
NC status verified by auditor: -		Date verified: -

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

NCR	MSPO Indicator	Details of NCR
Minor JMD-01	4.4.2.4 MS 2530-4 POM	Date issued: 12/12/2018
		Requirement:
		Employees and the surrounding communities should be made aware that complaints or suggestions can be made anytime.
		Statement of Nonconformance:
		Surrounding communities and external FFB suppliers were not made aware of that complaints or suggestions channels are available and can be made anytime.
		Evidence of Nonconformance:
		Location: Penggeli POM The POM conducted the external consultation on 24/05/2018. It was found that a few external stakeholders, including surrounding communities and external FFB suppliers to the POM, were absent from the list of participants. It was verified the POM did not take additional action to contact these stakeholders and obtain feedback, suggestions and complaints, if any.
		Root Cause and Corrective Action(s): by Auditee Representative
		Root Cause: Penggeli POM is less clear of the need for feedback and complaints. Corrective Action: The POM has informed stakeholders who are not present via a letter of inquiry regarding the need for RSPO compliance to stakeholders.
		Verification on Corrective Action(s): by Lead Auditor / Auditor



	<p>MAJOR NC: N.A</p> <p>On-Site / Off-site Verification on dates: 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. <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):</p>						
	<p>Minor NC:</p> <p>On-site / Off-site Verification on date: 12/02/2019 Corrective Actions taken: As stated by Auditee in their RC & CA Supportive evidences: Signed letters dated 18 Dec 2018 from stakeholders concerning receipt of stakeholders' feedback and complaint from 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.</p>						
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL</td> <td>Date closed: 12/02/2019</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 12/02/2019	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by OCL	Date closed: 12/02/2019						
Verification of effectiveness: Next Assessment							
NC status verified by auditor: -	Date verified: -						

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

3.2.4 Identified Positive Elements

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

3.3 Summary of Feedback Received from Stakeholders

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

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

Communication done via email on 13 Nov 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			



<p>categories were invited for the Stakeholders' Consultation on 12/12/2018. A total of 14 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.</p> <p>Concerns and suggestions received during interviews and stakeholder consultations:</p> <ol style="list-style-type: none"> 1. FFB trucks observed to be speeding near school area. 2. Lack of road signages at residential and school area. 3. Fixed annual budget item for school contributions. 4. Over-crowded transport for workers from the muster ground to the fields. 5. Enforcement of CF requirement for estate and POM housing by Labour Department. 6. Enforcement of domestic water use approval requirement by Labour Department, especially if the water is treated and supplied by the estate management. 7. Enforcement of notifications to Labour Department of foreign workers movements, i.e. in-coming, abscond or returning home. 8. Fixed period for payment to external FFB suppliers, e.g. weekly or once in two week. 9. FFB from external FFB supplier should be paid at the same price or only slightly less than FFB from FELDA settlers. 10. Monitor implementation of SOCSO contribution for foreign workers in 2019. 11. Monitor implementation of Minimum Wages 2019 in Jan. 2019. 	<p>The POM/Estate Management responded that these matters will be reviewed by the management.</p>	<p>To be followed up during the next Audit.</p>	
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 10-12 Dec 2018 at the PMU: Staff/Workers sampling: POM = 15 males, 6 females Estate = 31 males, 7 females No negative issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>



**Report No.: M009A/18-2 FGV Penggeli Grouping: Penggeli POM
Initial Audit / Stage 2**

4.0 AUDIT CONCLUSION AND RECOMMENDATION

Based on the findings above, FGV Penggeli 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 Penggeli 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: 07 Apr 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. Anthonius Sani
Senior Manager, Certification & Due Diligence (CDD) Unit

Date: 08 Apr 2019



4.2 INTERTEK – MSPO Certificate details for the Penggeli Palm Oil Mill

Certificate No:	MSPO 009A
Start date:	10 Apr 2019
Expiry date:	09 Apr 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	Penggeli Palm Oil Mill
Address of POM	Kilang Sawit Penggeli, Peti Surat 28, Bandar Tenggara, 81000 Kulai, Johor. Malaysia
MPOB License No:	500162804000
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		
Penggeli POM (Capacity: 54 MT/hr)	Kilang Sawit Penggeli, Peti Surat 28, Bandar Tenggara, 81000 Kulai, Johor. Malaysia	1°49'34" N	103°38'25" E	-	-
Inas Selatan Estate	Ladang FGVP Inas Selatan, Jalan Titiwangsa, 81000 Kulai, Johor, Malaysia	1° 46' 26" N	103°36' 45" E	733.97	1,160.21

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

Penggeli POM	Annual Tonnages (MT)
Certified FFB	14,000.00
Certified CPO	2,842.00
Certified PK	770.00



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 currently the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

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

– BSc (Social Science)

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



APPENDIX A-2:

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

Dr. Ooi Cheng Lee (OCL) Lead Assessor / Team Leader / Technical Expert

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

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

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

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

– BSc (Social Science)

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



Appendix B-1:

