

**FELDA GLOBAL VENTURES  
PLANTATIONS (MALAYSIA) SDN BHD**

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

PLANTATION MANAGEMENT UNIT  
**KKS Selancar 2B Grouping**  
Segamat, Johor Darul Takzim, Malaysia



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# Assessment Report

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**INTERTEK CERTIFICATION INTERNATIONAL SDN BHD**  
(188296-W)

Report No.: **R9310/17-1 Felda Global Ventures Plantations (Malaysia) Sdn Bhd**  
**KKS Selancar 2B Grouping: MA**

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**MAIN ASSESSMENT**  
**PUBLIC SUMMARY REPORT**

**FELDA GLOBAL VENTURES PLANTATIONS (MALAYSIA) SDN BHD**  
(358158-V)

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

PLANTATION MANAGEMENT UNIT  
**KKS Selancar 2B Grouping**  
Segamat, Johor, Malaysia

**Certificate No:**

Issued date:

Expiry date:

**RSPO 931088**

DD MMM 2017

DD MMMt 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

**Intertek Certification International Sdn Bhd**

D-28-3, Level 28, Menara Suezcap 1, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur, Malaysia.

Tel: +00 (603) 7931 0032 Fax: +00 (603) 7931 0419 Email: [ia.mysbaenquiry@intertek.com](mailto:ia.mysbaenquiry@intertek.com)

Website: [www.intertek.com](http://www.intertek.com)



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## 1.0 SCOPE OF ASSESSMENT

### 1.1 Introduction

This Main Assessment was conducted on the Plantation Management Unit (PMU) at KKS Selancar 2B Grouping of Felda Global Ventures Plantations (Malaysia) Sdn Bhd (hereafter abbreviated as FGVPM), from **14-18 Aug 2017**, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned and/or managed by FGVPM.

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

KKS Selancar 2B Grouping 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**.

The 3 estates are all FGVPM owned estates. There are no Felda Smallholders (settlers) in this PMU.

The palm oil mill is operated by FGVPM.

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

Name	Address	GPS Reference	
		Latitude	Longitude
Selancar 2B POM (Capacity: <b>54</b> MT/hr)	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor Darul Takzim, Malaysia	2°38'16.00"N	103° 0'1.00"E
FGVPM Selancar 6 estate	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	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	Ladang Felda Selancar 09, Wakil Pos Perwira Jaya, 85070 Segamat, Johor Darul Takzim, Malaysia	2°37'10.00"N	103° 1'16.00"E

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

The supply base i.e. FFB sources to the POM at KKS Selancar 2B Grouping PMU 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 Selancar 2B Grouping are as shown in Table 2 below.

**Table 2: Estate Area Summary**

Estate	Area Summary (ha) - FY Jul 2016 / Jun 2017	
	Certified (Titled) Area	Planted Area
FGVPM Selancar 6 estate	3,549.64	3,230.27
FGVPM Selancar 8 estate	1,744.76	1,452.07
FGVPM Selancar 9 estate	3,027.90	2,694.72
<b>Total:</b>	<b>8,322.30</b>	<b>7,377.06</b>

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Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including any HCV areas (if any) marked out at the estates.
2. 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.

### 1.4 Summary of plantings and cycle

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

**Table 3: Age Profile of Planted Oil Palm – FY Jul 2016 / Jun 2017**

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
FGVPM Selancar 6 estate	2000, 2008, 2009, 2010, 2011, 2013, 2014, 2017	2 <sup>nd</sup>	1,431.86	1,798.41
FGVPM Selancar 8 estate	2000, 2005, 2006, 2010, 2013	2 <sup>nd</sup>	1,320.05	1,32.02
FGVPM Selancar 9 estate	2000, 2010, 2011, 2012, 2013, 2014	2 <sup>nd</sup>	1,791.86	902.86
		<b>Total</b>	<b>4,543.77</b>	<b>2,833.29</b>

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

The summary of Conservation and HCV Areas as identified in KKS Selancar 2B Grouping during this assessment is as shown in Table 4 below:

**Table 4: Conservation and HCV Areas**

#	Statement of Land Use (Ha)	FY Jul 2016 / Jun 2017 Hectarage (Ha)
<b>1</b>	<b>Planted Area (ha) – Oil Palm</b>	
	- Mature	4,543.77
	- Immature	2,833.29
<b>2</b>	<b>Conservation Area (ha)</b>	
	- comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	61.41
<b>3</b>	<b>HCV Area (ha)</b>	
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	0

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

Presently KKS Selancar 2B Grouping holds valid ISO 9001, ISO 14001 and OHSAS 18001 certifications for the Palm Oil Mill. The RSPO's trademarks and logo are not used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.



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## 1.7 Organizational information / Contact Person

Name: Norazam Abdul Hameed  
Designation: Senior General Manager, Certification and Due Diligence (CDD) Unit  
Full Address: Sustainability and Environment Department (SED),  
Felda Global Ventures Holdings Berhad (FGVHB),  
Menara Felda Platinum Park, Level 20  
No 11 Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.  
Tel: +603 2859 1995  
Fax: +603 2859 0016  
Email: norazam.ah@feldaglobal.com

Name: Anthonius Sani  
Designation: Senior Manager, Certification & Due Diligence (CDD) Unit  
Full Address: Sustainability and Environment Department (SED),  
Felda Global Ventures Holdings Berhad (FGVHB),  
Menara Felda Platinum Park, Level 20  
No 11 Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.  
Tel: +603 2859 1623  
Fax: +603 2859 0016  
Email: anthonius.sani@feldaglobal.com

## 1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at KKS Selancar 2B Grouping based on the reporting period for current assessment are as shown in Table 5 below:

**Table 5: Tonnages Verified for Certification (FY Jul 2016 / Jun 2017)**

#	Estate /Supplier	FFB Received (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification
	<b>PMU Estates: Certified:</b>			
1.	FGVPM Selancar 6 estate	28,888.97	Selancar 2B POM	Intertek
2.	FGVPM Selancar 8 estate	20,753.08	Selancar 2B POM	Intertek
3.	FGVPM Selancar 9 estate	17,070.02	Selancar 2B POM	Intertek
	<b>Sub-total from PMU estates</b>	<b>66,712.07</b>		
	<b>Outside Crop Producers (OCP): Non-certified:</b>			
4.	Sern Lee Enterprise Sdn Bhd	37,552.69		
5.	Tai Ichi Enterprise Sdn Bhd	455.90		
6.	Kim Ma Oil Palm (Transport) Sdn Bhd	1,784.05		
7.	Tai Huat Agriculture	99,649.81		
8.	Steven Development Sdn Bhd	21,886.93		
9.	Bakti Mas Bina Sdn Bhd	34.55		
10.	Sri Kerbau Commodities Sdn Bhd	310.16		
11.	Sendang Juara Sdn Bhd	104.59		
12.	SH Trading Co. Sdn Bhd	544.22		
	<b>Sub-total from OCP</b>	<b>162,322.90</b>		
	<b>GRAND TOTAL</b>	<b>229,034.97</b>		

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1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to KKS Selancar 2B Grouping POM during the previous period, current assessment period and projected period are as follows:

**Table 6: Annual Tonnages of FFB**

Estate / Supplier	FFB Processed in FY Jul 2015 / Jun 2016 - Actual		FFB Processed in FY Jul 2016 / Jun 2017 - Actual		FFB Processed for FY Jul 2017 / Jun 2018 - Projected*	
	MT	%	MT	%	MT	%
FFB from Selancar 2B PMU estates	62,626.73	27.79	66,712.07	29.13	100,520.00	37.79
Non-certified FFB from OCP	162,728.17	72.21	162,322.90	70.87	165,500.00	62.21
<b>Total</b>	<b>225,354.90</b>	<b>100.00</b>	<b>229,034.97</b>	<b>100.00</b>	<b>266,020.00</b>	<b>100.00</b>
SCCS Model for POM	MB		MB		MB	

\*Note: The increase in FFB to be processed in FY Jul 2017 / Jun 2018 is due to a large hectareage of the immature oil palm becoming mature (see Table 3 Age Profile of planted oil palm). Furthermore, only 231.39 ha left to be replanted in year 2020 for Selancar 8 Estate and 39.27 ha in year 2023 for Selancar 6 Estate.

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	FFB Processed in FY Jul 2015 / Jun 2016 - Actual		FFB Processed in FY Jul 2016 / Jun 2017 - Actual		FFB Processed for FY Jul 2017 / Jun 2018 - Projected	
<b>Total own FFB Processed (MT)</b>	62,626.73		66,712.07		100,520	
<b>Total CPO Production (MT)</b>	12,412.12	% OER: 19.82	13,059.62	% OER: 19.58	19,654.67	% OER: 19.55
<b>Total PK Production (MT)</b>	3,351.43	% KER: 5.35	3,422.38	% KER: 5.13	5,229.00	% KER: 5.20

Note: 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.**

### 1.9 Time Bound Plan for Other Plantation Management Units and Requirements for Partial Certification

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>



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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 operate 70 palm oil mills and 184 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 E**.

Intertek was able to verify that FGV had conducted internal audits on the first group of 16 units in Peninsular Malaysia and 7 units in Sabah listed in the Time Bound Plan over the period Jan to Mar 2017 as required under the RSPO requirements under Partial Certification (4.2.4) and declared that there are only potential labour issues such as the need for a clear understanding of employment contracts by foreign workers, pay slip discrepancies and suitable housing.

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 the 4.2.4 Partial Certification requirements to ensure that the issues are being resolved through an agreed process.





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### 1.10 Abbreviations Used

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



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### 2.0 ASSESSMENT PROCESS

#### 2.1 Assessment Methodology, Plan and Site Visits

Since 12 Jul 2017, 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 KKS Selancar 2B Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From **14-18 Aug 2017**, the Assessment team conducted the Assessment in which all three estates (viz., FGVPM Selancar 6 estate, FGVPM Selancar 8 estate and FGVPM Selancar 9 estate) of KKS Selancar 2B Grouping 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, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

KKS Selancar 2B Grouping POM was also assessed against the requirements of RSPO Supply Chain Certification Standard for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for the 'Mass Balance' - MB 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 also submitted to another independent External Peer Reviewer for comments prior to the approval of this report and final decision on the certification by Intertek.

#### 2.2 Date of next scheduled visit

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

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

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

#### 2.4 Certification Body

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



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### 2.5 Process of stakeholder consultation

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

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

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

Among the list of key stakeholders consulted was the following:

#### Government Agencies (by emails)

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

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

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

#### Statutory Bodies (by emails)

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

#### NGOs (by emails)

24. All Women's Action Society (AWAM)
25. BCSDM - Business Council for Sustainable Development in Malaysia
26. Borneo Child Aid Society (Humana)
27. Borneo Resources Institute Malaysia (BRIMAS)
28. Borneo Rhino Alliance (BORA)
29. Center for Orang Asli Concerns COAC
30. Centre for Environment; Technology and Development; Malaysia - CETDEM
31. Consumers Association Of Penang - CAP
32. EcoKnights
33. ENO Asia Environment
34. Environmental Management and Research Association of Malaysia (ENSEARCH)
35. Environmental Protection Society Malaysia (EPSM)
36. Friends of the Earth; Malaysia
37. Future in Our Hands Society; Malaysia
38. Global Environment Centre
39. Institute of Foresters; Malaysia (IRIM)
40. JUST - International Movement for a Just World
41. Malaysian CropLife & Public Health Association (MCPA)
42. Malaysian Environmental NGOs - MENGO
43. Malaysian National Animal Welfare Foundation - MNAWF



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44. Malaysian Nature Society Pahang
45. Malaysian Plant Protection Society (MAPPS)
46. National Council of Welfare & Social Development Malaysia - NCWSDM
47. National Union of Plantation Workers (NUPW)
48. Partners of Community Organisations (PACOS)
49. Pesticide Action Network Asia and the Pacific (PAN AP)
50. Proforest - South East Asia Regional Office
51. Sabah Wetlands Conservation Society (SWCS)
52. SUARAM - Suara Rakyat Malaysia
53. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
54. Sustainable Development Network Malaysia (SUSDEN)
55. Tenaganita Sdn Bhd
56. The Malaysian Forum of Environmental Journalist (MFEJ)
57. TRAFFIC - the wildlife trade monitoring network
58. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
59. Transparency International - Malaysian Chapter
60. Treat Every Environment Special Sdn Bhd. (TrEES)
61. UNION - AMESU
62. United Nations Development Programme - UNDP Malaysia
63. Wetlands International (Malaysia)
64. Wild Asia Sdn Bhd
65. World Wide Fund for Nature (WWF) Malaysia

