

# FGV HOLDINGS BERHAD

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

PLANTATION MANAGEMENT UNIT

## **Neram Grouping**

Chukai, Kemaman, Terengganu Darul Iman,  
Malaysia



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# Assessment Report

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## **SURVEILLANCE ASSESSMENT ASA-01**

### **PUBLIC SUMMARY REPORT**

#### **FGV HOLDINGS BERHAD**

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

PLANTATION MANAGEMENT UNIT

**Neram Grouping**

Chukai, Kemaman, Terengganu Darul Iman, Malaysia

**Certificate No:**

Original Start date:

Expiry date:

**RSPO 931388**

13 Jun 2018

12 Jun 2023

**Assessment Type**

Initial Certification (Initial Assessment)

Annual Surveillance Assessment (ASA-01)

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

**Assessment Dates**

26–28 Feb 2018

25–28 Feb 2019

# INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

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## 1.0 SCOPE OF ASSESSMENT

### 1.1 Introduction

This Surveillance Assessment was conducted on the Plantation Management Unit (PMU), Neram Grouping of FGV Holdings Berhad (hereafter abbreviated as FGVHB), from **25-28 Feb 2019**, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.

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

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

The Neram Grouping consists of one (1) palm oil mill, namely **Neram 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 an FGVPM/FGVHB owned estate. There are no Felda Smallholders (settlers) in this PMU. The palm oil mill is operated by Felda Palm Industries Sdn Bhd (FPISB), a subsidiary company of FGVHB.

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

Name	Address	GPS Reference	
		Latitude	Longitude
Neram POM (Capacity: 54 MT/hr)	Kilang Sawit Neram, 24060 Chukai, Kemaman, Terengganu Darul Iman, Malaysia	4°00'18.00"N	103°17'20.4"E
Cherul 03 Estate	Ladang Felda Cherul 03, W/Pos Bandar Baru Cheneh, 24000, Kemaman, Terengganu Darul Iman, Malaysia	4°07'19.6"N	103°10'38.2"E

### 1.3 Description of supply base (fruit sources)

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

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

**Table 2: Estate Area Summary**

Estate	Area Summary (ha): Year 2018		Area Summary (ha): Year 2019	
	Certified (Titled) Area	Planted Area	Certified (Titled) Area	Planted Area
Cherul 03 Estate	2,798.77	1,963.51	2,768.35	1,933.09
<b>Total:</b>	<b>2,798.77</b>	<b>1,963.51</b>	<b>2,768.35</b>	<b>1,933.09</b>

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including any HCV areas (if any) marked out at the estates.
2. Since there is only one estate in this PMU, it was selected for this Assessment. (For this case, there is non-applicability of the requirement for sampling of estates based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and any high conservation value areas).
3. There is a decrease in the certified area and planted area in Table 2 above for year 2018 compared to year 2017 due to a comprehensive land survey in Jun 2018, which found the 2017 figures to be inaccurate. The 2018 figures are the accurate figures.

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### 1.4 Summary of plantings and cycle

The age profile of the Cherul 03 Estate is as shown in Table 3.

**Table 3: Age Profile of Planted Oil Palm as at Dec 2018**

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) Planted
Cherul 03	2005, 2006, 2007 & 2009	2 <sup>nd</sup>	1,933.09	0	1,933.09
		<b>Total</b>	1,933.09	0	1,933.09

### 1.5 Summary of Land Use, Conservation and HCV Areas

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

**Table 4: Conservation and HCV Areas**

#	Statement of Land Use (Ha)	Hectarage – Ha (Current year: 2019)
<b>1</b>	<b>Oil Palm - Planted Area (ha)</b>	1,933.09
	- OP Mature (Production)	1,933.09
	- OP Immature (Non-Production)	0
	- OP Planted on Peat	0
	- Other crop such as Rubber, etc.	0
<b>2</b>	<b>Conservation Area (ha)</b>	
	- Conservation (forested)	180.89
	- Conservation (non-forested)	127.97
	Note: Conservation areas such as unplanted steep / hilly and swampy areas, buffer zones, riparian areas etc.	
<b>3</b>	<b>HCV Area (ha)</b>	
	Areas which have HCV 1 to 6 as defined under HCV RN 2013	0

### 1.6 Other certifications held and Use of RSPO Trademarks

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

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### 1.7 Organizational information / Contact Person

Name: Norazam Abdul Hameed  
Designation: Head, Plantations Sustainability Department (PSD)  
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FGV Holdings Berhad (800165-P)  
(Formerly known as Felda Global Ventures Holdings Berhad)  
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Plantations Sustainability Department (PSD)  
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### 1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Neram Grouping based on the **actual for the past 12 months (Jan – Dec 2018)** is as in Table 5 below:

**Table 5: Tonnages Verified for Certification (Jan – Dec 2018)**

#	Estate /Supplier	FFB Received (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification
<b>A</b>	<b>PMU (Own estates): (under Certification):</b>			
1.	Cherul 03 Estate (Neram Division) (Note 1): <b>Certified</b> (14 Jun to 31 Dec 2018) (Note 2) <b>Uncertified</b> (Jan to 13 Jun 2018)	<b>6,519.65</b> 5,318.65	Neram POM	Intertek
	<b>(a) Sub-total by PMU own estates:</b>	<b>11,838.30</b>		
<b>B</b>	<b>FTPSB estates, Felda estates, Outside Crop Producers (OCP): Non-certified:</b>			
1	FELDA Neram 1	18,913.97		
2	FELDA Neram 2	29,753.95		
3	FELDA Seberang Tayor	1,548.46		
4	FELDA Bukit Goh	676.49		
5	FELDA Bukit Kuantan	2,431.19		
6	FELDA Cerul 1	0		
7	FELDA Cerul 2	0		
8	FTPSB Neram 1	4,486.45		
9	FTPSB Neram 2	4,268.27		
10	FTPSB Bukit Kuantan	5,243.55		
11	FTPSB Seberang Tayor	3,538.49		
	<b>(b) Sub-total: Non-certified</b>	<b>70,860.82</b>		
<b>C</b>	<b>External / Other supplies (non-certified): if any - Smallholders</b>			
1	Ong Hu Ah @ Ong Thien	327.52		
2	Wu Tern Siang	286.58		
	<b>(c) Sub-total from Smallholders: Non-certified</b>	<b>614.10</b>		
<b>D</b>	<b>External / Other supplies (non-certified): if any - Dealers</b>			
1	Haneka Sdn Bhd	75.52		
2	Tai Ichi Enterprise Sdn Bhd	65,607.37		
3	Bayu Megan Sdn Bhd	2,325.09		
4	Ladang Perkaya Sdn Bhd	4,694.56		
5	Yee Plantations Sdn Bhd	5.34		
6	Kim Ma Oil Transport Sdn Bhd	27,984.50		
7	Ismaq Agriculture Sdn Bhd	1,500.99		

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8	Extrapalma Plantation Sdn Bhd	658.96		
9	Candid Corporation Sdn Bhd	17.89		
10	Bingan Jaya Sdn Bhd	506.78		
11	Wonderful Horizon Sdn Bhd	1,086.83		
12	Risda Plantation Sdn Bhd	448.11		
13	Eng Huat Latex Concentrate	0		
14	Tiong Hin Reality Sdn Bhd	2,646.22		
15	Seng Highland Fruits Trade	0		
	<b>(d) Sub-total from Dealers / Traders: Non-certified</b>	<b>107,558.16</b>		
	<b>Grand total (a) + (b) + (c) + (d):</b>	<b>190,871.38</b>		

### Notes

- Cherul 03 Estate consisted of two division, viz; Neram Division and Cherul Division. The FFB from Cherul 03 Estate (Neram Division) are sent to the Neram POM, while the FFB from Cherul 03 Estate (Cerul Division) are wholly sent to Bukit Sagu POM. For the period Jan – Dec 2018, a volume of 16,829.80 MT FFB from Cherul 03 Estate (Cerul Division) was sent to the Bukit Sagu POM certified by BSI. The Cerul Division does not supply any FFB to Neram POM and is therefore not within the certification scope of this assessment.
- As the PMU was certified on 13 Jun 2018, only the FFB quantity for the period 14 Jun to 31 Dec 2018 is indicated as certified FFB.

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

**Table 6: Annual Tonnages of FFB**

Estate / Supplier	FFB Processed in Jan – Dec 2017 - Actual		FFB Processed in Jan – Dec 2018 - Actual		FFB Processed for Jan – Dec 2019 - Projected	
	MT	%	MT	%	MT	%
Certified FFB from Cherul 03 Estate	0	0	6,519.65 (Note)	3.41	13,431	7.02
Uncertified FFB from Cherul 03 Estate	16,713.03	7.95	5,318.65	2.79	0	0
Non-certified FFB from External suppliers	193,412.57	92.05	179,033.08	93.80	178,000	92.98
<b>Total</b>	210,125.60	100.00	190,871.38	100.00	191,431	100.00
SCCS Model for POM	MB		MB		MB	

### Note

As the PMU was certified on 13 Jun 2018, only the FFB quantity for the period 14 Jun to 31 Dec 2018 is indicated as certified FFB.



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

**Table 7: Annual Tonnages of CPO and PK (produced from FFB from own estate) (Note 1)**

POM	Jan – Dec 2017 - Actual		Jan – Dec 2018 - Actual		Jan – Dec 2019 - Projected	
<b>Total Certified FFB Processed (MT)</b>	0		6,519.65 (Note 2)		13,431	
<b>Total Certified CPO Production (MT)</b>	0	% OER: 20.24	1,348.92	OER: 20.69%	2,827.22	OER: 21.05%
<b>Total Certified PK Production (MT)</b>	0	% KER: 5.32	359.88	KER: 5.52%	718.60	KER: 5.35%

**Notes**

- The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the '**Mass Balance – MB**' Model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section 3.1.1.**
- As the PMU was certified on 13 Jun 2018, only the FFB quantity for the period 14 Jun to 31 Dec 2018 is indicated as certified FFB.

### 1.9 Time Bound Plan and Multiple Management Units

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

- [FGV's response to the Wall Street Journal \(WSJ\) article, 27 Jul. 2015](http://www.feldaglobal.com/fgvs-response-to-the-wall-street-journal-wsj-article/)
- [FGV Clarifies on Wall Street Journal Allegations of Abuses of Malaysian Plantations, 30 Aug. 2015.](http://www.feldaglobal.com/fgv-clarifies-on-wall-street-journal-allegations-of-abuses-of-malaysian-plantations/#sthash.vsdSEPqp.dpuf)
- <http://www.rspo.org/news-and-events/news/3rd-update-rspo-response-on-malaysian-plantations-published-by-the-wall-street-journal-on26th-July-2015>
- <https://www.rspo.org/members/complaints/status-of-complaints/view/85>

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

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

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

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Intertek was able to verify that FGVHB had obtained certification for 27 units in Malaysia as listed in the Time Bound Plan updated at 25 Feb 2019 as required under Clause 4.5 (Minimum requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017) and declared that there are only potential labour issues such as the need for a clear understanding of employment contracts by foreign workers, pay slip discrepancies and suitable housing.

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

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

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

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

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### 1.10 Abbreviations Used

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

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## 2.0 ASSESSMENT PROCESS

### 2.1 Assessment Methodology, Plan and Site Visits

Since 17 Jan 2019, 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 Neram Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From **25-28 Feb 2019**, the Assessment team conducted the Assessment in which the single estate (viz., FGV Cherul 03 estate) of Neram Grouping as well as the palm oil mill were assessed for compliance against the RSPO requirements. Since there is only one estate in the PMU, there is no sampling of estates and this estate shall be assessed at every assessment.

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

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

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

### 2.2 Date of next scheduled visit

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

### 2.3 Qualifications of the Lead Assessor and Assessment Team

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

### 2.4 Certification Body

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

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## 2.5 Process of stakeholder consultation

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

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

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

Among the list of key stakeholders consulted was the following:

### **Government Agencies (by emails)**

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

### **Government Agencies - State (by emails)**

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

### **Statutory Bodies (by emails)**

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

### **NGOs (by emails)**

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

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

### **Local community (On-site interviews)**

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

**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of findings**

**Principle 1: Commitment to transparency**

<b>Criterion 1.1</b>		
<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>1.1.1</b> There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. <b>Minor Compliance</b></p>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr12 Issue 1 Rev 0 dated 01/06/2016 for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Date of public notification of this assessment of the PMU was made on 17/01/2019. No request for information from stakeholders for this PMU.</p>	<p>Complied</p>
<p><b>1.1.2</b> Records of requests for information and responses shall be maintained. <b>Major Compliance</b></p>	<p>Implementation of above procedure was evident from records of visits, inspections and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), BOMBA, MPOB and Energy Commission (“Suruhanjaya Tenaga”). The PMU maintained a site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The list of stakeholders is to be updated whenever necessary. The POM and estate have conducted internal and external stakeholders’ consultation records of stakeholders’ feedback maintained (positive and negative) and management action plans recorded.</p>	<p>Complied</p>
<b>Criterion 1.2</b>		
<p>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>1.2.1</b> Management documents that are made available to the public shall include, but are not necessarily limited to: <b>Major Compliance</b></p>	<p>The organization’s policies declared that upon request, the following types of mandatory documents are available to the public:</p> <ul style="list-style-type: none"> <li>• land titles/user rights,</li> <li>• occupational health and safety plan,</li> <li>• plans and impact assessments relating to environment and social impacts,</li> <li>• HCV documentation,</li> <li>• pollution prevention plans,</li> <li>• details of complaints &amp; grievances,</li> <li>• negotiation procedures</li> <li>• continuous improvement plan</li> <li>• Public summary of certification assessment report.</li> <li>• Human Rights Policy.</li> </ul>	<p>Complied</p>