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

Date	Time	Assessors and Assessment Activity (MS 2530-4)		
		Assessment Team		
06 Sept 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
07 Sept 2018 Friday (Day 2)	9.00 am – 1.00 pm	Site assessment at FGV Inas Selatan 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 FGV Inas Selatan 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 FGV Inas Selatan 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 FGV Inas Selatan 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		
10 December 2018 Monday (Day 1)	7.00 am – 10.00 am	Travel to Penggeli Palm 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
11 December 2018 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at FGV Inas Selatan 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 FGV Inas Selatan 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 FGV Inas Selatan Estate <ul style="list-style-type: none"> • P1 Management Commitment • P3 Compliance to Legal requirements • P4 Social responsibility, health, safety and employment condition
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at FGV Inas Selatan Estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		



Date	Time	Assessors and Assessment Activity		
		OCL	SH	JMD
12 December 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. Notes <ol style="list-style-type: none"> 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders prior to the audit. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement. 	
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 3.00 pm	Preparation for Closing Meeting		
	3.00 pm – 4.30 pm	Team Meeting and Discussions with POM Management Representative		
	4.30 pm – 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office		
	5.30 pm - onwards	Travel back to Kuala Lumpur		



APPENDIX C-1:

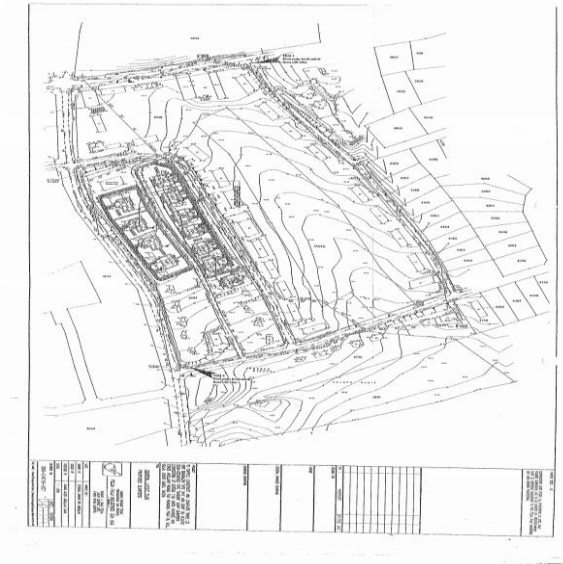
Location Map of Penggeli Grouping, Kulai, Johor Darul Takzim, Malaysia





APPENDIX C-2:

Location Map of FGV Penggeli POM





APPENDIX D:

Stage 1 Assessment Summary of Findings

Certification Unit	FGV Penggeli Grouping – Penggeli 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	06 Sep 2018
Total No. of Findings	12 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: 06/09/2018
		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 Penggeli POM was conducted on 05/06/2018 and minutes of meeting maintained. However, the minutes did not elaborate on: (1) 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. (2) the status of the action plan for environmental impacts. (3) the status of the action plan for social impacts.
		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: 06/09/2018
		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: Policy on environment is available but there is no mention on its objectives. In addition, the environmental management plan is not available.
		Remark: Action required to address the finding satisfactorily.



Finding No.	MSPO Indicator	Details of Finding
SH-02	4.5.1.3 Indicator 3	Date issued: 06/09/2018
		Requirement: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored
		Description of Finding: No document or reference available on improvement plan to mitigate and promote the positive ones.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
SH-03	4.5.1.4 Indicator 4	Date issued: 06/09//2018
		Requirement: A programme to promote the positive impacts should be included in the continual improvement plan.
		Description of Finding: No document or reference available.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
SH-04	4.5.1.5 Indicator 5	Date issued: 06/09/2018
		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: No evidence of awareness training program on environmental management and improvement plans as part of implementation and communication of the environmental policy being conducted.
		Remark: Action required to address the finding satisfactorily.

Finding No.	MSPO Indicator	Details of Finding
SH-05	4.5.1.6 Indicator 6	Date issued: 06/09//2018
		Requirement: Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.
		Description of Finding: Meeting was incorporated in the safety and health committee meeting but the emphasis on environment was not discussed in depth and thus is not effective.
		Remark: Action required to address the finding satisfactorily.



Finding No.	MSPO Indicator	Details of Finding
SH-06	4.5.4.2 Indicator 2	Date issued: 06/09//2018
		Requirement: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.
		Description of Finding: No action plan document available.
		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: 06/09/2018
		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: 06/09/2018
		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). 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.
		Description of Finding: (1) Para (d) in Indicator: Risk related to the workers quarters are not identified in the HIRARC, e.g. maintenance of workers housing quarters, fire, patrolling, etc. (2) Para (g) in Indicator: Template for OSH meeting minutes does not sufficiently cover items required by law in Occupational Safety And Health (Safety And Health Committee) Regulations 1996, Section 15.
		Remark: Action required to address the finding satisfactorily.



Finding No.	MSPO Indicator	Details of Finding
JMD-03	4.4.2.2 Indicator 2	Date issued: 06/09/2018
		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: 06/09/2018
		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: 06/09/2018
		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.