

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

MAIN ASSESSMENT

Malaysia

PALONG TIMUR POM

Felda Global Ventures Holdings Berhad

2017

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

Company Name:	Felda Global Ventures Holdings Berhad
Business Address:	Plantations Sustainability Department, Level 20, Menara Felda Platinum Park, No 11, Persiaran KLCC, 50088 Kuala Lumpur
Contact Person:	Norazam Abdul Hameed
Office Telephone:	+603-2698 7772
E-Mail:	norazam.ah@feldaglobal.com
Web Site:	www.feldaglobal.com
Other Certifications Held:	ISO 9001, ISO 14001, ISCC

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0225-16-000-00
Registered Client Name:	FELDA GLOBAL VENTURES HOLDINGS BERHAD
Certificate Number:	CU-RSPO-835111
Start Date Of Certificate:	10/04/2018
End Date Of Certificate:	09/04/2023
Date Of Original Certification:	10/04/2018
Scope:	Certification of the Palm Oil Mill and Supply Bases
Type Of Certification:	Single site <input checked="" type="checkbox"/>
Duration Of Certificate:	5 Years from date of certification

1.3 Main Surveillance Assessment Details

Dates of This Audit:	6 – 8 Dec 2017
Audit Number:	Main Assessment

1.4 Assessment Type

This is a RSPO Principles & Criteria Compliance assessment of the palm oil mill and its respective supply bases as listed in this report below.

1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	GPS Reference Longitude Latitude	
FELDA PALONG TIMUR POM	60	Karung Berkunci No. 1, Pusat Bandar Palong, 73409 Gemas, Negeri Sembilan Darul Khusus	102.705 E	2.73879 N

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:

- PART 1, Section 1.7 – General Description of Supply Base,
- PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
- PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT)			Actual Production for this Audit Year 2016/2017 (MT)			Projected 12 Months (MT) Forecast Volume in this Report		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
-	-	-	-	-	-	89,843.50	17,236.84	4760.87

1.6 (b) Non-Certified Tonnage of FFB (outside supplier – Excluded from Certificate)			
Independent FFB Supplier	Tonnage / Year		
	Projected Production from the last 12 Months (MT)	Actual Production for this Audit Year 2016/2017 (MT)	Projected 12 Months (MT) Forecast Volume in this Report
Felda Palong Timur 01	N/A	N/A	183,894.26
Felda Palong Timur 02			
Felda Palong Timur 03			
Felda Palong 01			
Felda Palong 02			
Felda Palong 03			
Felda Palong 04			
Felda Palong 05			
Felda Palong 06			
Felda Pasir Besar			
FTP Pasir Besar			
FTP Palong 01			
FTP Palong 02			
FTP Palong 03			
FTP Palong 04			
FTP Palong 05			
FTP Palong 06			
FTP Palong Timur 1			
FTP Palong Timur 2			
FTP Pasir Besar			
FTP Palong 01			

1.7 General Description of Supply Base
 Palong Timur POM receives the FFB from its own estates, within Felda Group estates and also from smallholders. The supply base as per stated in contract agreement and this audit has carried out to ensure full compliance with RSPO requirement.

1.7.1 Location of the Supply Base						
OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
OPP1	FGVPM Palong Timur 5 Estate	W/Pos Pusat Bandar Palong 04, 73430 Gemas, Negeri Sembilan Darul Khusus	102.694 E	2.78109 N	4,009.07	2,683.89
OPP2	FGVPM Palong Timur 6 Estate	85100 Batu Anam, Segamat, Johor Darul Takzim.	102.685 E	2.70251 N	2,923.56	2,189.59
TOTAL					6,932.63	4,873.48

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year				
OPP	Oil Palm Plantation	Estimated FFB/Year (MT)	Planting Years	Cycle (Years)
OPP 1	FGVPM Palong Timur 5 Estate	47,728.28	1991 - 2017	25 - 30
OPP 2	FGVPM Palong Timur 6 Estate	42,115.22	1998, 2015	25 - 30
TOTAL		89,843.50		

Only use data from 1.7.3 in the eTrace Summary

1.7.3 Conservation and HCV Area (Ha)				
OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	FGVPM Palong Timur 5 Estate	0	0	Yes/No
OPP 2	FGVPM Palong Timur 6 Estate	0	0	Yes/No
TOTAL		0	0	
* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"				

1.7.4 Percentage of Planted Oil Palm by different Age Ranges						
OPP	Planting Years by 5-year Ranges					Total
	1990 - 1995	1996-2000	2001 -2005	2006 – 2010	2011 – 2017	
OPP 1	16.4%	19.8%	11.1%	16%	36.7%	100%
OPP 2	13.7%	-	11%	50.2%	25.1%	100%

1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill			
N = 0.8√Y, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed			
For the Mill, how many units make up the production base?			
Owned estates (Y)	N = 0.8√Y	Smallholders (Z)	N = 0.8√Z
2	2	-	-
Explanation as to the selection of estates sampled			
2 Estates is registered in contract therefore √2 = 1.4 (0.8) become 1.13 that has been round up to 2 unit of estates sampled. CB has selected both estates to be audited for this Main Assessment.			

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment
Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan, if applicable to this assessment
No Associated Smallholders under this membership.

1.9 Location Map for this Certification Unit (See Appendix 1)

PART 2: PARTIAL CERTIFICATION
The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure				
Section	Criteria	Yes/No	If "Yes"	If "No"
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies: a. Explaining the legal relationship and the management arrangements with the subsidiary	Yes	Go to 2.1.4	Go to 2.2.1

	companies and / or with any operating groups?			
2.1.4	b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil?	Yes	Go to 2.4	Go to 2.2.2
2.1.5	Is there a time bound plan in place for all subsidiaries, estates and palm oil mills?	Yes	Go to 2.3	2.2.3
2.1.6	Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO.	Yes		

2.2 Non-compliance Identified with 2.1 Above			
Section	Non-compliance findings	NC raised	Category
2.2.1	There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification.	-	Major
2.2.2	There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure.	-	Major
2.2.3	There is no time bound plan in place for the certification for all subsidiaries, estates and mills.	-	Major
2.2.4	No applicable membership of the RSPO.	-	Major

2.3 Summary of the Time Bound Plan			
Section	Requirement	Findings and any action required	Compliance
2.3.1	Does the plan include all subsidiaries, estates and mills?	<p>Yes, the plan did include all subsidiaries, estates and mills incorporated under Felda Global Ventures Holding Berhad (FGV). Felda Global Ventures Holdings Berhad have 75 complexes in Malaysia and Indonesia. 72 complexes are included with mills while 3 complexes are without mill.</p> <p>FGV owned the mills and estates listed in their time bound plan. Sighted evidence showing that Pontian United Plantation Bhd and Asia Plantation Limited are 100% fully owned by FGV.</p> <p>Felda Global Ventures Holdings Berhad has developed the time bound plan. Seen the evidence prepared by Certification & Due Diligence (CDD) Department, FGV. The time bound plan will be started from year 2017 until year 2021. According to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGVM complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.</p>	Yes
2.3.2	Is the time bound plan challenging? <ul style="list-style-type: none"> ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law. 	<p>Based on 1st phase audit, auditors found that time bound plan prepared by Certification & Due Diligence (CDD) Department was not challenging due to some issues happen in Sabah Region which company cannot fulfil in year 2017 especially due to controlling of contractors case.</p> <p>Thus, in 2nd phase audit, Certification & Due Diligence (CDD) Department has changed the time bound plan where Sabah Region are to be certified in 2019.</p> <p>The company presented a table showing how the certification audits are planned to fit into the period ending and it is</p>	Yes

		considered to be challenging plan (see time bound plan below)	
2.3.3	Have there been any changes since the last audit? Are they justified?	<p>Previously, 58 Complexes (FGV with FELDA) already certified before they self-withdraw from RSPO P&C on 03rd May 2016. During that time, all the certified units were certified by different certification bodies.</p> <p>As per new time bound plan, FGV will be started the certification process from year 2017 until year 2021. According to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGV complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.</p> <p>Seen their time bound plan from year 2017 to year 2021 for certified again with RSPO P&C.</p>	Yes
2.3.4	If there have been changes, what circumstances have occurred?	No changes have been made due to FGV will do the main assessment audit again as per stated in the time bound plan.	Yes
2.3.5	Have there been any stakeholder comments?	<p>As per audit, auditors found 3 stakeholders comments as stated data below:</p> <p>Comments 1 On the 26th of July 2015, WSJ ran an article by Syed Zain Al – Mahmood alleging that Felda has breached labour conditions in its plantations. The allegations mainly say that forced labour is being used and the workers are not paid minimum wages. Further, it is alleged that their health and working conditions are neglected and also that their employers withheld their passports.</p> <p>Remarks 29 July 2015 - 12 NGOs urged the RSPO to conduct a transparent investigation into Wall Street Journal's findings of forced labour, human trafficking, and other human and labour rights violations especially on RSPO member FELDA's plantations.</p> <p>The Complaints Panel in its meeting on August 2015, decided that the member, Felda, be investigated on the issues raised by the WSJ article. The RSPO Secretariat will conduct an independent assessment to investigate the report on labour condition on all RSPO members. Malaysia would be the first country, where the assessment would be done.</p> <p>The RSPO release the following statement on its website: http://www.rspo.org/news-and-events/news/3rd-update-rspo-response-to-the-report-titled-palmoil-migrant-workers-tell-of-abuses-on-malaysian-plantations-published-by-the-wall-street-journal-on-26th-july-2015</p> <p>Findings FGV has already taken action to resolve this raised issue. Certification & Due Diligence (CDD) Department has outlined 10</p>	Yes

		<p>action plans to address all issues alleged by WSJ although the identified cases by WSJ is under Felda Management. The 10 action plan already being verified by CUC Auditors on site at 8 complexes which are:</p> <ul style="list-style-type: none"> • Bukit Sagu Complex • Palong Complex • Kechau B Complex • Keratong 9 Complex • Selancar 2B Complex • Besout Complex • Baiduri Ayu Complex • Hamparan Complex <p>Summary of the 10 action plans finding as per Part 4.2.</p> <p>Others 2 comments, can refer to 3.4.2 and 3.4.4.</p>	
2.3.6	Have there been any newly acquired subsidiaries?	<p>No new land concession outside Malaysia after year 2016.</p> <p>Latest newly acquisition is Asian Plantation Limited where FGV signed a deal to acquired Asian Plantations Limited (APL), a company based in Singapore. APL will be included in FGV RSPO time bound plan beginning January 2016.</p>	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	<p>FGV will do the main assessment audit as per their time bound plan.</p>	Yes
2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	<p>At this moment, no systematic failure sighted due to FGV will do the main assessment audit as per their time bound plan.</p> <p>This will be reviewed annually by certification bodies.</p>	Yes
2.3.9	General statement as to progress made since the last audit?	<p>No statement has been made due to this is main assessment audit. As per interviewed with Raja Dato' Zamalia Raja Dato' Seri Mansur, FGV Sustainability and Environment Head, FGV will follow the time bound plan according to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGV complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.</p>	Yes

2.4 Un-Certified Units or Holdings			
Section	Requirement	Findings and any action required	Compliance
	NOTE:	Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)	
2.4.1	Did the company conduct an internal audit? If so, has a positive assurance statement	<p>Yes, at the current status only 16 complexes already have internal audit in year 2017. Seen the internal audit done by Certification & Due Diligence (CDD) Department. The NC during the audit still in progress to close. All certification bodies that will do the audit for FGV need to verify those NC.</p> <p>Others complex will do as per their time bound plan. Overall findings are positive as per before.</p>	Yes

	been produced?																																					
2.4.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>As per this year audit, there has been no replacement of primary forest area. However, there is one issue reported by Chain Research Reaction regarding HCV clearance in Kalimantan.</p> <p>FGV already brief this issue to RSPO secretariat. All details summary as per below:</p> <table border="1" data-bbox="507 517 1278 2002"> <thead> <tr> <th colspan="3">HCV clearance Kalimantan reported by Chain Research Reaction</th> </tr> <tr> <th>ISSUE</th> <th>ACTION PLAN PROGRESS</th> <th>DATE OF COMPLETION</th> </tr> </thead> <tbody> <tr> <td rowspan="13">HCV clearance at PT CNP and PT TAA</td> <td>Engaged independent consultant for ground investigation</td> <td>20 April-4th May 2016</td> </tr> <tr> <td>Investigation finding presentation to FGV management</td> <td>9th May 2016</td> </tr> <tr> <td>Brief presentation to RSPO on the investigation findings</td> <td>10 May 2016</td> </tr> <tr> <td>Letter to stop all operation in HCV area</td> <td>10 May 2016</td> </tr> <tr> <td>1st Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td>22nd May 2016</td> </tr> <tr> <td>Discussion on Conservation and remediation plan with RSPO technical Director</td> <td>23 May 2016</td> </tr> <tr> <td>2nd Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td>25 May 2016</td> </tr> <tr> <td>Sent a letter to RSPO on action plan for PT CNP and PT TAA</td> <td>27th May 2016</td> </tr> <tr> <td>3rd Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td>15 June 2016</td> </tr> <tr> <td>Develop the Conservation and Remediation plan and relevant SOP</td> <td>1st July 2016</td> </tr> <tr> <td>Appointment letter to engage independent external social mediator to handle negotiation with affected communities</td> <td>1st July 2016</td> </tr> <tr> <td>Conducted social mediation and engagement with affected communities</td> <td>18 July to 30 July 2016</td> </tr> <tr> <td>Consultation with FGV legal department on local national regulation. Found that the area (PT CNP and PT TAA) were outside the Indonesia Peat Moratorium no. X (10)</td> <td>30 July 2016</td> </tr> <tr> <td>4th Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td>12 August 2016</td> </tr> </tbody> </table>	HCV clearance Kalimantan reported by Chain Research Reaction			ISSUE	ACTION PLAN PROGRESS	DATE OF COMPLETION	HCV clearance at PT CNP and PT TAA	Engaged independent consultant for ground investigation	20 April-4 th May 2016	Investigation finding presentation to FGV management	9 th May 2016	Brief presentation to RSPO on the investigation findings	10 May 2016	Letter to stop all operation in HCV area	10 May 2016	1 st Public statement on HCV clearance at PT CNP and PT TAA on FGV website	22 nd May 2016	Discussion on Conservation and remediation plan with RSPO technical Director	23 May 2016	2 nd Public statement on HCV clearance at PT CNP and PT TAA on FGV website	25 May 2016	Sent a letter to RSPO on action plan for PT CNP and PT TAA	27 th May 2016	3 rd Public statement on HCV clearance at PT CNP and PT TAA on FGV website	15 June 2016	Develop the Conservation and Remediation plan and relevant SOP	1 st July 2016	Appointment letter to engage independent external social mediator to handle negotiation with affected communities	1 st July 2016	Conducted social mediation and engagement with affected communities	18 July to 30 July 2016	Consultation with FGV legal department on local national regulation. Found that the area (PT CNP and PT TAA) were outside the Indonesia Peat Moratorium no. X (10)	30 July 2016	4 th Public statement on HCV clearance at PT CNP and PT TAA on FGV website	12 August 2016	Yes
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			Sent the progress of action taken to RSPO using SRT V	19 August 2016	
			Sent out the Conservation and remediation plan to PT CNP and PT TAA for implementation	7 Oct 2016	
			Meeting with RSPO Technical Director and RSPO Complaint Coordinator on PT CNP and PT TAA issue	14 Oct 2016	
			Sent the progress of action taken to RSPO using SRT V	17 Oct 2016	
			5 th Public Statement on HCV clearance at PT CNP and PT TAA on FGV website	5 Nov 2016	
			Meeting with RSPO secretariat on Compensation Panel feedback and our complaints on HCV updates in WSJ complaint update	25 Nov 2016	
			Received comment and recommendation from RSPO compensation Panel on PT CNP	1 Dec 2016	
			Meeting with the FGV Kalimantan at PT CNP office for further engagement with ELC/Aid environment and Aksenta	13 Dec 2016	
			Meeting on new revised Indonesia regulation PP57 and PP 71 with Badan Lingkungan Hidup dan Kehutanan as well as with Dinas Perkebunan Kalimantan Barat	14 Dec 2016	
			Meeting with ELC/AIDH and Aksenta on new proposal to include Aid environment proposal for our Landscape conservation plan	14 Dec 2016	
			Meeting with PERMADA (Persatuan Madura & Dayaks) on their request to develop the HCV area.	15 Dec 2016	
			Site visit to PT CNP and PT TAA with Kalimantan team	15 Dec 2016	
			Finalizing the next action for conservation engagement with ELC/AIDH and Aid environment	16 Dec 2016	
			Kalimantan operation to seek an area with local Bupati to replace the cleared HCV area	In progress	
		REVIEW HCV ASSESSMENT	6 th Public Statement on HCV clearance at PT CNP and PT TAA on FGV website	10 Feb 2017	
			PERSADA meeting with RSPO Jakarta	9 th Mar 2017	
2.4.3	Any new	NPP current progress out for all FGVP M Estates data as per below:			Yes

	<p>plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<table border="1"> <thead> <tr> <th data-bbox="502 253 791 353">ESTATE</th> <th data-bbox="791 253 1002 353">HECTARAGE INVOLVES IN NPP</th> <th data-bbox="1002 253 1283 353">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="502 353 791 387">FGVPM Chegar Perah 1</td> <td data-bbox="791 353 1002 387">59.32</td> <td data-bbox="1002 353 1283 488" rowspan="4">Phase 1 NPP progress pending on HCV report review by HCVRN.</td> </tr> <tr> <td data-bbox="502 387 791 421">FGVPM Bukit Sagu 8</td> <td data-bbox="791 387 1002 421">61.54</td> </tr> <tr> <td data-bbox="502 421 791 454">FGVPM Tembangau 5</td> <td data-bbox="791 421 1002 454">86.58</td> </tr> <tr> <td data-bbox="502 454 791 488">FGVPM Selendang 3</td> <td data-bbox="791 454 1002 488">97.59</td> </tr> <tr> <td data-bbox="502 488 791 521">FGVPM Krau 2</td> <td data-bbox="791 488 1002 521">170.78</td> <td data-bbox="1002 488 1283 725" rowspan="8">Phase 2 NPP progress pending on local regulation EIA by recognised DOE consultant. Once completed, proceed for HCVRN review.</td> </tr> <tr> <td data-bbox="502 521 791 555">FGVPM Krau 4</td> <td data-bbox="791 521 1002 555">80.28</td> </tr> <tr> <td data-bbox="502 555 791 589">FGVPM Bukit Sagu 6</td> <td data-bbox="791 555 1002 589">72.87</td> </tr> <tr> <td data-bbox="502 589 791 622">FGVPM Lepar Hilir 5</td> <td data-bbox="791 589 1002 622">253.62</td> </tr> <tr> <td data-bbox="502 622 791 656">FGVPM Tembangau 6</td> <td data-bbox="791 622 1002 656">495.53</td> </tr> <tr> <td data-bbox="502 656 791 689">FGVPM Aring 10</td> <td data-bbox="791 656 1002 689">518.52</td> </tr> <tr> <td data-bbox="502 689 791 723">FGVPM Setiu 01</td> <td data-bbox="791 689 1002 723">130.72</td> </tr> <tr> <td data-bbox="502 723 791 757">Total</td> <td data-bbox="791 723 1002 757">1,722.32</td> </tr> </tbody> </table>	ESTATE	HECTARAGE INVOLVES IN NPP	Status	FGVPM Chegar Perah 1	59.32	Phase 1 NPP progress pending on HCV report review by HCVRN.	FGVPM Bukit Sagu 8	61.54	FGVPM Tembangau 5	86.58	FGVPM Selendang 3	97.59	FGVPM Krau 2	170.78	Phase 2 NPP progress pending on local regulation EIA by recognised DOE consultant. Once completed, proceed for HCVRN review.	FGVPM Krau 4	80.28	FGVPM Bukit Sagu 6	72.87	FGVPM Lepar Hilir 5	253.62	FGVPM Tembangau 6	495.53	FGVPM Aring 10	518.52	FGVPM Setiu 01	130.72	Total	1,722.32	
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2.4.4	<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p>There is issue on land conflict although it was captured on FelDa Membership, but FGV also indirectly involved as part of the claim involve FGVPM Sahabat 55 The issue still in progress. Data as per below:</p> <p>Member: Lembaga Kemajuan Tanah Persekutuan (FELDA) /Orang Dusun Desa Begahak Date Filed: 16 February 2015 Complaint: Community of Desa Begahak Complaint: The company has breached the communities' user rights to the land in breach of Principle 2.2</p> <p>Status: Box F – Action Plan</p> <p>Synopsis</p> <p>According to the Enquiry National Hak Tanah of Malaysia conducted by SUHAKAM, the state government had given 1260 acres of land to the Dusun Begahak community in 1981. At the same time, the same land was alienated to FELDA for development.</p> <p>The complainant raised the issue that FELDA has no right to develop their land and should return it to the community because the land originally belonged to the community. The complainant also stated that the cemetery area is being developed by FELDA.</p> <p>FELDA enclaved 916 acres of the said land and gave it back to the community on the 25th of May 1982. The community planted fruits and other crops on the land.</p> <p>We have received some evidence from both sides. The evidence needs to be scrutinized and investigated further.</p> <p>Issue has been further referred to the RSPO Complaint panel.</p> <p>Remarks 2 July 2015 – It was agreed that the matter would be referred to the FELDA/FGV Sustainable Steering Committee on 7th July 2015.</p>	Yes																													

