

FGV HOLDINGS BERHAD

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

PLANTATION MANAGEMENT UNIT
FGVPISB Kilang Sawit Selancar 2B
Muadzam Shah, Pahang Darul Makmur, Malaysia



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Assessment Report

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SURVEILLANCE ASSESSMENT ASA-02

PUBLIC SUMMARY REPORT

FGV HOLDINGS BERHAD

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

PLANTATION MANAGEMENT UNIT

FGVPISB Kilang Sawit Selancar 2B

Muadzam Shah, Pahang Darul Makmur, Malaysia

Certificate No:

Issued date:

Expiry date:

RSPO 931088

31 Oct 2017

30 Oct 2022

Assessment Type

Initial Certification (Main 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

14–18 Aug 2017

09-12 Jul 2018

15-18 Jul 2019



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Surveillance Assessment ASA-02 was conducted on the Plantation Management Unit (PMU) at FGVPISB Kilang Sawit Selancar 2B of FGV Holdings Berhad (hereafter abbreviated as FGVHB), from **15-18 Jul 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.

Special Note: The Management unit is aware of the transition needed to implement the revised RSPO Principles and Criteria (14 Nov 2018) and is in process to upgrade its implementation before 13 Nov 2019 (MYNI 2019 – pending).

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 FGV Palm Industries Sdn Bhd (FGVPISB)] and its supply base which is made up of estates owned and/or managed by FGV Plantations (M) Sdn Bhd (FGVPM). FGVPIB and FGVPM are wholly owned subsidiaries of FGVHB.

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

The PMU consists of one (1) palm oil mill, namely Selancar 2B Mill and three (3) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in **Appendix C**.

There are no Felda Smallholders (settlers) in this PMU. The estates are all managed by FGVPM and the palm oil mill is operated by FGVPISB.

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

Name	Address	GPS Reference	
		Latitude	Longitude
Selancar 2B POM (Capacity:54 MT/hr)	Kilang Sawit Selancar 2B, Wakil Pos Selancar 2, 26700 Muadzam Shah Pahang, Malaysia	2°38'16.00"N	103° 0'1.00"E
FGVPM Selancar 6 estate	FGVPM Ladang Felda Selancar 06, Wakil Pos Perwira Jaya, 85070, Segamat, Johor Darul Takzim, Malaysia	2°41'38.00"N	102°56'56.00"E
FGVPM Selancar 8 estate	FGVPM Ladang Felda Selancar 08, Wakil Pos Perwira Jaya, 85070 Segamat, Johor Darul Takzim, Malaysia	2°36'50.00"N	103° 0'18.00"E
FGVPM Selancar 9 estate	FGVPM Ladang Felda Selancar 09, Wakil Pos Perwira Jaya, 85070 Segamat, Johor Darul Takzim, Malaysia	2°37'10.00"N	103° 1'16.00"E

Note:

The above PMU grouping is verified to be an established Oil Palm plantation whereby the estates were planted with Oil Palms. There has been no with new planting or expansion in the entire certified (titled) plantation land areas.

Table 1-1: Registered Name of Palm Oil Mill and MPOB License

Registered Company Mill Name	Designated Mill Name	MPOB License No.	MPOB License Validity
FGV Palm Industries Sdn Bhd (359584-V)	Selancar 2B Palm Oil Mill	500204-704000	31/04/2018 – 31/03/2020

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Table 1-2: Registered Name of Estates and MPOB License

Registered Company Estate name	Estate Division Name	MPOB License No.	MPOB License Validity
FGV Plantations (M) Sdn Bhd (974143-H)	FGVPM Selancar 6 estate	616559002000	01/07/2019 – 30/06/2020
FGV Plantations (M) Sdn Bhd (974143-H)	FGVPM Selancar 8 estate	558963002000	01/03/2019 – 29/02/2020
FGV Plantations (M) Sdn Bhd (974143-H)	FGVPM Selancar 9 estate	559044002000	01/03/2019 – 29/02/2020

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM are from the abovementioned 3 estates of this PMU and FFB from Outside Crop Producers (OCP). The FFB from the PMU estates are certified FFB and FFB from OCP are considered as non-certified FFB.

Details of the planted hectareage for the FFB supply for the PMU 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
FGVPM Selancar 6 estate	3,549.64	3,230.27	3,549.64	3,274.42
FGVPM Selancar 8 estate	1,680.89	1,452.07	1,680.89	1,452.07
FGVPM Selancar 9 estate	2,948.61	2,694.50	2,948.61	2,694.50
Total:	8,179.14	7,376.84	8,179.14	7,420.99

Notes:

- The estates sampled for this Assessment have been selected 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.
- The planted area in Selancar 6 estate has increased due to more accurate survey measurement done after replanting in year 2017.

1.4 Summary of plantings and cycle

The 3 estates have been developed beginning from 1979 and are now in the 2nd cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm – Year 2019

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) Planted
FGVPM Selancar 6 estate	2000, 2008, 2009, 2010, 2011, 2013, 2014, 2017	2 nd	2,913.03	361.39	3,274.42
FGVPM Selancar 8 estate	2000, 2005, 2006, 2010, 2013	2 nd	1,452.07	0	1,452.07
FGVPM Selancar 9 estate	2000, 2010, 2011, 2012, 2013, 2014	2 nd	2,694.50	0	2,694.50
		Total	7,059.60	361.39	7,420.99

Notes:

- There has been no New Planting in any of the estates at the certified areas.
- There is replanting at Selancar 6 estate in year 2017 and more accurate survey measurement carried out thereafter on the replanted area, mature and immature areas.

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1.5 Summary of Land Use - Conservation and HCV Areas

The summary of Land Use as identified in the PMU during this assessment is as shown in Table 4 below:

Table 4: Statement of Land Use (including Conservation and HCV Areas)

#	Statement of Land Use (Ha)	Year 2019 Hectarage – Ha	CB Verification
1	Oil Palm - Planted Area (ha)	7,420.99	Verified on site
	- OP Mature (Production)	7,059.60	Verified on site
	- OP Immature (Non-Production)	361.39	Verified on site
	- OP Planted on Peat	0	Verified on site
	- Other crop such as Rubber, etc.	0	Verified on site
2	Conservation Area (ha)		
	- Conservation (forested)	0	Verified on site
	- Conservation (non-forested)	61.41	Verified data available.
	Note: Conservation areas such as unplanted steep / hilly and swampy areas, buffer zones, riparian areas etc.		
3	HCV Area (ha)		
	As per HCVA guidelines	0	Verified data available.

1.6 Other Certifications Held and Use of RSPO Trademarks

Currently, the other certification held by the Grouping PMU is the MSPO certification which is noted to be valid.

The certification unit had agreed to adhere with the use of the RSPO Trademarks and logos as per the **latest “RSPO Rules on Market Communications & Claims”** which was acknowledged through the signed agreement with CB- Intertek, which is valid for the duration of the 5-year certification cycle.

At the time of the assessment, it is noted that the RSPO’s Trademarks and logos were appropriately used at the PMU audited. See section **3.1.1 Supply Chain Certification Standard Findings**.

1.7 Organizational information / Contact Person

Name: Ameer Izyanif Bin Hamzah
 Designation: General Manager, Sustainability Compliance and Certification Department
 Full Address: Sustainability Compliance and Certification Department
 FGV Holdings Berhad (FGVHB),
 Level 20 (West), Wisma FGV,
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 Tel: +603 2789 0000
 Fax: +603 2789 0001
 Email: ameer.h@fgvholdings.com

Name: Ahmad Shahrir Bin Ismail
 Designation: Manager, Sustainability Compliance and Certification Department
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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 based on the reporting period for current assessment are as shown in Table 5 below:

Table 5: Tonnages Verified for Certification (Nov 2018 – June 2019)

#	Estate /Supplier	FFB Received (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification
A	PMU (Own estates): (under Certification):			
1	FGVPM Selancar 6 estate	22,144.22	Selancar 2B POM	Intertek
2	FGVPM Selancar 8 estate	26,443.61	Selancar 2B POM	Intertek
3	FGVPM Selancar 9 estate	13,319.43	Selancar 2B POM	Intertek
	(a) Sub-total by PMU own estates: Certified	61,907.26		
B	Outside Crop Producers (OCP): Non-certified:			
1	FELDA and Felda Tekno Plant (FTP) (14 units)	-		
2	Steven Development Sdn Bhd	-		
3	Risda Plantation Sdn Bhd	1,818.63		
4	Sri Kerbau Commodities Sdn Bhd	-		
5	Kop Ran Tnh Belia Wanis	640.49		
	(b) Sub-total from OCP: Non-certified	2,459.12		
C	Dealers and traders: Non-certified:	-		
1	Bingan Jaya Sdn Bhd	47.49		
2	Eng Huat Latex	180.97		
3	Tai Ichi Enterprise Sdn Bhd	4,032.21		
4	Sern Lee Enterprise Sdn Bhd	-		
5	Tai Huat Agriculture	42,201.68		
6	Sendang Juara Sdn Bhd	3,645.61		
7	Kim Ma Oil Palm (Transport) Sdn Bhd	911.28		
8	Hong Bee Agriculture Sdn Bhd	16.75		
9	Seng Highland Fruits Transportation	849.68		
10	Bakti Mass Bina Sdn Bhd	49.39		
11	WCB Resources Sdn Bhd	-		
12	AA Sawit Sdn Bhd	-		
13	Naja Palm Oils Sdn Bhd	-		
14	Mewah Mega Enterprise	-		
	(c) Sub-total from Dealers/Traders: Non-certified	51,935.07		
	GRAND TOTAL (a) + (b) + (c):	116,301.45		

Note:

For July 2018 – Oct 2018, total FFB received at FGVPISB Selancar 2B POM is 53,442.88 mt with breakdown of PMU own estates (Certified) is 28,762.96 mt, OCP (Non-certified) is 424.08 mt and Dealers/Traders (Non-certified) is 24,255.84 mt.

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

Table 6: Annual Tonnages of FFB

Estate / Supplier	Estimate FFB Processed (Nov 18 – Oct 19)		Actual FFB Processed (Nov 18 – June 19)		Forecast FFB Process (Nov 19 – Oct 20)	
	MT	%	MT	%	MT	%
FFB from Selancar 2B PMU estates	82,000.00	43.22	61,907.26	53.23	105,000.00	51.09
Non-certified FFB from External Suppliers	107,710.00	56.78	54,394.19	46.77	100,520.00	48.91
Total	189,710.00	100.00	116,301.45	100.00	205,520.00	100.00
SCCS Model for POM	MB		MB		MB	

Note:

For July 2018 – Oct 2018, total FFB processed at FGVPISB Selancar 2B POM is 53,442.88 mt (100%) with following breakdown:

- 1) FFB from Selancar 2B PMU estates = 28,762.96 mt (53.82%)
- 2) Non-certified FFB from External Suppliers = 24,679.92 mt (46.18%)

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 estates)

POM	Estimate CPO & PK Processed (Nov 18 – Oct 19)		Actual CPO & PK Processed (Nov 18 – June 19)		Forecast CPO & PK Process (Nov 19 – Oct 20)	
Total own FFB Processed (MT)	82,000.00		61,907.26		105,000.00	
Total CPO Production (MT)	16,400.00	% OER: 20.00	12,511.46	% OER: 20.21	21,000	% OER: 20.00
Total PK Production (MT)	4,182.00	% KER: 5.10	3,219.18	% KER: 5.20	5,250	% KER: 5.00

Note:

For July 2018 – Oct 2018, Total CPO and PK production as per following breakdown:

- 1) Total own FFB Processed = 28,762.96 mt
- 2) Total CPO Production = 5,853.26 mt (OER = 20.35%)
- 3) Total PK Production = 1,397.88 mt (KER = 4.86%)

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.**

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1.9 Time Bound Plan and Multiple Management Units

Previously, FGV 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, FGV and FELDA voluntarily withdrew from RSPO P&C certification for all the PMUs subsequent to the allegations and complaints regarding labour issues. Details may be obtained from the following web-links and RSPO's Complaints Tracker website:

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

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

FGV has taken actions to resolve the issues resulting from the complaints. Consequently, FGV obtained a separate RSPO membership on 27 Dec 2016 and its PMUs are no longer under the RSPO membership of FELDA. FGV 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 FGV 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.

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

Intertek was able to verify that FGV had conducted internal audits on 69 out of 71 units in Malaysia and Indonesia listed in the Time Bound Plan as to date for the requirement under Clause 4.5.4 (Requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017).

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

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

FGV 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 FGV.

Based on Intertek's review progress made to-date, FGV is considered to have maintained its commitment under Clause 4.5.4 (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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Verification of requirements for Uncertified Management Units:

RSPO CS (2017) Clause 4.5.4		
(a) No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1st Jan 2010 shall comply with the RSPO New Planting Procedure (NPP) . For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;		
Requirements	Findings and Objective Evidence	Compliance
(a) Is there any replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3	<p>There is an allegation that FGV had cleared peat forest in Kalimantan:</p> <p>Complaint by: Chain Reaction Research</p> <p>Date Complaint Submitted: 19 Apr 2017</p> <p>Location of Complaint: Indonesia</p> <p>Region / District / Province: West Kalimantan</p> <p>Summary of Complaint: There was a report issued by Chain Reaction which informed the fact of FGV in Kalimantan's concession had cleared 1600 Ha peat forest.</p> <p>On 25th April 2017 Secretariat had a meeting with FGV and they claimed that they only planted on less than 100 Ha on a shallow depth.</p> <p>Current status: Still under investigation</p>	As complaint is still under investigation, decision cannot be made at this stage of a non-compliance.
<ul style="list-style-type: none"> Is there any new plantings since January 1st 2010 and did the new plantings comply with the RSPO New Planting Procedure (NPP) 	<p>The status of NPP for various new plantings as in attached document:</p>  <p>Proposal for New Planting Area.docx</p> <p>In summary,</p> <p>(1) Development cannot proceed due to HCV area in Ladang Tembangau 05.</p> <p>(2) Development stopped at PT TAA, Kalimantan due to allegation by Chain Reaction.</p> <p>(3) Did not proceed with development at Asian Plantation Limited.</p>	Continued monitoring by CB on the cases concerned.
<ul style="list-style-type: none"> Was the new planting development verified by an RSPO accredited CB; 	NPP document for Asian Plantation Limited (APL) sent to Control Union Certification for CB verification. However, FGV did not proceed with New Planting.	Continued monitoring by CB on this case.
(b) Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;		
(b)	At this stage, no official land conflict involving FGV reported to RSPO	Complied
<ul style="list-style-type: none"> Are there any existing Land conflicts and is it being resolved through a mutually agreed 		





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<p>process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;</p>																					
<p>(c) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;</p>																					
<p>(c)</p> <ul style="list-style-type: none"> Are there any existing Labour disputes and is it being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3; 	<p>Matter of Public Interest taken up by the Complaints Panel of the RSPO (This was not a complaint):</p> <p>Date Complaint Submitted: 26 Jul 2015</p> <p>Location of Complaint: Negri Sembilan</p> <p>Region / District / Province: Peninsular Malaysia</p> <p>Summary of Complaint: On the 26th of July 2015, WSJ ran an article by Syed Zain Al – Mahmood alleging that Felde has breached labour conditions in its plantations. The allegations mainly say that forced labour is being used and the workers are not paid minimum wages. Further, it is alleged that their health and working conditions is are neglected and also that their employers withheld their passports.</p> <p>Current status: Case closed</p>	<p>Complied</p>																			
<p>(d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;</p>																					
<p>(d)</p> <ul style="list-style-type: none"> Are there any Legal non-compliance and is it being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">3.4.5</td> <td style="width: 20%;">Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</td> <td colspan="5">There is 1 issue happen in FGVPM Palong Timur 04 (Now FGVPM Palong Timur 05) and the details is elaborated below:</td> </tr> <tr> <td style="text-align: center;">NO.</td> <td style="text-align: center;">ESTATE</td> <td style="text-align: center;">LEGAL ACTION</td> <td style="text-align: center;">DATE</td> <td style="text-align: center;">VALUE OF SUMMON</td> <td style="text-align: center;">SUMMON STATUS</td> </tr> <tr> <td style="text-align: center;">1</td> <td>FGVPM PALONG TIMUR 04 (NOW FGVPM PALONG TIMUR 05)</td> <td style="text-align: center;">Claims</td> <td style="text-align: center;">19.06.2012</td> <td style="text-align: center;">RM61,968.60</td> <td style="text-align: center;">Court Appeal</td> </tr> </table> <p>The dispute between FGVPM Palong Timur 04 vs Ahmad Tukiman & 7 other in Mahkmaha Rayuan No: J-08-505-11/2017 form Oct 2016 until May 2018 has been closed and payment to the dependant has been paid through their lawyer, Muhendran Sri (Advocates & Solicitors) for the sum of RM77,230.52</p> <p>Other dispute case: As at July 2019, no labour dispute occur.</p>	3.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	There is 1 issue happen in FGVPM Palong Timur 04 (Now FGVPM Palong Timur 05) and the details is elaborated below:					NO.	ESTATE	LEGAL ACTION	DATE	VALUE OF SUMMON	SUMMON STATUS	1	FGVPM PALONG TIMUR 04 (NOW FGVPM PALONG TIMUR 05)	Claims	19.06.2012	RM61,968.60	Court Appeal	<p>Complied</p>
3.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	There is 1 issue happen in FGVPM Palong Timur 04 (Now FGVPM Palong Timur 05) and the details is elaborated below:																			
NO.	ESTATE	LEGAL ACTION	DATE	VALUE OF SUMMON	SUMMON STATUS																
1	FGVPM PALONG TIMUR 04 (NOW FGVPM PALONG TIMUR 05)	Claims	19.06.2012	RM61,968.60	Court Appeal																

<ul style="list-style-type: none"> • Has the organisation conducted an Internal Audit on the above (a) to (d)? • Has the evidence been submitted for verification? 	<p>FGV has conducted internal audit for 69 out of 71 complexes. However, complete internal audits were not conducted for the remaining two complexes PT Citra Niaga Perkasa (CNP) and PT Temila Agro Abadi (TAA) but planned (FGV planned to conduct these two audits by year 2020).</p> <p>FGV submitted the following evidences of due diligence on uncertified units to support compliance with this requirement:</p> <p>Visit Report to PT CNP and PT TAA in Pontianak, West Kalimantan on 15-17 Jul 2019 as attached:</p> <p align="center"> PT CNP and PT TAA Visit 2019 - Mr Elan</p> <p>Other due diligence documents (Land Use Change Analysis) attached:</p> <p align="center"> PT CNP_FGV_LUCA and Liability_081018</p> <p align="center"> PT TAA_FGV_LUCA and Liability_081818</p>	<p>The requirement for internal audit on the two uncertified units will be followed up at next assessment.</p>
<ul style="list-style-type: none"> • Has a positive assurance statement been produced based on the internal audit and other supporting assessments results? 	<p>FGV submitted the positive assurance statement as attached:</p> <p align="center"> ANNEX 1 SELF DECLARATION - 2019</p>	<p>Complied</p>
<p>(e) Are the evidences provided in 4.5.4 (a)-(d) adequate?</p>	<p>Evidences provided are adequate.</p>	<p>Complied</p>
<p>(f) Are the evidences provided in support of the Positive Assurance statement adequate?</p>	<p>Evidences provided are adequate.</p>	<p>Complied</p>

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<p>(g) Has the targeted stakeholder consultation, including consultation with the relevant NGO's carried out revealed any negative feedback?</p>	<p>Stakeholder comments are recorded in stakeholder consultations report 2017 & 2018. No negative feedback except for the allegation by Chain Reaction.</p>	<p>Subject to further monitoring.</p>
<p>(h) Has desktop study e.g. web check done revealed complaints which were not addressed?</p>	<p>Desktop study found that FGV responded to the complaints.</p>	<p>Complied</p>
<p>(i) Is further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements at the uncertified units, needed to done?</p>	<p>Based on above findings made under part (a) to (h), no further stakeholder consultation or field inspection is considered necessary at the said uncertified units at present.</p> <p>Further stakeholder consultation done on the uncertified units with FGV HQ and responses to NGOs/Complainants were available and evaluated.</p> <p>The progress of monitoring done and information publicly available on the existing issues on the said units are verified to be adequate but need further improvement.</p>	<p>Complied</p>
<p>(j)</p> <ul style="list-style-type: none"> • Is there any non-compliance against a major indicator in the non-certified management unit identified? • Is the identified major NC being actively addressed? • Can the current assessment proceed to a successful conclusion? 	<p>Based on above findings made under part (a) to (j), at the said uncertified units, the existing issues were noted to be actively addressed with progress reports available.</p> <p>Thus, it is verified that the current assessment at this PMU can be proceeded and certification can be successfully concluded after effective closure of findings at the PMU.</p>	<p>Complied</p>
<p>(k)</p> <p>Is there failure to address any outstanding non-compliances within uncertified unit(s) regarding 4.5.4 (a)</p>	<p>There is no evidence to suggest such failure at the uncertified units which may affect the certification of this PMU unit.</p>	<p>Complied</p>



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– (d) which may lead to certificate suspension(s) to the certified unit(s)?		
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Conclusion: FGV complies with the RSPO P&C Certifications Systems (Jun 2017) Clause 4.5 (Minimum requirements for multiple management units) for all its certified and non-certified units.

Intertek had also referred to the RSPO's Complaints website for the tracking of issues and the latest updates available on cases of legitimate complaints which may be filed against the FGV and also FGV's statements of response and actions currently being undertaken to comply with their Sustainability commitments which are indicated in **Appendix E** of the assessment report.

The publicly available updates of announcements on the progress of formal complaints as documented by RSPO and responses made by FGV are continually reviewed by Intertek to ensure that all issues as formally lodged and recorded against the FGV units are duly considered prior to conducting any new or ongoing certification assessments.

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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	NC	Non-Compliance or Non-Conformance
EIA	Environmental Impact Assessment	NGO	Non-Government Organization
FASSB	Felda Agricultural Services Sdn Bhd	OER	Oil Extraction Rate
FELDA	Federal Land Development Authority	OHS	Occupational Health & Safety
FFB	Fresh Fruit Bunch	PEFC	Programme for the Endorsement of Forest Certification
FGVHB	FGV Holdings Berhad	PK	Palm Kernel
FGVPISB	FGV Palm Industries Sdn Bhd	PMU	Plantation Management Unit
FGVPM	FGV Plantations (M) 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 **07 Jun 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 the PMU regarding the environmental, biodiversity, community development and other relevant issues.