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

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



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## 3.0 ASSESSMENT FINDINGS

### 3.1 Summary of findings

#### Principle 1: Commitment to transparency

<b>Criterion 1.1</b>		
<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>1.1.1</b> There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p><b>Minor Compliance</b></p>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr12 Issue 1 Rev 0 dated 01/06/2016 for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>Date of public notification of this assessment of the PMU was made on 12 Jul 2017. No request for information from stakeholders for this PMU.</p>	<p>Complied</p>
<p><b>1.1.2</b> Records of requests for information and responses shall be maintained.</p> <p><b>Major Compliance</b></p>	<p>Implementation of above procedure was evident from records of visits, inspections and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), BOMBA, MPOB and Energy Commission (“Suruhanjaya Tenaga”).</p> <p>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.</p> <p>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>	<p><b>Refer to Minor NC# JMD-02 on Indicator 6.2.3</b></p>
<b>Criterion 1.2</b>		
<p>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>1.2.1</b> Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <p><b>Major Compliance</b></p>	<p>The organization’s policies declared that upon request, the following types of mandatory documents are available to the public:</p> <ul style="list-style-type: none"> <li>• land titles/user rights,</li> <li>• occupational health and safety plan,</li> <li>• plans and impact assessments relating to environment and social impacts,</li> <li>• pollution prevention plans,</li> <li>• details of complaints &amp; grievances,</li> <li>• negotiation procedures</li> <li>• continuous improvement plan</li> <li>• Public summary of certification assessment report.</li> <li>• Human Rights Policy.</li> </ul> <p>These publicly available documents include key indicators of performance like waste management and disposal plans for</p>	<p>Complied</p>



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	the mill and estates. Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.	
• 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
• Occupational health and safety plans (Criterion 4.7);	Occupational Safety and Health (OSH) Plan that cover OSH Policy and risk assessment (HIRAC) was documented and implemented for both mill and estates.	Complied
• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);	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.  The PMU has established and implemented a documented procedure ML-1A/L2-Pr21 Issue 1 Rev 0 dated 01/06/2016 for Social Impact Assessment. Social impact assessment carried out. Positive and negative impacts and action plan documented.	Complied
• HCV documentation (Criteria 5.2 and 7.3);	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.  HCV Identification Survey initially conducted on the PMU estates on 04 Jun 2014 reported the following: (a) No significant HCV area found in the PMU. (b) Certain portions of the boundary of the estates are adjacent to forest reserves. (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. Action Plan documented for biodiversity in all the estates with specific actions to be taken by the Estate Manager / Assistant Manager.	<b>Refer to Major NC# SH-01 on Indicator 5.2.1</b>
• 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
• Details of complaints and grievances (Criterion 6.3);	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.  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.	Complied



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• 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
• 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 are available from the company upon request.	Complied
• Human Rights Policy (Criterion 6.13).	The Human Rights Policy (“Polisi Hak Asasi Manusia”) has been documented and signed by the President and CEO of Felda Global Ventures on 01/06/2014. The Policy had been communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates.	Complied
<b>Criterion 1.3</b>		
Growers and millers commit to ethical conduct in all business operations and transactions.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
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. <b>Minor Compliance</b>	The Policy of commitment to a Code of Ethical Conduct and Integrity has been documented and signed by the President and CEO of Felda Global Ventures on 01/06/2014. The Policy had been communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates.	Complied

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

<b>Criterion 2.1</b>		
There is compliance with all applicable local, national and ratified international laws and regulations.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
2.1.1 Evidence of compliance with relevant legal requirements shall be available. <b>Major Compliance</b>	A Register of Legal and Other Requirements covering the applicable local and international laws and regulations has been compiled for the mill and 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.  There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.  Based on the site observations, interviews and records checking at the POM and estates, there were evidences of compliance with the relevant laws, regulations, local and international laws.  Licenses and permits (License for Foreign Workers Employment, Workers Wages Deduction Permit, License 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.	Complied





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	<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 (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester, authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>Legal documents (work permits, passports) of foreign workers in the estates. Insurance coverage is available for foreign workers in the estates. There are no foreign workers employed in the POM.</p> <p>Statutory returns to relevant authorities found to be in compliance.</p>	
<p><b>2.1.2</b> A documented system, which includes written information on legal requirements, shall be maintained. <b>Minor Compliance</b></p>	<p>The PMU has established and implemented a documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 for identifying, determining, reviewing and updating applicable legal and other requirements.</p> <p>It included the listing of laws and regulations that were being monitored for changes.</p>	<p style="text-align: center;">Complied</p>
<p><b>2.1.3</b> A mechanism for ensuring compliance shall be implemented. <b>Minor Compliance</b></p>	<p>Monitoring mechanism was done through a yearly evaluation check against the items in the Legal Register. The POM and the estates have carried out the evaluation check on 13/05/2017.</p> <p>The PMU had also conducted an internal audit on 07 Jul 2017 for determining compliance of its operations with RSPO requirements and legal requirements. Records were maintained.</p>	<p style="text-align: center;">Complied</p>
<p><b>2.1.4</b> A system for tracking any changes in the law shall be implemented. <b>Minor Compliance</b></p>	<p>Tracking of changes in the relevant laws are communicated and received from HQ. Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure ML-1A/L2-Pr6 Issue 1 Rev 0 dated 01/06/2016 and documented monitoring flowchart “Sistem Semakan Perubahan Undang-undang”.</p>	<p style="text-align: center;">Complied</p>
<p><b>Criterion 2.2</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>





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<p><b>2.2.1</b> Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.</p> <p><b>Major Compliance</b></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). 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>	<p>Complied</p>
<p><b>2.2.2</b> There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p><b>Minor Compliance</b></p>	<p>No change to the stated land titles and designated use for cultivation of oil palm and agricultural use.</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>	<p>Complied</p>
<p><b>2.2.3</b> Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p><b>Minor Compliance</b></p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not required to be applied for the PMU.</p>	<p>Complied</p>
<p><b>2.2.4</b> There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p><b>Major Compliance</b></p>	<p>The PMU has established a documented procedure ML-1A/L2-Pr10 Issue 1 Rev 0 dated 01/06/2016 for the identification and resolution of land conflicts.</p> <p>The procedure covers:</p> <ul style="list-style-type: none"> <li>(a) Local community rights and customary rights.</li> <li>(b) Resolution plan and compensation.</li> <li>(c) Compliance and boundary stone demarcation.</li> </ul> <p>There is currently no land dispute in the PMU.</p>	<p>Not applicable</p>
<p><b>2.2.5</b> For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p><b>Minor Compliance</b></p>	<p>No land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not Applicable</p>



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<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.</p> <p><b>Major Compliance</b></p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p><b>Criterion 2.3</b> 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><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></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).</p> <p><b>Major Compliance</b></p>	<p>Land title for POM land and estates lands verified to be in order.</p> <p>The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.</p>	<p>Not applicable</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:</p> <p>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;</p> <p>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;</p> <p>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.</p> <p><b>Minor Compliance</b></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.</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>Complied</p>
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p><b>Minor Compliance</b></p>	<p>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	<p>Not Applicable</p>



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<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p><b>Major Compliance</b></p>	<p>This process is not applicable during current assessment.</p>	<p>Not Applicable</p>
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**Principle 3: Commitment to long-term Economic & Financial Viability**

<p><b>Criterion 3.1</b></p> <p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p><b>Major Compliance</b></p>	<p>Palm Oil Mill has documented a 3 years (2017, 2018 and 2019) Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> <li>(1) Mill extraction rates = OER and KER trends;</li> <li>(2) Cost of Production = Cost/MT CPO trends;</li> <li>(3) Forecast prices;</li> <li>(4) Financial indicators = Cost of labour &amp; services, cost of supplies and equipment, depreciation costs, salary costs, management costs, cost of materials, etc.).</li> </ul> <p>The estates have documented a 3 years (2016 to 2018) Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> <li>(1) Replanting program (planting materials are DxP seedling and cloned seedling);</li> <li>(2) Crop projection = FFB yield/ha trends;</li> <li>(3) Cost of Production = Cost/MT FFB trends;</li> <li>(4) Forecast prices;</li> <li>(5) Financial indicators = Cost of labour, cost of facilities, cost of materials, etc.).</li> </ul> <p>Crop and operation budget cover weeding, manuring, harvesting, collection and transporting, pruning, drains and roads.</p> <p>The budgets also include provisions for sustainability efforts and improvement programmes (environmental aspects on road maintenance, domestic waste collection, maintenance of buffer zones).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc).</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the GM of Zone/Wilayah.</p>	<p>Complied</p>
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer</p>	<p>Replanting Program for estates sighted for the period 2017 to 2023. Evidence of the replanting program planned, reviewed</p>	<p>Complied</p>



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<p>where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.  <b>Minor Compliance</b></p>	<p>and on-going implementation carried out.</p> <p>The Replanting Program for Selancar 6 estate indicated 308.69 ha and 39.27 ha to be replanted in year 2017 and 2023 respectively.</p> <p>The Replanting Program for Selancar 8 estate indicated replanting only in year 2020 involving 231.39 ha.</p> <p>The Replanting Program for Selancar 9 estate indicated no replanting over that period.</p>	
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## Principle 4: Use of appropriate best practices by growers and millers

<b>Criteria 4.1</b>		
Operating procedures are appropriately documented, consistently implemented and monitored.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.  <b>Major Compliance</b></p>	<p>The POM has documented the following SOPs:</p> <ol style="list-style-type: none"> <li>1. Palm Oil Mill Operation Manual.</li> <li>2. Laboratory Operation Manual.</li> <li>3. Quality, Environmental and Occupational Health &amp; Safety Manual and Procedures of Palm Oil Mill.</li> <li>4. Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 3.0 Rev 1.0 (Effective 01 Aug 2016) SOP for Mill RSPO Supply Chain Certification System using the Mass Balance (MB) module.</li> </ol> <p>The estates have the following SOPs:</p> <ol style="list-style-type: none"> <li>1. Sustainable Oil Palm Estate Operation Manual - The manual describes operational procedure of nursery practices, land preparation, planting practices, ground cover maintenance, roads, immature stage, harvesting, collection of bunches, manuring, pesticide application, pests &amp; diseases control. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators.</li> <li>2. SOP for riparian zone management with specified buffer zones.</li> </ol> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	<p>Complied</p>
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place.  <b>Minor Compliance</b></p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p> <p>The PMU had also conducted an internal audit on 07 Jul 2017 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.  <b>Minor Compliance</b></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.</p> <p>Daily Muster Chits were available at estates and actual field activities were verified during on-site field inspection..</p> <p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster Chits.</p>	<p>Complied</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p>	<p>The POM maintained records on the origins of all third-party sourced Fresh Fruit Bunches (FFB), and it had been verified to</p>	<p>Complied</p>



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<b>Major Compliance</b>	be satisfactory. It had been verified from the records that the mill received FFB from estates of the PMU and outside crops from OCPs.	
<b>Criteria 4.2</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.2.1</b> There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. <b>Minor Compliance</b>	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 Felda Agricultural Advisory Services Sdn. Bhd. (FASSB). These had been verified through the records for fertilizer application and observation during field visit. Evidences 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.	Complied
<b>4.2.2</b> Records of fertiliser inputs shall be maintained. <b>Minor Compliance</b>	Records of fertilizer application at the estates were maintained and verified to be satisfactory.	Complied
<b>4.2.3</b> There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <b>Minor Compliance</b>	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.	Complied
<b>4.2.4</b> A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. <b>Minor Compliance</b>	EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms. EFB mulching records verified to be satisfactory. There was no land application of POME at the estates in the PMU.	Complied
<b>Criteria 4.3</b> Practices minimise and control erosion and degradation of soils.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.3.1</b> Maps of any fragile/marginal soils shall be available. <b>Major Compliance</b>	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: Selancar 6 Estate are Bungor, Bungor Lateritic, Serdang, Melacca, Kedah, Cat, Colluvium, Tok Yong, Renggam, Durian Laterit, Jeram, Harimau and Lathing series Selancar 8 Estate are Renggam, Temiang, Colivium, Harimau, Tok Yong and Beserah series. Selancar 9 Estate are Renggam, Alluvium, Local Alluvium, Beserah, Telemong and Colluvium series.	Complied
<b>4.3.2</b> A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. <b>Minor Compliance</b>	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	Complied