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	<p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estate.</p> <p>Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	
<ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> </ul>	<p>Copies of all land titles were available and have been maintained at the POM and estate. HQ kept the original copies.</p>	Complied
<ul style="list-style-type: none"> <li>• Occupational health and safety plans (Criterion 4.7);</li> </ul>	<p>Occupational Safety and Health (OSH) Plan that cover OSH Policy and risk assessment (HIRARC) was documented and implemented for both mill and estate.</p>	Complied
<ul style="list-style-type: none"> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> </ul>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr1 Issue 1 Rev 0 dated 01/06/2016 for Environmental Aspect and Impact Assessment.</p> <p>Environmental aspect and impact assessment conducted for the POM and estate and its action plan documented and implemented for both mill and estate.</p> <p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr21 Issue 1 Rev 0 dated 01/06/2016 for Social Impact Assessment. Social impact assessment carried out. Positive and negative impacts and action plan documented.</p>	Complied
<ul style="list-style-type: none"> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> </ul>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr17 Issue 1 Rev 0 dated 01/06/2016 for identification of HCV and Biodiversity.</p> <p>HCV and Biodiversity Survey for Cherul 03 estate had been conducted by FGVHB Sustainability Officer and reviewed on 12/02/2019. Action Plan documented for biodiversity in the estate with specific actions to be taken by the Estate Manager / Assistant Manager.</p>	Complied
<ul style="list-style-type: none"> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> </ul>	<p>Documented pollution prevention and reduction plans include measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, schedule wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).</p>	Complied
<ul style="list-style-type: none"> <li>• Details of complaints and grievances (Criterion 6.3);</li> </ul>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr4 Issue 1 Rev 0 dated 01/06/2016 for complaints and grievances. As to date, the PMU has not received any complaints from external stakeholders.</p> <p>There is also Complaints Box provided in the mill and estate with a Complaints and Grievances Form for recording any complaints/ grievances. A Complaint Book ("Buku Aduan") is also maintained in the POM and estate. Logbook entries for the period concerned found to be mainly complaints from employees relating to repairs on housing/quarters. Actions found to be taken to address the complaints and recorded in the Complaints Book.</p>	Complied
<ul style="list-style-type: none"> <li>• Negotiation procedures (Criterion 6.4);</li> </ul>	<p>The PMU has established a documented procedure ML-1A/L2-Pr12 Issue 1 Rev 0 dated 01/06/2016 for participatory communication and negotiation. No case of land claims in the PMU.</p>	Complied
<ul style="list-style-type: none"> <li>• Continual improvement plans (Criterion 8.1);</li> </ul>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr7 Issue 1 Rev 0 dated 01/06/2016 for continual improvement.</p>	Complied



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

### Principle 2: Compliance with applicable laws and regulations

<b>Criterion 2.1</b> There is compliance with all applicable local, national and ratified international laws and regulations.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>2.1.1</b> Evidence of compliance with relevant legal requirements shall be available. <b>Major Compliance</b>	A Register of Legal and Other Requirements covering the applicable local and international laws and regulations has been compiled for the mill and estate. A Compliance Checklist is used by the mill and estate for verification of compliance with legal requirements. The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.  There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance. Form JKPP8 for the reporting of incidences and accidents to DOSH and the Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 to DOE verified to be submitted.  Based on the site observations, interviews and records checking at the POM and estate, there were evidences of compliance with the relevant laws, regulations, local and international laws.  Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.  Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.  Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were	Complied

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	<p>noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester, authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>Legal documents (work permits, passports) of foreign workers in the estate found to be satisfactory. Insurance coverage is available for foreign workers in the estate. There are no foreign workers employed in the POM.</p>	
<p><b>2.1.2</b> A documented system, which includes written information on legal requirements, shall be maintained. <b>Minor Compliance</b></p>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 for identifying, determining, reviewing and updating applicable legal and other requirements.</p> <p>It included the listing of laws and regulations that were being monitored for changes.</p>	Complied
<p><b>2.1.3</b> A mechanism for ensuring compliance shall be implemented. <b>Minor Compliance</b></p>	<p>Monitoring mechanism was done through a yearly evaluation check by the POM and estate against the items in the Legal Register. The POM and the estate have carried out the evaluation check on 02/02/2019.</p> <p>The POM and estate have also conducted internal audits on 12/02/2019 for determining compliance of its operations with RSPO requirements and legal requirements. Records were maintained.</p>	Complied
<p><b>2.1.4</b> A system for tracking any changes in the law shall be implemented. <b>Minor Compliance</b></p>	<p>Tracking of changes in the relevant laws are communicated and received from HQ. Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 and documented monitoring flowchart “Sistem Semakan Perubahan Undang-undang”.</p> <p>The Legal Requirements Register was verified to be reviewed for the POM and estate on 12/02/2019 for any relevant updates.</p>	Complied
<p><b>Criterion 2.2</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>2.2.1</b> Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. <b>Major Compliance</b></p>	<p>Documented evidence of payments of quit rents for the estate to the district land authorities of Terengganu. Cherul 03 Estate has a land lease agreement with FELDA (the title owner of two land titles with 60 years lease effective from year 1988 and 1989) for the cultivation of oil palm.</p> <p>Agreement dated 25/11/1996 between FELDA and Felda Palm Industries Sdn Bhd for the POM to occupy an area of 15.38 ha identified as Neram 1 scheme.</p>	Complied

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	The land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).	
<p><b>2.2.2</b> There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p><b>Minor Compliance</b></p>	<p>Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estate.</p> <p>On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estate.</p>	Complied
<p><b>2.2.3</b> Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p><b>Minor Compliance</b></p>	<p>There has been no dispute on the land rights in the PMU.</p> <p>As such, the process of fair compensation and FPIC is currently not required to be applied for the PMU.</p>	Complied
<p><b>2.2.4</b> There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p><b>Major Compliance</b></p>	<p>The PMU has established a documented procedure ML-1A/L2-Pr10 Issue 1 Rev 0 dated 01/06/2016 for the identification and resolution of land conflicts.</p> <p>The procedure covers:</p> <p>(a) Local community rights and customary rights.</p> <p>(b) Resolution plan and compensation.</p> <p>(c) Compliance and boundary stone demarcation.</p> <p>There is currently no land dispute in the PMU.</p>	Not applicable
<p><b>2.2.5</b> For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p><b>Minor Compliance</b></p>	<p>No land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	Not Applicable
<p><b>2.2.6</b> To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p><b>Major Compliance</b></p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	Complied
<p><b>Criterion 2.3</b></p> <p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>2.3.1</b> Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring</p>	<p>Land leases for POM land and estate land verified to be in order.</p> <p>The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.</p>	Complied

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

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

<b>Criterion 3.1</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>3.1.1</b> A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. <b>Major Compliance</b>	Palm Oil Mill has documented a 5 years (2019 to 2023) Management Plan with details of budget and costs of operation that include the following: (1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends;	Complied

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	<p>(3) Forecast prices;</p> <p>(4) Financial indicators = Cost of labour &amp; services, cost of supplies and equipment, depreciation costs, salary costs, management costs, cost of materials, etc.).</p> <p>(5) Budget for Environmental, Social, Safety &amp; Health and Training.</p> <p>The estate have documented a 5 years (2019 to 2023) Management Plan with details of budget and costs of operation that include the following:</p> <p>(1) Replanting program - no replanting required over the next 12 years until year 2030.</p> <p>(2) Crop projection = FFB yield/ha trends;</p> <p>(3) Cost of Production = Cost/MT FFB trends;</p> <p>(4) Forecast prices;</p> <p>(5) Financial indicators = Cost of labour, cost of facilities, cost of materials, etc.).</p> <p>Crop and operation budget cover weeding, manuring, harvesting, collection and transporting, pruning, drains and roads.</p> <p>The budgets also include provisions for sustainability efforts and improvement programmes (environmental aspects on road maintenance, domestic waste collection, maintenance of buffer zones).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc).</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the GM of Zone/Wilayah.</p>													
<p><b>3.1.2</b> An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p><b>Minor Compliance</b></p>	<p>The replanting areas (ha) projected for 5 years are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Estate</th> <th style="text-align: center;">2019</th> <th style="text-align: center;">2020</th> <th style="text-align: center;">2021</th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> </tr> </thead> <tbody> <tr> <td>Cherul 03</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p>The palm trees in Cherul 03 estate are 10 to 13 years old. There is no replanting required over the next 12 years until year 2030.</p>	Estate	2019	2020	2021	2022	2023	Cherul 03	0	0	0	0	0	<p style="text-align: center;">Complied</p>
Estate	2019	2020	2021	2022	2023									
Cherul 03	0	0	0	0	0									

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

<p><b>Criteria 4.1</b>          Operating procedures are appropriately documented, consistently implemented and monitored.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>4.1.1</b> Standard Operating Procedures (SOPs) for estates and mills shall be documented.  <b>Major Compliance</b></p>	<p>The POM has documented the following SOPs:</p> <ol style="list-style-type: none"> <li>1. Palm Oil Mill Operation Manual.</li> <li>2. Laboratory Operation Manual.</li> <li>3. Quality, Occupational Health &amp; Safety and Environmental (QOHSE) Manual and Procedures of Palm Oil Mill.</li> </ol>	<p style="text-align: center;">Complied</p>

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	<p>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.</p> <p>The estate have the following SOPs:</p> <ol style="list-style-type: none"> <li>1. Sustainable Oil Palm Estate Operation Manual - The manual describes operational procedure of nursery practices, land preparation, planting practices, ground cover maintenance, roads, immature stage, harvesting, collection of bunches, manuring, pesticide application, pests &amp; diseases control. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators.</li> <li>2. SOP for riparian zone management with specified buffer zones.</li> </ol> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
<p><b>4.1.2</b> A mechanism to check consistent implementation of procedures shall be in place.  <b>Minor Compliance</b></p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p> <p>The POM and estate have also conducted internal audits on 12/02/2019 for determining compliance of its operations with RSPO requirements and legal requirements. Internal Audit Report sighted. Corrective actions taken and the non-conformances were closed off.</p>	<p style="text-align: center;">Complied</p>
<p><b>4.1.3</b> Records of monitoring and any actions taken shall be maintained and available, as appropriate.  <b>Minor Compliance</b></p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estate. Overall, these records verified to be satisfactory.</p> <p>Daily Muster Chits were available at the estate and actual field activities were verified during on-site field inspection.</p> <p>Verified that harvesting, spraying and manuring activities were carried out as stated in the Muster Chits.</p>	<p style="text-align: center;">Complied</p>
<p><b>4.1.4</b> The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  <b>Major Compliance</b></p>	<p>The POM maintained records on the origins of all third-party sourced Fresh Fruit Bunches (FFB), and it had been verified to be satisfactory.</p> <p>It had been verified from the records that the mill received FFB from the sole estate in the PMU (Cherul 03 Estate) and FFB (considered as uncertified) from other FTPSB estates, Felda estates, OCP and smallholders.</p>	<p style="text-align: center;">Complied</p>
<p><b>Criteria 4.2</b>  Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>4.2.1</b> There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.  <b>Minor Compliance</b></p>	<p>SOPs for GAP as established are maintained and reviewed by the Estate Management.</p> <p>Agronomist report dated 08/02/2018 by Agronomist from Felda Agronomic Advisory Services Sdn. Bhd. (FASSB). Annual fertilizer inputs had been reviewed by the Agronomist and monitoring records were also reviewed by the respective Estate management.</p>	<p style="text-align: center;">Complied</p>

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	<p>GAP for minimization of soil erosion and maintenance of soil fertility is also maintained via the frond stacking and selective pesticide weeding activities.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and fertilizer recommendations had been properly followed at estate levels.</p> <p>Pesticides spraying records were available and maintained. Samples checked for usage and inventory records between Jul – Dec 2018.</p> <p>Evidences provided and field audit verified that good agricultural practices were adhered.</p>	
<p><b>4.2.2</b> Records of fertiliser inputs shall be maintained. <b>Minor Compliance</b></p>	<p>Records of fertilizer application at the estate were maintained and verified to be satisfactory.</p>	Complied
<p><b>4.2.3</b> There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <b>Minor Compliance</b></p>	<p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	Complied
<p><b>4.2.4</b> A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. <b>Minor Compliance</b></p>	<p>EFB mulching not carried out in Cherul 03 estate due to its distance from the POM.</p> <p>There was no land application of POME at the estate in the PMU. Effluent water discharged at the final discharge point after analysis for compliance with regulatory limits (see also 4.4.3).</p>	Complied
<p><b>Criteria 4.3</b> Practices minimise and control erosion and degradation of soils.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.3.1</b> Maps of any fragile/marginal soils shall be available. <b>Major Compliance</b></p>	<p>Based on the soil maps and field visit verification, there was no fragile soil or marginal soil existence on the estate. Soil types in the estate are as follows: Bungor, Merang, Durian, Kedah, Chempaka, Colluvium, Musang, Bukit Temiang and Lambak series.</p>	Complied
<p><b>4.3.2</b> A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. <b>Minor Compliance</b></p>	<p>Planting terraces constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estate.</p> <p>Best Management Practices followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>There was no soil erosion noted during the visit. Leguminous cover crop, <i>macuna bracteata</i> was well established.</p>	Complied
<p><b>4.3.3</b> A road maintenance programme shall be in place. <b>Minor Compliance</b></p>	<p>The main roads leading to the estate are maintained by the Public Works Department (Government Department).</p> <p>Estate roads were maintained in good and satisfactory condition. Road maintenance programme and budget allocated for year 2019 cover road grading, compacting and patching.</p>	Complied
<p><b>4.3.4</b> Subsidence of peat soils shall be minimised and monitored. A documented water and ground</p>	<p>It was confirmed during assessment on site that there is no peat soil on the estate.</p>	Complied

cover management programme shall be in place. <b>Major Compliance</b>		
4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. <b>Minor Compliance</b>	It was confirmed during assessment on site that there is no peat soil on the estate.	Not Applicable
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). <b>Minor Compliance</b>	Based on the estate soil maps and visit to the estate, there were no other fragile and problematic soils on the estate.	Not Applicable
<b>Criteria 4.4</b> Practices maintain the quality and availability of surface and ground water.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
4.4.1 An implemented water management plan shall be in place. <b>Minor Compliance</b>	Documented water management plan verified to be in place for the palm oil mill and estate. Rainfall data monitored as part of the water management plan. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways (streams/ rivers).  The water supply for domestic use to staff and workers' housing is piped water from the water treatment plant operated by the government water utility company, Syarikat Air Terengganu (SATU). The treated water supply complies with the Ministry of Health Specification for Drinking Water, which include the requirement of 0 in 100 ml for E.Coli.  Water for mill processes is obtained from Sungei Neram.	Complied
4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. <b>Major Compliance</b>	Buffer zones had been maintained on both sides of streams in the estate as verified during on-site field inspection. No evidence of spraying around palms marked as boundary for the buffer zones.  Appropriate signages were placed with demarcation of buffer zone area. Workers are aware of the non-usage of chemicals within the buffer zone,  There was no construction of bunds/ weirs/dams across the streams or waterways passing through the estate.	Complied
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). <b>Minor Compliance</b>	Water samples were taken at monthly interval at the final discharge point of the palm oil mill effluent pond and at upstream and downstream of waterways. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammonia Nitrogen and Total Nitrogen. Analysis results meet DOE requirements.  BOD levels had been in the range of 61 to 139 ppm for the period Jan to Dec 2018 with an average of 85 ppm. The current allowable upper limit specified by D.O.E (Terengganu State) is < 100 ppm.	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. <b>Minor Compliance</b>	Water usage in the mill from Jan-Dec 2018 ranged from 1.04 to 1.35 m <sup>3</sup> /mt FFB with an average usage of 1.18 m <sup>3</sup> /mt FFB. The level of water usage is within the industrial norm of 1.2 - 1.5 m <sup>3</sup> /mt FFB.	Complied
<b>Criteria 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		