From **15-18 Jul 2019**, the Assessment team conducted the Assessment in which all three estates (viz., Selancar 6 estate, Selancar 8 estate and Selancar 9 estate) of the PMU as well as the palm oil mill were assessed for compliance against the RSPO requirements (since sampling is only applicable if there are more than 4 estates in the PMU, all the estates were assessed at every assessment).

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

The 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 Module 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 four months before the annual PalmTrace license / anniversary 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 and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs, local communities, representatives of indigenous people (Orang Asal) and previous land owners / users.

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 at site, included workers, trade union leaders, women representatives; local community leaders, previous land owners / users, representatives of government departments / agencies, NGOs, goods and services 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 – Applicable States of Malaysia (by emails)

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

Statutory Bodies (by emails)

19. Malaysian Palm Oil Board (MPOB) - HQ
20. Malaysian Palm Oil Board (MPOB) – Applicable Region
21. Malaysia Palm Oil Association (MPOA)
22. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
23. National Union of Plantation Workers (NUPW)
24. UNION - AMESU

NGOs and Others, where applicable (by emails)

25. All Women's Action Society (AWAM)
26. Business Council for Sustainable Development in Malaysia (BCSDM)
27. Borneo Child Aid Society (Humana)
28. Borneo Resources Institute Malaysia (BRIMAS)
29. Borneo Rhino Alliance (BORA)
30. Center for Orang Asli / Asal Concerns (COAC)
31. Centre for Environment; Technology and Development; Malaysia (CETDEM)
32. Eco-Knights Malaysia
33. ENO Asia Environment
34. Environmental Protection Society Malaysia (EPSM)
35. Friends of the Earth; Malaysia
36. Global Environment Centre
37. HUTAN – Kinabatangan Orang-utan Conservation Programme
38. International Movement for a Just World (JUST)
39. Land Empowerment and Protection (LEAP)
40. Malaysian CropLife & Public Health Association (MCPA)
41. Malaysian Environmental NGOs - MENGO

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42. Malaysian National Animal Welfare Foundation - MNAWF
43. Malaysian Nature Society Pahang
44. Malaysian Plant Protection Society (MAPPS)
45. National Council of Welfare & Social Development Malaysia (NCWSDM)
46. National Union of Plantation Workers (NUPW)
47. Partners of Community Organisations (PACOS)
48. Pesticide Action Network Asia and the Pacific (PAN AP)
49. Proforest - South East Asia Regional Office
50. Sabah Wetlands Conservation Society (SWCS)
51. Sabah Environmental Protection Association (SEPA)
52. SUARAM - Suara Rakyat Malaysia
53. SUHAKAM - National Human Rights Society
54. Tenaganita Sdn Bhd
55. TRAFFIC - the wildlife trade monitoring network
56. Transparency International - Malaysian Chapter
57. Treat Every Environment Special Sdn Bhd. (TrEES)
58. United Nations Development Programme - UNDP Malaysia
59. Wetlands International (Malaysia)
60. Wild Asia Sdn Bhd
61. World Wide Fund (WWF) – HQ
62. World Wide Fund (WWF) – Sabah (where applicable)

Local community (On-site interviews)

63. Consultative Committee & Gender representatives
64. Workers & Workers representatives
65. Suppliers & Contractors representatives
66. Neighbouring estates representatives
67. Smallholders
68. Village Heads & representatives

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

<p>Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance</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 07/06/2019. No request for information from stakeholders for this PMU.</p>	Complied
<p>1.1.2 Records of requests for information and responses shall be maintained. Major Compliance</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 estates have conducted internal and external stakeholders’ consultation records of stakeholders’ feedback maintained (positive and negative) and management action plans recorded.</p>	Complied
<p>Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance</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"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. • Human Rights Policy. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for</p>	Complied

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	the mill and estates.	
<ul style="list-style-type: none"> Land titles/user rights (Criterion 2.2); 	Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.	Complied
<ul style="list-style-type: none"> Occupational health and safety plans (Criterion 4.7); 	Occupational Safety and Health (OSH) Plan that cover OSH Policy and risk assessment (HIRARC) was documented and implemented for both mill and estates.	Complied
<ul style="list-style-type: none"> Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr1 Issue 1 Rev 0 dated 01/06/2016 for Environmental Aspect and Impact Assessment. Environmental aspect and impact assessment conducted for the POM and estates and its action plan documented and implemented for both mill and estates.</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.</p>	Complied
<ul style="list-style-type: none"> HCV documentation (Criteria 5.2 and 7.3); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr17 Issue 1 Rev 0 dated 01/06/2016 for identification of HCV and Biodiversity.</p> <p>HCV and Biodiversity Assessment conducted on the POM and estates by FGV Sustainability Officer and reviewed. The assessment report stated the following:</p> <p>(a) No significant HCV area found in the PMU.</p> <p>(b) Certain portions of the boundary of the estates are adjacent to forest reserves.</p> <p>(c) Biodiversity areas in the forest reserves with species of wildlife such as deer, wild hen, wild boar, monitor lizard, snake, hedgehog, beaver, squirrel, monkeys and dragonflies.</p> <p>Action Plan documented for biodiversity in all the estates with specific actions to be taken by the Estate Manager / Assistant Manager.</p>	Complied
<ul style="list-style-type: none"> Pollution prevention and reduction plans (Criterion 5.6); 	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).	Complied
<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr13 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 estates with a Complaints and Grievances Form for recording any complaints/ grievances. A Complaint Book ("Buku Aduan") is also maintained in the POM and estates. Logbook entries for the period concerned found to be mainly complaints from employees relating to repairs on housing/quarters. Actions found to be taken to address the complaints and recorded in the Complaints Book.</p>	Complied
<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); 	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.	Complied

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• Continual improvement plans (Criterion 8.1);	The PMU has established and implemented a documented procedure ML-1A/L2-Pr7 Issue 1 Rev 0 dated 01/06/2016 for continual improvement.	Complied
• Public summary of certification assessment report;	Public summary of certification assessment reports were available from the company upon request.	Complied
• Human Rights Policy (Criterion 6.13).	The Group Sustainability Policy for Sustainability FGV/SED/POL/001 Rev 3 dated 29/05/2019 includes the Human Rights Policy. 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 estates.	Complied
Criterion 1.3		
Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	The Group Sustainability Policy for Sustainability FGV/SED/POL/001 Rev 3 dated 29/05/2019 includes its policy on commitment to a Code of Ethical Conduct and Integrity in all operations and transactions. 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 estates.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	<p>A Register of Legal and Other Requirements covering the applicable local and international laws and regulations has been compiled for the mill and estates. A Compliance Checklist is used by the mill and estates 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.</p> <p>There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance. 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.</p> <p>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.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities</p>	



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	<p>(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 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>Licenses and permits (License for Foreign Workers Employment, Workers' Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid.</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>Based on the site observations, interviews and records checking at the POM and estates, the following non-compliance (with evidences) against the relevant legal requirements were found:</p> <p>(1) Employment Act 1955 (Revised 2012), Section 59(1); Every employee shall be allowed in each week a rest day of one whole day as may be determined from time to time by the employer, and where an employee is allowed more than one rest day in a week the last of such rest days shall be the rest day for the purposes of this Part.</p> <p>Location: Selancar 2B POM</p> <p>Based on document review, it was noted the following:</p> <ul style="list-style-type: none">a) 4 out of 10 workers sampled work continuously for 8 days in June 2019;b) 2 out of 10 workers sampled work continuously for 10 days in June 2019;c) 1 out of 10 workers sampled work continuously for 11 days in June 2019;d) 1 out of 10 workers sampled work continuously for 12 days in June 2019;e) 1 out of 10 workers sampled work continuously for 8 days in January 2019;f) 2 out of 10 workers sampled work continuously for 9 days in January 2019;g) 2 out of 10 workers sampled work continuously for 12 days in January 2019;h) 1 out of 10 workers sampled work continuously for 13 days in January 2019. <p>Location: Selancar 6 Estate</p> <p>Based on document review, it was noted the following:</p> <ul style="list-style-type: none">a) 1 out of 10 workers sampled work continuously for 12 days in July 2018;b) 1 out of 10 workers sampled work continuously for 13 days in June 2019; <p>Location: Selancar 8 Estate</p>	<p>Major NC# CRJ-01</p>
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	<p>a) The payslip of Worker: FW 06180547 did not meet the minimum wage (RM1,100) on May 2019 with the amount of RM 802.66 and total number of day-worked of 23 out of 24 days offered;</p> <p>b) The payslip of Worker: FW 061459 did not meet the minimum wage (RM1,000) on June 2018 with the amount of 818.93 and total number of day-worked of 23 out of 23 days offered;</p> <p>c) The payslip of Worker: FW 06180481 did not meet the minimum wage (RM1,000) on June 2018 with the amount of 818.93 and total number of day-worked of 23 out of 23 days offered.</p> <p>Location: Mill Based on document review, it was noted workers' payslip include "Bayaran Insentif Project" of RM120 was paid to the worker. However, the amount was not included in the calculation for over-time or there is no evident that the mill has request a waiver from the Labour Office.</p> <p>Location: Selancar 6, 8 & 9 Estate Based on document review, it was noted workers working continuously without a rest day. There is a possibility of the workers working in excess of 72 hours per week.</p>	<p>OBS # CRJ-01</p> <p>OBS # CRJ-02</p>
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 for identifying, determining, reviewing and updating applicable legal and other requirements.</p> <p>It included the listing of laws and regulations that were being monitored for changes.</p>	<p>Complied</p>
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</p>	<p>Monitoring mechanism was done through a yearly evaluation check against the items in the Legal Register. The POM and the estates have carried out the evaluation checks.</p> <p>The POM, Selancar 6 estate, Selancar 8 estate and Selancar 9 estate have conducted their internal audits on 13&14/05/2019, 15&16/05/2019, 13&14/05/2019 and 15&16/05/2019 respectively, for determining compliance of its operations with RSPO requirements and legal requirements. Records were maintained.</p> <p>The number of NCs raised from the internal audits on the POM, Selancar 6 estate, Selancar 8 estate and Selancar 9 estate were 15, 28, 35 and 27 respectively. Corrective actions have been taken.</p> <p>The POM, Selancar 6 estate, Selancar 8 estate and Selancar 9 estate have conducted their management reviews on 16/05/2019, 17/06/2019, 23/05/2019 and 25/06/2019 respectively.</p>	<p>Complied</p>
<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>Tracking of changes in the relevant laws are communicated and received from HQ. Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 and documented monitoring flowchart "Sistem Semakan Perubahan Undang-undang".</p>	<p>Complied</p>

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	The Legal Requirements Register was verified to be reviewed for any relevant updates for the POM, Selancar 6 estate, Selancar 8 estate and Selancar 9 estate on 02/01/2019, 02/01/2019, 05/01/2019 and 05/01/2019 respectively.	
Criterion 2.2		
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.		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.</p> <p>Major Compliance</p>	<p>Copies of the land titles of the mill and estates were maintained and found to be in proper order.</p> <p>Selancar 6 estate with a total of 18 land titles for a total size of 3549.64 ha. Lease period of 99 years with expiry on 25 Aug 2097 granted by the Pahang State Government to Felda for the cultivation of oil palm.</p> <p>Selancar 8 estate with a total of 10 land titles for a total size of 1750.89 ha. Lease period of 99 years with expiry on 25 Aug 2097 granted by the Pahang State Government to Felda for the cultivation of oil palm.</p> <p>Selancar 9 estate with a total of 21 land titles for a total size of 8327.57 ha. Lease period of 99 years with expiry on 25 Aug 2097 granted by the Pahang State Government to Felda for the cultivation of oil palm.</p> <p>Records are available to show that the land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p> <p>The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for cultivation of oil palm and agricultural use.</p>	Complied
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</p>	<p>Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estates.</p> <p>On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.</p>	Complied
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>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. (b) Resolution plan and compensation. (c) Compliance and boundary stone demarcation.</p> <p>There is currently no land dispute in the PMU.</p>	Complied
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major Compliance</p>	There is currently no land dispute in the PMU.	Complied
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out</p>	No land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of	Not Applicable



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<p>in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance</p>	<p>implementation.</p>	
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance</p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Complied</p>
<p>Criterion 2.3 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>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance</p>	<p>Land titles for POM land and estates lands verified to be in order. The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required. Corrective action for the previous assessment (2018) Major NC# SH-01 found to be effectively implemented.</p>	<p>Complied</p>
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: 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. Minor Compliance</p>	<p>The lands were leased for 99 years with the right to develop it for oil palm plantations. Lease expiry on 25 Aug 2097. Records are available to show that the land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<p>2.3.3 All relevant information shall</p>	<p>No cases of land claims in this PMU.</p>	<p>Not Applicable</p>

be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	As such this process is not applicable for verification.	
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	This process is not applicable during current assessment.	Not Applicable

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

Criterion 3.1

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

Indicators	Findings and Objective Evidence	Compliance
3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	<p>Palm Oil Mill has documented a 3 years' (2019, 2020 and 2021) Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour & services, cost of supplies and equipment, depreciation costs, salary costs, management costs, cost of materials, etc.). <p>The estates have documented a 3 years' (2018, 2019 and 2020) Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Replanting program (planting materials are DxP seedling and cloned seedling); (2) Crop projection = FFB yield/ha trends; (3) Cost of Production = Cost/MT FFB trends; (4) Forecast prices; (5) Financial indicators = Cost of labour, cost of facilities, cost of materials, etc.). <p>Crop and operation budget cover weeding, manuring, harvesting, collection and transporting, pruning, drains and roads.</p> <p>The budgets also include provisions for sustainability efforts and improvement programmes (environmental aspects on road maintenance, domestic waste collection, maintenance of buffer zones).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these</p>	Complied

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	meetings were available and verified during the audit. Monthly, quarterly, half-yearly and yearly reports are submitted to the GM of Zone/Wilayah.	
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	Replanting Program over the next 5 years (2019 to 2023) available for all the estates. Replanting planned for year 2020 for Block PM00E (207.17 ha) in Selancar 8 estate. No replanting for the other estates.	Complied

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

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	<p>The POM has documented the following SOPs:</p> <ol style="list-style-type: none"> 1. Palm Oil Mill Operation Manual. 2. Laboratory Operation Manual. 3. Quality, Occupational Health & Safety and Environmental (QOHSE) Manual and Procedures of Palm Oil Mill. 4. Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 3.0 Rev 3.0 (Effective 11/06/2018) SOP for Mill RSPO Supply Chain Certification System using the Mass Balance (MB) Model. <p>There is evidence that SOPs that established cover all the process in the POM after the auditor counter check the sample SOPs.</p> <p>During the audit, there is evidence that the SOPS is available at every work station for reference to all the workers and base on the interview there is evidence that all the workers has been adequately trained and understand the job that has been assigned to them.</p> <p>SOP for estate operations and Sustainability are well documented and available in place. 'Manual Prosedur Pensijilan RSPO Kategori Ladang FGVPM' prepared by Mr. Anthonius Sani (Pengurus Kanan Unit Certification & Due Diligence) reviewed by Mr. Norazam Abdul Hameed (Ketua Unit Certification & Due Diligence) and approved by YM Raja Dato' Zamalia Raja Dato' Seri Mansur (Ketua Jabatan SED Sustainability & Environment Department) outline 25 SOP for sustainable practice.</p> <p>The estate has the following SOPs:</p> <ol style="list-style-type: none"> 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 & diseases control. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators. 2. SOP for riparian zone management with specified buffer zones. 	Complied

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<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit. The PMU had also conducted an internal audit on 13 until 17 of May 2019 for POM and estates, for determining compliance of its operations with RSPO requirements and legal requirements. Internal Audit Report sighted.</p>	<p>Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory. Daily Muster Chits were available at estates and actual field activities were verified during on-site field inspection. Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster Chits.</p> <p><u>Mill</u> FGVPISB has established mechanism to monitor the implementation of their procedure by Regional General Manager Visit and Internal Audit for sustainability certification. The mill maintains all records of monitoring and action taken from the visit/audit report and the document are available for review. The internal audit report has been discussed during Management Review Meeting.</p> <p><u>FGV Selancar 6 Estate</u> The estate maintains all records of visit and monitoring from Plantation Advisor, Regional General Manager, Agronomist and Internal Audit. The report available for review.</p> <p><u>FGV Selancar 8 Estate</u> The estate maintains all records of visit and monitoring from Regional General Manager, Agronomist and Internal Audit. The report available for review.</p> <p><u>FGV Selancar 9 Estate</u> The estate maintains all records of visit and monitoring from Regional General Manager, Agronomist and Internal Audit. The report available for review.</p>	<p>Complied</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>There is SOP for receiving outside crop has been established as documented in Doc No FGV/FGVPM/II/QOHSE/15/012.1: Purchasing of FFB (Revision date: 31.05.2017). FGVP has established a system, Mill Performance Report (MPR) to differentiate certified FFB and uncertified FFB based on its supplier, and it had been verified to be satisfactory. It had been verified from the records that the mill received FFB from estates of the PMU and outside crops from OCPs.</p>	<p>Complied</p>
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil</p>	<p>GAP for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per the recommendation provided by the Agronomist from FGV Agri Services Sdn. Bhd. These had been verified through the records for fertilizer application and observation during field visit. Evidences</p>	<p>Complied</p>

<p>fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>provided were verified as following good agricultural practices. Soil sampling and leaf sampling records provided guide for the fertilizer application and fertilizer recommendations had been properly followed at estate levels. Noted that proper herbicide spraying had also been done.</p>	
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Records of fertilizer application at the estates were maintained and verified to be satisfactory.</p>	<p style="text-align: center;">Complied</p>
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p>	<p>Leaf sampling and analysis had been carried out annually 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. Records of the sampling and analysis had been verified to be satisfactory.</p>	<p style="text-align: center;">Complied</p>
<p>4.2.4 A nutrient recycling strategy shall be in place and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance</p>	<p>EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms. EFB were spread in one row layer. EFB mulching records verified to be satisfactory. There was no land application of POME at the estates in the PMU. Effluent water discharged at the final discharge point after analysis for compliance with regulatory limits (see also 4.4.3).</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p>	<p>Based on the soil maps and field visit verification, there was no fragile soil or marginal soil existence on the estates. Soil types in the estates are as follows:</p> <p><u>FGV Selancar 6 Estate</u> Bungor, Bungor Lateritic, Serdang, Melacca, Kedah, Cat, Colluvium, Tok Yong, Renggam, Durian Laterit, Jeram, Harimau and Lathing series.</p> <p><u>FGV Selancar 8 Estate</u> Renggam, Temiang, Colivium, Harimau, Tok Yong and Beserah series.</p> <p><u>FGV Selancar 9 Estate</u> Renggam, Alluvium, Local Alluvium, Beserah, Telemong and Colluvium series.</p>	<p style="text-align: center;">Complied</p>
<p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p>	<p>Planting terraces constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estates. 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. There was no soil erosion noted during the visit. Leguminous cover crop, <i>macuna bracteata</i> was well established.</p>	<p style="text-align: center;">Complied</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>The main roads leading to the estates are maintained by the Public Works Department (Government Department). Estate roads were maintained in good and satisfactory condition. Road maintenance program verified to be established and</p>	<p style="text-align: center;">Complied</p>

	implemented as seen in the records.	
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	It was confirmed during assessment on site that there is no peat soil on the estates.	Complied
<p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p>	It was confirmed during assessment on site that there is no peat soil in the estates.	Complied
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on these estates.	Complied
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented water management plan verified to be in place for the palm oil mill and estates. Rainfall data monitored as part of the water management plan.</p> <p>The water supply for domestic use to staff and workers' housing is piped water from the government water treatment plant operated by the water utility company, Jabatan Air Pahang. The treated water supply complies with the Ministry of Health Specification for Drinking Water, which include the requirement of 0 in 100 ml for E.Coli.</p>	Complied
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance</p>	<p>Buffer zones had been maintained on both sides of streams in the estates as verified during on-site field inspection. Appropriate signages were placed with demarcation of buffer zone area.</p> <p>No evidence of spraying around palms marked as boundary for the buffer zones. Workers are aware of the non-usage of chemicals within the buffer zone,</p> <p>There was no construction of bunds/ weirs/dams across the streams or waterways passing through the estates.</p>	Complied
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>Water samples were taken at weekly interval at the final discharge point of the palm oil mill effluent pond. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammonia Nitrogen and Total Nitrogen. Analysis results submitted on a monthly basis to DOE, Rompin Branch. The results meet DOE requirements.</p> <p>BOD levels had been in the range of 51 to 92 ppm for the period July 2018 to June 2019. The current allowable upper limit specified by D.O.E (Pahang State) is < 100 ppm.</p>	Complied
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB)</p>	Water usage in the mill from Jan-Dec 2018 ranged from 1.51 to 1.82 m ³ /mt FFB with an average usage of 1.80 m ³ /mt FFB. The	Complied

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(see Criterion 5.6) shall be monitored. Minor Compliance	level of water usage is higher than the industrial norm of 1.2 - 1.5 m ³ /mt FFB.	
Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
Indicators	Findings and Objective Evidence	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	<p>Pengurusan Makhluk Perosak Bersepadu (IPM) No. Document: FGV/ML-1A/L2-Pr3 No. Isu: 1 effective dated 01/06/2016 showing IPM to be implemented in estate operational activity.</p> <ol style="list-style-type: none"> 1. IPM has been implemented in the estate. Example IPM implemented in the estate: 1. Planting of beneficial plant 2. Establishing of Barn owl boxes <p>Census conducted is documented in Program Tahunan IPM for:</p> <ol style="list-style-type: none"> 1. Rat damage census 2. Rat bait application 3. Planting of beneficial plant <p>These records for all the three estates can be further enhanced by summarizing all the census records (rat census, Ganoderma census, beneficial plant census, barn owl census, etc.) at estate level as now the records only available at planting field level.</p>	Obs # MAS-01
4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	All estate carried training for the barn owl boxes census workers and general workers that plant the beneficial plant along the roadside for both estate by the assistant manager. The training has been carried out by the assistant manager base on the procedure of Kawalan Perosak that has been establish by the company.	Complied
Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.		
Indicators	Findings and Objective Evidence	Compliance
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	<p>Justification of the pesticide usage is documented in MSL (Ed.3)-Sec.4 (2.0), dated September 2017, Lampiran 1: Panduan Racun Mengikut Jenis Rumpai.</p> <p>Method of application: Knapsack spray / CDA Spray</p> <p>Total of 9 types of pesticides listed in the estate chemical register such as:</p> <ol style="list-style-type: none"> 1. Glyphosate isopropyl amine – Roundup 2. Metsulfuron methyl – Juru 3. Tricopyrbutoxy ethyl ester – Garlon 4. Glufosinate ammonium – Basta 15 5. Chlorophacinone - Butik Super <p>Approved list of pesticides sighted in memo from MPOA dated 29th January 2008 to all registered members of MPOA branches circular 32/2007 signed by Dato` Mamat Salleh. Total 132 of herbicides and 49 pesticides have been listed.</p>	Complied
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	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 all the estates.	Complied