	<p>22 June 2015 – FELDA had another meeting with Robin Balud and the representatives of the community and agreed to exchange documents on the land claim. A site visit was also undertaken with the community members.</p> <p>4 June 2015 – FELDA met with Robin Balud again and agreed to do a joint mapping of the land.</p> <p>10 April 2015 – FELDA met the complainant, Robin Balud, in Kota Kinabalu Sabah, to discuss the complaint.</p> <p>9 April 2015 – FELDA met the community (Desa Begahak) members and discussed the issues from the complaint and the land claim.</p> <p>13 March 2015 – RSPO had a conference call meeting with the head of the Dusun Begahak community to understand the situation.</p> <p>16 March 2015 – RSPO had a conference call meeting with FELDA representatives to discuss the situation.</p> <p>17 March 2015 – The complaint was raised to the Complaint Panel for further discussion and action.</p> <p>4 June 2015 – FELDA met the complainant Robin Balud and discussed the main issues of the land claim and compensation.</p> <p>22 March 2016 – RSPO sent complaint notice to FELDA.</p> <p>1 April 2016 – State Land and Survey Department begin its mapping exercise.</p> <p>4 April 2016 – FELDA submits action plan to RSPO dated 27 March 2016.</p> <p>6 May 2016 – FELDA withdraws its RSPO Principle and Criteria certificates.</p> <p>26 July 2016 – Complainant send a formal letter to FELDA to settle the customary land dispute.</p> <p>19 August 2016 – Progress report submitted by Felda.</p> <p>20 September 2016 – Felda met with the community to discuss on how they will progress on</p>	
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		the complaint, once the joint mapping.													
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is 1 issue happen in FGVP M Palong Timur 04 (Now FGVP M Palong Timur 05) and the details is elaborated below:</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>ESTATE</th> <th>LEGAL ACTION</th> <th>DATE</th> <th>VALUE OF SUMMON</th> <th>SUMMON STATUS</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>FGVPM PALONG TIMUR 04 (NOW FGVP M PALONG TIMUR 05)</td> <td>Claims</td> <td>19.06.2012</td> <td>RM61,968.60</td> <td>Court Appeal</td> </tr> </tbody> </table>	NO.	ESTATE	LEGAL ACTION	DATE	VALUE OF SUMMON	SUMMON STATUS	1	FGVPM PALONG TIMUR 04 (NOW FGVP M PALONG TIMUR 05)	Claims	19.06.2012	RM61,968.60	Court Appeal	Yes
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1	FGVPM PALONG TIMUR 04 (NOW FGVP M PALONG TIMUR 05)	Claims	19.06.2012	RM61,968.60	Court Appeal										
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>During partial audit, 1 issue with DOE in FPISB Selancar 2A POM is sighted. Summon no: SJ 53-4/2016; Date 14.04.2016 in Mahkamah Seksyen Kuantan.</p> <p>Fixed for Trial on 01.03.2017, 02.03.2017 and 03.03.2017.</p> <p>Also 1 issue for minimum wages. Refer to 4.3.1</p>	Yes												

TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES				
Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Targeted RSPO Certification Year	Current Certification Status as per this Audit
Selancar 2B	Malaysia	FGVPM Selancar 6 FGVPM Selancar 8 FGVPM Selancar 9	2017	To be audited by CB in year 2017
Lepar Hilir	Malaysia	FGVPM Lepar Hilir 5 FGVPM Lepar Hilir 6 FGVPM Lepar Hilir 8	2017	To be audited by CB in year 2017
Aring A	Malaysia	FGVPM Aring 2 FGVPM Aring 3 FGVPM Aring 4 FGVPM Aring 5 FGVPM Aring 6 FGVPM Aring 8 FGVPM Aring 10 FGVPM Aring 11	2017	To be audited by CB in year 2017
Kechau B	Malaysia	FGVPM Kechau 6 FGVPM Kechau 8 FGVPM Kechau 9 FGVPM Kechau 10	2017	To be audited by CB in year 2017
Bukit Sagu	Malaysia	FGVPM Bukit Sagu 4 FGVPM Bukit Sagu 6 FGVPM Bukit Sagu 7 FGVPM Bukit Sagu 8	2017	To be audited by CB in year 2017
Keratong 09	Malaysia	FGVPM Palong Timur 05 FGVPM Bera Selatan 7 Palong Timur 06 FGVPM Keratong Timur	2017	To be audited by CB in year 2017

		FASSB Merchong		
Lepar Utara 6	Malaysia	FGVPM Lepar Utara 7 FGVPM Lepar Utara 8 FGVPM Lepar Utara 9 FGVPM Lepar Utara 11	2017	To be audited by CB in year 2017
Besout	Malaysia	FGVPM Besout 6, FGVPM Besout 7	2017	To be audited by CB in year 2017
Kemasul	Malaysia	FGVPM Mengkarak 1 FGVPM Mengkarak 2	2017	To be audited by CB in year 2017
Triang	Malaysia	FGVPM Triang 2 FGVPM Triang Selatan 1 FGVPM Triang 4	2017	To be audited by CB in year 2017
Lepar Utara 4	Malaysia	FGVPM Lepar Utara 4 FGVPM Lepar Utara 10 FGVPM Lepar Utara 14	2017	To be audited by CB in year 2017
Maokil	Malaysia	FGVPM Maokil 6 FGVPM Maokil 7	2017	To be audited by CB in year 2017
Palong Timur	Malaysia	FGVPM Palong Timur 4/5 FGVPM PALONG TIMUR 06	2017	To be audited by CB in year 2017
Selendang	Malaysia	FGVPM Selendang 3 FGVPM Selendang 4 FGVPM Selendang 5 FGVPM Berabong 1	2017	To be audited by CB in year 2017
Krau	Malaysia	FGVPM Krau 2 FGVPM Krau 4	2017	To be audited by CB in year 2017
Tenggaroh Timur	Malaysia	FGVPM Tenggaroh 12 FGVPM Tenggaroh Timur 2	2017	To be audited by CB in year 2017
Chini 3	Malaysia	FGVPM Terapai 1 FGVPM Chini Timur 4	2018	-
Nitar	Malaysia	FGVPM Nitar Timur	2018	-
Jerangau Baru	Malaysia	FGVPM Rantau Abang 1 FGVPM Rantau Abang 2 FGVPM Chador 1	2018	-
Serting Hilir	Malaysia	FGVPM Tembangau 3 FGVPM Tembangau 5 FGVPM Tembangau 6 FGVPM Tembangau 7 FGVPM Tembangau 8 FGVPM Tembangau 9 FASSB Serting Hilir	2018	-
Serting	Malaysia	FGVPM Palong 17 FGVPM Palong 18 FGVPM Palong 21	2018	-
Kota Gelanggi	Malaysia	FASSB PPTR FASSB Kota Gelanggi 5/6	2018	-
Kerteh	Malaysia	FASSB Kerteh FASSB Semaring 01	2018	-
Neram	Malaysia	FGVPM Cherul 03	2018	-
Keratong 3	Malaysia	FGVPM Keratong 11	2018	-
Tenggaroh	Malaysia	FGVPM Tenggaroh 9 FGVPM Tenggaroh 11 FGVPM Tenggaroh 13	2018	-
Chiku	Malaysia	FGVPM Ciku 4	2018	-

		FGVPM Ciku 8		
Keratong 2	Malaysia	FGVPM Bera Selatan 3	2018	-
Jengka 21	Malaysia	FASSB Jengka 24/25	2018	-
Adela	Malaysia	FGVPM Kledang 02	2018	-
Bukit Kepayang	Malaysia	FGVPM Terapai 3	2018	-
Belitong	Malaysia	FASSB Ulu Belitong FGVPM Bukit Tongkat B	2018	-
Kulai	Malaysia	FASSB Bukit Besar/Taib Andak	2018	-
Penggeli	Malaysia	FGVPM Inas Selatan	2018	-
Chalok	Malaysia	FGVPM Setiu 1	2018	-
Tementi	Malaysia	FGVPM Bera Selatan 1 FGVPM Bera Selatan 4	2018	-
Kalabakan	Malaysia	FGVPM Kalabakan Utara 1 FGVPM Kalabakan Tengah 1 FGVPM Kalabakan Selatan	2019	-
Kembara Sakti	Malaysia	FGVPM Sahabat 30 FGVPM Sahabat 35 FGVPM Sahabat 40 FGVPM Sahabat 41 FGVPM Sahabat 42 FGVPM Sahabat 43	2019	-
Nilam Permata	Malaysia	FGVPM Sahabat 50 FGVPM Sahabat 51 FGVPM Sahabat 52 FGVPM Sahabat 53 FGVPM Sahabat 54	2019	-
Hamparan Badai	Malaysia	FGVPM Sahabat 23 FGVPM Sahabat 24 FGVPM Sahabat 26 FGVPM Sahabat 28 FGVPM Sahabat 31 FGVPM Sahabat 33 FGVPM Sahabat 34 FASSB Tambisan	2019	-
Mercu Puspita	Malaysia	FGVPM Sahabat 7 FGVPM Sahabat 46 FGVPM Sahabat 48 FASSB Sahabat 6	2019	-
Lancang Kemudi	Malaysia	FGVPM Sahabat 10 FGVPM Sahabat 36 FGVPM Sahabat 38 FGVPM Sahabat 39 FGVPM Sahabat 44 FGVPM Sahabat 45	2019	-
Pontian United Plantation	Malaysia	Pontian Fico Pontian Subok Pontian Orico Pontian Pendirosa Pontian Kuril Pontian Hilco	2019	-

		Rawajaya Sdn Bhd Blossom Plantation Sdn Bhd		
Embara Budi	Malaysia	FGVPM Sahabat 11 FGVPM Sahabat 12 FGVPM Sahabat 17 FGVPM Sahabat 56 FGVPM Sahabat 20 FGVPM Sahabat 21 FGVPM Sahabat 22 FGVPM Sahabat 25	2019	-
Baiduri Ayu	Malaysia	FGVPM Sahabat 9 FGVPM Sahabat 16 FGVPM Sahabat 55	2019	-
Umas	Malaysia	FGVPM Umas 5 FGVPM Umas 6	2019	-
Sampadi	Malaysia	FGVPM Sampadi 1 FGVPM Sampadi 3 FGVPM Sampadi 4 FGVPM Sampadi 5 FGVPM Sampadi 6	2019	-
Bukit Mendi	Malaysia	Felda Settlers	2019	-
Jengka 8	Malaysia	Felda Settlers	2019	-
Jengka 18	Malaysia	Felda Settlers	2019	-
Jengka 3	Malaysia	Felda Settlers	2019	-
Padang Piol	Malaysia	Felda Settlers	2019	-
Sg. Tenggi	Malaysia	Felda Settlers	2019	-
Mempaga	Malaysia	Felda Settlers	2019	-
Pasoh	Malaysia	Felda Settlers	2020	-
Kemahang	Malaysia	Felda Settlers	2020	-
Tersang	Malaysia	Felda Settlers	2020	-
Selancar 2A	Malaysia	Felda Settlers	2020	-
Chini 2	Malaysia	Felda Settlers	2020	-
Trolak	Malaysia	Felda Settlers	2020	-
Semenchu	Malaysia	Felda Settlers	2020	-
Jerangau Barat	Malaysia	Felda Settlers	2020	-
Panching	Malaysia	Felda Settlers	2020	-
Bukit Besar	Malaysia	Felda Settlers	2020	-
Kahang	Malaysia	Felda Settlers	2020	-
Waha	Malaysia	Felda Settlers	2020	-
Air Tawar	Malaysia	Felda Settlers	2020	-
Lok Heng	Malaysia	Felda Settlers	2020	-
FGV Asian Plantation Milling Plantation	Malaysia	TBD	2021	-
FGV Yapid MAS (Golden Land)	Malaysia	TBD	2021	-
PT Citra Niaga Perkasa	Indonesia	TBD	2021	-

PT Temilia Agro Abadi	Indonesia	TBD	2021	-
FGV Estates without FGV Mill	Indonesia	TBD	2021	-

With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable	
Name of Mill or Plantation	*Area of concern (See examples below)
-	-
<p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes 	

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

The company had declared to Control Union Certifications (CUC) that all process regarding the partial certification. Felda Global Ventures Holdings Berhad are committed to join again in RSPO. Felda Global Ventures Holdings Berhad has develop the time bound plan. Seen the evidence prepared by Certification & Due Diligence (CDD) Department.

The time bound plan will be started from year 2017 until year 2021. According to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGV complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.

2.6 Partial Certification Audit Agenda

Date	Location	Agenda
09-10 January 2017 & 31 March 2017	Menara Felda Meeting room	Verification of time bound plan
6 th Nov 2017	FGV Palong Timur	Re-verification partial certification & time bound plan.

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

Lead auditor:	Muhd Jamalul Arif
Team member 1:	Mohd Ezani Abd Aziz
Team member 2:	Mohd Farul Rosli
Team member 3:	Fadly Ahmad

3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Graduated in Plantation Management and Cargo Surveying from local university.
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	Experience in auditing since 2011 in RSPO P&C, SCCS, ISCC, GMP B2 & B3, ESCAS Animal Welfare and Global Gap standards. Working experience in handling Q&Q cargo survey for agricultural products in bulks such Palm Oil, Soybean, Sugar etc.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and Middle East country.
Successfully completion of an ISO 9000:19011 lead auditors course;	Completed ISO 9001:2008 Lead auditor in 2011, trained in ISO 19011 & 17021 requirements in 2014.
Training in the practical application of RSPO certification systems.	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and middle east country.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	Involved in RSPO assessment since 2011. Has conducted RSPO P&C audit for more than 250 days in more than 5 various oil palm companies.
RSPO endorsed lead auditors course.	Passed RSPO Lead Auditor Course in 2013 and 2016 conducted by Proforest and Wild Asia. Successful completed the RSPO SCC Endorsed Course by David Ogg & Partners on 2014.
Signed code of conduct.	Yes
General knowledge of:	Yes

• RSPO P&C standards.	Yes
• CUC organizational structure.	Yes
• CUC quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• RSPO SCCS program manual.	Yes
• CUC filing systems.	Yes
• Correct use of RSPO trademarks.	Yes
• History and objectives of RSPO.	Yes
• CV available.	Yes
Completion of CUC RSPO lead auditor training.	Yes

3.2.2 Qualifications of the Assessment Team		
RSPO Requirement	Team Member Name	Qualifications
Fluent in main local languages and English.	Muhd Jamalul Arif	Fluent in Bahasa and English
	Mohd Ezani Abd Aziz	Fluent in Bahasa and English
	Mohd Farul Rosli	Fluent in Bahasa and English
	Fadly Ahmad	Fluent in Bahasa and English
Field working experience in the palm oil sector, or a demonstrable equivalent.	Mohd Ezani Abd Aziz	Working experience in palm oil plantation sector as assistant manager for more than 5 years.
	Fadly Ahmad	Working experience in palm oil plantation sector as assistant manager for more than 5 years.
	Mohd Farul Rosli	Working experience in palm oil plantation sector as Sustainability Officer for more than 5 years.
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Mohd Ezani Abd Aziz	Graduate qualification in Bachelor Eng. (Agriculture & Biological). Working experience in various oil palm plantation companies for more than 10 years. He is trained in ISO 9001:2015 CQI & IRCA Lead Auditor and trained in Social Compliance for Sustainability in equivalent certification such MSPO P&C. He has completed 15 days auditing under supervision and been qualified for auditor in CUC.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational Health and safety assurance system).	Mohd Farul Rosli	Working experience as Sustainability Officer in one of largest palm oil company in Malaysia for more than 5 years. He is qualified as Safety Officer and previously incharge for OSH requirements in plantation units under his supervision. Completed ISO 9001: 2015 Lead Auditor Course and OHSAS 18001:2007 Lead Auditor (OH&S Management System) on 2017. Also qualified for others similar certification standards such ISCC and MSPO.
Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical	Mohd Ezani Abd Aziz	Graduate qualification in Bachelor Eng. (Agriculture & Biological). Working experience in various oil palm plantation companies for more than 10 years. He is trained in ISO 9001:2015 CQI & IRCA Lead Auditor and trained in Social Compliance for

accountability codes).		Sustainability in equivalent certification such MSPO P&C. He has completed 15 days auditing under supervision and been qualified for auditor in CUC.
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Fadly Ahmad	Graduated qualification in Plantation & Management with more than 5 years working experience in oil palm plantation company as estate assistant as responsible for crop production, documentation, general estate appearance, man power sufficiency, costing, good agricultural practices, security, mechanization, special project and OSH. He has passed the CQI & IRCA Certified ISO 14001:2015 Lead Auditor and complete the 15 days supervision as MSPO auditor.
Economic issues.	Muhd Jamalul Arif	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and Middle East country.

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

The Palm Oil Mill audit verification included the following activities:

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.

- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

Assessment Agenda for this Audit		
Date	Location	Main activities
06/12/2017 (Wednesday)	Kilang Sawit Palong Timur	0900 – 0930: Opening meeting <ul style="list-style-type: none"> • Introduction by team leader
		0930 – 1700: Document review <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism/ Request & respond • Best milling practices • Safety and Health • Legal requirements 0930 – 1700: Document review Supply Chain Certification Assessment of the POM (RSPO SCCS) <ul style="list-style-type: none"> • Demonstration of legal entity • Roles and responsibility • Procedures/manual/SOP • Record of purchase – RSPO certified product • Record of sales – RSPO certified product • RSPO logo & claims Site verification <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required.
07/12/2017 (Thursday)	FGVPM Palong Timur 5 Estate	0900 – 1700: Document review <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism/ Request & respond • Best agricultural practices • Safety and Health Site verification <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance/boundary • Workers interview • Stakeholder consultation if required.
	TBC	1000 – 1200: Stakeholders Consultation Meeting <ul style="list-style-type: none"> • Auditors meeting with invited stakeholders • Conducted without present of client.
08/12/2017 (Friday)	FGVPM Palong Timur 6 Estate	0900 – 1700: Document review <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism/ Request & respond • Best agricultural practices

		<ul style="list-style-type: none"> Safety and Health <p>Site verification</p> <ul style="list-style-type: none"> Best agricultural practices Manuring, Spraying, Harvesting, HCV / Conservation Area Legal compliance/boundary Workers interview Stakeholder consultation if required.
	TBC	<p>1700 – 1800: Preparation for closing meeting</p> <ul style="list-style-type: none"> Auditors final discussion and conclusion Additional field visits and meetings with managers as necessary <p>1800: Closing meeting</p> <ul style="list-style-type: none"> Presentation of findings by the audit team NC closure dateline (if any) Questions and answers Final summary by team leader <p>End of assessment</p>

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

The mill and supply bases visited (as per the above Tables 1.5 and 1.7.1) and were assessed at field, office, facilities, stores and a document review were carried out in accordance to the RSPO principles and criteria. The subscribed RSPO management system's documentations seen with minor changes that due to internal external influenced factors that in relation to scope of certification.

Specific evidence was recorded for estates and mill. Interviews with Estate Managers, Mill Manager, members of workers union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed in maintaining the RSPO system by adopting to continuous improvement programs.

There was some complaint or feedback received during the audit or during the field assessment when interviewing with the external stakeholders. The management continually monitoring the established KPI / objectives that significantly rules the achievement of company's corporate policy on RSPO. The mill is fully verified for RSPO SCCS system verification in compliance with all SCCS requirements except for some additional requirements in RSPO SCCS 2014. See PART 5 below.

Summary of Non-Conformance and Current Status

There is 3 Major and 2 Minor non-conformities raise during this main assessment. All Major has been provided corrective action and closed on 6th March 2018. Details of all NC's available in Part 4.3.1 below.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is award.



Signed:

Name: Muhd Jamalul Arif

Date: 9th March 2018

4.2 Summary of the findings by Principles and Criteria

- Over the 5 years period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Commitment to Transparency

Criterion by Audit	Summary	
MA	1.1	<p>Stakeholder verification has been performed by organization through visiting and contacting stakeholders directly, if there is a change then immediately will be updated. It was sighted that stakeholder verification has been done and evidenced.</p> <p>Information provided to public and stakeholder specified in social communication procedures - FGV/ML-1A/L2-PR12, <i>bagian 7</i>, dated 01 June 2016. Information regarding environmental, social and legal was provide for stakeholder based on their needs since it relevant such as: Plan for social and environmental impact assessment, Occupational health and safety plan, Plan for the reduction and prevention of pollution, Company policy, Certificate/land use rights, HCV management plan, FF price, etc. Information was confidential and restricted for stakeholder such as: financial information.</p> <p>Documents available to the public and stakeholder, and can be provided to stakeholders according to their relevance through a written request to the organization. The information most frequently requested by stakeholders are information related to the management of occupational health and safety, environmental management report (wastewater, hazardous waste), production data and area statements, etc.</p> <p>SOP to describe the process of information sharing/dissemination defined in social communication procedure no ML – 1A/L2-PR3(0), dated 1 March 2012. Stakeholders already know the type of information available and the procedures for accessing the information.</p> <p>The stakeholder verification can be sighted from the report on Stakeholder with management MSPO/ RSPO Program consists of Palong Timur Complex, MAOKIL Complex, Gugusan Raja Alias & Gugusan Serting Hilir. The program was held at Palong 1 Hall on 5.10.17 attended by 189 persons.</p> <p>The objective of the program is:</p> <ul style="list-style-type: none"> ❖ To inform the stakeholders of the FELDA commitment through MSPO & RSPO. ❖ To get the response from the listed stakeholders on the company operation. <p>The mill and state established various medium for gaining response, complaints and information.</p> <p>Sighted a complaint box being placed outside the office and a complaint form format provided for lodging any request and complaints. The complaints were recorded in the record book titled “Complaint box record book”.</p> <p>For the estates, a manual procedure was established by the sustainability department named Manual Lestari 1A; doc: no ML-1A/L2-PR(1) in March 2015. The subtopic of 3.4 Communication Procedure, Involvement and Negotiation</p>

		was established as to cater an effective communication system with the internal and external parties in respective of quality, environmental aspect& impact, hazard & risk and social aspect at work place and the achievement.
MA	1.2	<p>Information provided adequate at minimum, an information summary of the document listed such as:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries, land use, classification, total area, grant title, permit validity, NCR rights • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). <ul style="list-style-type: none"> - policy statement should comply to the requirements of 6.13 <p>Monitoring plan associated with public documents already established and available. For example, for environmental documents the management of HCV, <i>Pelan Kesihatan Masyarakat, Pelan tindakan menghalangi pencemaran.</i></p> <p>Updated monitoring report publicly available. Evidence of delivery of the report in the form of receipts properly documented and archived in a file Receipt.</p>
MA	1.3	<p>Written policy committing to a code of ethical conduct and integrity in all operations and transactions was available in "<i>Polisi kod etika kerja dan Integriti</i>" dated 01 June 2014.</p> <p>Ethic policy includes several aspects, such as:</p> <ul style="list-style-type: none"> ❖ Social Responsibility ❖ Salary ❖ Indiscriminative treatment ❖ Protection against sexual harassment and violence ❖ Protection of reproductive rights ❖ Receipts and provision of gifts, entertainment or assistance in job, corruption and fraud ❖ Relation with supplier ❖ Occupational health and safety, and environment

		<ul style="list-style-type: none"> ❖ Employee cooperatives ❖ Human rights <p>The policy was well documented; latest revision dated 01 June 2014 has been communicated to estate employees, it was sighted dissemination conducted on 15 November 2016 and 10 August 2017, socialization both active through master morning and passive by signboard.</p> <p>Documentation of policy and communication was done in the appropriate languages and easily understood by stakeholders. It was sighted in Kod Etika dan tata laku petugas, issued by <i>Jabatan sumber manusia kumpulan, FGV Holding Berhad</i>.</p>
Principle 2: Compliance with Applicable Laws and Regulations		
Criterion by Audit	Summary	
MA	2.1	<p>Complete list of legal requirements available in all units audited. There is law and guidelines updated list, <i>Senarai Undang-Undang Antarabangsa yang Terlibat and Senarai Undang-Undang dan Keperluan yang Berkait bagi Pematuhan RSPO</i>.</p> <p>Apart from this, Palong Timur POM also has the monitoring system on the renewal of all relevant licenses and taxes on the notice board in the mill office with the expiry and amount. In Palong Timur POM, sample of permits maintained and sighted such:</p> <ol style="list-style-type: none"> 1) MPOB (28/02/2018) - License Number: 594711003000 2) DOE License (30/06/2018) 3) Diesel (10/02/2018) - Ref no: (14) JH (SGT) 0124/06 PSK Serial no J027145 4) Sodium Hydroxide Serial No 043273 (31/12/2017) 5) Suruhanjaya Tenaga (11/01/2018) 6) Weighbridge (27/10/2018) 7) Competent Person License (21/07/2018) 8) TNB (17/02/2018) ref no: 99140/BG/F/6184538 9) Nissan Van (04/01/2018) 10) Toyota Hilux (07/02/2018) <p>In Palong Timur 5 & 6 Estates, sighted Law and Other Regulation Requirement File Title Legal Compliance. The List and Summary of Applicable Laws and Regulations dated 05/01/2017 which state the 9 acts related to regulatory authority need to be followed. The Legal Compliance Checklist dated 05/01/2017 which list out all the acts for the updated year of 2017 prepared by Sharifuddin Bin Zainon and verified by Sr Estate Manager Suhaimai Bin Ab Jalil:</p> <ol style="list-style-type: none"> 1) OSH acts 1994 2) Factory and Machinery Act 3) Fire & Service Act 4) MPOB Act 5) EQA 1974 6) Occupation Act 1955 7) Transport Act 1987 8) Supply Control Regulation 1974 9) Pesticide Act

		<p>All the date was valid and verified. The certificate, license and permit were in placed and is according to the details of the listed documents.</p> <p>Tracking for any changes in the law is referred to <i>Sistem Semakan Perubahan Undang-Undang</i> dated 23.06.15 Pindaan 4 from CDD for both FELDA and FGV Holding on related acts involving environmental, social, economy and legal.</p> <p>Example is: for FGV Holding are <i>Akta Racun Makhluk Perosak 1974 (Akta 149)</i>, <i>Akta Cukai Jualan 1972 (Akta 64)</i> & regulations, <i>Perintah Gaji Minimum 2012</i>, etc. Other than that, <i>Manual Prosedur Titled: Penilaian Pematuhan Undang2 dan Lain - Lain Keperluan</i> (Evaluation of Compliance to Legal and Other Requirements) Doc No: FPI/L2/QQHSE-17.0, issue 2, dated 02.01.08, revised date: 18.07.08 version 1.</p> <p>There is monitoring checklist summary inside the Law and Regulation file under Summary of Rules and regulation Palong Timur POM. There is also white notice board inside mill office to alert the management to settle the application of renewing license prior to expiry date. Under Register of Legal and Other Requirement there is responsible person to carry out the regulations plan as per the law and regulations.</p> <p><u>Minor NC (2.1.3):</u> Felda Palong Timur POM Refer to the Employment (Limitation of Overtime Work) Regulations 1980. <i>The limit of overtime work for the purpose of section 60A (4) (a) of the Act shall be a total of one hundred and four hours in any one month.</i> It was sighted, 2 senior operators were working beyond the permitted overtime hours (130 hours).</p> <p>The mill has a legal monitoring system. However, the implementation was not effectively implemented</p>
MA	2.2	<p>Land title of POM possess the Leasehold title of 30 years from 1998 to 2023. Sighted the agreement of ownership between FELDA and Felda Palm Industries Sdn Bhd on 12 January 1998 signed by Abd. Aziz Zakaria Business Director of Felda Palm Industries Sdn Bhd and MD. Saleh Ali General Manager Felda Palm Industries Sdn Bhd.</p> <p>For estates, sighted the 99 years Leasehold land title and also the receipt of tax payment made for the land. There are 23 land titles available for the Palong Timur 5 Estate which comprises the land area of total 4,037.41Ha signed by Mohd Hazwan Bin Khabir@ Tuah Assistant Manager Ladang Felda Palong Timur 5 and received witnessed by Borhan Bin Baba Sr Estate Manager Ladang Felda Palong Timur 5.</p> <p>Sighted the "Akuan Penerimaan Salinan Dokumen Hak Milik Sementara Tanah" which show the 99 years Leasehold Landtitle inclusive of 14 land title sum up to 3,297.022Ha. Signed by Salehudin Bin Mohd Nordin Assistant manager Ladang Palong Timur 6 and verified by Md Yahaya Bin Judin Sr Estate Manager.</p>

		<p>There is evidence that physical markers are located and visibly maintained along the legal boundaries.</p> <p>There is no dispute or customary right issues. If there is any case, FGV has maintained related procedure such:</p> <ul style="list-style-type: none"> Manual Lestari 1A, 3.5 <i>Prosedur Menangani Aduan dan Rungutan</i> Doc No: ML-1A/L2-PR4(0) dated Mar 2012. Manual Lestari 1A, 3.14 <i>Prosedur Mengenalpasti Hak Perundangan dan Adat</i> Doc No: ML-1A/L2-PR13(0) dated Mar 2012. 																																															
MA	2.3	<p>Land status are clear with state land leasehold does not diminish the legal, customary or user rights of other users.</p> <p>Sighted the external complaints and grievances SOP and their log book are available. All SOP, EIA, SIA, HCV Report and Stakeholder Consultation reports are available in both languages which are easy to be understood.</p>																																															
Principle 3: Commitment to Long-Term Economic and Financial Viability																																																	
Criterion by Audit	Summary																																																
MA	3.1	<p>Business management plan (provided from year 2018 - 2020) is available during audit time. There are 3 types of budgets in FGV such General Budget, Operational Budget and Re-planting Budget. Sighted document "2018 - 2020 Estimates" by each field name and hectares, immature hectares, yield per hectares and estimated FFB production. This document also includes summary of expenditure, capital expenditure, indirect cost, mature and immature area statement, estimate vehicle & allocation and relevant appendices.</p> <p>FFB Received and Production of CPO for 3-year Projection</p> <table border="1"> <thead> <tr> <th></th> <th>2018 (RM)</th> <th>2019 (RM)</th> <th>2020 (RM)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>143,831</td> <td>145,909</td> <td>150,485</td> </tr> <tr> <td>CPO</td> <td>28,766</td> <td>29,181</td> <td>30,097</td> </tr> </tbody> </table> <p>Production Cost/MT CPO (For Mill)</p> <table border="1"> <thead> <tr> <th></th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>RM/MT</td> <td>43.37</td> <td>44.56</td> <td>46.96</td> </tr> </tbody> </table> <p>Estimation Production Cost / Hectare (financial year Jan – Dec 2018 (Palong Timur 05 Estate).</p> <table border="1"> <thead> <tr> <th>Field</th> <th>Fertilizer</th> <th>Harvesting</th> </tr> </thead> <tbody> <tr> <td>PM90A</td> <td>827,481</td> <td>548,745</td> </tr> <tr> <td>PM91B</td> <td>733,708</td> <td>591,447</td> </tr> <tr> <td>PM97C</td> <td>207,748</td> <td>219,288</td> </tr> <tr> <td>PR17E</td> <td>980,445</td> <td>568,254</td> </tr> </tbody> </table> <p>Estimates FFB production (oil palm crop forecast).</p> <table border="1"> <thead> <tr> <th></th> <th>2018 (RM)</th> <th>2019 (RM)</th> <th>2020 (RM)</th> </tr> </thead> <tbody> <tr> <td>Palong Timur 05</td> <td>48,002</td> <td>54,635</td> <td>54,636</td> </tr> <tr> <td>Palong Timur 06</td> <td>28,937</td> <td>32,872</td> <td>35,768</td> </tr> </tbody> </table> <p>All revenue goes directly to HQ. Indirect cost – Staff salary, CSR & expenses. Direct cost – 3 main costs – Upkeep, Harvesting and Transportation.</p>		2018 (RM)	2019 (RM)	2020 (RM)	FFB	143,831	145,909	150,485	CPO	28,766	29,181	30,097		2018	2019	2020	RM/MT	43.37	44.56	46.96	Field	Fertilizer	Harvesting	PM90A	827,481	548,745	PM91B	733,708	591,447	PM97C	207,748	219,288	PR17E	980,445	568,254		2018 (RM)	2019 (RM)	2020 (RM)	Palong Timur 05	48,002	54,635	54,636	Palong Timur 06	28,937	32,872	35,768
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		<p>Estimation cost available in “Anggaran Perbelanjaan Ladang” from year 2018 – 2020 including cost per MT and cost per hectare. For 2019, upkeeping estimated for RM3,842,555.76 equal to RM89.40/MT and RM1703.95/Ha.</p> <p>There is “Polisi Tanam Semula” (Replanting Policy) maintained by FGV from 28 June 2011. This policy stated condition to replanting:</p> <ul style="list-style-type: none"> ❖ Years of planting must be more than 25 years. ❖ For first planting area, average of production less than 16 MT/Ha for continuously 3 years. ❖ Have severe history of pest and disease. ❖ Comply with the local regulation regarding replanting such as mini EIA, PMM and EMP for Sabah & Sarawak Region. <p>Replanting will be carried out according to industry best practice as specified in “Manual Ladang Sawit Lestari”.</p> <p>Last re-planting done on April 2015, PM88H (Block 12,13 & 13) for 282.01 Ha. Previously planted on 1984/85 for 120 stands. Land series is Renggam (mineral) consist of 10% of flat, 50% of modulating and 40% of hilly area.</p> <p>There is no replanting program in next 5 years as sighted in document “Unjuran Program Tanam Semula” form #RSPO-P3/C.3.1/3.1.2. There no plan for replanting till 2022.</p>
Principle 4: Use of Appropriate Best Practices by Growers and Millers		
Criterion by Audit	Summary	
MA	4.1	<p>Latest manual and SOPs available in place are documented in:</p> <p>‘Manual Operasi Kilang Sawit’ where 139 SOPs for milling practice is established included of:</p> <ul style="list-style-type: none"> • <i>Felda Palm Industries Sdn. Bhd. Manual Operasi Tajuk: Kawalan Greding BTS Pembekal Luar Felda No. Dokumen: FPI/L3/03-03 Amendment Date 06/11/2013</i> • <i>Felda Palm Industries Sdn. Bhd. Manual Operasi Tajuk: Mengisi Minyak CPO Ke Dalam Tanker Lori No. Dokumen: FPI/L3/11-01 dated 02/01/2001</i> • <i>Felda Palm Industries Sdn. Bhd. Manual Operasi Tajuk: Kawalan Keluar Dan Masuk BTS Alihantar NO. Dokumen: FPI/L3/01-06 amendment date 31/12/2014</i> <p>‘Manual Operasi Makmal’:</p> <ul style="list-style-type: none"> • <i>Felda Palm Industries Sdn. Bhd. Makmal-Pengambilan Sampel Amendment Date on 15/11/2010</i> • <i>Felda Palm Industries Sdn. Bhd. Penggunaan Alatan Makmal Amendment Date on 15/11/2010</i> • <i>Felda Palm Industries Sdn. Bhd. Penyediaan Bahan Kimia Amendment Date on 15/11/2010</i> <p>108 safety operating procedure are available in place as sighted Felda Palm Industries Sdn. Bhd. <i>Senarai Prosedur Kerja Selamat (Pengurusan Keselamatan dan Kesihatan Pekerjaan)</i> reviewed date on 04/04/2017, No. Issue: 22.</p>