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Indicators	Findings and Objective Evidence	Compliance
<p><b>4.5.1</b> Implementation of Integrated Pest Management (IPM) plans shall be monitored. <b>Major Compliance</b></p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents.</p> <p>Programme for planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i>, <i>Antigonon leptopus</i> and records on areas planted had been verified together with the respective maps to be satisfactory. Corrective action for the previous assessment (2018) Major NC# OCL-01 found to be effectively implemented.</p> <p>Barn owl also used for the control of rodents. Barn owl census carried out and location maps were available. Rat damage monitored and records of rat baiting maintained.</p> <p>Rhinoceros beetle census carried out. No cases of infestation by bagworms and rhinoceros beetle.</p>	Complied
<p><b>4.5.2</b> Training of those involved in IPM implementation shall be demonstrated. <b>Minor Compliance</b></p>	<p>IPM training conducted by for all those involved in IPM implementation and training records for staff and workers on IPM implementation were available for the estate.</p>	Complied
<p><b>Criteria 4.6</b> Pesticides are used in ways that do not endanger health or the environment.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p><b>4.6.1</b> Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. <b>Major Compliance</b></p>	<p>Guidance Procedure (“Manual Lestari 1A – Doc. No. ML-1A/L3-GP 1 (0)”) stated satisfactory justification on the use of specific agrochemicals. The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows:</p> <ol style="list-style-type: none"> <li>(1) Glyphosate isopropyl amine - Roundup</li> <li>(2) Metsulfuron methyl - Juru</li> <li>(3) Triclopyrbutoxy ethyl ester – Garlon</li> <li>(4) Glufosinate ammonium – Basta</li> <li>(5) Chlorophacinone</li> <li>(6) Beta-cyfluthrin</li> </ol> <p>Specific pesticides had been used to deal with the respective target pest, weed, or disease.</p>	Complied
<p><b>4.6.2</b> Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. <b>Major Compliance</b></p>	<p>Inventory and bin cards of chemicals were maintained and updated. Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained for the estate. Corrective action for the previous assessment (2017) Major NC# OCL-02 found to be effectively implemented.</p>	Complied
<p><b>4.6.3</b> Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry’s Best Practice. <b>Major Compliance</b></p>	<p>It had been the policy of the estate to minimize the use of pesticides in accordance with IPM plan.</p> <p>The pesticide reduction program is monitored on usage per hectare basis.</p> <p>No prophylactic use of pesticides had been carried out at the estate for the period concerned.</p>	Complied
<p><b>4.6.4</b> Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in</p>	<p>It is the policy of the group to achieve zero usage of paraquat by the end of 2017. This PMU had ceased the usage of paraquat after end of year 2016.</p>	Complied

<p>industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).  <b>Minor Compliance</b></p>	<p>Alternatives such as Round up (Glyphosate isopropylamine), Juru (Metsulfuron methyl), and Garlon (Triclopyrbutoxy ethyl ester) had been used to replace paraquat.          First Aid Kits found to be available during pesticides spraying in the fields (4<sup>th</sup> Schedule).          Portable signboard noted to be displayed at areas of spraying activity (5<sup>th</sup> Schedule).</p>	
<p><b>4.6.5</b> Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).  <b>Major Compliance</b></p>	<p>All pesticide operators have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. There are no contractor's workers involved in pesticides spraying.          Training program and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems          Interviews with pesticides sprayers at the estate confirmed that they understood the chemical hazards relating to pesticides.          All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.          Portable warning signboard noted to be displayed at areas of spraying activity (5<sup>th</sup> Schedule).          Appropriate safety and application equipment (safety boots, rubber boots, safety helmets, cartridge masks, safety goggles, gloves and apron) have been provided and used.          The estate has adequate facilities for mixing of pesticides and suitable storage area for spraying equipment and PPE.          Corrective action for the previous assessment (2017) Major NC# OCL-03 found to be effectively implemented.          The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area.          Based on field visits, appropriate safety and application equipment (safety boots, safety helmets, cartridge masks, gloves, apron) have been provided and used by the pesticides operators.</p>	<p align="center">Complied</p>
<p><b>4.6.6</b> Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.  <b>Major Compliance</b></p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash are available near the pesticides store in case of accidents.          Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers).          Used chemical containers were either reused as containers for spraying solution or disposed as scheduled waste. For disposal, empty pesticide containers are triple rinsed and pierced at the bottom.</p>	<p align="center">Complied</p>
<p><b>4.6.7</b> Application of pesticides shall be by proven methods that minimise risk and impacts.  <b>Minor Compliance</b></p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide</p>	<p align="center">Complied</p>

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	operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.	
<p><b>4.6.8</b> Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.  <b>Major Compliance</b></p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the estate.</p>	Complied
<p><b>4.6.9</b> Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).  <b>Minor Compliance</b></p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators attended continual training to enhance their knowledge and skills on pesticides handling.</p> <p>Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Complied
<p><b>4.6.10</b> Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).  <b>Minor Compliance</b></p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor. The scheduled wastes from the estate are sent to the POM for disposal. Empty pesticide containers are triple rinsed and pierced for disposal as scheduled waste.</p> <p>Records of scheduled waste collection at 180 days interval verified to be satisfactory.</p>	Complied
<p><b>4.6.11</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  <b>Major Compliance</b></p>	<p>CHRA was carried out for the estate and the report dated 13/06/2016. It was verified that the CHRA recommendations has been satisfactorily followed.</p> <p>The estate uses its own workers for pesticides spraying and there are no contractor's workers for pesticides spraying.</p> <p>Medical surveillance carried on 13/02/2018 out for 30 workers, (including 14 sprayers, who are all males) and the medical surveillance reports by the Medical Doctor stated that there are no abnormalities, no case of low blood cholinesterase levels and the sprayers are fit for work with pesticides. Corrective action for the previous assessment (2017) Major NC# OCL-04 found to be effectively implemented.</p> <p><b>Latest Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 carried out for all pesticide operators in Jan 2019. However, the medical surveillance reports are still pending from the Medical Doctor and not available for verification and evaluation during this assessment. An observation therefore raised for the purpose of follow-up audit.</b></p> <p>Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p>	Obs # OCL -01
<p><b>4.6.12</b> No work with pesticides shall be undertaken by pregnant or breast-feeding women.  <b>Major Compliance</b></p>	<p>Pesticide operators in the estate are all males. Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p>	Complied
<b>Criteria 4.7</b>		

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An occupational health and safety plan is documented, effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p><b>4.7.1</b> An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p><b>Major Compliance</b></p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory &amp; Machinery Act 1967 was documented and implemented.</p> <p>OSH Policy found to be clearly displayed at the POM and estate office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Regional Safety &amp; Health Officer is in charge of safety and health planning, operation &amp; coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p> <p>CHRA conducted by an external consultant with report dated 03/04/2018 for the POM and 13/06/2016 for the estate</p> <p>The POM is certified by SIRIM for its Quality, Environment and Safety &amp; Health Management Systems.</p> <p>POM has conducted the Emergency Preparedness (ERP). Safety Committee meetings held quarterly.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p> <p>Records on training had been verified at the POM and estate. Analysis on the understanding of training by the workers had been verified.</p> <p>JKKP8 submitted to DOSH for the reporting of incidences and accidents.</p> <p>The POM submitted monthly reports for the Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 concerning the following:</p> <ul style="list-style-type: none"> <li>(a) Daily production data and effluent,</li> <li>(b) Stack emission,</li> <li>(c) SW inventory,</li> <li>(d) EFB disposal</li> </ul>	<p>Complied</p>
<p><b>4.7.2</b> All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p><b>Major Compliance</b></p>	<p>Risk assessment (HIRARC) carried out on all operations, where health and safety is an issue, in order to determine the significant hazards and implement control measures. Significant hazards determined and documented include noise exposure, pesticides/chemicals, accident, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and "permit to work system" for the mill.</p> <p>Risk assessment (HIRAC) conducted for the POM and Cherul 03 estate operations on 02/01/2019. There were risks identified as significant and control measures determined to mitigate the risks.</p> <p>There was an assessment of noise levels in the POM conducted by an external qualified consultant. The report dated on 11/05/2015 identified the work areas with high noise levels, viz., boiler station, engine room, sterilization unit and kernel press where noise level exceeded 85 db.</p> <p>Work areas with high noise levels had been identified, viz., boiler station, engine room, sterilization unit and kernel press</p>	



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	<p>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, more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for POM staff and workers. The latest audiogram was carried out for all 59 POM employees on 04/01/2019. There were 9 employees whose audiometric reports indicated moderate hearing impairment and audiometric re-test required by the OSHA Doctor within 6 months (Regulations 23). The OSHA Doctor submitted the audiometric report and JKPP 7 to JKPP Putrajaya and JKPP Terrengganu. The audiometric report stated that there is no noise induced hearing loss (NIHL). The Doctor will only refer worker with Induced Hearing Loss to SOCSO for benefits in accordance with the regulations.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estate and records maintained.</p> <p>“Permit to work” system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKPP8 regulations was submitted to JKPP 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 &amp; Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p> <p>Verified that additional HIRARC reviews also made by the Safety &amp; Health team upon occurrence of incidences or accidents.</p>	
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	<b>At the Water Treatment Plant located in the POM, the emergency shower and eye wash facility was found to be obstructed by water hoses, overhanging electric cable and a water tap protruding from the ground.</b>	<b>Major NC # OCL-01</b>
<p><b>4.7.3</b> All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.  <b>Major Compliance</b></p>	<p>Training programme planned for year 2019 has included all categories of workers.  Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> <li>- workers exposed to machinery and high noise levels,</li> <li>- workers working in confined space,</li> <li>- harvesters and loaders,</li> <li>- pesticides operators and manurers .</li> </ul> <p>Records of the trainings conducted in year 2018 are available and trainings held included firefighting, fire drill, first aid training, Emergency Response Team training and SOP training for sprayers, manurers, harvesters, loaders, tractor drivers, contractors and contractors' workers (for FFB transportation). Evaluations were carried out on each of the trainings to determine its effectiveness.</p>	Complied
<p><b>4.7.4</b> The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.  <b>Major Compliance</b></p>	<p>The responsible person (usually the Mandore or Headman) had been identified.  Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.  Understanding of the safety and health requirements was also verified during interviews at field visit with the respective mandores available on duty.</p>	Complied
<p><b>4.7.5</b> Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.  <b>Minor Compliance</b></p>	<p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.  Workers trained in First Aid were present in the mill and field operations.  First Aid Kits were available at worksites and contents were checked to be sufficient.  Records on all accidents had been verified to be maintained satisfactorily.  Review on accident cases had been carried out during meetings of Safety &amp; Health Committee.</p>	Complied
<p><b>4.7.6</b> All workers shall be provided with medical care, and covered by accident insurance.  <b>Minor Compliance</b></p>	<p>Medical care had been provided to all the workers.  Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with insurance companies.</p>	Complied
<p><b>4.7.7</b> Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.  <b>Minor Compliance</b></p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p>	Complied
<p><b>Criteria 4.8</b>  All staff, workers, smallholders and contract workers are appropriately trained.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.8.1</b> A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes</p>	<p>Training on RSPO P&amp;C and RSPO Supply Chain were conducted on 12/02/2019. Interviews confirmed the satisfactory level of understanding on the requirements.</p>	Complied

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<p>regular assessments of training needs and documentation of the programme. <b>Major Compliance</b></p>	<p>Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed on annual basis and appropriate training including 'on-job' training / supervision and briefings were satisfactorily documented. This was further confirmed during interviews done with sampled workers at the POM and estate.</p>	
<p><b>4.8.2</b> Records of training for each employee shall be maintained. <b>Minor Compliance</b></p>	<p>Records of training provided for each employee, including new employees were available and found to be satisfactorily maintained.</p>	Complied

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

<b>Criteria 5.1</b>		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.1.1</b> An environmental impact assessment (EIA) shall be documented. <b>Major Compliance</b></p>	<p>The Environmental Aspect and Impacts Assessment for mill was reviewed and documented on 2 January 2019. It had included assessment on all polluting activities, such as potential pollution to water, gaseous emissions to air and contamination on land.</p> <p>While for Cherul 3 estate, it was documented 18 December 2018. It had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as construction of sewage and landfills, together with other conservation activities applicable to the estate.</p>	Complied
<p><b>5.1.2</b> Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. <b>Minor Compliance</b></p>	<p>The impacts have been identified and plans were developed to mitigate the issues. Environmental Management and Monitoring Plans has been established and implemented at both the mill and estate. The plans were sufficiently comprehensive and persons responsible i.e. the respective Mill and Estate Manager were identified.</p> <p>The plans had included the aspects and impacts identified from field activities that include fertilizing, spraying, transportation of FFB, garbage disposal and road maintenance. Action plans and recommendations to mitigate the negative effects and promote positive ones such as sewage, landfills and conservation activities applicable to the entire PMU was effectively monitored.</p>	Complied
<p><b>5.1.3</b> This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. <b>Minor Compliance</b></p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis.</p> <p>The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams.</p>	Complied