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<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.</p> <p>Major Compliance</p>	<p>It had been the policy of the estates 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 estates for the period concerned.</p>	<p>Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>Minor Compliance</p>	<p>FGV has issued letter or memo, referred (27)010810/HQ/JAB.OP.17/Plantations/AM dated 8 May 2017 under Title: Prohibition on Using Paraquat Dichloride. This letter or memo to all FGV plantation to ensure zero usage of Paraquat start from this letter issue approved by Suhaidi Hamzah (Executive Director).</p> <p>This PMU had ceased the usage of paraquat after end of year 2016.</p> <p>Alternatives such as Round up (Glyphosate isopropylamine), Juru (Metsulfuron methyl), and Garlon (Triclopyrbutoxy ethyl ester) had been used to replace paraquat.</p> <p>First Aid Kits found to be available during pesticides spraying in the fields (4th Schedule).</p> <p>Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	<p>Complied</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>Major Compliance</p>	<p>All pesticide operators (including the contractor's workers) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Programme 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 workers performing spraying and manuring activities at the estates confirmed that they understood the chemical hazards relating to pesticides.</p> <p>All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.</p> <p>Portable warning signboards noted to be displayed at areas of spraying activity (5th Schedule).</p> <p>Appropriate safety and application equipment (safety boots, rubber boots, safety helmets, cartridge masks, safety goggles, gloves and apron) have been provided and used by the pesticides operators.</p> <p>First Aid Kits found to be available (as per 4th Schedule) at the field blocks during pesticides spraying in the fields. The contents and usage were satisfactorily recorded.</p> <p>The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE. The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area.</p>	<p>Complied</p>

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<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash are available near the pesticides store in case of accidents and tested to be functional. Safety Data Sheets (SDS) are available in the store. The SDS 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>Complied</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.</p>	<p>Complied</p>
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is the policy of the company not to carry out any aerial application of pesticides. This policy has been followed by the operating units. From the record application is none and also from the interview with workers and management also been confirmed.</p>	<p>Complied</p>
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>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 (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	<p>Complied</p>
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor. The scheduled wastes from the estates are sent to the POM for disposal. Empty pesticide containers are triple rinsed and pierced for disposal as scheduled waste. Records of scheduled waste collection at 180 days interval verified to be satisfactory.</p>	<p>Complied</p>
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>CHRA were carried out for all the estates in Sep 2016 and the reports are valid till year 2021. It was verified that the CHRA recommendations has been satisfactorily followed. Workers used for pesticides spraying verified as follows: (1) At Selancar 6 Estate - own workers and contractor's workers used for pesticides spraying. (2) At Selancar 8 Estate - own sprayers only and no contractor's workers used for pesticides spraying. (3) At Selancar 9 Estate - own sprayers only and no contractor's workers used for pesticides spraying.</p>	<p>Complied</p>

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	<p>Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 carried out for all pesticide operators.</p> <p>Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical doctor. The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition is unfit for work with pesticides. No such cases in the PMU as at the date of assessment.</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>	
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Pesticide operators in the estates 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
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	<p>Occupational Safety and Health (OSH) Plan in compliance with OSH Act and Factory & Machinery Act 1967 was documented and implemented for the POM and estates.</p> <p>Safety and Health Policy dated sign 1 April 2016 by Dato' Zakaria Arshad (Presiden Kumpulan/Ketua Pegawai Eksekutif) and under Felda Global Venture Policy safety and health dated 1 Feb 2017 by Suhaidi Hamzah (Chief Executive Officer) FGV Plantations (M) Sdn Bhd found to be clearly displayed at prominent locations in the PMU.</p> <p>Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Regional Safety & Health Officer is in charge of safety and health planning, operation and coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p> <p>The OSH Plan for year 2018 include the establishment and implementation of CHRA, medical surveillance, Fire Drill training, First Aid training, Audiometric test, PPE training.</p> <p>CHRA for the POM conducted by NIOSH with report dated 22/11/2015.</p> <p>The POM is certified by SIRIM for its Quality, Environment and Safety & Health Management Systems.</p> <p>POM has conducted the Emergency Preparedness (ERP).</p> <p>Safety Committee meetings held quarterly.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	Complied
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the</p>	<p>Risk assessment (HIRARC) carried out on 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>There was an assessment of noise levels in the POM conducted</p>	



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<p>workers. Major Compliance</p>	<p>by an external qualified consultant. The report dated on 01 Apr 2018 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>Mill management have taken steps to reduce the noise levels by 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 all 54 mill staff and workers on 29 Dec 2017. The audiometric reports of 3 employees indicated as having mild to moderate hearing impairment and audiometric re-test carried out within six months. The OSHA Doctor submitted the audiometric report and JKPP 7 to JKPP Putrajaya and Pahang. The audiometric re-test report stated that there is no noise induced hearing loss (NIHL) and recommendation to reduce noise exposure for these workers. The Doctor will only refer worker with Induced Hearing Loss to SOCSO for benefits in accordance with the regulations.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained.</p> <p>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>“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>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. An audit for determining compliance with the minimum standards had been conducted on all types of PPE used. Records of checking for compliance on the usage PPE were maintained.</p> <p>Associated training provided to address safety and health issues. 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>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 were 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 visits. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year.</p> <p>The Regional Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps. Verified that additional HIRARC reviews also made by the Safety & Health team upon occurrence of incidences or accidents.</p>	
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	<p>The Organization has established the Chemical Handling Procedure (FGVPM/L3/PK-04, Issue 1, Rev. 0, dated 01/04/2014).</p> <p>However, at FGV Selancar 8 estate, it was found that:</p> <ol style="list-style-type: none"> 1. Chemical mixing was done at the field, on the undulating area, without proper secondary containment. 2. The chemical was transferred into another chemical container without proper label. 	<p>Major NC # MAS-01</p>
<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Major Compliance</p>	<p>Training program for year 2018 includes appropriate trainings on safe working practices for all categories of workers:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels - workers working in confined space, - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as fire-fighting and fire drill, electrical safety, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding SDS and first aid training. The above trainings were conducted, and records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p> <p>Appropriate PPE (safety helmets, gloves, etc.) had been provided to FFB harvesters and loaders at the place of work to cover all potentially hazardous operations.</p>	<p>Complied</p>
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>Major Compliance</p>	<p>The responsible person (usually the Mandore or Headman) had been identified.</p> <p>Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p>	<p>Complied</p>
<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Minor Compliance</p>	<p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations.</p> <p>First Aid Kits were available at worksites.</p> <p>Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Review on accident cases had been carried out during meetings of Safety & Health Committee.</p>	<p>Complied</p>
<p>4.7.6 All workers shall be provided with medical care and covered by accident</p>	<p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with</p>	<p>Complied</p>

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insurance. Minor Compliance	insurance companies such as AXA Affin General Insurance Bhd.	
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.	Complied
Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	Training on RSPO P&C and RSPO Supply Chain were conducted on 16/05/2019. Interviews confirmed the satisfactory level of understanding on the requirements. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.	Complied
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee, including new employees were maintained.	Complied

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

Criteria 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance	The Environmental Aspect and Impacts Assessment were conducted and documented for the mill and estates. The assessment documents for the POM, Selancar 6 estate, Selancar 8 estate and Selancar 9 estate were reviewed on 20/05/2019, 04/01/2019, 18/02/2019 and 15/05/2019 respectively.	Complied
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	The POM has not put in place a complete Environmental Management Plan. Furthermore, the POM did not determine the action plans for the significant environmental aspects and impacts. Location: Selancar 2B POM Elements of the Environmental Management Plan are available but have not been compiled together. For the estates, the environmental aspects and impacts have been identified. Environmental Management and Monitoring Plans have been established and implemented. The plans had included the aspects and impacts identified from field activities that include replanting (where applicable), road construction & maintenance, fertilizing, spraying, rat baiting, transportation of FFB and domestic/household waste & scheduled waste disposal. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as reuse of chemical containers	Minor NC # OCL-01

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	<p>for pre-mixing, recycling of used chemical containers, reuse of fertilizer bags for loose fruits collection, no spraying within buffer zones, scheduled wastes collection & disposal, together with other conservation activities applicable to the PMU.</p> <p>The plans were sufficiently comprehensive and persons responsible, i.e. the respective Estate Managers, Assistant Managers and Supervisors were identified.</p>	
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance</p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans were reviewed on an annual basis.</p> <p>The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as recycling of the EFB into the plantation for mulching purposes, proper demarcation of buffer zone and clearing of overgrown natural vegetation and debris along the streams, recycling of fertiliser bags to reduce waste and pollution.</p> <p>Natural stream running across Selancar 9 estate found to be with demarcation on the extent of the riparian zone.</p> <p>SOP No. FGV/FGVPM/PAS/L3/01-00 Rev 0 dated 15/10/2018 specifies water sampling and analysis twice per annum.</p> <p>Water sampling carried out at the identified upstream, mid and downstream locations on 23/07/2019. Results of the water analysis for various parameters (pH, BOD, COD, Total Solids, Suspended Solids, Ammoniacal Nitrogen) were in compliance with the requirements for the Standard for River Water Quality. BOD level is at 13 ppm.</p> <p>Corrective action for the previous assessment (2018) Minor NC# SH-01 found to be effectively implemented.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance</p>	<p>Biodiversity (HCV) assessment was conducted by FGV Sustainability Department and documented in reports for POM, Selancar 6 estate, Selancar 8 estate and Selancar 9 estate dated 10/05/2019, 15/09/2017, 06/06/2019 and 09/03/2017 respectively.</p> <p>The assessment was done in consultations with interested stakeholders such as Jabatan Perhutanan, Jabatan Perhilitan, Jabatan Alam Sekitar, Felda Officer, Felda settlers and also the local communities.</p> <p>The assessment has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> <p>Visits to site confirmed that the following landscape: Selancar 6 estate is surrounded by oil palm estates and a small patch of forested area outside their boundary. There is a pond (0.6 ha) located behind the estate office, which is left as a conservation area and not used for any other purpose. A signboard prohibiting any hunting, fishing and water polluting activities found to have been erected and satisfactorily maintained.</p>	<p style="text-align: center;">Complied</p>

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	<p>Selancar 8 estate is surrounded by oil palm estates and borders a forest reserve, Hutan Simpan Labis at the south east and south west boundary of the estate.</p> <p>The Sungai Pukin flows outside the boundaries of Selancar 6 and Selancar 8 estate.</p> <p>Selancar 9 estate borders the forest reserves, Hutan Simpan Lesung and Hutan Simpan Pukin, along its eastern boundary.</p> <p>Although there is no HCV area reported inside these three estates, conservation areas / environmentally sensitive areas had been identified and being monitored.</p> <p>POM has no conservation areas / environmentally sensitive areas.</p> <p>The environmentally sensitive areas were inspected on site. Boundaries bordering the forest reserves were well demarcated with trenches and electrical fencing to deter wildlife from straying into the estates and are still in good condition and effective.</p>	
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance</p>	<p>There is no presence of HCV habitats or rare, threatened or endangered (RTE) species that could be affected by the estates or mill operations.</p> <p>Appropriate measures have been taken to monitor and control any illegal or inappropriate hunting, fishing or collecting activities within the PMU.</p> <p>Action plan to maintain or enhance the presence of RTE or HCV areas were implemented.</p> <p>Signages that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited and found to have been satisfactorily maintained.</p>	Complied
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance</p>	<p>The program to regularly educate the workforce and community about the status of these RTE species has been established with ongoing consultation with the relevant authorities at all the estates and disseminated to all in the estate community.</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 and signages erected around the affected areas which prohibit such activities.</p> <p>Training on RTE was conducted with the participation of “Jabatan Perhilitan” (Wildlife Department) for the staff and workers at Selancar 6 estate, Selancar 8 estate and Selancar 9 estate on 09/07/2019, 14/04/2019 and 09/08/2018 respectively. Interview with staff and workers showed that they understood and gained more knowledge, especially at Selancar 9 estate, where the eastern boundary of the estate borders the forest reserves.</p>	Complied
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. Minor Compliance</p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate Managers.</p> <p>There are no HCV or RTE inside the estates, as reported in the Biodiversity (HCV) Assessment conducted by FGV Sustainability Department. Verification was also made during on-site assessment and found to be satisfactory.</p> <p>The overall management plan on the status of HCV/RTE of the estates were collated, reviewed and monitored by the sustainability team.</p> <p>Regular patrols within the POM and estates were carried out</p>	

	<p>and findings recorded by the respective POM / Estate Executives to monitor the status of conservation / buffer zone areas and RTE species. Findings (e.g. wildlife sighting or evidence of any encroachment) recorded by the respective POM / Estate Executives.</p> <p>Following sightings reported for the period Jun 2018 to date as follows:</p> <ol style="list-style-type: none"> 1. Monitor lizard, kingfisher, crane and squirrel in POM area. 2. Wild boar, monkey, snake, wild hen, monitor lizard and porcupine reported in Selancar 6 estate. 3. Wild boar, monkey, snake, wild hen and porcupine reported in Selancar 8 estate. 4. Elephant, tiger, wild boar, monkey and snake reported in Selancar 9 estate. <p>No encroachment or illegal activities reported.</p> <p>The POM did not include the pond constructed and used for storing water pumped from Sungai Pukin for mill processing operation in the HCV Assessment Report and Management Plan.</p> <p>Location: Selancar 2B POM HCV Assessment Report dated 10/05/2019.</p>	<p align="center">Minor NC # OCL-02</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance</p>	<p>It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates audited. Thus, negotiated agreement of such nature is not applicable.</p>	<p align="center">Complied</p>
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented. Major Compliance</p>	<p>The POM and estates have identified and documented the waste products and sources of pollution in their respective documented Waste Management Plans.</p> <p>However, identification of scheduled waste (SW) items at the estates was not complete.</p> <p>Location: Selancar 6 estate, Selancar 8 estate, Selancar 9 estate</p> <p>It was found that the estates did not identify used PPE (apron, nitrile glove, N-95 respirators, half-mask respirators, respirator cartridges) as Scheduled Waste “SW 409” as per Environmental Quality (Scheduled Wastes) Regulations, 2005.</p> <p>The documentation and identification of all the waste products; viz; scheduled waste, domestic waste, recyclable wastes (such as metal, plastic, paper), mill wastes (EFB, POME, boiler ash, shell and fiber).</p> <p>Scheduled waste identified included spent lubricant oil (SW 305), spent hydraulic oil (SW 306), used chemical containers / drums (SW 409), used filters (SW 410) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p>	<p align="center">Major NC # MAS-01</p>
<p>5.3.2 All chemicals and their containers shall be disposed of</p>	<p>The POM has a proper Scheduled Waste Store for storing</p>	<p align="center">Complied</p>

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<p>responsibly. Major Compliance</p>	<p>scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>The POM maintained an Inventory of Scheduled Wastes in accordance with the 5th Schedule (Regulation 11) of the Environmental Quality Act 1974 Environmental Quality (Scheduled wastes) Regulations 2005.</p> <p>Disposal of scheduled wastes was done in accordance with the regulatory requirement by a scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Latest disposal was on 16/07/2019 by Kualiti Alam Sdn Bhd as evidenced by Consignment Note for Scheduled Wastes No: 70715-005.</p>	
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance</p>	<p>The waste management and disposal plan has been documented and implemented at the POM and estate.</p> <p>At the POM, segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory.</p> <p>The disposal of scheduled waste was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management of EFB application plans and progress reports were verified to be satisfactory.</p> <p>Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory in the mill and estates.</p> <p>Proper storage areas, i.e. stores, were identified for the storage of the recyclable wastes. 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>For the POM, household waste is collected twice a week by a contractor and disposed off at a landfill within the POM area.</p> <p>Sanitary landfills used for the disposal of household waste at all the estates. Visits to landfills (located at PM00D Selancar 6 estate, PM00E Selancar 8 estate and PM00E Selancar 9 estate) showed that the management of the areas were satisfactorily implemented. Collection of household waste at the estates done 3 times per week.</p> <p>The landfill areas are located far away from the village, line site and water sources.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>	<p>Complied</p>
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources at POM 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>Apart from use of diesel for electricity, palm fiber was also used to generate electricity at the POM through steam turbine and boiler. The shell is sold as by-product to other agencies/clients, whereas the EFB is used for mulching at the estates.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm products at the POM were available.</p>	

	<p>It was verified that energy (diesel and electricity) usage is being monitored at the POM and estates (except for Selancar 6 estate where an observation was raised) for control and comparison of trends. Diesel usage monitored include that of contractors.</p> <p>Observation raised: Location: Selancar 6 Estate</p> <p>Although the estate has collected data for the diesel and electricity consumption per MT FFB produced but did not analyze the trend for energy efficiency over the years.</p>	<p align="right">Obs # OCL-01</p>
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Major Compliance</p>	<p>Both the POM and estates had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p> <p>Field inspections made at estates showed no evidence of open burning.</p>	<p align="center">Complied</p>
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Minor Compliance</p>	<p>There were no replanting activities carried out in the estates during the current assessment. Last replanting was in year 2017 at Selancar 6 estate.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on site field assessment.</p>	<p align="center">Complied</p>
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). Major Compliance</p>	<p>The POM and estates had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land.</p> <p>Assessment of all polluting activities such as gaseous / particulate emissions and effluent was conducted and documented.</p>	<p align="center">Complied</p>
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified and plans to reduce or minimise them implemented. Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done. e.g. POME, diesel / fuel and fertilizer. Their usage had been recorded and documented at both the POM and estates.</p> <p>Plan to reduce and minimise the emissions were implemented whereby regular testing and data collection being carried out in accordance to the requirement of the Department of Environment.</p>	<p align="center">Complied</p>
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Monitoring of mill gas emissions is being done online using the</p>	<p align="center">Complied</p>

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<p>appropriate tools. Minor Compliance</p>	<p>Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart.</p> <p>Also, there is isokinetic stack sampling carried out twice a year to determine the particulate emission as part of a requirement as per the Environmental Quality (Clean Air) regulations (Malaysian Clean Air Regulation 2014). Report showed evidence that the emission of 0.324 g/Nm³ (corrected to 12% CO₂) is within the DOE standard permissible limits of 0.4 g/Nm³ for solid fuelled boiler. The latest test on emission was conducted on 29/06/2019 by Mareff Management Sdn Bhd.</p> <p>POME treatment and land application were monitored and adhered to DOE regulations.</p> <p>At the final discharge point, water samples were taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements. Records were maintained and BOD levels had been in the range of 51 to 92 ppm for the period Jul 2018 to Jun 2019. The current permissible regulatory limit specified by D.O.E (Pahang State) is < 100 ppm.</p> <p>Online Environmental Reporting (OER) to the Department of Environment was also conducted every month and the records documented and made available during audit. The report contained information such as data on the production and discharge of effluent, release of black smoke, Scheduled Waste inventory and disposal of the EFB to the estates.</p> <p>The PMU had implemented the RSPO PalmGHG tool (ver. 3.0.1) and submitted the PalmGHG Summary Report to RSPO Secretariat.</p>	
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Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

Criterion 6.1

Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>The mill has conducted a Social Impact Assessment (SIA) on 11 June 2014 and reviewed by Mr. Zul Azri Bin Razali.</p> <p>The method of assessment is included in the SIA report including sampling method used.</p> <p>Subsequently, another SIA was conducted on 15 May 2019 by Mr. Hilmie Zaifruetz Bakhari together with stakeholder consultation which was conducted on 14-15 May 2019.</p> <p>Based on the SIA review, the SIA covers:</p> <ol style="list-style-type: none"> 1. Economic livelihoods; 2. Health and education facilities. <p>The SIA were also conducted for the estate. Based on the sample estates reviewed are:</p> <p>Estate Selancar 6; which was conducted on 13 May 2019 by Mr. Hilmie Zaifruetz Bakhari and the previous SIA was conducted on 14 February 2017 by Nur Hazwani / Barath Munasamy.</p> <p>Estate Selance 8; which was conducted on 16 May 2019 by Mr. Hilmie Zaifruetz Bakhari together with stakeholder consultation</p>	<p>Complied</p>

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	<p>which was conducted on 16 May 2019 and the previous SIA was conducted on 5 May 2018 by Mr. Muhamad Shafiq Ariffin b. Muhd Ariff/Mohd Yusuf Salbani.</p> <p>Upon further review, the SIA covers:</p> <ol style="list-style-type: none"> 1. Economic livelihoods; 2. Health and education facilities; 3. Cooperation with government agencies; 4. Vendors; <p style="padding-left: 40px;">Worker welfare.</p> <p>The personnel involved in the SIA assessment is from the FGV Holding Bhd's Compliance Head Office.</p>	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>The assessment was done with the affected parties. Documented participant lists and photographs of the meeting was provided for review. The participants include internal and external parties. The participants include representatives of workers, contractors, local community leaders and government agencies.</p> <p>Master-list of stakeholders 2019 is maintained and updated by the PMU. It was further verified during the site tour and confirmed by village head, teachers and workers that consultation was conducted by the PMU during the consultation with stakeholders during the assessment on 18 July 2019.</p>	<p style="text-align: center;">Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>The SIA report reviewed implementation and monitoring plan for 2019 was last reviewed on 14-16 May 2019 for mills and estates reviewed.</p> <p>The assessment covers:</p> <ol style="list-style-type: none"> 1. Economic livelihoods; 2. Health and education facilities; 3. Cooperation with government agencies; 4. Vendors; <p style="padding-left: 40px;">Worker welfare.</p> <p>The feedback and comments from the stakeholders meeting were recorded and actions needed were taken into account during the review of the SIA.</p> <p>To further improved on the process in place, the PMU has established Procedure FGV/ML-1A/L2-Pr21, Rev 0; Penilaian Impak Sosial (SIA) which provide the necessary requirements and processes to conduct SIA for the estates and mill.</p> <p>The responsible persons responsible has been identified in the plan. The person responsible is nominated by the respective estate and mill managers.</p> <p>Location: Mill, Selancar 6, 8 & 9 Estate</p> <p>Based on document review, it was noted no documented record available for review on the outcome of the plan on mitigation, implementation and monitoring according to the SIA report and no evidence that plans for avoidance or mitigation of negative impacts and promotion of the positive ones and monitoring of impacts been developed. No clear plans been documented with clear timetables.</p>	<p style="text-align: center;">Major NC # CRJ-03</p>