		<ul style="list-style-type: none"> • <i>Prosedur Kerja Selamat Tajuk: Kawalan Am Kenderaan Procedure No.: FPI-PK-002 Isu. No.:3 dated 14/07/2010</i> • <i>Prosedur Kerja Selamat Tajuk: Operasi Bahagian Pentadbiran/Jambatimbang Procedure No.: FPI-PK-003 Isu. No.:3 dated 14/07/2010</i> • <i>Prosedur Kerja Selamat Tajuk: Operasi Effluent Treatment Procedure No.: FPI-PK-027 Isu. No.:3 dated 14/07/2010</i> <p><i>'Manual Prosedur System Pengurusan Kualiti Keselamatan, Kesihatan Pekerjaan Dan Alam Sekitar' (QOHSE):</i></p> <p>Felda palm industries Sdn. Bhd. <i>Prosedur system pengurusan kualiti, keselamatan, kesihatan pekerjaan dan alam sekitar (QOHSEMS) amendment date 31/05/2017 listed 26 SOPs:</i></p> <ul style="list-style-type: none"> • <i>Manual Prosedur Tajuk: Plan Kualiti, Pengenalpastian Hazad, Penilaian Risiko, Penentuan Kawalan Dan Aspek Alam Sekitar (quality planning, hazard identification, risk assessment, determining control, risk environmental aspect) no dokumen: FPI/L2/QOHSE-1.0</i> • <i>Manual Prosedur Tajuk: Kemampuan, Kesedaran Dan Latihan (competency, awareness and training) no dokumen: FPI/L2/QOHSE-5.0</i> • <i>Manual Prosedur Tajuk: Pengurusan Bahan Buangan (Waste Management) No Dokumen: FPI/L2/QOHSE-9.0</i> <p>SOP for estate operations and Sustainability are well documented and available in place. <i>'Manual Prosedur Pensijilan RSPO Kategori Ladang FGVPM'</i> prepared by Mr. Anthonius Sani (Pengurus Kanan Unit Certification & Due Diligence) reviewed by Mr. Norazam Abdul Hameed (Ketua Unit Certification & Due Diligence) and approved by YM Raja Dato' Zamilia Raja Dato' Seri Mansur (Ketua Jabatan SED Sustainability & Environment Department) outline 25 SOP for sustainable practice. Among the procedure identified are:</p> <ul style="list-style-type: none"> • <i>Pengenalpastian Hazad, Penilaian Risiko Dan Penentuan Kawalan (HIRARC) No Dokumen: FGV/ML-1A/L2-Pr2 No. Isu: 1 effective dated 01/06/2016</i> • <i>Pengurusan Makhluk Perosak Perosak Bersepadu (IPM) No Dokumen: FGV/ML-1A/L2-Pr3 No. Isu: 1 effective dated 01/06/2016</i> • <i>Pengurusan Makhluk Perosak Perosak Bersepadu (IPM) No Dokumen: FGV/ML-1A/L2-Pr3 No. Isu: 1 effective dated 01/06/2016</i> • <i>Kemampuan, Kesedaran Dan Latihan No Dokumen: FGV/ML-1A/L2-Pr5 No. Isu: 1 effective dated 01/06/2016</i> <p><i>'Manual Ladang Sawit Lestari Edisi II'</i> are available for:</p> <ul style="list-style-type: none"> • <i>Pembajaan Sawit (Seksyen 5)</i> • <i>Sawit Matang (Seksyen 4)</i> • <i>Sawit Pramatang (Seksyen 3)</i> • <i>Pembangunan Tanam Semula Sawit (Seksyen 2)</i> • <i>Pengurusan Tapak Semaian Sawit (Seksyen 1)</i>
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		<p>37 OSH SOP are available in place and documented in FGVPM Senarai Prosedur Kerja Selamat (Pengurusan Keselamatan Dan Kesihatan Pekerjaan Ladang) reviewed on 13/10/2016 No. Isu:8. The SOPs included are:</p> <ul style="list-style-type: none"> • FGVPM/L3/PK-04 Prosedur Kerja Selamat Pengendalian Bahan Kimia issued on 01/04/2014 • FGVPM/L3/PK-25 Prosedur Kerja Selamat Penggunaan Peralatan Perlindungan Diri (PPE) • FGVPM/L3/PK-05 Prosedur Kerja Selamat Pengendalian Bahan Buangan Terjadual <p>Internal audit is done to carry out monitoring of SOPs implementation. Latest internal audit was done on 25/05/2017 conducted by Mr. Rahman. Internal audit is done to check implementation of mill SOPs to comply with RSPO standard. Sighted the findings attained in 'Checklist Audit Dalaman RSPO 2016'. Findings raised during internal audit has been taken prompt action by mill and estates management. The action plan and corrective action to close the finding is reflected in 'Laporan Lawatan Lapangan Audit Dalaman RSPO 2016' dated 20/06/2017 checked by Mr. Amir Hamzah Dollah (Internal Auditor).</p> <p>Mill received outside FFB and listed their external supplier in "Palong Timur POM - Laporan Penerimaan BTS Mengikut Pembekal (Dealer)" 5 years from 2013 to 2017 dated 23/08/2017. Among the listed suppliers are:</p> <ul style="list-style-type: none"> • Tai Ichi Enterprise Sdn. Bhd. • Sri Kerbau Commodities Sdn. Bhd. • Kim Ma Oil Palm (Transport) SD • Golden Max Oil Palm Sdn. Bhd.
MA	4.2	<p>Laporan Agronomi FGVPM (M) Palong Timur 05, visit done on 23/05/2017 by Mr. Chow Chee Wai (Agronomist) and received by Manager and in Laporan Agronomi dated 26/04/2017 agreed with Manager, shown the recommendation to enhance soil fertility. The recommendation highlighted on:</p> <ul style="list-style-type: none"> • Soil fertility • Manuring • Soil moisture/erosion control • Pruning • Weeding • Pest and disease <p>Agronomist had cited the comment for respective fields and had come out with suggestion to estate management to counter act the issues raised and done with following the manual of sustainable palm 2nd edition.</p> <p>Based on Program Pembajaan 2017, fertilizer from type of NK MIX, FPM 25, GML, FGR-A1 and MOP are to be applied in planted area based on agronomist's recommendation. Fertilizing record are done in Felda Plantations Sdn. Bhd. in "Buku Rekod Kerja Membaja Ladang: Palong Timur 05" record latest updated until August 2017 for FPM 25 and NK MIX at PM01D with total coverage of 483.95 Ha. 2.50 Kg of FPM 25 and 2.85 Kg pf NK MIX has been applied to date.</p>

		<p>EFB mulching is applied at estate area. This application is recorded in record book, "Mengangkut Dan Menyusun Tandan Kosong". Estate had hired external contractor, Wawasan Margosa Maju as sighted SPK No. 5300002989 dated 22/03/2017 and endorsement letter Bil. 12/2017 dated 14/06/2017. In over all, 729.69 Ha of estate area has been applied with EFB to date.</p>
MA	4.3	<p>Plantation Sustainability and Quality Management "Polisi Perlindungan Tanah Curam Dan Rezab Sungai" signed by Mr. Emir Mavani (Presiden and CEO FGV) dated 01/06/2014 stated the best practice to conserve hilly area and riparian zone.</p> <p>There is no problematic or fragile soil exist in estate. The soil map available in show soil series as follow:</p> <ul style="list-style-type: none"> • Bungor (BGR) • Bungor lateritic (BGR/L) • Bungor shallow (BGR/S) • Chat (CHT) • Gajah Mati (GMI) • Harimau (HMU) • Holyrood (HYD) • Jabil (JBL) • Lating (LTG) • Local alluvium (LAA) • Lunas (LNS) • Malacca (MCA) • Malacca deep (MCA/D) • Munchong (MUN) • Organic clay and muck (OCM) • Serdang (SDG) • Tavy (TVY) <p>Estate consisted of flat and undulated land where terracing planting are not available. Verified in 'Peta Kontur Ladang Palong Timur 05'.</p> <p>To inhibit any occurrence of soil erosion, estate has done several steps as recorded in Stesen Penyelidikan Ladang FGVP M Palong Timur 05 C 4.3 Pengawalan Hakisan Bukti Amalan Cegah Hakisan such as:</p> <ul style="list-style-type: none"> • EFB mulching • Frond alignment at estate area based on SOP • Application of silt pit <p>Manual Pengurusan Ladang Sawit Lestari Nama Document: GAP-Penyelenggaraan Jalan Pertanian No Document: GAP-2.9 No. Issue: 1 dated 01/09/2006.</p> <p>Road maintenance program are available in 'Stesen Penyelidikan Ladang FGVP M Palong Timur 05 C 4.3 Pengawalan Hakisan Program Pembaikan Jalan. Mohd Aizuddin Selamat Enterprise is hired as contractor as sighted SPK, rujuk</p>

		<p>surat kuasa: (066)9522/WB/870-01/SPK 2017dated 10/06/2017. The road maintenance programme has been conducted in January and August for construction of sponge pit, culverting, agriculture road and drainage.</p> <p>LADANG PALONG TIMUR 06 The soil map available in 'Peta Siri Tanah Ladang Palong Timur 06' identified as Local alluvium, Masai, Renggam, Malacca and Bungor laterite.</p> <p>Manual Ladang Sawit Lestari No. Document: MSL (Ed.2) – Sec.2 (11.0) dated 01/06/2012 are available and will be referring as guidance for terracing planting. Estate consisted of flat, hilly and undulated land where terracing plating are not available.</p> <p>To inhibit any occurrence of soil erosion, estate has done Maintenance of agricultural road as recorded in "Ladang Felda Palong Timur 06" Buku Rekod Kerja SPK Ladang". The progress of road maintenance is done as to date at PM 00B 20, 300 m of road.</p>
MA	4.4	<p>PALONG TIMUR POM Water extracted from river is used for mill processing activities. The water management plan is available in place stated in Felda/FGVPM: Pelan Pengurusan Air Tahun 2017 prepared by Mr. Yazid dated 20/06/2017.</p> <p>The final effluent discharged is monitored and tested weekly by Makmal Analisa Bukit Goh. Sighted the latest result done: <u>1st week August 2017:</u> BOD: 32 mg/L, Standard: <100 pH: 8.73, Standard: <9.00 Suspended solid: 80 ppm, standard: <400 Oil and grease: 7 mg/L, standard: <50 mg/L Nitrogen: 9 mg/L, Standard: <150 mg/L</p> <p><u>4th week July 2017:</u> BOD: 25 mg/L, Standard: <100 pH: 8.22, Standard: <9.00 Suspended solid: 33 ppm, standard: <400 Oil and grease: 5 mg/L, standard: <50 mg/L Nitrogen: 5 mg/L, Standard: <150 mg/L</p> <p><u>3rd week July 2017:</u> BOD: 31 mg/L, Standard: <100 pH: 8.82, Standard: <9.00 Suspended solid: 14 ppm, standard: <400 Oil and grease: 1 mg/L, standard: <50 mg/L Nitrogen: 8 mg/L, Standard: <150 mg/L</p> <p>The water usage per ton FFB processed recorded as below:</p>

		<table border="1" data-bbox="759 226 1265 454"> <thead> <tr> <th>Month</th> <th>Water/ton FFB</th> </tr> </thead> <tbody> <tr> <td>March 2017</td> <td>0.98</td> </tr> <tr> <td>April 2017</td> <td>0.99</td> </tr> <tr> <td>May 2017</td> <td>1.01</td> </tr> <tr> <td>June 2017</td> <td>1.00</td> </tr> <tr> <td>July 2017</td> <td>1.01</td> </tr> </tbody> </table> <p data-bbox="579 499 983 524">LADANG FGVPM PALONG TIMUR 05</p> <p data-bbox="579 537 1445 658">Ladang Palong Timur 05 Pelan Pengurusan Air Tahun 2017 prepared by Mr. Murshidi (RSPO Asst.) dated 01/07/2017 shown water management plan to be implemented in estate. there is no water source, course way or water body available in estate compound. No river flowing and crossing estate compound.</p> <p data-bbox="579 701 895 725">LADANG PALONG TIMUR 06</p> <p data-bbox="579 739 1445 831">Water Management Plan (Pelan Tindakan Bagi Kawalan Pencemaran Air Sungai) dated 10/05/2017 to follow Class III interim national river water quality standard shown plan implemented in estate area.</p> <p data-bbox="579 871 1445 1008">There is no river flowing across the estate instead flowing adjacent to estate boundary. As initiative, estate maintain the riparian zone of the river and done annual water analysis at inlet and outlet. Result are meet the permissible limit of local regulations. Sighted test result:</p> <p data-bbox="579 1019 1445 1077">Test certificate - Water Analysis sample description: Sample (RSPO)-issued dated 28/12/2016 shown:</p> <ul data-bbox="628 1086 1018 1211" style="list-style-type: none"> • pH: 4.7 • BOD: 2 mg/L • SS: 9 mg/L • Ammoniacal nitrogen: 0.9 mg/L 	Month	Water/ton FFB	March 2017	0.98	April 2017	0.99	May 2017	1.01	June 2017	1.00	July 2017	1.01
Month	Water/ton FFB													
March 2017	0.98													
April 2017	0.99													
May 2017	1.01													
June 2017	1.00													
July 2017	1.01													
MA	4.5	<p data-bbox="579 1223 983 1247">LADANG FGVPM PALONG TIMUR 05</p> <p data-bbox="579 1261 1445 1352"><i>Pengurusan Makhluk Perosak Bersepadu (IPM) No. Document: FGV/ML-1A/L2-Pr3 No. Isu: 1 effective dated 01/06/2016 showing IPM to be implemented in estate operational activity.</i></p> <p data-bbox="579 1408 1015 1433">Verified IPM monitoring done as below:</p> <ul data-bbox="628 1444 1445 1659" style="list-style-type: none"> • <i>Stesen Penyelidikan Ladang FGVPM Palong Timur 05 Fail Bancian Serangan Musuh Penyakit</i> • <i>Program Kerja Ladang 2017 (Sawit Matang) Ladang Palong Timur 05 And Program Kerja Ladang 2016 (Pra-Matang) Ladang Palong Timur 05 outlined the IPM plan to be conducted in immature and mature area.</i> <p data-bbox="579 1711 1445 1809">Estate has conducted census for owl as verified in, <i>Rumusan Bancian Sarang Burung Pungguk Jelapang</i> at 2611.42 Ha. Estate has in total barn owl: 43 Which 30 of them is occupied.</p> <p data-bbox="579 1861 1445 1995">FGVPM Ladang Palong Timur 05 program OSH 2017 outlined OSH program included of Training, OSH meeting, medical surveillance etc. <i>Laporan Program Taklimat Keselamatan Dan Latihan Menabur Umpan Tikus (Butik Super)</i> given by Mr. Nazri, Mr. Norhiedzam and Mr. Abd. Rahman and attended by 6</p>												

		<p>workers was sighted.</p> <p>LADANG PALONG TIMUR 06 Pelan Pengurusan Kawalan Serangan Makhluk Perosak Tanaman Bersepadu (IPM) outlined for:</p> <ul style="list-style-type: none"> • Rat census • Pest and disease: conducted on 30/05/2017 • Barn owl census • Training for IPM: done dated 25/07 • Planting of beneficial plant: tunera, cassia, antigonon • Bag worm census • Census and training for ganoderma attack <p><i>Latihan Cara-Cara Penaburan Butik dated 25/07/2017 attended by 9 workers and Latihan Pemakaian PPE Dan Meraacun dated 17/07/2017 attended by 14 workers are done.</i></p>
MA	4.6	<p>PALONG TIMUR POM Summary report of a chemical health risk assessment (USECHH Regulations, 2000) date of assessment on 28/02/2013 done by Mr. Ihsan Sharif (JKKP HIE 127/171-2(85)). 7 unit and 72 chemicals are being assessed as sighted below:</p> <ul style="list-style-type: none"> • Laboratory assistant and attendant • Water treatment plant operator • Boiler maintenance personnel • Scheduled waste personnel • Workshop personnel • Chemical store personnel • Diesel storage personnel <p>Hearing test is done dated 07/04/2017 and 20/04/2017 as sighted the baseline & annual audiometric test report Kilang Sawit Palong Timur where 83 workers has been tested. 21 workers are diagnosed to have hearing impairment. These workers are given hearing protector and will undergo further test. PPE distribution is done as verified <i>Rekod Pengambilan Alatan Keselamatan</i>.</p> <p>Occupational Medical Surveillance Program Kilang Sawit Palong Timur dated 04/05/2017 prepared by Dr. Ling Kay Kwong. Test done for blood, urine, lung function, 2,5- Hexanedione and physical checkup. 25 workers had undergone medical surveillance as below:</p> <ul style="list-style-type: none"> • Laboratory unit: 5 • Mechanical & electrical unit: 15 • Water treatment unit: 2 • Executive and store unit: 3 <p>LADANG FGVPM PALONG TIMUR 05 CHRA has been conducted by Occumed Consultancy & services dated 26/06/2015. This CHRA is valid for 5 years and will be reviewed again on 2020. Pesticide including in CHRA are:</p> <p>Pesticide:</p> <ul style="list-style-type: none"> • Malathion 96%, class III

- Glyphosate isopropylamine 41%
- Metsulfuron methyl, class IV
- Paraquat dichloride 13%
- Triclopyr butoxyethyl ester 32.1 %
- Glyphosate potassium 49%
- Resigen SC
- Glufosinate-ammonium 13.5%
- Cypermethrin, class III

Fertilizer:

- Rock phosphate
- Kieserite
- Compound fertilizer
- MOP
- NK mixture
- Ammonium sulphate

Letter restriction use of Paraquat dichloride signed by Mr. Suhaidi (CEO Felda Global Ventures Plantations) bil: (27)010810/HQ/JAB.OP.17/PLANTATIONS/AM dated 08/05/2017. The letter circulates the ban of herbicides application that contained Paraquat dichloride. The letter mentioned the usage and purchased of new stock of paraquat is not allowed exception to estate which have existing paraquat stock is allowed to finish their stock. However, estate management is required to maintain an appropriate usage and record as per procedure.

Pesticide record usage are documented in RSPO Stesen Penyelidikan Ladang FGVP M Palong Timur 05 P4-Amalan Pertanian Baik Rekod Penggunaan Bahan Kimia. The chemical used are summarized per month and available as below:

Pesticide	a. i.
Ellytech 20 WG	Metsulfuron methyl
Supresate 41	Glyphosate isopropyl amine
Paranox	Paraquat dichloride
Garlon Mix	Aminopyralid potassium/ triclopyt-butotyl
Butik Super	Chlorophacinone
Metfuron	Metsulfuron methyl

The usage and application areas of the pesticide is recorded in 'Rekod Racun Tahun 2017 % Pengiraan a.i/hektar & a.i/tan bts'.

Medical surveillance report 2017 FGV Plantation (M) Sdn. Bhd. Ladang Felda Palong Timur 05 'Organophosphate Exposure' by Dr. Halim Bin Ishak (JKKP HQ/08/DOC/00/387). 59 employees had undergone medical test dated 29/03/2017.

- Certificate of fitness to Tuhir (Sprayer) showed test conducted for physical examination, blood, urine, spirometry and cholines indicated normal result and he is medically fit to carry out his work
- Certificate of fitness to Suspendi Rahman (sprayer) showed test conducted for physical examination, blood, urine, spirometry and cholines indicated normal result and he is medically fit to carry out his work
- Certificate of fitness to Taufik Hidayat (sprayer) showed test conducted for physical examination, blood, urine, spirometry and cholines indicated normal result and he is medically fit to carry out his work

All 59 workers are medically fit to carry out their work as sighted their documented test result.

LADANG PALONG TIMUR 06

Chemical Health Risk Assessment Felda Global Ventures Plantations (M) Sdn. Bhd, Ladang Felda Palong Timur 06 In Compliance to Regulation 9 Under Occupational Safety and Health (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulation 2000 is available in place showing pesticide allowable to be used in estate.

Pesticide record available until Mac 2017 in 'Rekod Racun Tahun 2017 % Pengiraan a.i/hektar & a.i/tan bts' shown 4 types of pesticides used as below:

Pesticide	a. i
Supresate 41	Glyphosate isopropyl amine
Garlon Mix	Aminopyralid potassium/ triclopyt-butotyl
Butik Super	Chlorophacinone
Metfuron	Metsulfuran methyl

SOP *Pengurusan Sisa Pepejal* no. document: FGV/ML-1A/L2-Pr19 No. Issue: 1 effective dated 01/06/2016 for handling of schedule waste.