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	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.	
<b>4.3.3</b> A road maintenance programme shall be in place. <b>Minor Compliance</b>	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 implemented as seen in the records.	Complied
<b>4.3.4</b> Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. <b>Major Compliance</b>	It was confirmed during assessment on site that there is no peat soil on the estates.	Complied
<b>4.3.5</b> Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. <b>Minor Compliance</b>	It was confirmed during assessment on site that there is no peat soil in the estates.	Not Applicable
<b>4.3.6</b> A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). <b>Minor Compliance</b>	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on these estates.	Not Applicable
<b>Criteria 4.4</b> Practices maintain the quality and availability of surface and ground water.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.4.1</b> An implemented water management plan shall be in place. <b>Minor Compliance</b>	Documented water management plan verified to be in place for the palm oil mill and estates. Rainfall data monitored as part of the water management plan. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways (streams/ rivers).  The water supply for domestic use to staff and workers' housing is piped water from the water treatment plant operated by the water utility company. It is a requirement for the water utility company to ensure that tests are carried out on parameters to meet the Ministry of Health Specification for Drinking Water Quality.	Complied
<b>4.4.2</b> Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. <b>Major Compliance</b>	Buffer zones had been maintained on both sides of streams in the estates as verified during on-site field inspection. No evidence of spraying around palms marked as boundary for the buffer zones.  Appropriate signages were placed with demarcation of buffer zone area. Workers are aware of the non-usage of chemicals within the buffer zone,  There was no construction of bunds/ weirs/dams across the streams or waterways passing through the estates.	Complied
<b>4.4.3</b> Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). <b>Minor Compliance</b>	Water samples were taken at weekly interval at the final discharge point of the palm oil mill effluent pond and at upstream and downstream of waterways. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammonia Nitrogen and Total Nitrogen. Analysis results meet DOE requirements.  BOD levels had been in the range of 42 to 67 ppm for the	Complied





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	period Jan-Jul 2017 with an average of 55 ppm. The current allowable upper limit specified by D.O.E (Pahang State) is < 100 ppm.	
<b>4.4.4</b> Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. <b>Minor Compliance</b>	Water usage in the mill from Jan-Jul 2017 ranged from 1.43 to 3.15 m <sup>3</sup> /mt FFB with an average usage of 1.83 m <sup>3</sup> /mt FFB. The level of water usage is higher than the industrial norm of 1.2 - 1.5 m <sup>3</sup> /mt FFB.	Complied
<b>Criteria 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.5.1</b> Implementation of Integrated Pest Management (IPM) plans shall be monitored. <b>Major Compliance</b>	IPM Plan includes the planting of beneficial plants and control of damage by rodents.  Programme for planting of beneficial plants on planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Turnera subulata</i> , <i>Antigonon leptopus</i> and records on areas planted had been verified together with the respective maps to be satisfactory.  Barn owl also used for the control of rodents. Barn owl census carried out and location maps were available. Rat damage monitored and records of rat baiting maintained.  Pest infestation was noted to be minimal at the estates. No cases of infestation by other pests (bagworms and rhinoceros beetle).	Complied
<b>4.5.2</b> Training of those involved in IPM implementation shall be demonstrated. <b>Minor Compliance</b>	IPM training conducted by for all those involved in IPM implementation and training records for staff and workers on IPM implementation were available for Selancar 8 Estate and Selancar 9 Estate. <b>However, at Selancar 6 Estate, it was found that there was no training and record for those involved in IPM implementation.</b>	<b>Minor NC#</b> <b>OCL-01</b>
<b>Criteria 4.6</b> Pesticides are used in ways that do not endanger health or the environment.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.6.1</b> Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. <b>Major Compliance</b>	Guidance Procedure ("Manual Lestari 1A – Doc. No. ML-1A/L3-GP 1 (0)") stated satisfactory justification on the use of specific agrochemicals. The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows:  (1) Glyphosate isopropyl amine - Roundup (2) Metsulfuron methyl - Juru (3) Triclopyrbutoxy ethyl ester – Garlon (4) Glufosinate ammonium – Basta (5) Chlorophacinone (6) Beta-cyfluthrin  Specific pesticides had been used to deal with the respective target pest, weed, or disease.	Complied
<b>4.6.2</b> Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. <b>Major Compliance</b>	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 Selancar 8 Estate and Selancar 9 Estate. <b>However, at Selancar 6 Estate, there was no analysis to indicate the active ingredients of pesticides used and their LD50, area treated, amount of active ingredients applied per ha and number of applications.</b>	<b>Major NC#</b> <b>OCL-01</b>



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<p><b>4.6.3</b> Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.  <b>Major Compliance</b></p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan.          The pesticide reduction program is monitored on usage per hectare basis.          No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p>Complied</p>
<p><b>4.6.4</b> Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).  <b>Minor Compliance</b></p>	<p>It is the policy of the group to achieve zero usage of paraquat by the end of 2017. This PMU had ceased the usage of paraquat after end of year 2016.          Alternatives such as Round up (Glyphosate isopropylamine), Juru (Metsulfuron methyl), and Garlon (Triclopyrbutoxy ethyl ester) had been used to replace paraquat.          First Aid Kits found to be available during pesticides spraying in the fields (4<sup>th</sup> Schedule).          Portable signboard noted to be displayed at areas of spraying activity (5<sup>th</sup> Schedule).</p>	<p>Complied</p>
<p><b>4.6.5</b> Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).  <b>Major Compliance</b></p>	<p>All pesticide operators (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.          Based on field visits, appropriate safety and application equipment (safety boots, safety helmets, cartridge masks, gloves, apron) have been provided and used by the pesticides operators.          Interviews with pesticides sprayers at the estates confirmed that they understood the chemical hazards relating to pesticides. All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.          Training program and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.          The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	<p>Complied</p>
<p><b>4.6.6</b> Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.          Emergency shower and eye wash are available near the pesticides store in case of accidents.          Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers).          Used chemical containers were either reused as containers for</p>	<p>Complied</p>





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<p><b>Major Compliance</b></p>	<p>spraying solution or disposed as scheduled waste. For disposal, empty pesticide containers are triple rinsed and pierced at the bottom.</p>	
<p><b>4.6.7</b> Application of pesticides shall be by proven methods that minimise risk and impacts.  <b>Minor Compliance</b></p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.</p>	<p>Complied</p>
<p><b>4.6.8</b> Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.  <b>Major Compliance</b></p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	<p>Complied</p>
<p><b>4.6.9</b> Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).  <b>Minor Compliance</b></p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (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><b>4.6.10</b> Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).  <b>Minor Compliance</b></p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor. The scheduled wastes from the 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><b>4.6.11</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  <b>Major Compliance</b></p>	<p>CHRA were carried out for all the estates and the reports are valid till year 2020. It was verified that the CHRA recommendations has been satisfactorily followed.</p> <p>Workers used for pesticides spraying verified as follows:</p> <ul style="list-style-type: none"> <li>(1) At Selancar 6 Estate - own sprayers only and no contractor's workers used for pesticides spraying.</li> <li>(2) At Selancar 8 Estate - own workers and contractor's workers used for pesticides spraying.</li> <li>(3) At Selancar 9 Estate - own workers and contractor's workers used for pesticides spraying.</li> </ul> <p>Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 carried out for all pesticide operators <b>except for the contractor's workers at Selancar 8 Estate.</b></p> <p><b>At Selancar 8 Estate, there are contractor's workers (7 persons) carrying out pesticides spraying but have not been sent for the annual medical surveillance for pesticide operators.</b></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</p>	<p><b>Major NC#</b> <b>OCL-02</b></p>



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	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.	
<b>4.6.12</b> No work with pesticides shall be undertaken by pregnant or breast-feeding women. <b>Major Compliance</b>	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.	Complied
<b>Criteria 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
The occupational health and safety plan shall cover the following:  <b>4.7.1</b> An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. <b>Major Compliance</b>	Occupational Safety and Health (OSH) Plan was documented and implemented for the POM and estates. OSH Policy found to be clearly displayed at prominent locations in the PMU.  Interviewed workers demonstrated awareness towards occupational safety and health. The Regional Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.  The OSH Plan for year 2017 include the establishment and implementation of CHRA, medical surveillance, Fire Drill training, First Aid training, Audiometric test, PPE training.  CHRA conducted by an external consultant with report dated 16/11/2011.  The POM is certified by SIRIM for its Quality, Environment and Safety & Health Management Systems.  POM has conducted the Emergency Preparedness (ERP).  Safety Committee meetings held quarterly.  Programmes for protecting workers' health and safety were satisfactorily implemented.	Complied
<b>4.7.2</b> All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. <b>Major Compliance</b>	Risk assessment (HIRAC) 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.  <b>At Selancar 6 Estate, there was a previous risk assessment (HIRAC) dated 22/05/2015 for its operations. However, this had not been reviewed and updated to take into consideration any changes.</b>  There was an assessment of noise levels in the POM conducted by an external qualified consultant. The report dated on 01 Apr 2014 identified the work areas with high noise levels, viz., boiler station, engine room, sterilization unit and kernel press where noise level exceeded 85 db. Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers.  Annual audiometric test conducted for all 87 mill staff and workers on 29 Nov 2016. The audiometric reports of some	<b>Major NC#</b> <b>OCL-03</b>



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	<p>employees indicated as having mild to moderate hearing impairment and recommended to wear hearing protector. 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 muffers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues. Warning signs sighted at high noise areas and ear plugs and ear muffers to be worn. There are also warning signs to use other PPE such as helmet and safety boots. Records of checking for compliance on the usage PPE were maintained.</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 JKKP8 regulations was submitted to JKKP on time, i.e. in January of each year. The Regional Safety &amp; Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p>	
<p><b>4.7.3</b> All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.  <b>Major Compliance</b></p>	<p>Training program for year 2017 includes appropriate trainings on safe working practices for all categories of workers:</p> <ul style="list-style-type: none"> <li>- workers exposed to machinery and high noise levels</li> <li>- workers working in confined space,</li> <li>- harvesters</li> <li>- pesticides operators</li> <li>- manurers</li> </ul> <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 MSDS/CSDS and first aid training.</p> <p>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><b>4.7.4</b> The responsible</p>	<p>The responsible person (usually the Mandore or Headman)</p>	<p>Complied</p>



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<p>person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. <b>Major Compliance</b></p>	<p>had been identified. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p>	
<p><b>4.7.5</b> Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. <b>Minor Compliance</b></p>	<p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Review on accident cases had been carried out during meetings of Safety &amp; Health Committee.</p>	Complied
<p><b>4.7.6</b> All workers shall be provided with medical care, and covered by accident insurance. <b>Minor Compliance</b></p>	<p>Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with insurance companies such as AXA Affin General Insurance Bhd.</p>	Complied
<p><b>4.7.7</b> Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. <b>Minor Compliance</b></p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p>	Complied
<p><b>Criteria 4.8</b> All staff, workers, smallholders and contract workers are appropriately trained.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.8.1</b> A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. <b>Major Compliance</b></p>	<p>A formal training program on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.</p>	Complied
<p><b>4.8.2</b> Records of training for each employee shall be maintained. <b>Minor Compliance</b></p>	<p>Records of training for each employee, including new employees were maintained.</p>	Complied

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

<p><b>Criteria 5.1</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>



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<p><b>5.1.1</b> An environmental impact assessment (EIA) shall be documented.  <b>Major Compliance</b></p>	<p>The Environmental Aspect and Impact Assessment were conducted and well documented. The assessment documents done dated 14 Feb 2017. It had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as construction of sewage and landfills, together with other conservation activities applicable to the PMU.</p>	<p style="text-align: center;">Complied</p>
<p><b>5.1.2</b> Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.  <b>Minor Compliance</b></p>	<p>The environmental aspects and impacts have been identified. Environmental Management and Monitoring Plans have been established and implemented at the mills and estates. The plans were sufficiently comprehensive and persons responsible i.e. the respective Mill Managers and Estate Managers were identified.</p> <p>The plans had included the aspects and impacts identified from field activities that include fertilizing, spraying, transportation of FFB, garbage disposal and road maintenance. Action plans and recommendations in order to mitigate negative effects and promote positive ones such as sewage, landfills and conservation activities applicable to the entire PMU was monitored.</p>	<p style="text-align: center;">Complied</p>
<p><b>5.1.3</b> This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.  <b>Minor Compliance</b></p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis.</p> <p>The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams.</p>	<p style="text-align: center;">Complied</p>
<p><b>Criteria 5.2</b>  The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.2.1</b> Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).  <b>Major Compliance</b></p>	<p>Biodiversity (HCV) assessment was conducted by the Certification &amp; Due Diligence (CDD) Unit of FGV HQ and documented in a report dated 27 Feb 2017. The assessment was done in collaboration and meetings with other agencies such as Jabatan Perhutanan, Jabatan Perhilitan, Jabatan Alam Sekitar, Felda Officer, Peneroka and also the local communities.</p> <p>There was no HCV area identified in the estates. 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 Selancar 6 Estate is surrounded by oil palm estates and a small patch of forested area.</p> <p>However, at Selancar 8 and Selancar 9 estates, apart from surrounded by oil palm estates, it is also neighbouring forest reserves outside the PMU.</p>	