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<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The mill has conducted a Social Impact Assessment (SIA) on 11 June 2014 and reviewed by Mr. Zul Azri Bin Razali.</p> <p>Subsequently, another SIA was conducted on 15 May 2019 by Mr. Hilmie Zaifruetz Bakhari together with stakeholder consultation which was conducted on 14-15 May 2019.</p> <p>The SIA were also conducted for the estate. Based on the sample estates reviewed are:</p> <p>Estate Selancar 6; which was conducted on 13 May 2019 by Mr. Hilmie Zaifruetz Bakhari and the previous SIA was conducted on 14 February 2017 by Nur Hazwani / Barath Munasamy.</p> <p>Estate Selance 8; which was conducted on 16 May 2019 by Mr. Hilmie Zaifruetz Bakhari together with stakeholder consultation which was conducted on 16 May 2019 and the previous SIA was conducted on 5 May 2018 by Mr. Muhamad Shafiq Ariffin b. Muhd Ariff/Mohd Yusuf Salbani.</p> <p>Location: Mill Based on document review, it was noted the mill SIA was conducted on 11 June 2014 by Mr. Zul Azri Bin Razali and the latest SIA was conducted on 15 May 2019 by Mr. Hilmie Zaifruetz Bakhari together with stakeholder consultation which was conducted on 14-15 May 2019. However, no assessment was conducted between 2014 and to current.</p>	<p style="text-align: right;">Minor NC # CRJ-01</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>Minor Compliance</p>	<p>Based on management interview and document review, it is noted there were no Oil Palm smallholders in the PMU.</p>	<p style="text-align: right;">Complied</p>
<p>Criterion 6.2 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>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>The PMU has established documented policies and procedures which are available upon request for internal and external communication and consultation.</p> <p>Consultations with external and internal stakeholders, grievances from workers and contractors are verified based on Procedure FGV/ML-1A/L2-Pr 12 dated 1 June 2016; Komunikasi, Perglibatan Dan Rundingan.</p> <p>Commitment of the PMU is further demonstrated by embracing the technology which include the creation of http://www.feldaglobal.com/wp-content/uploads/2017/08/Group-Sustainability-Policy-2017-1.pdf</p> <p>Interviews with contractors, suppliers, workers (local and foreign workers) and government agencies revealed there is open and transparent communication and consultation process in place.</p> <p>The mill has identified their stakeholders are:</p>	<p style="text-align: right;">Complied</p>



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	<ol style="list-style-type: none"> 1. Neighboring; 2. Internal; 3. External; which was last revised 15 May 2019. <p>The estates also identified their stakeholders as follows:</p> <p>Internal stakeholders;</p> <ol style="list-style-type: none"> 1. Mini market; 2. 3 schools; 3. Government clinic; 4. Department of work; 5. District office. <p>External stakeholders;</p> <ol style="list-style-type: none"> 1. Police; 2. Bomba; 3. Forestry department; 4. Welfare office; 5. Other local authorities and government bodies. 	
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>The PMU has nominated the following personnel as the management official responsible for communication and consultation with the effected parties including social related issues. They are:</p> <p>Mill Mr. Muhamad Nuazrin Ramli – appointed on 4 January 2019 by Mr. Mohd Syafiq Yacob, Mill Manager;</p> <p>Selancar 6 Mr. Nornizam bin Mohtar – appointed on 31 March 2019 by Mr. Mahat Bin Ismail, General Manager. The appointment letter was reviewed and with clear job description;</p> <p>Selancar 8 Mr. Mohd Nurhayyum Jasni – appointed on 19 August 2017 by Mr. Saari Ahmad, Manager. The appointment letter was reviewed and with clear job description.</p> <p>At the estates and mill level, these issues are under the responsibility of the respective managers and coordinated with the nominated personnel. Interviews done verified that they understand their specific roles and responsibilities and were actively involved in the implementations needed including participation in any activities related to internal and external stakeholders.</p> <p>Location: Mill Based on document review, it was noted the mill has nominated Mr. Muhamad Nuazrin Ramli with appointment letter dated 4 January 2019 by Mr. Mohd Syafiq Yacob, Mill Manager. However, the appointment letter states administrative duties and did not provide a clear and proper job description for the nominated person responsible for consultation and communication.</p>	<p>Minor NC # CRJ-02</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,</p>	<p>List of stakeholders are established and maintained and revised. Records of all communication, confirmation of receipt or endorsement and communication logs are maintained and the actions taken in response from the communication is recorded.</p>	<p>Complied</p>



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<p>and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Minor Compliance</p>	<p>Master-list of the stakeholder list were last revised on 9 May 2019 for Selancar 6 and 2 June 2018 for Selancar 8.</p>	
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
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>Major Compliance</p>	<p>The PMU has an established and documented system for dealing with complaints and grievances include flowchart.</p> <p>There were no cases reported in FY2018/2019 that requires anonymity of the complainant to be protected. Most complaints are related to housing repair.</p> <p>Interviews with staff and workers and their representatives revealed knowledge and understanding of the complaints, dispute and resolution mechanism. The mechanism provides for open and consensual agreements with relevant affected parties.</p> <p>This was confirmed through interviews conducted with various staff, workers, contractors, suppliers, local community representatives during the current assessment.</p> <p>The PMU has established a FGV Whistleblowing Policy which provide the commitment by management and the policy was signed by Chairman, Board of Directors dated 28 May 2018.</p> <p>Briefing was conducted on Corporate Governance and Whistleblowing Policy on 14 May 2019, which included the establishment of a Hotline at corporate level via:</p> <ol style="list-style-type: none"> 1. Mail; 2. Website; www.fgvholdings.com; 3. Email; alert@fgvholdings.com; 4. Through board of directors; 5. Hotline number; located in 7 countries. <p>Gender Committee was established and last meeting was conducted on 27 June 2019 including training on the process for grievances reporting and investigating. 12 members attended which consist of ladies in various position in the mill and estates.</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>Major Compliance</p>	<p>Complaints and grievances are handled by respective responsible persons. Mechanisms are appropriately established and implemented. Records of meeting and any resolutions or outcomes are maintained in the meeting minutes or in the Complaints Logbook.</p> <p>The general complaints received were noted to include maintenance needed on workers housing quarters. Request for maintenance is managed by respective personnel nominated by the Mill or Estate Managers.</p>	Complied

Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Indicators	Findings and Objective Evidence	Compliance
6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	The PMU has established Procedure FGV/ML-1A/L2-Pr10, Rev 0; Pengenalpastian dan Penyelesaian Pertikaian Tanah; for identifying legal and customary rights and procedure for identifying people entitled to compensation have been maintained. The PMU has borders adjacent to villages and other landowners. There was no case that required any negotiation or compensation pertaining to these criteria.	Complied
6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	The PMU has established Prosedur Penghitungan dan Pengagihan Pampasan [Manual Lestari 1A ML-1A/L2-PR13(0) for calculating and distributing compensation. Up to current assessment, there has been no dispute by any parties relating to legal, customary or user rights at the PMU. 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	
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. Major Compliance	Verified that there are no new issues of such nature during present assessment.	Complied
Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
Indicators	Findings and Objective Evidence	Compliance
6.5.1 Documentation of pay and conditions shall be available. Major Compliance	Pay-slips and employment contract are clearly documented which was provided and signed by the employees and the organization upon acceptance of work which include translation of the document. The translation of the documented evidence was not verified and the documented evidence is based on local language. This applies to all workers i.e. skill, semi-skilled and un-skilled workers. Reviews of pay statements verified to have contained all necessary information and can be understood by the workers, e.g. type and rate of works completed, days offered, days worked, days absent, total deduction, etc.	Complied

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	<p>Sampling of the workers' pay-slips were reviewed based on the following:</p> <ul style="list-style-type: none"> a) Peak period: January 2019; b) Low period: July 2018; c) Current period: June 2019; which were provided by the PMU. <p>Number of samples taken are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 30%;">Site</th> <th style="width: 35%;">Sample number (local workers)</th> <th style="width: 35%;">Sample number (foreign workers)</th> </tr> </thead> <tbody> <tr> <td>Mill</td> <td>10</td> <td></td> </tr> <tr> <td>Selancar 6</td> <td></td> <td>10</td> </tr> <tr> <td>Selancar 8</td> <td>2</td> <td>8</td> </tr> <tr> <td>Selancar 9</td> <td></td> <td>3</td> </tr> <tr> <td>Total sample taken:</td> <td>12</td> <td>21</td> </tr> </tbody> </table> <p>A review of the workers' pay-slips showed that the calculation of pay is clearly itemised for:</p> <ul style="list-style-type: none"> - Normal day field work wage [Daily Rated or Piece Rated]; - Monthly wage; - Normal working day overtime; in accordance with regulations; - Working rest day; - Overtime for working rest day; - Working public holiday; - Overtime for working public holiday; - Sick and annual leave pay; and - Legal deductions. <p>All the workers' pay-slips reviewed found no evidence of gender discrimination.</p>	Site	Sample number (local workers)	Sample number (foreign workers)	Mill	10		Selancar 6		10	Selancar 8	2	8	Selancar 9		3	Total sample taken:	12	21	
Site	Sample number (local workers)	Sample number (foreign workers)																		
Mill	10																			
Selancar 6		10																		
Selancar 8	2	8																		
Selancar 9		3																		
Total sample taken:	12	21																		
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>The PMU has established a documented pay and condition of employment process which is clearly defined within the employment contract e.g. 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>The PMU has provided the employment contract in the primary language of the workers (Bangladesh & India) which was not verify of the content during the assessment.</p> <p>Location: Mill, Selancar 6, 8 & 9 Estate</p> <p>Based on document review, it was noted the PMU has provided the employment contract in the primary language (Bangladesh & India) of the workers. However, the secondary document;</p> <ol style="list-style-type: none"> 1. Surat Persetujuan Pekerja Operasi Ladang (Letter of Agreement for Operation Field Worker); 2. Surat Persetujuan Pekerja Ladang (Letter of Agreement for Plantation Worker); 	<p>OBS # CRJ-03</p>																		

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	<p>3. Akuan Penerimaan Salinan Perjanjian Kontrak Perkerjaan (Acknowledgement of Receiving a Copy of the Employment Contract);</p> <p>4. Surat Akuan Pekerja Asing (Letter of Statement from Foreign Worker);</p> <p>were not in the primary language of the workers.</p>	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>The PMU management was noted to have complied with Workers' Minimum Standard of Housing and Amenities Act 1990.</p> <p>Site visits to workers' homes and interviews with the workers and their dependents revealed their general satisfaction with their housing conditions and amenities.</p> <p><u>Housing, electricity and water supply</u></p> <p>The workers staying in the estate were provided with 24 hours electricity supply from Tenaga Nasional Berhad and treated water from local authority. In the estates, household wastes are collected by the estate management and stored away from the housing area until been pick up for disposal by the local authority.</p> <p><u>Schools</u></p> <p>Primary school for children aged 7 to 12 years old and secondary school for children aged 13 to 17 years old is available within the PMU. The schools are equipped and managed by the authority.</p> <p>Foreign workers are single male status and there are no children of foreign workers in the PMU.</p> <p><u>Sundry shops</u></p> <p>The availability of sundry shops, fresh market, weekly night market, restaurants within the PMU was 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. Fresh food, such as fish, chicken, vegetable and meat are brought in by suppliers on daily basis. Workers allowed to take sundries item and payment made during pay day.</p> <p><u>Medical clinics</u></p> <p>Government managed clinic is available at the PMU and located within 2 km away.</p>	<p style="text-align: center;">Complied</p>
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>Site tour and interviews verified that workers could easily obtain their daily sundry supplies from sundry shops, fresh market and weekly night market within the PMU.</p> <p>Some workers make weekly visit to the nearest town, Segamat which is located about 30 km away by own or private transport whenever necessary. Access to enough and affordable food is adequate.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.6</p>		

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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.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	<p>The PMU has established the following policies which include recognizing freedom of association. The established policies are:</p> <ol style="list-style-type: none"> 1. Polisi hak kebebasan bersuara & menganggotai kesatuan; 2. Polisi komunikasi; 3. Polisi pekerjaan kanak-kanak; 4. Polisi kod etika kerja dan integrity 5. Polisi hak asasi manusia; 6. Polisi gangguan seksual, keganasan sera hak kebebasan reproduksi; and signed by Mohammed Emir Mavani Abdullah, president & CEO FGV dated 1 June 2014. <p>Upon further review, the PMU has established Document No: FGV/SED/POL/001; Group Sustainability Policy, Rev 3; dated 29 May 2019 which content the following commitment:</p> <ol style="list-style-type: none"> 1. Strengthening social responsibility 2. Responsible employment; 3. Respect for human rights; 4. Respect for community rights; 5. Health and safety; 6. Gender equality and preventing sexual harassment & violence. <p>The published statements of policy which recognises employee's freedom of association, was noted to be available and widely displayed in Bahasa Malaysia. Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan dated 1 June 2014.</p> <p>Upon further review, there were no restrictions for foreign workers to join any trade union of their choosing as stated in the new Sustainability Policy dated 29 May 2019 which states in clause 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."</p>	<p>Complied</p>
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>Minor Compliance</p>	<p>The PMU has established Workers Consultation Committee for the benefit or platform for the foreign workers to raise issues and concern that affected them since foreign workers membership in locally established unions are limited only to local workers.</p> <p>The FGV Plantations (M) Sdn Bhd Workers Union meeting was conducted on 28 October 2018 which was held in Kuala Lumpur for non- executive members.</p> <p>Based on instruction from the PMU dated 20 June 2019 on the establishment of Workers Consultation Committee, the agenda has been established as follows:</p> <ol style="list-style-type: none"> 1. Nota khas pengerusi; 2. Kemajuan kerja lading – hasil & am; 3. Hal berkaitan kadar upah, perndapatan, elaun, faedah serta potongan; 4. Kebersihan & keceriaan asrama & rumah pekerja; 	<p>Complied</p>

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	<p>5. Permasalahan pekerja; 6. Pelanggaran salajh laku 7. Lain-lain hal.</p> <p>The Workers Consultation Organisation recently established on 1 July 2019 as prescribed by the PMU for all estates which include representative from Indonesia, Bangladesh and India workers with management staffs. The meeting covers the establishment of the committee and functions.</p> <p>Other committee established is the Workers Welfare Committee which was last conducted on 4 April 2019 for Selancar 6; and 18 February & 9 May 2019 for Selancar 8.</p> <p>Joint Consultative Committee has been changed to Jawatankuasa Permuafakatan, Produktiviti Kualiti Felda (JPPK) as a mechanism to cater to the collective bargaining and needs of the workers. Last meeting was conducted on 22 January 2018.</p>																			
<p>Criterion 6.7 Children are not employed or exploited.</p>																				
Indicators	Findings and Objective Evidence	Compliance																		
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met.</p> <p>Major Compliance</p>	<p>The PMU has a policy of not employing child labor (persons below 18 years) in accordance with the Children and Young Persons (Employment) Act 1966 (Revised December 2011).</p> <p>Number of samples taken are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="text-align: center;">Site</th> <th style="text-align: center;">Sample number (local workers)</th> <th style="text-align: center;">Sample number (foreign workers)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Mill</td> <td style="text-align: center;">10</td> <td></td> </tr> <tr> <td style="text-align: center;">Selancar 6</td> <td></td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">Selancar 8</td> <td style="text-align: center;">2</td> <td style="text-align: center;">8</td> </tr> <tr> <td style="text-align: center;">Selancar 9</td> <td></td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">Total sample taken:</td> <td style="text-align: center;">12</td> <td style="text-align: center;">21</td> </tr> </tbody> </table> <p>Based on the personal file of the sampled workers, we noted the following:</p> <ol style="list-style-type: none"> 1. Mill; average age of workers from 23 – 45 years old; 2. Selancar 6; average age of workers from 19 – 43 years old. 3. No person below the age of 18 years were employed by the mill and estates. <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) was used as the verification for age.</p> <p>The implementation was verified through the Mill and Estate workers register.</p>	Site	Sample number (local workers)	Sample number (foreign workers)	Mill	10		Selancar 6		10	Selancar 8	2	8	Selancar 9		3	Total sample taken:	12	21	<p>Complied</p>
Site	Sample number (local workers)	Sample number (foreign workers)																		
Mill	10																			
Selancar 6		10																		
Selancar 8	2	8																		
Selancar 9		3																		
Total sample taken:	12	21																		



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Criterion 6.8		
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>Major Compliance</p>	<p>The PMU established Document No: FGV/SED/POL/001; Group Sustainability Policy, Rev 3 dated 29 May 2019 which states:</p> <ol style="list-style-type: none"> 1. Strengthening social responsibility 2. Responsible employment; 3. Respect for human rights; 4. Respect for community rights; 5. Health and safety; 6. Gender equality and preventing sexual harassment & violence. <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) and employment contract during the assessment and confirmed that these 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>Major Compliance</p>	<p>The PMU established Document No: FGV/SED/POL/001; Group Sustainability Policy, Rev 3 dated 29 May 2019 which stated in Responsible Employment; The employment of foreign workers was implemented without affecting the opportunities for local communities. 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>Based on local workers interview, the workers revealed their satisfaction with the PMU for job opportunities and enjoyed all common welfare amenities like free housing, free water and electricity supplies, medical care, and transportation of school children.</p> <p>Foreign workers interview, the workers revealed their satisfaction with the PMU for job opportunities and enjoyed all common welfare amenities like free housing, medical care and electricity and water.</p> <p>They are aware of the grievance mechanism by which they are allowed to lodge any complain or request to the management. Interview with a group of women workers which is the gender committee members revealed that there has been no known case of any sexual harassment or violence against women at the field or at the housing areas.</p> <p>Wage records inspected and rates confirmed as being non-discriminatory 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>Depending on the nature of work positions, The PMU management takes into considerations the needs for related skills in recruitment selection, hiring and promotion exercises.</p> <p>A verification of job application and related records provided were reviewed. The necessary qualifications and conditions</p>	Complied



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<p>Minor Compliance</p>	<p>were clearly stated in the job advertisement. Terms and conditions of work were spelled out in the offer letter as well. Personal file record reviewed include medical records for the following workers:</p> <ol style="list-style-type: none"> 1. Sprayer – 10 workers; 2. Field supervisor – 8 workers; 3. Store clerk – 1 worker; and noted in accordance with regulations. <p>The last medical surveillance was conducted on 10 July – 14 August 2018 by Dr. Ling Kay Kwong, OHD approved by DOSH and the OHD concluded no abnormality noted.</p>	
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The PMU has established Group Sustainability Policy which stated in clause 3.1.6; gender equality and preventing sexual harassment & violence.</p> <p>In accordance with the policy established, the PMU has established Procedure FGV/ML-1A/L2-Pr14, Rev 0; Menangani Aduan Melalui Jawatankuasa Wanita which covers the female workers on prevention of sexual and all other forms of harassment and violence.</p> <p>Based on the minutes, briefing was conducted on the establishment of the gender committee and including training on the process for grievances reporting and investigating once every 6 months. The meeting conducted as follows:</p> <p>Selancar 6 – last meeting was conducted on 27 June 2019;</p> <p>Selancar 8 – last meeting was conducted on 14 February 2019;</p> <p>Selancar 9 – last meeting was conducted on 2 July 2019.</p> <p>Location: Selancar 6, 8 & 9 Estate</p> <p>Based on document review, it was noted that Gender Committee were conducted on:</p> <ol style="list-style-type: none"> a) 27 June 2019 for Selancar 6; b) 14 February 2019 for Selancar 8; c) 2 July 2019 for Selancar 9. <p>However, the outcome of the meeting does not reflect on the terms of reference of the committee and no specific programs/mechanism being planned and no evidence of the implementation for particular issues faced by women being communicated to respective stakeholders and male workers (i.e. training or awareness on the domestic violence or sexual harassment, training on women’s rights, counselling training for member for women affected by violence, child-care facilities and etc.)</p>	<p>Major NC # CRJ-04</p>
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be</p>	<p>The PMU has established Group Sustainability Policy which stated in clause 3.1.3 respect for human rights; include; 3.1.3.1; recognized human rights as enshrined in the Universal</p>	<p>Complied</p>

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<p>implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>Declaration of Human Rights (UDHR), United Nations Convention on the Elimination of All forms of Discrimination against Women, other applicable United Nations core human rights treaties, the ILO Declaration on Fundamental Principles and Rights at Work as well as other relevant ILO conventions.</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 policy and have set out strict guidelines on the appropriate conduct to avoid such situations.</p> <p>Local female staff interviewed states that they are fully aware of such policy and entitled for two months paid maternity leave as prescribed in the regulations.</p> <p>Based on site tour, there is no pregnant or breastfeeding women working as agrochemical handlers and it was observed only male workers are agrochemical handlers.</p>	
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>Minor Compliance</p>	<p>The PMU has established Procedure FGV/ML-1A/L2-Pr13, Rev 0; Menangani Aduan dan Rungutan. The procedure was last reviewed on 1 June 2016.</p> <p>In accordance with the policy established, the PMU has established Procedure FGV/ML-1A/L2-Pr14, Rev 0; Menangani Aduan Melalui Jawatankuasa Wanita which covers the female workers on prevention of sexual and all other forms of harassment and violence</p> <p>Management confirmed that there has been no report of sexual harassment or domestic violence was reported in the PMU so far.</p> <p>Compliant logbook reviewed and noted applied only to repair on housing and electrical repair.</p>	Complied
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Minor Compliance</p>	<p>Based on site tour, it was noted that the current and past prices paid for FFB pricing were displayed at the Estates and Mill office.</p> <p>FFB price paid per delivery is also stated in each truck delivery slip issued by the mill as reference.</p>	Complied
<p>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).</p> <p>Major Compliance</p>	<p>Based on site tour and document review, the FFB prices were made available at POM office's external Notice Board.</p> <p>The POM has treated out-growers and other local business fairly. Pricing mechanism for FFB is fair and transparent as per MPOB approved / licensed graders and based on MPOB specification.</p> <p>Current and past prices paid for FFB were publicly available and verified through interviews. Mechanisms are available to the public upon request.</p>	Complied
<p>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.</p> <p>Minor Compliance</p>	<p>Based on stakeholder interviews conducted on 18 July 2019, suppliers, contractors, and relevant parties including local private suppliers confirmed that they understand the contractual agreements (such as terms and payment) they enter into with the PMU.</p>	Complied