Scheduled waste inventory is recorded in scheduled waste inventory, *Rekod Keluar Dan Masuk Bekas/Tong Racun* updated by person in charge. The last collection was done on 21/07/2017 by SS Setia Teknologi Enterprise receipt no.: 0072. 116 pesticide containers and 8 pesticide pumps are being collected. Letter of approved scheduled waste collected is issued by department of agriculture to SS Setia Teknologi Enterprise letter no.: JPK.NO.3.45/06-() dated 04/03/2013.

Medical surveillance for physical examination, blood, liver and urine:

- Certificate of fitness Iswandi Ali (AT 032976) confirm he is medically fit to carry out his work
- Certificate of fitness Khairul Anwar confirm he is medically fit to carry out his work
- Certificate of fitness Jalalludin (A 7451381) confirm he is medically fit to carry out his work

MA	4.7	<p>PALONG TIMUR POM</p> <p>OSH Policy available in place such as:</p> <ul style="list-style-type: none"> • <i>Dasar Kesihatan, Keselamatan Dan Alam Sekitar signed by Dato' Zakaria Arshad (Ketua Pegawai Eksekutif) dated 15/10/2016</i> • <i>Dasar Keselamatan Dan Kesihatan Pekerjaan signed by Mr. Suhaidi Hamzah (Ketua Pegawai Eksekutif) issued on 30/03/2017</i> <p>HIRARC document (<i>Pengenalpastian Hazad, Penilaian Risiko Dan Penentuan Kawalan</i>), FPI/L4/QOHSE-1.4 Pind. 1 prepared by AJK QOHSE dated 10/02/2016. Mill activities involved such as:</p> <ul style="list-style-type: none"> • Confined space: boiler, Silo, digester, Crude clarifier tank • Store • Prime mover • Water pump • Boiler • Biogas • Weighbridge • Loading ramp/marshalling yard • Sterilizer: sterilizer, tipper, autofeeder • Press: Crane, cake breaker conveyor, thresher, press, fruit elevator, digester, bunch crusher • Kernel plant: fiber cyclone, shell bunker, kernel silo, air lock etc. <p>Training Programme for Contractors: FPISB Palong Timur Tahun: 2017 for QOHSE awareness, safety operating procedure, emergency response plan, HIRARC, PPE etc. the plan completed with target group, frequency and scheduled. This plan is prepared by Mr. Najib (Assistant) and approved by Mr. Malik (Manager) dated 10/02/2017.</p> <p>PPE distribution is done as verified '<i>Rekod Pengambilan Alatan Keselamatan</i>'.</p> <p>Training conducted such as:</p> <ul style="list-style-type: none"> • <i>Taklimat Dan Latihan Alat Bantuan Pencegahan Kebakaran</i> dated 03/06/2017 and attended by 34 workers • QOHSE awareness training is done dated 01/03/2017 given by Mr. Najib Ishak (Asst. Manager). The training was attended by 69 mill workers. <p>LADANG FGVP M PALONG TIMUR 05</p> <p>FGVPM Ladang Palong Timur 05 Program OSH 2017 shown dedicated trainings to be conducted on 2017 such as OSH awareness, medical surveillance, HIRARC etc. Among the training plan sighted is:</p> <ul style="list-style-type: none"> • <i>Latihan Membaja Dan Pemakaian PPE done by Mr. Murshidi and Mr. Asmadi dated 16/05/2017 to 6 sprayers</i> • <i>Latihan Pengendalian Bahan Kimia Kepada Kerani Bekalan Dan Pengendalian Racun done by Mr. Murshidi and Mr. Asmadi and Mr. Razak dated 06/02/2017 to 13 sprayers</i>
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		<ul style="list-style-type: none"> • <i>Taklimat Kesihatan Kepada Pekerja Meraacun Dan Petugas Yang Terlibat Dengan Racun dated 29/03/2017 by Dr. Halim (Klinik Sulaiman).</i> <p>LADANG PALONG TIMUR 06</p> <p>Ladang Palong Timur 06 Program OSH 2017 shown intended program for OSH to be carried out for whole 2017 completed with target group, timeline etc.</p> <p>Latest HIRARC in Ladang Palong Timur 06 in <i>Pengenalpastian Hazad, Penilaian Risiko Dan Penentuan Kawalan</i> Form No.: 4.7.1 prepared by Mr. Nafi and checked by Mr. Shamsudin dated 25/03/2016 for:</p> <ul style="list-style-type: none"> • Harvesting: adequate PPE provide • Manuring: SaOP and PPE • Spraying: SaOP and PPE <p>PPE issuance: Harvester can replace their rubber shoes depend on condition (if workers not purposely damage their shoes). Done for rubber gloves to chemical handling workers, apron, Mask 3M single-face, filter mask 3M, goggle for sprayers and rubber shoes. The PPE distributed once a year.</p> <p>Major NC(4.7.2):</p> <p>Palong Timur POM - Mill conduct CHRA to assess risk of chemical that been used for daily operation. There is recommended suggestion to conduct Air Bone Monitoring for chemical n-Haxene and to conduct chemical monitoring for total dust (Niosh 0500). Both of monitoring need to conduct by competent hygiene tech. as baseline. However there is no monitoring conducted by mill management.</p> <p>Palong Timur 5 Estate- Estate establish HIRARC to assess risk for all activity in the estate operation. However there is no consistency on review and establish HIRARC as per ‘Pengenalpastian Hazard, Penilai, Risiko dan Penentuan Kawalan(HIRARC)’ Doc No. FGV/ML-1A/L2-Pr2.</p> <p>Palong Timur 6 Estate- Estate establish HIRARC to assess risk activity in the estate operation. However, HIRARC establish by estate management only have for store activity, office, road maintenance, rat baiting, tractor driving, flood, harvesting, FFB Loader. This activity not cover all activity in the estate daily operation as per “Pengenalpastian Hazard, Penilai, Risiko dan Penentuan Kawalan(HIRARC)” Doc No. FGV/ML-1A/L2-Pr2</p>
MA	4.8	<p>PALONG TIMUR POM</p> <p>Training plan program was outlined for the whole 2017. Verified Training Programme for Workers and Contractors FPISB Palong Timur Tahun: 2017 prepared by Mr. Najib and approved by Mr. Malik dated 10/02/2017. The trainingscheduled for:</p> <ul style="list-style-type: none"> • Awareness training for QOHSE (ISO 18001/14001/9001), RSPO & ISCC • Safety operating procedure • Emergency response procedure

		<ul style="list-style-type: none"> • Chemical handling • HIRARC • Awareness Training ISO QOHSE done dated 01/03/2017 attended by 69 participants. <p>Records of training for each employee been maintained. Record verified: Zabidi bin Mohamad Saad (Workshop):</p> <ul style="list-style-type: none"> • Thresher training dated 19/08/2017 • QOHSE awareness dated 01/03/2017 • Safety operating procedure dated 12/08/2017 <p>Latip (loading ramp)</p> <ul style="list-style-type: none"> • Thresher training dated 19/08/2017 • QOHSE awareness dated 01/03/2017 <p>Muhammad Akhbar (Store keeper)</p> <ul style="list-style-type: none"> • Engine room training dated 15/07/2017 • QOHSE awareness dated 01/03/2017 <p>LADANG FGVP M PALONG TIMUR 05 Training plan such as PPE, spraying, harvesting, new workers, environment, OSH, medical surveillance etc. is shown in Program OSH 2017, Ladang Palong Timur 05</p> <p>LADANG PALONG TIMUR 06 Training program stated in program latihan 2017 Ladang Palong Timur 06 prepared by Mr. Samsudin for program such as OSHA, pesticide, PPE, fire burning, new workers and triple rinse, sexual harassment, ERP, HIRARC etc. is available in place. The realization and planned date is showed.</p>
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	
MA	5.1	<p>Palong Timur POM Sighted Significant Environment Aspect and Impacts Register Form done on 2nd September 2015. Mill has reviewed the EIA on 1st September 2017. Prepared by Assistant Manager, Mr Mohd Ridhwan Bin Salimin and approved by Estate Manager Mr Aman Bin Harun.</p> <p>Monitoring management plans – Palong Timur POM Environmental Management Plan are incorporated in the Environmental Impact Assessment register. The plan reviewed by Mr Mohd Ridhwan Bin Salimin and approved by Mr Aman Bin Harun. Effectiveness of mitigation measures are reviewed annually by the mill management for its effectiveness. The environmental management plan such process/area, major activity/aspect, impact, management control, PIC, status.</p> <p>Environmental Management Plan was well established which document number 1/2017 dated on 30/03/2017. Prepared by Assistant Manager, Mr Mohd Ridhwan Bin Salimin and verified by Mill Manager Mr Aman Bin Harun.</p> <p>Palong Timur 5 & 6 Estate Sighted EAIA (Environmental Aspect and Impact Assessment) in the file of <i>Pengenalpastian Aspek dan Penilaian Impak</i> done on 2nd January 2017. Estate has reviewed the EIA on 2nd January 2017. Prepared by Assistant Manager, Mr</p>

		<p>Zamry Bin Aya and approved by Estate Manager Mr Alias Bin Kechik.</p> <p>Meanwhile for Estate Palong Timur 6 was prepared by Mr Azamri Assistant manager and approved by Estate Manager Mr Suhaimai. This EIA preparation assisted by Felda Certificate & Due Diligence. In estate, the environmental impact assessment has covered fields operation such as replanting, mature maintenance (spraying/mist blowing), manuring and other areas that has a high risk. Besides, another area such as chemical store, diesel tank, and office also covered.</p> <p>The highest risk come from field activity which is spraying activities and poisoning woodies, score: 48 = frequency 4 x Severity 3 x cases 4.</p> <p>Poisoning woodies – aspect is spillage during mixing chemicals, impact is water and soil pollution. Risk is water body and wild life poisoning. Control measure is by establishing Standard Operating Procedure while carry out the operation related to poisoning chemicals.</p> <p>Monitoring management plans are place under the Environmental Aspect Impact Report Document type: RSPO 2010 document number 1/2017 dated on 30/03/2017. Prepared by Assistant Manager, Mr Muhammad Faizul Akil Bin Yakub and approved by Estate Manager Mr Alias Bin Kechik. Meanwhile for Estate Palong Timur 6 was prepared by Mr Azamri Assistant manager and approved by Estate Manager Mr Suhaimai.</p> <p>Effectiveness of mitigation measures are reviewed quarterly (3 months once) by the estate management for its effectiveness. The environmental management inclusive of source of pollution, action plan needed, PIC, Timebound plan and monitoring.</p> <p>The plan involves two sources of pollution which is empty chemical container need to be triplerinse and reuse in such a safety manner.</p> <p>Secondly is the spillage of chemicals at the premix area in the chemical store. The action plan is to have a bund around the mixing bay where it shall be go through the sump way.</p> <p>Environmental Management Plan was well established with document number 1/2017, prepared by Assistant Manager, and verified by Estate Manager for both estates.</p>
MA	5.2	<p>Identification of any protected, rare, threatened or endangered species and HCV habitat has been performed in estates based on Laporan Biodiversiti Ladang FGVP M Palong Timur 05 that was conducted on 17/04/2017.</p> <p>HCV assessment been conducted and cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller. <p>Public consultation was carried out on 28 September 2016, participated by people representing the local community and local government. It had</p>

		<p>intended to get aspiration and responses from stakeholders related identification result of HCV and its management, and were including checking of available biological records in and around of FGVP.</p> <p>There is no HCV identified in both estates. Seen the assessment done in estates based on Laporan Biodiversiti Ladang FGVP Palong Timur 05 that was conducted on 17/04/2017. The company management has no plan to conserve any HCV due to there is no HCV area available in the estate.</p> <p>There is no rare, RTE species or HCVs been identified for the estate. The management plan includes of erect warning signage such as “No Hunting”, “No tress passing”, “no Poaching”, report of legal activities and patrolling by estate management. The management has conducted briefing to educate the estate workforce regarding the status of RTE species. It has been sighted that there is one species Tapir scientific name <i>Tapirus Indicus</i> which categorized as Endangered species under IUCN list.</p> <p>There is Biodiversity management plan FGVP Palong Timur 05 and 06 (2017-2022) which includes Hotspot, PIC Management team action and time bound period. Among action plan to deal with biodiversity are:</p> <ol style="list-style-type: none"> 1) Mark the riverway of Sungai Palong in the map. 2) Mark the buffer zone area in the map and also at the ground site. 3) Conduct training and briefing with regard to specific care of buffer zone toward the workers such as sprayers and manuring worker. 4) Fixing signboard of prohibition to hunt wildlife animal along the buffer zone area of Sungai Palong. 5) Briefing about the conservation of RTE species towards staff and field workers. 6) Update the monitoring record of wildlife in regularly. 7) Identify the water source used at the nursery area through JUPEM map. <p>Monitoring record was done at quarterly basis which reported the animal sighting:</p> <ol style="list-style-type: none"> 1) 18/01/2017 – buffer zone got signage of monkey (monkey dung), snakes (snake holes), wild boar (track), otter (track) and visual observation of wild Tapir crossing the river. 2) 22/03/2017 – PM05G got signage of monkey (monkey dung), snakes (snake holes), wild boar (track) and otter (track). 3) 15/06/2017 – PM05G got signage of snakes (snake holes) 4) 22/03/2017 – PM05G got signage of monkey (monkey dung), snakes (snake holes), wild boar (track) and otter (track). <p>The monitoring was done by Md Najid bin Abu Bakar and Zulkefli Bin Ibrahim (field supervisor)</p> <p>There is training conducted on 18/04/2017 at Palong Timur 05 regarding Awareness of HCV and RTE species attended by 17 management team representatives.</p>
MA	5.3	<p>Palong Timur POM</p> <p>Mill has identified and documented types of waste that generated from its operation. The source of waste was identified in the "Identification of sources and types of wastes product" 2017. Sample of the identified sources such as:</p> <ol style="list-style-type: none"> 1) Used PPE 2) Empty Pesticide or Chemical container

		<p>3) Paint container, 4) Used lubricant oil and filter 5) Lamp, 6) Electronic device, 7) Battery 8) Fertilizer bags 9) Tires 10) Scrap iron 11) Used papers, plastics 12) Gross waste – used bed, used sofa 13) Domestic waste</p> <p>Mill has identified and documented all types of waste that generated from its operation into the EIA as per 5.1 above. The source of waste was identified in the "Identification of sources and types of wastes product" 2017.</p> <p>Scheduled waste codes involved are SW102, SW305, SW 306, SW409 and SW 410. There is an inventory of chemicals and their containers that are used and kept in mill. "Schedule Waste Inventory Records"-done update and checking every month. PIC for this is Mr. Yeo Boon Keat. Sample of disposal record sighted: Tex Cycle (P2) Sdn. Bhd.; License No: 001487; Expired dated of 01/05/2017-30/04/2018. Sighted the consignment note for SW409 (Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes) is 0.18mt on 05/06/2017. No SW305, SW306 and SW307 as it is used for lubricating the chain inside the mill.</p> <p>Monitoring management plans – Palong Timur POM Environmental Management Plan 2017 are incorporated in the Environmental Impact Assessment register. The plan reviewed by Mr Mohd Ridhwan Bin Salimin. Effectiveness of mitigation measures are reviewed annually by the mill management for its effectiveness. The environmental management plan such process/area, major activity/aspect, impact, management control, PIC, status.</p> <p><u>Non-conformance Major</u></p> <p>1) There were piles of lubricant drums sighted at the scrap iron yard which the generation of scheduled waste:</p> <p>a) did not been notified to Director General; Regulation 3 violation b) did not properly disposed at prescribed premises; Regulation 4 violation c) did not properly stored at Mill Scheduled Waste Store; Regulation 8 violation d) did not recorded and updated in the SW 409 inventory since 2015; Regulation 11 violation</p> <p><u>Palong Timur 5 & 6 Estate</u></p> <p>Estates has identified and documented types of waste that generated from its operation. The source of waste was identified in the "Identification of sources and types of wastes product" 2017. Sample of the identified sources such as:</p> <p>1) Used PPE 2) Empty Pesticide or Chemical container 3) Paint container, 4) Used lubricant oil and filter</p>
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MA	5.4	<p><u>Palong Timur POM</u></p> <p>Monitoring of improving efficiency sighted in the document “Water consumption, electricity and effluent discharge cost monitoring from January 2016 until December 2016. POM mill the usage for diesel, electricity, water (domestic, process, boiler and process + boiler).</p> <table border="1" data-bbox="572 1576 1449 1960"> <thead> <tr> <th>Month</th> <th>Diesel usage (l)</th> <th>FFB Produced (MT)</th> <th>Liter/ MT FFB</th> </tr> </thead> <tbody> <tr> <td>Jan'17</td> <td>9,873</td> <td>17,890</td> <td>0.55</td> </tr> <tr> <td>Feb'17</td> <td>8,123</td> <td>17,710</td> <td>0.46</td> </tr> <tr> <td>Marc'17</td> <td>8,514</td> <td>21,790</td> <td>0.39</td> </tr> <tr> <td>Apr'17</td> <td>21,129</td> <td>24,750</td> <td>0.85</td> </tr> <tr> <td>May'17</td> <td>17,640</td> <td>26,820</td> <td>0.66</td> </tr> <tr> <td>July '17</td> <td>9,428</td> <td>27,590</td> <td>0.65</td> </tr> <tr> <td>Aug '17</td> <td>16,908</td> <td>27,560</td> <td>0.61</td> </tr> <tr> <td>Sept '17</td> <td>15,785</td> <td>28,740</td> <td>0.55</td> </tr> <tr> <td>Oct '17</td> <td>15,250</td> <td>30,940</td> <td>0.49</td> </tr> </tbody> </table>	Month	Diesel usage (l)	FFB Produced (MT)	Liter/ MT FFB	Jan'17	9,873	17,890	0.55	Feb'17	8,123	17,710	0.46	Marc'17	8,514	21,790	0.39	Apr'17	21,129	24,750	0.85	May'17	17,640	26,820	0.66	July '17	9,428	27,590	0.65	Aug '17	16,908	27,560	0.61	Sept '17	15,785	28,740	0.55	Oct '17	15,250	30,940	0.49
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		<p>Palong Timur 05 and 06 Estate:</p> <p>There is plan on efficiency use of fossil fuel and optimize renewable energy for year 2017. Plan to reduce/improving of fossil fuel usage by:</p> <ul style="list-style-type: none"> - Regular servicing of vehicles according to the hours usage - Minimise the usage of the engine hours. <p>There's a record for Diesel Consumption from Jan to Aug 2016 classified by light vehicle, farm tractors, heavy machineries, genset and lorry.</p> <table border="1" data-bbox="780 560 1243 965"> <thead> <tr> <th>Month</th> <th>Diesel (l) / FFB (Mt)</th> </tr> </thead> <tbody> <tr><td>Jan 2017</td><td>0.55</td></tr> <tr><td>Feb 2017</td><td>0.46</td></tr> <tr><td>Mar 2017</td><td>0.39</td></tr> <tr><td>Apr 2017</td><td>0.85</td></tr> <tr><td>May 2017</td><td>0.66</td></tr> <tr><td>Jun 2017</td><td>0.65</td></tr> <tr><td>Jul 2017</td><td>0.61</td></tr> <tr><td>Aug 2017</td><td>0.55</td></tr> <tr><td>Sep 2017</td><td>0.49</td></tr> <tr><td>Oct 2017</td><td>0.55</td></tr> <tr><td>Nov 2016</td><td>0.46</td></tr> </tbody> </table>	Month	Diesel (l) / FFB (Mt)	Jan 2017	0.55	Feb 2017	0.46	Mar 2017	0.39	Apr 2017	0.85	May 2017	0.66	Jun 2017	0.65	Jul 2017	0.61	Aug 2017	0.55	Sep 2017	0.49	Oct 2017	0.55	Nov 2016	0.46
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MA	5.5	<p>Sustainability policy been established as updated April 2016 signed by Dato Zakaria Arshad (Group President).</p> <p>Estate has established decision letter of zero burning with document no 40 /FGVPM/PSQM/SPQ/HQ/01 on 24 July 2015 approved by Mr Ab Ghani Mohd Ali, it was stated "Makluman Larangan Pembakaran terbuka di kawasan Ladang dan Kilang".</p> <p>The environmental policy stated, practices of zero-burning. Polisi Larangan Pembakaran Terbuka: <i>"Tiada seorang pun petugas atau pekerja FGV atau kontraktor yang bekerja di permis FGV boleh membenarkan atau menyebabkan pembakaran terbuka, sama ada semasa aktiviti, kerja-kerja tanam semula, pembakaran sampah domestic di tapak pelupusan sampah, kawasan pejabat, kawasan penempatan petugas dan pekerja segala jenis pembakaran terbuka di premis."</i></p> <p>Sustainability policy been established as updated April 2016 signed by Dato Zakaria Arshad (Group President).</p>																								
MA	5.6	<p>Palong Timur POM</p> <p>Assessment of all polluting activities for the mill are identified and recorded in document titled Environment Aspect and Impacts Register Form done on 2nd September 2015. Mill has reviewed the EIA on 1st September 2017. Prepared by Assistant Manager, Mr Mohd Ridhwan Bin Salimin and approved by Estate Manager Mr Aman Bin Harun.</p> <p>Plan to reduce pollutants and GHG for the plantation is available. Sighted the decreasing for fuel consumption and fertilizer dosage/palm. Furthermore, there is management control of reduce emission of GHG from diesel vehicles which require the driver to switch off their vehicle if not moving more than 30minutes.</p>																								