	<p>Although no HCVs identified, conservation areas / environmentally sensitive areas, i.e. buffer zones along the stretches of Sungai Pukin which runs along the border of Selancar 6 estate had been identified and being monitored.</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.</p> <p><b>The Biodiversity Assessment undertaken by Selancar 6 Estate had not identified the existence of a water pond of significant size. Thus, there was no management plan/action plan available for the conservation and maintenance of the pond and its surrounding areas, which had been left idle.</b></p>	<p><b>Major NC# SH-01</b></p>
<p><b>5.2.2</b> Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. <b>Major Compliance</b></p>	<p>Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate Executives to monitor the Conservation / buffer zone areas.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also 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>	<p>Complied</p>
<p><b>5.2.3</b> There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. <b>Minor Compliance</b></p>	<p>The program to regularly educate the workforce and community about the status of these RTE species 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 signage erected around the affected areas which prohibit such activities.</p>	<p>Complied</p>
<p><b>5.2.4</b> Where an action plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <b>Minor Compliance</b></p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p> <p>There are no HCV or reported RTE at the estates, as reported in the CDD, FGV HQ Report. 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 CDD sustainability team.</p>	<p>Complied</p>
<p><b>5.2.5</b> Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. <b>Minor Compliance</b></p>	<p>It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates audited. Thus negotiated agreement of such nature is not applicable.</p>	<p>Complied</p>
<p><b>Criteria 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.3.1</b> All waste products and sources of pollution shall be identified and documented. <b>Major Compliance</b></p>	<p>Visits made to POM and estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and</p>	<p>Complied</p>





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	<p>recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME. Stack emissions and boiler ashes were monitored at the POM.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102).</p> <p>Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p>	
<p><b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly.  <b>Major Compliance</b></p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	<p>Complied</p>
<p><b>5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.  <b>Minor Compliance</b></p>	<p>The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented and is being carried out.</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 schedule 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>Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Sanitary landfills were also used as a plan for the disposal of household waste at all the estates.</p> <p><b>Nonetheless, the followings were also observed:-</b></p> <p><b>(1) During on-site assessment at Selancar 6 Estate, it was found that rubbish such as unused wheelbarrow, iron bed frame, old motorcycle, kitchen sink, etc. were indiscriminately scattered all over the line site.</b></p> <p><b>(2) Also, at Selancar 6 Estate line site, it was found that there were a few (at least 4) pits dug around the line site and being used as unauthorized landfill.</b></p> <p><b>(3) At the designated landfills for waste management at Selancar 6 Estate, there was no signboard to indicate the date of opening and closing of the pits.</b></p> <p><b>(4) At the Selancar 2B POM, it was found that there was no proper segregation of waste materials and appropriate signages at the storage locations.</b></p>	<p>Minor NC# SH-01</p>
<p><b>Criteria 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		



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Indicators	Findings and Objective Evidence	Compliance
<p><b>5.4.1</b> A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.  <b>Minor Compliance</b></p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Visit to POM showed evident that they are compiling the data and analysing it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The ash flake were sold as bi-products to other agencies/clients.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the POM were available.</p> <p>It was verified that energy usage are being monitored at the POM and estates for better control and comparison of trends.</p>	<p>Complied</p>
<p><b>Criteria 5.5</b>            Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p><b>5.5.1</b> 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.  <b>Major Compliance</b></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>Complied</p>
<p><b>5.5.2</b> Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  <b>Minor Compliance</b></p>	<p>During the audit, there were no replanting activities carried out in the estates.</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. Sanitary landfill was used and available at the estates. The landfill areas are located far away from the village, line site and water sources.</p> <p>The estates adhered to the 'zero burning' policy for replanting, if any, at the estates.</p>	<p>Complied</p>
<p><b>Criteria 5.6</b>            Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p><b>5.6.1</b> An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).  <b>Major Compliance</b></p>	<p>The POM and 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>Complied</p>
<p><b>5.6.2</b> Significant pollutants and greenhouse gas (GHG) emissions</p>	<p>Identification of significant pollutants and greenhouse gas</p>	<p>Complied</p>





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<p>shall be identified, and plans to reduce or minimise them implemented. <b>Major Compliance</b></p>	<p>(GHG) emissions has been done. e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and PMU. Plans to reduce and minimise the emissions were implemented.</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 appropriate tools. <b>Minor Compliance</b></p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelman Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the site visit to the POM. The emission of all parameters tested were complied with their respective limits as stipulated in the Environmental Quality (Clean Air) regulations. POME treatment and land application were monitored and adhered to DOE regulations. Water samples were regularly taken every six months and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge point. The water samples were sent to Felda Analytical Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Monthly reporting to DOE was also done and record documented and made available during audit. The PMU had implemented the RSPO PalmGHG tool (ver. 3.0.1) and submitted the PalmGHG Summary Report to RSPO Secretariat via email on 25 Jul 2017.</p>	Complied

**Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills**

<p><b>Criterion 6.1</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. <b>Major Compliance</b></p>	<p>Stakeholder consultation with external stakeholders as part of social impact assessment at the PMU was conducted by the Certification and Due Diligence Dept. on 18 Feb 2017 for all three Felda/FGV PMUs in the area including Selancar 2A, Selancar 2B and Keratong 9. There were 45 participants in the consultation.  Also as part of social assessment activities, interview session was conducted involving 19 external parties, e.g. canteen operators, settlers, contract workers, etc., on 14 Feb 2017. Signatures and responses from the interviewers were reviewed and among others substandard housing conditions for contract workers and non-availability of employment contract between the contractors and their workers.</p>	Complied
<p>6.1.2 There shall be evidence that the assessment has been done</p>	<p>The PMU has considered issues of social impact to employees and communities affected by their activities. Records of</p>	Complied

with the participation of affected parties. <b>Major Compliance</b>	meetings with stakeholders, internally and externally, indicated discussions held were generally on matters pertaining to working conditions, cultural and festival activities, health facilities and other community concerns. List of participants with signature of the session were kept in file as evidence of participation of affected parties.	
<b>6.1.3</b> 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. <b>Major Compliance</b>	A time table of activities identified was sighted with time frame on implementation plans within the SIA. Site inspection carried out confirmed that the implementation was completed, in progress or awaiting for final decision.	Complied
<b>6.1.4</b> 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.  There shall be evidence that the review includes the participation of affected parties. <b>Minor Compliance</b>	The PMU plans is to review the mitigation plan annually. As this was an initial assessment, this fact will be verified during ASA-01 assessment in year 2018.	Complied
<b>6.1.5</b> Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). <b>Minor Compliance</b>	There are no smallholders in this PMU. Thus this criteria is not applicable. However, it was verified that smallholders, especially Felda settlers, were invited and participated in the external stakeholder consultation.	Not applicable
<b>Criterion 6.2</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>6.2.1</b> Consultation and communication procedures shall be documented. <b>Major Compliance</b>	Consultations with external and internal stakeholders, grievances from workers and contractors are verified to be documented based on FGV SOP Manual Lestari 1A [ML-1A/L2-PR3(0)] 3.4 Prosedur Komunikasi Penglibatan dan Rundingan. <a href="http://www.feldaglobal.com/wp-content/uploads/2017/08/Group-Sustainability-Policy-2017-1.pdf">http://www.feldaglobal.com/wp-content/uploads/2017/08/Group-Sustainability-Policy-2017-1.pdf</a>	Complied
<b>6.2.2</b> A management official responsible for these issues shall be nominated. <b>Minor Compliance</b>	<b>It was found in the Selancar 2B POM and all three estates audited (Selancar 6, 8 and 9 Estates), that there was no management official specifically nominated to handle issues related to communication and consultation between growers and/or millers, local communities and other affected or interested parties.</b>	<b>Minor NC# JMD-01</b>
<b>6.2.3</b> A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in	<b>(1) It was found that there is no stakeholder list available for Selancar 2B POM. (2) Also, the stakeholder lists sighted for all the three estates audited (Selancar 6, 8 and 9 Estates), did not include all the relevant stakeholders (e.g. neighbouring estates).</b>	<b>Minor NC# JMD-02</b>



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response to input from stakeholders, shall be maintained. <b>Minor Compliance</b>		
<b>Criterion 6.3</b>		
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>6.3.1</b> 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. <b>Major Compliance</b>	The PMU has an established and documented system for dealing with complaints and grievances and it was implemented through Manual Lestari 1A [ML-1A/L2-PR4(0)].  There were no cases reported in FY2016/2017 that requires anonymity of the complainant to be protected. However, respect of anonymity and protection of complainants is provided through the abovementioned policy.  The record shows that grievance report in the POM and estates are still active. For example, latest entry in Selancar 6 estate grievance book on 30 Jul 2017 from Hary regarding broken piping in the house. Repair completed on 1 Aug 2017.	Complied
<b>6.3.2</b> Documentation of both the process by which a dispute was resolved and the outcome shall be available. <b>Minor Compliance</b>	Complaints and grievances are documented and outcomes from the actions taken are recorded using different modes e.g. meeting minutes and payment vouchers to contractors for completed jobs.	Complied
<b>Criterion 6.4</b>		
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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>6.4.1</b> A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. <b>Major Compliance</b>	The documented procedure (Prosedur Mengenalpasti Hak Perundangan dan Adat (ML-1A/L2-PR12(0))), for identifying legal and customary rights and procedure for identifying people entitled to compensation have been maintained.  The PMU has borders adjacent to villages and other land owners. However, there was no case that required any negotiation or compensation pertaining to these criteria.	Complied
<b>6.4.2</b> 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. <b>Minor Compliance</b>	There is a procedure for calculating and distributing compensation, i.e. Prosedur Penghitungan dan Pengagihan Pampasan [Manual Lestari 1A ML-1A/L2-PR13(0)]. To date, there has been no dispute by any parties relating to legal, customary or user rights at the PMU.  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.	Complied
<b>6.4.3</b> The process and outcome of any negotiated agreements and compensation claims shall be	To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not	Not Applicable



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<p>documented, with evidence of the participation of affected parties, and made publicly available.</p> <p><b>Major Compliance</b></p>	<p>be observed.</p>	
<p><b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>6.5.1</b> Documentation of pay and conditions shall be available.</p> <p><b>Major Compliance</b></p>	<p>Only local workers are hired at the POM and in all the estates offices. Documentation and conditions of pay for foreign workers hired in the all estates visited are available for verification. Employment agreements with foreign workers stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, deductions, resignation notice period, company rules. Foreign workers employment procedures require the contract to be explained by Executives from Unit Tenaga Kerja [UTK] to potential foreign workers in the countries of origin before the contracts are signed.</p> <p>The payment slips for foreign workers at the estates visited are easy to understand and this fact was further verified with foreign workers. Payments are made latest by 7<sup>th</sup> of each month. Payment slips for foreign and local workers hired by the contractors and settlers' cooperatives also verified as compliance to the Minimum Wages Order 2016.</p> <p>Holidays entitlements as required by the laws are satisfactorily fulfilled, e.g. annual leaves, public holidays and maternity leave. Payments for unused annual leaves in Dec 2016 were sighted at the POM and estate offices.</p> <p>Responsible employment policy, i.e. FGC declaration to adhere to Guidelines on Human Trafficking and Forced Labour Exploitation as well as Declaration on Fundamental Principles and Rights at Work by the ILO are clearly mentioned in FGV Group Sustainability Policy dated 25 Aug 2016.</p>	<p>Complied</p>
<p><b>6.5.2</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Minor Compliance</b></p>	<p><b>1. Selancar 2B POM, Selancar 6, 8 and 9 Estates engaged contractors for providing workers for their operations. It was determined during the audit that there was no proper control to ensure that the contractors comply with the RSPO P&amp;C requirements on the aspects of contractual agreement between contractor and workers, insurance coverage, valid work permits, etc. as seen in the following examples:</b></p> <ul style="list-style-type: none"> <li>(a) No available work agreement/arrangement between a contractor and workers.</li> <li>(b) A contractor in Selancar 6 Estate failed to submit documents related to insurance coverage for its foreign workers and some of the work permits for its workers submitted to the office had already expired.</li> </ul> <p><b>2. At Selancar 9 Estate, it was found that wrong codes were entered into the eRML computer platform (payroll system) for at least nine workers during Hari Raya Aidil Fitri Public Holiday which caused them to be ineligible for public holiday pay, reduced entitlement for annual leave and resulting in increased number of absent days being recorded.</b></p>	<p><b>Major NC#</b> <b>JMD-01</b></p>