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	<p>They also consider the business transactions as fair and transparent.</p> <p>Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner.</p> <p>Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored during work in progress to follow safety requirements.</p>	
<p>6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance</p>	<p>Based on document review, payment made to vendors are paid promptly within 30 days of the date of invoicing.</p> <p>Payment voucher reviewed are: Payment made to Perniagaan Kemajuan Masjaya for contract no: 5300005118 dated 1 July 2019; and</p> <p>Payment made to Alisman Jaya Enterprise for contract no: 5300005117 dated 30 June 2019.</p> <p>Payment was made via cheque and both payments reviewed confirmed payment made within the 30 days period as agreed upon with the vendors.</p> <p>Based on document review, the quotation and contract reviewed there is no evidence to suggest of any unfair business practices with the local businesses.</p>	Complied
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance</p>	<p>Based on document review, file on social contributions and activities were maintained and noted contributions issued for occasions such as local community activities, religious, social, educational contributions for estate family members. Contributions were demonstrated as follows: -</p> <ol style="list-style-type: none"> 1. Workers day celebration – 1 May 2019; 2. Retirement celebration – 14 February 2019; and 3. Numerous communities' services e.g. established a nursery and school activities. <p>Contributions on the activities conducted within the PMU</p>	Complied
<p>6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance</p>	<p>There were no smallholders involved in the PMU.</p>	Complied
<p>Criterion 6.12 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. Major Compliance</p>	<p>Based on document review, the personal employment records such as work permits, contracts and other related documents in the estate offices confirmed that all foreign workers were recruited through legal means and according to the regulatory requirements.</p> <p>The PMU is responsible to allocate each foreign worker with</p>	

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<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance</p>	<p>The PMU has made changes to the workers contract to reflect the latest minimum wage to RM1,100.00 effective 1 January 2019 and the rest of the term and condition remain unchanged.</p> <p>The workers are required to acknowledge the new contract and was provided a copy and briefed on the new requirement to all the workers. Based on workers interview, the workers confirmed of the new changes made to the contract with regards to the minimum wage and there is no evidence of contract been changed or substitution of the terms and conditions and this was confirmed from interviews with workers and relevant stakeholders.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance</p>	<p>The PMU has established Document No: FGV/SED/POL/001; Group Sustainability Policy, Rev 3; dated 29 May 2019 which content the following commitment:</p> <ol style="list-style-type: none"> 1. Strengthening social responsibility 2. Responsible employment; 3. Respect for human rights; 4. Respect for community rights; 5. Health and safety; 6. Gender equality and preventing sexual harassment & violence. <p>The published statements of policy which recognises migrant workers' rights was noted to be available and widely displayed in Bahasa Malaysia. Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan dated 1 June 2014.</p> <p>Implementations are verified to be adequate. Employment contracts of foreign workers conformed that the policies, including minimum wages has been duly implemented.</p>	<p>Complied</p>
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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). Major Compliance</p>	<p>Based on document review, the PMU has established Document No: FGV/SED/POL/001; Group Sustainability Policy, Rev 3; dated 29 May 2019 which content the following commitment:</p> <ol style="list-style-type: none"> 1. Strengthening social responsibility 2. Responsible employment; 3. Respect for human rights; 4. Respect for community rights; 5. Health and safety; 6. Gender equality and preventing sexual harassment & violence. <p>Clauses pertaining to human rights is incorporated where it stated that the Group will adhere to all relevant laws, regulations and treaties, including the Guidelines on Human Trafficking and Forced Labour Exploitation as well as the Declaration on Fundamental Principles and Rights at Work by the ILO.</p>	<p>Complied</p>

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	<p>The policy was communicated through briefing conducted by the respective mills and estate. Last briefing was conducted on 27 June 2019 together with the Gender Committee meeting.</p> <p>Based on management interview, the PMU does not have any outstanding cases of human rights violation that they are aware off.</p>	
<p>6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.</p> <p>Minor Compliance</p>	<p>Not Applicable – all the foreign workers are male and they are not allowed to bring their dependent into the country.</p>	<p>Complied</p>

Principle 7: Responsible development of new plantings

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

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

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG Calculator Version 3.0.1. The GHG Calculation Report was submitted to RSPO Secretariat by FGV.

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

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

SUMMARY OF NET GHG EMISSIONS

All information and data below as per the latest summary report generated through **PalmGHG Calculator Version 3.0.1**.

GHG Table 1: Summary of Net GHG Emissions (Jan – Dec 2018)

Emissions per Product	tCO2e/tProduct
CPO	1.37
PK	1.37

Production	t/year
FFB processed	104,318.29
CPO Produced	20,863.66

Extraction	%
OER	20.0
KER	5.0

GHG Table 2: Summary of Net GHG Emissions

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Land use	Ha
OP planted area	7,420.99
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	61.41
Total	7,482.40

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions	20969.33	0.2	0	0	0	0	20969.33	0.2
Land Conversion	72858.32	9.88	0	0	0	0	72858.32	9.88
CO ₂ Emissions from Fertiliser	6537.51	0.89	0	0	0	0	6537.51	0.89
N ₂ O Emissions	4864.82	0.04	0	0	0	0	4864.82	0.04
Fuel Consumption	270.89	0.04	0	0	0	0	270.89	0.04
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop Sequestration	-69060.01	-9.36	0	0	0	0	-69060.01	-9.36
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	15471.53	2.1	0	0	0	0	15471.53	2.1

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO ₂ e	tCo ₂ e/tFFB
Emissions		
POME	20,969.33	0.2
Fuel Consumption	94.37	0
Grid Electricity Utilisation	465.82	0
Credits		
Export of Excess Electricity to Grid and Housing	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	21,529.52	0.2

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

Divert to compost	0%
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Divert to anaerobic digestion	100%
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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

Criterion 8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.

Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>The POM has identified and implemented the following Continual Improvement Action Plans for the FY2019/2020:</p> <ol style="list-style-type: none"> 1. Increase OER to 20.20%. 2. Increase KER to 5.25%. 3. To achieve zero accident at the mill. 4. To achieve zero road accidents. 5. Control effluent water at final discharge with BOD < 100 ppm. 6. Suspended Solid < 400 mg/l. 7. Diesel consumption < 1.00 litre/MT CPO 8. Water consumption < 1.2 m³/MT FFB <p>Evidence of results was available for the above continuous improvement action plans for the POM.</p> <p>The three estates; Selancar 6 estate, Selancar 8 estate and Selancar 9 estate did not include items of continual improvement that are measurable for implementation and monitoring through action plans.</p> <p>Location: Selancar 6 estate, Selancar 8 estate, Selancar 9 estate</p> <p>Continual Improvement Action Plans for the three estates to demonstrate continual improvement in key operations are inadequate.</p>	<p>Major NC # OCL-01</p>



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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain model applied at Selancar 2B POM during this assessment is Module E – CPO Mills: Mass Balance (MB).

Details of findings are as follows:

5. General chain of custody requirements for the supply chain		
5.1 Applicability of the general chain of custody requirements for the supply chain		
Indicators	Findings and Objective Evidence	Compliance
5.1.1 The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	FGV Headquarter has the physically handle the RSPO Certified Sustainable palm oil products. All trading, contract and sales are managed by Marketing & Logistic Department at HQ and held the PalmTrace registration number for respective mill (FGVPISB Kilang Sawit Selancar 2B: RSPO_PO1000001904).	Complied
5.1.2 Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	The POM is not a trader or distributor.	Complied
5.1.3 Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	FGV Holdings Berhad held RSPO membership number: 1-0225-16-000-00 since 27/12/2016. Company has registered in PalmTrace system as follows: <ul style="list-style-type: none"> Org. Name – Felda Global Ventures Plantations (M) Sdn Bhd KKS Selancar 2B POM, KILANG SAWIT SELANCAR 2B, SEGAMAT, JOHOR, 85007, MALAYSIA PalmTrace Member ID – RSPO_PO1000001904 Member Category – Oil Mill 	Complied
5.1.4 Processing aids do not need to be included within an organization's scope of certification.	Processing aids was not in used at the Palm Oil Mill.	Complied
5.2 Supply chain model		
5.2.1 The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification / downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Procedure namely Mill RSPO SCC (Mass Balance), FGVPMS-RSPO SCC, dated:11/6/2018, version: 3.0 was established which covered responsibility, reporting of certified CPO/PK, non-conformance material, FFB delivery Plantation to Mill, CPO/PK delivery Mill to customer, Record keeping, Training, Complaint Communication and Claim. The supply chain model for the POM was Mass Balance Module.	Complied
5.2.2		



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The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	The POM was certified with Mass Balance Module.	Complied
5.3 Documented procedures		
<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role 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 organization's procedures for the implementation of this standard. 	<p>A documented Supply Chain Procedure Doc No. FGVP-MSPO SCCS Issue 3.0 Rev 3.0 (Effective 11/06/2018) SOP for Mill MSPO Supply Chain Certification System has been established and implemented.</p> <p>The procedure covered the implementation of all elements of MB Module that include Organization Chart, Management Functions & Job Descriptions, Claims, FFB Delivery Plantation to Mill, CPO/PK Delivery Mill to customer, Record Keeping, Training.</p> <p>As per procedure, it was stated that the Mill Manager as a chairman for SCC committee at the POM assisted by Assistant Mill Managers. The job descriptions were identified in the procedure accordingly.</p>	Complied
<p>5.3.2 The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the MSPO Supply Chain Certification Standard and the MSPO Market Communications and Claims Documents.</p> <p>ii) effectively implements and maintains the standard requirements within its organization.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.</p>	<p>There is a documented procedure for conducting Internal audit - FGV/ML-1A/L2-Pr11 Issue 1, Rev 0 dated 01/06/2016.</p> <p>The Internal Audit Procedure stated that audit shall be planned and carried out at least once a year. It also stated that additional internal audits shall be conducted based upon the number of non-conformances raised, new process or changes in system and any issues raised by interested parties.</p> <p>Internal audit on POM was conducted on 14/05/2019. There is no non-conformance raised for the internal audits on the POM. There is no non-conformance detect during internal audit and report is available for management review.</p>	Complied
5.4 Purchasing and goods in		
<p>5.4.1 Purchases of MSPO certified oil palm products with all the specified information.</p>	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit.</p>	Complied

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	<p>The POM has a system to verify at the weighbridge. Sighted sampled as following:</p> <ol style="list-style-type: none"> 1. Sighted – 08/12/2018 transaction – Selancar 9 – Nota Hantaran – RSPO No. RSPO0930288 – MPOB License No. 501072-402000 – Gross, Tare & Net Weight 2. Sighted – 06/03/2019 transaction – Selancar 6 – Nota Hantaran No. 0216105 – RSPO No. RSPO 930288 – MPOB License No. 500960 – 202000 – Gross, Tare & Net Weight 3. Sighted – 11/05/2019 transaction – Selancar 8 – Nota Hantaran No. 0201973 – RSPO No. 930288 – MPOB License No. 501066-002000 – Gross, Tare & Net Weight <p>All the certified estate was registered in the Mill Performance Report System (MPR). During the audit, the auditor was verified the system and confirmed that 3 estate (Selancar 6, Selancar 8, Selancar 9) were registered as suppliers for FFB-RSPO. There was no trader at the POM.</p>	
<p>5.4.2 Mechanism for handling non-conforming oil palm products and/or documents.</p>	<p>Mechanism in place for handling non-conforming oil palm products and/or documents was describe in the Procedure namely Mill RSPO SCC (Mass Balance), FGVP-MSPO SCC, dated:11/6/2018, version: 3.0. There was 2 type of handling non-conforming oil palm products:</p> <ol style="list-style-type: none"> 1. “Alih Hantar”- FFB from other POM will be downgraded to non-certified if no segregation at ramp. 2. “Alih Arah” – FFB from other estate (outside the Certified Unit) will be treated as certified if there was a copy of certificate and documents during the despatch. <p>The POM needs to verify the validity of the RSPO certificate through RSPO website (www.rspo.org) for the outside suppliers (other certification units). However, during the audit no outside suppliers (other certification units) sent the FFB to the POM. The internal control was found adequate.</p>	Complied
5.5 Outsourcing activities		
<p>5.5.1 Outsourcing of activities</p>	No outsource activity at the POM.	Not applicable
<p>5.5.2 Outsourcing within the scope of its RSPO SC certificate</p>	No outsource activity at the POM.	Not applicable
<p>5.5.3 Names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	No outsource activity at the POM.	Not applicable
<p>5.5.4 Names and contact details of new contractor used for the processing or physical handling of RSPO certified oil palm products.</p>	No outsource activity at the POM.	Not applicable
5.6 Sales and goods out		
<p>5.6.1</p>	Sales of RSPO certified products for CSPO and CSPK	Complied

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Sales of RSPO certified oil palm products with all the specified information.	were start to despatch on May 2018. Sighted – 24/12/18 transaction – to KCP Pasir Gudang – No Kontrak 21506992 – Sales Order RSPG6992Q – Bil. Hantaran L00000250/2018 – Seal No. – RSPO Membership No 1-0225-16-000-00 (FGVHB) – RSPO Cert No 930288 – Net Weight	
5.7 Registration of transactions		
5.7.1 Transaction registered in the RSPO IT platform and confirmed upon receipt.	FGV Holdings Berhad held RSPO membership number: 1-0225-16-000-00 since 27/12/2016. Company has registered in PalmTrace system as follows: <ul style="list-style-type: none"> • Org. Name – FGVPISB KILANG SAWIT SELANCAR 2B, SEGAMAT, JOHOR, 85007, MALAYSIA • PalmTrace Member ID – RSPO_PO1000001904 • Member Category – Oil Mill 	Complied
5.7.2 RSPO IT Platform: Shipping Announcement, Traceability, Confirming Shipping Announcements.	<p>Procedure namely Mill RSPO SCC (Mass Balance), FGVP-MSPO SCC, dated:11/6/2018, version: 3.0 was established. FPISB (logistic department) was responsible to do an announcement in the RSPO IT Platform. The shipping announcement will be done maximum 1 month after the contract completed.</p> <p>Sampled the shipping announcement as below: Buyer: FELDA Kernel Products SDN BHD Contract No: RSPG7009U Transaction ID: TR-ee353148-f060 Product: CSPK Quantity: 95.49 mt Shipping/BL Date: 30-04-2019</p> <p>Buyer: Vance Bioenergy Sdn. Bhd. Contract No: RSPO53682A Transaction ID: TR-e2f7e345-253b Product: CSPO Quantity: 243.16 mt Shipping/BL Date: 16-05-2019</p>	Complied
5.8 Training		
5.8.1 Training plan on RSPO SC Standards requirements and records of the training.	The POM has established “Jadual Latihan PKS Petugas Tahun 2019” as training plan, in January 2019 and it include the training for RSPO SCCS which was planned in May 2019. The records for RSPO SCCS Training that has been conducted on 23/05/2019, such as training attendance record, training effectiveness record and individual training evaluation records were retained properly.	Complied
5.8.2 Appropriate training shall be provided	The POM has conducted training on RSPO SCCS, on 23/05/2019 by FGV Sustainability Department to all personnel engaged in the implementation and maintenance of the RSPO SCCS. The records for RSPO SCCS Training that has been conducted on 23/05/2019, such as training attendance record, training effectiveness record and individual training evaluation records were retained properly.	Complied
5.9 Record keeping		
5.9.1	As per the SOP, the records are archived and to be stored	Complied

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<p>Accurate, complete, up-to-date and accessible records and reports maintained.</p>	<p>for a minimum of 2 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.</p>	
<p>5.9.2 Retention times for all record and reports.</p>	<p>Procedure namely Mill RSPO SCC (Mass Balance), FGVP-MSPO SCC, dated:11/6/2018, version: 3.0 has defined at least 2 years of retention time for all records and report.</p>	<p>Complied</p>
<p>5.9.3 Volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	<p>The forecast volume for June 19 – May 2020 was stated in the public summary report.</p>	<p>Complied</p>
<p>5.10 Conversion factors</p>		
<p>5.10.1 Conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs.</p>	<p>No conversion rate is applied for the processing.</p>	<p>Complied</p>
<p>5.10.2 Conversion rates shall be periodically updated.</p>	<p>No conversion rate is applied for the processing.</p>	<p>Complied</p>
<p>5.11 Claims</p>		
<p>5.11.1 Claims shall be in compliance with the RSPO Rules on Market Communications and Claims. (Refer to detailed check items as per SCC checklist on RSPO Rules on Market Communications and Claims)</p>	<p>Not in use.</p>	<p>Complied</p>
<p>5.12 Complaints</p>		
<p>5.12.1. Documented procedures for collecting and resolving stakeholder complaints.</p>	<p>The organisation has established Menangani Aduan dan Rungutan (FGV/ML-1A/L2-Pr13, Issue:01, Rev:01, Date: 01/01/2018) for dealing with any substantive and</p>	<p>Complied</p>

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	<p>procedural complaints and grievances relating to its stakeholders. The displayed Flowchart for Complaints handling include the timeline for resolving complaints as stated in the SOP. There is no complaint or grievances recorded until today.</p> <p>Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the FGV website: http://www.fgvholdings.com/sustainability</p> <p>Any commercially confidential information will need special request before being provided.</p>	
5.13 Management review		
5.13.1 Appropriate frequency of management review.	Management review for 2019 was conducted on 02/07/2019 where the meeting was chaired by Mill Manager.	Complied
5.13.2 All the specified inputs for the management review.	<p>All the input was discussed accordingly during management review meeting for 2019.</p> <ol style="list-style-type: none"> 1. No unresolved issue from last management review 2. Internal Audits – No NC. 3. Preventive action/corrective action – Not required 4. Customer feedbacks – none received 5. No changes to the SOP for supply chain 	Complied
5.13.3 All the specified outputs from the management review.	<p>All the output was discussed accordingly during 1st management review meeting for 2018.</p> <p>Data for weighbridge, MPR system and date bank reviewed.</p> <p>Resource needs: The discussion only related to the process activity. For the machineries and human resource, the management discuss during QOHSE management system.</p>	Complied

E.1 Definition (Module E: Mass Balance (MB))		
Indicators	Findings and Objective Evidence	Compliance
E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land 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 supply base and Outside Crop Producers (see Section 1.3). The CPO Mill is therefore applying the Mass Balance (MB) module.	Complied

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E.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification 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 should then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment Report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced has been reported in Section 1.8.2 Table 6 and Section 1.8.3 Table 7.</p>	<p>Complied</p>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The POM meets all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform or book and claim). The PalmTrace ID: RSPO_PO1000001904 is identified during certified products trading.</p>	<p>Complied</p>
E.3 Documented procedures		
Indicators	Findings and Objective Evidence	Compliance
<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. FGVM-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 Module that include Organization Chart, Management Functions & Job Descriptions, Claims, FFB Delivery Plantation to Mill, CPO/PK Delivery Mill to customer, Record Keeping, Training.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Mass Balance (MB) Module E. Records and reports demonstrating compliance are available.</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's procedures for the implementation of this standard.</p>	<p>The Selancar 2B POM Mill Manager, Mr. Mohd Syafiq bin Yacob 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 three Assistant Mill Managers, Encik Mohd Nazrin bin Ramli, Encik Mohd Sabturan Abd. Hasirin and Mohd Faizal bin Razali. He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module 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 Managers, Engineers, Assistant Engineers, Technicians,</p>	<p>Complied</p>

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	Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined in the SOP.	
E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The SOP covers the receiving of FFB supply from the PMU estates and Outside Crop Producers. All supplies of FFB were subjected to verification of documents (delivery notes) to determine the origin, quantity and quality of the FFB. The Weighbridge Ticket for FFB indicated the date, vehicle number, estate & field number, harvesting date, security seal number and weight. All Storage tanks at the POM are designated as Mass Balance CPO and PK. Monthly FFB and CPO/PK Report and YTD Report for Jan – Dec 2018 were verified to have complied with requirements of the MB Module whereby the Palm Oil Mill received and processed FFB from its own estates and Outside Crop Producers.	Complied
E.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
E.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.	The Mill verifies and records tonnages and supply source of FFB received at the weighbridge in the delivery notes and weighbridge tickets and all FFB data are entered by the weighing clerk into the computer system or reporting spreadsheet every day. Daily and monthly reports are submitted to the Regional Office and Kuala Lumpur Head Office through the Mill Performance Report (MPR) system. Production Report for Jan – Dec 2018 verified to be Mass Balance palm products. Satisfactory performance of deliveries of FFB made by transport contractors hired by the estates. Noted that there are FFB from Outside Crop Producers received and processed by the POM, which are considered as non-certified FFB using the Mass Balance Module.	Complied
E.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The documented Supply Chain SOP has specified that the responsible POM personnel shall check production quantity against the certified amount and notify RSPO, the CB and Sustainability Department of any projected overproduction of certified tonnage. So far, there is no projected overproduction.	Complied
E.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 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 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 2 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	Complied

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	<p>Deduction and conversion ratios for the volumes of CPO and PK delivered from the Palm Oil Mill have been appropriately done and recorded.</p> <p>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.</p>	
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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' module and is thus eligible for 'MB' trading for its palm products for year 2019/2020.

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	3	-	18
Number of Individual Smallholders	-	0	-
Certified Area (ha)	8,179.14	-	-
Production Area (ha) / i.e. Mature area	7,420.99	-	-
HCV Area (ha)	0	-	-
Projected Certified FFB Processed (RSPO Certified) (mt)	105,000	-	-
Projected Certified - CPO Processed (RSPO Certified) (mt)	21,000	-	-
Projected Certified - PK Processed (RSPO Certified) (mt)	5,250	-	-

Table 8B: Summary of Trading volumes (under PalmTrace)

Details as per RSPO Certification System Document		
	CPO (mt)	PK (mt)
Last year's (Projected) – Certified volume (RSPO Certified) (Nov 2018 – Oct 2019)	16,400.00	4,182.00
a) Last year's Actual sold volume (RSPO Certified) (Nov 2018 – Jun 2019)	2,231.72	3,205.61
b) Last year's Actual sold volume * (Other Schemes Certified)	0	0
c) Last Year's Actual sold volume ** Non-certified (Nov 2018 – Jun 2019)	10,270.00	0
Total of (a) + (b) + (c)	12,501.72	3,205.61
Note: PMU was certified on 31 Oct 2017.		
New (Projected) Certified Volume (RSPO Certified)	21,000.00	5,250.00

Notes:

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

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- * The volumes under 'Other Schemes certified' is basically under ISCC scheme – The PMU is not certified for other certified schemes.
- ** Certified palm products sold as non-certified palm products.