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	Corrective action for the previous assessment (2018) Minor NC# SH-01 found to be effectively implemented.	
<p><b>Criteria 5.2</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.2.1</b> Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). <b>Major Compliance</b></p>	<p>Biodiversity (HCV) assessment for Cherul 3 estate was conducted by the FGV PSD HQ and documented in a report dated 12 February 2019. There was no assessment made for the mill as it is not relevant.</p> <p>The assessment was done in collaboration and meetings with other agencies such as Jabatan Perhutanan, Jabatan Perhilitan, Jabatan Alam Sekitar, FGV/Felda Officers, and also the local communities.</p> <p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as steep slopes, streams, wildlife boundaries and was documented.</p> <p>Visits to site confirmed that Ladang Cherul 3 is surrounded by plantations all along its North, South and Eastern boundaries. On its western border, it is surrounded by the Hutan Simpan Cerul.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserve were well demarcated with trenches, electrical fencing and at times plantation roads, to deter wildlife from going into the estate. However, the electrical fencing was recommended by the TNB to no longer be active.</p> <p>Buffer zones along the stretches of Sungai Kepong had been identified, demarcated and being monitored.</p> <p>Corrective action for the previous assessment (2018) Major NC# SH-01 found to be effectively implemented.</p>	Complied
<p><b>5.2.2</b> Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. <b>Major Compliance</b></p>	<p>Regular patrols within the POM and estate were being carried out and findings recorded by the respective Estate executives/auxiliary patrol to monitor the Conservation / buffer zone areas and other parameters..</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p> <p>Corrective action for the previous assessment (2018) Major NC# SH-02 found to be effectively implemented.</p>	Complied
<p><b>5.2.3</b> There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. <b>Minor Compliance</b></p>	<p>The program to regularly educate the workforce and community about the status of these RTE species are also established with ongoing consultation with the relevant authorities at the estate and disseminated to all in the estate community and surrounding areas.</p> <p>There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the communication held with other parties, especially with the smallholders surrounding the estate.</p> <p>Training on RTE was also conducted to the workers.</p>	Complied
<p><b>5.2.4</b> Where an action plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by</p>	<p>Management plan was established and monitoring outcomes were reviewed by the Estate manager.</p>	Complied



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<p>plantation or mill operations shall be documented and reported;          • Outcomes of monitoring shall be fed back into the action plan.  <b>Minor Compliance</b></p>	<p>The overall management plan on the status of HCV/RTE of Cherul 3 estate was collated, reviewed and monitored by the PSD sustainability team.           Quarterly report was made available on the sightings of wildlife roaming around the estate. However, most of the wildlife are the common ones such as wild boar, fowl, snakes and monitor lizard.</p>	
<p><b>5.2.5</b> Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.  <b>Minor Compliance</b></p>	<p>It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estate. Thus negotiated agreement of such nature is not applicable.</p>	Complied
<p><b>Criteria 5.3</b>          Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.3.1</b> All waste products and sources of pollution shall be identified and documented.  <b>Major Compliance</b></p>	<p>Visits made to POM and Cherul 3 Estate showed that all waste products and sources of pollution were identified and documented.           The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the POM.           Scheduled Waste identified included spent hydraulic oil (SW 306), spent lubricant oil (SW 305), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102).           Records on the usage and disposal were well recorded and documented.           Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory at both the mill and estate. Proper storage areas were identified for the storage of the recyclable wastes at the estate and mill.</p>	Complied
<p><b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly.  <b>Major Compliance</b></p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with the regulatory requirement as per their schedule on waste management as planned.           Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment, Pentas Flora Sdn Bhd. Latest disposal was conducted on the 16 February 2019 and in accordance to the required regulation, Schedule waste disposal regulation.           The mill and Plantation has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	Complied
<p><b>5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.  <b>Minor Compliance</b></p>	<p>The waste management and disposal plan were in place at both the POM and estate. It has been documented on January 2019 and implementation is on-going.           At the POM, segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory.           The disposal of schedule waste was done by an appointed contractor that is licensed by the Department of Environment.</p>	

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	<p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management of EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Sanitary landfill was also used as a plan for the disposal of household waste at all the Cherul 3 estate.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p><b>Location: Cherul 03 Estate</b></p> <ol style="list-style-type: none"> <li><b>1. At the plantation area, it was observed that waste materials such as plastic bottles, food containers and others unwanted materials were seen scattered all over the area.</b></li> <li><b>2. The landfill opened on 07/01/2019 at Field PM07L Block 19 was found to be too shallow for its purpose. The construction and management of the landfill is not satisfactory. The specification of the landfill constructed had not been based on some general guideline.</b></li> </ol>	<p><b>Minor NC# SH-01</b></p>
<p><b>Criteria 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.4.1</b> A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p><b>Minor Compliance</b></p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Visit made to mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The shell is sold as bi-products to other agencies/clients, whereas the EFB is used for mulching at the plantations.</p> <p>The use of energy in palm oil mill and estate/line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the POM and estate were made available during the audit.</p> <p>It was verified that energy usage are being monitored at the POM and estate for better control and comparison of trends.</p>	<p>Complied</p>
<p><b>Criteria 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.5.1</b> There shall be no land preparation by burning, other than</p>	<p>Both the POM and estate had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p>	<p>Complied</p>

<p>in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. <b>Major Compliance</b></p>	<p>Field inspections made at the estate showed no evidence of open burning.</p>	
<p><b>5.5.2</b> Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. <b>Minor Compliance</b></p>	<p>During the audit, there were no replanting activities carried out at Cherul 3 estate.  Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estate during on site field assessment. Sanitary landfill was used at the estate. The area is located far away from the village, line site and water sources.</p>	<p align="center">Complied</p>
<p><b>Criteria 5.6</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.6.1</b> An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). <b>Major Compliance</b></p>	<p>The POM and estate had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land.  Assessment of all polluting activities such as gaseous/particulate emissions and effluent was conducted and documented.</p>	<p align="center">Complied</p>
<p><b>5.6.2</b> Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. <b>Major Compliance</b></p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done, e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and estate.  Plan to reduce and minimise the emissions were implemented.  The GHG emissions report submitted to RSPO for period January to December 2018 using the RSPO PalmGHG version 3.0.1. Data used was verified true.</p>	<p align="center">Complied</p>
<p><b>5.6.3</b> A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. <b>Minor Compliance</b></p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.  Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelman Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the mill. The emission of all parameters tested also complied with their respective limits as stipulated in the Environmental Quality (Clean Air) regulations.  POME treatment, BOD analysis monitoring and land application is monitored, maintained and adhered to DOE regulations.  Water samples were regularly taken every six months and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points The water samples were sent to Felda Analytical Laboratory for analysis.  Records are maintained and verified on-site to have met the permissible regulatory limits.</p>	<p align="center">Complied</p>

	<p>Online Environmental Reporting (OER) to the Department of Environment was also conducted every 3 months and the record documented and made available during audit. Latest report dated 7 January 2019 was made available during the audit.</p> <p>Corrective action for the previous assessment (2018) Major NC# SH-03 found to be effectively implemented.</p>	
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**Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills**

<b>Criterion 6.1</b>		
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p><b>Major Compliance</b></p>	<p>The PMU had conducted the Social Impact Assessment (SIA) in consultation with the external and internal stakeholders.</p> <p>Social Impact Assessment for POM dated 12 February 2018 and Cherul 03 dated 20/02/2018 was involved internal and external stakeholders. Positive feedback received from stakeholders such as from Sekolah Kebangsaan FELDA Neram 1, MPOB Kuala Terengganu, Jabatan Imigresen Negeri Terengganu, PASTI Al-Furqan, RELA, Clinic and etc.</p> <p>Management Action Plans &amp; Continuous Improvement Plan had been implemented and monitored.</p> <p>Records included attendance lists, minutes of meeting, summary of status of communication, grievances, complaints and requests were available.</p> <p>Internal consultation was conducted based on the stakeholder interview conducted.</p>	Complied
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p><b>Major Compliance</b></p>	<p>The SIA was conducted with the participation of affected stakeholders through consultations with workers, suppliers, contractors, transporters, service providers, government departments and non-government organisations.</p>	Complied
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p><b>Major Compliance</b></p>	<p>The action plans for avoidance or mitigation of negative impacts and promotion of the positive impact were documented, implemented and monitored by the Social Liaison Officers and the Managers. A schedule of activities and responsibilities with time frame was observed in the plans.</p> <p>Issues was identified in "Pelan Pengurusan (Management Plan) bagi Impak Sosial di Kilang FPISB Neram such as Briefing on the policy to contractor and women employees and stray dogs appeared within the housing area, Action plan/Management Plan and Mitigation plan has been taken and recorded.</p>	Complied
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated</p>	<p>Management Plan was reviewed on 02/01/2019 (Documented in Jadual 1: Pelan Pengurusan (Management Plan) bagi Impak Sosial di Kilang Sawit Neram, Doc No: 1/2019)</p>	Complied

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<p>as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p><b>Minor Compliance</b></p>	<p>Issues identified – briefing to contractor’s workers regarding policies, briefing to female workers regarding women’s right and stray dogs at the housing area.</p> <p>Briefing was conducted to MM Agro Enterprise.</p> <p>Briefing to women workers was conducted on 22/02/2018.</p> <p>Letter was sent to PERHILITAN related to stray dogs and no stray dogs observed at the housing complex.</p>	
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p><b>Minor Compliance</b></p>	<p>There are no smallholders at the PMU. Thus this is not applicable.</p>	<p>Not applicable</p>
<p><b>Criterion 6.2</b></p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p><b>Major Compliance</b></p>	<p>Consultations with external and internal stakeholders, grievances from workers and contractors are verified to be documented based on FGV SOP Manual Lestari 1A [ML-1A/L2-PR3(0)] 3.4 Prosedur Komunikasi Penglibatan dan Rundingan.</p> <p><a href="http://www.feldaglobal.com/wpcontent/uploads/2017/08/Group-Sustainability-Policy-2017-1.pdf">http://www.feldaglobal.com/wpcontent/uploads/2017/08/Group-Sustainability-Policy-2017-1.pdf</a></p>	<p>Complied</p>
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p><b>Minor Compliance</b></p>	<p>The Mill and Estates had appointed the respective Social Liaison Officers as the persons responsible for handling all social matters and issues.</p> <p>The responsibilities of the Social Liaison Officers was clearly defined in their appointment letters. Cherul 03 has appointed Ahmad Syairi B Zakaria as Social Liaison Officer</p>	<p>Complied</p>
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p><b>Minor Compliance</b></p>	<p>The POM and estate have identified their stakeholders. However, the stakeholders list for Neram POM was not updated to include the FFB suppliers and new panel clinic.</p> <p><b>Location: Neram POM</b></p> <p><b>FFB Receiving Record stated POM received FFB from external suppliers such as Ladang Perkaya Terengganu, Tai Ichi Enterprise Sdn. Bhd., Ismaq Agriculture Sdn. Bhd., Kim Ma Oil Palm (Transport) Sdn. Bhd., Bakti Mas Bina Sdn. Bhd., etc and new panel clinic appointed to conduct medical surveillance (Klinik Badaruddin).</b></p> <p><b>Hence, previous assessment Minor NC# MNM-01 (2018) upgraded to Major NC# MNM-01</b></p>	<p><b>Major NC # MNM-01</b></p>
<p><b>Criterion 6.3</b></p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		

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Indicators	Findings and Objective Evidence	Compliance
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p><b>Major Compliance</b></p>	<p>The PMU has an established and documented system for dealing with complaints and grievances and it was implemented through Manual Lestari 1A [ML-1A/L2-PR4(0)].</p> <p>There were no cases reported in FY2018 that requires anonymity of the complainant to be protected. However, respect of anonymity and protection of complainants is provided through the abovementioned policy.</p> <p>The record shows that grievance report in the POM and estates are still active. Most of the complaints were from workers pertaining to repair and maintenance of amenities within the worker' line sites and request. Based on the records, there were no complaint from external parties</p>	Complied
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p><b>Major Compliance</b></p>	<p>Complaints and grievances received were recorded. These were investigated and resolved in a timely manner. The nature of the complaints, the investigations, actions taken and the resolutions were documented in records such as Complaints Book ("Buku Rekod Aduan").</p>	Complied
<p><b>Criterion 6.4</b></p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p><b>Major Compliance</b></p>	<p>The documented procedure (Prosedur Mengenalpasti Hak Perundangan dan Adat (ML-1A/L2-PR12(0)), for identifying legal and customary rights and procedure for identifying people entitled to compensation have been maintained.</p> <p>The PMU has borders adjacent to villages and other land owners. However, there was no case that required any negotiation or compensation pertaining to these criteria.</p>	Complied
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p><b>Minor Compliance</b></p>	<p>There is a procedure for calculating and distributing compensation, i.e. Prosedur Penghitungan dan Pengagihan Pampasan [Manual Lestari 1A ML-1A/L2-PR13(0)]. To date, there has been no dispute by any parties relating to legal, customary or user rights at the PMU.</p> <p>There have been no claims or disputes relating to legal and customary rights. As such, the application of the procedure for calculating and distributing compensation has not been invoked.</p>	Complied

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<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p><b>Major Compliance</b></p>	<p>No land disputes in this PMU. As such this process is not applicable for verification of implementation.</p>	<p>Not applicable</p>
<p><b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p><b>Major Compliance</b></p>	<p>Only local workers are hired at the POM and at the estates offices. Documentation and conditions of pay for foreign workers hired in the all estates visited are available for verification. Employment agreements with foreign workers stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, deductions, resignation notice period, company rules. Foreign workers employment procedures require the contract to be explained by Executives from Unit Tenaga Kerja [UTK] to potential foreign workers in the countries of origin before the contracts are signed.</p> <p>The payment slips for foreign workers at the estates visited are easy to understand and this fact was further verified with foreign workers (i.e. working days, rates per day/productivity rates per tonnage for harvesters and etc). Payments are made latest by 7<sup>th</sup> of each month.</p> <p>Payment slips for foreign and local workers hired by the contractors and settlers' cooperatives also verified as compliance to the Minimum Wages Order 2018 (Daily rate for 26 days working is RM 42.31 per day) (i.e. Contractor workers was provided housing quarters within the estates. However, most of the contractor workers are staying outside the estate). Foreign workers were provided with housing quarters with 3-4 persons staying in each unit and kitchen at each block for them to prepare food.</p> <p>Holidays entitlements as required by the laws are satisfactorily fulfilled, e.g. annual leave, public holidays and maternity leave. Payments for unused annual leaves in Dec 2018 were sighted at the POM and estate offices. Responsible employment policy, i.e. FGC declaration to adhere to Guidelines on Human Trafficking and Forced Labour Exploitation as well as Declaration on Fundamental Principles and Rights at Work by the ILO are clearly mentioned in FGV Group Sustainability Policy dated 25 Aug 2016.</p> <p>Salary was paid as per Panduan Kadar Upah Kerja Pekerja Pentadbiran dan Operasi Ladang Bagi Pekerja Ladang</p>	<p>Complied</p>