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	<p><b>3. At the Selancar 2B POM, it was found that the July 2017 wages of one worker (Staff ID#01204657) were deducted by more than 50%, which is in violation of the Employment Act 1955 Section 24(8).</b></p>	
<p><b>6.5.3</b> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p><b>Minor Compliance</b></p>	<p>The PMU has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities Act 1990 to the workers.</p> <p><b><u>Housing, electricity and water supply</u></b></p> <p>The workers staying in the estate were provided with 24 hours electricity supply from Tenaga Nasional Berhad and treated water from Pengurusan Air Pahang Bhd. In all the estates, household wastes were disposed at the dumpsites.</p> <p>Workers are given a small patch of land to grow vegetables/fruit trees and keep poultry around their houses in order to reduce the cost of living. Each worker was given subsidy for electricity and water bills. Clean water supply comes from treated piped water and supplied to the workers quarters.</p> <p><b><u>Schools</u></b></p> <p>The local staff and workers' children attend government schools from kindergarten, primary to secondary schools within the PMU. Foreign workers are single status and there are no children of foreign workers in the PMU.</p> <p><b><u>Sundry shops</u></b></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.</p> <p><b><u>Crèche ( Rumah Asuhan Kanak-kanak)</u></b></p> <p>There is no need for crèche at the estates as most of the younger children are being cared for by the extended family members. Government managed kindergartens, i.e. Tadika KEMAS, are available in all estates visited for pre-school children.</p> <p><b><u>Medical clinics</u></b></p> <p>Government managed clinic is available at the PMU.</p> <p><b>However, at Felda Selancar 6 estate some non-compliances were observed as explained below;</b></p> <ol style="list-style-type: none"> <li><b>1. Linesite inspections were conducted weekly. However, follow up actions on less than satisfactory comments indicated in the inspection forms were inadequate as seen by the old pile of rubbish collecting at the back of the houses.</b></li> <li><b>2. Contractor's workers found to store un-sheath oil palm bunch chisel and a personal chemical sprayer inside their living quarters.</b></li> </ol>	<p><b>Minor NC#</b> <b>JMD-03</b></p>
<p><b>6.5.4</b> Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and</p>	<p>Food available for the staff and foreign workers provided through sundry shops, fresh market and weekly night market within the PMU.</p>	<p>Complied</p>



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affordable food.		
<b>Minor Compliance</b>		
<b>Criterion 6.6</b>		
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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>6.6.1</b> A published statement in local languages recognising freedom of association shall be available. <b>Major Compliance</b>	<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 &amp; Menganggotai Kesatuan signed by Mohammed Emir Mavani Abdullah dated 1 June 2014 and together with the latest Sustainability Policy which include Freedom of Expression through trade union dated 25 Aug 2016 were sighted.</p> <p>Even though FGV and Felda are now separate entities in term of RSPO certification, there are only two workers unions available for the workers from both these companies, i.e. Kesatuan Pekerja-Pekerja Felda Palm Industries Sdn. Bhd for by non-executive Felda staff and Persatuan Kakitangan Kanan Felda [PKKF] all executive staff. Membership fees are between RM5-10 payable through monthly salary deduction. Latest meeting for Kesatuan Pekerja-Pekerja Felda Palm Industries Sdn. Bhd was in May 2017 where Felda Selancar 2B was represented by Mr. Rahmat Jimat.</p> <p>It was also verified that there were no restrictions for foreign workers to join any trade union of their choosing as stated in the new Sustainability Policy dated 25 Aug 2016, i.e. "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." However, since foreign workers memberships in local workers union are very limited, management for each estate and the POM, provided "Mesyuarat Kebajikan" as platform for them to raise their issues and concerns collectively. The platform is planned to be conducted once every four months. Latest meeting for example in Selancar 6 Estate was conducted on 17 Aug 2017.</p>	Complied
<b>6.6.2</b> Minutes of meetings with main trade unions or workers representatives shall be documented. <b>Minor Compliance</b>	<p>Both workers unions mentioned above, i.e. for non-executives and executives staff, meet annually at national level and more frequent at the regional level. Meeting minutes for annual national meeting in 2016 was sighted but meeting minutes for the annual national meeting in 2017 has yet to be distributed by the union committee.</p> <p>Meeting minutes for "Mesyuarat Kebajikan" mentioned above was sighted in Selancar 6 Estate.</p>	Complied
<b>Criterion 6.7</b>		
Children are not employed or exploited.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>6.7.1</b> There shall be documentary evidence that minimum age requirements are met.	<p>The PMU has a policy of not employing child labor, i.e. persons below 18 years old in accordance with Employment Act 265 as evidenced in the new Sustainability Policy dated 25 Aug 2016.</p>	Complied





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<b>Major Compliance</b>	<p>Interviews with workers in the estates and at the Mill confirmed implementation of the stated policy.</p> <p>The birth date in the Identification card (for local workers) and passport (for foreign workers) were used as the verification for age. The implementation was verified through checks on Senarai Maklumat Petugas. Interviews with workers in the estates and at the Mill confirmed implementation of the stated policy.</p> <p>The staff school going children are not allowed to assist in plantation work and this was verified during the audit.</p>	
<b>Criterion 6.8</b>		
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.8.1</b> A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p><b>Major Compliance</b></p>	<p>The new Sustainability Policy dated 25 Aug 2016 clearly stated that FGV Group will <i>"firmly supports the provision of equal opportunity to all and shall seek to ensure that all employees and applicants for employment should receive fair treatment and shall not engage in or support discrimination based on race, nationality, religion, disability, gender, age, sexual orientation, union membership or political affiliation."</i></p> <p>Assessments were made through interviews in the estates of the PMU, checking of the employment records including foreign workers, pay slips and deductions of wages (according to law) during the audit and confirmed that this criteria have been maintained.</p>	Complied
<p><b>6.8.2</b> Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p><b>Major Compliance</b></p>	<p>Previously there was a documented policy on foreign workers "Polisi Pengambilan Pekerja Asing" dated 1 Jun 2014. It was publicly displayed along with other policies at strategic places. This policy has been replaced by Responsible Employment Policy stated in the new Sustainability Policy dated 25 Aug 2016. The employment of foreign workers was implemented without affecting the opportunities for local communities. All foreign workers were hired legally.</p> <p>Local workers are covered under SOCSO scheme and the foreign workers are covered under Foreign Workers Compensation scheme (FWCS).</p> <p>Interviews with local workers, their dependents and foreign 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. 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><b>6.8.3</b> It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical</p>	<p>Depending on the nature of work positions, the management takes into considerations the needs for technical qualifications/experience and related skills in recruitment selection, hiring and promotion exercises. In the POM, latest</p>	Complied



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<p>fitness necessary for the jobs available. <b>Minor Compliance</b></p>	<p>intake was 15 Jul 2017 where announcement for the vacancies were made publicly to the immediate communities and Felda Settlers.  It was verified that the promotions to higher position at the POM and estates were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees.</p>	
<p><b>Criterion 6.9</b> There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.9.1</b> A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. <b>Major Compliance</b></p>	<p>The established sexual harassment policy in the new Sustainability Policy covered aspects on sexual harassment, gender and women reproductive rights.  There are gender committees specifically to address areas of concerns to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and kept. For example, in Selancar 8 Estate, latest committee meeting was conducted on 10 Jul 2017 attended by 10 female workers and staff.</p>	Complied
<p><b>6.9.2</b> A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. <b>Major Compliance</b></p>	<p>The PMU's commitment to protect the reproductive rights and rights to have a family of the workers especially women is evidently stated in previous policy as well as in the new Sustainability Policy where it stated that FGV Group considers sexual harassment and violence to be serious offences and have set out strict guidelines on the appropriate conduct to avoid such situations.  Local female staff is fully aware that they are entitled for two months paid maternity leave.</p>	Complied
<p><b>6.9.3</b> A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. <b>Minor Compliance</b></p>	<p>"Prosedur Menangani Aduan Oleh Gender Committee (Ref Nr: ML-1A/L2-PR10(0))" was established and maintained.  Management confirmed that there has been no report of sexual harassment or domestic violence was reported in the PMU so far.</p>	Complied
<p><b>Criterion 6.10</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.10.1</b> Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. <b>Minor Compliance</b></p>	<p>Onsite audit verified that the current and past prices paid for FFB pricing were displayed at the Estates and Mill office.  FFB price paid per delivery is also stated in each truck delivery slip issued by the mill as reference.</p>	Complied
<p><b>6.10.2</b> Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). <b>Major Compliance</b></p>	<p>FFB prices were made available at POM office's external Notice Board. 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 MPOB specification. Current and past prices paid for FFB were publicly available and verified through interviews. Mechanisms are available to the public upon request.</p>	Complied





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<p><b>6.10.3</b> Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <b>Minor Compliance</b></p>	<p>Based on employee contracts and meeting minutes (between the PMU management and employees) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner. 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>Complied</p>
<p><b>6.10.4</b> Agreed payments shall be made in a timely manner. <b>Minor Compliance</b></p>	<p>Agreed payments are made promptly within the 7<sup>th</sup> day of the following month. Through interviews made, there is no evidence to suggest of any unfair business practices with the local businesses.</p>	<p>Complied</p>
<p><b>Criterion 6.11</b> Growers and millers contribute to local sustainable development where appropriate.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>6.11.1</b> Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. <b>Minor Compliance</b></p>	<p>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> <ul style="list-style-type: none"> <li>• Provide maintenance of public buildings whenever requested.</li> <li>• Allocation for educational budget to schools in the vicinity of the PMU as incentives for high achievers</li> <li>• Contributions on the activities conducted within the PMU</li> <li>• Integrated collaboration to prevent drug abuse in within FGV complexes between the POM and estate management with police, National Anti-Drug Agency [Agensi Anti Dadah Kebangsaan – AADK]</li> <li>• Shifting the contractor workers from substandard housing condition to standard housing.</li> <li>• Ensuring contractor workers' rights are protected by asking the contractors to sign an employment agreements with their contractors.</li> <li>• Hari Raya Aidil Fitri contribution to all workers in Selancar 9 Estate</li> </ul>	<p>Complied</p>
<p><b>6.11.2</b> Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity <b>Minor Compliance</b></p>	<p>Not applicable</p>	<p>Not Applicable</p>
<p><b>Criterion 6.12</b> No forms of forced or trafficked labour are used.</p>		
<p><b>6.12.1</b> There shall be evidence that no forms of forced or trafficked labour are used. <b>Major Compliance</b></p>	<p>Audit of employment records such as work permits in the estate offices confirmed that all foreign workers were recruited through legal means and according to the regulatory requirements. Unit Tenaga Kerja, FELDA Global Ventures [FGV] is the main unit organising recruitment of new foreign workers in collaboration</p>	<p>Complied</p>



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	<p>with private recruitment agencies in the country of origin. The PMU is responsible to allocate each foreign worker with suitable accommodation and offer them sufficient work each month.</p> <p>Interviews with foreign workers and their dependents in the housing are confirmed that there were no forced or trafficked labours.</p> <p>A notification letter from the PMU to all contractors was sighted stating that no hiring of illegal workers. For example, in Selancar 9 Estate, a notification was sent to contactor Lee Lai Hua dated 18 Jul 2016 and signed by Mr. Mat Ariffin Mat Yunus, Estate Manager.</p>	
<p><b>6.12.2</b> Where applicable, it shall be demonstrated that no contract substitution has occurred. <b>Minor Compliance</b></p>	<p>There was no evidence of contract substitution and this was confirmed from interviews with workers and relevant stakeholders.</p>	<p>Complied</p>
<p><b>6.12.3</b> Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. <b>Major Compliance</b></p>	<p>Previous special policies on recruitment of foreign workers, i.e. "Polisi Pengambilan Pekerja Asing" and equal opportunities, i.e. "Polisi Kesetaraan Peluang", are now replaced with the new Sustainability Policy under various sub-headings, e.g. Respecting Human Rights, Responsible Employment, etc. All these policies are just continuation of previous policies, thus the implementation was verified satisfactory.</p>	<p>Complied</p>
<p><b>Criterion 6.13</b> Growers and millers respect human rights.</p>		
<p><b>6.13.1</b> 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). <b>Major Compliance</b></p>	<p>Clauses pertaining to human rights are now incorporated in the new Sustainability Policy dated 26 Aug 2016 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>
<p><b>6.13.2</b> As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation. <b>Minor Compliance</b></p>	<p>Not applicable</p>	<p>Not applicable</p>

### Principle 7: Responsible development of new plantings

Todate, 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 ver. 3.0.1. The GHG Calculation Report was submitted to RSPO Secretariat on 25 Jul 2017.