		<p>Summary of Mill Emissions and Credits:</p> <table border="1"> <thead> <tr> <th>tCO₂e</th> <th>tCo₂e/tFFB</th> </tr> </thead> <tbody> <tr> <td colspan="2">Emissions</td> </tr> <tr> <td>Land Conversion</td> <td>0.57</td> </tr> <tr> <td>Fuel Consumption</td> <td>0.00</td> </tr> <tr> <td>CO₂ Emission from Fertiliser</td> <td>0.08</td> </tr> <tr> <td>N₂O Emission</td> <td>0.05</td> </tr> <tr> <td colspan="2">Credits</td> </tr> <tr> <td>Export of Grid Electricity</td> <td>0.00</td> </tr> <tr> <td>Sales of PKS</td> <td>0.00</td> </tr> <tr> <td>Sales of EFB</td> <td>0.00</td> </tr> <tr> <td>Crop Sequestration</td> <td>-0.54</td> </tr> <tr> <td>Total</td> <td>0.16</td> </tr> </tbody> </table> <p>Palong Timur 5 & 6 Estate</p> <p>Assessment of all polluting activities for the estate are identified and recorded in document titled Sighted EAIA (Environmental Aspect and Impact Assessment) in the file of Pengenalpastian Aspek dan Penilaian Impak done on 2nd January 2017. Estate has reviewed the EIA on 2nd January 2017. Prepared by Assistant Manager, Mr Zamry Bin Aya and approved by Estate Manager Mr Alias Bin Kechik. Meanwhile for Estate Palong Timur 6 was prepared by Mr Azamri Assistant manager and approved by Estate Manager Mr Suhaimai. This EIA preparation assisted by Felda Certificate & Due Diligence. In estate, the environmental impact assessment has covered fields operation such as replanting, mature maintenance (spraying/mist blowing), manuring and other areas that has a high risk.</p> <p>Besides that, another area such as chemical store, diesel tank, and office also covered.</p> <p>Plan to reduce pollutants and GHG for the plantation is available. Sighted the decreasing for fuel consumption and fertilizer dosage/palm. Furthermore, there is management control of reduce emission of GHG from chemical usage is the chemical dosage are calibrated and keep in the calibration list refer to spraying costing book.</p> <p>Details GHG emissions data been captured in GHG section below.</p>	tCO ₂ e	tCo ₂ e/tFFB	Emissions		Land Conversion	0.57	Fuel Consumption	0.00	CO ₂ Emission from Fertiliser	0.08	N ₂ O Emission	0.05	Credits		Export of Grid Electricity	0.00	Sales of PKS	0.00	Sales of EFB	0.00	Crop Sequestration	-0.54	Total	0.16
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<p>MA</p>	<p>6.1</p>	<p>The SIA for Palong Timur POM has been conducted on 20.4.17; doc no 1/2017 prepared by CDD department of FGVH. Meanwhile for the estates; the SIA were conducted on 18.4.17.</p> <p>The process in conducting the SIA and the findings were impact identifications, listing the action to be needed, action plan duration estimation and assigning the PIC. These processes were documented in the SIA report.</p> <p>The potential impact factors were divided into 2 duration phases of short term</p>																								

		<p>and long term.</p> <ol style="list-style-type: none"> 1. Short term <ul style="list-style-type: none"> ❖ The Foreign workers have difficulties in understanding of permit backlog. ❖ The foreign workers have less understandings in leave duration and detention fund. ❖ The foreign workers have no understanding every entitlement and their benefits. ❖ The punch card of staff and workers were not uniform and aligned. ❖ Less information on RSPO at settler’s level. ❖ No engagement from the youth in JKPP meeting. 2. Long term <ul style="list-style-type: none"> ❖ The clinic space too small and limiting the community to get medical treatment. ❖ The increase of medical charge from RM 23 to RM 43. <p>The process in encountering the negative impact is an ongoing process due the timeline of the short term and the long term has not been reached at the moment. However, all the addressed matter was under the monitoring by the estate management.</p> <p>Sighted the Management plan for social impact of Palong Timur POM which covers the impact identification, action needed, duration of the action plan conducted and PIC;</p> <p>Impact/issues as per listed:</p> <ol style="list-style-type: none"> 1. The awareness of the importance of attending the school – the explanation on health subsidy – to be planned on 1.1.18 2. The stakeholder has limited Knowledge RSPO policy and procedure. <p>Palong Timur 5 & 6 Estate SIA report was established on 18.4.17 by the CDD department.</p> <p>The assessment was evaluated by the category as per listed:</p> <ol style="list-style-type: none"> 1. 1.Emergency- to be managed within 6 months 2. 2.Short term- to be manage within 1 year 3. 3.Midterm- to be manage within 1year and a half 4. Long term – to be manage within 2 years <p>An action plan to manage the negative impact of in FGVP M Palong Timur 5 was related to.</p> <p>The estate circulated form A as to identify the positive and negative impact among the identified subject. Sighted A form filled up by Pn Rohani bt Haji Hashim and several anonymous individuals evaluated the social impact form.</p> <p>There is evidence that the assessment has been done with the participation of affected parties Sighted the photo and the attendance sheet of the meeting participations on 5,10.17 at Felda Palong 1 community hall. There was involvement from the Palong Timur POM, Palong Timur 5 and 6.</p> <p>Sighted the report on Stakeholder with management MSPO/ RSPO Program consists of Palong Timur Complex, MAOKIL Complex, Gugusan Raja Alias &</p>
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		<p>Gugusan Seriting Hilir. The program was held at Palong 1 Hall on 5.10.17. The attendance was per listed:</p> <ol style="list-style-type: none"> 1. Felda top management 2. All contractors 3. Felda Community- School principle, teachers Complex nurses 4. Government agencies 5. NGOs- SWcorp, SAJ, TNB. Telekom 6. Private estate owners. 7. Community rep, Tok Batin and etc <p>189 attendances.</p> <p>The objective of the program was:</p> <ul style="list-style-type: none"> ❖ To inform the stakeholders of the FELDA commitment through MSPO & RSPO. ❖ To get the response from the listed stakeholders on the company operation. <p>The process in encountering the negative impact is an ongoing process due the timeline of the short term and the long term has not been reached at the moment. However, all the addressed matter was under the monitoring by the estate management.</p> <p>Sighted the Management plan for social impact of Palong Timur POM which covers the impact identification, action needed, duration of the action plan conducted and PIC;</p> <p>Impact/issues as per listed:</p> <ol style="list-style-type: none"> 1. The awareness of the importance of attending the school – the explanation on health subsidy – to be planned on 1.1.18 2. The stakeholder has limited Knowledge RSPO policy and procedures. <p>Palong Timur SIA report was established on 18.4.17 by the CDD department. The assessment was evaluated by the category as per listed:</p> <ol style="list-style-type: none"> 1. Emergency- to be managed within 6 months 2. Short term- to be manage within 1 year 3. Midterm- to be manage within 1 year and a half 4. Long term – to be manage within 2 years
MA	6.2	<p>Felda Global Ventures has the Polisi Komunikasi established by Mohammed Emir Mavani Abdullah (Presiden & CEO FGV) on 01.06.2014.</p> <p>Apart from that, there is Manual Iestari 1A, 3.4: Prosedur Komunikasi, Penglibatan dan Rundingan Doc No: ML-1A/L2-PR3(0) dated Mar 2012. SOP clearly explained the internal communication between management-worker and vice versa. Examples are roll call meeting, memorandum, signboard and poster, worker’s representative suggestion boxes and meeting. For external communication, estate manager is the responsible person to respond to the feedback given by outside parties. SOP: Menangani Aduan dan Rungutan No Doc: FGV/ML-1A/L2-Pr13 issue 1 effective date 01.06.2017 available as references.</p> <p>FGV also has published the Booklet Stakeholder Consultation to all stakeholders during the stakeholder consultation conducted on 08.08.2017 attended by 126 people. For complaint, there is a procedure of Aduan & Rungutan included in the booklet too through www.felda.net.my, call: 1800-</p>

		<p>88-4943, SMS: 1felda & send to 36553 or directly contact the estate manager.</p> <p>The mill and estates established the stakeholder list consists of internal and external stakeholder. Sighted stakeholder list titled “Pihak Yang berjiran dengan Rancangan /Kilang”</p> <p>Internal stakeholders – 17 External stakeholders - 36</p> <p>The representative was recognizing from a letter by En. Aman Bin Harun, appointing En. Mohamad Khabib b. Khalib, En Mohd Ridhwan Bin Salimin, En Hamizan Affandi Rosadi and En. Hafizuddin b. Ali dated 31.10.17</p> <p>For Palong Timur POM, the procedures cover the interaction and communication system internally and externally.</p> <p>Sighted the procedure manual titled “Complaints, Non-Conformity, Incidents, Investigation & Corrective Action doc no; FPI/L2 QOSHE- 22.0 dated 2.1.08. The procedure begins with the complaints identification and ended at the grievance analysis.</p> <p>The company established the record titled “Rekod Pertanyaan & Maklumbalas” QOHSE/RSPO-FPISB for complaints delegations. The response duration is categorized into immediate, 24 hours, 2-3 days, 1 week and others</p> <p>Sighted the communication between FPISB KKS Palong Timur with the Muar Dpartment of Environment on “Request of 5 units of effluent pond in KKS Palong Timur. The letter signed by En. Nasir Bin Munajat on 25.9.13</p> <p>For the estates, A manual procedure was established by the sustainability department named Manual Lestari 1A; doc: no ML-1A/L2-PR (1) in March 2015. The subtopic of 3.4 Communication Procedure, Involvement and Negotiation was established as to cater an effective communication system with the internal and external parties in respective of quality, environmental aspect& impact, hazard & risk and social aspect at work place and the achievement.</p>
MA	6.3	<p>SOP: Manual Lestari 1A, 3.5: <i>Prosedur Menangani Aduan dan Rungutan</i> Doc No: ML-1A/L2-PR4(1) dated 22 Mei 2015.</p> <p>The manual stated the process duration on delegating complaints which were derived in 5 phases:</p> <p>Phase 1 – within 7 days duration to be addressed to the immediate superior.</p> <p>Phase 2 – After 7 days if the issue has no solutions, the matters need to be reported to the head of department in writing and the issue is to be resolve within 14 working days.</p> <p>Phase 3 – the issue will be discussed between the company and the Union not later than 21 days after the reporting. The solution need to be solve not later than 2 months from the discussion date.</p> <p>Phase 4 – If the issue is not to be resolved within the phase 3 duration, both parties need to refer the issue in writing the elected community respectively.</p>

		<p>Phase 5 – If the issue still could be resolved after 21 days the matter can be delegated to the Industrial Relation for the next step.</p> <p>Policy of whistle-blower policy was established in the sustainability manual 1A dated 1.8.06. The issues emphasized in the policy were</p> <ol style="list-style-type: none"> 1. Fraud & corruption 2. Negligence or failure to comply with policies, regulations and laws 3. Actions that harm the health and safety of the staff and the public. 4. Actions that can cause damage to the environment 5. The behaviour related to moral <p>In additional the company has established a hotline number 1800 88 8717 and alert mail alert@feldaglobal.com. This information was sighted from whistleblowing email alert to all FGV intranet user</p> <p>Sighted a spraying training was conducted at Palong Timur 5 estate on 5.1.17 and attended by 9 spaying workers.</p>
MA	6.4	<p>There are no any negotiations concerning compensation for loss of legal, customary or user rights happens in FGV Keratong 09 Complex. FGV in general has in place SOP Manual Lestari 1A, 3.13: <i>Prosedur Mengenalpasti Hak Perundangan dan Adat</i>, Doc No: ML-1A/L2-PR12(0) Mac 2012 and SOP <i>Pengenalpastian dan Penyelesaian Pertikaian Tanah</i> Doc no: ML-1A/L2-Pr10(0) effective date 01.06.16 is referred and available during audit. There is reference made to Jabatan Kemajuan Orang Asli, Jabatan Penilaian and Perkhidmatan Harta, Suruhanjaya Hak Asasi Manusia, Jabatan Ukur dan Pejabat Tanah.</p>
MA	6.5	<p>Sighted the letter from FGVHB (FGVH/AOM/03(32) on 25.7.16 for the minimum wages implementation for Peninsular Malaysia is RM1,000/month and RM4.81/hour while for Sabah Sarawak & Labuan is RM920/month and RM4.22/hour.</p> <p>FGV has circulated the <i>Polisi Pengambilan Pekerja Asing</i> on 01.06.14 by President & CEO FGV. Sighted Employment Contract Agreement between FGV and Foreign Work Force as below:</p> <p>For Bangladesh, agreement is 3 years and renewed for 10 years. The contract cover working hour - 8 hours a day and six days per week, housing facilities, electricity (Rm6) and water (Rm4), passport and work Permit, Health, Transportation, Leaves, etc. Seen also the agreement for employer to keep the original foreign workers' passport. The employment contract is available in Bengali language as the total of 6 Indian workers understand Bengali language instead of Tamil language. They also refer to the appointed Bangladeshi translator to understand the contract. Generally during interview, they understand the basic information about the working details such as salary, medical, water supply subsidy, worker's representative, etc.</p> <p>For Indonesian workers, agreement is 2 years and renewed every 10 years. The contract cover working hour - 8 hours a day and six days per week, housing facilities, electricity (Rm6) and water (Rm4), passport and work Permit, Health, Transportation, Leaves, etc. Seen also the agreement for employer to keep the original foreign workers' passport and agreed for the deduction of Premium Insurans Luar Negara Tenaga Kerja Indonesia for minimum 1 month to maximum 6 months.</p>

		<p>Term and Regulations of Daily Paid workers Felda Palm Industries Sdn Bhd explaining the service period with notice, overtime, annual leaves (less than 2 years: 8 days), 2-5 years: 12 days, 5 years or more: 16 days, sick leaves and 2 months maternity leaves. New contracted workers have all the information regarding employment in the new contract. Sampled for Hairulhisham Abd Hamid as General Workers on 15.05.2017 with RM1000/month in Gred 7 (T).</p> <p>As for current practice, site has distributed the <i>Perjanjian Bersama</i> between FELDA Palm Industries Sdn Bhd with <i>Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd Semenanjung</i> for 01 Jan 2016-31 Dec 2018 covering leaves, subsidy for water consumption, allowances, salary grades, yearly bonus, etc.</p> <p>FGV has the programme for housing Schemes for their workers in FGV Plantations (M) Sdn Bhd for locals' worker after 10 years services, to have the benefits for RM12,000 and RM100/monthly until 55 years old as housing allowances.</p> <p>For foreign workers, sighted in their own employment contract that housing is provided for free, with limited electrical (RM6/month) and water (RM4/month). If the cost consumed is exceeded, worker has to bear the additional cost.</p> <p>10 samples of November 2017 payslip were observed and all of the workers were getting more than basic minimum wages of RM 1000.00</p>
MA	6.6	<p>The company has established Policy of Freedom of Speech & Freedom of Association which signed by En. Mohammed Emir Mavani Abdullah on 1.6.14. The policy was written in Bahasa Melayu. The policy was pasted on the office wall and published publicly at the Muster ground board</p> <p>The policy emphasised that the the FGV Workers Union is a registered entity and it represents all workers in the FGV Group of Company. The company is committed to give rights of freedom of speech to all workers and has no objection towards workers in joining any legally registered union.</p>
MA	6.7	<p>Based on the Policy of Children Employment signed by En. Mohammed Emir Mavani Abdullah the FGV CEO on 1.6.2014, the company emphasized not to recruit any individual below 18 years old by referring the current law.</p> <p>There was no existence of individual who at 18 years of age from the employee master list for all sites. During the site verification also, all workers were above 18 years old. However, based on the Policy of Children Employment, children are allowed to assist their family working in their own farm under the supervision of their guardians. This is allowed as it will not interfere their learning schedule</p>
MA	6.8	<p>The company has established Equal Opportunity Policy which was signed by En. Mohammed Emir Mavani Abdullah the FGV CEO on 1.6.14. Based on the policy, the company is committed on ensuring all workers and job applicants to be treated equally and not to involve on any violation against race, nationality, religion, disability, gender, age, sexual orientation, union involvement and political body. However any positive discrimination which can lead to job opportunities and benefited to the communities will be implemented.</p> <p>Palong Timur POM, Palong Timur 5 & Palong Timur 6 Estate published the policy on the office wall and notice board which can be reached publicly by the employees and surrounding stakeholders.</p>