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

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

Assessment Type	Year	Noncompliance (NC)	Observations (OBS)	Follow up status
Main Assessment	2017	5 Major and 5 Minor	1	Actions taken on the NCs and Obs verified to be effective during ASA-01.
Annual Surveillance Assessment (ASA-01)	2018	5 Major and 1 Minor	2	Action taken on the NC on Indicator 6.9.1 found to be ineffective. Since this is a recurring Major NC, FGVPI SB Kilang Sawit Selancar2B is immediately under suspension for its certification.
Annual Surveillance Assessment (ASA-02)	2019	8 Major and 4 Minor	7	Next Surveillance Assessment

3.2.1 Year 2018 Annual Surveillance Assessment ASA-01: 5 Major NCs

NC	MYNI Indicator	Details of NC
Major OCL-01	4.5.1	Date issued: 12/07/2018
		Indicator requirement: Implementation of Integrated Pest Management (IPM) plans shall be monitored.
		Nonconformance: Location: Selancar 6, Selancar 8 and Selancar 9 Estates. The estates have carried out work programme for the planting of beneficial plants as in the IPM Plan. However, the records of the beneficial plants programme only indicated the dates of the work done and quantity of seedlings planted. The IPM Plan for beneficial plants did not follow the SOP for the 6:3:1 ratio of <i>Turnera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . Also, there is no clear documentation of the existing type of beneficial plant, planted locations and size, and details of future planned beneficial plants planting.

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause: The personnel responsible for updating the records of planting of beneficial plants was not fully aware that the records are not in accordance with the SOP for the planting of beneficial plants (“Petugas yang mengemaskini rekod tanaman berfaedah kurang kesedaran berkaitan rekod tanaman berfaedah yang tidak selaras dengan Manual Sawit Lestari”).</p> <p>Corrective Action: (1) The estate management carried out a training on the SOP for all the personnel (Assistant Manager, Cadet Planter, Supervisors and Estate Clerk) involved for all the estates (“Pihak ladang melaksanakan latihan penerangan Manual Ladang Sawit Lestari kepada petugas berkaitan dengan tanaman berfaedah”). (2) The estate management updated the records as required (“Pihak ladang melaksanakan kemaskini semula kepada rekod tanaman faedah”).</p>		
		<p>Verification (Corrective Action): Off-site verification carried out. Verified that the documented evidence of corrective actions implemented (viz; training report, attendance list, photos of training session and updated records and location map) are acceptable. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 30%;">Date closed: 17/08/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018
NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NC	MYNI Indicator	Details of NC
Major OCL-02	4.7.3	Date issued: 12/07/2018
		<p>Indicator requirement: All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p>
		<p>Nonconformance: Location: Selancar 8 Estate. During field visits to Selancar 8 Estate, the following unsafe practices were observed:</p> <ul style="list-style-type: none"> (1) When the pesticide sprayers were called for interview by the auditor, one worker came sitting together with the pesticide containers at the back of the lorry. (2) One harvester was seen wearing the normal shoes and not the prescribed rubber boots that were issued to workers.

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause: The worker was not fully aware of the safety precautions concerning pesticides (“Pekerja didapati kurang kesedaran berkaitan keselamatan semasa menguruskan bahan kimia dan melaksanakan aktiviti kerja menuai”).</p> <p>Corrective Action: (1) The estate management carried out a training on the safe handling of pesticides for the supervisors and workers in the estate concerned (“Pihak ladang melaksanakan latihan pengurusan bahan kimia kepada petugas dan pekerja ladang berkaitan”). (2) The estate management carried out a training on PPE for all workers concerned (“Pihak ladang melaksanakan latihan PPE kepada pekerja berkaitan”). (3) The estate management issued the rubber boots to the harvester concerned (“Pihak ladang melaksanakan pemberian kasut kepada pihak pekerja menuai”). (4) The estate management carried out an inspection on the usage of PPE by workers (“Pihak ladang melaksanakan pemeriksaan pemakaian PPE oleh penyelia lading”).</p>		
		<p>Verification (Corrective Action): Off-site verification carried out. Verified that the documented evidence of corrective actions implemented (viz; training report, attendance list, photos of training session and monitoring record on usage of PPE and records of issuance of PPE) are acceptable. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 17/08/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018
NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NC	MYNI Indicator	Details of NC
Major SH-01	2.3.1	Date issued: 12/07/2018
		<p>Indicator requirement: Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p>
		<p>Nonconformance: Location: Selancar 6, Selancar 8 and Selancar 9 Estates. The information detailed in the map is not exact. It does not represent or show the real situation on the ground. The information provided in the map is not in line or parallel with the HVC assessment conducted. As examples:- 1. In Selancar 6 Estate, certain areas such as vacant plot, steep slope and swamp, presented in the map, are no longer in existence. 2. In Selancar 8 Estate, areas presented as steep slope in the map is not as what is exactly on the ground. In addition, Sungai Pukin is not shown on the map. 3. In Selancar 9 Estate, vacant areas that are not developed were included in the map whereas in fact the land is owned by others.</p>

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause: The estate management did not inform or refer to the Land Management Unit (LMU) on the changes to the estate landscape (“Pihak pengurusan ladang tidak memaklumkan dan merujuk pada pihak Unit Pengurusan Tanah (LMU) bagi perubahan yang berlaku pada ladang”).</p> <p>Corrective Action: (1) The estate informed the LMU on the changes to the estate landscape. (“Pihak ladang memaklumkan kepada pihak Unit Pengurusan Tanah (LMU) bagi perubahan yang berlaku pada lading”). (2) The LMU confirmed a date for a meeting to make the changes to the map (“Pihak Unit Pengurusan Tanah (LMU) menetapkan tarikh perjumpaan”). (3) The estate and LMU made correction to the estate map and inclusion of the necessary information (“Pihak ladang dan pihak Unit Pengurusan Tanah (LMU) telah melaksanakan pembetulan pada peta ladang dan maklumat asas ladang”).</p>		
		<p>Verification (Corrective Action): Off-site verification carried out. Verified that the documented evidence of corrective actions implemented (viz; letters and emails of communication, meetings on 24 to 26/07/2018, attendance list, photos and updated maps) are acceptable. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 17/08/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018
NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NC	MYNI Indicator	Details of NC
Major MNM-01 (upgraded)	6.5.3	Date issued: 12/07/2018
		<p>Indicator requirement: 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>Nonconformance: Location: Selancar 6 and Selancar 8 Estates (1) Line-site inspection was not consistently carried out according to Worker’s Minimum Standard of Housing and Amenities Act 1990 (Act 446) requirements. Weekly inspection records not available as follows:- (a) Selancar 6 Estate – no inspections since Jul 2017 until Feb 2018 and on Apr 2018. (b) Selancar 8 Estate – records not available before Mar 2018 for Block A & B. (2) Line-site at Selancar 8 Estate It was observed that domestic and household waste such as plastic bottles, unwanted plastic materials, were evidently scattered around the quarters compound. [Upgraded to Major NC as a Minor NC had been raised against the same Indicator during the last assessment and the corrective action taken is considered to be not effectively implemented].</p>

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause:</p> <p>(1) The person responsible for the line-site inspection had been transferred to another estate (“Petugas yang melaksanakan pemantauan asrama telah berpindah khidmat ke ladang lain”).</p> <p>(2) The estate workers were not fully aware of the domestic waste management (“Pekerja ladang kurang kesedaran berkaitan pengurusan sampah domestic”).</p> <p>Corrective Action:</p> <p>(1) The estate had appointed 3 officers to be responsible for the line-site inspection (“Pihak ladang membuat lantikan petugas bagi melaksanakan pemantauan asrama”).</p> <p>(2) The estate had established a “gotong-royong” (teamwork clean-up) at the workers’ hostels (“Pihak ladang merangka jadual gotong royong di asrama”).</p>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out. Verified that the documented evidence of corrective actions implemented (viz; appointment letters of officers for line-site inspection, records of inspections, training on domestic waste management conducted on 24/07/2018, attendance list and photos of “gotong-royong” (teamwork clean-up) on 27/07/2018 are acceptable.</p> <p>The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 17/08/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018
NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NC	MYNI Indicator	Details of NC
Major MNM-02	6.9.1	Date issued: 12/07/2018
		<p>Indicator requirement:</p> <p>A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p>
		<p>Nonconformance:</p> <p>Location: Selancar 8 Estate</p> <p>There was no specific programs/mechanism being planned and no evidence of the implementation for particular issues faced by women being communicated to respective stakeholders and male workers (i.e. training or awareness on the domestic violence or sexual harassment and etc.)</p>
		<p>Root Cause and Corrective Action:</p> <p>Root Cause:</p> <p>The policy, complaint procedure and programme on domestic violence, sexual harassment, etc. have been implemented but only for the members of the Women Committee (“Penerangan polisi dan prosedur aduan dan program berkaitan wanita telah dilaksanakan tetapi hanya merangkumi Ahli Jawatankuasa KKD sahaja”).</p> <p>Corrective Action:</p> <p>The estate had extended the programme covering these matters / issues to all male workers and contractors’ workers and this was implemented (“Pihak ladang melaksanakan Penerangan polisi dan prosedur aduan dan program berkaitan wanita kepada petugas lelaki,pekerja ladang dan pekerja kontraktor”).</p>

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		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out. Verified that the documented evidence of corrective action implemented (viz; training conducted on 24/07/2018 concerning the above-mentioned matters / issues for all male workers, attendance list and photos) are acceptable.</p> <p>The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 17/08/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018
NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action on the NC (Indicator 6.9.1) found to be ineffective.</p>		

3.2.2 Year 2018 Annual Surveillance Assessment ASA-01: 1 Minor NC

NC	MYNI Indicator	Details of NC
Minor SH-01	5.1.3	Date issued: 12/07/2018
		<p>Indicator requirement:</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p>
		<p>Nonconformance:</p> <p>Location:</p> <p>1. Selancar 8 Estate - Sungai Pukin</p> <p>2. Selancar 9 Estate – Sungai Pukin water source</p> <p>Natural stream running across the plantation was without the demarcation on the extent of the riparian zone. In addition, there is no evident of the water quality being analysed. Water sampling point was also not indicated in the map and at site.</p>
		<p>Root Cause and Corrective Action:</p> <p>Root Cause:</p> <p>The marking of the buffer zone were already faded (“Penandaan kawasan buffer zon di ladang telah pudar”).</p> <p>The person responsible for the water sampling had been transferred to another estate (“Petugas yang melaksanakan sampling air sungai telah berpindah ke ladang lain”).</p> <p>Corrective Action:</p> <p>The estate had carried an exercise to re-mark the buffer zone along the river and water sampling and analysis carried out (“Pihak ladang melaksanakan kemaskini pada buffer zon sungai dan melaksanakan sampling air bagi Sungai Pukin”).</p>
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out. Verified that the documented evidence of corrective actions implemented (viz; photo of new signboard and marking of buffer zone, buffer zone training conducted on 31/07/2018 and photos of water sampling locations identified at the physical site and on the map) are acceptable.</p> <p>The corrective actions satisfactorily addressed the non-conformance.</p>
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 17/08/2018</td> </tr> </table>
NC status verified by auditor: Closed by OCL	Date closed: 17/08/2018	
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>

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3.2.3 Year 2018 Annual Surveillance Assessment ASA-01: 2 Observations

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS# OCL-01	2.1.4	All Estates	The Legal Register of all the estates have been reviewed and updated to include a change in the Electricity Act. However, there was no record of the email notification from HQ of the change in accordance with the procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016.	12/07/2018	11/07/2019	Addressed and closed
OBS# OCL-02	4.6.11	Selancar 6 Estate	The results of the annual medical surveillance for the contractor's workers (4 sprayers) carrying out pesticides spraying were not available during the assessment as these workers were only sent recently for the said medical examination. This matter shall be followed up for verification prior to the next assessment.	12/07/2018	11/07/2019	Addressed and closed

3.2.4 Year 2019: Surveillance Assessment ASA-02: 8 Major NCs

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major CRJ-01	2.1.1	Date issued: 18/07/2019
		Requirement:
		Evidence of compliance with relevant legal requirements shall be available.
		Statement of Nonconformance:
		Employment Act 1955 (Revised 2012), Section 59(1); Every employee shall be allowed in each week a rest day of one whole day as may be determined from time to time by the employer, and where an employee is allowed more than one rest day in a week the last of such rest days shall be the rest day for the purposes of this Part.
		Evidence of Nonconformance:
		Location: Selancar 2B POM Based on document review, it was noted the following: <ol style="list-style-type: none"> a) 4 out of 10 workers sampled work continuously for 8 days in June 2019; b) 2 out of 10 workers sampled work continuously for 10 days in June 2019; c) 1 out of 10 workers sampled work continuously for 11 days in June 2019; d) 1 out of 10 workers sampled work continuously for 12 days in June 2019; e) 1 out of 10 workers sampled work continuously for 8 days in January 2019; f) 2 out of 10 workers sampled work continuously for 9 days in January 2019; g) 2 out of 10 workers sampled work continuously for 12 days in January 2019; h) 1 out of 10 workers sampled work continuously for 13 days in January 2019.
		Location: Selancar 6 Estate Based on document review, it was noted the following: <ol style="list-style-type: none"> a) 1 out of 10 workers sampled work continuously for 12 days in July 2018; b) 1 out of 10 workers sampled work continuously for 13 days in June 2019;
		Location: Selancar 8 Estate Based on document review, it was noted the following:

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		<p>a) 1 out of 10 workers sampled work continuously for 11 days in June 2018; b) 1 out of 10 workers sampled work continuously for 13 days in December 2018; c) 1 out of 10 workers sampled work continuously for 15 days in December 2018; d) 1 out of 10 workers sampled work continuously for 26 days in December 2018; e) 2 out of 10 workers sampled work continuously for 29 days in December 2018; f) 2 out of 10 workers sampled work continuously for 30 days in December 2018; g) 1 out of 10 workers sampled work continuously for 23 days in May 2019; h) 2 out of 10 workers sampled work continuously for 29 days in May 2019; i) 3 out of 10 workers sampled work continuously for 30 days in May 2019.</p> <p>Location: Selancar 9 Estate Based on document review, it was noted the following:</p> <p>a) 1 out of 3 workers sampled work continuously for 8 days in July 2018; b) 1 out of 3 workers sampled work continuously for 8 days in January 2019; c) 1 out of 3 workers sampled work continuously for 17 days in January 2019; d) 1 out of 3 workers sampled work continuously for 26 days in January 2019; e) 1 out of 3 workers sampled work continuously for 9 days in June 2019; f) 1 out of 3 workers sampled work continuously for 23 days in June 2019</p>
		<p>Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative</p> <p>Root Cause: <i>Estates & Mill</i> -The labour shortage management. (Pihak pengurusan kekurangan pekerja). - Labour required to work in off day/rest day during peak day. (Buruh diperlukan untuk bekerja pada hari cuti rehat / hari rehat semasa hari puncak)</p> <p>Correction(s): <i>Estates & Mill</i> - Ensure the workers fill out a consent forms to work on rest day/public holiday. (Memastikan pekerja mengisi borang persetujuan untuk bekerja pada hari cuti rehat/cuti am).</p> <p>Corrective Action(s): <i>Estates & Mill</i> - Submit a letter of application to the headquarters for additional worker. (Membuat surat permohonan kepada pihak ibu pejabat bagi mendapatkan penambahakan pekerja). - Periodic monitoring of consent forms to work on rest day/public holiday for worker. (Pemantauan secara berkala keatas borang persetujuan pekerja untuk bekerja pada hari cuti rehat/cuti am).</p>
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 16 &17/10/2019. Following supporting evidences submitted: FGV SCC Department claimed to have consulted JTK officers mentioned below and verified that Employment Act 1955 allows workers to work during rest day;</p> <ul style="list-style-type: none"> - Mr. Benifaceus B. Gidok @ Basil, Pegawai Perhubungan Perusahaan-S41, JTK Semenanjung (03-88865192) - Fatin Hakimah Binti Aiyub, Setiausaha Pejabat/Pembantu Khas-N29, Mahkamah Perusahaan, WP KUALA LUMPUR (03-41414600) <p>During verification audit, the auditor consulted Mr Zulkarnain Bin Ahmad, Pembantu Operasi, JTK Segamat (07-9311414) and confirmed the claimed made above as true with the condition that the attendance is voluntary and the pay rate is as set by the regulation. Written agreement to work during rest day is optional. Legal requirement needs to comply with regards to rest day even with consent form sign by worker is not acceptable as the law clearly states that one rest day shall be provided for every 7 days work or request a waiver from the Labour Office.</p> <p>Confirmation from JTK officers above is accepted to close the non-compliance.</p>
		<p>Conclusion:</p>

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	NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019
	Verification of effectiveness: Next Assessment	
	NC status verified by auditor:	Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major CRJ-02	2.1.1	Date issued: 18/07/2019
		Requirement:
		Evidence of compliance with relevant legal requirements shall be available.
		Statement of Nonconformance:
		Employment Act 1955 (Revised 2012), Section 60A(7); Except in the circumstances described in paragraph (2)(a),(b), (c), (d) and (e), no employer shall require any employee under any circumstances to work for more than twelve hours in any one day.
		Evidence of Nonconformance:
		Location: Selancar 2B POM
		Based on document review it was noted the following:
		<ul style="list-style-type: none"> a) 2 out of 10 workers sampled with an average exceeding overtime hour of 5 hours in January 2019; b) 1 out of 10 workers sampled with an average exceeding overtime hour of 6 hours in June 2019; c) 2 out of 10 workers sampled with an average exceeding overtime hour of 7 hours in June 2019; d) 2 out of 10 workers sampled with an average exceeding overtime hour of 8 hours in June 2019.
		Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative
Root Cause:		
<ul style="list-style-type: none"> - The high yield of palm oil caused the mill workers to work longer hours. (Peningkatan hasil buah sawit yang tinggi menyebabkan pekerja kilang perlu bekerja lebih masa). - Workers replace other workers' shifts because other worker was MCs that day (Pekerja menggantikan shift pekerja lain kerana pekerja tersebut cuti sakit/MC pada hari tersebut). 		
Correction(s):		
<ul style="list-style-type: none"> - Carry out an internal audit to identify employees who work overtime > 130hrs / month and obtain relevant justifications. (Menjalankan audit dalaman bagi mengenalpasti pekerja yang bekerja lebih masa >130jam/bulan dan mendapatkan justifikasi berkaitan). - The mill management provides latter to the headquarters for notification of working hours of over 130 hours / month in Jan 2019 and June 2019. (Pihak kilang memberi surat maklumat kepada pihak ibu pejabat bagi pemberitahuan punca pekerja bekerja lebih masa >130jam/bulan pada bulan Jan 2019 dan June 2019). 		
Corrective Action(s):		
<ul style="list-style-type: none"> - Ensure employees are working base on mill plan. (Memastikan pekerja berkerja lebih masa seperti yang ditetapkan). - Annual audits will be conducted at headquarters to monitor overtime. (Audits tahunan akan dijalankan diperingkat ibu pejabat bagi memantau kerja lebih masa dikilang). 		
Verification on Corrective Action(s): by Lead Auditor / Auditor		
<p>On-site verification carried out on 16&17/10/2019.</p> <p>Following supporting evidences submitted:</p> <p>POM requested additional workers and declined by the head office with reason quota have been fulfilled. However, no overtime exceeded 130 hours found in month of Aug – Sep 2019. Assessment on overtime hours by Siti Nur Maria Abdullah, FGV HR Department also sighted.</p>		

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		Monitoring should be monthly rather than annually to ensure the working hours not exceeding the legal requirements. The corrective action satisfactorily addressed the non-conformance.	
		Conclusion:	
		NC status closed by auditor: Closed by JMD	Date closed: 17/10/2019
		Verification of effectiveness: Next Assessment	
		NC status verified by auditor:	Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major CRJ-03	6.1.3	Date issued: 18/07/2019
		Requirement:
		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.
		Statement of Nonconformance:
		There was no timetable included in the plans to ensure the implementation is monitored by the PMU or respective persons responsible.
		Evidence of Nonconformance:
		Location: Selancar 2B POM, Selancar 6 estate, Selancar 8 estate & Selancar 9 Estate It was found that there is no documented record available for review on the outcome of the plan on mitigation, implementation and monitoring according to the SIA report and no evidence that plans for avoidance or mitigation of negative impacts and promotion of the positive ones and monitoring of impacts been developed. No clear plans been documented with clear timetables.
		Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause: - Lack of awareness of SIA's importance in management. (Kesedaran pihak pengurusan berkaitan kepentingan SIA adalah kurang. - The action plan was not discussed with management before the SIA report was submitted. (Pelan pengurusan yang disediakan kepada pihak pengurusan tidak dibincangkan dengan pihak pengurusan sebelum diserahkan).
		Correction(s): - Representative form SCC team provided awareness/training against clarification on the importance of SIA in management. (Pihak SCC memberi penerangan/kesedaran berkaitan dengan kepentingan SIA dalam pengurusan). - Representative form SCC team discuss with management to develop a management plan which is more appropriate and manageable for management. New management plan submitted to management. (Membuat perbincangan dengan pihak pengurusan untuk merangka pelan tindakan yang lebih bersesuaian dan mampu untuk dilaksanakan oleh pihak pengurusan. Pelan pengurusan yang baru diserahkan kepada pihak pengurusan).
Corrective Action(s): - To ensure that the issues raised in SIA report are taken by management. (Pemastikan isu-isu yang dibangkitkan dalam laporan SIA diambil tindakan oleh pihak pengurusan). - Team from SCC needs to be more detail reviewing SIA reports when conducting an internal audit. (Pihak SCC perlu akan teliti dalam semakan laporan SIA ketika menjalankan audit dalaman). - All evidence of closing issues raised in the SIA report must be kept for proof of execution by management. (Segala bukti penutupan isu-isu yang dinaikkan dalam laporan SIA disimpan bagi pembuktian pelaksanaan oleh pihak pengurusan).		