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.



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

<b>Criterion 8.1</b>		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>8.1.1</b> The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Encourage optimising the yield of the supply base.</li> </ul> <p><b>Major Compliance</b></p>	<p>The POM has identified and implemented the following Continual Improvement Action Plans for the FY2017/2018:</p> <ol style="list-style-type: none"> <li>1. Increase OER to 19.80%.</li> <li>2. Increase KER to 5.30%.</li> <li>3. To achieve zero accident at the mill.</li> <li>4. Control effluent water at final discharge with BOD &lt; 100 ppm.</li> <li>5. Control diesel usage at &lt; 1.10 liters/MT FFB.</li> </ol> <p>The estates have identified and implemented the following Continual Improvement Action Plans for the FY2017/2018:</p> <ol style="list-style-type: none"> <li>1. Reduce the usage of pesticides by combining the operation with manual weeding of unwanted growth.</li> <li>2. Increase the planting of beneficial plants (<i>tumera subulata</i>, <i>cassia cobanensis</i> and <i>antigonon leptopus</i> along the roads.</li> <li>3. Fertilizer bags to be recycled and empty pesticide containers to be returned to supplier. In addition, waste will also be segregated accordingly to the plastic and organic materials,</li> </ol> <p>Social Continual Improvement Action Plans for the POM and estates include the following:</p> <ol style="list-style-type: none"> <li>1. Provide maintenance of public buildings, whenever requested.</li> <li>2. Allocation for educational budget to schools in the vicinity of the PMU as incentives for high achievers.</li> <li>3. Contributions on the activities conducted within the PMU.</li> <li>4. Integrated collaboration to prevent drug abuse in within FGV complexes between the POM and estate management with police, National Anti-Drug Agency [Agensi Anti Dadah Kebangsaan – AADK].</li> <li>5. Shifting the contractor workers from substandard housing condition to standard housing.</li> <li>6. Ensuring contractor workers' rights are protected by asking the contractors to sign an employment agreements with their contractors.</li> <li>7. Hari Raya Aidil Fitri contribution to all workers in Selancar 9 Estate.</li> </ol> <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>



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### 3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

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

Details of findings are as follows:

<b>E.1 Definition</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and 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 <b>Section 1.3</b> ). The CPO Mill is therefore applying the Mass Balance (MB) module.	Complied
<b>E.2 Explanation</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill 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.	The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment Report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced has been reported in <b>Section 1.8.2 Table 6</b> and <b>Section 1.8.3 Table 7</b> .	Complied
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).	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).	Complied
<b>E.3 Documented procedures</b>		
E.3.1 The site shall have written procedures and/or work instructions to ensure the	A documented Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 3.0 Rev 1.0 (Effective 01 Aug 2016) SOP for Mill RSPO Supply Chain Certification System has been established and implemented.	Complied



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implementation of all the elements specified in these requirements. This shall include at minimum the following:	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.	
a) Complete and up to date procedures covering the implementation of all the elements in these requirements	The documented procedure and its implementation confirmed to have complied with all the specified requirements of Mass Balance (MB) Module E.	Complied
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.	The Selancar 2B POM Mill Manager, Mr. Mohd Jefri bin Amat 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 two Assistant Mill Managers, Encik Mohd Alif bin Mohd Nasir, Encik Mohd Zaki bin Mohd. Idros dan Encik Mohd. Syafiq bin Shaari. 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, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined in the SOP.	Complied
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 the FY Jul 2016 / Jun 2017 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
<b>E.4 Purchasing and goods in</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
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 Felda computer system or reporting spreadsheet every day. Daily and monthly reports are submitted to the Regional Office and Kuala Lumpur Head Office through the Mill Performance Report (MPR) system. Production Report for FY Jul 2016 / Jun 2017 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	The documented Supply Chain SOP has specified that the responsible POM personnel shall check production quantity against	Complied



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immediately if there is a projected overproduction of certified tonnage.	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.	
<b>E.5 Record keeping</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 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 (ie 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 10 years. Traceability was verified for the Production Report for FY Jul 2016 / Jun 2017 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 sold to a Felda Iffco Oil Products Sdn. Bhd., Delima Oil Products and other buyers. There is no Palm Kernel mill for production of PKO at the POM. PK sold and delivered to the Felda Kernel Crushing Plant at Pasir Gudang and Kuantan. Deduction and conversion ratios for the volumes of CPO and PK delivered from the Palm Oil Mill have been appropriately done and recorded. All deliveries of the MB sales are from positive stock. The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. This inventory is balanced every 3 months.	Complied
E.5.2 In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing of activities.	Not Applicable

### 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 2017/2018.

### 3.1.3 Monitoring of CSPO and CSPK traded:

As this is the Main Assessment, there is no prior trading of CSPO and CSPK via RSPO eTrace and GreenPalm platforms for this PMU.

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

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



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Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Main Assessment	2017	10 (5 Major and 5 Minor)	1	Next assessment

### 3.2.1 Year 2017: Main Assessment (5 Major NCRs)

NCR	MYNI Indicator	Details of NCR	
Major OCL-01	4.6.2	Date issued: <b>18 Aug 2017</b>	
		<b>Nonconformance:</b> At Selancar 6 Estate, there was no analysis to indicate the active ingredients of pesticides used and their LD50, area treated, amount of active ingredients applied per ha and number of applications.	
		Root Cause and Corrective Action:	
		<b>Root Cause</b> Monthly summary of pesticides requirement and usage was not done for the analysis of active ingredients of pesticides applied.	
		<b>Corrective Action</b> Update the requirement and usage of pesticides for every month. Record of pesticides used and a.i./ha and a.i./MT FFB documented for each year from 2014 to 2017.	
		Verification (Corrective Action): On-site verification carried out. Verified that a documented record is available to indicate the active ingredients of pesticides used and their LD50, area treated, amount of active ingredients applied per ha and number of applications. The corrective action satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04 Oct 2017</b>
Verification (for effectiveness): Next assessment.			

NCR	MYNI Indicator	Details of NCR	
Major OCL-02	4.6.11	Date issued: <b>18 Aug 2017</b>	
		<b>Nonconformance:</b> At Selancar 8 Estate, there contractor's workers (7 persons) carrying out pesticides spraying but have not been sent for the annual medical surveillance for pesticide operators.	
		Root Cause and Corrective Action:	
		<b>Root Cause</b> Contractor did not understand the requirement for pesticide operator to go for annual medical surveillance.	
		<b>Corrective Action</b> 1. Directive to contractor to send the pesticide operators for medical surveillance. 2. Pesticide operators sent for medical surveillance.	
		Verification (Corrective Action): On-site verification carried out. Verified that the contractor's pesticide sprayers were sent for medical surveillance on 27/09/2017 and medical reports stated that they are fit for work with the specified pesticides.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04 Oct 2017</b>
Verification (for effectiveness): Next assessment.			





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NCR	MYNI Indicator	Details of NCR	
<b>Major OCL-03</b>	<b>4.7.2</b>	Date issued: <b>18 Aug 2017</b>	
		<b>Nonconformance:</b> At Selancar 6 Estate, there was a previous risk assessment (HIRAC) dated <b>22/05/2015</b> for its operations. However, this had not been reviewed and updated to take into consideration any changes.	
		Root Cause and Corrective Action: <b>Root Cause</b> The officer concerned did not understand the requirement for reviewing and updating the HIRAC, if there are any changes in the activities. <b>Corrective Action</b> HIRAC for year 2017 updated.	
		Verification (Corrective Action): On-site verification carried out. Verified that the documented HIRAC has been reviewed and updated on 24/08/2017 and evidence of training on the HIRAC conducted on 20/09/2017 to all staff, supervisors and workers.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04 Oct 2017</b>
		Verification (for effectiveness): Next assessment.	

NCR	MYNI Indicator	Details of NCR	
<b>Major SH-01</b>	<b>5.2.1</b>	Date issued: <b>18 Aug 2017</b>	
		<b>Nonconformance:</b> The Biodiversity Assessment undertaken by Selancar 6 Estate had not identified the existence of a water pond of significant size. Thus, there was no management plan/action plan available for the conservation and maintenance of the pond and its surrounding areas, which had been left idle.	
		Root Cause and Corrective Action: <b>Root Cause</b> The Estate Management did not know that it is required to have a management plan for the large pond at the back of the estate office. <b>Corrective Action</b> Biodiversity evaluation carried out to include the management plan of the large pond.	
		Verification (Corrective Action): On-site verification carried out. Verified that the Biodiversity Report for Selancar 6 Estate has been reviewed and updated (15/09/2017) to include the large pond (0.6 ha) and a management plan to conserve the pond with demarcated buffer zone and a signboard erected to prohibit fishing and swimming.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 03 Oct 2017</b>
		Verification (for effectiveness): Next assessment.	

NCR	MYNI Indicator	Details of NCR
<b>Major</b>	<b>6.5.2</b>	Date issued: <b>18 Aug 2017</b>





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JMD-01	<p><b>Nonconformance:</b></p> <p><b>1. Selancar 2B POM, Selancar 6, 8 and 9 Estates engaged contractors for providing workers for their operations.</b> It was determined during the audit that there was no proper control to ensure that the contractors comply with the RSPO P&amp;C requirements on the aspects of contractual agreement between contractor and workers, insurance coverage, valid work permits, etc. as seen in the following examples:</p> <ul style="list-style-type: none"><li>(a) No available work agreement/arrangement between a contractor and workers.</li><li>(b) A contractor in Selancar 6 Estate failed to submit documents related to insurance coverage for its foreign workers and some of the work permits for its workers submitted to the office had already expired.</li></ul> <p><b>2. At Selancar 9 Estate, it was found that wrong codes were entered into the eRML computer platform (payroll system) for at least nine workers during Hari Raya Aidil Fitri Public Holiday which caused them to be ineligible for public holiday pay, reduced entitlement for annual leave and resulting in increased number of absent days being recorded.</b></p> <p><b>3. At the Selancar 2B POM, it was found that the July 2017 wages of one worker (Staff ID#01204657) were deducted by more than 50%, which is in violation of the Employment Act 1955 Section 24(8).</b></p> <hr/> <p>Root Cause and Corrective Action:</p> <p><b><u>Root Cause</u></b></p> <p>(1) Contractors do not understand their responsibility to have written employment contracts with their workers.</p> <ul style="list-style-type: none"><li>(a) Written contracts are not available between the contractors and their workers with regards to wages.</li><li>(b) Proper checking was not made on insurance protection and work permit status by the HEP Clerk.</li></ul> <p>(2) Mistakes in entering the codes into the eRML computer platform for Hari Raya Aidil Fitri from public holiday to annual leave.</p> <p>(3) Discussion/calculation was not conducted with regards to the maximum wages deduction by third parties with Human Resource Department.</p> <p><b><u>Corrective Action</u></b></p> <p>(1) Employment contract to be prepared and monthly payslips must be kept.</p> <ul style="list-style-type: none"><li>(a) Contractor to prepare employment contract for their workers with approval from mill management.</li><li>(b) List of contractors' workers and a checklist must be developed to monitor the status of workers permit and insurance coverage.</li></ul> <p>(2) Correction of the payment mistakes and training conducted on the proper use of codes in the eRML platform.</p> <p>(3) Offer at least extra 35 hours per month to ensure that monthly income of the worker will cover all automatic deductions, which will not exceed 50%.</p>
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		<p>Verification (Corrective Action):</p> <p>On-site verification carried out. The non-compliance raised above is effectively closed. Documented evidence is as below;</p> <p>(1) In relation to the employment agreement between the contractors and their workers documented evidence sighted and some examples are provided below;</p> <p style="margin-left: 20px;">a) In Selancar 2B POM, agreement between main contractor for fruit bunch ash bagging work, i.e. Ismail Ibrahim, with one sub-contractor, i.e. Mohd Razali Mat Salleh, dated 23 Jan 2017 was sighted. In addition, agreement between main contractor for grass cutting work, i.e. Jamarinor, with two sub-contractors, i.e. Abdul Samad Sali and A. Rahman Mohamed, dated 4 Jan 2017, was also sighted.</p> <p style="margin-left: 20px;">b) In Selancar 6 Estate, employment contract between Liew Kim Fah Plantations Sdn. Bhd, harvesting contractor, with Zaenuddin, foreign worker, dated 20 May 2011, was sighted. Payslip for Aug 2017 was also available for verification.</p> <p>(2) In relation to wrong codes entered into the eRML platform, record of delay payment dated 4 Sep 2017 was sighted for all eligible workers who did not get paid for Hari Raya Aidil Fitri public holiday in June 2017. Instruction for such delay payment dated 23 Aug 2017 issued by Selancar 9 Estate Manager supported the action taken above. Furthermore, a training session conducted on proper use of codes in the eRML platform on 28 Aug 2017.</p> <p>(3) In relation with wages deduction more than 50% as prescribed by law on one worker in July 2017, a letter stating an agreement between the mill management to offer and the worker to work at least extra 35 hours per month dated 25 Sep 2017 was sighted. This is to ensure that monthly income of the worker will cover all automatic pre-approved deductions from his wages, which include personal loans from third parties, statutory deductions such as Employment Provident Fund (EPF), donations, and others.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by JMD</b></td> <td style="width: 40%;"><b>Date closed: 04 Oct 2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>
<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>			
		Verification (for effectiveness): Next assessment.		