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	<p>FGVPMSB (KUK BIL 06 mulai 01/01/2019 and Agreement between Felda Palm Industries Sdn. Bhd. And Kesatuan Pekerja-Pekerja Felda Palm Industries Sdn. Bhd. Semenanjung, COG 016/2016 (01/01/2016 – 31/12/2018). Syarat-Syarat Perkhidmatan Pekerja Ladang Tempatan Felda Global Ventures Plantations (Malaysia) Sdn. Bhd effective from 1<sup>st</sup> April 2014. Subsidy given such as electricity bills – RM6.00/month and water bills – RM4.00/month).</p> <p>Kontrak Kerja between contractor and their worker is available (e.g. Nalar Gemilang Enterprise and Makrifatul Hadi (workers). Copy of passport, permit and FWCS is available and remain valid</p>	
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Major Compliance</b></p>	<p>Documented pay and condition of employment were clearly defined within the employment contract.</p> <p>Among the items specified were job description, working hours, work location, responsibility, wage calculation, overtime, public holidays, paid annual leave, housing, transportation, medical treatment at estate clinic and insurance.</p> <p>Interview with the workers during field visit verified that the pay and condition of employment were explained to them and that they understood it.</p> <p>The mill and estates had a mechanism to determine those employees who were eligible or not eligible for holiday pay and annual leave pay. Through these mechanism, lists of eligible and ineligible employees were prepared.</p> <p>Surat Perjanjian Kontrak Pekerjaan/Employment Contract written in Bahasa Malaysia, Bangladesh and English was addressed the scope of works, employment contract period (3 years only) subject to yearly medical check-up, working hours and etc. Levi, bank guarantee, PLKS, processing fees and VISA was paid by Felda. Insurance for all workers is available and known as “Skim Pampasan Pekerja Asing (SPPA), Medical cost was paid by FGV, yearly medical check-up cost was paid by felda.</p> <p>PERKESO will take place in May 2019 after the existing foreign workers FWCS expired.</p> <p>Translator for Bangladeshi workers was appointed (Mohamed Masud as per appointment letter Ref No: (01)626/RSPO dated 03/01/2018). Briefing to new workers was conducted on 08/11/2018.</p> <p><b>At, Cherul 03 Estate, Employment contract for foreign workers from India could be provided in languages that can be easily understand by them. Some of the new workers observed could not communicate in English.</b></p> <p>Latest FWCS (e.g. Cert No: TWF-W5032851-W1 (Etiqa Takaful) valid for period of 24/04/2019-23/04/2020 for 15 foreign workers such as Akbar Biswas, Juwel Mia, Kyum Ali, Md Goshim Uddin, etc)</p> <p>Foreign workers details such as passport number and expiry date, permit number and expiry date, insurance number and</p>	<p>Complied</p> <p><b>OBS#</b> <b>MNM-01</b></p>



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	<p>expiry date was monitored in the eRML-Estate system. (e.g. Cherul 03 (Code No: 0626 – Labour Statement)</p>	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p><b>Minor Compliance</b></p>	<p>The PMU has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers’ Minimum Standard of Housing and Amenities Act 1990.</p> <p><b><u>Housing, electricity and water supply</u></b></p> <p>The workers staying in the estate were provided with 24 hours electricity supply from Tenaga Nasional Berhad and treated water from Syarikat Air Terengganu (SATU). In all the estates, household/domestic waste was collected two or three times a week and disposed of at the landfill.</p> <p>Each worker was given subsidy for electricity and water bills. Clean water supply comes from treated piped water and supplied to the workers quarters.</p> <p><b><u>Schools</u></b></p> <p>Education at primary and secondary level was provided by the government and available within the PMU</p> <p><b><u>Crèche ( Rumah Asuhan Kanak-kanak)</u></b></p> <p>There is no need for crèche at the estates as most of the younger children are being cared for by the extended family members. Government managed kindergartens, i.e. Tadika KEMAS, are available in all estates visited for pre-school children.</p> <p><b><u>Sundry shops</u></b></p> <p>The availability of sundry shops within the estates which helped the staff and workers get their sundries nearby. From interviews with the workers in PMU it was found that most household sundries, including frozen foodstuffs were available on sale.</p> <p><b><u>Medical clinics</u></b></p> <p>There were rural health clinics provided by Ministry of Health (MOH) in the estates which were manned by doctors and nurses. A panel of doctors was also available for workers who needed medical attention.</p> <p>Site visits to workers’ homes and interviews with them revealed their general satisfaction with their housing conditions and amenities.</p>	
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food.</p> <p><b>Minor Compliance</b></p>	<p>The PMU monitored the local sundry shops to ensure that the workers have access to adequate, sufficient and affordable food within their compounds.</p>	<p>Complied</p>
<p><b>Criterion 6.6</b></p>		

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<p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognizing freedom of association shall be available.</p> <p><b>Major Compliance</b></p>	<p>The published statements of policy which recognizes employee's freedom of association, was noted to be available and widely displayed in Bahasa Malaysia. Polisi Hak Kebebasan Bersuara &amp; Menganggotai Kesatuan dated 1 June 2014 and together with the latest Sustainability Policy which include Freedom of Expression through trade union dated 25 Aug 2016 were sighted.</p> <p>It was also verified that there were no restrictions for foreign workers to join any trade union of their choosing as stated in the new Sustainability Policy dated 25 Aug 2016, i.e. <i>"8.13 Freedom of expression in accordance with national legislation is not prohibited as part of FGV Group's commitment to the ILO Core conventions the Group fully respect the right of all Employees to form and join unions trade of their own choosing, and to bargain collectively."</i></p>	<p>Complied</p>
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p><b>Minor Compliance</b></p>	<p>The non-executive is a member of Kesatuan Pekerja-pekerja Felde Palm Industries Sdn. Bhd. Meeting was held at least once in every 3 years. Last meeting was conducted on 29 Oct 2018.</p>	<p>Complied</p>
<p><b>Criterion 6.7</b> Children are not employed or exploited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met.</p> <p><b>Major Compliance</b></p>	<p>The PMU has a policy of not employing child labor i.e. persons below 18 years old in accordance with Employment Act 265 as evidenced in "Polisi Pekerja Kanak-kanak" dated 1<sup>st</sup> June 2014. This policy is displayed at strategic public places.</p> <p>The employment records and lists of employees maintained by the mill and estates showed there was no worker who is below 18 years old. Interviews with workers in the estates and at the Mill confirmed implementation of the stated policy.</p> <p>The PMU has a policy of not employing child labor, i.e. persons below 18 years old in accordance with Employment Act 265 as evidenced in the new Sustainability Policy dated 25 Aug 2016.</p> <p>Interviews with workers in the estates and at the Mill confirmed implementation of the stated policy.</p> <p>The birth date in the Identification card (for local workers) and passport (for foreign workers) were used as the verification for age. The implementation was verified through checks on Senarai Maklumat Petugas. Interviews with workers in the estates and at the Mill confirmed implementation of the stated policy.</p> <p>The local employees' children are not allowed to assist in plantation work and this was verified during the audit.</p>	<p>Complied</p>
<p><b>Criterion 6.8</b></p>		

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Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p><b>Major Compliance</b></p>	<p>The Sustainability Policy dated 25 Aug 2016 clearly stated that FGV Group will <i>“firmly supports the provision of equal opportunity to all and shall seek to ensure that all employees and applicants for employment should receive fair treatment and shall not engage in or support discrimination based on race, nationality, religion, disability, gender, age, sexual orientation, union membership or political affiliation.”</i></p> <p>Assessments were made through interviews in the estates of the PMU, checking of the employment records including foreign workers, pay slips and deductions of wages (according to law) during the audit and confirmed that this criteria have been maintained.</p>	Complied
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p><b>Major Compliance</b></p>	<p>The list of employees showed both male and female were employed. Interviews with field workers verified that employees were not discriminated against races, nationality, gender as well as social groups. There was no complaint or issue regarding discrimination in any form.</p> <p>All foreign workers were hired legally. Local workers are covered under SOCSO scheme and the foreign workers are covered under Foreign Workers Compensation scheme (FWCS).</p> <p>Wage records inspected and rates confirmed as being nondiscriminatory for male, female and both local as well as foreign workers.</p>	Complied
<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p><b>Minor Compliance</b></p>	<p>The mill and estates kept and maintained records of their workers (experience, qualification, skills) and medical history.</p> <p>The recruitment, selection and hiring of workers are based on skills, competency, capabilities and medical fitness according to job scope. The positions held by workers commensurate with their skills and experience.</p> <p><b>Location: Cherul 03 Estate</b></p> <p><b>Job advertisement to hire new Office Assistant and Field Mandore published by Cherul 03 Estate had stated the age of candidate qualify to apply the vacancies is only between 18 – 35 years old.</b></p> <p>Depending on the nature of work positions, the management takes into considerations the needs for technical qualifications/experience and related skills in recruitment selection, hiring and promotion exercises.</p> <p>It was verified that the promotions to higher position at the POM and estates were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees.</p>	<b>Minor NC#</b> <b>MMN-01</b>
<p><b>Criterion 6.9</b></p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and</p>	<p>Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi dated 1<sup>st</sup> June 2014 and Procedure available “Prosedur Menangani Aduan Melalui Jawatankuasa Wanita (Ref Nr: ML-1A/L2-PR10(0))</p>	Complied

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<p>communicated to all levels of the workforce.</p> <p><b>Major Compliance</b></p>	<p>There are procedures for dealing with complaints of such nature through the mechanism of complaints to Women Committee (“Mekanisma Aduan/Jawatankuasa Wanita” and handling of complaints by Gender Committees (“Prosedur menangani Aduan Oleh Gender Committee”). The procedures are publicly displayed.</p> <p>The established sexual harassment policy has covered aspects on sexual harassment, gender and women reproductive rights.</p> <p>There are gender committees specifically to address areas of concerns to women. These committees chaired by the managers and members are representatives from all areas of work.</p> <p>Various programs being planned and conducted such as Gender Committee meeting, Briefing on policies, awareness training, grievance procedure, tuition class for school children, cooking/bakery class, sports activity (bowling tournament) and etc under Kelab Keluarga Daya Budi (KKD)</p> <p>Hence, previous Major NC# MNM-01 has been adequately addressed.</p>	
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p><b>Major Compliance</b></p>	<p>The PMU’s commitment to protect the reproductive rights and rights to have a family of the workers especially women is evidently stated in the following policies:</p> <ul style="list-style-type: none"> <li>- Policy to Prevent Sexual Harassment and Violence (“Polisi Gangguan Seksual dan Keganasan serta Hak Kebebasan Reproduksi” ),</li> <li>- Policy on Reproductive Rights (“Polisi Hak Kebebasan Mengandung”).</li> </ul> <p>Local female staff is fully aware that they are entitled for two months paid maternity leave.</p> <p>It was verified that there were no pregnant or breastfeeding woman worker among the agrochemical handlers.</p>	Complied
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p><b>Minor Compliance</b></p>	<p>Complaint and grievance procedures “Polisi Gangguan Seksual Dan Keganasan serta Hak Kebebasan Reproduksi, Mekanisma Aduan/Jawatankuasa wanita, Prosedur Menangani Aduan Oleh Gender Committee and Polisi Pemberian Maklumat / whistle blowing” were documented to manage grievances and complaints from internal and external stakeholders.</p> <p>On-site audits verified that the complaint and grievance procedure and whistle blowing procedure were displayed outside staff offices and notice boards.</p> <p>It was verified with office bearers of the Gender Committee and employees interviewed workers that so far there had been no report of sexual harassment in the PMU.</p>	Complied
<p><b>Criterion 6.10</b>  Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p>	<p>Onsite audit verified that the current and past prices paid for FFB pricing were displayed at the Mill.</p>	Complied

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<b>Minor Compliance</b>		
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). <b>Major Compliance</b>	FFB prices were made available at the POM office's external Notice Board and mill office records. The POM has treated out-growers and other local business fairly. Pricing mechanism for FFB is fair and transparent and was set based MPOB specification and market price. Current and past prices paid for FFB were publicly available and verified through interviews. Mechanisms are available to the public upon request. NAJA Palm Oils Sdn. Bhd. (Borang Cadangan Belian BTS is available with necessary information required Approval for new FFB supplier (i.e. JKR Felda Neram 02, Price: Grade A, Kategori: External Supplier	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <b>Minor Compliance</b>	Stakeholder confirmed that they understood the contractual agreements (such as terms and payment) they entered into with the PMU. They also considered the business transactions as fair and transparent.  Sallah Khan B. Man – Menyediakan Tenaga Kerja, Bahan, Peralatan, Pengangkutan dan Lain-lain Keperluan Bagi Melaksanakan Kerja-kerja Memotong, Memesin/Menebas/Meracun Rumput serta Semak Samun di dalam Kawasan Kilang/Menjaga Pokok Bunga dan Kebersihan Kawasan Sekitar Pejabat Sebanyak 2 pusingan sebulan untuk tempoh setahun.  Lanjutan Tender discussed in Mesyuarat 04/2018 on 13/08/2018. Surat Perintah Kerja (i.e. SPK:3301305998/1300968849 dated 27/08/2018 approved by Ahmad Jamaluddin Makhtar and acknowledged by Sallah Khan B Man) Works done verified as per Borang Pemeriksaan Kawasan Kilang (Ref No: NER-4011/2015, dated 05/09/2018, verified by Mohd Hafiz B. Abd Kadir).Sijil Siap Kerja (Ref No: NER-4011/2015 dated 05/09/2018). Payment made on 08/09/2018 as per Baucar Bayaran Ref No:352003709	Complied
6.10.4 Agreed payments shall be made in a timely manner. <b>Minor Compliance</b>	Agreed payments are made promptly. Through interviews with the settlers and suppliers, there was no evidence to suggest of any unfair business practices with the local businesses.	Complied
<b>Criterion 6.11</b>		
Growers and millers contribute to local sustainable development where appropriate.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. <b>Minor Compliance</b>	The mill and estates made contributions and donations for various occasions and events such as religious celebrations, social events, family day, sports, estate facilities, security support, bereavement etc.	Complied
6.11.2 Where there are scheme smallholders, there	The estates had no scheme smallholders.	Not applicable