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		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		<p>On-site verification carried out on 16&17/10/2019. Following supporting evidences submitted: A monitoring template established and include the time frame for completion. Monitoring template sighted and issues raised during previous meetings were assessed for completeness annually including during internal audit. The corrective action satisfactorily addressed the non-conformance.</p>	
		Conclusion:	
		NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019
		Verification of effectiveness:	
		NC status verified by auditor:	Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major CRJ-04	6.9.1	Date issued: 18/07/2019
		Requirement:
		A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.
		Statement of Nonconformance:
		The outcome of the meeting did not reflect on the terms of reference of the committee and no evidence of the outcome of the action taken after the meeting.
		Evidence of Nonconformance:
		Location: Selancar 6 estate, Selancar 8 estate & Selancar 9 estate It was noted that Gender Committee meetings were conducted on: <ul style="list-style-type: none"> a) 27 June 2019 for Selancar 6 estate; b) 14 February 2019 for Selancar 8 estate; c) 2 July 2019 for Selancar 9 estate. However, the outcome of the meeting did not reflect on the terms of reference of the committee and no specific programs/mechanism being planned and no evidence of the implementation for particular issues faced by women being communicated to respective stakeholders and male workers (i.e. training or awareness on the domestic violence or sexual harassment, training on women's rights, counselling training for member for women affected by violence, child-care facilities and etc.)
		Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative

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		<p>Root Cause:</p> <ul style="list-style-type: none"> - Lack of consciousness of how importance gender committee in management. (Kurang kesedaran oleh pihak pengurusan dalam hak kepentingan wanita). - Implementation of gender committee program was not run as scheduled. (Program hak kepentingan wanita tidak dijalankan seperti dijadualkan). - There is no provision or awareness of the headquarters in the success of programs related to women's rights. (Tiada peruntukan atau kesedaran dari peringkat ibupejabat dalam menjayakan program-program berkaitan dengan hak kepentingan wanita). <p>Correction(s):</p> <ul style="list-style-type: none"> - Representatives from the SCC held awareness programs for management and involved women from the headquarters. (Wakil daripada SCC mengadakan program kesedaran kepada pihak pengurusan dan melibatkan pihak wanita daripada peringkat ibupejabat). - Direct discussions with SCC and representatives from the headquarters regarding the program to be conduct at the management level. (Perbincangan secara terus daripada pihak SCC dan wakil ibupejabat berkaitan dengan program yang akan dijalankan di peringkat pengurusan). <p>Corrective Action(s):</p> <ul style="list-style-type: none"> - Monitoring from headquarters regarding activities gender committee in management. - Management must ensure all records are kept for each activities (Pihak pengurusan perlu memastikan segala aktiviti direkodkan). 						
		Verification on Corrective Action(s): by Lead Auditor / Auditor						
		<p>On-site verification carried out on 16&17/10/2019.</p> <p>Following supporting evidences submitted:</p> <p>Activities planned by the gender committee has been verified to be conducted. Most activities planned are with very low budget requirement. Briefing on no sexual harassment and domestic violence policy for male workers were also sighted during the audit.</p> <p>The corrective action satisfactorily addressed the non-conformance,</p>						
		Conclusion:						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by Jumat Majid</td> <td style="width: 30%;">Date closed: 17/10/2019</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019	Verification of effectiveness: Next Assessment		NC status verified by auditor:	Date verified:
NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019							
Verification of effectiveness: Next Assessment								
NC status verified by auditor:	Date verified:							

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major CRJ-05	2.1.1	Date issued: 18/07/2019
		Requirement:
		Evidence of compliance with relevant legal requirements shall be available.
		Statement of Nonconformance:
		Worker not paid the minimum wage.
		Evidence of Nonconformance:
		<p>Location: Selancar 8 Estate</p> <p>Based on document review, it was found:</p> <ul style="list-style-type: none"> a) The payslip of Worker: FW 06180547 did not meet the minimum wage (RM1,100) on May 2019 with the amount of RM 802.66 and total number of day-worked of 23 out of 24 days offered; b) The payslip of Worker: FW 061459 did not meet the minimum wage (RM1,000) on June 2018 with the amount of 818.93 and total number of day-worked of 23 out of 23 days offered;

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		<p>c) The payslip of Worker: FW 06180481 did not meet the minimum wage (RM1,000) on June 2018 with the amount of 818.93 and total number of day-worked of 23 out of 23 days offered.</p>		
		<p>Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative</p>		
		<p>Root Cause: -There is no mechanism for dealing with workers those don't achieved productivity. (Tiada mekanisma untuk mengendali isu berkaitan dengan pekerja yang tidak pencapaian produktiviti).</p> <p>Correction(s): - Do a counselling sessions with employees who are not achieved productivity. (Mengadakan sesi kaunseling bersama pekerja yang tidak mencapai produktiviti). - Identify the cause of incompatibility work and how to overcome it. (Mengenalpasti punca ketidak capaian produktiviti dan cara mengatasinya).</p> <p>Corrective Action(s): -Every mid-month management needs to identify workers who are not productive and need to identify the causes, counselling sessions will conduct if necessary. (Setiap petengahan bulan pihak pengurusan perlu mengenalpasti pekerja yang tidak mencapai produktiviti dan perlu mengenalpasti punca, sesi kaunseling dilakukan jika perlu). -The management should hold a counselling session if there are still employees who are not productive. (Pihak pengurusan perlu mengadakan sesi kaunseling sekiranya masih ada pekerja yang tidak mencapai produktiviti).</p>		
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>		
		<p>On-site verification carried out on 16&17/10/2019. Following supporting evidences submitted: Counselling session for non-performing workers confirmed. Improvement of performance sighted for some workers after the counselling sessions. Transfer of work stations and repatriation are following optional processes if the counselling sessions failed to achieve the desirable effect on the workers. The corrective action satisfactorily addressed the non-conformance,</p>		
		<p>Conclusion:</p>		
		<table style="width: 100%; border: none;"> <tr> <td style="border: none;">NC status closed by auditor: Closed by Jumat Majid</td> <td style="border: none; text-align: right;">Date closed: 17/10/2019</td> </tr> </table>	NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019
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		<p>Verification of effectiveness: Next Assessment</p>		
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NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major MAS-01	4.7.2	Date issued: 18/07/2019
		Requirement: 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.
		Statement of Nonconformance: Chemical mixing at the field carried out not in accordance with SOP.
		Evidence of Nonconformance:

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		<p>Location: Selancar 8 estate</p> <p>The Organization has established the Chemical Handling Procedure (FGVPM/L3/PK-04, Issue 1, Rev. 0, dated 01/04/2014). However, at Selancar 8 estate, it was found that:</p> <ol style="list-style-type: none"> 1) Chemical mixing was done at the field, on the undulating area, without proper secondary containment. 2) The chemical was transferred into another chemical container without proper label. 						
		<p>Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative</p> <p>Root Cause:</p> <ul style="list-style-type: none"> - Chemical handler is new worker and not reserve any training related chemical handling. (Pengendali bahan kimia baru dan tidak terlatih). - Lack of supervision by management. (Kurang pemantauan oleh pihak pengurusan). <p>Correction(s):</p> <p>Representative form OSH from segamat region provide training on how to handle chemicals to relevant staff and workers. (Pihak OSH wilayah segamat memberi penerangn berkaitan cara menangani bahan kimia kepada kakitangan dan pekerja yang berkaitan).</p> <p>Corrective Action(s):</p> <p>Ensure every new worker needs to attend chemical handling training before engaging in any chemical related activities. (Memastikan setiap pekerja yang baru menerima latihan cara untuk mengendali bahan kimia sebelum menjalankan sebarang aktiviti meracun).</p>						
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 16&17/10/2019.</p> <p>Following supporting evidences, documents and activities were verified:</p> <ol style="list-style-type: none"> 1) Chemical premix and spraying activity training at FGV Selancar 8 Estate – training attendance record verified. 2) Interviewed related workers regarding their understanding of chemical handling in the site – verified their understanding during interview session. <p>The corrective action satisfactorily addressed the non-conformance,</p>						
		<p>Conclusion:</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">NC status closed by auditor: Closed by MAS</td> <td style="border: none; text-align: right;">Date closed: 17/10/2019</td> </tr> <tr> <td colspan="2" style="border: none;">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td style="border: none;">NC status verified by auditor:</td> <td style="border: none; text-align: right;">Date verified:</td> </tr> </table>	NC status closed by auditor: Closed by MAS	Date closed: 17/10/2019	Verification of effectiveness: Next Assessment		NC status verified by auditor:	Date verified:
NC status closed by auditor: Closed by MAS	Date closed: 17/10/2019							
Verification of effectiveness: Next Assessment								
NC status verified by auditor:	Date verified:							

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major MAS-02	5.3.1	Date issued: 18/07/2019
		Requirement:
		All waste products and sources of pollution shall be identified and documented.
		Statement of Nonconformance:
		Storage and disposal of scheduled waste (SW) items are not adequate.
		Evidence of Nonconformance:
		<p>Location: Selancar 6 estate, Selancar 8 estate, Selancar 9 estate</p> <p>It was found that the estates did not identify used PPE (apron, nitrile glove, N-95 respirators, half-mask respirators, respirator cartridges) as Scheduled Waste "SW 409" as per Environmental Quality (Scheduled Wastes) Regulations, 2005.</p>
	Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative	

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		<p>Root Cause:</p> <ul style="list-style-type: none"> - Less exposure to how to handle and dispose of scheduled waste. (Kurang pendedahan kepada cara mengendali dan melupuskan sisa terjadual). - The identification of scheduled wastes is not comprehensive. (Pengenalpastian bahan buangan terjadual dilakukan tidak menyeluruh). <p>Correction(s):</p> <ul style="list-style-type: none"> - Training provide from OSH segamat region and OSH headquarters for the disposal of scheduled waste. (Latihan diadakan daripada wakil wilayah OSH wilayah segamat dan OSH ibu pejabat bagi cara melupuskan bahan berjadual). - Identify scheduled waste under the auspices of the OSH segamat region and OSH headquarters. (Mengenalpastian bahan buangan berjadual dibawah pemantuan pihak OSH wilayah dan OSH ibu pejabat). - Performs scheduled waste collection and records accordantly. (Membuat pengumpulan bahan buangan berjadual mengikut pengenalpastian yang dijalankan). <p>Corrective Action(s):</p> <ul style="list-style-type: none"> - Ongoing monitoring by the regional OSH to ensure that estate management makes proper collection and disposal of schedule waste. (Pemantauan secara berterusan oleh pihak OSH wilayah bagi memastikan pihak pengurusan ladang membuat pengumpulan dan pelupusan sisa terjadual dengan betul). 						
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 16&17/10/2019.</p> <p>Following supporting evidences, documents and activities were verified:</p> <ol style="list-style-type: none"> 1) Visited the scheduled waste and empty chemical containers store at FGV Selancar 6, 8 & 9 Estates – verified their tidiness and proper storage of scheduled wastes and empty chemical containers. 2) Verified the scheduled wastes and empty chemical containers inventories – the inventories were updated. 3) Empty chemical containers disposed through DOA approval contractor – verified approval letter issued by Pejabat Pertanian Johor to the contractor 4) Verified the appointment letter to the responsible officer regarding scheduled wastes matters by estate manager. 5) Verified the PPE Issuance and Returns record – all estates using standard form [FGV/FGVPM/GP/F(PK-25)/1.4] for records purpose. <p>The corrective action satisfactorily addressed the non-conformance,</p>						
		<p>Conclusion:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by MAS</td> <td style="width: 30%;">Date closed: 17/10/2019</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status closed by auditor: Closed by MAS	Date closed: 17/10/2019	Verification of effectiveness: Next Assessment		NC status verified by auditor:	Date verified:
NC status closed by auditor: Closed by MAS	Date closed: 17/10/2019							
Verification of effectiveness: Next Assessment								
NC status verified by auditor:	Date verified:							

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major OCL-01	8.1.1	Date issued: 18/07/2019
		Requirement:
		<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2);

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	<ul style="list-style-type: none"> • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. 		
	Statement of Nonconformance:		
	The three estates; Selancar 6 estate, Selancar 8 estate and Selancar 9 estate did not include items of continual improvement that are measurable for implementation and monitoring through action plans.		
	Evidence of Nonconformance:		
	Location: Selancar 6 estate, Selancar 8 estate, Selancar 9 estate Continual Improvement Action Plans for the three estates to demonstrate continual improvement in key operations are inadequate.		
	Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative		
	<p>Root Cause:</p> <ul style="list-style-type: none"> - Lack of exposure related to continuous improvement plans. (Kurang pendedahan berkaitan pelan penambahbaikan berterusan). <p>Correction(s):</p> <ul style="list-style-type: none"> - Representatives from the Segamat region and headquarters organized a program to provide information on continual improvement plans. (Wakil daripada wilayah segamat dan ibu pejabat mengadakan program bagi memberi penerangan berkaitan pelan penambahbaikan berterusan). - A new continuous improvement plan has provided to the estate management. (Pelan penambahbaikan berterusan yang baru diberikan kepada pihak pengurusan ladan). <p>Corrective Action(s):</p> <ul style="list-style-type: none"> - Representatives from the Segamat region and headquarters will monitor regular and continuous in continuous improvement plans. (Pihak wilayah segamat dan ibu pejabat akan memantau pelan penambahbaikan berterusan secara berkala dan berterusan). 		
	Verification on Corrective Action(s): by Lead Auditor / Auditor		
	<p>On-site verification carried out on 16&17/10/2019.</p> <p>Following supporting evidences verified:</p> <ol style="list-style-type: none"> 1. Continuous improvement items identified and documented with measurable objectives for the main environmental, social and quality impacts. 2. Monitoring and progress records for the action plans implemented on continual improvement as seen in examples below: <ol style="list-style-type: none"> (a) Reduce spraying by one cycle. (b) Return all used PPE (SW409) for SW disposal. (c) No rubbish at line site and housing quarters through effective collection and disposal. (d) Zero burning at line site and housing quarters. (e) Adequate and improved water supply to workers' hostel. (f) Reduction in GHG emission by reduction in diesel usage by 1% in one year. (g) Reduce usage of non-renewable resources (printing on paper, switch off computer, water and electricity bills). <p>The corrective action satisfactorily addressed the non-conformance.</p>		
	Conclusion:		
	<table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 70%;">NC status closed by auditor: Closed by OCL</td> <td style="border: none; width: 30%;">Date closed: 17/10/2019</td> </tr> </table>	NC status closed by auditor: Closed by OCL	Date closed: 17/10/2019
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	Verification of effectiveness: Next Assessment		

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3.2.5 Year 2019: Surveillance Assessment ASA-02: 4 Minor NCs

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor OCL-01	5.1.2	Date issued: 18/07/2019
		Requirement:
		Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.
		Statement of Nonconformance:
		The POM has not put in place a complete Environmental Management Plan. Furthermore, the POM did not determine the action plans for the significant environmental aspects and impacts.
		Evidence of Nonconformance:
		Location: Selancar 2B POM
		Elements of the Environmental Management Plan are available but have not been compiled together.
		Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause: Information on environmental management plans is contained in a variety of files, including policies, objectives, aspects of impact and management plans for significant impacts. (Maklumat berkaitan dengan pelan pengurusan alam sekitar berada dalam file berbeza, antaranya adalah polisi, objektif, aspek impak dan pelan pengurusan bagi impak ketara).
		Correction(s): Policies, objectives, aspects of impact and management plans for significant impacts environmental management plans in the same file. (Mendokumenkan polisi, objektif, aspek impak dan pelan pengurusan bagi impak ketara dalam file yang sama).
		Corrective Action(s): Ensure that environmental management plans are in the same file. (Memastikan pelan pengurusan alam sekitar ditempatkan dalam file yang sama).
		Verification on Corrective Action(s): by Lead Auditor / Auditor
Verification (Corrective Action): On-site verification carried out on 16&17/10/2019. Following supporting evidences verified: A complete Environmental Management Plan has been compiled and consists of: <ol style="list-style-type: none"> 1. Group Sustainability Policy FGV/SED/POL/001 Rev 3 dated 29/05/2019 2. Identification and Evaluation of Significant Environmental Aspects and Impacts. 3. Action plans on environmental impacts. The corrective action satisfactorily addressed the non-conformance.		
Conclusion:		
NC status closed by auditor: Closed by OCL	Date closed: 17/10/2019	
Verification of effectiveness: Next Assessment		
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NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor OCL-02	5.2.4	Date issued: 18/07/2019
		Requirement:
		Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan.
		Statement of Nonconformance:
		The POM did not include the pond constructed and used for storing water pumped from Sungai Pukin for mill processing operation in the HCV Assessment Report and Management Plan.
		Evidence of Nonconformance:
		Location: Selancar 2B POM HCV Assessment Report dated 10/05/2019.
		Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause: The previous HCV report was not included retention pond at mill. (Laporan HCV yang dijalankan tidak termasuk kolam tadahan kilang).
		Correction(s): A new HCV report has been updated and included in the retention pond as a conservation area. (Laporan HCV yang baru yang baru telah dikemaskini dan dimasukkan kolam tadahan kilang sebagai kawasan konservasi).
		Corrective Action(s): The management must ensure that the action plan in the HCV report is implemented. (Pihak pengurusan perlu memastikan pelan tindakan yang disertakan bersama laporan HCV dilaksanakan).
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		Verification (Corrective Action): On-site verification carried out on 16 & 17/10/2019. Following supporting evidences verified: A revised HCV Assessment Report dated 09/08/2019, inclusive of the water retention pond, found to be satisfactory. The corrective action satisfactorily addressed the non-conformance.
Conclusion:		
NC status closed by auditor: Closed by OCL	Date closed: 17/10/2019	
Verification of effectiveness: Next Assessment		
NC status verified by auditor:	Date verified:	

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor CRJ-01	6.1.4	Date issued: 18/07/2019
		Requirement:
		The plans shall be reviewed as a minimum once every two years and updated as necessary,

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	<p>in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p>		
	<p>Statement of Nonconformance:</p>		
	<p>Social Impact Assessment (SIA) was not conducted a minimum once every two year.</p>		
	<p>Evidence of Nonconformance:</p>		
	<p>Location: Selancar 2B POM Based on document review, it was noted the mill SIA was conducted on 11 June 2014 by Mr. Zul Azri Bin Razali and the latest SIA was conducted on 15 May 2019 by Mr. Hilmie Zaifruiez Bakhari together with stakeholder consultation which was conducted on 14-15 May 2019. However, no assessment was not conducted between 2014 and to current.</p>		
	<p>Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative</p>		
	<p>Root Cause: - SIA 2017 report is not documented in the proper file. (Laporan SIA 2017 tidak disimpankan di dalam file sepatutnya).</p>		
	<p>Correction(s): - SCC team has submitted the SIA 2017 report again to the mill management. (Pihak SCC telah mengerahkan semual laporan SIA 2017 kepada pihak kilang). - Evidence of action plan for issues rested in SIA 2017 report has been documented and stored in Element 1: Social file.(Bukti pelaksanaan pelan tindakan bagi isu-isu dalam laporan SIA 2017 telah didokumenkan dan disimpan di file Elemen 1: Sosial).</p>		
	<p>Corrective Action(s): - The designated communications officer should monitor and ensure that the action plan in the SIA 2019 report is implemented. (Pegawai komunikasi yang telah dilantik perlu memantau dan memastikan pelan tindakan dalam laporan SIA 2019 dilaksanakan).</p>		
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>		
	<p>On-site verification carried out on 16&17/10/2019. Following supporting evidences verified: SIA 2017 at the POM sighted. It was also verified that assessment on SIA 2017 was made during the internal audit of the following years. SIA procedures also verified to have mentioned that assessment of the SIA action plan to be conducted annually. The corrective action satisfactorily addressed the non-conformance.</p>		
	<p>Conclusion:</p>		
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NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor CRJ-02	6.2.2	Date issued: 18/07/2019
		Requirement:
		A management official responsible for these issues shall be nominated.
		Statement of Nonconformance:
		The official responsible for Consultation and communication without clear and proper job description.