### 3.2.2 Year 2017: Main Assessment (5 Minor NCRs)

NCR	MYNI Indicator	Details of NCR
<b>Minor OCL-01</b>	<b>4.5.2</b>	Date issued: <b>18 Aug 2017</b>
		<b>Nonconformance:</b> <b>At Selancar 6 Estate, it was found that there was no training and record for those involved in IPM implementation.</b>
		Root Cause and Corrective Action: <b>Root Cause</b> The planned IPM training program was not implemented according to schedule.
		<b>Corrective Action</b> IPM training for those involved in IPM implementation carried out immediately.
		Verification (Corrective Action): On-site verification carried out. Verified that the IPM training was conducted on 20/09/2017 as evident by photos and attendance list.
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 04 Oct 2017</b></td> </tr> </table>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04 Oct 2017</b>	
		Verification (for effectiveness): Next assessment.



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NCR	MYNI Indicator	Details of NCR
<b>Minor SH-01</b>	<b>5.3.3</b>	Date issued: <b>18 Aug 2017</b>
		<b>Nonconformance:</b> (1) During on-site assessment at Selancar 6 Estate, it was found that rubbish such as unused wheelbarrow, iron bed frame, old motorcycle, kitchen sink, etc. were indiscriminately scattered all over the line site.  (2) Also, at Selancar 6 Estate line site, it was found that there were a few (at least four) pits dug around the line site and being used as unauthorized landfill.  (3) At the designated landfills for waste management at Selancar 6 Estate, there was no signboard to indicate the date of opening and closing of the pits.  (4) At the Selancar 2B POM, it was found that there was no proper segregation of waste materials and appropriate signages at the storage locations.
		Root Cause and Corrective Action: <b>Root Cause</b> (1), (2), (3): Waste disposal management program was not properly planned and carried out. (4): There was only one area for storage of waste materials and so the scrap iron was placed together with the general waste materials.
		<b>Corrective Action</b> (1) Scrap iron gathered and was disposed immediately. (2) The pits at the line site were filled. (3) Signboards indicating the date of opening and closing of the pits at the designated landfill erected. (4) A separate area with a signboard was allocated for the storage of scrap iron. A pit was prepared at a separate location for the disposal of the general waste materials.
		Verification (Corrective Action): On-site verification carried out. Verified that all the above-mentioned corrective actions were completed satisfactorily.
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 03 Oct 2017</b></td> </tr> </table>
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		Verification (for effectiveness): Next assessment.

NCR	MYNI Indicator	Details of NCR
<b>Minor JMD-01</b>	<b>6.2.2</b>	Date issued: <b>18 Aug 2017</b>
		<b>Nonconformance:</b> It was found in the Selancar 2B POM and all three estates audited (Selancar 6, 8 and 9 Estates), that there was no management official specifically nominated to handle issues related to communication and consultation between growers and/or millers, local communities and other affected or interested parties.
		Root Cause and Corrective Action: <b>Root Cause</b> Appointment of Communication and Consultation Executives were not conducted based on necessity.  <b>Corrective Action</b> Immediate appointment of Communication and Consultation Executives.



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		<p>Verification (Corrective Action):            On-site verification carried out. The non-compliance raised above is effectively closed. Appointment letters are sighted, e.g.;</p> <ol style="list-style-type: none"> <li>1. In Selancar 2B POM, appointment letter for Zul Azri Razali, General Clerk as Communication and Consultation Executives dated 22 Aug 2017 signed by Mohd. Jefri Amat, Mill Manager.</li> <li>2. In Selancar 6 appointment letter for Nornizam Mohtar, as Communication and Consultation Executives dated 5 Sep 2017 signed by Mahat Ismail, Estate Manager.</li> </ol>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by JMD</b></td> <td style="width: 40%;"><b>Date closed: 04 Oct 2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>
<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>			
		Verification (for effectiveness): Next assessment.		

NCR	MYNI Indicator	Details of NCR		
<b>Minor</b> <b>JMD-02</b>	<b>6.2.3</b>	<p>Date issued: <b>18 Aug 2017</b></p> <p><b>Nonconformance:</b>  <b>(1) It was found that there is no stakeholder list available for Selancar 2B POM.</b>  <b>(2) Also, the stakeholder lists sighted for all the three estates audited (Selancar 6, 8 and 9 Estates), did not include all the relevant stakeholders (e.g. neighbouring estates).</b></p> <p>Root Cause and Corrective Action:</p> <p><b><u>Root Cause</u></b>            (1) Latest stakeholders list available was not updated and incomplete.            (2) Revision of the latest stakeholders lists available are not monitored and updated correctly.</p> <p><b><u>Corrective Action</u></b>            (1) The mill management updated the stakeholders list with parties relevant to Selancar 2B POM.            (2) Stakeholders lists updated to include all relevant stakeholders.</p> <p>Verification (Corrective Action):            On-site verification carried out. The non-compliance raised above is effectively closed. Updated stakeholder lists are sighted, e.g.;</p> <ol style="list-style-type: none"> <li>(1) In Selancar 2B POM stakeholder list dated 3 Oct 2017 sighted. Total 50 names included in the list.</li> <li>(2) Stakeholder lists for all three estates dated 20 Sep 2017 sighted. Missing names of neighbouring estates are included.</li> </ol>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by JMD</b></td> <td style="width: 40%;"><b>Date closed: 04 Oct 2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>
<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>			
		Verification (for effectiveness): Next assessment.		

NCR	MYNI Indicator	Details of NCR
<b>Minor</b>	<b>6.5.3</b>	Date issued: <b>18 Aug 2017</b>



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<b>JMD-03</b>		<p><b>Nonconformance:</b>  <b>At Selancar 6 Estate:</b></p> <ol style="list-style-type: none"> <li><b>1. Linesite inspections were conducted weekly. However, follow up actions on less than satisfactory comments indicated in the inspection forms were inadequate as seen by the old pile of rubbish collecting at the back of the houses.</b></li> <li><b>2. Contractor's workers found to store un-sheath oil palm bunch chisel and a personal chemical sprayer inside their living quarters.</b></li> </ol>		
		<p>Root Cause and Corrective Action:</p> <p><b>Root Cause</b></p> <ol style="list-style-type: none"> <li>(1) Domestic waste was not managed properly.</li> <li>(2) Dedicated storage area for workers to keep their tools is not available.</li> </ol> <p><b>Corrective Action</b></p> <ol style="list-style-type: none"> <li>(1) Clearing of old domestic wastes carried out immediately.</li> <li>(2) Assigned a dedicated store area for workers to keep their tools.              Appoint a line sweeper at the workers quarters.</li> </ol>		
		<p>Verification (Corrective Action):</p> <p>On-site verification carried out. The non-compliance raised above is effectively closed. Documented evidence is as below;</p> <ol style="list-style-type: none"> <li>1. Monthly staff meeting at the estate dated 6 Sep 2017 appointed Mr. Roslan as line sweeper for workers' living quarters in order to ensure no more indiscriminate dumping of wastes and to clear the existing old piles of rubbish. Line site visit conducted and no more piling rubbish observed.</li> <li>2. A storage area has been designated for workers to store all their working appliances after working hours.</li> </ol>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by JMD</b></td> <td style="width: 40%;"><b>Date closed: 04 Oct 2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>
<b>NC status verified by auditor: Closed by JMD</b>	<b>Date closed: 04 Oct 2017</b>			
		Verification (for effectiveness): Next assessment.		

### 3.2.3 Year 2014: Main Assessment (1 Observation)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS# OCL-01	5.3.1	Selancar 6 Estate	The valve for the outlet of the containment for the diesel skid tank to the retention was found to be at the open position, which is incorrect as this is an exposure to contamination from any accidental leakage.	18 Aug 2017		Follow up at next assessment

### 3.2.4 Identified Positive Elements

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



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### 3.3 Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of KKS Selancar 2B 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 (Main Assessment – Year 2017)

Communication done via email on 12 Jul 2017 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<b>Government Agencies:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Non-Governmental Organizations:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Local Communities - Stakeholders' Consultation:</b> Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 17 Aug 2017. A total of 5 stakeholders (2 government agencies, 1 neighbouring estate, 1 contractors and 1 supplier) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations: 1. FGV should develop a policy to prevent drug abuse among local community members within the vicinity of its complexes as well as among its workers.	The PMU will consider the concerns and suggestions from the stakeholders briefed by the auditors during the closing meeting.	To be followed up during the next Assessment.	-
<b>Local Communities - Interviews:</b> Interviews of sampled staff and workers were also conducted by the auditors during field visits from 14 to 18 Aug 2017 at the PMU:  Staff/Workers sampling: POM = 15 males, 4 females Estate Offices = 43 males,			



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11 females Field/sites visit = 40 males, 0 females  No issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
<b>Other Interested parties:</b> No feedback received.	No response needed.	No response needed.	Nil





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### 4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, FFV KKS Selancar 2B Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

Therefore, it is recommended that the certification of FGV KKS Selancar 2B Grouping be approved and continued.

Signed for and on behalf of  
Intertek Certification International Sdn Bhd

Dr. Ooi Cheng Lee  
Lead Assessor

Date: 18 Oct 2017

### 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  
Felda Global Ventures Plantations (M) Sdn Bhd

Mr. Norazam Abdul Hameed  
Senior General Manager, Certification and Due  
Diligence (CDD) Unit,  
Sustainability and Environment Department (SED)

Date: 19 Oct 2017



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### 4.2 INTERTEK- RSPO P&C Certificate details for KKS Selancar 2B Grouping

Certificate No:	RSPO 930288
New Certificate date:	DD MMM 2017
Expiry date:	DD MMM 2022
Organization	Felda Global Ventures Plantations (Malaysia) Sdn Bhd
Address of Head Office:	Felda Global Ventures Plantations (Malaysia) Sdn Bhd (FGVPM), Plantation Sustainability and Quality Management (PSQM) Department, Menara Felde Platinum Park, Level 20 No 11 Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.
RSPO Membership No:	1-0225-16-000-00
Plantation Management Unit:	KKS Selancar 2B Grouping
Address of POM:	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor Darul Takzim, 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		Certified Area (ha)
		Latitude	Longitude	
Selancar 2B POM (Capacity:54 MT/hr)	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor Darul Takzim, Malaysia	2°38'16.00"N	103° 0'1.00"E	8,322.30
FGVPM Selancar 6 estate	Ladang Felde 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	Ladang Felde 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	Ladang Felde Selancar 09, Wakil Pos Perwira Jaya, 85070 Segamat, Johor Darul Takzim, Malaysia	2°37'10.00"N	103° 1'16.00"E	

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

KKS Selancar 2B	Annual Tonnages (MT)
Certified FFB	100,520.00
Certified CPO	19,654.67
Certified PK	5,229.00
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) and the RSPO Supply Chain Certification (RSPO SCC). He is currently involved in the management of all types of system and process/product certification in Intertek. He has more than 32 years work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He is currently the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