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<p>shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity</p> <p><b>Minor Compliance</b></p>		
<p><b>Criterion 6.12</b> No forms of forced or trafficked labour are used.</p>		
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> <p><b>Major Compliance</b></p>	<p>It was verified through employment records such as work permits in the estate offices that all migrant workers were recruited through legal means and according to the regulatory requirements. Foreign workers kept their own passport and only handover to estate office for permit renewal with records are available.</p>	Complied
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p><b>Minor Compliance</b></p>	<p>There was no evidence of contract substitution and this was verified from interviews with workers and relevant stakeholders.</p>	Complied
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p><b>Major Compliance</b></p>	<p>The special Policy on Recruitment of Foreign Workers (“Polisi Pengambilan Pekerja Asing”) dated 01/06/2014 and Equal Opportunities Policy (“Polisi Kesetaraan Peluang”) are established and the implementations are verified to be satisfactory. Review on employment contracts of foreign workers also confirmed that the policies, including minimum wages have also been duly implemented.</p>	Complied
<p><b>Criterion 6.13</b> Growers and millers respect human rights.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p><b>Major Compliance</b></p>	<p>The Human Rights Policy (“Polisi Hak Asasi Manusia”) has been documented and signed by the President and CEO of Felda Global Ventures on 01/06/2014 and communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates.</p>	Complied
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation.</p> <p><b>Minor Compliance</b></p>	<p>Not applicable to this PMU.</p>	Not Applicable



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Land Conversion	19092.41	9.88	0	0	0	0	19092.41	9.88
CO2 Emissions from Fertiliser	1453.21	0.75	0	0	0	0	1453.21	0.75
N2O Emissions	1063.07	0.55	00	0	0	0	1063.07	0.55
Fuel Consumption	103.8	0.05	0	0	0	0	103.8	0.05
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sinks</b>								
Crop Sequestration	-3772.79	-1.85	0	0	0	0	-3772.79	-1.85
Conservation Sequestration	-1.37.09	-0.29	0	0	0	0	-1.37.09	-0.29
<b>Total</b>	3052.84	1.58	0	0	0	0	3052.84	1.58

**GHG Table 4a: Summary of Mill Emissions and Credits**

	tCO2e	tCo2e/tFFB
<b>Emissions</b>		
POME	2320.51	0.2
Fuel Consumption	183.77	0.02
Grid Electricity Utilisation	145.91	0.01
<b>Credits</b>		
Export of Excess Electricity to Grid and Housing	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	2650.19	0.22

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

Divert to compost	0%
Divert to anaerobic digestion	100%

**GHG Table 4c: POME Diverted to Anaerobic Digestion**

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



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

<b>Criterion 8.1</b>		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>8.1.1</b> The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Encourage optimising the yield of the supply base.</li> </ul> <p><b>Major Compliance</b></p>	<p>The POM has identified and implemented the following Continual Improvement Action Plans for year 2019:</p> <ol style="list-style-type: none"> <li>1. To ensure the usage of treated water less than 1.20 liter/mt of FFB per year</li> <li>2. Increase the efficiency of effluent treatment system through various measures so that BOD of effluent water at final discharge &lt; 90 ppm every month.</li> <li>3. To achieve zero accident inside the mill.</li> <li>4. To achieve zero road accident outside the mill.</li> <li>5. To increase yearly OER more than 21.05%.</li> <li>6. To increase yearly KER more than 5.35%.</li> </ol> <p>The estate has identified and implemented the following Continual Improvement Action Plans for year 2019:</p> <ol style="list-style-type: none"> <li>1. Increase the propagation of beneficial plants.</li> <li>2. Using the rotor slasher for harvesting path maintenance.</li> <li>3. Expanding the area that apply fertilizer onto the sub soil.</li> <li>4. Re-use the empty fertilizer bags.</li> <li>5. Empty pesticide containers to be returned to supplier.</li> <li>6. Decrease the diesel usage</li> </ol> <p>Social Continual Improvement Action Plans for the POM and estate include the following:</p> <ol style="list-style-type: none"> <li>1. Renovate and upgrade the workers housing quarters.</li> <li>2. Continuous support on the workers social activities.</li> <li>3. Continuous contribution to the local communities, school, government agencies and etc.</li> </ol> <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>

**3.1.1 Supply Chain Certification Standards Findings**

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

Details of findings are as follows:

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



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

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

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

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	Noted that there are FFB from FTPSB Estates, Felda Estates, OCP and smallholders received and processed by the POM, which are considered as non-certified FFB using the Mass Balance Model.	
E.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The documented Supply Chain SOP has specified that the responsible POM personnel shall check production quantity against the certified amount and notify RSPO, the CB and Sustainability Department of any projected overproduction of certified tonnage. So far, there is no projected overproduction.	Complied
<b>E.5 Record keeping</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock).	As per the SOP, the records are archived and to be stored for a minimum of 5 years. Traceability was verified for the Production Report for Jan – Dec 2018 from the related records (FFB Delivery Note, Weigh Ticket, FFB & Truck Daily Summary, Production Report, CPO & PK Storage Report, and CPO & PK Delivery Orders. Transaction documents and bookkeeping of CPO and PK are done daily and monthly summary report of FFB receipt, FFB processed, CPO production, PK production and balance stocks submitted to the Regional Office and Kuala Lumpur Head Office. The two weighbridges at the Mill are duly calibrated and calibration certificates found to be in order. CPO is delivered to Kuantan Oil Products and Kuantan Bulking Installation. There is no Palm Kernel mill for production of PKO at the POM. PK sold and delivered to the Felda Kernel Crushing Plant at Kuantan and Pasir Gudang. Deduction and conversion ratios for the volumes of CPO and PK delivered from the Palm Oil Mill have been appropriately done and recorded. All deliveries of the MB sales are from positive stock. The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. This inventory is balanced every 3 months.	Complied

### 3.1.2 Status on Supply Chain on POM:

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

### 3.1.3 Summary of Certified Product Volumes (Produced and Traded):

The Production data and traded volumes of certified products which was verified for 2018 / 2019 are detailed as per Table 8A & 8B below:

**Table 8A: Summary of Production Data (Year: 2019)**

	Estate	Smallholders	Outgrowers
Number of Production Unit	1	-	11
Number of Individual Smallholders		2	-
Certified Area (ha)	2,768.35	-	-
Production Area (ha) / i.e. Mature area	1,933.09	-	-
HCV Area (ha)	0	-	-

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Projected Certified FFB Processed (RSPO Certified) (mt)	1,3431	-	-
Projected Certified - CPO Processed (RSPO Certified) (mt)	2,827.22	-	-
Projected Certified - PK Processed (RSPO Certified) (mt)	718.60	-	-

**Table 8B: Summary of Trading Volumes (under PalmTrace)**

Details as per RSPO Certification System Document		
	CPO (mt)	PK (mt)
<b>Last year's (Projected) – Certified volume (RSPO Certified) (Jun 2018 – May 2019)</b>	<b>2,586.57</b>	<b>634.33</b>
a) Last year's Actual sold volume (RSPO Certified) (Jun– Dec 2018)	0	231.09
b) Last year's Actual sold volume * (Other Schemes Certified) (Jun– Dec 2018)	0	0
c) Last Year's Actual sold volume ** Certified sold as Conventional (Jun – Dec 2018)	1,348.92	128.79
<b>Total of (a) + (b) + (c)</b>	<b>1,348.92</b>	<b>359.88</b>
Note: Volume's sold are based on the period Jun - Dec 2018 as the PMU was certified on 13 Jun 2018.		
<b>New (Projected) Certified Volume (RSPO Certified) (Jun 2019 - May 2020)</b>	<b>2,827.22</b>	<b>718.60</b>

**Notes:**

Verified that the total Actual sold (for last year) has not exceeded the Projected (for last year)

\* The PMU is not certified for other certified schemes.

\*\* Certified palm products sold as Conventional ('Non-certified').

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

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

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Initial Assessment	2018	10 (8 Major and 2 Minor)	4	Actions taken on the NC and OBS verified to be effective during ASA-01 <b>except</b> for Minor NC# MNM-01 (2018) which is upgraded to Major NC# MNM-01 (2019).
Surveillance Assessment ASA-01	2019	4 (2 Major and 2 Minor)	2	Next assessment

#### 3.2.1 Year 2018: Initial Assessment (8 Major NCRs)

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NCR	MYNI Indicator	Details of NCR
<b>Major OCL-01</b>	<b>4.5.1</b>	Date issued: 28/02/2018
		<b>Nonconformance:</b> <b>IPM Plan includes the planting of beneficial plants and control of damage by rodents. The estate has a nursery for beneficial plants.</b> <b>However, there is no programme for planting of beneficial plants on planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i>, <i>Antigonon leptopus</i> and no record of location maps of any planted area.</b>
		<b>Root Cause and Corrective Action:</b> <u><b>Root Cause</b></u> Lack of awareness from plantation management regarding the importance of beneficial plant cultivation in order to control pests.
		<u><b>Corrective Action</b></u> The estate management of Cherul 03 estate had prepared a planting program of beneficial plants and had started to plant <i>cassia cabenensis</i> and <i>antigonon sp.</i> by Mac 2018.
		Verification (Corrective Action): On-site verification carried out. Verified that a documented planting program for beneficial plants for year 2018 is available and implementation started with a record of number of points planted at identified field blocks and map of locations of planted areas. The corrective actions satisfactorily addressed the non-conformance.
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 25/04/2018</b></td> </tr> </table>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25/04/2018</b>	
		Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.

NCR	MYNI Indicator	Details of NCR
<b>Major OCL-02</b>	<b>4.6.2</b>	Date issued: 28/02/2018
		<b>Nonconformance:</b> <b>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained for the estate.</b> <b>However, the records were only available for 3 years (year 2016, 2017 and 2018) and not 5 years for comparison.</b>
		<b>Root Cause and Corrective Action:</b> <u><b>Root Cause</b></u> Lack of supervision by the management in providing monitoring records of "Record of chemical usage in A.I Per hectare pesticides/herbicides applied" for the last 5 years.
		<u><b>Corrective Action</b></u> Management of FGVPM Cherul 03 estate had prepared a monitoring record of "Record of chemical usage in A.I Per hectare pesticides/herbicides applied" for the last 5 years
		Verification (Corrective Action): On-site verification carried out. Verified that records pesticides/herbicides applied per ha for last 5 years (2014 to 2018) are available. The corrective action satisfactorily addressed the non-conformance.
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 25/04/2018</b></td> </tr> </table>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25/04/2018</b>	

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		Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.
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NCR	MYNI Indicator	Details of NCR
<b>Major OCL-03</b>	<b>4.6.5</b>	Date issued: 28/02/2018
		<b>Nonconformance:</b> The estate has adequate facilities for mixing of pesticides and suitable storage area for spraying equipment and PPE. However, it was found that there is only one shower room, which is not sufficient for the 15 manurers and sprayers (all males) at the estate for cleaning up after work.
		Root Cause and Corrective Action: <b>Root Cause</b> The earlier design of the premix area plus shower was only design to accommodate one or two person for emergency purpose, the sprayer or manurer will only change their cloth in premix area  <b>Corrective Action</b> Four additional showers have been installed by Cherul 03 estate management to suit the number of sprayer and manurer workers for cleaning purpose in premix store.
		Verification (Corrective Action): On-site verification carried out. Verified that four additional shower units have been installed. The corrective action satisfactorily addressed the non-conformance.
		<b>NC status verified by auditor: Closed by OCL</b> <b>Date closed: 25/04/2018</b>
		Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.

NCR	MYNI Indicator	Details of NCR
<b>Major OCL-04</b>	<b>4.6.11</b>	Date issued: 28/02/2018
		<b>Nonconformance:</b> Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 carried out for all pesticide operators on 04/11/2016. However, the sprayers were only sent for the annual medical surveillance last week and this exceeded the one year interval.
		Root Cause and Corrective Action: <b>Root Cause</b> Lack of monitoring by estate management in reviewing the law against annual surveillance on employees.  <b>Corrective Action</b> FGVPM Cherul 03 estate management actually had send their sprayers for medical surveillance in Feb 2018. The result was obtained by Mac 2018 and shown all the workers for sprayer are remains fit for spraying.
		Verification (Corrective Action): On-site verification carried out. Verified that the records of medical surveillance of 14 sprayers conducted on 13/02/2018 and summary report issued in Mar 2018 by the Occupational Health Doctor stated all the sprayers are fit.
		The corrective action satisfactorily addressed the non-conformance.



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		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25/04/2018</b>
Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.			

NCR	MYNI Indicator	Details of NCR	
<b>Major SH-01</b>	<b>5.2.1</b>	Date issued: 28/02/2018	
		<b>Nonconformance:</b> <b>The biodiversity assessment has taken into consideration and identified the existence of environmentally sensitive areas such as steep slopes, rocky areas and has develop the action plan.</b> <b>However, It was found that the information gathered has not been effectively collated to include both the planted areas and the relevant wider landscape level consideration. The map produced had indicated a different scenario or picture and differs with what are exactly on the ground.</b>	
		Root Cause and Corrective Action: <u><b>Root Cause</b></u> Lack of information about the biodiversity landscape and outdated maps used during preparation of biodiversity report.  <u><b>Corrective Action</b></u> (1) Biodiversity reports has been updated by including information from the broader biodiversity scope. (2) The estate map has been updated accordingly.	
		Verification (Corrective Action): On-site verification carried out. Verified that the updated Biodiversity Report is in order. The updated Cherul 03 Estate map indicated all neighbours bordering the estate such as Hutan Simpan Cherul, smallholders plantations and other FGV estates. HCV inside the Cherul 03 Estate also shown on the map.  The corrective actions satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by SH</b>	<b>Date closed: 26/04/2018</b>
		Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.	