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	<p>Evidence of Nonconformance:</p>		
	<p>Location: Selnacar 2B POM</p> <p>Based on document review, it was noted the mill has nominated Mr. Muhamad Nuazrin Ramli with appointment letter dated 4 January 2019 by Mr. Mohd Syafiq Yacob, Mill Manager. However, the appointment letter states administrative duties and did not provide a clear and proper job description for the nominated person responsible for consultation and communication.</p>		
	<p>Root Cause, Correction(s) and Corrective Action(s) by Auditee Representative</p>		
	<p>Root Cause:</p> <p>- The appointed communications officer does not really understand the actual responsibilities that need to be understood. (Pegawai komunikasi yang dilantik tidak memahi tanggungjawab sebenar yang perlu difahami).</p> <p>Correction(s):</p> <p>- Explanation by the mill manager regarding the responsibility of a communications officer to an assigned officer. The information includes a description of the police and complaints procedures and complaints. (Penerangan oleh pengurus kilang berkaitan tanggungjawab seorang pegawai komunikasi kepada pegawai yang dilantik. Penerangan merangkumi penerangan polisi dan procedure aduan dan rungutan).</p> <p>Corrective Action(s):</p> <p>- The mill manger needs to make sure the communication officer is capable of handling social issues. (Pihak pengurusan perlu memastika pegawai komunikasi berkemampuan dalam menangani isu sosial).</p>		
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>		
	<p>On-site verification carried out on 16&17/10/2019.</p> <p>Following supporting evidences verified:</p> <p>Revised job description for Muhammad Nazrin Ramli dated 7/8/2019 sighted.</p> <p>Content of the revised job description found to be sufficient to close the non-compliance.</p>		
	<p>Conclusion:</p>		
	<table style="width: 100%; border: none;"> <tr> <td style="border: none;">NC status closed by auditor: Closed by Jumat Majid</td> <td style="border: none;">Date closed: 17/10/2019</td> </tr> </table>	NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019
NC status closed by auditor: Closed by Jumat Majid	Date closed: 17/10/2019		
	<p>Verification of effectiveness: Next Assessment</p>		
	<table style="width: 100%; border: none;"> <tr> <td style="border: none;">NC status verified by auditor:</td> <td style="border: none;">Date verified:</td> </tr> </table>	NC status verified by auditor:	Date verified:
NC status verified by auditor:	Date verified:		

3.2.6 Year 2019: Surveillance Assessment ASA-02: 7 Observations

REF No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS CRJ-01	2.1.1	Location: Mill Based on document review, it was noted workers' payslip include "Bayaran Insentif Project" of RM120 was paid to the worker. However, the amount was not included in the calculation for over-time or there is no evident that the mill has request a waiver from the Labour Office.	18/07/2019	Next assessment	
OBS CRJ-02	2.1.1	Location: Selancar 6, 8 & 9 Estates Based on document review, it was noted workers working continuously without a rest day. There is a possibility of the	18/07/2019	Next assessment	

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		workers working in excess of 72 hours per week.			
OBS CRJ-03	6.5.2	<p>Location: Selancar 6, 8 & 9 Estates Based on document review, it was noted that the payslip provided the worker is not in the primary language of the worker.</p> <p>Location: Mill, Selancar 6, 8 & 9 Estates Based on document review, it was noted the PMU has provided the employment contract in the primary language (Bangladesh & India) of the workers. However, the secondary document;</p> <ol style="list-style-type: none"> 1. Surat Persetujuan Pekerja Operasi Ladang (Letter of Agreement for Operation Field Worker); 2. Surat Persetujuan Pekerja Ladang (Letter of Agreement for Plantation Worker); 3. Akuan Penerimaan Salinan Perjanjian Kontrak Perkerjaan (Acknowledgement of Receiving a Copy of the Employment Contract); 4. Surat Akuan Pekerja Asing (Letter of Statement from Foreign Worker); were not in the primary language of the workers.	18/07/2019	Next assessment	
OBS CRJ-04	6.12.1	<p>Location: Selancar 6, 8 & 9 Estates Based on document review and management interview, it was noted that Jabatan Tenaga Kerja, FGV is the main unit responsible for the recruitment of new foreign workers in collaboration with private recruitment agencies in the country of origin. However, there was no evident that due diligent is conducted on the private recruitment agents at the source country on the recruitment fee imposed on the workers to Malaysia.</p>	18/07/2019	Next assessment	
OBS CRJ-05	6.12.1	<p>Location: Selancar 6, 8 & 9 Estates Based on workers interviews, it was noted that the foreign workers confirmed that there were no forced or trafficked labour. However, it was noted Bangladesh workers are required to pay between RM10,000 – RM15,000 to the recruitment agent at their home country and for workers from India, the workers are required to pay about RM3,300 to the recruitment agent at their home country.</p>	18/07/2019	Next assessment	
OBS MAS-01	4.5.1	<p>Location: Selancar 6, 8 & 9 Estates These records for all the three estates can</p>	18/07/2019	Next assessment	

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		be further enhanced by summarizing all the census records (rat census, Ganoderma census, beneficial plant census, barn owl census, etc.) at estate level as now the records only available at planting field level.			
OBS OCL-01	5.4.1	Location: Selancar 6 Estate Although the estate has collected data for the diesel and electricity consumption per MT FFB produced but did not analyze the trend for energy efficiency over the years.	18/07/2019	Next assessment	

3.2.7 Identified Positive Elements

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

3.3 Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of the 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 (Annual Surveillance Assessment ASA-01 – Year 2018)

Communication done via email on 07 Jun 2018 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 12 Jul 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:			

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None	No issues raised. Ongoing consultations will be maintained.	No response needed.	-
Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 09-12 Jul 2018 at the PMU: Staff/Workers sampling: POM = 15 males, 5 females Estate Offices = 25 males, 9 females Field/sites visit = 29 males, 0 females No issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
Other Interested parties: No feedback received.	No response needed.	No response needed.	Nil

3.3.2 Feedback Raised by Stakeholders (Surveillance Assessment ASA-02 – Year 2019)

Communication done via email on 07 Jun 2019 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No feedback received. Total in Stakeholder list: 10	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received. Total in Stakeholder list: 73	Ongoing consultations will be maintained. No response needed.	Verified during on-site audit that no response needed.	Nil
Local Communities - Stakeholders' Consultation: Total in Stakeholder list: 83 Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 18/07/2019. A total of 7 stakeholders (3 suppliers, 2 contractors and 2 schoolteacher) 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: No major concern raised by the suppliers and contractors. The schools requested that the PMU could contribute more to the surrounding schools. Noted that the contribution for this year	The Estate Management responded that this matter will be reviewed by the management.	To be followed up during the next Audit.	



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<p>is much less compared to previous year.</p>			
<p>(1) <u>Local Communities - Interviews:</u> Total in Stakeholder list:7 Interviews of sampled Internal and External Stakeholders were also conducted by the auditors during field visits from 15-18/07/2019 at the PMU:</p> <ul style="list-style-type: none"> • Previous landowners/ users • Neighbouring estates • Smallholder representatives • Other growers etc <p>(2) <u>Staff / Workers sampling:</u> Total in Employee list: POM:88 Male: 82 Female:6 Nationalities in list: Malaysia - 88</p> <p>Estates: Selancar 6, 8 & 9 Male: 480 Female: 17 Nationalities in list: Malaysia – 43 India – 25 Bangladesh – 198 Indonesia – 214</p> <p>Sampled workers:</p> <ul style="list-style-type: none"> • POM: 23 males, 3 females • Nationality: Malaysia • Employment status: Permanent <ul style="list-style-type: none"> • Estate Offices: • 15 males, • 7 females • Nationality: Malaysia • Employment status: Permanent <ul style="list-style-type: none"> • Field / sites workers visit: • 45 males, • 0 females • Nationality: Malaysia, India, Bangladesh and Indonesia • Employment status: Permanent and contract <p>No negative issues raised by the</p>	<p style="text-align: center;">No response needed.</p>	<p style="text-align: center;">No response needed.</p>	<p style="text-align: center;">Nil</p>



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sampled staff and workers.			
Other Interested parties: 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, FGVPIBS Kilang Sawit Selancar 2B 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 FGVPIBS Kilang Sawit Selancar 2B be approved and continued.

Signed for and on behalf of
Intertek Certification International Sdn Bhd



Dr. Ooi Cheng Lee
Lead Assessor

Date: 04 Nov 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. Ameer Izyanif Bin Hamzah
General Manager,
Sustainability Compliance and Certification Department

Date: 05 Nov 2019

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4.2 INTERTEK- RSPO P&C Certificate details for FGVPISB Kilang Sawit Selancar 2B

Certificate No:	RSPO 931088
Original Start date:	31 Oct 2017
Expiry date:	30 Oct 2022
New PalmTrace License Start date:	31 Oct 2019
Organization	FGV Holdings Berhad (800165-P)
Address of Head Office:	Sustainability Compliance and Certification Department Level 20 (West) Wisma FGV, Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
RSPO Membership No:	1-0225-16-000-00
Plantation Management Unit:	FGVPISB Kilang Sawit Selancar 2B
Address of POM:	Kilang Sawit Selancar 2B, Wakil Pos Selancar 2, 26700 Muadzam Shah Pahang, 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 Module 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		
Selancar 2B POM (Capacity: 54 MT/hr)	Kilang Sawit Selancar 2B, Wakil Pos Selancar 2, 26700 Muadzam Shah Pahang, Malaysia	2°38'16.00"N	103° 0'1.00"E	-	8,179.14
FGVPM Selancar 6 estate	FGVPM Ladang Selancar 06, Wakil Pos Perwira Jaya, 85070, Segamat, Johor Darul Takzim, Malaysia	2°41'38.00"N	102°56'56.00"E	2,913.03	
FGVPM Selancar 8 estate	FGVPM Ladang Selancar 08, Wakil Pos Perwira Jaya, 85070 Segamat, Johor Darul Takzim, Malaysia	2°36'50.00"N	103° 0'18.00"E	1,452.07	
FGVPM Selancar 9 estate	FGVPM Ladang Selancar 09, Wakil Pos Perwira Jaya, 85070 Segamat, Johor Darul Takzim, Malaysia	2°37'10.00"N	103° 1'16.00"E	2,694.50	



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

Selancar 2B POM	Annual Tonnages (MT)
Certified FFB	105,000
Certified CPO	21,000
Certified PK	5,250
Supply Chain Module	Mass Balance (MB)



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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), RSPO Lead Auditor Course for Supply Chain Certifications (RSPO SCC), MSPO Lead Assessor Course for Principles and Criteria and MSPO Lead Assessor Course for Supply Chain Certification. He has been involved in the management of all types of system and process/product certification in Intertek. He has more than 35 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 previously 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. Edwin Chua Rin Jong – Assessor – Social Responsibility and Workers Welfare

Registered APSCA auditor, Safety and Health Officer, Radiation Protection Officer, Calibrator, OSH trainer and Registered Palm Oil Surveyor by Malaysia Palm Oil Board Malaysia (MPOB)

Mr. Edwin has been with Intertek since 1988 and has been involved in auditing especially on safety, health and social compliance. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C), RSPO Lead Auditor Course for Supply Chain Certifications (RSPO SCC), MSPO Lead Assessor Course for Principles and Criteria and MSPO Lead Assessor Course for Supply Chain Certification. He has more than 30 years work experience in numerous industries. He holds numerous positions in Intertek and his last position was the Country HSEQ & Compliance Manager before being assigned as an auditor. He has conducted numerous audits especially in OSH and Social Compliance in many organizations in Malaysia and Singapore. He has also been stationed as Site Manager in Pakistan, Sri Lanka, India, Vietnam, Brunei and Myanmar for other assignment by Intertek. He has successfully completed the IRCA Lead Auditor course in ISO 9001: 2015 and other social compliance accredited lead auditor courses. He is also a certified OSH trainer by NIOSH and has conducted OSH training for numerous organizations in Malaysia.

Mr. Mohamad Amirul Saifullah bin Mohamad Senan – Provisional Assessor

– Bachelor of Agricultural Science, Universiti Putra Malaysia

Mr. Mohamad Amirul Saifullah (MAS) has over 6 years work experience in the oil palm plantation sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2015 and RSPO P&C MY-NI Lead Assessor course.

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Appendix B: Assessment Plan (Actual)

At FGV HOLDINGS BERHAD HQ Site: 05 July 2019

Date	Time	Assessors and Assessment Activity	
		Assessment Team: Lead Assessor: OCL, Assessor: MAS	
5 July 2019 Friday	9.00 am – 9.30 am	Opening Meeting and Briefing at HQ Office (to be attended by representatives from the HQ Management)	
	9.30am – 1.00 pm	<ul style="list-style-type: none"> • Review of documentation changes (incl. Organization, Policies, SOPs, Laws etc.) • Evaluation of the Pre-Verification Data • Review of Time Bound Plan (TBP) • Verification on compliance with Minimum requirements for Multiple Management Units (MMU) • Complaints against FGV • Verification of implementation effectiveness for corrective actions on previous NCs 	
	1.00 pm - 2.00 pm	Lunch Break	
	2.00 pm – 4.30 pm	Continue site assessment at HQ	
	4.30 pm – 5.30 pm	Briefing of findings on areas / issues related to HQ	

At PMU Site: 15 – 18 July 2019

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
15 July 2019 Monday (Day 1)	7.00 am – 11.00 am	Travel from Kuala Lumpur to Hotel		
	11.00 am – 11.45 am	Travel from Hotel to Selancar 2B POM		
	11.45 am – 12.30 pm	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	12.30 pm – 1.30 pm	Lunch break		
	1.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		OCL	CRJ	MAS
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P5 Environmental, Conservation, HCV & GHG 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • SCC at POM • P4 Best Practices at Mill
		<ul style="list-style-type: none"> • Review of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 		
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

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Date	Time	Assessors and Assessment Activity		
		OCL	CRJ	MAS
16 July 2019 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at Selancar 6 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Selancar 6 estate <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues 	Site assessment at Selancar 6 estate <ul style="list-style-type: none"> • P4 Best Practices at Estates • P7 New Plantings
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Site assessment at Selancar 6 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	CRJ	MAS
17 July 2019 Wednesday (Day 3)	8.30 am – 12.30pm	Site assessment at Selancar 8 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Selancar 8 estate <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues 	Site assessment at Selancar 8 estate <ul style="list-style-type: none"> • P4 Best Practices at Estates • P7 New Plantings
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Site assessment at Selancar 9 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Selancar 9 estate <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues 	Site assessment at Selancar 9 estate <ul style="list-style-type: none"> • P4 Best Practices at Estates • P7 New Plantings
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

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Date	Time	Assessors and Assessment Activity		
18 July 2019 Thursday (Day 4)	8.30 am – 10.00 am	OCL / MAS	CRJ	
		Site assessment at Mill (Note 3) <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community 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	
	10.00 am – 10.30 am		Site assessment at POM or estates to follow up on any specific criteria/areas	
	10.30 am – 11.00 am	Preparation for Closing Meeting		
	11.00 am – 11.30 am	Team Meeting and Discussions with POM Management Representative		
	11.30 am – 1.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office		
	1.00 pm onwards	Travel to Kuala Lumpur		

Note 3: Areas audited under supervision by Team Leader (OCL)

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Appendix C-1:

Location of FGVPIB Kilang Sawit Selancar 2B, Muadzam Shah, Pahang Darul Makmur, Malaysia

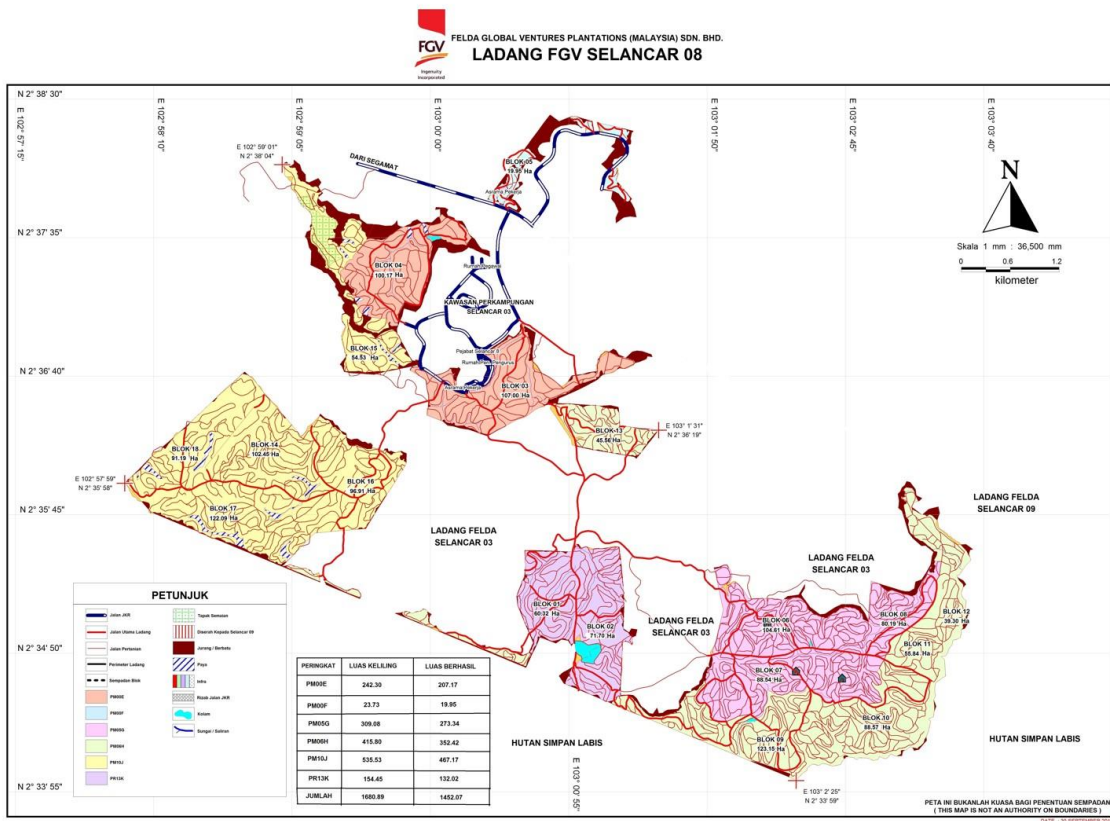


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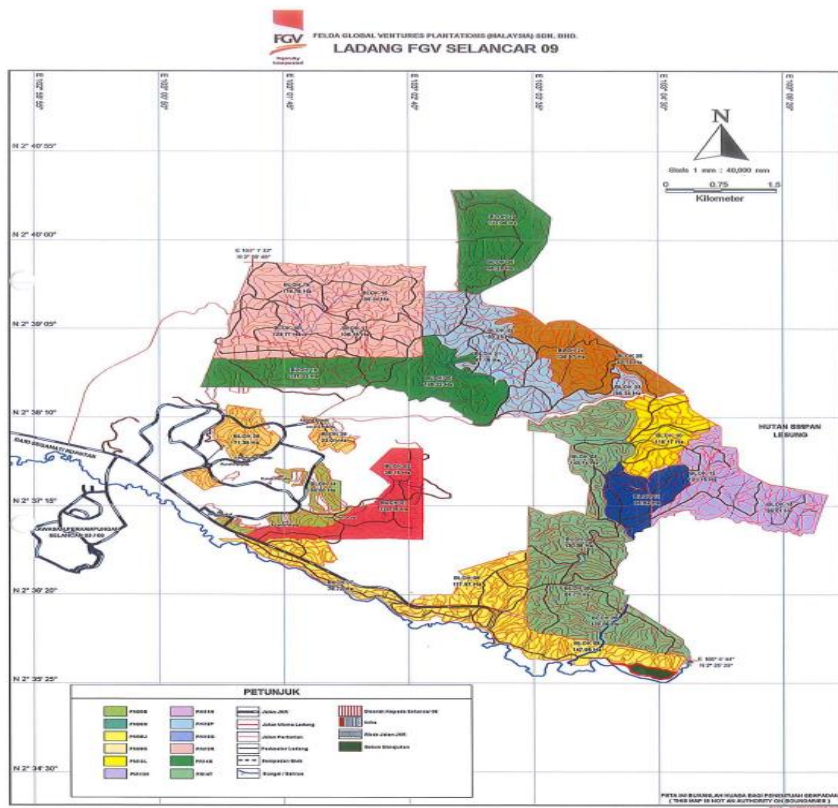
Appendix C-2: Selancar 8 estate



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Appendix C-2-3: Selancar 9 estate



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Appendix D:

Details of Time Bound Plan - as submitted by FGV (05 Jul 2019)

FGV RSPO Certifications Time Bound Plan					
No	2017	2018	2019	2020	2021
1	KS SELANCAR 2B	KS CHIKU	KS KALABAKAN	KS KEMAHANG	FGV ASIAN MILLING PLANTATION
2	KS ARING A	KS KERATONG 2	KS KEMBARA SAKTI	KS CHINI 2	FGV YAPID MAS (Golden Land)
3	KS SELENDANG	KS SERTING	KS NILAM PERMATA	KS JERANGAU BARAT	PT CITRA NIAGA PERKASA (Indonesia)
4	KS BUKIT SAGU	KS KERATONG 3	KS HAMPARAN BADAI	KS TROLAK	PT TEMILIA AGRO ABADI (Indonesia)
5	KS KERATONG 09	KS KERTEH	KS MERCU PUSPITA	KS SEMENCHU	FGVPM Paloh
6	KS LEPAR UTARA 06	KS KOTA GELANGGI	KS LANCANG KEMUDI	KS PANCHING	
7	KS MAOKIL	KS JENKA 21	KS EMBARA BUDI	KS AIR TAWAR	
8	KS KEMASUL	KS PENGGELI	KS BAIDURI AYU	KS LOK HENG	
9	KS KRAU	KS BELITONG	KS UMAS	KS SG TENGI	
10	KS LEPAR HILIR	KS KULAI	KS TENGGAROH TIMUR	KS PASOH	
11	KS TRIANG	KS ADELA	KS SELANCAR 2A	KS KAHANG	
12	KS KECHAU B	KS SERTING HILIR	KS BUKIT MENDI		
13	KS PALONG TIMUR	KS BUKIT KEPAYANG	KS JENKA 8		
14	KS BESOUT	KS JERANGAU BARU	KS JENKA 18		
15	KS NERAM	KS TENGGAROH	KS JENKA 3		
16	KS CHINI 3	KS NITAR	KS PADANG PIOL		
17		KS CHALOK	KS TERSANG		
18		KS WAHA	KS PONTIAN UNITED PLANTATION		
19		KS SAMPADI	KS TEMENTI		
20		KS MEMPAGA			
Total	16	20	19	11	5
	16	36	55	66	71
					Certified
					Suspended
					External Audit
					Internal Audit
				Preparation for audit	

CB Evaluation remarks:

The above Time Bound Plan for Uncertified units is sufficiently challenging barring any unforeseen circumstances which may lead to adjustments by FGV. In such event, justifications by FGV to be submitted and further evaluated on the impact it may have on the forthcoming assessments at its Certified units that are under the purview of CB-Intertek.

Attached list of estates associated with the Palm Oil Mills indicated in the Time Bound Plan:



TBP 2017-2021.pdf

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Appendix E

Summary of RSPO CP decisions and RSPO Case Tracking on FGV Group (updated till 05 Jul 2019)
- CB Reviews and Evaluation done as part of Risk Assessment

1. Matter of Public Interest taken up by the Complaints Panel of the RSPO (This was not a complaint)

Ref: <https://askrspo.force.com/Complaint/s/case/50090000028Es0aAAC/detail>

Date Complaint submitted: 26 Jul 2015

Summary of Complaint:

On the 26th of July 2015, WSJ ran an article by Syed Zain Al – Mahmood alleging that Felda has breached labour conditions in its plantations. The allegations mainly say that forced labour is being used and the workers are not paid minimum wages. Further, it is alleged that their health and working conditions are neglected and also that their employers withheld their passports.

Latest update: 24 Apr 2019 FGV has submitted the action plan and it's being reviewed by IMU

Current status: Case closed

2. Reaction Research Article

Ref: <https://askrspo.force.com/Complaint/s/case/50090000028ErzMAAS/detail>

Date Complaint submitted: 19 Apr 2017

Summary of Complaint:

There was a report issued by Chain Reaction which informed the fact of FGV in Kalimantan's concession had cleared 1600 Ha peat forest. On 25th April 2017 Secretariat had a meeting with FGV and they claimed that they only planted on less than 100 Ha on a shallow depth.

Latest update: 24 Apr 2019 Pending further clarification from the Respondent (FGV HOLDINGS BERHAD).

Current status: Still under investigation