##### **Mr. Sazali Hasni – Assessor / Technical Expert**

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

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

##### **Mr. Jumat Majid – Assessor – Social Responsibility and Workers Welfare**

– BSc (Social Science)

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



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### Appendix B: Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
14 Aug 17 Monday  (Day 1)	8.00 am – 1.00 pm	Travel to Selancar 2B Palm Oil Mill		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 2.30 pm	<b>Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)</b>		
	2.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Mill</li> <li>• P8 Continual Improvement</li> <li>• SCC for POM</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
	<ul style="list-style-type: none"> <li>• Review of effectiveness of corrective actions for non-conformances</li> <li>• Review of Time Bound Plan</li> <li>• Verification for compliance with rules on partial certification</li> </ul>			
5.00 pm – 6.00 pm	Travel to Hotel & Break			
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		OCL	SH	JMD
15 Aug 17 Tuesday  (Day 2)	8.30 am – 12.30pm	<b>Site assessment at FGVP Selancar 6</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGVP Selancar 6</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGVP Selancar 6</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
		Lunch Break		
	1.30 pm – 5.30 pm	<b>Continue site assessment at Site assessment at FGVP Selancar 6</b>		
	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		
16 Aug 17 Wednesday  (Day 3)	8.30 am – 12.30pm	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at FGVP M Selancar 8 estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGVP M Selancar 8 estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGVP M Selancar 8 estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at FGVP M Selancar 9 estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGVP M Selancar 9 estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at FGVP M Selancar 9 estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
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		
17 Aug 17 Thursday  (Day 4)	8.30 am – 12.30pm	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Mill</li> <li>• P8 Continual Improvement</li> <li>• SCC for POM</li> </ul>	<b>Stakeholders' Consultation on the following categories (see Notes 1 and 2 below):</b> <ul style="list-style-type: none"> <li>• <b>Contractors</b></li> <li>• <b>Suppliers</b></li> <li>• <b>Transporters</b></li> <li>• <b>NGOs</b></li> <li>• <b>Government Department / Agencies</b></li> <li>• <b>Local Community</b></li> </ul> <b>Notes</b> 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	
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm -	Site assessment at POM or estates to follow up on any specific criteria/areas		



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	3.00 pm	
	3.00 pm – 4.30 pm	Preparation for Closing Meeting
	4.30 pm – 5.30 pm	Team Meeting and Discussions with POM Management Representative
	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		
18 Aug 17 Friday  (Day 5)	8.30 am – 1.00 pm	OCL	SH	JMD
		Closing Meeting & Briefing at Palm Oil Mill Office		
	1.00 pm – onwards	Travel back to Kuala Lumpur		

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**Appendix C-1:**

**Location of Felda Gobal Ventures Plantations (Malaysia) Sdn Bhd (FGVPM)**

**- KKS Selancar 2B Grouping, Segamat, Johor Darul Takzim, Malaysia**



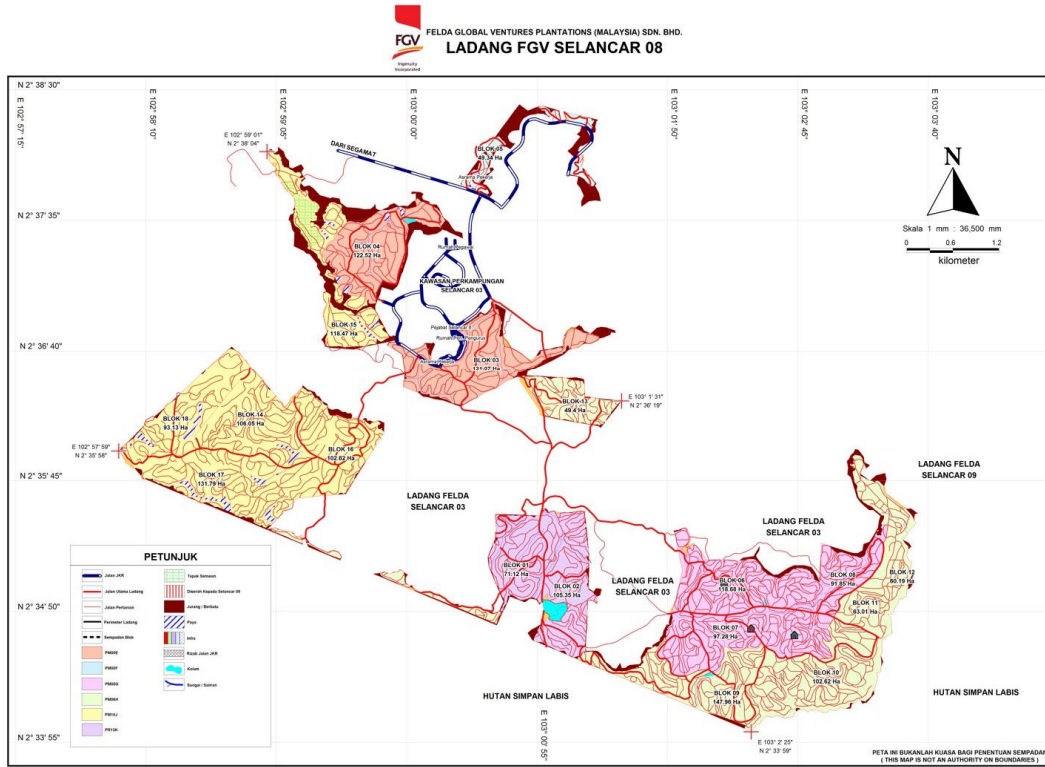




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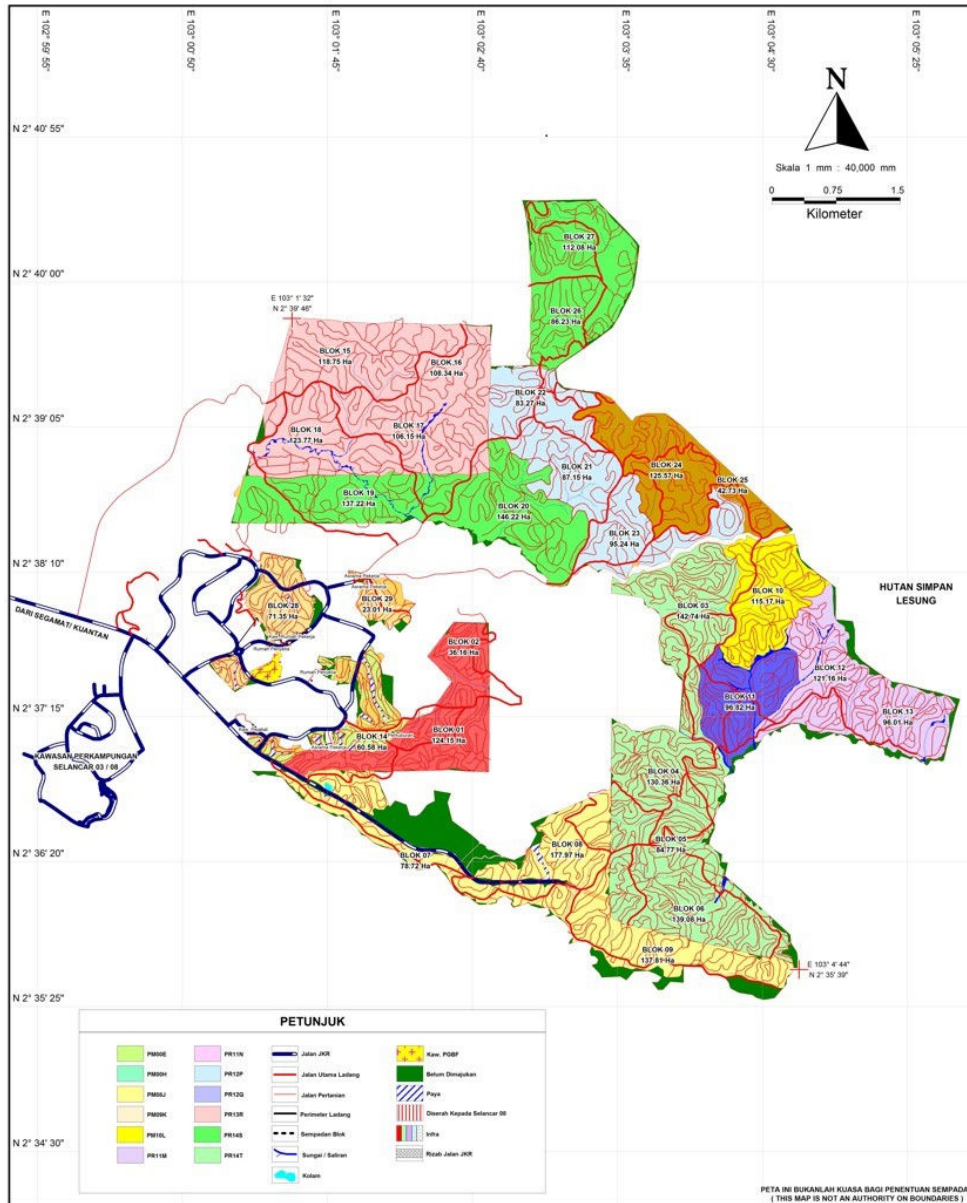
**Appendix C-2-2:**  
**FGVPM Selancar 8 estate**



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**Appendix C-2-3:**  
**FGVPM Selancar 9 estate**





**Appendix D:**

**Photographs of Assessment findings at KKS Selancar 2B Grouping**

	
<p>Selancar 6 Estate – Interviewing pesticide sprayers</p>	<p>Selancar 6 Estate – Shower and eye wash at chemicals mixing areas</p>
	
<p>Selancar 8 Estate – Buffer zone at boundary of estate bordering forest reserve</p>	<p>Selancar 8 Estate – No trespassing and no hunting signboard at boundary of estate bordering forest reserve</p>
	
<p>Selancar 9 Estate – Trenches and electric fence along the buffer zone bordering forest reserve</p>	<p>Selancar 9 Estate – Interviewing pesticide sprayers</p>



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**Appendix E:**

**Details of Time Bound Plan as submitted by FGV (18 Aug 2017)**

No	2017	2018	2019	2020	2021
1	KS SELANCAR 2B	KS CHINI 3	KS KALABAKAN	KS PASOH	FGV ASIAN MILLING PLANTATION
2	KS LEPAR HILIR	KS NITAR	KS KEMBARA SAKTI	KS KEMAHANG	FGV YAPID MAS (Golden Land)
3	KS ARING A	KS JERANGAU BARU	KS NILAM PERMATA	KS TERSANG	PT CITRA NIAGA PERKASA ( Indonesia)
4	KS KECHAU B	KS SERTING HILIR	KS HAMPARAN BADAJ	KS SELANCAR 2A	PT TEMILIA AGRO ABADI (Indonesia)
5	KS BUKIT SAGU	KS SERTING	KS MERCU PUSPITA	KS CHINI 2	FGV estates without FGV mill
6	KS KERATONG 09	KS KOTA GELANGGI	KS LANCANG KEMUDI	KS TROLAK	
7	KS LEPAR UTARA 06	KS KERTEH	KS PONTIAN UNITED PLANTATION	KS SEMENCHU	
8	KS BESOUT	KS NERAM	KS EMBARA BUDI	KS JERANGAU BARAT	
9	KS KEMASUL	KS KERATONG 3	KS BAIDURI AYU	KS PANCHING	
10	KS TRIANG	KS TENGGAROH	KS UMAS	KS BUKIT BESAR	
11	KS LEPAR UTARA 4	KS CHIKU	KS SAMPADI	KS KAHANG	
12	KS MAOKIL	KS KERATONG 2	KS BUKIT MENDI	KS WAHA	
13	KS PALONG TIMUR	KS JENGA 21	KS JENGA 8	KS AIR TAWAR	
14	KS SELENDANG	KS ADELA	KS JENGA 18	KS LOK HENG	
15	KS KRAU	KS BUKIT KEPAYANG	KS JENGA 3		
16	KS TENGGAROH TIMUR	KS BELITONG	KS PADANG PIOL		
17		KS KULAI	KS SG TENGI		
18		KS PENGGELI	KS MEMPAGA		
19		KS CHALOK			
20		KS TEMENTI			
21					
<b>TOTAL</b>	<b>16</b>	<b>20</b>	<b>18</b>	<b>14</b>	<b>5</b>
	<b>16</b>	<b>36</b>	<b>54</b>	<b>68</b>	<b>73</b>