NCR	MYNI Indicator	Details of NCR
<b>Major SH-02</b>	<b>5.2.2</b>	Date issued: 28/02/2018
		<b>Nonconformance:</b> <b>At the estate, the action plan to maintain or enhance the presence of RTE or HCV areas were not implemented sufficiently as planned. There was no signage placed at the forest border to discourage encroachment, hunting and etc. along the areas.</b>

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		<p>Root Cause and Corrective Action:</p> <p><b><u>Root Cause</u></b> Lack of monitoring from the management in ensuring the conservation of RTE species and HCV areas.</p> <p><b><u>Corrective Action</u></b> (1) Signboard prohibits invasion of the forest reserved has been installed (2) Hunting wildlife prohibited signboard near Forest Reserve boarder also has been installed (3) The presence of wildlife also has been recorded regularly.</p>		
		<p>Verification (Corrective Action): On-site verification carried out. Verified that the proper signages of significant size has been placed at relevant and strategic locations. Records of monitoring of wildlife implemented. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by SH</b></td> <td style="width: 40%;"><b>Date closed: 25/04/2018</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by SH</b>	<b>Date closed: 25/04/2018</b>
<b>NC status verified by auditor: Closed by SH</b>	<b>Date closed: 25/04/2018</b>			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NCR	MYNI Indicator	Details of NCR		
<b>Major SH-03</b>	<b>5.6.3</b>	Date issued: 28/02/2018		
		<b>Nonconformance:</b> <b>The PMU had not tabulated the complete data as required for the calculation of GHG emissions using the RSPO PalmGHG tool (ver. 3.0.1). The reporting has not been finalized.</b>		
		Root Cause and Corrective Action:		
		<b><u>Root Cause</u></b> The data collected for the calculation of GHG emissions is not parallel between the mill and the estate resulting in GHG computation results inaccurate		
		<b><u>Corrective Action</u></b> GHG calculation has been revised accordingly.		
		Verification (Corrective Action): On-site verification carried out. Verified that the GHG calculations have been revised and resubmitted to RSPO Secretariat on 17 Apr 2018. The corrective action satisfactorily addressed the non-conformance.		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by SH &amp; OCL</b></td> <td style="width: 40%;"><b>Date closed: 25/04/2018</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by SH &amp; OCL</b>	<b>Date closed: 25/04/2018</b>
<b>NC status verified by auditor: Closed by SH &amp; OCL</b>	<b>Date closed: 25/04/2018</b>			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NCR	MYNI Indicator	Details of NCR
<b>Major MNM-01</b>	<b>6.9.1</b>	Date issued: 28/02/2018
		<b>Nonconformance:</b> <b>There was no specific programs/mechanism being planned and no evident of the implementation for particular issues faced by women being communicated to respective stakeholders (i.e. training or awareness on the domestic violence and sexual harassment and etc.) for POM and Cherul 03 Estate.</b>

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		<p>Root Cause and Corrective Action:</p> <p><b><u>Root Cause</u></b>                      Failure by estate and mill management to include women workers in their annual training plan especially in terms of information or awareness regarding women's rights, sexual harassment and domestic violence.</p> <p><b><u>Corrective Action</u></b>                      A club ("Kelab Kebajikan Dayabudi" has been established by Cheul 03 Estate and members consisted of female staff and wives of employees. The scope of the club functions include conducting programs on family, education, sports, religion, welfare, awareness of sexual harassment and domestic violence. The club also have subcommittees on social, education and religion. First meeting held on 28/03/2018.</p> <p>Verification (Corrective Action): On-site verification carried out. Verified that Neram POM and Cherul 03 Estate have carried out awareness programs on issues such as women's issues, domestic violence and sexual harassment. Minutes of the first meeting of "Kelab Kebajikan Dayabudi" on 28/03/2018 covered the issues involved. The corrective actions satisfactorily addressed the non-conformance.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 25 &amp; 26/04/2018</b></td> </tr> </table> <p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25 &amp; 26/04/2018</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25 &amp; 26/04/2018</b>			

### 3.2.2 Year 2018: Initial Assessment (2 Minor NCRs)

NCR	MYNI Indicator	Details of NCR	
<b>Minor SH-01</b>	<b>5.1.3</b>	Date issued: 28/02/2018	
		<b>Nonconformance:</b> <b>There was no analysis being done to monitor the water quality of Sungai Kepong. Also there was no indication of any sampling point determined on the map.</b>	
		Root Cause and Corrective Action: <p><b><u>Root Cause</u></b>                      There was no monitoring of the quality of Kepong river water flows flowing across the Cherul 03 estate.</p> <p><b><u>Corrective Action</u></b>                      To conduct water sampling for Kepong River in order to monitor water quality annually.</p>	
		Verification (Corrective Action): On-site verification carried out. Verified that water samples taken from locations at Sungai Kepong identified on a map and water analysis results dated 04 Apr 2018 found to be satisfactory. The corrective actions satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by SH</b>	<b>Date closed: 25/04/2018</b>
		Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.	

NCR	MYNI Indicator	Details of NCR
<b>Minor</b>	<b>6.2.3</b>	Date issued: 28/02/2018

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<b>MNM-01</b>		<p><b>Nonconformance:</b>  <b>List of stakeholders is incomplete</b></p> <ol style="list-style-type: none"> <li>1. <b>POM – Authorities / government agencies (MPOB, DOE and etc.)</b></li> <li>2. <b>Cherul 03 Estate - Authorities / government agencies (Forestry Dept., PERHILITAN, JPS and etc.)</b></li> </ol>		
		<p>Root Cause and Corrective Action:</p> <p><b>Root Cause</b>            No identification of affected stakeholders involved with Neram POM and FGVP            Cherul 03 estate.</p> <p><b>Corrective Action</b>            The complete stakeholder list had been revised by Neram POM and Cherul 03 estate respectively.</p>		
		<p>Verification (Corrective Action): On-site verification carried out. Verified that Verified that the stakeholders' lists of POM and Cherul 03 Estate have been satisfactorily updated. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 25 &amp; 26/04/2018</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25 &amp; 26/04/2018</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 25 &amp; 26/04/2018</b>			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is not satisfactory. <b>Hence, Minor NC# MNM-01 (2018) upgraded to Major NC# MNM-01 (2019).</b></p>		

### 3.2.3 Year 2018: Initial Assessment (4 Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		Remark, if any
				Opened date	Closed date	
OBS# OCL-01	4.7.1	POM	CHRA for POM was earlier conducted with report dated 13/01/2013. The latest CHRA for POM conducted by an external consultant on 11/02/2018 and report expected by mid-March 2018. The POM needs to follow up and show evidence of the CHRA report.	28/02/2018	28/02/2019	Addressed and closed
OBS# SH-01	5.3.1	POM and Cherul 03 estate	(1) At Cherul 03 Estate, the diesel skid tank of 10,000 litres capacity had a bund wall for containment. However, the dimensions of the bund wall was not indicated to show that the bund wall comply with the containment volume of 110%. (2) At the POM, the diesel skid tank of 10,950 litres capacity had a bund wall for containment. However, the dimensions of the bund wall was not indicated to show that the bund wall comply with the containment volume of 110%.	28/02/2018	28/02/2019	Addressed and closed

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OBS# SH-02	5.3.3	POM	The metal waste storage need further improvement. Currently, the arrangement of the waste is haphazardly done.	28/02/2018	28/02/2019	Addressed and closed
OBS# MNM-01	6.3.1	POM & Cherul 03 estate	The improvement programs planned by POM and Estate could be identified in the Management Plan as well as the responsibilities for the implementation (i.e. renovation works at the line-site at Cherul 03 and etc.).	28/02/2018	28/02/2019	Addressed and closed

### 3.2.4 Year 2019: Surveillance Assessment ASA-01: 2 Major NCRs

NCR	MYNI Indicator	Details of NCR	
<b>Major OCL-01</b>	<b>4.7.2</b>	Date issued: 28/02/2019	
		<b>Indicator requirement:</b> All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.	
		<b>Statement of Nonconformance:</b> Unsatisfactory implementation of safety action for the emergency shower and eye wash facility.	
		<b>Evidence of Nonconformance:</b> <b>Location: Neram POM</b> <b>At the Water Treatment Plant, the emergency shower and eye wash facility was found to be obstructed by water hoses, overhanging electric cable and a water tap protruding from the ground.</b>	
		Root Cause and Corrective Action: <b>Root Cause:</b> Lack of monitoring on the effectiveness of emergency response plans at mill's water treatment plant. <b>Corrective Action:</b> The location of the shower head and the emergency eyewash facilities has been moved to a more strategic place (easily accessible).	
		Verification (Corrective Action): Off-site verification carried out. Following supporting evidences submitted: 1. The photo of shower head and emergency eyewash that have been relocated to a more suitable place. 2. Record of briefing dated 15/03/2019 about the emergency respond procedure at water treatment plant. The corrective action satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 08/03/2019</b>
		Verification (for effectiveness): Next assessment.	

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NCR	MYNI Indicator	Details of NCR
<b>Major MNM-01</b>	<b>6.2.3</b>	Date issued: 28/02/2019
		<b>Indicator requirement:</b> A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.
		<b>Statement of Nonconformance:</b> Stakeholder list for Neram POM was not updated to include the FFB suppliers and new panel clinic.
		<b>Evidence of Nonconformance:</b> <b>Location: Neram POM</b> <b>FFB Receiving Record stated POM received FFB from external suppliers such as Ladang Perkaya Terengganu, Tai Ichi Enterprise Sdn. Bhd., Ismaq Agriculture Sdn. Bhd., Kim Ma Oil Palm (Transport) Sdn. Bhd., Bakti Mas Bina Sdn. Bhd., etc and new panel clinic appointed to conduct medical surveillance (Klinik Badaruddin).</b>
		<b>Hence, previous Minor NC# MNM-01 upgraded to Major NC# MNM-01</b>
		Root Cause and Corrective Action: <b>Root Cause:</b> The list of stakeholders for Neram POM was not regularly updated.
		<b>Corrective Action:</b> Neram POM's stakeholder list has been completely updated by including all the list of external FFB suppliers and new panel clinic.
		Verification (Corrective Action): Off-site verification carried out. Following supporting evidence submitted: Updated Neram POM's stakeholder list. The corrective action satisfactorily addressed the non-conformance.
<b>NC status verified by auditor: Closed by MNM &amp; OCL</b>		<b>Date closed: 08/03/2019</b>
Verification (for effectiveness): Next assessment.		

### 3.2.5 Year 2019: Surveillance Assessment ASA-01: 2 Minor NCRs

NCR	MYNI Indicator	Details of NCR
<b>Minor SH-01</b>	<b>5.3.3</b>	Date issued: 28/02/2019
		<b>Indicator requirement:</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.
		<b>Statement of Nonconformance:</b> The implemented waste management plan was not effective and satisfactory.

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		<p><b>Evidence of Nonconformance:</b>  <b>Location: Cherul 03 Estate</b></p> <ol style="list-style-type: none"> <li>1. At the plantation area, it was observed that waste materials such as plastic bottles, food containers and others unwanted materials were seen scattered all over the area.</li> <li>2. The landfill opened on 07/01/2019 at Field PM07L Block 19 was found to be too shallow for its purpose. The construction and management of the landfill is not satisfactory. The specification of the landfill constructed had not been based on some general guideline.</li> </ol>		
		<p>Root Cause and Corrective Action:</p> <p><b>Root Cause:</b>          There is lack of monitoring the effectiveness of waste management plan in the estate.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. The garbage generated from the operation of the estate has been collected and disposed in proper place.</li> <li>2. The existing landfill has been reconstructed according to the more appropriate specification.</li> </ol>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out. Following supporting evidences submitted:</p> <ol style="list-style-type: none"> <li>1. Record of briefing dated 12/03/2019 on environmental protection and conservation policy.</li> <li>2. Picture of plastic garbage are placed in work operations site.</li> <li>3. Picture of landfill that has been adjusted according to company procedures.</li> </ol> <p>The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by SH &amp; OCL</b></td> <td style="width: 30%;"><b>Date closed: 08/03/2019</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by SH &amp; OCL</b>	<b>Date closed: 08/03/2019</b>
<b>NC status verified by auditor: Closed by SH &amp; OCL</b>	<b>Date closed: 08/03/2019</b>			
		<p>Verification (for effectiveness): Next assessment.</p>		

NCR	MYNI Indicator	Details of NCR
<b>Minor MNM-01</b>	<b>6.8.3</b>	Date issued: 28/02/2019
		<p><b>Indicator requirement:</b></p> <p>It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p>
		<p><b>Statement of Nonconformance:</b></p> <p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. (as per requirement of P&amp;C 6.8).</p>
		<p><b>Evidence of Nonconformance:</b></p> <p><b>Location: Cherul 03 Estate</b></p> <p>Job advertisement to hire new Office Assistant and Field Mandore published by Cherul 03 Estate had stated the age of candidate qualify to apply the vacancies is only between 18 – 35 years old.</p>

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		<p>Root Cause and Corrective Action:</p> <p><b>Root Cause:</b> Lack of understanding regarding to company's equal opportunity policy.</p> <p><b>Corrective Action:</b> Estate management had conducted re-briefing regarding to equal opportunity policy to the staff and workers.</p>		
		<p>Verification (Corrective Action): Off-site verification carried out. Following supporting evidences submitted:</p> <ol style="list-style-type: none"> <li>1. Record of briefing dated 12/03/2019 on equal opportunity policy to the staff.</li> <li>2. Attendant list of briefing.</li> </ol> <p>The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by MNM &amp; OCL</b></td> <td style="width: 30%;"><b>Date closed: 08/03/2019</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by MNM &amp; OCL</b>	<b>Date closed: 08/03/2019</b>
<b>NC status verified by auditor: Closed by MNM &amp; OCL</b>	<b>Date closed: 08/03/2019</b>			
		Verification (for effectiveness): Next assessment.		