		<p>Various races, nationalities, genders and ages of workers were stated in the employee master list for the year 2018 for all sites. It showed that the recruitment and employment of the workers were not being discriminated.</p> <p>The company also respect the rights of the workers to join any trade union. Sighted the Palm Industries Workers Union form of En. Mohd Noor Al-Muizudin signed by the Union Branch Chairman Mr. Hafizudin. They are the employees of Palong Timur POM.</p> <p>The equal treatment of job opportunity and benefit among the workers with different genders, nationalities and religions showed that the policy has been implemented.</p>
MA	6.9	<p>The company has established Policy Sexual Harassment, Violence and Reproductive Rights signed by En. Mohammed Emir Mavani Abdullah the FGV CEO on 1.6.2014. Based on the policy, the harassment consists of verbal, sign, visual and physical.</p> <p>The policy has been documented, implemented and communicated clearly to all level workers during Muster call before assigning to work. The policy also was being paste on the office wall and at the muster ground notice board. This policy also was being circulated during the gender committee meeting. The gender committee of Palong Timur 5 Estate was organized every 3 month. Sighted the minute meeting for 23/1/2017,24/4/2017, 25/7/2017 and 4/12/2017.</p> <p>In order to handle issues and complaints, the sustainability department has established the procedure no. 3.5 Procedure on handling Complaints and Grievances in Manual Lestari 1A; document no: ML -1A/L2-PR4(1) dated March 2012; amendment date 22.5.15.</p> <p>All sites formed a gender committee as to address area of concern to women. Gender committee in Palong Timur POM chaired Mdm. Sharipah Nor Binti Shahrom including 7 committee member. It was sighted the establishment of gender committee in Palong Timur 5 Estate chaired by Pn. Saharipah Nor Bin Shahrum, SU Pn. Zaidah Bt. Mad Lazim. A training was conducted on 13.10.17 by Pn. Nurul Hayati Bt. Yaakob.</p> <p>Sighted the activity plan of KKD Ayura for the year 2017. The programme consists of</p> <ol style="list-style-type: none"> 1. Policy and procedure policy. 2. Gender committee meeting 3. Counselling and Welfare 4. Household economy program 5. Yassin recital 6. Gotong –Royong <p>All activity managed to be conducted timely except for gender committee meeting. The programme states the meeting need to be conducted 4 times a year.</p>
MA	6.10	<p>Pricing is followed by actual MPOB pricing system. Online system from Felda HQ. A daily review and update does guarantee a clear and transparent procedure, complete records are available.</p> <p>Prices are displayed at the mills weighbridge - notice board for public</p>

		<p>information [FFB]. The contract between Mill and contractor/ supplier evident. As the Felde has no intervention with settlers, no direct contractor taken for any job. Construction contractor dealt by District Office [Wilayah].</p> <p>Sighted a delivery note dated 5.12.17 which states the oil extraction rate, price per m/t and price In RM. The FFB is weigh by the weighbridge operator. Mr. Mohd Khalid b. Salleh and the document was signed by him.</p> <p>Sighted the letter from FGVP CEO En. Suhaidi Bin Hamzah to all Estate Managers dated 1.3.17 bil (15) 010810/HQ/Jab OP.16/Plantations/Insentif states the bonus payment rate to cutters/carriers and daily incentive to loaders and loosefruit picker for the month of March.</p> <p>The workers will be granted the incentive by the guide of the CPO price at range of RM3201.00 to RM3300.00. The workers are entitled of getting RM 6.30 daily and RM13.99 daily based on the job description.</p> <p>The estate is referring the MPOB circular dated 1.2.17 for monitoring the price rate of the CPO.</p>
MA	6.11	<p>Request to provide van dated 17.7.17 by SMK Palong Timur for cross country program. The letter signed by the principle Muzafar Shah Bin Ghazali. The manager approved the request and requested the form to be filled and attached with the student list.</p> <p>Request van usage for follow up treatment by En. Mohd Dahari B. Senin to MNIC Melaka.</p> <p>Request van tor transportation to Ekspo Pembangunan Johor Sempena Pertandingan Inovasi Kreatif J-Biotech Negeri Johor Tahun 2017.</p> <p>Sighted a letter from Mr. S. Palaniappan The Chief of Upstream Cluster/ CEO FGVP to all FGVP Manager on the contribution payment for school students 2017 on 16.1.17. The contribution consists of the listed criteria: 1.Primary school –RM100/student 2.Secondary school –RM150.00/student</p> <p>A total amount of RM 4600.00 and RM6500.00 was contributed as per stated in the contribution summary statement for year 2017.</p> <p>Contributions to local development that are based on the results of consultation with local communities not demonstrated at Complex level; but monitored and extended by Felde HQ.</p>
MA	6.12	<p>The company has established a policy on forced or trafficked labour under the policy of Foreign Workers Recruitment Policy signed by En, Mohammad Emir Mavani Abdullah ;President & FGV CEO on 1.6.14.</p> <p>The policy states that it only recruit workers from the approved designated source country which governs by Malaysian law and act. The policy states that the foreign workers are entitled for getting fair pay based on the Minimum Wages Order published by Malaysian Government</p> <p>For Palong Timur Estate 5, Sighted the employee master list which involve the local and foreign workers from Indonesia and Bangladesh. The list consists of the worker name, Worker ID, IC number Citizenship, Status, Date of Active status Birthdate, gender and age. Total workers listed wre 238 workers.</p>

		<p>The youngest worker in the list was En. Sulpan 21 years old, an Indonesian workers. While the oldest worker was En. Samat Bin Mahat 58 years old a local worker.</p> <p>Sighted the letter of permitting the estate to hold the passport for the workers. Letter dated 8.11.17 of En. Andri A6734777 Santoso, En Sahban AT 071041 and approval was signed by. Tuan Alias Bin Kechik.</p> <p>For Palong Timur Estate 6, Sighted the employee master list which involve the local and foreign workers from Indonesia and Bangladesh. The list consists of the worker name, Worker ID, IC number Citizenship, Status, Date of Active Status Birthdate, gender and age. Total workers listed wre 219 workers.</p> <p>The youngest worker in the list was Mr. Md Rajzib 23 years old, Bangladeshi workers. While the oldest worker was En. Othman Bin Buntal 59 years old a local worker.</p> <p>No contract substitution has occurred. Each employee is employed directly by licensed agent thus approved by company. Workers' employment letters and contracts are available.</p> <p>Sighted the Employment Contract Agreement between FGVP and the foreign worker amendment date 2/2015/PKPLL written in Malays language & Bangladesh.</p> <p>The new foreign worker is to be oriented and briefed with safety matters, language, laws and local sensitivity. All foreign worker is protected with insurance and provided with housing/hostel as entitled.</p>
MA	6.13	<p>A policy on Human Rights was established on 1.6.2014 and signed by the President & FGVP CEO Muhammad Emir Mavani Abdullah.</p> <p>The company is committed to involve in any effort to support and commit towards encouraging the social corporate responsibility to respect the human rights.</p> <p>A training on explanation of RSPO was conducted on 14.11.17 and attended by 19 employees Palong Timur 5 Estate.</p>
Principle 7: Responsible Development of New Plantings		
Criterion by Audit	Summary	N/A. There is no new planting in FGV Keratong 09 Complex.
MA	7.1	Not applicable.
MA	7.2	Not applicable.
MA	7.3	Not applicable.
MA	7.4	Not applicable.
MA	7.5	Not applicable.
MA	7.6	Not applicable.
MA	7.7	Not applicable.
MA	7.8	Not applicable.
Principle 8: Commitment to Continuous Improvement in Key Areas of Activity		
Criterion by Audit	Summary	
MA	8.1	PALONG TIMUR POM <i>Bukti Penambahbaikan Berterusan</i> stated the plan for continuous

		<p>improvement plan as below:</p> <ul style="list-style-type: none"> • Environmental impacts: water quality analysis and smoke emission analysis etc. • Pollution and greenhouse gas (GHG) emissions: fire burning training, diesel usage reduction etc. • Social impacts: CSR projects to school, sport activities etc. <p>LADANG FGVPM PALONG TIMUR 05</p> <p>Continuous improvement plan is documented in '<i>Stesen Penyelidikan Ladang FGVPM Palong Timur 05 P8-Komitmen Kepada Pembaikan Berterusan C 8.1-Bukti Pembaikan Berterusan</i>' done for:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides: ban of paraquat using, barn owl, beneficial plant etc. • Pollution and greenhouse gas (GHG) emissions: fire burning training, diesel usage reduction etc. • Social impacts: improvement of infrastructure, welfare contribution, foreign workers • Optimising the yield of the supply base: loose fruit collection, regulated estate operation etc. <p>Major NC (8.1.1):</p> <p>There was an establishment of continuous improvement plan titled "Continuous Improvement Plan Palong Timur 5, 2017", however there was no evidence sighted on implementation as per requirement:</p> <ul style="list-style-type: none"> ❖ Disposal of chemical container ❖ Monitor landfill area <p>Found there is lots of empty pesticide container and used oil container at landfill area during site visit.</p>
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4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable


This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.

4.3.1 Non-Conformities Identified during this Audit

The following NC's were raised for this audit.

NC number:	NC-01		
Client name:	FGV Palong Timur POM		
Date raised:	8 th December 2017		
Major or Minor:	Major	Site :	Palong Timur POM Palong Timur 5 Estate Palong Timur 6 Estate
Raised by:	Mohd Farul Rosli	Deadline :	1 year
Aspect of standard: Clause 4.7.2 [Maj]: 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.			
Evidence of non-conformity: Palong Timur POM - Mill conduct CHRA to assess risk of chemical that been used for daily operation. There is recommended suggestion to conduct Air Bone Monitoring for chemical n-Haxene and to conduct chemical monitoring for total dust (Niosh 0500). Both of monitoring need to conduct by competent hygiene tech. as baseline However there is no monitoring was conducted by mill management. Palong Timur 5 Estate- Estate establish HIRARC to assess risk for all activity in the estate operation. However there is no consistency on review and establish HIRARC as per ' <i>Pengenalpastian Hazard, Penilai, Risiko dan Penentuan Kawalan(HIRARC)</i> ' Doc No. FGV/ML-1A/L2-Pr2. Palong Timur 6 Estate- Estate establish HIRARC to assess risk activity in the estate operation. However HIRARC establish by estate management only have for store activity, office, road maintenance, rat baiting, tractor driving, flood, harvesting, FFB Loader. This activity no cover all activity in the estate daily operation As per ' <i>Pengenalpastian Hazard, Penilai, Risiko dan Penentuan Kawalan(HIRARC)</i> ' Doc No. FGV/ML-1A/L2-Pr2. Lead Assessor signature:  Date: 8th Dec 2017			
Root Cause Analysis and extent: (To be filled by Auditee) Management's weakness in ensuring that documents related to risk management are complete and accurate.			
Corrective/Preventive Actions: (To be filled by Auditee) <u>Corrective Actions</u> KS Palong Timur Run / record the "Air Bone" Monitoring for n-Haxene and chemical monitoring for dust quantities (Niosh 0500). Palong Timur 5 Estate Recalculate Risk Assessment and Control Determination in HIRARC Report. Palong Timur 6 Estate Includes all estate daily operations activities in the HIRARC Report. <u>Preventive Actions</u> Training in HIRARC Report writing.			
Evidence of Conformity: Palong Timur POM - Mill conduct CHRA to assess risk of chemical that been used for daily operation. There is recommended suggestion to conduct Air Bone Monitoring for chemical n-Haxene and to conduct chemical monitoring for total dust (Niosh 0500). Palong Timur 5 Estate- Estate review and establish HIRARC as per ' <i>Pengenalpastian Hazard, Penilai, Risiko dan Penentuan Kawalan(HIRARC)</i> ' Doc No. FGV/ML-1A/L2-Pr2.			

<p>Palong Timur 6 Estate- Estate review HIRARC to assess risk activity in the estate operation to cover for store activity, office, road maintenance, rat baiting, tractor driving, flood, harvesting, FFB Loader as per "Pengenalpastian Hazard, Penilai, Risiko dan Penentuan Kawalan(HIRARC)" Doc No. FGV/ML-1A/L2-Pr2.</p>	
<p>Review of evidences submitted to CUC:</p> <ul style="list-style-type: none"> - Revised HIRARC - Training record of HIRARC changes to mill and estates workers. - Appointment letter for contractor Occumed Consultancy & Services Sdn Bhd to conduct chemical monitoring including Air Bone test in POM. 	
<p>Conclusion by CUC: Corrective action taken found sufficiently taken by auditee and shown compliance of the standard and legal requirements.</p>	
<p>NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>Lead Assessor signature:</p> 	<p>Date: 6th March 2018</p>

NC number:	NC-02		
Client name:	Felda Global Venture Plantation Malaysia		
Date raised:	8 th December 2017		
Major or Minor:	Major	Site:	Palong Timur POM, Palong Timur 5
Raised by:	Fadly Ahmad	Deadline:	1 year
<p>Aspect of standard: Principle 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Clause 5.3.2 [Maj]; All chemicals and their containers shall be disposed of responsibly.</p> <p>Guidance: The waste management and disposal plan should include measures for:</p> <ul style="list-style-type: none"> • Identifying and monitoring sources of waste and pollution. • Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes). • Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way using best available practices (e.g. returned to the vendor or cleaned using a triple rinse method), such that there is no risk of contamination of water sources or risk to human health. The disposal instructions on the manufacturers' labels should be adhered to. Use of open fire for waste disposal should be avoided. <p>Scheduled waste to be disposed as per EQA 1974 (Scheduled Wastes) Regulations, 2005.</p>			
<p>Evidence of non-conformity: According to Environment Quality Act 1974 (Schedule Waste) 2005 regulations stated that:</p> <p>Notification of the generation of scheduled wastes</p> <ol style="list-style-type: none"> a) Reg 3. (1) Every waste generator shall, within 30 days from the date of generation of scheduled wastes, notify the Director General of the new categories and quantities of scheduled wastes which are generated. b) Reg 3. (2) The notification given under sub regulation (1) shall include the information provided in the Second Schedule. <p>Disposal of scheduled wastes</p> <ol style="list-style-type: none"> c) Reg 4; I Schedule waste shall be disposed of at prescribed premises only; 			

Responsibility of waste generator

- d) Reg 8; Every waste generator shall ensure that scheduled wastes generated by him are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for treatment, disposal or recovery of material or product from scheduled wastes.

Waste generator shall keep an inventory of scheduled wastes

- e) 11. A waste generator shall keep accurate and up-to-date inventory in accordance with the Fifth Schedule of the categories and quantities of scheduled wastes being generated, treated and disposed of and of materials or product recovered from such scheduled wastes for a period up to three years from the date the scheduled wastes were generated.

However, during site visit and documentation review it was found that:

- 2) **Palong Timur POM** – There were piles of lubricant drums sighted at the scrap iron yard which the generation of scheduled waste:
 - e) did not been notified to Director General; Regulation 3 violation
 - f) did not properly disposed at prescribed premises; Regulation 4 violation
 - g) did not properly stored at Mill Scheduled Waste Store; Regulation 8 violation
 - h) did not recorded and updated in the SW 409 inventory since 2015; Regulation 11 violation

- 3) **Palong Timur 5 Estate** – There were Scheduled Waste 305 Used lubricant oil spotted during the site visit to the landfill area. Some of the used oil even spilled onto the ground and contaminated the soil. It shows the violation of regulation 4 which state that SW shall be disposed at prescribed premisses only. Besides, there were also empty pesticide containers and empty herbicide containers found abundantly at the landfill area.



Muhd Jamalul Arif

Date: 8th December 2017



Root Cause Analysis and extent: (To be filled by Auditee)

Lack of monitoring from management to ensure that scheduled wastes are disposed of properly and effectively

Corrective/Preventive Actions: (To be filled by Auditee)

Corrective Actions

KS Palong Timur


1. Notification letter to DOE regarding new SW.
2. Dispose of lubricating drum barrel correctly on the located set.
3. Properly stored in the Scheduled Waste Store.
4. Records and update in SW 409 inventory.

FGVPM Palong Timur 5

1. Separation of scheduled wastes and other wastes.
2. Placing the Scheduled Waste Disposal signboard.
3. Training on the disposal of scheduled waste and chemical management.
4. Record of 3x rinsing, puncture and sales receipts of chemicals waste disposal.
5. Records Monitoring of waste landfills.

Preventive Actions

Training on the disposal of scheduled waste and chemical management.

Evidence of Conformity: Evidence received and reviewed by desktop on the related training records, inventory records of SW, disposal evidence and pictorial evidence. Corrective action taken found sufficiently taken by auditee and shown compliance of the standard and legal requirements.	
Review of evidences submitted to CUC: Evidence received and reviewed by desktop on the related training records, inventory records of SW, disposal evidence and pictorial evidence. Corrective action taken found sufficiently taken by auditee and shown compliance of the standard and legal requirements.	
Conclusion by CUC: Corrective action taken found sufficiently taken by auditee and shown compliance of the standard and legal requirements.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Assessor signature: 	Date: 6 th March 2018

NC number:	NC-03		
Client name:	FGV Palong Timur		
Date raised:	8 th December 2017		
Major or Minor:	Major	Site:	Palong Timur 5
Raised by:	Mohd Farul B. Rosli	Deadline:	60 Days

Aspect of standards 8.1.1

The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to:

- Reduction in use of pesticides (Criterion 4.6);
- Environmental impacts (Criteria 4.3, 5.1 and 5.2);
- Waste reduction (Criterion 5.3);
- Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);
- Social impacts (Criterion 6.1);
- Optimising the yield of the supply base.

Evidence of non-conformity:

There was an establishment of continuous improvement plan titled "Continuous Improvement Plan Palong Timur 5, 2017", however the there was no evidence sighted on implementation as per requirement:

- Disposal of chemical container
- Monitor landfill area

Found there is lots of empty pesticide container and used oil container at landfill area during site visit.




Muhd Jamalul Arif

Lead Auditor


Date: 8th December 2017

Root Cause Analysis and extent: (To be filled by Auditee)

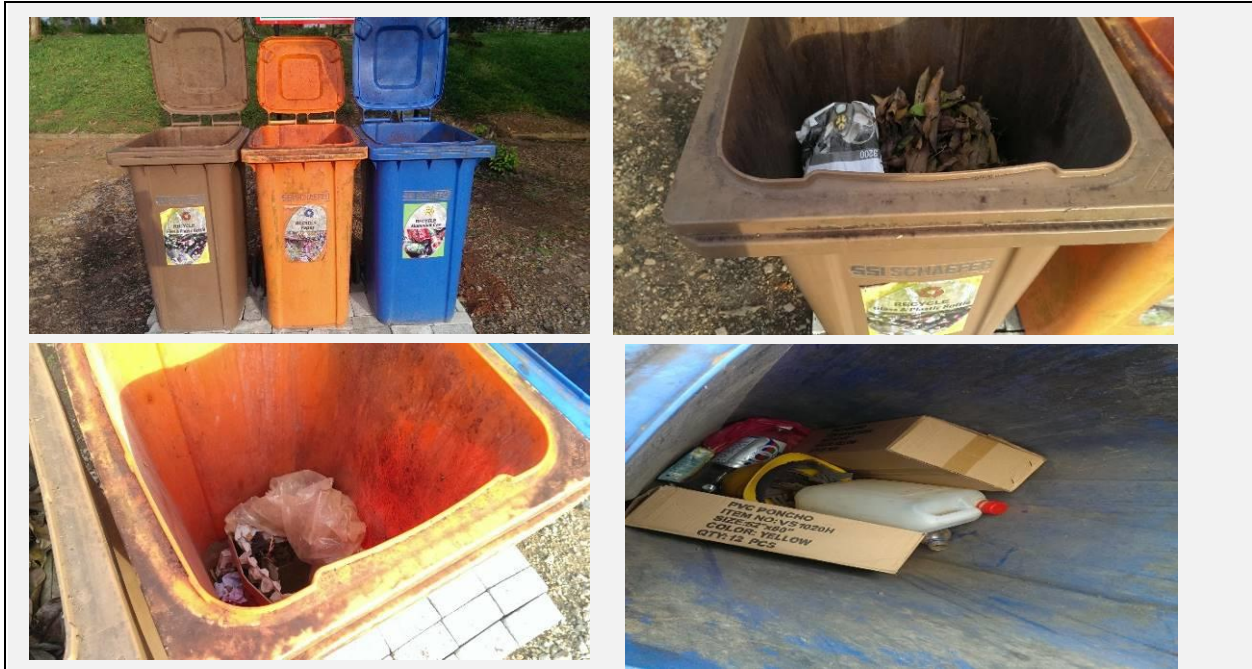
Management weaknesses in ensuring that planned programme is not implemented effectively.