### 3.2.6 Year 2019: Surveillance Assessment ASA-01: 2 Observations

Ref No:	RSPO P&C Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS# OCL-01	4.6.11	Cherul 03 Estate	Latest Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 carried out for all pesticide operators in Jan 2019. However, the medical surveillance reports are still pending from the Medical Doctor and not available for verification and evaluation during this assessment. An observation therefore raised for the purpose of follow-up audit.	28/02/2019		Follow up at next assessment
OBS# MNM-01	6.5.2	Cherul 03 Estate	Employment contract for foreign workers from India could be provided in languages that can be easily understand by them. Some of the new workers observed could not communicate in English	28/02/2019		Follow up at next assessment

### 3.2.4 Identified Positive Elements

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



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### 3.3 Feedback Raised by Stakeholders and Findings

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

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

Communication done via email on 23 Jan 2018 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<b>Government Agencies:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Non-Governmental Organizations:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Local Communities - Stakeholders' Consultation:</b> Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 28 Feb 2018. A total of 7 stakeholders (1 neighbouring estate, 4 contractors and 2 suppliers) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations: 1. FGVPM should repair road within the estate area.	The PMU will consider the suggestion from the stakeholders as briefed by the auditors during the closing meeting.	Action taken by the PMU.	Nil
<b>Local Communities - Interviews:</b> Interviews of sampled staff and workers were also conducted by the auditors during field visits from 26 to 28 Feb 2018 at the PMU: Staff/Workers sampling: POM = 19 males, 3 females Estate Offices = 16 males, 4 females Field/sites visit = 26 males, 0 females No issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
<b>Other Interested parties:</b> No feedback received.	No response needed.	No response needed.	Nil

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### 3.3.2 Feedback Raised by Stakeholders (Surveillance Assessment ASA-01 – Year 2019)

Communication done via email on 17 Jan 2019 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<b>Government Agencies:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Non-Governmental Organizations:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site audit that no response needed.	Nil
<b>Local Communities - Stakeholders' Consultation:</b> Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 27/02/2019. A total of 7 stakeholders (1 FFB supplier, 1 school teacher and 5 contractors) were present at the consultation. They were interviewed by the auditors without the presence of any of the Estates staff. Concerns and suggestions received during interviews and stakeholder consultations: Nil	The Estate Management responded that this matter will be reviewed by the management.	To be followed up during the next Audit.	
<b>Local Communities - Interviews:</b> Interviews of sampled staff and workers were also conducted by the auditors during field visits from 25-28/02/2019 at the PMU: Staff/Workers sampling: POM = 18 males, 4 females Estate = 31 males, 5 females No negative issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
<b>Other Interested parties:</b> No feedback received.	No response needed.	No response needed.	Nil

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### 4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

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

Signed for and on behalf of  
Intertek Certification International Sdn Bhd



Dr. Ooi Cheng Lee  
Lead Assessor

Date: 22 Apr 2019

### 4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

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

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

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

Date: DD MMM 2019

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### 4.2 INTERTEK- RSPO P&C Certificate details for Neram Grouping

Certificate No:	RSPO 931388
Original Start date:	13 Jun 2018
Expiry date:	12 Jun 2023
New PalmTrace License Start date:	13 Jun 2019
Organization	FGV Holdings Berhad (800165-P) (Formerly known as Felda Global Ventures Holdings Berhad)
Address of Head Office:	Plantations Sustainability Department (PSD) Level 20, West Wisma FGV, Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
RSPO Membership No:	1-0225-16-000-00
Plantation Management Unit:	FGV Neram Grouping
Address of POM:	Kilang Sawit Neram, 24060 Chukai, Kemaman, Terengganu Darul Iman, Malaysia
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain Model for POM	Mass Balance (MB)

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

Name	Address	GPS Reference		Mature Planted Area - ha	Certified (Titled) Area (ha)
		Latitude	Longitude		
Neram POM (Capacity: 54 MT/hr)	Kilang Sawit Neram, 24060 Chukai, Kemaman, Terengganu Darul Iman, Malaysia	4°00'18.00"N	103°17'20.4"E	-	2,768.35
Cherul 03 Estate	Ladang Felda Cherul 03, W/Pos Bandar Baru Cheneh , 24000, Kemaman, Terengganu Darul Iman, Malaysia	4°07'19.6"N	103°10'38.2"E	1,933.09	

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

Neram Grouping	Annual Tonnages (MT)
Certified FFB	13,431
Certified CPO	2,827.22
Certified PK	718.60
Supply Chain Model	Mass Balance (MB)

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

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

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

Dr. Ooi Cheng Lee is an IRCA Lead Auditor and Lead Tutor for ISO 9001. He is also involved in auditing in other integrated management systems. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C) and the RSPO Supply Chain Certification (RSPO SCC). He is currently involved in the management of all types of system and process/product certification in Intertek. He has more than 32 years work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He was formerly 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. Mohd Nazib bin Marwan (MNM) – Assessor / Technical Expert**

(Occupational Health & Safety and Social)

- Diploma in Mechanical Engineering

Mr Mohd Nazib Marwan has over 11 years work experience in occupational safety and health sector (since 2003). He has 5 years working experience as Factories and Machinery Inspector with Department of Occupational Safety & Health Malaysia (DOSH) and earlier he has been certified with Certificate for Safety and Health Officer from National Institute of Occupational Safety and Health (NIOSH). He has successfully completed the IRCA accredited Lead Auditor Course in ISO 9001:2008, OHSAS 18001: 2007 and the Intertek In -House training on RSPO P&C and MYNI Assessor courses. He is also an ISO 9001 Lead Auditor and OHSAS 18001 auditor with Intertek, Malaysia and has performed over 400 auditing days on quality, safety and health in various sectors including palm oil industries since 2012. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

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### Appendix B: Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
25 Feb 2019 Monday  (Day 1)	7.30 am – 11.00 am	Travel to Neram Palm Oil Mill		
	11.00 am – 11.30 am	<b>Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estate as well)</b>		
	11.30 am – 1.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C: P1 to P8 at POM		
		<b>OCL</b>	<b>SH</b>	<b>MNM</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Mill</li> <li>• P8 Continual Improvement</li> <li>• SCC for POM</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
	<ul style="list-style-type: none"> <li>• Verification of effectiveness of corrective actions for non-conformances</li> <li>• Review of Time Bound Plan</li> <li>• Verification for compliance with rules on partial certification</li> </ul>			
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm - 5.30 pm	<b>OCL</b>	<b>SH</b>	<b>MNM</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
	5.30 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	MNM
26 Feb 2019 Tuesday  (Day 2)	8.30 am – 12.30pm	<b>Site assessment at FGV Cherul 03 estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> </ul>	<b>Site assessment at FGV Cherul 03 estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGV Cherul 03 estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>

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		<ul style="list-style-type: none"> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	<b>Continue site assessment at Site assessment at FGV Cherul 03 estate</b>		
	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	MNM
27 Feb 2019 Wednesday  (Day 3)	8.30 am – 11.00 am	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• SCC for POM</li> </ul>	<b>Stakeholders' Consultation on the following categories (see Notes 1 and 2 below):</b> <ul style="list-style-type: none"> <li>• <b>Contractors</b></li> <li>• <b>Suppliers</b></li> <li>• <b>Transporters</b></li> <li>• <b>NGOs</b></li> <li>• <b>Government Department / Agencies</b></li> <li>• <b>Local Community</b></li> </ul> Notes 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment. 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	
	11.00 am – 12.30 pm	Site assessment at POM		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 5.30 pm	Site assessment at 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	MNM
28 Feb 2019 Thursday  (Day 4)	8.30 am – 10.30 pm	Site assessment at POM and/or estate to follow up on any specific criteria/areas		
	10.30 pm – 11.30 pm	Preparation for Closing Meeting		
	11.30 pm – 12.30 pm	Team Meeting and Discussions with POM/Estate Management Representatives		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 3.30 pm	<b>Closing Meeting &amp; Briefing at Palm Oil Mill Office</b>		
	3.30 pm onwards	Travel to Kuala Lumpur		

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**Appendix C-1:**

**Location of Felda Gobal Ventures Holdings Berhad (FGVHB)**  
**- Neram Grouping, Chukai, Kemaman, Terengganu Darul Iman, Malaysia**



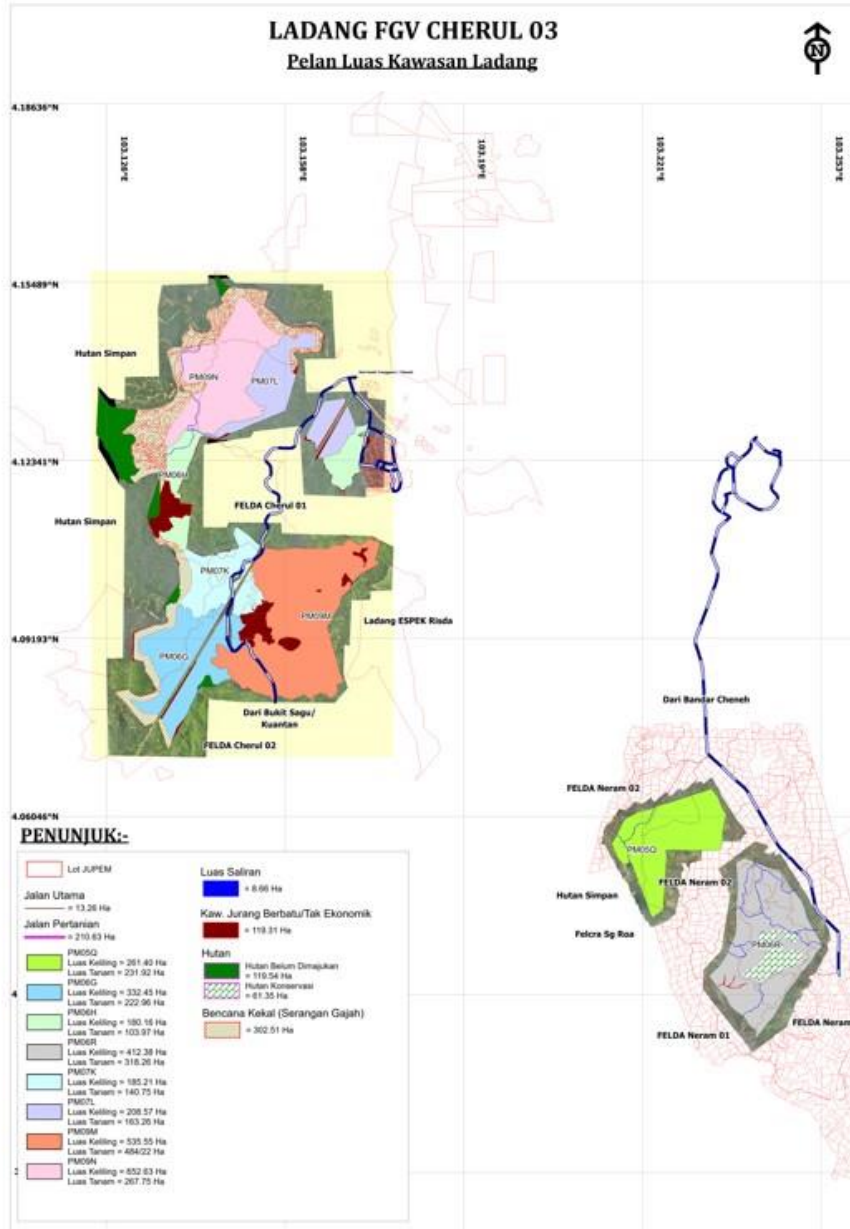


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## Appendix C-2: Map of FGV Cherul 03 Estate



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**Appendix D:**

**Photographs taken at FGV Neram Grouping**

<p>Cherul 03 Estate – Landfill at PM07L Blok 19 opened on 07/01/2019 found to be too shallow.</p>	<p>Cherul 03 Estate – Interviewing foreign workers working as sprayers at PM09N Blok 25</p>
<p>Cherul 03 Estate – Interviewing foreign workers working as harvesters at PM06H Blok 15</p>	<p>Cherul 03 Estate – Premix area and shower room</p>
<p>Neram POM – Final discharge point for effluent water.</p>	<p>Neram POM – Emergency eye wash and shower facility at Water Treatment Plant found to be obstructed.</p>

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## Appendix E:

### Time Bound Plan as submitted by FGVHB (updated 25 Feb 2019)

TBP 2019					
No	2017	2018	2019-2020		2021
1	KS SELANCAR 2B	KS CHIKU	KS KALABAKAN	KS KEMAHANG	FGV ASIAN MILLING PLANTATION
2	KS ARING A	KS KERATONG 2	KS KEMBARA SAKTI	KS CHINI 2	FGV YAPID MAS (Golden Land)
3	KS SELENDANG	KS SERTING	KS NILAM PERMATA	KS JERANGAU BARAT	PT CITRA NIAGA PERKASA (Indonesia)- No
4	KS BUKIT SAGU	KS KERATONG 3	KS HAMPARAN BADAI	KS TROLAK	PT TEMILIA AGRO ABADI (Indonesia)- No
5	KS KERATONG 09	KS KERTEH	KS MERCU PUSPITA	KS SEMENCHU	FGV Estates Without mill (Paloh)
6	KS LEPAR UTARA	KS KOTA GELANGGI	KS LANCANG KEMUDI	KS PANCHING	
7	KS MAOKIL	KS TENGGAROH	KS EMBARA BUDI	KS AIR TAWAR	
8	KS KEMASUL	KS SERTING HILIR	KS BAIDURI AYU	KS LOK HENG	
9	KS KRAU	KS NITAR	KS UMAS	KS SG TENGI	
10	KS LEPAR HILIR	KS JERANGAU BARU	KS TENGGAROH TIMUR	KS PASOH	
11	KS KECHAU B	KS KULAI	KS SELANCAR 2A	KS KAHANG	
12	KS PALONG TIMUR	KS BELITONG	KS BUKIT MENDI		
13	KS TRIANG	KS BUKIT	KS JENGKA 8		
14	KS BESOUT	KS PENGGELI	KS JENGKA 18		
15	KS NERAM	KS JENGKA 21	KS JENGKA 3		
16	KS CHINI 3	KS ADELA	KS PADANG PIOL		
17		KS CHALOK	KS TERSANG		
18		KS WAHA	KS PONTIAN UNITED		
19		KS SAMPADI	KS TEMENTI		
20		KS MEMPAGA			
21					
TOTAL	16	20	19	11	5
	16	36	55	66	71
	RSPO	Certified			As at 25 February 2019, 27 mills RSPO certified out of 68 mills.
		External Audit			
		NCs Verification			
		Internal Audit			
		Preparation for audit			

#### Notes

- Further details are available upon request in writing to the FGVHB.
- Updates on the Complaints Panel concerning the multiple management units of FGVHB are available from RSPO website.