<p>Corrective/Preventive Actions: (To be filled by Auditee) Palong Timur 5 Corrective Actions</p> <ol style="list-style-type: none"> 1. Separation of scheduled wastes and other wastes. 2. Placing the Scheduled Waste Disposal signboard. 3. Record of 3x rinsing, puncture and sales receipts of chemicals waste disposal. 4. Records Monitoring of waste landfills. <p>Preventive Actions Training on the disposal of scheduled waste and chemical management.</p>	
<p>Evidence of Conformity:</p> <ol style="list-style-type: none"> 1. Separation of scheduled wastes and other wastes. 2. Placing the Scheduled Waste Disposal signboard. 3. Record of 3x rinsing, puncture and sales receipts of chemicals waste disposal. 4. Records Monitoring of waste landfills. 	
<p>Review of evidences submitted to CUC:</p> <ol style="list-style-type: none"> 1. Training attendance record on SW and open burning. 2. Pictorial of signboard on SW for awareness. 3. Warning letter issued by Palong Timur 05 manager to 6 contractor identified contractors. 	
<p>Conclusion by CUC: Corrective action taken found sufficiently taken by auditee and shown compliance of the standard requirements.</p>	
<p>NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>Lead Assessor signature:</p> 	<p>Date: 6th March 2018</p>

NC number:	NC-04		
Client name:	FGV Palong Timur		
Date raised:	6 December 2017		
Major or Minor:	Minor	Site:	Palong Timur POM
Raised by:	Mohd Ezani B. Abdul Aziz	Deadline:	Next surveillance audit
<p>Aspect of standards 2.1.3 A mechanism for ensuring compliance shall be implemented</p>			
<p>Evidence of non-conformity: Felda Palong Timur POM 1.Refer to the Employment (Limitation of Overtime Work) Regulations 1980. <i>The limit of overtime work for the purpose of section 60A (4) (a) of the Act shall be a total of one hundred and four hours in any one month.</i> It was sighted, 2 senior operators were working beyond the permitted overtime hours. (130 hours) The mill has a legal monitoring system. However, the implementation was not effectively implemented.</p> <p>Mohd Jamalul Arif Lead Auditor Date: 6th December 2017</p>			
<p>Root Cause Analysis and extent: (To be filled by Auditee) Management's weakness in ensuring that employee-related documents are complete and accurate.</p>			
<p>Corrective/Preventive Actions: (To be filled by Auditee) KS Palong Timur</p> <ol style="list-style-type: none"> 1. Application for approval of overtime work from JTK Segamat. 2. Application for overtime work permits. 			

Evidence of Conformity: To be verified in next surveillance audit	
Review of evidences submitted to CUC: To be verified in next surveillance audit	
Conclusion by CUC: To be verified in next surveillance audit	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature: 	Date: 6 th March 2018

NC number:	NC-05		
Client name:	Felda Global Venture Plantation Malaysia		
Date raised:	8 th December 2017		
Major or Minor:	Minor	Site:	Palong Timur 05 Estate
Raised by:	Fady Ahmad	Deadline:	Next Surveillance Audit
Aspect of standard: Principle 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
Clause 5.3.3 (Min) A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented			
Evidence of non-conformity: According to Felda Global Venture Plantation Malaysia Recycle Policy, it was stated that FGV management shall make effort to sustain a good system of waste management. Major concern on all recyclable wastes such as aluminium, plastics, papers and glasses in order to conserve the environment. However during the site visit: 1. Palong Timur 05 Estate – There were wastes that were not suitable for recycle been dump into the dedicated recycle bin at the office compound. There were used PPE dump inside Aluminium bin, Plastics dump inside paper bin and dried leaves were dump into glass bin.			



Muhd Jamalul Arif

Lead Auditor

Date: 8th December 2017

Root Cause Analysis and extent: (To be filled by Auditee)

Lack of monitoring from management in managing waste.

Corrective/Preventive Actions: (To be filled by Auditee)

Palong Timur 05 Estate

Corrective Actions

1. Isolation of solid waste between organic, non-organic and B3 waste.
2. Place an appropriate waste isolation sign board.

Preventive Actions

Training and awareness in isolation of the organic, non-organic and B3 waste.

Evidence of Conformity:

To be verified in next surveillance audit

Review of evidences submitted to CUC:

To be verified in next surveillance audit

Conclusion by CUC:

To be verified in next surveillance audit

NC Status: Yes (CLOSED) No (OPEN)

ON SITE VERIFICATION REQUIRED Yes No

Lead Assessor signature:



Date: 6th March 2018

4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA

Non-were raised during the last audit as this is the Main Assessment.

4.3.3 Observations Raised During this Audit

No observation raises during this audit

4.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30 day Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures .

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment the audit team will review the company's implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?

RSPO Principle	Stakeholder comment	CUC response
1 – Commitment to transparency	1. Madam Azizah informed that, although she has a good relationship with the mill management, she still need to undergo quotation process to bid the contract of supplying food provision at the mill canteen. It shows the commitment of the company towards the transparency. 2.The corporal of Balai Polis Palong Timur 5 said, there was no significant unrest or criminal case was reported. However as to ensure to maintain peaceful environment, he would like to propose in holding safety and security program collaborated with the company.	All positive feedback received during stakeholders meeting.
2 - Compliance with applicable laws and regulations		
3 - Commitment to long-term economic and financial viability		
4 - Use of appropriate best practices by growers and millers		
5 - Environmental responsibility and conservation of natural resources and biodiversity		
6 – Responsible consideration of employees, and of		

<p>individuals and communitites affected by growers and mills</p>	<p>3. Mr. Aman Bin Harun the Mill Manager explained the exercising of annual budget for the year. The 5 years crop projection and expenditure translated the long term economic commitment towards the financial viability.</p>	
<p>7 - Responsible development of new plantngs</p>	<p>4. Mr Ahmad Bin Sibi the D-Mart owner/setteler informed that the stakeholders were aware the sustainability concept of RSPO. He emphasized the need of safety aspect in complying the the principle of RSPO.</p>	
<p>8 - Commitment to continuous improvement in key areas of activites</p>	<p>5.Mr. Azlee the workers Union secretary informed that the company is committed to ensure the operation will not jeopardize the environment. During training the workers were briefed of environmental and biodiversity policy. he was well informed of not to exercise open burning, prohibition of chemical activity at riparian area and ERT species.</p> <p>6. Cikgu Muzaffar Shah informed that the company has contributed in providing transportation for students to school.</p> <p>8. Cikgu Muzaffar Shah, the Pinciple of SMK Palong Timur 5 expressed his gratitude towards the company of the commitment in innovation development project of the school. The company contributed in supplying material in the invention of food product "kopi sawit" which took 1st palce in innovation competition.</p>	

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:
RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

Name Palm Oil Mill	Mill Capacity	Location	Supply Chain Model
(POM)	MT/Hour	Address	(IP or MB)
FELDA PALONG TIMUR POM	60	Karung Berkunci No. 1, Pusat Bandar Palong, 73409 Gemas, Negeri Sembilan Darul Khusus	MB

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

Product CU Code	CPO (MT)	PK (MT)	Specified 12 month period
POM 1	17,236.84	4760.87	Forecasted volumes between 01/01/2018 to 31/12/2018. See also 1.6 above. Note: please provide forecasted certified volume

5.3 Summary Report Including A Brief Description Of The Scope Of Certification

Palong Timur POM is running under approved capacity of 60MT/Hour to process FFB received from own estates and external supplier within this complex. Actual quantities of certified FFB delivered to the mill are entered into a central computer system and the actual quantities of CPO and PK produced are also entered and the OER is known. The quantities of certified CPO and PK are shown in real time and summarized each day on a spreadsheet. A full RSPO SCCS certification audit was used during this annual assessment and the findings support the certification based on supply chain model listed above.

**5.4 Monthly Records of Certified and Uncertified FFB Received Since the Last Audit
In case of Main Assessment, it shall be the last 12 month figure.**

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	December 2016	7,720.29	1,342.44	9,062.73
2	January 2017	5,920.52	1,238.27	7,158.79
3	February 2017	5,017.93	11,828.54	16,846.47
4	March 2017	5,687.40	16,331.24	22,018.64
5	April 2017	6,594.31	19,777.64	26,371.95
6	May 2017	6,465.25	22,630.27	29,095.52
7	June 2017	5,543.07	16,571.01	22,114.08
8	July 2017	7,289.94	20,258.17	24,548.11
9	August 2017	8,403.15	17,341.38	25,744.53
10	September 2017	9,276.81	17,776.54	27,053.35
11	October 2017	11,114.17	19,091.59	30,205.76
12	November 2017	10,810.66	20,718.32	31,528.98
	TOTAL	89,843.50	184,905.40	274,748.90

**5.5 Monthly Records of Certified CPO and PK Since the Last Audit
In case of Main Assessment, it shall be the last 12 month figure.**

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	December 2016	1,573.39	387.55
2	January 2017	1,187.65	320.89
3	February 2017	970.96	286.02
4	March 2017	975.98	292.54
5	April 2017	1,291.16	364.66
6	May 2017	1,271.06	354.29
7	June 2017	1,076.46	307.08
8	July 2017	1,401.12	377.61
9	August 2017	1,568.02	429.40
10	September 2017	1,756.10	478.68
11	October 2017	2,162.81	594.60
12	November 2017	2,002.13	567.55
	TOTAL	17,236.84	4,760.87

5.6 Records of Certified CPO & PK Sold under GreenPalm to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	Not applicable			

5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 month figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.

The transactions were sighted form the clients registered UTZ eTrace Account.

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	Not applicable			

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

- All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
- For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
- For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
- If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

Non-were raised during this audit.

5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

This palm oil mill and its supply bases were audited against RSPO SCCS. The mill processing capacity is 40 MT/hr FFB per hour. The mill is capable of handling MB supply chain model.

5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

Recommendations made:	Yes
Summary of non-compliances:	N/A
Certification status of client:	<p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPOPC certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p>

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

The provisional date for the next ASA is: January 2019

6.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- All major NCs to be closed by: All Major NC's Closed
- All minor NCs to be closed by: Before next surveillance audit

6.3 Signing by the Client

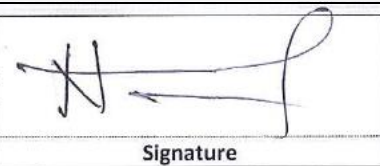
I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name: Norazam Abdul Hameed
Position: Head of Plantations Sustainability Department
Date: 09/04/2018



Signature

6.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name: Muhd Jamalul Arif
Position: Lead Auditor
Date: 09/03/2018



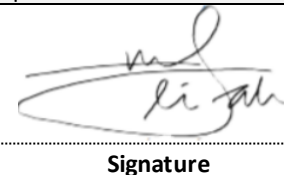
Signature

6.5 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name: Nor Atiqah
Position: Certifier
Date: 10/04/2018

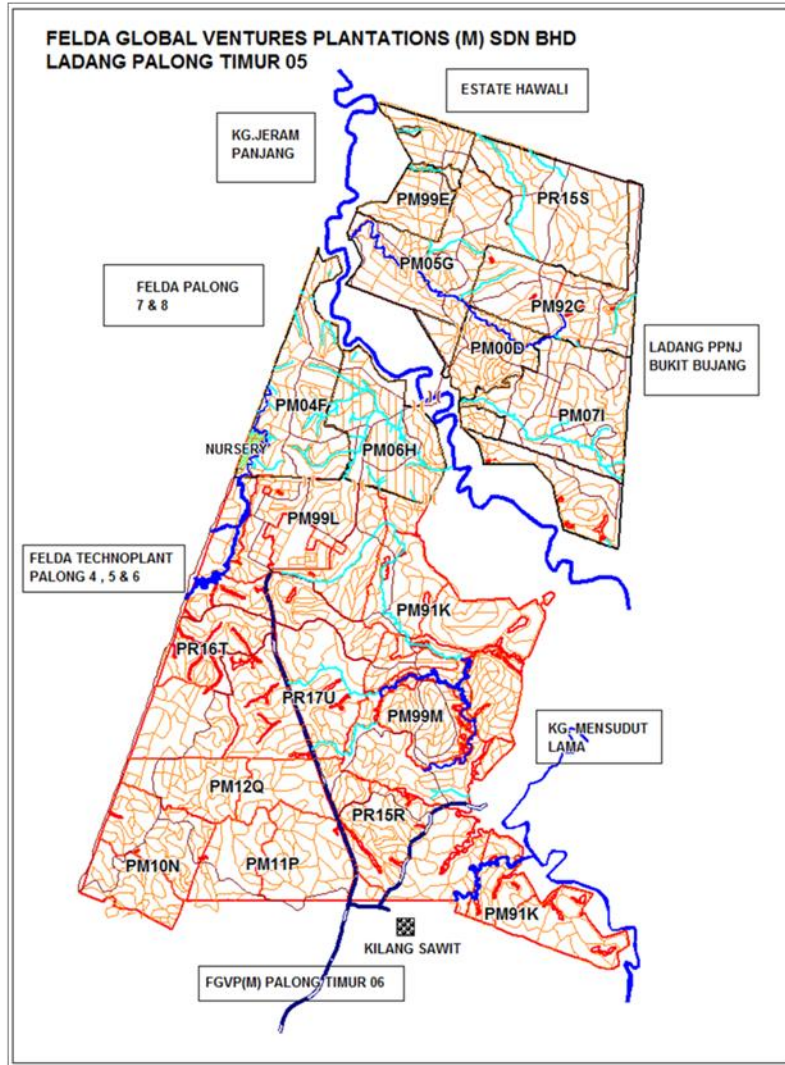


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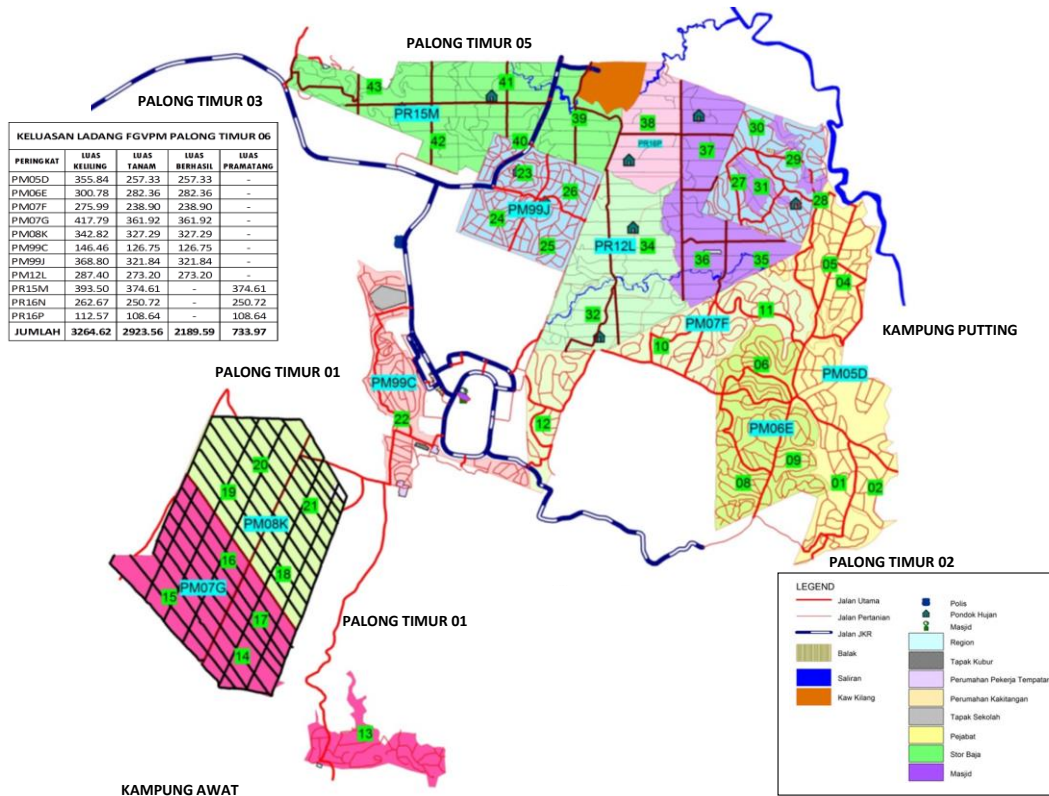
PART 7: APPENDICIES

Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)



LADANG FGVP M PALONG TIMUR 06 (JULAI 2017)



Appendix 2: Summary of GHG Emissions
 All data inputs and the use of RSPO PalmGHG Calculator (include the version number) have been verified with the final summary of the net GHG emissions (tCO₂e/tCPO) figure in relation to C5.6
 Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	1.1
PK	1.1

Extraction	%
OER	22.04%
KER	4.49%

Production	t/yr
FFB processed	18,416.83
CPO Produced	4,059.07

Land use	ha
OP planted area	4873.48
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0
Total	

Summary of Field Emissions and Sinks

Emissions	Own Crop			Group			3 rd Party		
	tCO ₂ e	tCO ₂ e /ha	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /ha	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /ha	tCO ₂ e /tFFB
Land Conversion	-	-	0.57	-	-	-	-	-	-

*CO2 Emissions from Fertiliser	5440.06	1.14	0.08	-	-	-	3074.13	1.26	0.08
**N2O Emissions	3830.77	0.8	0.05	-	-	-	1686.40	0.73	0.05
Fuel Consumption	487.64	0.1	0.01	-	-	-	232.15	0.09	0.01
Peat Oxidation				-	-	-	-	-	-
Sinks									
Crop Sequestration	-43024.32	-9.05	-0.54	-	-	-	-20302.3	-9.26	-0.57
Conservation Sequestration	0	0	0	-	-	-	0	0	0
Total	10887.24	2.28	0.16	-	-	-	6242.7	3.16	0.2

Summary of Mill Emissions and Credits

	tCO2	tCo2e/tFFB
Emissions		
POME	21905.4	0.2
Fuel Consumption	51.48	0
Grid Electricity Utilisation	638.2	0.01
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	22595.08	0.2

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

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

Appendix 3: GHG assessment for new plantings

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below. **Not Applicable since no new planting at FGV Palong Timur Complex.**

Appendix 4: List of Abbreviations	
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
CUC	Control Union Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MDC	MDC Publishers Sdn Bhd (Company Name)
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
SA8000	Social Accountability 8000
Sdn Bhd	Sendirian Berhad
SIA	Social Impact Assessment
SOCISO	Social Security Organisation
SOP	Standard Operating Procedure
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization