

***Roundtable on Sustainable Palm Oil Certification  
RSPO***

**[ ] Stage-1 [ ] Stage-2 [ ✓ ] Surveillance [ ] Re-Certification**

Name of Management : Besout Palm Oil Mill – Felda Global Ventures Plantation Sdn.Bhd  
Organisation Subsidiary of FELDA

Plantation Name : Besout Palm Oil Mill, Besout 01 Estate, Besout 02 Estate, Besout 03 Estate,  
Besout 04 Estate, Besout 05 Estate, Besout 06 Estate, and Besout 07  
Estate

Location : Kilang Sawit Besout 35600, Sungkai, Perak, Malaysia

Certificate Code : **MUTU-RSPO/048**

Date of Certificate Issue : 22 December 2014 Date of License Issue : 22 December 2015

Date of Certificate Expiry : 21 December 2019 Date of License Expiry : 21 December 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	5 – 9 October 2015	Oktovianus Rusmin, Trismadi Nurbayuto, Dinesh Nadarajah, Mahas Maliyapan	Taufik Margani	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	16 December 2015

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on March 12<sup>th</sup>, 2014 with registration number **RSPO-ACC-007**

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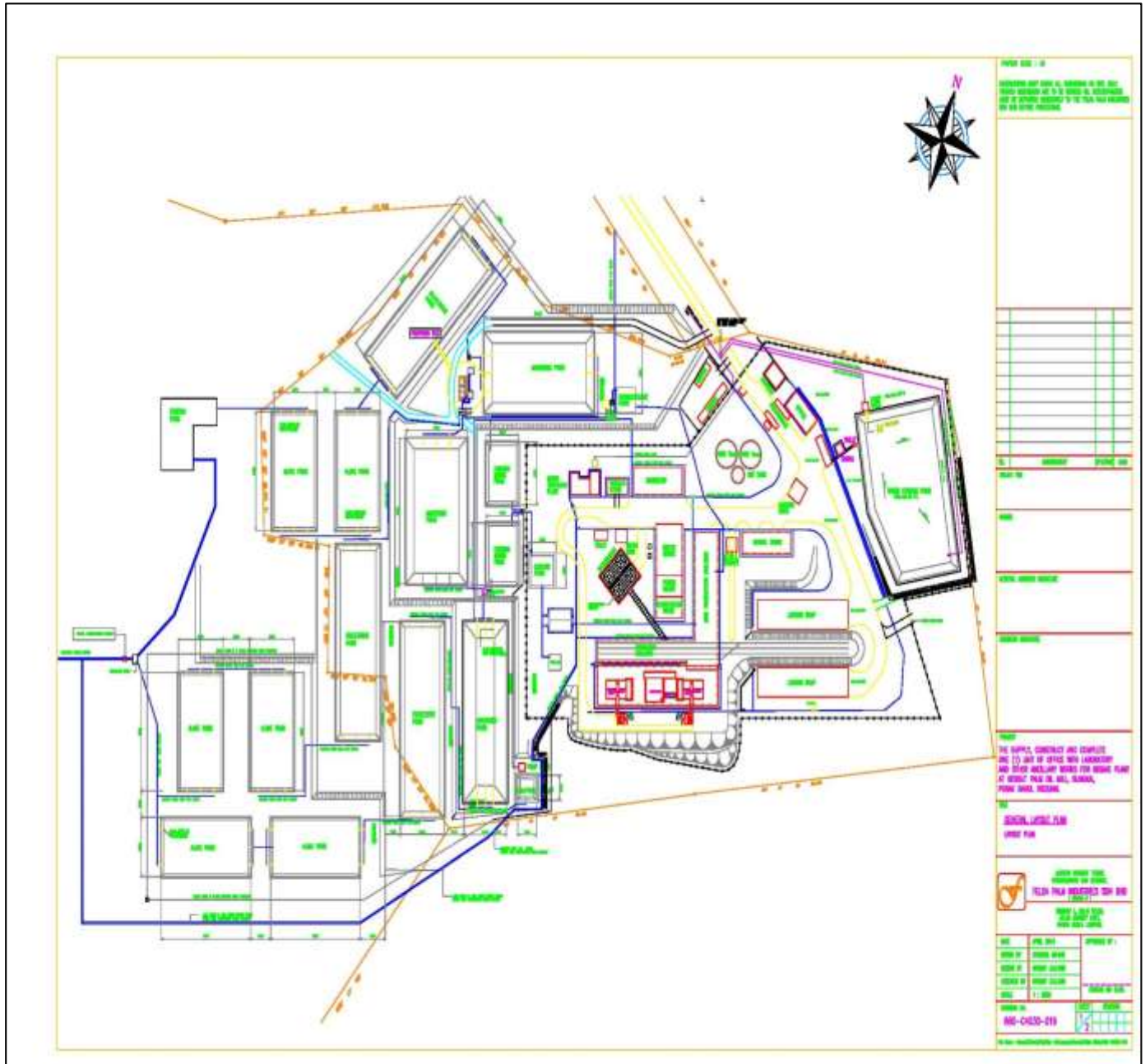
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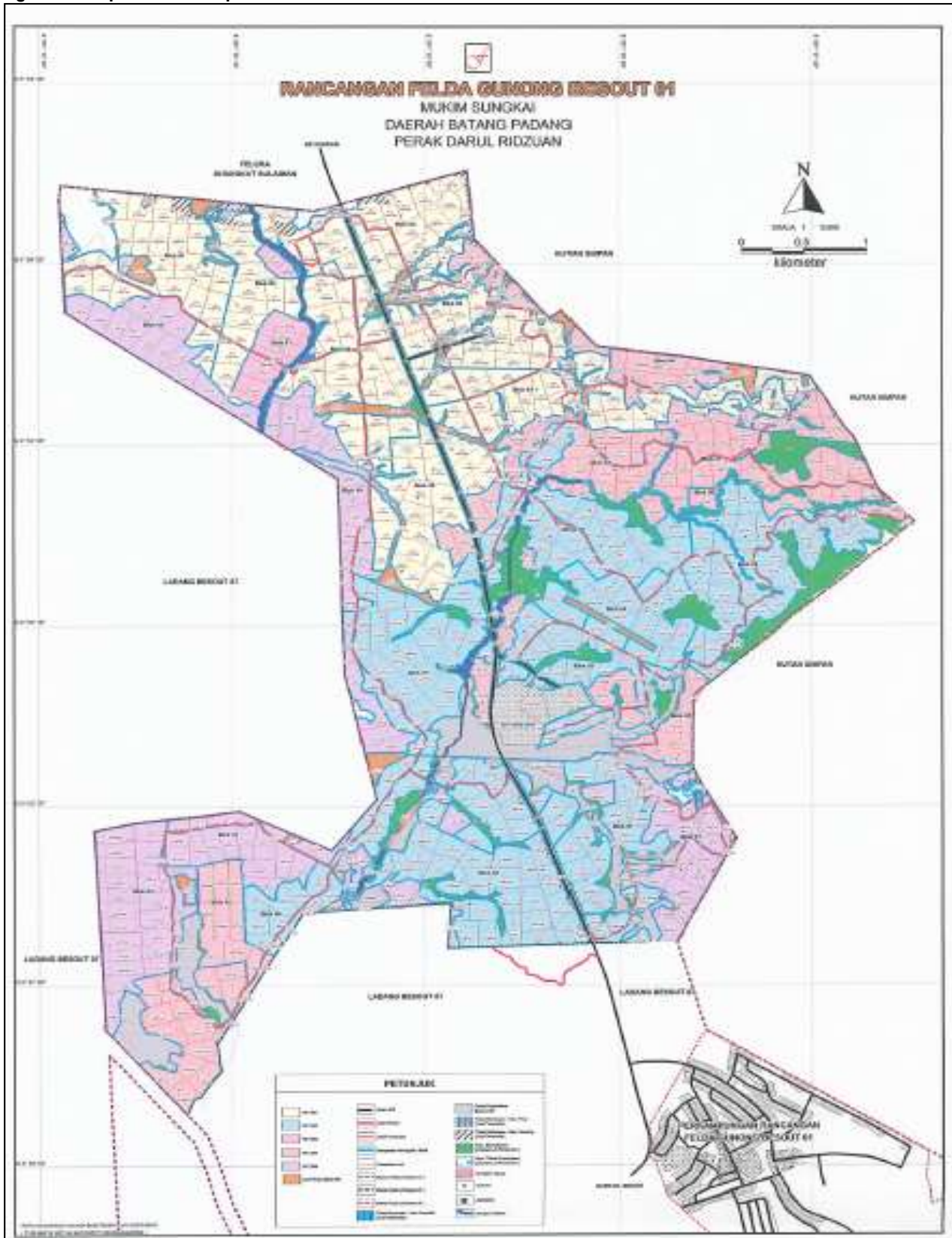
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Figure 1. Location Map of BESOUT MILL



**Figure 2.a. Operational Map of BESOUT 1 Estate**

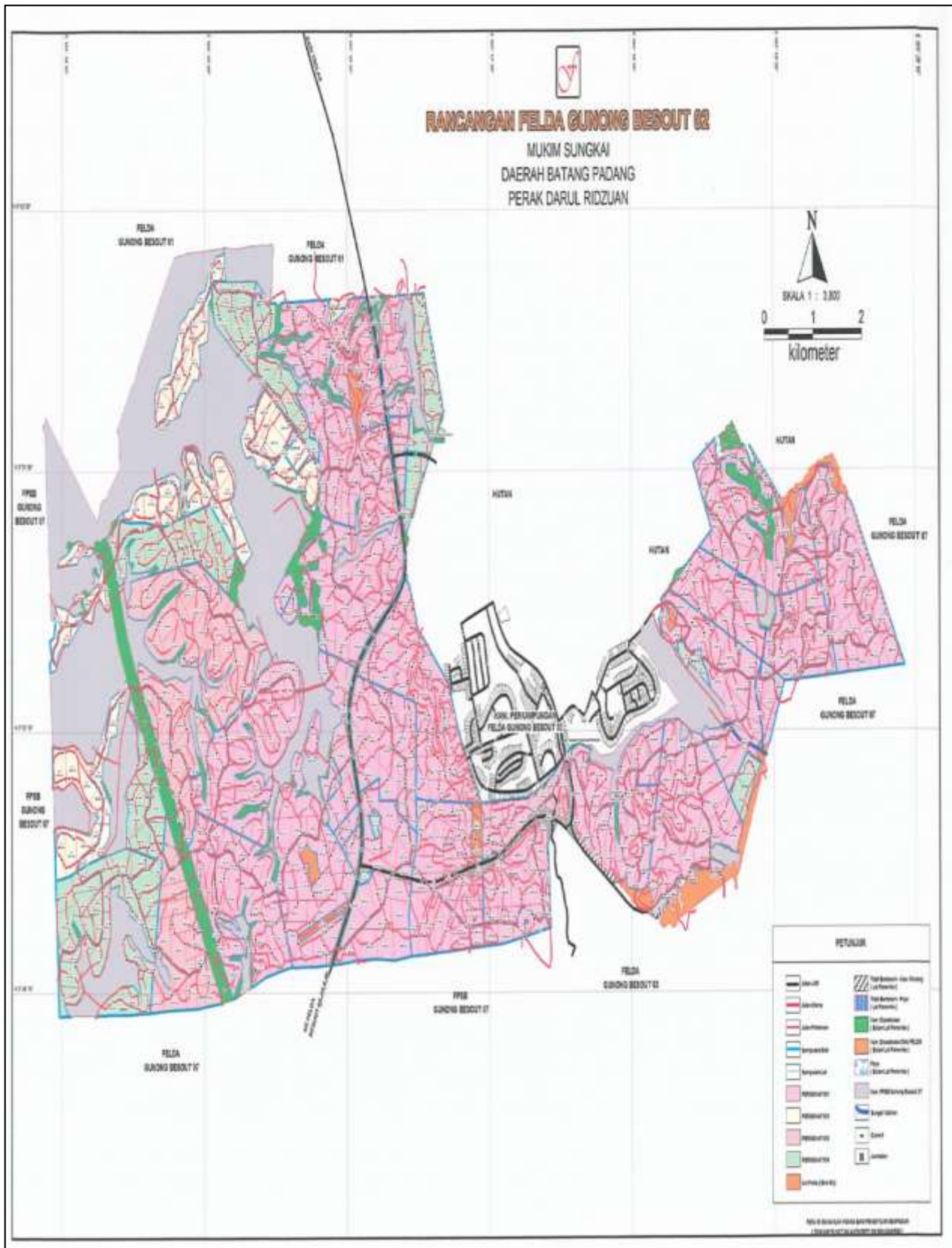




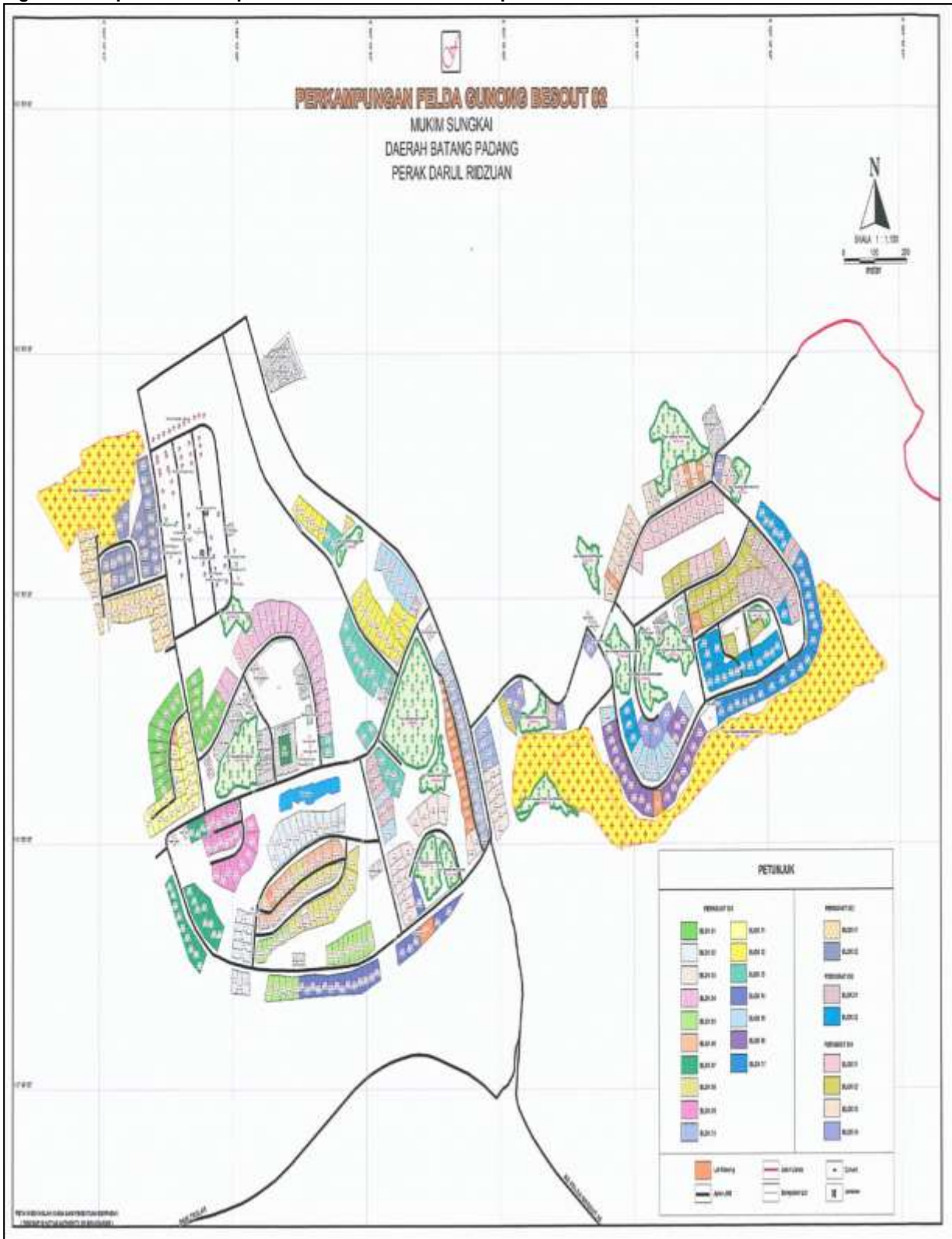
**Figure 2.b. Operational Map of BESOUT 1 Peneroka complex**



**Figure 3.a. Operational Map of BESOUT 2 Estate**

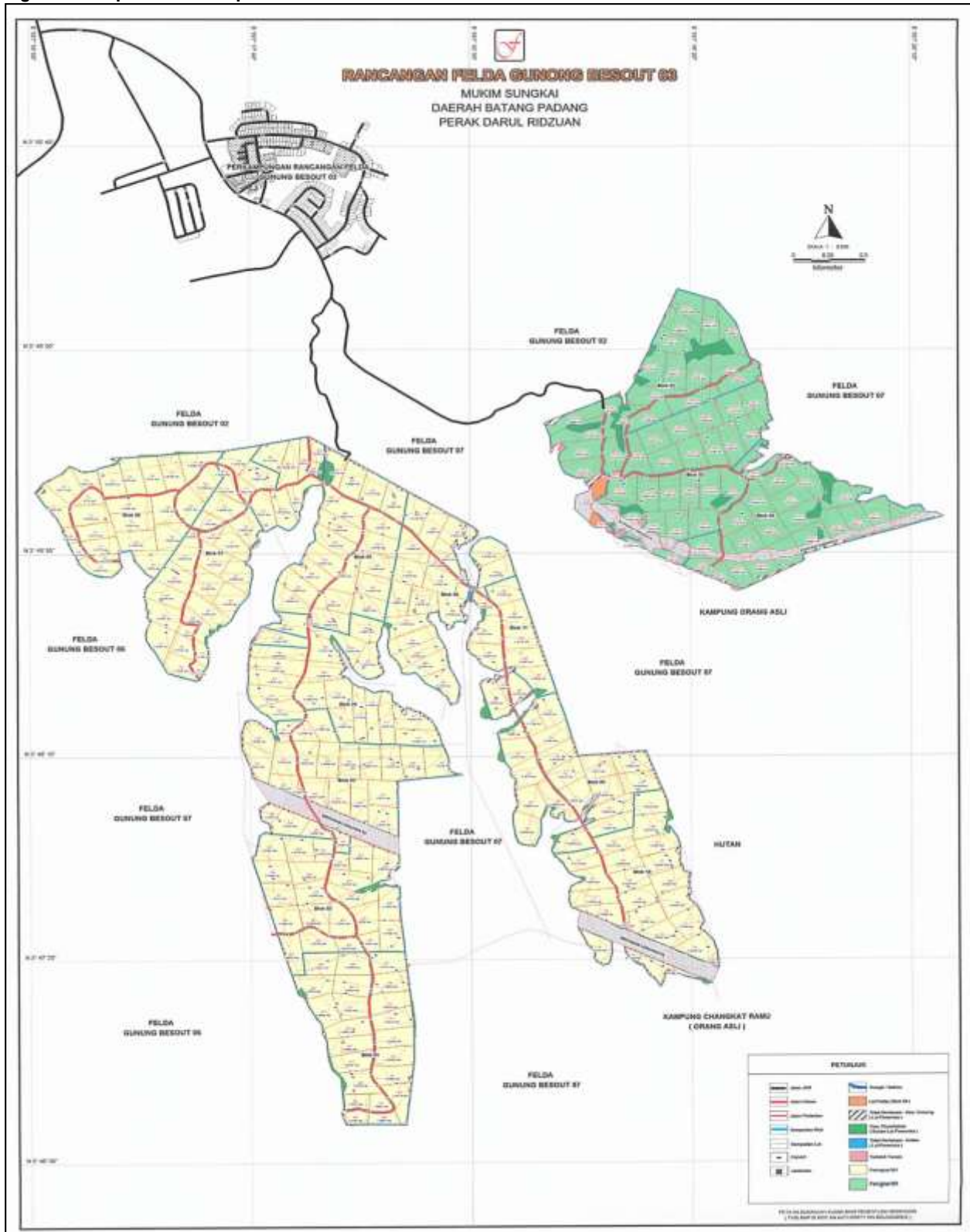


**Figure 3.b. Operational Map of BESOUT 2 Peneroka Complex**



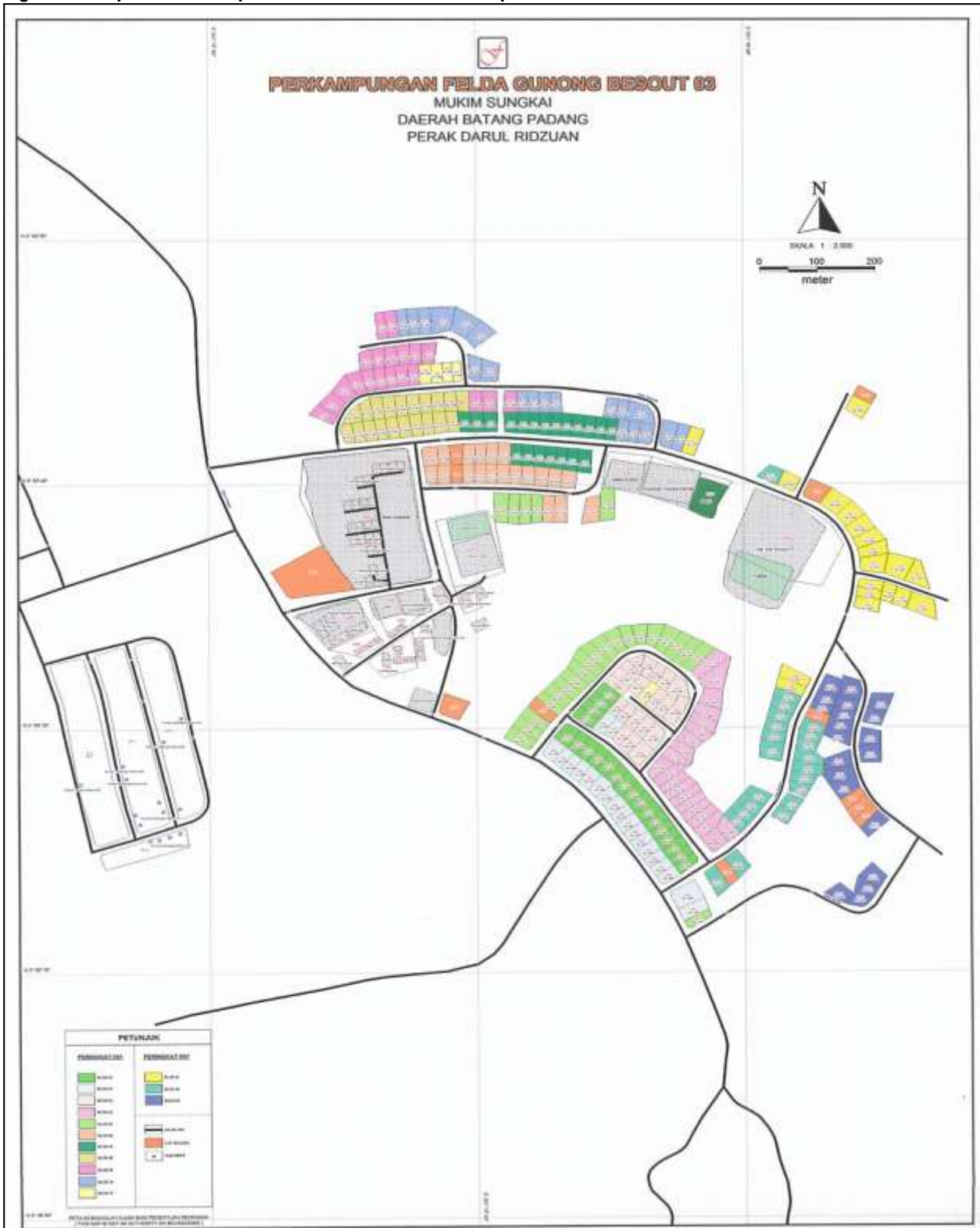


**Figure 4.a. Operational Map of BESOUT 3 Estate**

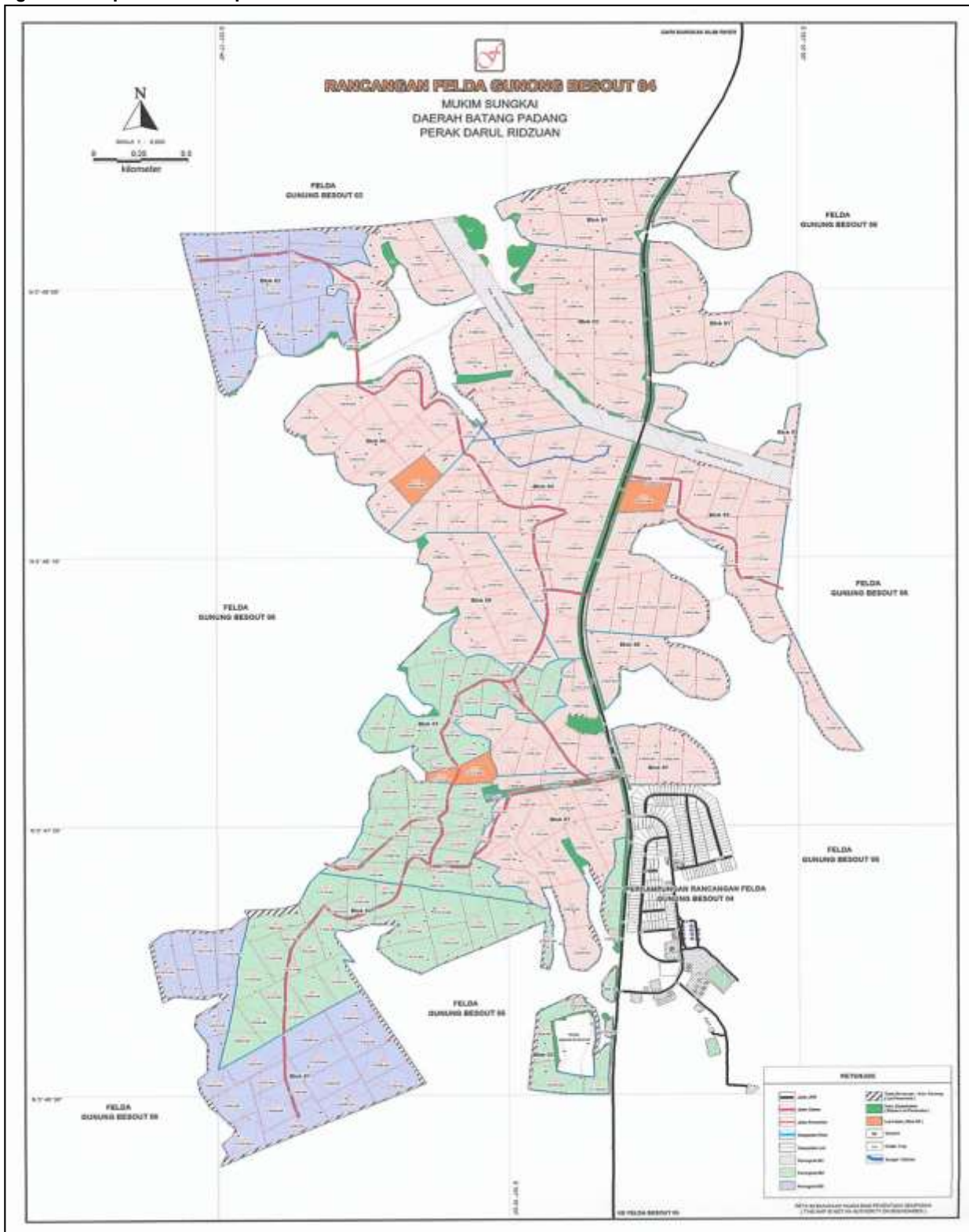




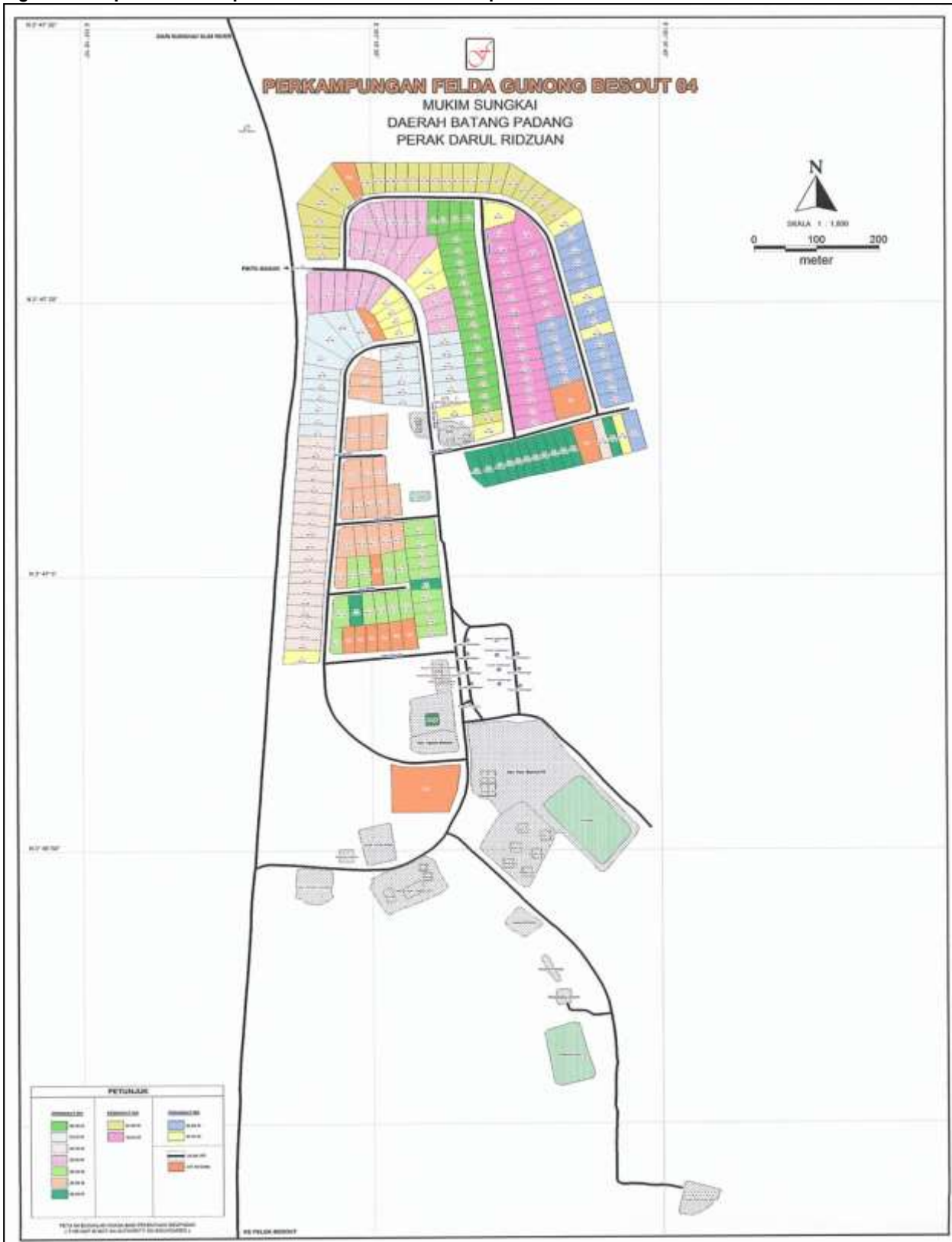
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**Figure 5.a. Operational Map of BESOUT 4 Estate**

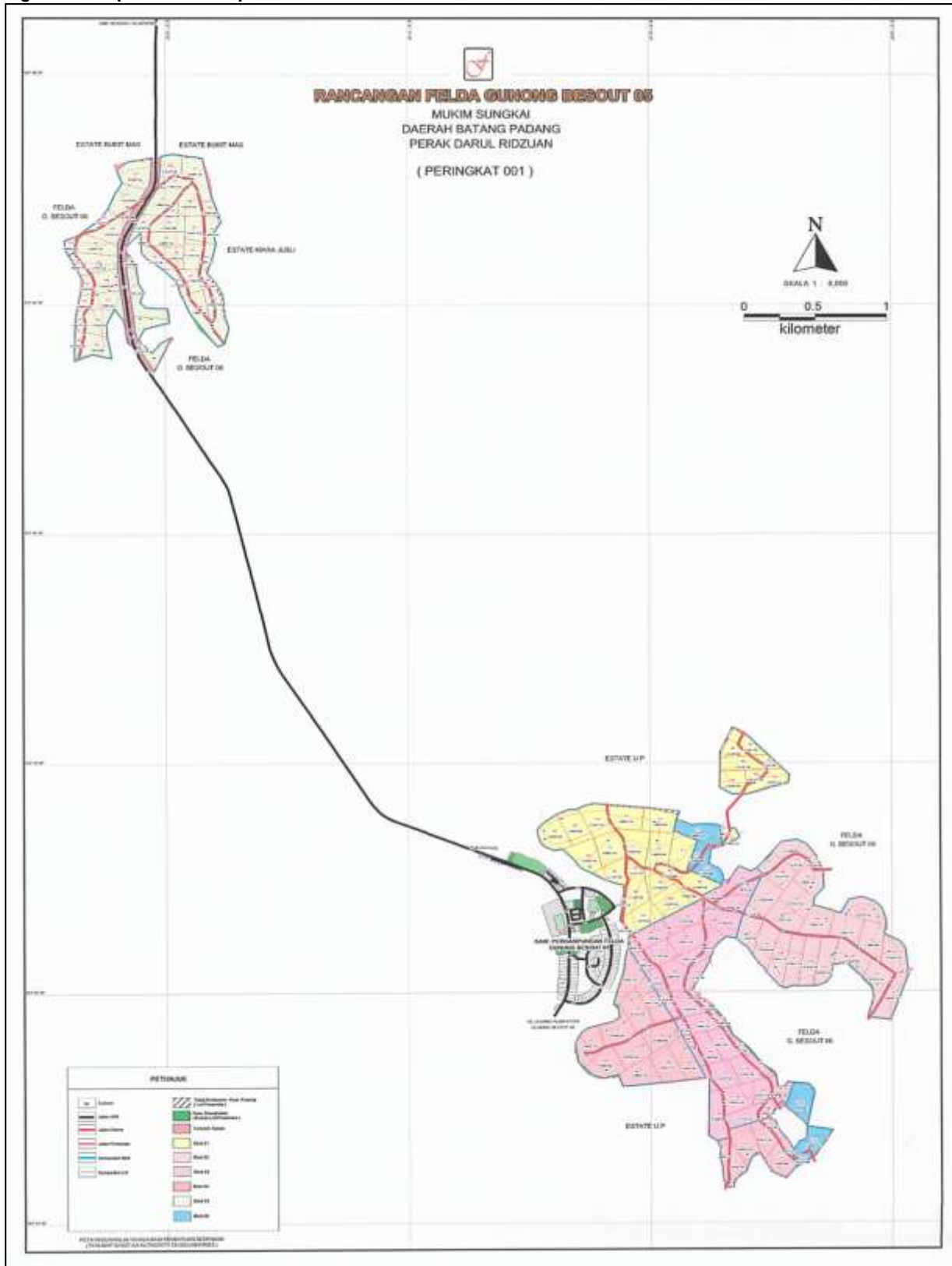


**Figure 5.b. Operational Map of BESOUT 4 Peneroka complex**





**Figure 6.a. Operational Map of BESOUT 5 Estate**



**Figure 6.b. Operational Map of BESOUT 5 Peneroka complex**



**Figure 7. Operational Map of BESOUT 6 Estate**

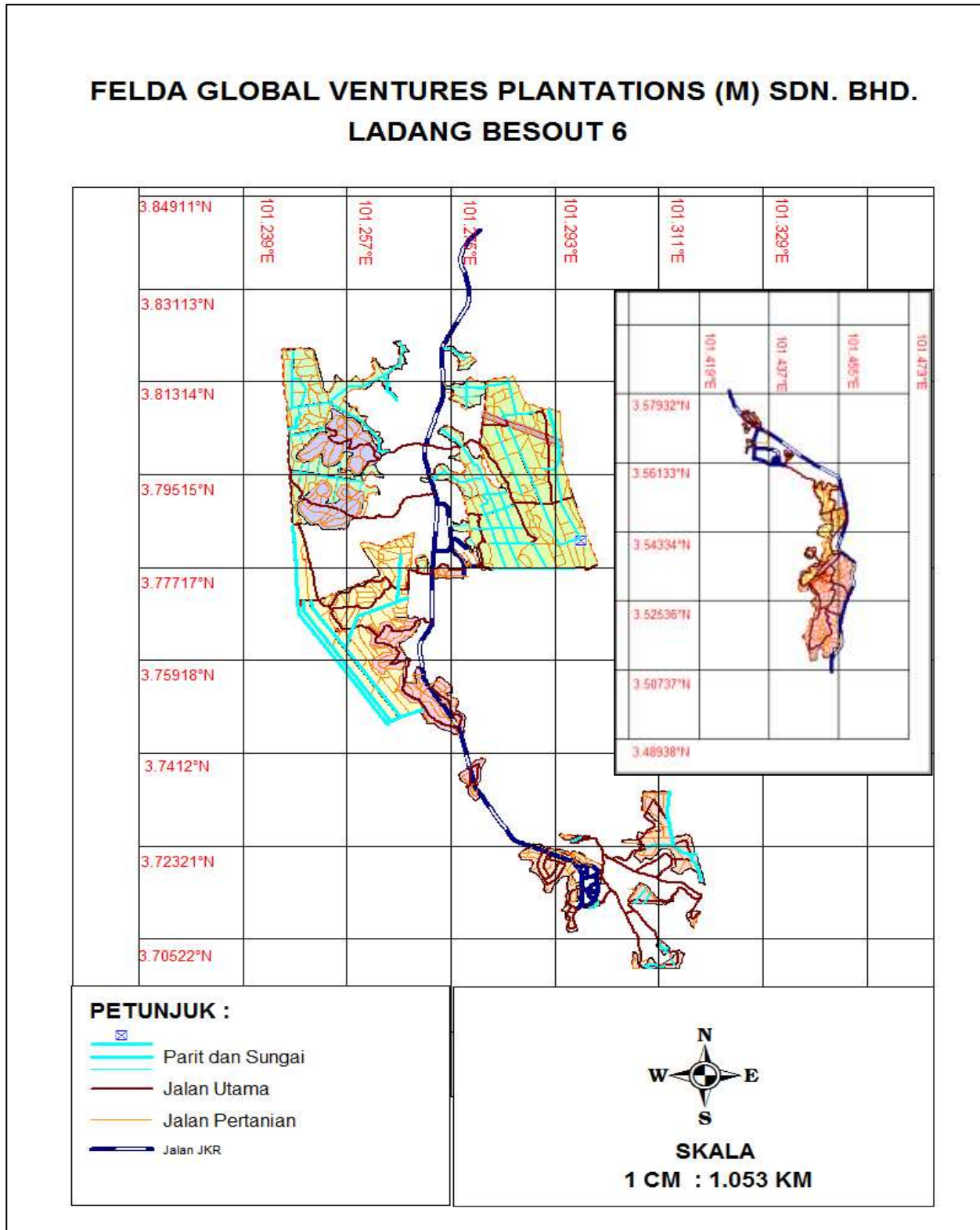
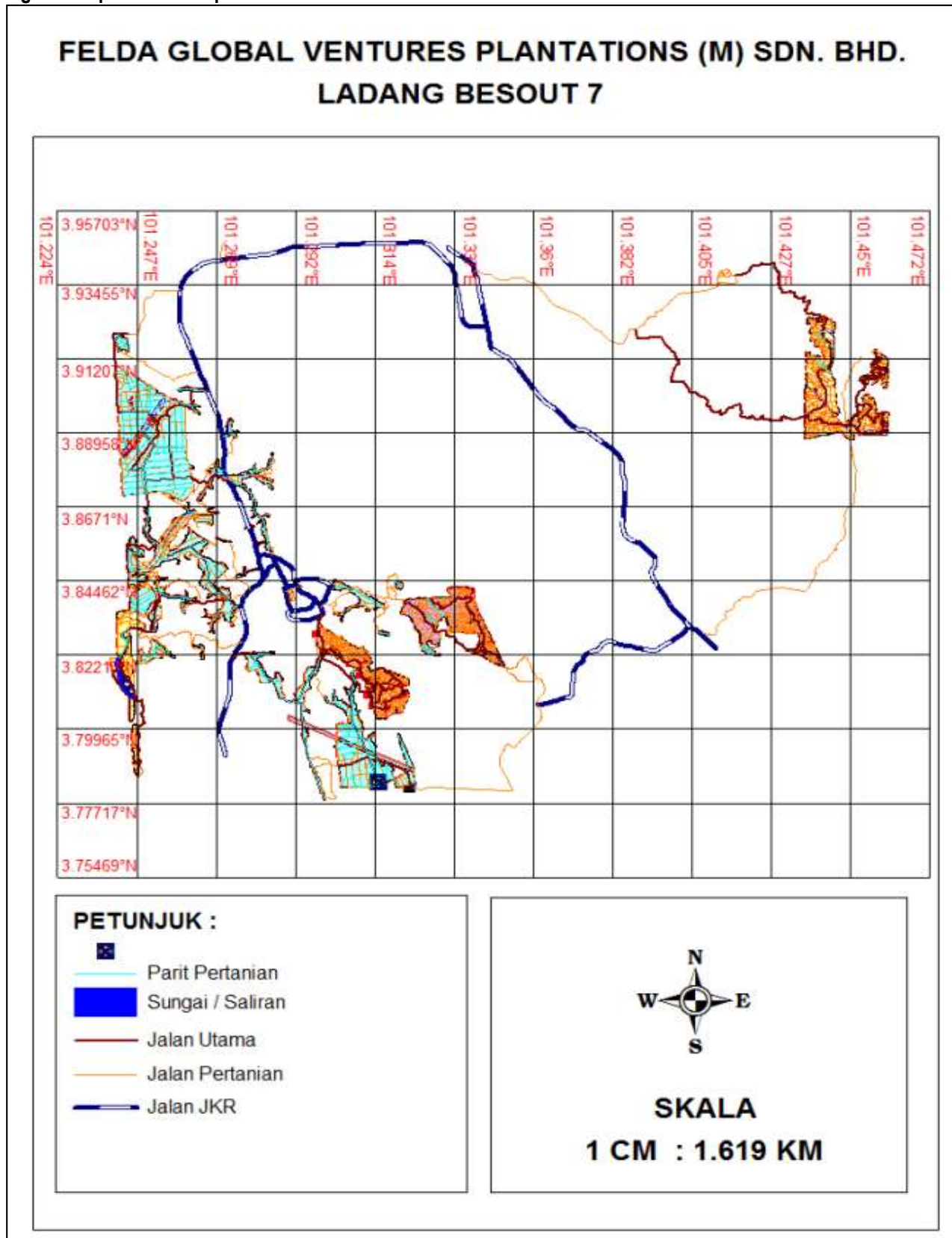




Figure 8. Operational Map of BESOUT 7 Estate



**Abbreviations Used**

BOD	:	Biological Oxygen Demand
CSR	:	Corporate Social Responsibility
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
ESH	:	Environment and Safety and Health
FELDA	:	Federal Land Development Authority
FFB	:	Fresh Fruit Bunches
FTP	:	Felda Techno Plant
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
MPOB	:	Malaysian Palm Oil Board
MSDS	:	Material Safety Data Sheet
NC	:	Non Conformance
OHS	:	Occupational Health and Safety
OER	:	Oil Extraction Rate
P&C	:	Principle and Criteria
IPM	:	Integrated Pest Management
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
PSQM	:	Plantation Sustainability Quality Management
PMU	:	Plantation Management Unit
PPE	:	Personal Protection Equipment
RSPO	:	Roundtable on Sustainable Palm Oil
SEIA	:	Social and Environmental Impact Assessment
SIA	:	Social Impact Assessment
SCCS	:	Supply Chain Certification System
SOP	:	Standard Operating Procedure
WWTP	:	Wastewater Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>• <b>National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production.</b> Endorsed by RSPO Board of Governors 6 March 2015.</li><li>• <b>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</b></li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Felda Global Ventures Plantation – FELDA	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Organisation address and site address	RSPO registered company: PSQM, Felda Global Ventures Plantations (M) Sdn Bhd Tingkat 8 Balai Felda, Jalan Gurney Satu, 54000 Kuala Lumpur, Malaysia	
1.2.4	Telephone	03-26005349	
1.2.5	Fax	03-26987816	
1.2.6	E-mail	<a href="mailto:anthonius.s@feldaglobal.com">anthonius.s@feldaglobal.com</a>	
1.2.7	Web page address	<a href="http://www.felda.net.my">www.felda.net.my</a>	
1.2.8	Management Representative who completed the application for certification	Mr. Anthonius Sani	
1.2.9	Registered as RSPO member	1-0013-04-000-00, 17 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Besout Mill, Besout 1Estate, Besout 2Estate, Besout 3 Estate, Besout 4 Estate, Besout 5 Estate, Besout 6 Estate, Besout 7 Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
	BESOUT	Kilang Sawit Besout, 35600 Sungkai, Perak	LatitudeLongitude
			N 3° 52' 52.66"E 101° 16' 37.42"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	FGVP BESOUT 06	Ladang Felda Besout 06, 35600 Sungkai. Perak	N 3°45' 33" - 3°48' 11"E 101°14' 18" - 101°18' 00"
	FGVP BESOUT 07	Ladang Felda Besout 07, 35600 Sungkai, Perak.	N 3°47' 34" - 3° 54' 07"E 101°14' 18" - 101° 20' 00"
	BESOUT 01	Felda Gunung Besout 01, 35600 Sungkai. Perak	N 3° 54' 50" - 3° 51' 30"E 101°15' 10" - 101° 17' 40"



BESOUT 02	Felda Gunung Besout 02, 35600 Sungkai, Perak.	N 3°49' 16" - 3° 51' 06"	E 101°14' 45" - 101° 17' 20"
BESOUT 03	Felda Gunung Besout 03, 35600 Sungkai,, Perak	N 3° 51' 30" - 3° 54' 50"	E 101°14' 30" - 101° 17' 40"
BESOUT 04	Felda Gunung Besout 04, 35600, Sungkai, Perak.	N 3°46' 30" - 3° 49' 00"	E 101°17' 40" - 101° 18' 50"
BESOUT 05	Felda Gunung Besout 05, 35600 Sungkai, Perak.	N 3°42' 45" - 3° 43' 40"	E 101° 18' 14" - 101° 19' 04"

<b>1.5</b>	<b>Description of Area Statement</b>		
1.5.1	Tenure		
	• State	8,076.61	Ha
	• Community (Peneroka)	1,825.48	Ha
1.5.2	<b>Area Statement</b>		
	• Total area	9,902.09	Ha
	• Mature area	8,497.44	Ha
	• Immature area	879.68	Ha
	• Other plant	1.75	Ha
	• Main road	68.46	Ha
	• Nursery	21.21	Ha
	• Bushes	63.42	Ha
	• Airstrip	2.55	Ha
	• Low land	49.17	Ha
	• Drain	172.89	Ha
	• Empty area	1.33	Ha
	• Water reservoir	1.34	Ha
	• Buildings	0.37	Ha
	• Undeveloped land	58.56	Ha
	• Mill	5	Ha
	• HCV	0	Ha
	• Conservation Area		
	- Buffer Zone	73.42	Ha
	- Hill area	5.5	Ha

<b>1.6</b>	<b>Planting Year and Cycles</b>								
<b>1.6.1</b>	<b>Age Profile of Planting Year</b>								
	Planting Year	Hectarage							
		Besout.01 (Ha)	Besout.02 (Ha)	Besout.03 (Ha)	Besout.04 (Ha)	Besout.05 (Ha)	Besout.06 (Ha)	Besout.07 (Ha)	TOTAL (Ha)
	1985	-	-	-	-	-	-	788.27	788.27
	1986	-	-	-	-	-	-	441.96	441.96
	1988	-	-	-	-	-	-	617.74	617.74
	1989	-	-	-	-	-	366.99	-	366.99
	1990	-	-	-	-	-	186.96	-	186.96

	1992	-	-	-	-	-	76.39	-	76.39
	1998	-	-	-	-	-	13.64	-	13.64
	2001	-	-	-	-	-	464.28	-	464.28
	2002	841.83	718.97	391	-	-		-	1,951.80
	2009	462.916	-	-	501.52	-	346.88	740.12	2051.436
	2010	-	-	-	-	389.07		-	389.07
	2012	-	412.07	-	380.6	-		356.23	1148.9
	2013	-	-	105.40	-	-	133.17	135.00	373.57
	2014	-	-	-	-	-	258.33	-	258.33
	2015	-	-	-	-	-	247.78	-	247.78
	TOTAL	1,304.75	1,131.04	496.40	882.12	389.07	2,094.45	3,079.30	9,377.13
1.6.2	New Planting area after January 2010			- Ha					
1.6.3	Planting Cycle			2 <sup>nd</sup> Cycle					
1.7	Description of Mill and Supply Base								
1.7.1	Description of Mill								
	Name of Mill	Capacity (tonnes/ hour)	FFBProcessed (tonnes/year)	CPO		Palm Kernel			
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)		
	Besout	60	259,120.00	50,624.88	19.54	15,007.15	5.79		
	<i>* Production data source from 12 months before assessment (October 2014 to September 2015) The data sources was mixed sources from the other sources that consists of Peneroke Urus Sendiri (independent smallholders) and other sources ref 1.7.3 and the produced CPO was mass balance</i>								
1.7.2	Description of Certification Scope of Supply Base								
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill			
						FFB (tonnes/year)	%		
	Besout 6 (FGVP)	2,384.90	2,094.45	28,025.15	13.38	28,025.15	100		
	Besout 7 (FGVP)	3,313.80	3,079.30	32,042.80	10.41	32,042.80	100		
	Besout 1 (FTP: 315 person- Peneroka under FELDA/FTP)	1,304.75	1,304.75	28,456.60	21.81	28,456.60	100		
	Besout 2 (Felda:0-FTP:275 person under FELDA/FTP)	1,131.05	1,131.04	19,476.51	17.22	19,476.51	100		
	Besout 3 (Felda/FTP: 114 person)	496.40	496.40	10,657.71	21.47	10,657.71	100		
	Besout 4 (Felda/FTP: 244 person)	882.12	882.12	16,909.18	19.17	16,909.18	100		
	Besout 5 (Felda/FTP: 97 person)	389.07	389.07	8,987.52	23.1	8,987.52	100		
	TOTAL	9,902.09	9,377.13	144,555.46	15.42	144,555.46	100		
	<i>*Production data source from 12 months before assessment (October 2014 to September 2015). The data was excluded the independent smallholders or Peneroke Urus Sendiri. The exclusion of idenpendent smallholder was based on Felda submission letter dated on Nov 11, 2015. Note: Besout 1 to Besout 5 is smallholders schemes- Managed by Felda/FTP</i>								
1.7.3	FFB description from other source								

	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Dealer	Contractors/independent	Sungkai, Perak	64,232.71			
	Koperasi (Besout 1-4)	Smallholders Cooperative/independent	Sungkai, Perak	111.81			
	Independent Smallholders in Besout	Smallholders Cooperative/independent	Sungkai, Perak	47,991.78			
	Persendirian	Individual smallholders/independent	Sungkai, Perak	2,228.24			
	TOTAL			114,564.54			
	<i>*Source Production Data on 12 months before assessment (October 2014 to September 2015)</i> FELDA managed the Peneroke or community's land. The data based on *FELDA Global Ventures Plantation (M) Sdn Bhd Letter on November 11th, 2015 no. (32)FVPM/PSQM/SPO/HQ/01 regarding the exclusion of own manage smallholders (Peneroka Urus Sendiri) from RSPO certification scope in estate which have smallholders.						
1.7.4	Product categories		FFB, CPO, PK				
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 22 December 2014 to 21 December 2015 (tonnes/year)	Actual certified product 24 December 2014 to 30 September 2015 (tonnes/year)			
	• FFB Production		190,710.00	144,555.46			
	• CPO Production		38,142.00	28,246.14			
	• Palm Kernel (PK) Production		11,443.00	8,369.76			
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Besout 6 (FGVP)	2,384.90	2,094.45	27,228	13		
	Besout 7 (FGVP)	3,313.80	3,079.30	36,952	12		
	Besout 1 (FTP-Peneroka)	1,304.75	1,304.75	28,704	22		
	Besout 2 (Felda-FTP-Peneroka)	1,131.05	1,131.04	21,490	19		
	Besout 3 (Felda-FTP-Peneroka)	496.40	496.40	10,921	22		
	Besout 4 (Felda-FTP-Peneroka)	882.12	882.12	17,642	20		
	Besout 5 (Felda-Peneroka)	389.07	389.07	9,143	23.5		
	TOTAL	9,902.09	9,377.13	152,080	17.15		
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Besout	60	152,080	30,416.00	20	9,125.00	6
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						

1.9	Other Certifications					
	ISO 9001:2008		ISO 9001 (validity 19 July 2013 until 1 July 2016) No. MY-AR 2666 by SIRIM QAS			
	ISO 14001: 2004		ISO 14001 (validity 19 July 2013 until 1 July 2016) No. MY-AR 0345 by SIRIM QAS			
	OHSAS 18001:2007		ISO 18001 (validity 19 July 2013 until 1 July 2016) No. MY-AR 0215 by SIRIM QAS			
	ISCC		-			
	Others					
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
		Management Unit	Address	Hectarage (Ha) *	Time Bound Plan (Planned Audit Year)	Status (Actual/Target Certification Year)
	1	Kota Gelanggi 6	Kilang Sawit Kota Gelanggi 6, W/Pos Felda Kota Gelanggi.27000 Jerantut, Pahang	10,334	Q4, 2009	Certified: 2010
	2	Lepar Utara 6	Kilang Sawit Lepar Utara 6, Peti Surat 12 & 2020 26400 Bandar Pusat Jengka Pahang	11,538	Q4, 2009	Certified: 2010
	3	Jengka 21	Kilang Sawit Felda Jengka 21, Bandar Pusat Jengka, 26400 Pahang	14,319	Q3, 2011	Certified: 2013
	4	Jengka 3	Kilang Sawit Jengka 3, 26400 Bandar Jengka. Pahang	13,720	Q1, 2011	Certified: 2012
	5	Jengka 8	Kilang Sawit Jengka 8, 26400, Bandar Tun Abdul Razak Jengka, Pahang	13,895	Q1, 2011	Certified: 2012
	6	Lepar Utara 4	Kilang Sawit Lepar Utara 04, Peti surat 55, Pejabat Pos Bandar Pusat Jengka, 26400 Bandar Pusat Jengka, Pahang	9,415	Q3, 2011	Certified: 2012
	7	Jengka 18	Pejabat Felda Jengka 18 (Seroja) palm Oil Mill, 26400 Bandar Pusat Jengka, Jengka, Pahang	12,296	Q3, 2011	Certified: 2013
	8	Padang Piol	Kilang Sawit Padang Piol, 27040 Jerantut, Pahang	4,960	Q1, 2011	Certified: 2012
	9	Adela	Kilang Sawit Adela, Po Box 73, Bandar Penawar, Kota Tinggi 81930 Johor	12,930.04	Q1, 2011	Certified: 2012
	10	Lok Heng	Kilang Sawit Lok Heng, PO Box 55, 81907 Kota Tinggi, Johor	12,799	Q1, 2011	Certified: 2012
	11	Semenchu	Kilang Sawit Semenchu, Peti Surat 63, 81907 Kota Tinggi, Johor	15,797	Q2, 2011	Certified: 2012
	12	Wa Ha	Kilang Sawit Waha, Karung Kunci S24, 81907 Kota Tinggi, Johor	9,597	Q1, 2013	Certified: 2012
	13	Bukit Kepayang	Kilang Sawit Bukit Kepayang, 28300 Triang, Pahang	10,164.44	Q4, 2011	Certified: 2013
	14	Bukit Mendi	Kilang Sawit Bukit Mendi, 28320 Triang, Pahang	7,838	Q4, 2011	Certified: 2012
	15	Kemasul	Kilang Sawit Kemasul, 28300 Triang, Pahang	10,150	Q4, 2011	Certified: 2012



16	Tementi	Kilang Sawit Tementi, 38300 Triang, Pahang	11,696	Q4, 2011	Certified: 2013
17	Triang	Kilang Sawit Triang, 28300 Triang, Pahang	10,142	Q4, 2011	Certified: 2012
18	Segamat (GC)	Felda Segamat Region Complex, KM 5, Jalan Genuang, 89000 Segamat, Johor	11,192	Q1, 2011	Certified: 2012
19	Belitong	Kilang Sawit Belitong, Peti Surat 61, 86007 Kluang, Johor	7,110	Q4, 2012	Certified: 2014
20	Bukit Besar	Kilang Sawit Bukit Besar, W/P Bukit Besar, 81450 Kulai, Johor	4,716	Q4, 2012	Certified: 2014
21	Kahang	Kilang Sawit Kahang, Karung Berkunci No. 533, 86007 Kluang, Johor	5,134	Q4, 2012	Certified: 2014
22	Kulai	Kilang Sawit Kulai, Felda Taib Andak, 81000, Kulai, Johor	7,531	Q4, 2012	Certified: 2014
23	Nitar	Kilang Sawit Nitar, Felda Nitar 2, 86700 Kahang, Johor	5,819	Q4, 2012	Certified: 2014
24	Penggeli	Felda Peggeli Palm Oil Mill, Peti Surat 28, 81440 Bandar Tenggara, Johor	9,456	Q4, 2012	Certified: 2014
25	Lepar Hilir	Pejabat Felda Lepar Hilir palm Oil Mill, Gambang, Pahang	14,575	Q4, 2012	Certified: 2014
26	Bukit Sagu	Kilang Kelapa Sawit Bukit Sagu, Peti surat 331, 26130 Kuantan, Pahang	11,684	Q4, 2012	Certified: 2014
27	Baiduri Ayu	Kilang Sawit Felda Baiduri Ayu, Peti Surat 29, Pos Cenderawasih, 91150 Lahad Datu, Sabah	7,450	Q4, 2013	Certified: 2014
28	Fajar Harapan	Kilang Sawit Felda Fajar Harapan, Peti Surat 27, Pos Cenderawasih, 91150 Lahad Datu, Sabah	13,668	Q4, 2013	Certified: 2014
29	Kembara Sakti	Kilang Sawit Kembara Sakti, Peti Surat 24, 91150, Cenderawasih, Lahad Datu, Sabah	10,208	Q3, 2014	2014/2015
30	Mercu Puspita	Kilang Sawit Mercu Puspita, Peti Surat 29, 91150, Cenderawasih, Lahad Datu, Sabah	12,734	Q3, 2014	2014/2015
31	Nilam Permata	Kilang Sawit Nilam Permata, Peti Surat 23, 91150, Cenderawasih, Lahad Datu, Sabah	8,359	Q3, 2014	2014/2015
32	Hamparan Badai	Kilang Sawit Hamparan Badai, Peti Surat 25, 91150, Cenderawasih, Lahad Datu, Sabah	17,212	Q3, 2014	2014/2015
33	Embara Budi	Embara Budi Peti Surat No. 28, 91105 Lahad Datu, Sabah	15,070	Q2, 2014	2014/2015
34	Lancang Kemudi	Lancang Kemudi, Felda Sahabat 45, Lahad Datu, Sabah	10,698	Q2, 2014	2014/2015
35	Kalabakan	Kilang Sawit Kalabakan, Peti Surat No. 62007, 91030 Tawau, Sabah	7,352	Q2, 2014	2014/2015
36	Umas	Kilang Sawit Umas, WDT 43, 91009, Tawau, Sabah	8,356	Q2, 2014	2014/2015
37	Trolak	Kilang Sawit Trolak, Pejabat POS Sungkai, 35600 Sungkai, Perak	6,899	Q3, 2014	Certified: 2014
38	Krau	Kilang Sawit Krau, Peti Surat 17, 28700 Bentong, Pahang	14,619	Q3, 2014	2014/2015
39	Pancing	Kilang Sawit Pancing, Peti Surat 257,	3,850	Q3, 2014	2014/2015

		25730 Kuantan, Pahang			
40	Neram	Kilang Sawit Neram, Pejabat Pos Mini Felda Neram 1, 26160 Kuantan, Pahang	15,262	Q3, 2014	2014/2015
41	Mempaga	Kilang Sawit Mempaga, 28600 Karak, Pahang	7,648	Q3, 2014	2014/2015
42	Chalok	Kilang Sawit Chalok, 21450 Setiu Terengganu	8,730.67	Q4, 2014	2014/2015
43	Sg Tenggi	Kilang Sawit Sg. Tenggi, Felda Gedangsa, 44010 Kuala Kubu Bahru, Selangor	7,320	Q3, 2014	2014/2015
44	Serting	Kilang Sawit Serting, Bandar Baru Serting, 72109 Jempol, Negeri Sembilan	17,947.93	Q3, 2014	2014/2015
45	Keratong 2	Kilang Sawit Keratong 02, Peti Surat 28, 26900 Bandar Tun Razak, Pahang	15,276	Q3, 2014	2014/2015
46	Keratong 03	Kilang Sawit Keratong 03, Peti Surat 21, 26900 Bandar Tun Razak, Pahang	12,036.48	Q3, 2014	2014/2015
47	Pasoh	Kilang Sawit Pasoh, 72300 Simpang Pertang, Negeri Sembilan	8,197.34	Q3, 2014	2014/2015
48	Kerteh	Kilang Sawit Kerteh, Beg berkunci No. 3, 23309 Ketengah Jaya, Terengganu	13,170.13	Q4, 2014	2014/2015
49	Selendang	Kilang Sawit Selendang, Pejabat Pos Kuala Rompin, 26800 Rompin, Pahang	13,944.20	Q3, 2014	2014/2015
50	Selancar 2A	Kilang Sawit Selancar 2A, Peti Surat 98, 85007 Segamat, Johor	8,399.40	Q4, 2014	2014/2015
51	Selancar 2B	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor	7,555	Q3, 2014	2014/2015
52	Jerangau Barat	Kilang Sawit Jerangau Barat, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	1,556	Q4, 2014	2014/2015
53	Jerangau Baru	Kilang Sawit Jerangau Baru, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	10,805	Q4, 2014	2014/2015
54	Palong Timur	Kilang Sawit Palong Timur, Peti Surat 2, 73400 Gemas, Negeri Sembilan	26,331	2014/2015	2015
55	Serting Hilir	Kilang Sawit Serting Hilir, 72120 Bandar Baru Serting, Negeri Sembilan	24,689	2014/2015	2015
56	Maokil	Kilang Sawit Maokil, Jalan Kilang, Rancangan Felda Maokil, 85300 Labis, Johor	8,777	2014/2015	2015
57	Tenggaroh	Kilang Sawit Tenggaroh, 86810 Jemalung, Johor	16,812	2014/2015	2015
58	Tenggaroh Timur	Kilang Sawit Tenggaroh Timur, Karung Berkunci No. 534, 81907 Kota Tinggi, Johor	4,420	2014/2015	2015
59	Keratong 09	Kilang Sawit Keratong 09, Peti Surat 32, 26900 Bandar Tun Razak, Pahang	7,810	2014/2015	2015
60	Kechau A	Kilang Sawit Kechau A, Peti Surat 16, 27207 Kuala Lipis, Pahang	15,963	2014/2015	2015
61	Kechau B	Kilang Sawit Kechau B, Peti Surat 57, 27200 Kuala Lipis, Pahang	8,712	2014/2015	2015
62	Ciku	Kilang Sawit Ciku, Peti Surat 29, 18300 Gua Musang, Kelantan	10,796	2015/2016	2016
63	Aring B	Kilang Sawit Aring B, Peti Surat 46, 18300 Gua Musang, Kelantan	6,920	2015/2016	2016

	64	Kemahang	Kilang Sawit Kemahang, Peti Surat 35, 17507 Tanah Merah, Kelantan	7,775	2015/2016	2016
	65	Tersang	Kilang Sawit Tersang, 27600 Raub, Pahang	10,044	2015/2016	2016
	66	Cini 2	Kilang Sawit Chini 2, 26690 Chini, Pahang	9,422	2015/2016	2016
	67	Cini 3	Kilang Sawit Chini 3, 26690 Chini, Pahang	7,730	2015/2016	2016
	68	Sampadi	Kilang Sawit Sampadi, Peti Surat 18, 94507 Lundu, Sarawak	7,680	2016/2017	2017
	69	Air Tawar	Kilang Sawit Air Tawar, 81900 Kota Tinggi, Johor		2016/2017	2017
	70	Pontian Plantation	Kilang Sawit Pontian Plantation, KM52 off Jalan Sandakan-Lahad Datu, PO Box 60525, 91114 Lahad Datu, Sabah	14,978	2016/2017	2017
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	All the outgrowers which supplies to Besout mill are planned to be in RSPO certifiable standard within three years after the mill certified.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ST-2</b>	<p><b>1. Mohan Thavarajah (Lead Auditor).</b> Mr. Mohan Thavarajah is an IRCA Lead Auditor and Lead Tutor for ISO 9001 as well as other integrated management systems (ISO 14001 and OHSAS 18001). He holds a Masters in Management of Technology from University of Technology Malaysia (UTM) and a Bachelor of Engineering from National University of Singapore (NUS). He has more than 25 years of experience in engineering, managerial, consultancy, training, and auditing in the industrial sector in Singapore, Malaysia, Indonesia, Thailand, Cambodia and other regional countries. Has successfully assisted corporations to establish, implement and maintain (Occupational Health Safety) OHSAS 18001 Management System, Environmental Management System (ISO14001), ISO22000 / HACCP Food Safety Management Systems and Quality Management System (ISO9001) by providing auditing, consultancy and training in the relevant areas for various manufacturing, engineering, plantation, service and government sectors. Currently he is the Intertek Regional Certification Manager. He was a CB Team member in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He was part of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2011.</p> <p><b>2. Taufik Margani (Auditor).</b> A bachelor of Forestry, Majoring in Forest Management Bogor Agricultural University in Forestry. He has led several audits for Forest Management in Indonesia under Accreditation Scheme of Indonesia Ecolabel Institute (LEI) and under scheme Forest Stewardship Council (FSC) and as Lead auditor for FSC Chain of Custody. Other experiences: Lead Auditor for Environment Management System, Quality Management System and RSPO. He has been working for independent Certification Body as General Manager for Resources Management Certification and he has conducted Environment Management System and RSPO audits in Indonesia and Malaysia. The roles for this assessment addressing for evaluating social aspect and workers regarding the Principle 6 and Supply Chain Certification System (SCCS) For CPO Mill.</p> <p><b>3. Octo HPN Nainggolan (Lead Auditor).</b> A bachelor of Agriculture, majoring of Social Economics of Agriculture (Agribusiness). He has a working experience since 2004 oil palm Plantation Company in Indonesia. Trainings attended namely: Training of Conservation of Natural and Biological Resources in supporting HCV, Basic Plantation Management Program, Plantation Integrated Pest Management training, Followed the Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environment Management System (ISO 14001:2004) , RSPO Lead Auditors Training Course, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and supply chain certification system training by BM Trada. Currently, he worked at Professional Certification Body. In the assessment activity, he assessed on best management practices, FFB Processing, Integrated Pest Management System, Agrochemical use and social aspect.</p> <p><b>4. Bukti Bagja (Auditor)</b> Indonesian citizen, Master of Science in the field of Environmental Sciences, University of Indonesia. Training he has followed are: awareness of RSPO certification system. He has followed several activities GAP Analysis of the RSPO Principles and Criteria implementation in several oil palm plantations in Indonesia as assessor. Besides that he is also involved in several assessments HCV / HCV as an assessor with the specifications in the field of GIS (mapping). He has expertise in mapping such as ArcGIS, MapInfo, Global Mapper, ER Mapper, Erdas Imagine. In this activity, he has assessed for environment aspect, land conservation, water conservation and management of waste. In this assessment he assessed on environment aspect, Erosion &amp; Land Degradation, High Conservation Value, Environment Aspect.</p>
<b>ASA-1</b>	<p><b>1. Oktovianus Rusmin (Lead Auditor).</b> Indonesian Citizen. Bachelor's Degree in Social &amp; Political Sciences Department of Anthropology. Specialist in the field of Social and Cultural (Social Impact &amp; Conflict Resolution) and HCV. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001 Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSPO Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions and was approved as HCV assessor by RSPO for Social Discipline Specialist. Have been involved in several palm oil certifications as Auditor and Lead Auditor. In ASA 01, he conducted an assessment on Social Aspect and Worker Rights.</p>



2. **Trismadi Nurbayuto (Auditor).** Associate Forestry from the Forestry Faculty of IPB and Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, IPB. Specialists in the Environmental Social Impact Assessment (SEIA) and the High Conservation Value (HCV). He participated in HCV Management Training, Indonesian Sustainable Palm Oil (ISPO) Auditor, In House Training RSPO; training of ISO 9001:2008 Quality Management System, ISO 22000:2005 Food Safety Management System, and ISO 14001:2004 Environmental Management System. Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the activities of SEIA and Identification of HCV in Palm Plantation. Currently has been several times following audit activities related to sustainable palm oil certification system as an auditor. During the assessment the auditor assessing Best Agricultural Practices & Conservation aspect.
3. **Dinesh Nadarajah (Auditor).** Founder and managing director of MALAYSIANA EHS Consultants Sdn Bhd, a specialist environmental consultancy company. He has more than 20 years experience undertaking consultancy assignments in Environmental Impact Assessments (EIA), Environmental Management Plans (EMP), Wildlife Management Plans (WMP), Environmental Screening & Scoping Studies (ESS), Environmental Audit (Legal compliance, Eco-label, ISO 14001 EMS), ISO 14001 Environmental Management Systems, (EMS), Environmental Training including Environmental Law, Integrated Management System (IMS) covering ISO 14001, OHSAS 18001 Occupational Health & Safety Management Systems, ISO 9001 Quality Management Systems (QMS) and/ or Hazard Analysis and Critical Control Point (HACCP), RSPO, Waste Management, Chemical Health Risk Assessments (CHRA) and Emergency Response Plans (ERP) within a wide range of sectors in the region. He has conducted more than 850 training programmes for a diverse range of clients throughout South East Asia. During the assessment, he conducted an assessment on Best Practices Mill and OHS aspect.
4. **Mahaswaran Malipayan (Auditor):** Malaysian citizen, more than 15 years working experience in various industries in Malaysia that covering the full spectrum of Quality and Environmental Management System. As certified Lead Auditor and being the Principle Consultant. He too has vast exposure and experience in Quality Environmental Management System as well the Occupational, Health and Safety auditing. He owns proven track records of auditing various multinational companies both locally and internationally. In this assessment he assessed on Environment Aspect, safety and health, good in local language. In ASA 01, he conducted an assessment on Legal aspect, Planning & Supply Chain Certification System (SCCS).

### 2.2 Assessment Methodology, Assessment Process and Locations of Assessment

#### 2.2.1 Figure of person days to implement assessment

ASA-1	Number of auditor : 4 auditors
	Number of days for <b>ST-2</b> at site : 5 days
	Number of working days for <b>ST-2</b> at site : 20 Working days

#### 2.2.2 Assessment Process

ASA-1	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Besout Mill - FELDA to the requirements of Malaysian National Interpretation (MY-NI) 6 <sup>th</sup> March 2015 and Supply Chain Requirement for CPO Mill, November 2014
	The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i> , aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ( <b>ASA-2</b> ).
	Number of units in this certification activity is 7 (seven) estates: Besout 01 Estate, Besout 02 Estate, Besout 03 Estate, Besout 04 Estate, Besout 05 Estate, Besout 06 Estate, and Besout 07 Estate, which supply the raw material (FFB) to 1 (one) palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Besout Palm Oil Mill and 3 (three) estates (Besout 2, Besout 05 and Besout 06).

Improvement of findings from main assesment findings were observed by auditors at this **ASA-1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1**.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-1</b>	<p><b>Besout Palm Oil Mill:</b></p> <ol style="list-style-type: none"> <li><b>1. Supply chain verification.</b> Observation and interview with the operators regarding their job descriptions and responsibilities. Ensuring the operators' awareness on the Supply Chain System applied in the work.</li> <li><b>2. Processing Stage (from Loading Ramp to Dispatch):</b> observation on the processing steps of the FFB to become Crude Palm Oil (CPO), the implementation of OHS, the mill's emergency response facility, and First Aid facility.</li> <li><b>3. Hazardous Waste Temporary Warehouse.</b> Observation on the hazardous waste management that shall comply with the applicable regulations and interviews with the warehouse staff regarding the procedure of hazardous waste management, and the availability of the facilities to handle contamination and exposure.</li> <li><b>4. Water Treatment Plan:</b> observation on the pre-processed clean water supply.</li> <li><b>5. Waste Water Pond/ Disposal:</b> observation on how to handle the mill's effluent and the WWTP's condition which is well-maintained without any leakage and runoff.</li> <li><b>6. Methane captures installation.</b></li> <li><b>7. Workshop.</b> Observation on the safety signboard is available. The first aid box is available but the content of the first aid box is not complete.</li> <li><b>8. Chemical Store.</b> Observation on the chemical storage and the way the kept all the chemicals. The ventilation and security is proper.</li> <li><b>9. Worker interviews.</b> There some workers that the auditor interviewed and some of them are aware about OSH, sexual rights, and religious rights and racial. They are well aware on the pay and contract agreement between the employer and employee.</li> <li><b>10. Local Contractor office,</b> interview the local contractor</li> </ol> <p><b>Besout 2</b></p> <ol style="list-style-type: none"> <li><b>1. PKT 01 – 05.</b> Auditor was observed the boundary stones, the boundary stones condition are maintenance.</li> <li><b>2. FTP 02, PKT 1, Block 06.</b> Observation the EFB Mulching activities with doses 20 ton/ha, this is under budget (40 ton/ha).</li> <li><b>3. Block 9.</b> Field Observation the bagworm attacked area, and also there is NPK fertilizing activities. Interview with fourmigrant workers regarding the PPE use, complaint mechanism, payments, facilities given by the company, labour permit social and health insurance.</li> <li><b>4. Block 14.</b> Field observations and interviews on spraying activities by contractors. Observation the spraying technique and interview with the workers regarding safety and health implementation , medical screening, minimum wage, contract agreement, worker facilities, complaint mechanism, health and social insurance.</li> <li><b>5. Block 15.</b> Observation the harvesting activities regarding harvesting criteria and interview with fourmigrant workers regarding the PPE use, complaint mechanism, payments, facilities given by the company, labour permit social and health insurance.</li> <li><b>6. Block 15.</b> Interview with Peneroka related the harvesting activity which bound with the local contractors to conducting the harvest. Interview with the contractor and the contractor workers regarding labour permit, safety and health (PPE use and availability), insurance, minimum wage and payments.</li> <li><b>7. Block 29.</b> Interview of smallholders (peneroka), self manage</li> <li><b>8. Boundary Stone,</b> check the boundary between Besout 2 &amp; 4</li> <li><b>9. Workers Quarters,</b> observation workers quarter &amp; supporting facilities</li> <li><b>10. Landfill,</b> Observation of domestic waste management</li> <li><b>11. Local Contractor Office,</b> interview the local contractor</li> </ol> <p><b>Besout 5</b></p> <ol style="list-style-type: none"> <li><b>1. Block 3.</b> Observation the harvesting activities regarding harvesting criteria and interview with fourmigrant workers regarding the PPE use, complaint mechanism, payments, facilities given by the company, labour permit social</li> </ol>

- and health insurance.
2. Block 01, check the boundary stones
  3. **Workers Quarters**, observation workers quarter & supporting facilities
  4. **Chemical Store**. Observation on the chemical storage and the way the kept all the chemicals. The ventilation and security is proper.
  5. **Disposal Area**, observation of Management –signage, hoarding, waste in pit.
  6. **Boundary Stone**, check the boundary Stone lot 981
  7. **Block 9**. Interview of smallholders (peneroka), self manage

**Besout 6**

1. **Block 18**. Observation the harvesting activities regarding harvesting criteria and interview with fourmigrant workers regarding the PPE use, complaint mechanism, payments, facilities given by the company, labour permit social and health insurance.
2. **Block 24**.Field observations and interviews on spraying activities. Observation the spraying technique and interview with the workers regarding safety and health implementation , medical screening, minimum wage, contract agreement, worker facilities, complaint mechanism, health and social insurance.
3. **Block 3**. Field observation the peat area management, there have been one water level gauge at drainage and subsidence stakes at centre of block.
4. **Block 15**. Field observation the replanting activities (years of planted 2015), the replanting are using mechanical. However the peat area management is still lacking.
5. **Block 28**. Field observation the IPM activities, there is one Barn Owl Box (BOB) and also there is Beneficial Planted i.a. *Turnera subulata*, *Cassia cobanensis*, and *Antigonon leptosus*.
6. **Nursery**. Observation the Nursery activitiesand interview with fourmigrant workers regarding the PPE use, complaint mechanism, payments, facilities given by the company, labour permit social and health insurance.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1</b>	Summary of stakeholder consultation process Consultation of stakeholders for <i>Besout Mill – Felda Global Ventures, FELDA</i> was held by: Public Notification on CB's website at 14 September 2015. Public consultation to NGO by sending questionnaire at 29 September 2015. Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted at 5 October 2015 by FGD interviews with local peoples. Numbers of input from stakeholders were clarified by <i>Besout Mill – Felda Global Ventures, FELDA</i>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	<i>The next visit (ASA-2) will be determined nine month to one year after ASA-1 ( October – December 2016).</i>

### 3.0. ASSESSMENT FINDINGS

#### 3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Besout Palm Oil Mill under FELDA operation that consisting of 1 (one) Palm Oil Mill: and supplied by 7 (seven) estates: Besout 01 Estate, Besout 02 Estate, Besout 03 Estate, Besout 04 Estate, Besout 05 Estate, Besout 06 Estate, Besout 07 Estate

During the assessment, there were *eleven (11)* Nonconformities were assigned against Major Compliance Indicator; *sixteen (16)* nonconformity were assigned against Minor Compliance Indicators; and *five (5)* opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record, photographic, etc. ).

Those corrective action for 11 Major non-conformity was verified; eleven (11) Major non-conformity was closed out and sixteen (16) Minor non-conformity still open status and five (5) opportunity for improvement shall be verified during next assessment.

MUTUAGUNG LESTARI found that Besout Palm Oil Mill- FELDA complied with the requirements of Malaysian National Interpretation (MY-NI) 6<sup>th</sup> March 2015 and Supply Chain Requirement for CPO Mill, November 2014

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
<p>There is a procedure “ML-1A/L2-PR3 (0)” describes the process of request for information by stakeholders. Seen there is stakeholder list established containing members with informations on stakeholders available, such as contact numbers, address and the relation or their nature of business or organization.</p> <p>There is no evidence available that stakeholder list being updated regularly and their identity been verified as seen the current list without date of preparation and acknowledgement by the management. JCC [Joint Council Committee] being used as platform reaching stakeholders to provide adequate information to relevant stakeholders. However during audit, there was no stakeholder or JCC meeting minutes that proves the scheme managers has provided adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria for effective participation in decision making.</p> <p>Monthly JCC meeting minutes effectively maintained by Felda/FTP. SOP for communication, participation and consultation, document [FPI/L2/QOHSE-6.0] dated 02/01/2008 stated that the time to response is within two weeks. Seen the record of requests for information and responses recorded in the established form titled “Rekod Permohonan dan Maklum balas”.</p>		
1.1.1	Status: Non Compliance 2015.1 Minor	Open
1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
There are set of documents in folder “C1.2 – Dokumen Pengurusan” consisted of documents that to be publically		



available. Seen the latest EIA, HCV report, stakeholder questionnaire, booklet of Law of Malaysia – Land Acquisition Act 1960 and etc. Confidential documents such as pay slip of workers, contract agreements and financial statements are not disclosed if and when permitted by the scheme managers.

Based on stakeholder consultation and field visit interviewed with a few smallholder (*peneroka*) that knows if Felda was maintain their communication to community surround and another parties. For example, Felda has been share many good things happening now and then, such as awareness on fire fighting and basic knowledge realated to oil palm plantation. There is no significant negative issues or complaint to Felda Besout in related of plantation and mill operations.

**Status: Comply**

### 1.3

#### Growers and millers commit to ethical conduct in all business operations and transactions.

Policy “Polisi kod etika Kerja dan Intergriti” dated on 01/06/2014, approved by CEO of FGV. Seen the policy in Bahasa Malaysia was established, documented and effectively displayed in the meeting room. Sighted the policy includes code such as no bribery in workplace, no self-interest at all time, truthful & dedication in work and always maintain professionalism. Interview with foreign workers and local staff who able to explain to the audit team at least the contents of the ethical policy.

**Status: Comply**

## PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

### 2.1

#### There is compliance with all applicable local, national and ratified international laws and regulations.

The procedure is “Perundangan dan lain-lain Keperluan” [FGVPM/L2/PP-02]. Seen a matrix table available to track the compliance thru “Laporan Kepatuhan Dan Ketidakpatuhan Undang-Undang”. The sites maintain a document reminder for the annual renewal of license, permits and certificate. Some of the legal requirements listed are inclusive of Factories & Machinery [Safety & Health & Welfare] Reg. 1970, Akta Bekalan Elektrik 1990 [Sec. 9], Occupational Safety & Health [Act.1994] and Environmental Quality Act 1974 [Sec. 12]. The Mill Manager Mr. Ghazali is the responsible person to co-ordinate with HQ for any changes in the requirements as well to update the internal members on the revisions. The distribution of revisions is centralizing in HQ and email communication evidence for any changes / notification to all the operating units. This mill is certified on ISO 9001, ISO 14001 and OHSAS 18001.

Below non-conformities were found during site visits:

- Evidence of open burning at Besout 06 and 05 residential areas.
- Schedule waste management is not in accordance to EQA 1974, Reg. 2005 [notification, inventory and information of the waste not sighted].
- Fire certificate for mill was not sighted as per Fire Services [Fire Certificate] Reg. 2001.
- Permission to purchase and use of “Monocrotopos” – letter from department of Agriculture dated on 30/09/2015 [ref. dlm PPBPT.09/25.02 (3)]. However it was observed the letter carries the same reference number as Besout 02 but manually corrected to be 05. **NCR 2015.2. 2.1.1 Major**

#### 16 November 2015

The management unit has been sighted evidence of :

#### Besout 5 :

##### a. Open burning forbidden:

- Warning sign board for forbidden of open burning was installed at residential area
- Warning Letter for forbidden of open burning, dated 26/10/2015, issued by manager of Felda Besout 5
- Official Report of Socialization of forbidden open burning, dated 22/10/2015
- Attendant List of Socialization of forbidden open burning.

##### b. Schedule waste management.

An evidence of notification, inventory and information of the waste is not yet sighted

##### c. Fire certificate for mill

- Application letter (Number (27) 4030/BS/840A/25, dated 15 October 2015) from Manager of Besout POM to Fire Fight Agency in Perak
- Letter from Head of Fire Fight Agency in Perak (dated 19 October 2015) as respond to letter from Manager of Besout POM

d. Permission to purchase and use of "Monocrotopos":

- Application Letter Number (1) 9264/1.1.1 dated 29 October) 2015, from Manager of Felda Besout 5 to Agriculture Agency of Perak in related to permit for pay and use monocotrophos and paraquat
- Letter Number PPBPT.09/25.02 (3), dated 29 October 2015, issued by Agriculture Agency of Perak in related to permit for pay and use monocotrophos and paraquat for Besout 5.

### 22 November 2015

The management unit has been sighted evidence of:

Open burning forbidden:

- Warning sign board for forbidden of open burning was installed at residential area
- Warning Letter for forbidden of open burning, dated 16/11/2015, issued by manager of Felda Besout 6
- Attendant List of Socialization of forbidden openburning.

### 30 November 2015

- Instruction from Manger of Besout 5, dated 15/10/15 regarding handling of empty containers.
- Signage No reuse of chemical containers

Based on evidence was sighted, the NCR is **Closed with Observation** for Fire certificate for mill.

Seen the record of "Keperluan Daftar Perundangan" serve as a guide to measure the compliance of applicable laws and regulations was last updated and reviewed on 04/06/2014. It was identified the list was not updated according on the new development in the regulations, such as Environmental Quality (Clean Air) Reg.1978 should be read along with Environmental Quality (Clean Air) Reg. 2014. Also sighted the Occupational Safety & Health (Classification, Labeling and Safety Data Sheet of Hazardous Chemicals) Regulations was revised to 2013 however the master lists remain with 1997. **NCR 2015.3, 2.1.3 Minor**

**2.1.1 Status:Non Compliance 2015.2 Major**

**Closed with Observation**

**2.1.3 Non Compliance 2015.3 Minor**

**Open**

### 2.2

**The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

The mill is located in the land of Felda Besout 01 and is surrounded by fencing at  $\frac{3}{4}$  of the perimeter and the balance dividing Felda settlers by trenches. There are 34 land titles are available that within Perak state, Batang Padang district and sub-district of Hulu Bernam Barat. Sighted the SDHS - "Salinan Dokumen Hakmilik Sementara" dated on 08/11/2012 – ref (04)14/06/01-36. 100% verified land titles against the SDHS and found no issues.

The management appointed Norhishamudin Shah [letter dated on 09/06/2014] as the coordinator for monitoring boundary stones. Besout 05 is surrounded by Independent smallholders, United Plantations and other Felda plantations [Besout 06] and there is no reserve land or forest adjacent. There is no proper monitoring control and records available for number of boundary stones and census activities. During field visit, sighted there are boundary poles at along the Lot 918 and 936 which adjacent to government reserve land, however the reserve lands seen were planted with oil palm.

**NCR 2015.4, 2.2.2 Minor**

**2.2.2 Status: Non Compliance 2015.4 Minor**

**Open**

### 2.3

**Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

FELDA is the government agency which founded to manage the resettlement of farmers (given by government or Kerajaan) and developed areas and to organize smallholder farms of palm oil plantation; and also managed the government's land for palm oil plantation. There was clear for all the land ownership under FELDA managing which had no need compensation regarding the land status or the customary rights.

There was no occurred the compensation regarding the land ownership and/or customer rights issues, but the company (FELDA) has procedure for compensation calculating (ML-1A/L2-PR12(0) Issued March 2012. In the procedure mentioned that the resolution will be processed with the involved parties regarding the issues raised and based the negotiation the compensation will be given in accordance with the calculating of compensation and all of negotiation will be involved the government agency such as Pejabat Tanah dan Jabatan Kemajuan Orang Asli (or the land government agency and the origin communities government agency).

Based on stakeholder consultation and interviewed with smallholders was knows that no customary rights noted and no negotiated agreements as the land title from state government dated in from 1960 – 1970. FELDA is the government agency which founded to manage the resettlement of farmers (given by government or Kerajaan) and developed areas and to organize smallholder farms of palm oil plantation; and also managed the government's land for palm oil plantation. There was clear for all the land ownership under FELDA managing which had no need compensation regarding the land status or the customary rights.

**Status: Compliance**

### PRINCIPLE #3 Commitment to long-term economic and financial viability

#### 3.1

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

As for mill, the management plan established on 4 yearly bases. Mill assistants are assigned to monitor the progress of the management plan and gauge against the actual performance. The mill started operation in 1981 with a capacity of 54 MT FFB/hr and was upgraded to 60MT FFB/hr in April 2015. As at present, the mill is capable of processing 1200 MT of FFB per day that accumulates to 31,200 MT per month [26 processing days]. The mill has no plan for plant expansion. The mill processing 60% FFB from certified owns estates [supply bases as appears in reports] and 40% from non-certified supply base [Baktimas Bina S/B, Kimma Trading, Heng Huat Latex, etc]. There are 4 scheme smallholders supplying FFB to mill [Samingan, Muhd Ali, JKKR Besout 1 and 4].

CPO processed, OER and KER data seen captured effectively in Mill Processing Report. Bio-gas plant operation was started since July 2009 that energy produced for mill operation and domestic use. In 2014, the total energy produced was 5'065,540 KWH [turbine 4,571,813 KWH, genset 155,313 KWH and gas engine 338,414 KWH]. In FGV, the management practice is annual business plan that stipulated in "Budget Tahunan". However there are other related documents such as replanting program, nursery management and crop projections available separately. Group Agriculture Policy and estate's SOPs are regularly being brief to workers during master call and records of attendance for classroom made available. The replanting programme contained in the "Program Tanam Semula dan Peta Rencana Replanting". In the report sighted for 2 years replanting programme – 2014/15 → 2015/16.

**Status: Compliance**

### PRINCIPLE #4 Use of appropriate best practices by growers and millers

#### 4.1

**Operating procedures are appropriately documented and consistently implemented and monitored.**

FELDA have been able to show Procedure and Manual for operating the mill, for example Manual Operasi Kilang Sawit for each station in the process of palm oil production from weighbridge to storage, Manual for Laboratory (sample tacking, laboratory use tool, chemical material provision, calibration, determination, water analysis) and Occupational Safety and Health Procedure (general safety, loading ramp, press operation, etc.). The estate procedure called *Manual Ladang Sawit Lestari* establish on 1 June 2012 start from Nursery, replanting, immature plant maintenance, mature plant maintenance and harvesting, upkeep (fertilizing and quality monitoring). All of SOP has been distributed to each of the Estate or Mill with a language that can be understood by all workers.

Felda will conduct periodic monitoring to ensure that all operations in accordance with the SOP by Mill Advisor and Plantation Advisor, for example Mill Advisor was conduct at 11 – 12 August 2015, FFB Processed as of July 2015 at 16,620 ton was 18% above the budgeted figure of 137,310 ton with satisfactory UF of 86%. OER & Oil Losses, KER & Kernel Losses: The OER achieved as July 2015 at 19.27% was 0.84% below the budgeted figure of 20.13% and had declined as compared to the same period of 2014 (20.25%). The KER achieved of July 2015 at 5.66% was below the budgeted figure of 6.00%. The achievement was also below the same period of previous year achievement of 5.98%.

Besout 2 has already Agronomist Report at June 2014, however it's has not been able to show Agronomist Report year of 2015. **NCR. 2015. 5, 4.1.2 Minor**

**OFI:** Consideration to take action on the following:

- Implementing GAP for Palm Oil at smallholder plots where under planting at mature stands was observed
- Implementing GMP for kernel storage at the mill and rejected bunches at the ramp

Besout Mill have been received FFB from third party, among others: Cooperative, supplier dealer (Sern Lee Enterprise SDN, BHD), KIMMA Trading, Bakti Mas Bina SDN BHD, supplier Estate (RSS SDN BHD (RISDA)),

Independent Supplier(Samingan BinYusof, MohamedAliBinHassan, MohammedAliBinHassan).

The mill is certified by an accredited 3<sup>rd</sup> party certification body to ISO 9001, ISO 14001 and OHSAS 18001 and documented operating procedures were being implemented. The operations of the automated sterilizers was inspected where the control panel at the control room was sighted and operations of the screw presses were within stipulated parameter limits that were indicated on the pressure gauges at the plant. Boiler No 3 was being operated by competent personnel and the control room was sighted. The biogas plant was not operational but the POME treatment ponds were being operated and consistently complied with discharge standards. At the mill there was opportunity for improvement of kernel storage and disposal of rejected bunches at the ramp .

The Besout 6 Nursery is certified by MPOB to the Code of Good Nursery Practice for Oil Palm Nurseries where the key procedures of selecting seed stock and culling operations was carried out by Felda Agricultural Services (FAS). At some smallholder plots, there was inconsistent implementation of replanting procedures where under

**4.1.2. Status: Non Compliance 2015.5Minor**

**Open**

## 4.2

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

FELDA have been annually implementing the fertilizer use to increasing productivity, several fertilizer use are NK mixture 24, Kieserite, Rock Phosphate. The effort made by the management unit to maintain and increase fertility is by regular manuring activities realized achieves 85% according to the recommendations in 2014. The example in Besout 6 estate, PR13T Block 31 covering an area of 132.99 ha with the amount of 21,750 Kg of NPK fertilizer; MOP 9,000 Kg; and NK MT 37,950 Kg.

Not all the area in Besout 2 estate manage by FELDA or FELDA techno Plant (FTP), and several smallholders' areas are manage by them (individually), however FELDA still responsible inform to all the smallholders about fertilizer recommendation from the leaf and soil sampling analysis. There was evidences of leaf sampling and soil sampling records annually for monitoring the soil nutrient and plant which conducted by Felda Agriculture Services SDN, BHD (FASS), for example the sampling taken January 2015 at Besout 2 & Besout 5; and also on February 2015 at Besout 6. While record of manuring at Besout 5 (Independent Smallholders) it's has been realized in an area of 52.18 ha; for example, as much as 2,956 kg MOP fertilizer to an area of 7.99 ha (two farmers). According to field observation in Besout 2, Block 9 (FTP) is Manuring NK 12.6/24.0 (3,750 Kg or 150 bag) with 6 workers.

The management unit have monitored the implementation of the EFB application which record in *Rekod Tandan Kosong* document describing the daily basis application, date of application, vehicle number, amount of EFB, the application of empty fruit bunches (EFB) was done with a standard 35 ton/ha. The example on April 2015 has been widely applied to 247.88 ton at Besout 2 Estate and Besout 6 Estate has applied to 247.88 ton. During the assessment the auditor have observe the implementation of empty fruit bunch application in Besout 2 estate and Besout 6 estate.

**Status: Comply**

## 4.3

**Practices minimize and control erosion and degradation of soils.**

Management units has implemented soil conservation techniques, nevertheless there are still lack evidence of appropriate slope and soil map as basic information for soil conservation. **NCR 2014.02 Minor 4.3.1**

### Observation 6 October 2015

There was a topographic maps and maps of soil series in Besout 1 and Besout 7.

Based on evidence was sighted, the non conformity is **Closed**

According to review of documents, its available the soil maps and topographic maps to explain the distribution of the existing marginal land, however Besout 2 and Besout 5 have not been able to show a topographic map.

**NCR. 2015.6, 4.3.1 Major**

### 16 November 2015

The management unit has been sighted an evidence of:

- Soil Map for Besout 2, Phase 1 A & 1 B
- Soil Map for Besout 5, Phase 1 & 2

Based on evidence was sighted, the NCR is **Closed**.



Based on the field observations in Besout 2, there is an area with steep and very steep slope. Some areas has been made terracing to prevent soil surface erosion. And also based on field observation at block 14 Besout 2 with steep slope area has been applied to the preparation of midrib with L-Ship method to prevent surface erosion. In addition the results of a field observations to the replanting area in block 13 (PR15V) Besout 6, it's has been planted *Mucuna bracteata* as a cover crop soil surface.

The all unit has made a road maintenance program and has been realized in June 2015, for example: road repair program in 2015 at Besout 6, road maintenance along 71,082.73 m (main road) and the improvement of collection road along 183,733.41 m. Until the May 2015 has applied the road maintenance along the 6.550 m (main road) and 2,877 m (collection road).

There are peat in the form of spots in Besout 6 an area of 123.24 hectares. That were located in block 3, block 15 and block 31. The Blue Print (long term program) for water management will be made when replanting activities in 2016 and 2017. However According to field observation there were found one water level gauge and one subsidence pole on Block 3. There was no evidence that the Besout 6 has monitored the peat soil subsidence and water level at all peat area (Block 15 & 31) which refer to the RSPO on BMP's for existing oil palm cultivation on peat, June 2012.

#### **NCR 2015.7, 4.3.4 Major**

##### **22 November 2015**

The management unit has been sighted an evidence of:

- Subsidence pole was installed but only sighted the evidence for block 15.
- Monitoring of peat subsidence but only sighted evidence for block 15.

##### **30 November 2015**

The management unit was sighted evidence of:

- Monitoring of water level at Block 15 & 31
- Picture of piezometer was installed but it is not clear (the evidence is refer to block 15 or block 31?)
- Evidence for monitored of peat subsidence at block 15 and 31 **not yet sighted.**

##### **02 December 2015**

The management unit has been sighted an evidence of:

- Picture of piezometer was installed in Block 15 & 31
- Evidence for monitored of peat subsidence at block 15 and 31.

Based on evidence was sighted, the NCR is **Closed** with **Observation**. The effectiveness and consistency of monitoring process will observe on next audit.

4.3.1. 4.3.4.	<b>Status: Non Compliance 2015.6 Major</b>  <b>Non Compliance 2015.7 Major</b>	<b>Closed</b> <b>Closed with</b>  <b>Observation</b>
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#### **4.4**

##### **Practices maintain the quality and availability of surface and ground water.**

The management unit has made the protection of riparian area. Based on field visit, the auditor was observed Chawang river in Besout 1: provide adequate sign board Buffer zone and the sign board No Trespassing and Using Chemicals, and remove the letter of notification or warning or provide an explanation on a ban on pesticides and fertilizer in the buffer zone to the staff, workers, contractors and settlers.

Palm Oil Mill water resources from the Chawang River, the water monitoring program is carried out every month on the upstream and downstream by accredited laboratory. However there's no result of water quality analysis year of 2015 for outgoing water into natural waterway (S. Chawang) in Besout 1 and Besout 7. **NCR 2015.8 , 4.4.1 Minor**

Management unit has a permit / license for disposal of waste water into natural water bodies from local government. The license was issued on April 2014, number 004230. Field verification showed that the disposed waste water had passed the Waste Water Treatment Plant and had met the requirement of water quality.

Results of testing the quality of mill effluent each month has been stored properly, as an example of the test results in August 2015, all parameters is comply with regulation for example outlet parameters: pH: 8.69; BOD: 60; COD: 327; SS: 126; TS: 4161; AN: 44; TKN: 77. Results of testing has reported to *Jabatan Alam Sekitar Negeri Perak* every 3 month. Average of water usage for processing TBS from January to September 2015 is 0.55 m<sup>3</sup>/ton.

For monitoring of rainfall, the management unit has rainfall monitoring station in every estate (rain gauge). Measurement and recording done every day. As an example, recent three months data of Besout 6 shows that average of rainfall in August was 148.7 mm, July was 225.5 mm, and June was 143.5 mm.

<b>4.4.1.</b>	<b>Status: Non Compliance 2015.8 Minor</b>	<b>Open</b>
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#### **4.5**

##### **Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

FELDA provide the pest management technique in procedure of *Pengawalan Ulat Pemakan Daun (UPD) di Ladang Sawit and Prodeur Penanaman Tumbuhan Berfaedah Untuk Kawalan Jangka Panjang Ulat Pemakan Daun* which explain how to control the oil palm tree caterpillar with cultural, biology and chemical concepts. The procedure also explain the mechanism of beneficial plant to increase the population of caterpillar natural enemies.

Besout complex estates maintain all the records of barn owls in monthly basis. Number of Barn Owl Box (BOB) which has been installed in Besout 6 is 47 units, Besout 2 is 34 units and Besout 5 is 10 units. It also has to be monitored monthly rat attacks. Results of monitoring the average level of rat attacks decreased after the installation of BOB. For example the results of monitoring in the rat attack Besout 5 in 2015 by 16%, smaller than the attack rate in 2014 by 25%. According to field observation at Block 26, Besout 6; Block 9, Besout 2; and Block 5, Besout 5 throughout the BOB is in good condition and there is evidence that the owl is still active from the bones of mice.

Records of pesticides by the management unit are well maintain, for example in Besout 5 the 2015 bagworm attack 70.00 ha was control on June 2015 using the Hextar Cyper 5.5EC with active ingredient alphacypermethrin. The dosage use 900 ml/ha with totally use 63 liter.

According to field visit in Besout 2 there are a few blocks infected leaf eating bagworm, for example at block 11 and block 12. However, the management unit has not been able to show the evidence early warning system of pests as well as programs to prevent the next attack. **NCR 2015.9, 4.5.1 Major**

#### **22 November 2015**

The management unit has been sighted an evidence of:

- Letter from Manager of Besout 2, Number: 3170/RSPO, dated 15 October 2015 related instruction to action taken for attack of bagworm.
- Minutes meeting of Socialization about bagworm to smallholders.
- Attendant list of meeting of Socialization about bagworm to smallholders.
- Documentation process (pictures attached)

Based on evidence was sighted, the NCR is **Closed**.

The Besout 5 and Besout 6 have conducted the IPM training each of at the May 12, 2015 and at the October 2<sup>nd</sup>, 2015. However, Record of IPM training was not available on Besout 2. **NCR 2015.10, 4.5.2 Minor**

<b>4.5.1.</b>	<b>Status: Non Compliance 2015.9 Major</b>	<b>Closed</b>
<b>4.5.2.</b>	<b>Non Compliance 2015.10 Minor</b>	<b>Open</b>

#### **4.6**

##### **Pesticides are used in ways that do not endanger health or the environment**

The chemical weeds control information such as dosage use, type of active ingredient use according to type of weeds contain in procedure of *Manual Lestari 1A* number ML-1A/L3-GP1 (0) about justification of chemical use. The units also have working instruction which guide the chemical mixing, quantity of chemical use and also the safe working practice.

Pesticides use by the unit are GC Paraquat (e.g. paraquat dichloride), JURU 20F (metsulfuron methyl), Garlon 250 (triclopyr butyl), ECOMAX (glyphosate isopropylamine), ROUNDUP RAINGUARD (Glyphosate), BASTA 15 (glufosinate ammonium), Blocus Beta (betacyfluthrin), Furadan (Carbofuran), Hextar Cyper 5.5EC (cypermethrin), Bullet 55 (Monocrotophos), Ebor Baits (Warfarin), and Butik (Chlorophacinone). Based on field visit observed and interviewed

with the spray operator in Besout 6 Block 24 Division M09Q and Besout 2 Block 19 Division 1 that knows if pesticide not mixing on site but was mixed in store area and the operators was used properly PPE (gloves, goggles, mask and boots).

During the assessment audit team also check the chemical storage and found all the herbicides are comply with the registered list. However based on interview with management and document observation, it has not been able to show that pesticide reduction plan with categorized as WHO Class IA (Chloropachinone/Butik) and Class IB (Warfarin/Ebor Bait). **NCR 2015.11.4.6.4 Minor**

<b>4.6.4.</b>	<b>Status: Non Compliance 2015.11 Minor</b>	<b>Open</b>
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**4.7**  
**An occupational health and safety plan is documented, effectively communicated and implemented.**

OHS Policies were displayed at the mill and estates and were being implemented. Besout POM and estates have established OHS Plans and there was evidence that these were at various stages of implementation. At POM and Besout 6, OHS objectives and targets have been established. Whilst it is noted that POM has developed a specific action plan to manage noise exposure, there were lapses in timely implementation of the action plan.

**NCR 2015.12. 4.7.1 Major**

**30 November 2015**

The management unit has been sighted an evidence of:

- Evidence of hearing conservation programme training notes.
- Attendant list of 71 participant, dated on 06 November 2011.

Based on evidence was sighted, the NCR is **Closed**.

At the estates there was evidence that new pesticide stores had been constructed and/ or were being completed, PPE had been purchased and issued to workers, training conducted, First aid kits provided and at Besout 6 new tractor trailers for safe transport of workers have been used.

HIRARC procedures have been implemented at the POM and estates and actions to control significant risks identified have been specified. As there were no major changes at the mill and estate operations the HIRARC, SOP and control measures generally remain the same, i.e. the HIRARC for the mill covered the boilers, biogas plant operation and confined space, etc. CHRA reports were sighted at Besout 6 & 2, Safety Data Sheets were sighted at the pesticide and chemical stores and containers were labelled at the stores inspected at the mill and estates.

At the mill an EHS training plan for 2015 has been approved by management and was being implemented. At the estates there was inadequate training in safe work practices, inadequate/ incorrect PPE for pesticide handling and inadequate safety tools used for harvesting by workers, contractors and/ or smallholders. **NCR 2015.13. 4.7.3 Major**

**16 November 2015**

The management unit has been sighted an evidence of:

Besout 2:

**Not yet sighted**

Besout 5:

- Letter about Instruction for PPE Use (number (01) 4.7.3/3264, date 19/10/2015), issued by Manager of Felda Besout 5
- Attendant list of Training for PPE Use
- Official Report of Training PPE Use
- Documentation of sample PPE Use properly (picture)

Besout 6:

**Not yet sighted**

**22 November 2015**

The management unit has been sighted an evidence of:

Besout 6:

- Record of new PPE delivery to the workers.
- Attendant list of Socialization for PPE using

Besout 2:

**Not yet sighted**

**30 November 2015:**

Besout 2:

- Reissue of PPE records
- Letter dated 15/10/15 to contractor Besout Panjang Engerprise stating:
  - PPE to be used
  - Return of empty containers
  - To use only legal workers
- FTP letter to all supplier/ contractor dated 8/12/15 to use PPE
- FGV records of issuance of PPE & PPE training test records for workers

Based on evidence was sighted, the NCR is **Closed**.

The mill, Besout 6 and Besout 2 estates have established Safety & Health Committees (SHC) which were chaired by appointed management personnel, included representatives of local and foreign workers, contractors and smallholders as applicable. In the fields supervisors were responsible for safety. The SHC minutes sighted covered safety training, accidents, safety inspections and other safety issues. Only at Besout 5 there was no evidence of meetings between the appointed Safety Representative and workers which covered safety and health issues. **NCR 2015.14.4.7.4 Major**

**16 November 2015**

The management unit has been sighted an evidence :

- Minutes of meeting of OSHA Organization in Besout 5.
- A few document of Decision Letter by Manager of Besout 5 in related to appointment to a few personnel in charge for OSHA Organization
- Organization Chart of OSHA Besout 5

**However the evidence was not sufficient as formal document (there is not yet signed by Management Representative.**

**30 November 2015**

The management unit has been sighted an evidence :

- OSHA committee organization structure list - 12 participant of representatives
- Sighted OSHA Committee meeting minutes on 20/10/15 attended by 10 participant
- Appointment letters for OSHA committee members dated 22/10/15 .

Based on evidence was sighted, the NCR is **Closed**.

The mill and estates have established accident and emergency procedures and accident procedures in Bahasa Malaysia was sighted displayed at FGV Besout 6 estate office. The mill has implemented an emergency equipment inspection programme and a spill drill has been conducted. First Aid kits were available at some estates and the Mandores interviewed could explain how to use it but this was not consistently implemented at all the estates.

**NCR 2015.15.4.7.5 Minor**

Medical care and accident insurance was provided to all local and foreign workers. Local workers are covered by SOCSO whilst foreign workers, i.e. from Indonesia, Bangladesh or Nepal, were covered by the Foreign Workers Compensation Scheme as required by Labour laws. Based on stakeholder interviews, foreign workers employed by FGV, FTP and contractor's workers supervised by Koperasi Besout Gunung 5 verified that when workers were sick, they



were taken to the clinic the cost was borne by their employers.

Records of LTA matrices using the JKPP accident register were verified at POM and Besout 6. The LTA at POM, Besout 5 and 2 was zero whereas Besout 6 recorded 88 hours. Two accident reports sighted at Besout 6 were properly investigated, the root causes, unsafe act and unsafe conditions determined, corrective action implemented and were reported to DOSH using JKPP 6 forms. There were no accidents recorded or reported at the mill, Besout 5 & 2 since the previous audit.

4.7.1	<b>Status: Non Compliance 2015.12. Major</b>	<b>Closed</b>
4.7.3	<b>Non Compliance 2015.13. Major</b>	<b>Closed</b>
4.7.4	<b>Non Compliance 2015.14. Major</b>	<b>Closed</b>
4.7.5	<b>Non Compliance 2015.15. Minor</b>	<b>Open</b>

#### 4.8

#### **All staff, workers, smallholders and contractors are appropriately trained.**

There was evidence that training was being carried out at the mill and estates that covered various aspects of RSPO principles and criteria. However The was inconsistency in the training conducted between the mill and estates particularly between the various management practices at the estates like Besout 6 managed by FGV that employed and managed foreign workers directly, Besout 2 managed in part by FTP employing foreign contract workers and by Felda smallholders, Besout 5 managed by a Cooperative that engaged a contractor that employed foreign workers and by Felda smallholders which managed their plots independently. At the mill and Besout 6 estate, the TNA was systematic and the training plans were being implemented. However at the estates managed by FTP, Cooperative and smallholders, training did not systematically cover all workers, including foreign workers, contractors and smallholders on all aspects of RSPO principles and criteria. **NCR 2015.16. 4.8.1 Major**

#### **16 November 2015**

The management unit has been sighted an evidence:

##### Besout 5:

- Official Report of training related to RSPO Principle, dated 21/10/2015.
- Attendant List of training related to RSPO Principle, dated 21/10/2015.
- Documentation (picture) of training related to RSPO Principle

##### Besout 2:

**Not yet sighted an evidence**

#### **30 November 2015**

The Felda Besout 2 has been sighted evidence of:

- Training programme of RSPO P&C to officer and field workers
- Attendant list of Training programme of RSPO P&C to officer and field workers, dated 10 November 2015, 40 participants was attended.

Based on evidence was sighted, the NCR is **Closed**.

As a result there was a notable lack of awareness on RSPO requirements as well as numerous lapses in implementing RSPO requirements sighted at various estates.

For training programmes that were conducted, training records were retrievable at the mill and estates and included attendance lists of internal and external training programmes, photographic records of practical training like firefighting, chemical spraying and PPE or in log books where training and/or briefings conducted was recorded.

No sub-contract workers at the mill and the mill workers were Felda Palm Industries Sdn Bhd employees. The Felda Besout was sighted a few sample of training in Besout 6 and 2 for employees and included of sub contractors, for example socialization of Personal Protective Used and mechanism of FFB loading from plantation area to Mill area.

4.8.1	<b>Status: Non Compliance 2015.16. Major</b>	<b>Closed</b>
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**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**
**5.1**

**Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

Management unit has identified smoke from EFB burning in incenerator as significant impact to environment in EIA management plan. However there is lack evidence of monitoring of negative impact of biomass burning in incenerator

**NCR..2014.08 Minor 5.1.2**

Observation 5 October 2015:

- Monitoring report of incinerator emissions conducted on 9/7/2015 was sighted:
  - EFB incinerator No 1 – particulate = 0.034 or 0.066 g/Nm<sup>3</sup>; Ringlemann No 1
  - EFB incinerator No 2 – particulate = 0.032 or 0.074 g/Nm<sup>3</sup>; Ringlemann No 1
  - EFB incinerator No 3 – particulate = 0.049 or 0.098 g/Nm<sup>3</sup>; Ringlemann No 1
  - EFB incinerator No 4 – particulate = 0.031 or 0.062 g/Nm<sup>3</sup>; Ringlemann No 1
- Isokinetic stack emission monitoring was carried out by the Laboratory MAREFF Management Sdn Bhd. i.e. the same laboratory used for monitoring boiler stacks where the report was submitted to DOE.
- Monitoring was planned to be carried out 2/year and the next schedule was Oct 2015
- Only incinerator No 1 & 2 are in use and No 3 & 4 are no longer on operation.
- Monitoring of all four incinerator emissions was conducted on 9/7/2015 by a 3<sup>rd</sup> party laboratory and the results was sighted. Besout POM has established a biannual monitoring program for emissions from the incinerators.

Based on the evidence above, the non conformity is **Closed**.

The mill and estates have identified environmental aspects and assessed environmental impacts of their activities and operations. The assessment was carried out using procedures with a structured format which covered waste generated, activities and operations covering normal and emergency situations. The significant impacts determined and documented were logical and reflected issues in the ground, e.g. for the mill it was emissions of black smoke and BOD in POME, for Besout 6 was fire in peat during replanting where the peat areas will be dried, for Besout 2 and for Besout 5 it was pollution related to pesticide use.

For the significant environmental impacts identified, the mill and estates have specified impact mitigation methods and developed action plans that were being implemented. At the mill mitigation measures implemented include establishing SOP, constructing containment, developing ERP procedures, installing oil traps and establishing EMP. The mill has established objectives to reduce BOD < 60 mg/l and reduce diesel usage to < 0.33L/MT FFB processed which were being monitored. There was evidence that the mill was implementing projects to produce Dry long fibre from EFB after which incineration of EFB and the associated emissions to air will cease as well as installation of a new biogas project to generate electricity which will be fed into the national grid which were under the purview of the mill manager. At the Besout 6 estate an emergency preparedness plan for peat fires has been implemented but there was a lapse mitigating impacts at the Nursery. **NCR 2015.17. 5.1.2 Minor**

At Besout 5 a new pesticide store was in progress of begin constructed. There was evidence that the EMP and action plans that were being implemented were being monitored by the respective nominated key personnel at the mill and estates.

**5.1.2 Status: Non Compliance 2015.17. Minor**

**Open**

**5.2**

**The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced**

The company has conducted identification of HCV area in Felda Besout Complex as shown by the Report of HCV Identification in Felda Besout Complex. The report of HCV identification also contains the HCV management plan (riparian in Besout 1 and 7 and riparian forests in Besout 1 and 2) such as: demarcation of riparian area boundary in accordance to the guidance from DID, Monitoring of river reserve area, dissemination to the workers and settlers, Marking on the map and in the field, monitoring of compliance to the prohibition, awareness and extension to the

stakeholders by forestry officials, and put signboard on the hunting prohibition particularly in Besout 1 and 2.

To support wildlife conservation and avoid illegal hunting, the management unit has undertaken several actions such as: Installation of hunting prohibition signboard at in access road, socializing wildlife protection to the stakeholder through consultation and communication, and notification wildlife hunting prohibition to the settlers.

According to notification of Besout 1 about footprint of a Bear (RTE Species) on January, 9 2015 to the *Pejabat Perhilitan Daerah Tapah, Perak*. However, there's no evidence of program to regularly educate the workforce about status RTE species. **NCR 2015.18 5.2.3 Minor**

There is no action plan was available for RTE Species monitoring. **NCR 2015.19.5.2.4 Minor**

5.2.3	Status: Non Compliance 2015. 18 Minor	Open
5.2.4	Non Compliance 2015. 19 Minor	Open

### 5.3

#### Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

Waste generated from the mill and estates have been identified and waste management plans have been developed and were being implemented. Wastes identified include solid waste, scheduled waste, contaminated items, biomass waste and emissions.

Felda Besout estates have established and implemented a procedure for handling empty pesticide containers. Empty containers are triple rinsed, punctured and collected by an approved contractor for recycling. However based on site inspection and stakeholder interviews, there were inadequate control of the collection and proper disposal of used pesticide containers at the estates and smallholder plots. **NCR 2015.20. 5.3.2 Major**

#### 16 November 2015

The management unit has been sighted an evidence:

Besout 2:

Not yet sighted the corrective action evidences

Besout 5:

- Instruction Letter from Manager of Besout 5 (dated 15 October 2015) to Smallholders for send their pesticide container waste to estate storage.
- Record of pesticide container waste sent by Smallholders and was stored in estate

Besout 6:

Not yet sighted the corrective action evidences

#### 30 November 2015

The management unit has been sighted an evidence :

Besout 2:

- Log book Records of return of fertilizer bags
- FTP Besout 2/3/4 instruction to contractor to return empty pesticide containers dated 13/10/15
- FTP Besout 2/3/4/ reminder to contractor to properly handle empty pesticide containers 25/10/15

Besout 6:

- Log book with records of empty pesticide containers
- Reminder memo to all contractors & settlers to return empty pesticide containers

Based on evidence was sighted, the NCR is **Closed**.

Besout POM and estates have provided waste bins at the mill estates, residential area and workers quarters and a scheduled collection system has been implemented by appointed contractors. However the disposal sites inspected at

<p>Besout 6 and Besout 2 were not properly managed in an environmentally sound manner. <b>NCR 2015.21. 5.3.3 Minor</b></p> <p>At the estates recycling biomass carried out included stacking fronds in the inter rows, EFB application and chipping of trunks during replanting. Scheduled waste was properly controlled at the mill, the eSWIS system was being used and it was being collected by DOE licensed contractors. The scheduled waste store was inspected and waste stored on site was SW305, SW306, &amp; SW410.</p> <p>The mill maintains records of biomass that is used as fuel and EFB, shell and ash that is sold.</p>		
<b>5.3.2</b>	<b>Status: Non Compliance 2015.20 5.3.2 Major</b>	<b>Closed</b>
<b>5.3.3</b>	<b>Non Compliance 2015.21 5.3.3 Minor</b>	<b>Open</b>
<p><b>5.4</b></p> <p><b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b></p> <p>At Besout POM the boilers used biomass as fuel where fiber and shell were fired at a ratio of 70:30 and EFB was not used. As the boilers are notably old, the efficiency fluctuated and were operated as best practicable. Besout POM had yet to establish a plan to replace the boilers in order to comply with The Environmental Quality (Clean Air) Regulations 2014 which would improve efficiency.</p> <p>Besout POM had installed and operated Biogas plant to maximise renewable energy use (i.e. POME) but the Biogas plant was broken down and not operational. A plan was being implemented by FPISB corporate Biomass Department where a memo sighted indicated that Besout POM Biogas plant was inspected by a nominated contractor to repair/upgrade the Biomass plant.</p> <p>The Biogas plant at the mill has not been operational since August 2014 and the mill generates electricity using a genset which increases fossil fuel usage. FELDA has initiated an action plan to install a new biogas plant at Besout POM which will generate electricity that will be fed into the national grid using the Feed In Tariff Mechanism. The Mills electricity usage was being monitored and ranged between 19-21 kWh/ MT FFB from January to April 2015. An objective has been set to achieve diesel usage of 0.33L/MT FFB in 2015 but the performance recorded to date was 0.68 L/MT FFB. The results were attributed to the purchase and use of a new front loader from China and the use of the genset to generate electricity as the Biogas plant was not operational. At the estates diesel used (L/MT FFB) was being monitored.</p>		
<b>Status: Compliance</b>		
<p><b>5.5</b></p> <p><b>Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b></p> <p>There was no replanting activities that were at the stage of tree felling and chipping at Besout 2, 5 &amp; 6 estates. There was no evidence of open burning of biomass for preparing land sighted throughout the site inspection of the Besout estates. There was also no evidence of open burning of waste at the solid waste disposal areas inspected at Besout 2, 5 &amp; 6 estates. FELDA's policy prohibiting open burning was being implemented by the estates during replanting.</p>		
<b>Status: Compliance</b>		
<p><b>5.6</b></p> <p><b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b></p> <p>POM and estates have comprehensively assessed polluting activities and the significant impacts determined reflect actual environmental impacts from emissions and/ or wastes generated. The registers of significant impact documented the polluting activities and Besout POM and estates have specified mitigation measures and action plans to address the impacts which have been authorized by management.</p> <p>GHG emissions have been computed and reported for year 2014 for the Besout POM and all 7 estates using PalmGHG version 2.1.1 and the summary report was sighted. The auditor was observed of GHG Report submission to RSPO Secretariat, dated Oct. 04, 2015.</p> <p>However plans to reduce GHG were not sighted for the POM and Besout 2. <b>NCR 2015.22. 5.6.2 Major</b></p> <p><b>16 November 2015</b></p> <p>The management unit has been sighted an evidence:</p> <p>Besout POM :</p>		



- Plan for reduce of GHG 2015
- Description of Diesel Used, year 2015
- Plan for Reduce of Diesel Machine

Besout 2:

**Not yet sighted of evidende**

**22 November 2015**

The management unit has been sighted an evidence:

Besout 2:

- Plan for reduce of GHG 2015
- Plan for minimize impact of waste to environment (Reduce, Reuse & Recycle)

Based on evidence was sighted, the NCR is **Closed**.

At Besout mill, Felda has embarked on implementing a Dry Long Fibre project will eliminate incineration of EFB and installation of a new Biogas plant to generate electricity which will be fed into the national grid which will significantly reduce GHG emissions from POME.

Besout POM implements a comprehensive environmental monitoring programme that covers emissions from the boilers, incinerators and POME discharge which is carried out by accredited 3<sup>rd</sup> party laboratories and the monitoring results are reported to DOE in compliance with stipulated legal requirements. However Monitoring equipment of three boiler stacks at the mill were found to be not functioning and/or were erroneous. **NCR 2015.23. 5.6.3 Minor**

Scheduled waste was monitored and records were sighted in eSWIS online at the mill. At the estates records of collection and disposal of used pesticide containers were sighted at Besout 5 & 6.

<b>5.6.2</b>	<b>Status: Non Compliance 2015.22. Major</b>	<b>Closed</b>
<b>5.6.3</b>	<b>Non Compliance 2015.22. Minor</b>	<b>Open</b>

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1**

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

The documented social impact assessment (SIA) had been established for the estates (Basout 1 to 7) including the Palm Oil Mill (POM). The SIA documentation involved the affected parties as internal and external stakeholders. The internal stakeholder involved was held through the questioners, evaluating and providing the action plan for mitigating and monitoring. **NCR 2014.10 Minor 6.1.3**

**Observation 06 October 2015**

The management unit of Felda Besout 7, 4 & 1 has been sighted an evidences of document Plan for Mitigation Social Impact, year 2014 included time table with the responsible for mitigation and monitoring.

Based on evidences has been sighted, the non conformity above is **Closed**.

For the external stakeholders had been conducted by meeting on 5 August 2014 (attended more than 60 persons), evaluated and provide the summary for being taken action, however this document was not adequate to cover a time table with the responsible for mitigation and monitoring.

The social impact assessment had been done for all estates including the palm oil. Based on document verification and interviewing in Besout 6, 2 and 5 to the company staff, they showed the questionnaire meeting records of stakeholders related to the plantation activities against the social impact assessment which had been done regarding gathering information for positive and negative impact of social impact assessment and provided the action plan.

There was sighted of stakeholders records meeting of Social Impact Assessment has been done and was demonstrated attendance list of community surround of the Besout, internal and external workers included migrant workers, teachers, peneroka or farmers, contractors, government agencies, and other interested peoples.

All of the management unit of Besout been showed the questioners as a tool that the company used for gathering information related to provide the social impact assessment included evaluate result and the Action Plan for Mitigation Impact.

There was available of plan related to Plan for mitigate the Social Impact and Corporate Social Responsibility Program in each estate and mill but there is no evidence of plans review includes the participation of affected parties.

**6.1.4 Status: Non Compliance 2015. 24 Minor**

**Open**

## 6.2

**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

The company has have the communication and consultation procedure (ML-1A/L2-PR3 issued March 2012). This procedure was valid for Estates and Palm Oil Mill and had been distributed and controlled and available on sites. The method of communication by directly meeting, written letter and also announcement to the all stakeholders. The procedure also managed regarding the complaint from external and internal stakeholders and the response for conclusions.

There in an evidence that the management unit was decide the person for communication with the other party (external stakeholder) in each estate and was sighted the Organization Structure 2014 – 2015.

There was sighted evidence of records of communication in each estate but the evidence is the same in all estate. There is no different evidence of communication or meeting in each estate related to their stakeholders.

**6.2.3 Status: Non Compliance 2015. 25 Minor**

**Open**

## 6.3

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.**

The management unit has have procedure for the handling or managing complaint (internal and external), number ML IA/L2 PR4. This procedure explained regarding the steps of process to handling the complaint that consist of step-1 discussion to local personal in charged (eg. Each estates and POM), step-2 discussion to head of section, step-3 discussion to Management Unit or manager, step-4 Head Quarter in Kuala Lumpur, and Step-5 Government Agencies that managing the Human Resources in KL. All of these steps should not follow in sequences as above, but hope enough in the level if local persons. Actually there was no complaint happened.

Based on document verification of Complaint Book (Rekod Aduan) in sampling estates (6, 5 & 2), there is no complain from external and just any few complaint from the worker in related to damage on part of house. For example complaint from the employee about door of house (key was broken) and the management unit has been resolve the problem by repair these damage.

### Stage 2 NCR 2014.11

During interview, one of the external stakeholders informed that there was a complaint about shepherd from smallholders (under Felda management). This complaint was already submitted to the smallholders (under Felda) but there was no response.

### Observation 05 October 2015

There was sighted evidence of complaint from Yahya Bin Aminuddin in related to shepherd from smallholders (under Felda management). The Felda has been shows the evidence to follow up the complaint with issued of letter to breeder for keep their cow in stable.

Based on stakeholder consultation that knows if the Felda has been resolve the problem with the announce to smallholders for keep their cow in stable and right now there is no shepherd activities in plantation area. Based on field visit to Besout 6, 5 & 2 that shows is there is not shepherd activities in plantation area.

Based on information by stakeholder and field visit observation, the noncompliance is **Closed**

**6.3.2 Status: Non Compliance 2014. 11 Minor**

**Closed**

**6.4**

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

However FELDA has established the procedure for customary rights ascertainment (ML-1A/L2/PR12 (0) issued March 2012. This procedure for managing if any issues of land ownership and customary rights and will be managed by the step of process that consists of :

- Raising Issues
- 1<sup>st</sup> discussion (if resolved will be closed) and if not closed will be continued
- Referring to Regional Administration for approving the problem
- Negotiation process (if resolved will be closed) and if not closed will be continued
- Referring to accredited parties and negotiation process (if resolved will be closed) and if not closed will be continued
- Referring the legal authorities and processing the issues

FELDA is the government agency which founded to manage the resettlement of farmers (given by government or Kerajaan) and developed areas and to organize smallholder farms of palm oil plantation; and also managed the government's land for palm oil plantation. There was clear for all the land ownership under FELDA managing which had no need compensation regarding the land status or the customary rights.

There was no occurred the compensation regarding the land ownership and/or customer rights issues, but the company (FELDA) has procedure for compensation calculating (ML-1A/L2-PR12(0) Issued March 2012. In the procedure mentioned that the resolution will be processed with the involved parties regarding the issues raised and based the negotiation the compensation will be given in accordance with the calculating of compensation and all of negotiation will be involved the government agency such as Pejabat Tanah dan Jabatan Kemajuan Orang Asli (or the land government agency and the origin communities government agency).

**Status: Comply**

**6.5**

**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

FELDA used the regulations for all workers agreement in the estates based on labour wages rates for estates, dated 04/2014 (FGVPMSB) approved by government agencies; and also in the Palm Oil Mill (POM) based on the Labour Laws Union Kesatuan Pekerja FPI Semenanjung. This requirement regulated the payment of working hours, incentives, compensation, estates activities, contract workers and temporary workers. All of these agreement were available and can be showed by the company (FELDA).

There was sighted an example of Work Agreement of Felda with a few migrant workers from Indonesia. Document verification was showed that the work agreement is explained in Bahasa or Melayu language (almost same with Indonesian language). Based on interview result that knows the foreign worker from Indonesia was worked in nursery area according with Work Agreement and they understood the contract. Auditor was interviewed the foreign worker related to their monthly salary and inform that his total salary is RM1, 125.00 per month (comply or up to basic Salary in Malaysia Peninsular, RM 900/month). The salary slip is clearly stated the amount of basic salary, overtime and etcetera.

Based on field visit for check the house and supporting facilities of Indonesia and Bangladesh worker quarter that shows the facilities was permanent building with another supporting facilities (electricity, clean water, bathroom + toilet, mosque, sport ground, canteen, etc). The company also provided the shop for miscellaneous goods for the employee. Based on interview with the workers that knowed any night market surround Besout complex, provide by local peddler and facilitated by the company one night for every month.

**Status: Comply**

**6.6**

**The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

<p>FELDA has have the Policy for freedom of association to all workers signed by FGV Director dated on June 28, 2014. This policy in bahasa Malay that stated that FELDA Management may to all workers and not prevent to using the rights for freedom of association. This policy was published and available in front office of Estates and POM.</p> <p>Based on document verification and interviewing to staff of Palm Oil Mill and also the estates (Besout 6, 5 &amp; 2), there was labour union namely Kesatuan Pekerja-Pekerja FGV Plantation Malaysia and the Kesatuan Pekerja-Pekerja FPI Semenanjung (The Workers Union of FGV Plantation Malaysia). There was sighted an evidence of minutes of meeting and attendant list of labour union in each estates.</p>		
	<b>Status: Comply</b>	
<b>6.7</b> <b>Children are not employed or exploited.</b>		
<p>FELDA has have the Policy for children workers or the minimum age for working, issued on 01 June 2014, signed by President and CEO FGV. In this policy mentioned that FELDA prohibited the children workers with having ages below 17 years old; and if there was the children for supporting his /her parents it shall be under supervised his/her parents and shall not disturbed the children's schooling. This policy was controlled, documented and available/communicated in the estates.</p> <p>The company also has been showed the workers list at POM and Estates (Besout 6, 5 &amp; 2) that there was no workers under 18 years old and prohibited the children workers. Based on field visit in Besout 6, 5 &amp; 2, there is no children workers under 18 years. Based on information by related parties on stakeholder consultation that knows if Malaysian authority has have a policy for prohibition to workers follow by their family to Malaysian Peninsular. There is no issue related to child labour.</p>		
	<b>Status: Comply</b>	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<p>The company (FELDA) has have and was showed the policy of the equal opportunities that signed by FELDA Director dated Dec 20, 2010. This policy mentioned that FELDA shall ensure to all workers and candidate workers will provide services with no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age. This policy was available both in Estates and POM and distributed, controlled and documented.</p> <p>Based on stakeholder consultation of stakeholder (related agencies, smallholders, gender committee &amp; teacher) and interview of migrant workers (Indonesia &amp; Bangladesh) in Besout 6,5 &amp; 2 was indicated there are no discriminated against among others. They inform as long as the migrant was comply to all requirement for entry to Malaysia and has have a permit to work, they can working based on their agreement with Felda.</p> <p>The management of Mill and Estate has not presented any evidence on recruitment selection and hiring process and promotion.</p>		
<b>6.8.3</b>	<b>Status: Non Compliance 2015. 26 Minor</b>	<b>Open</b>
<b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>		
<p>The policy to protect the reproductive rights of all, especially of women was included in Policy of Sexual Harassment, issued on 28 June 2011, approved by Felda Director. Mentioned in this policy that FELDA shall ensure this policy was implemented and complied; and FELDA management also maintaining the women rights reproductive and families from harassment and discrimination and concerning the women workers healthy.</p> <p>These policy was controlled, communicated and documented. Based on interviewing to the stakeholder consultation with the representative women gender committee both POM and Estates that this policy had been communicated and implemented and there was nothing happened of harassment and violence of woman.</p> <p>In each management unit has have the structure of gender Committee. There was showed record of Gender Committee Meeting in each estate. There was showed attendant list and minutes of meeting for Felda Besout on 15 July 2015.</p> <p>Based on stakeholder consultation to related parties (related agencies, representative women gender committee both POM and Estates that this policy had been communicated and implemented and the woman has have their right, for example in natal period. There is no issue related to sexual harassment and woman abuse. The representative women gender committee both POM and Estates that this policy had been communicated and implemented and the woman has have their right, for example in natal period.</p>		
	<b>Status: Comply</b>	



**6.10**
**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

The mechanism pricing for the FFB for the quality A and B was published in the board at the weighbridge in front of Palm Oil Mill. This number price was connected to the Malaysian Palm Oil Board (MPOB) daily updated (the latest FFB price in Semenanjung Malaysia, Sabah and Sarawak, dated October 05, 2015 for quality A is RM 24.50 and B is 22.80). There was sighted example of agreement between Felda Besout and local contractor. For example, has been showed Fresh Fruit Bunch (FFB) Buying Contract between Bakti Mas Bina Sdn.Bhd with Felda Besout, Number (11) 40000/883/8877, dated 01 Sept 2014. The document contract was included of FFB quality standard and paying mechanism. There was also sighted the evidences ; Official Report of FFB supply from outsider, dated 06 – 12 Sept 2015, Invoice from the Bakti Mas Bina Sdn.Bhd to Felda and Payment Voucher for September from Felda to Bakti Mas Bina Sdn.Bhd, dated 19 September 2015 via Maybank.

These document was described too related of requirement shall complied by contractor, for instance: pay for the employee (page 5, point 16), insurance (page 7, point 23. b) and Personal Protective Equipment (page 13, point 38). Consideration to all Management Unit of Felda Besout for put the clause of Personal Protective Equipment in all of contract or agreement.

Based on interview with local contractor (manager of Bakti Mas Bina Sdn.Bhd) was showed that the local contractor was informed that they are having advantage for increase their income in their cooperation with Felda Besout. Furthermore the smallholders was inform tha they are was earn advantage by cooperation with Felda and the management of Mill was update the the price of FFB for every month based on MPOB standard.

<b>Status: Comply</b>
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**6.11**
**Growers and millers contribute to local sustainable development wherever appropriate.**

The company has been sighted an example of contribute to local sustainable development, for instance:

Besout 6

- School Bus aid for students , 2015
- Aid for school building

Besout 2

- Kindergarten School building
- Aid for house renovation of smallholders (peneroka)

Besout 5

- Aid for Student
- Offer for local contractor for participate in a few plantation works.

Based on stakeholder consultation was knowed that the smallholders (peneroka) was earn advantage by the cooperation with Felda Besout in manage of palm oil plantation and acces for local contractors.

There was also sighted an evidences efforts and resource have been allocated to improve smallholder productivity, for example open the recruitment for local community to involve as worker in Mill & Plantation, joint with local contractor and provide the supporting facilities (market & school for children).

Based on interview of one local contractor for Mill that knows if the local contractor has earn advantage by cooperation with Felda in a few activities, for example FFB transportation from plantation area to location of Mill. Interview results in Besout 6, 5 & 2 has showed that the community (smallholders/peneroka) has been earn the advantage since cooperated with Felda, for example a few of smallholdeer has develop their business from palm oil plantation to another business, for example being a local contractor for provide the vehicle for loading of FFB from plantation area to Besout Mill.

<b>Status: Comply</b>
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**6.12**
**No forms of forced or trafficked labour are used.**

There was showed evidence Policy of Foreign Worker Requirement (approved by President & CEO FGV, dated 01 June 2014). The procedure was explained of basic salary based on Minimum Wage in Malaysia and the early training for the workers in related to language, Health & Safety, Labor requirement and culture sensitive. Based on interview in each estate that knows if there is no migrant worker bring their family member to Malaysia. It is related to clause point 17 in

Worker Agreement. Furthermore in document of work discipline point b (Disiplin Tata Laku) that explained prohibition to bring the family member and forbidden to the migrant workers for marry in Malaysia with local people or the other foreigner.

Has been sighted evidences of no trafficked labour are used, the evidence are:

- Work Agreement of Felda Global Ventures Plantations (Malaysia) Sdn. Bhd with Foreign Worker (an example Ihsan from Indonesia, Passport Number : AP 839308)
- Pasport Number : AP 839308, valid till 17 June 2016
- Malaysia Visa, Number VC 1225140, Issued on 16 March 2012
- Malaysia Pass (Temporary Employment), issued on 10 July 2015, valid till 01 April 2016.
- Sample Payslip For The Month Of 09/2015 (Nett Pay RM 1,842.28)

Based on interview of three foreign worker from Indonesia that knows if they are has have a legal document for enter and work in Malaysia. These document contained about work recruitment in related to their rights (scope of work, salary, insurance, etc) has been earn in Indonesia from the Labor Agency and they are understood before signed the contract.

In document of Work Agreement has signed by the workers, the point 25 was explained that all of workers passport was put in Estate Office in consideration for safe and protect from disappear. The copy of the passport is keep by the workers. In case the workers need of passport as legal document for traveling, it can request by the workers. Based on interview with the workers from Indonesia was knows that they are understood the consideration.

**Status: Comply**

## 6.13

### Growers and millers respect human rights

Felda has have Policy of Human Right (approved by President & CEO FGV, dated 01 June 2014). These document as Felda commitment to consent for support and protect of human right as a corporate responsibility. There is no evidences of communication/socialization those Policy to all levels of the workforce and operations. **NCR 2015.27 Major 6.13.1**

#### 16 November 2015

The management unit of Felda Besout 5 has been sighted a few document but it is not related to corrective action request about evidence of communication of Human Right Policy (approved by President & CEO FGV) to all levels of the workforce and operations.

#### 22 November 2015

The management unit of Felda Besout 6 has been sighted an evidence of Attendant List for Socialization of 16 Felda Policy to Staff, Smallholders & Contractor.

#### Besout POM

Not yet sighted an evidences  
of communication of Human Right Policy

#### Besout 5

Not yet sighted an evidences  
of communication of Human Right Policy

#### Besout 2

Not yet sighted an evidences  
of communication of Human Right Policy

#### 30 November 2015

The management unit has been sighted evidences of:

#### Besout POM

- Minute meeting of 16 Felda Policy to Staff & Operator, dated 24 October 2015.
- Attendant list of participant (45 attended), dated 24 October 2015.

- Documentation (pictures) of socialization process.

### Besout 5

- Minute meeting of 16 Felda Policy to Staff, Smallholder & Contractor, dated 22 October 2015.
- Attendant list of participant (26 attended), 06 October 2015.
- Official Report of socialization process.

### Besout 2

- Minute meeting of 16 Felda Policy to Staff, Smallholder & Contractor, dated 06 November 2015.
- Attendant list of participant (43 attended), 06 November 2015.
- Documentation (pictures) of socialization process.

Based on evidence was sighted, the NCR is **Closed**.

Based on interview with migrant workers (Indonesia and Bangladesh) was knows that there is no significant issue related to human right abuse. All of migrant workers was informed if they are has have a legal document for enter and work in Malaysia for 3 years later and they can renew their permit.

6.13.1	Status: Non Compliance 2015. 27 Major	Closed
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### PRINCIPLE #7 Responsible development of new plantings

#### 7.1

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.

Status: Not Applicable
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#### 7.2

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.

Status: Not Applicable
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#### 7.3

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.

Status: Not Applicable
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#### 7.4

**Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.

Status: Not Applicable
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#### 7.5

**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.

Status: Not Applicable
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7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.		
	Status: Not Applicable	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.		
	Status: Not Applicable	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
There is no new development or expansion of plantation within the area of FELDA Besout complex, only replanting activities.		
	Status: Not Applicable	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
Best Agriculture Practices - Estate		
<ul style="list-style-type: none"><li>• The monitoring records for harvesting and manuring observed for year 2015 in good record keeping.</li><li>• Fertilizer application and Manuring in good record keeping.</li></ul>		
Best Manufacture Practices - POM		
At the mill there was evidence continual improvement of emission to air and water where the following projects were verified at various stages of implementation:		
<ul style="list-style-type: none"><li>• Installation of a Long Dry Fibre plant which will utilize EFB to produce long fibre as a byproduct. This project was results in cessation of incineration of EFB and the associated emission to air.</li><li>• Installation of a new Biogas plant at the POME ponds which will generate electivity to be fed into the national grid using the Feed in Tariff mechanism being implemented by the government (SEDA).</li></ul>		
At Besout 6, an action plan to enhance emergency preparedness and response for handling potential fire in the peat area during replanting has been prepared and was being implemented.		
Environment aspect		
Sign board installed as attention to do not carry out an illegal activities around of river buffer zone.		
Social Aspect		
The company has conducted of Social Impact Assessment to monitoring of positive and negative impacts of Mill and Plantation Operation to community surround.		
	Status: Comply	



**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module E) CPO Mills - Mass Balance Requirements
<b>E.1</b>	<b>Definition</b>
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>The information of buyers of CPO / PK, seller of FFB and SCC applicable module "RSPO Certified - MB" are captured in weighbridge ticket, COC, Borang MPOB L3 and in shipping announcement. MB material input and output track by weighbridge system. The MB CPO in the tanks monitor manually by laboratory personals using dipping records. Sighted contract agreement [BST/4047/2014 dated 29/09/15] for sorting off FFB before Felda perform grading activities at loading ram. With effect from Jan 2015, all the contract agreements being manage and issued by regional office. Seen 2 contracts for CPO delivery that done by external transporter. In Felda the logistic arrangements and appointment of transporter decided by the FGV [Trading]. The mill will only allowed to facilitate CPO dispatch into any carrier upon receives "Arahan Angkut" from Felda Transport Services [FTSSB].</p>
	<b>Status: Full Compliance</b>
<b>E.2</b>	<b>Explanation</b>
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Total there are 3 storage tanks [2x 1800MT and 1x 500MT]. As at current, there are 33 suppliers comprising to 40% from total FFB received. For the period of Apr 2015 – Sept 2015, verified the below details:</p> <ul style="list-style-type: none"> <li>• CB allocated annual certified volume [22/12/14 – 21/12/2015] = CPO [38,142MT] and PK [11,443MT]</li> <li>• Total volumes of certified FFB = 91,640.15 MT</li> <li>• Total volumes of uncertified FFB = 119,558.85 MT</li> <li>• Total volumes sales of RSPO certified PK = 2,120.47 MT</li> <li>• Total volumes sales of RSPO certified CPO = 17,414.40 MT [Since from the 1<sup>st</sup> certification dated Dec 2014, there was no sale done for CPO - MB in e-trace as there was no market demand yet]. Sampled the weighbridge ticket [H00000983 and H00000984] with stamping code of "Non Sustainable CPO".</li> </ul>
	<b>Status: Full Compliance</b>
<b>E.2.2</b>	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>The e-trace registration number of Felda Besout is <b>RSPO_PO1000001892</b> issued on 14/01/2015 in RSPO IT System. Based on document verification and information from mill manager that knows since Stage 02 till ASA 01, there is no deman and transaction of RSPO Certified product.</p>
	<b>Status: Full Compliance</b>
<b>E.3</b>	<b>Documented procedures</b>
<b>E.3.1</b>	<p><b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate</b></li> </ol>

<b>awareness of the site procedures for the implementation of this standard.</b>	
The documented RSPO SCC manual is FGVPM-RSPO SCCS dated on 01/03/2015 is communicated internally. The procedure consisted of SCC committee members, job descriptions and details explanations of SCC modules. Part of Supply Chain Verification –the FFB delivery to Mill (Page 8 of 10), mentioned that the certified and non-certified FFB will be distinguished between certified estates and non-certified RSPO in the documentation of FFB that entry to mill. The mill manager [Mr. Ghazali bin Abd. Rahman] is the decision maker and assists by 3 mill assistants [Muhd. Faizal, Muhd. Fickri, Muhd. Ahyer]. The mill uses “WB” system to receive FFB and deliver CPO / PK, interviewed the weighbridge operator Mr. Sharif. Training for RSPO P&C and SCC were conducted on 26/08/2015 and were attended by key operational staff who involved in day to day SCC activities.	
	<b>Status: Full Compliance</b>
<b>E.3.2</b>	
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b>	
The mill also receives FFB from external source. The mill has good system for tracking the movement of RSPO SCC products. The “MPR” [Mill Performance Report] is able to track the mill processing that also connected to HQ. Both systems are standardizing within mills of FELDA. The volume of certified and none certified contained in the monthly list generated by “WB” system.	
	<b>Status: Full Compliance</b>
<b>E.4</b>	<b>Purchasing and goods in</b>
<b>E.4.1</b>	
<b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b>	
Page 4 of 10 of SCC Procedure, mentioned FFB received from certified and non-certified base associated with “Nota Hantaran” and recorded into “Mill Performance Report” which indicated the certified and non-certified FFB had been processed become certified with the mass balance status.	
	<b>Status: Full Compliance</b>
<b>E.4.2</b>	
<b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>	
Stated in the SCCS SOP that the Palm Oil Mill will inform to certification body (CB) immediately where the certified CPO is over production from the budget (Page 8 of 10).	
	<b>Status: Full Compliance</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b>	
<ul style="list-style-type: none"> <li>a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</li> <li>b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</li> <li>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</li> </ul>	
Sighted the details of record keeping (page 9 of 10) of SCCS Procedure mentioned that the mill will file and keep the related SCCS documents for 10 years. Among the key documents that being retained are the forms of FFB, CPO & PK [Nota Hantaran], the list of certified estates, the FFB delivery notes, inventory, customer contract and the mass balance tracking list. During the audit the company showed the updated records or documentation of FFB received (Nota Hantaran), daily report the FFB received and processed until the CPO/PK had been produced. Verified the “Laporan Tahunan Kernel and CPO ISCC/ RSPO from Jan-Sept’15. Also sighted the records on “Ringkasan Bulanan Minyak Sawit for the same period.	
	<b>Status: Full Compliance</b>
<b>E.5.2</b>	
<b>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill</b>	

<b>has to ensure that the crush is covered through a signed and enforceable agreement.</b>	
<p>PK is being sold within Felda owned KCPs [there are 3 KCPs owned by Felda in Peninsular Malaysia and 1 in Sarawak] as well to independent KCPs. Sighted the Shipping Instruction from FGV and weighbridge tickets for</p> <ul style="list-style-type: none"> <li>• Sang Kee Edible Oil – Nota Hantaran L00000258 dated 01/09/2015 / Contract No. RSPG05221A</li> <li>• Hup Lee Oil Hill – Nota Hantaran L00000264 dated 06/09/2015 / Contract No. G05223A</li> <li>• Sykt. Perpaduan Kilang Minyak – Nota Hantaran L00000277 dated 16/09/2015 / Contract No. G5232A</li> </ul>	
	<b>Status: Full Compliance</b>

**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1</b>	Besout POM has had permits of certificate usage with number MUTU-RSPO/048.	√
	<b>Status: Fully compliance</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-1</b>	Besout POM does not use the logo both in the on-product and off-product..	√
	<b>Status: Fully compliance</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-1</b>	Besout POM does not use the logo both in the on-product and off-product..	√
	<b>Status: Fully compliance</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-1</b>	Besout POM does not use the logo both in the on-product and off-product..	√
	<b>Status: Fully compliance</b>	



**3.4. Summary of RSPO Partial Certification.**
**Summary:**

At the beginning of 2014, Felda Global Ventures Plantations (FGVP), owns and manages 72 palm oil mills in Malaysia. The time bound plan below highlights both certified units and planning for certification of uncertified units. Effective end Q3, 2014, Felda will be closing one palm oil mill operations. The time bound plan below confirms the status of 71 mills and will be reviewed again during the 1<sup>st</sup> surveillance assessment.

As of this assessment, Felda has successfully certified 28 mills and have had another 26 mills undergo main assessments between Q2-Q4, 2014. The remaining 17 mills will be audited as per the time bound plan under 1.9 above.

<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<p>Felda has and follows the "GSA" Group Settlement Act, where all land under FELDA will abide by local and national land laws. I.e. Compliance with legal documents such as the "Land Rules Applicable to the States in Malaysia" and relevant acts.</p> <p>The group has a common human resource policy which is also cascaded to all operating units. There are several handbooks and guides, shared with employees. Examples: "Syarat-syarat Perkhidmatan Petugas Bergaji Bulan Syarikat Kumpulan" which went into effect on 1<sup>st</sup> January 2007, explains to employees their benefits and company rules. The "Syarat-syarat Perkhidmatan Pekerja Operasi Ladang" was established in 1<sup>st</sup> May 2010. There is also the "Perjanjian Bersama Kesatuan Perkerja-perkerja Felda Plantations" and "Surat Perjanjian Kontrak Perkerjaan Perkerja Asing", which are used to educate and inform employees of their rights and responsibilities.</p> <p>Issues relating to employees in all operating units are monitored on a monthly basis and reported through the monthly Head of Department meetings. Monitoring is also done via e-mail and official communications with the respective departments. For example: PSQM monitors HR related matters with the help of the internal audit team and reviewed by the PSQM Head of Department.</p>	√
	<b>Status: Compliance</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	Legal ownership of land and its land use is available for all operating units and demonstrated through the respective land titles. For the FELDA settlers program, land titled is covered under the "GSA" Act.	√
	<b>Status: Compliance</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	There is a standard complaints procedure that is communicated to all facilities and locations. The procedure, "Prosedur Menangani Aduan dan Rungutan", No. Document: ML.1A/L2-PR4(0), is made available from the head office and cascaded to all operating units.	√
	<b>Status: Compliance</b>	
<b>6.4</b>	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	FELDA has a Social Officer based in each regional office throughout the nation, where existing scheme/settlers can share their views and concerns. On a monthly basis, the reports from the Social Officers are shared and reviewed through the monthly Head of Department meetings. Quarterly there is a "Mesyuarat Jawatan Kuasa Minyak Sawit Mampan" known as the Sustainability Steering Committee Meeting, where both FELDA and FGVP Head of Departments review on-going matters. The PSQM department will monitor any issues and reviewed with the Head of Department.	√
	<b>Status: Compliance</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	<b>X or√</b>

	<p>FGVP Malaysia through its subsidiary in Indonesia, FGVP Kalimantan, has acquired land. The 2 locations are:</p> <ol style="list-style-type: none"> <li>1) PT Citra Niaga Perkasa (PT CNP) – 24<sup>th</sup> February 2011</li> <li>2) PT Temila Agro Abadi (PT TAA) – 9<sup>th</sup> July 2013</li> </ol> <p>Both locations have undergone the RSPO New Planting Procedure (NPP):</p> <ol style="list-style-type: none"> <li>1) PT Citra Niaga Perkasa (CNP) – 14<sup>th</sup> January 2013, approximately 14,000 Ha.</li> <li>2) PT Temila Agro Abadi (TAA) – 30<sup>th</sup> July 2014, approximately 8,000 Ha.</li> </ol> <p>No negative comments received during the NPP public notification.</p> <p>In Malaysia, FELDA has land banks that were acquired since the 1950s and has steadily increased their land bank over the past 50 years. These land banks were initial cleared and prepared for crops such as rubber, timber, palm oil and cocoa. As the demand for palm oil increased in the 1990s and 2000s, most of these cleared areas have been converted to palm oil. Given that all these areas were cleared and either prepared or planted with another crop over the past 50 years, the NPP procedure will not apply.</p> <p>For newly acquired land in Malaysia or any part of the world under FELDA, the NPP procedures will apply.</p>	√
	<b>Status: Compliance</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	<p>For new land acquisitions, the RSPO NPP procedure is followed where the company will complete the required HCV and EIA assessments.</p> <p>In October 2013, FELDA acquired a mature plantation in Kinabatangan, Sabah. The plantation, known as Pontian United Plantation Sdn Bhd, was established in 1977 year, totaling approximately 14,500Ha. Given that this is a matured plantation, the company has year marked the operations for RSPO certification 2017.</p>	√
	<b>Status: Compliance</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	<b>X or√</b>
	Any new land acquisition will be done by mean of a participatory process with local villages and land owners. No complaints received during this audit process.	√
	<b>Status: Compliance</b>	

### 3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.5.1.1. Identification of Findings, Corrective Actions and Observations at ST-2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.01	1.1.1	<b>Records of requests and responses.</b> Document observation and interviews with the estate staff known there were incoming letters received, reviewed and filed. However, there was no record evidence of the response to the incoming letter by the management unit. For example, letter by <b>Prof. Dr. Rita Muhamad</b> from <b>Universiti Putra Malaysia</b> dated 17 February 2014 regarding <b>Memohon Kawasan Penyelidikan Kawalan Biologi Di Ladang Sawit (request for conducting research on Besout-04 estate) period March 2014 – February 2015.</b>	Besout.04	Major	Before certificate issued	The management unit shall record and maintain all the incoming and the associated response letters.	Observation 27 October 2014 <ul style="list-style-type: none"> <li><b>Root cause:</b> There was no proper record evidence of the response to the incoming letter by the management unit</li> <li><b>Corrective action:</b> Record and retain all incoming and letters related answers or feedback</li> <li><b>Preventive action:</b> To appoint a person in charge that will be responsible for monitoring all applications and feedback each week.</li> <li><b>Auditor conclusion:</b> The management unit has shown the evidence in the form of photographic and records to the auditor team. The evidences are available.</li> </ul>	Closed	27 October 2014
2014.02	4.3.1	<b>Appropriate slope and soil map.</b> Management units has implemented soil conservation techniques, nevertheless there are still lack evidence of appropriate slope and soil map as basic information for soil	Estate	Minor	S1	Management unit has to provide appropriate soil and topographic maps to support minimalization of soil erosion and degradation.	Observation 27 October 2014 <ul style="list-style-type: none"> <li><b>Root cause:</b> Topographic maps and maps of soil series are not available on the estate and plans</li> <li><b>Corrective action:</b> Provides</li> </ul>	Closed	6 October 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		conservation.					<p>topographic maps and maps of soil series for each farm and plans</p> <p>Observation 6 October 2015 There was a topographic maps and maps of soil series in Besout 1 and Besout 7.</p> <ul style="list-style-type: none"> <li><b>Preventive action:</b> Regional management must ensure that each program and farms supplied with topographical maps and maps of soil series.</li> <li><b>Auditor conclusion:</b> the maps available and shown to the auditor team.</li> </ul>		
2014.03	4.3.4	<p><b>Subsidence and water surface monitoring.</b></p> <p>Management unit has established some water management facilities in peat land to maintain water surface at the drainage.</p> <p>Nevertheless, there is still lack of evidence of periodic subsidence monitoring and water surface monitoring.</p>	Besout.06	Minor	S1	Management unit has to provide appropriate evidence of subsidence and water surface monitoring in order to minimize subsidence of peat soils	<p>Observation 27 October 2014.</p> <ul style="list-style-type: none"> <li><b>Root cause:</b> Lack of enforcement and review records of estate management.</li> <li><b>Corrective action:</b> Setting the record books and an officer responsible for recording every time the monitoring is made.</li> </ul> <p><b>Observation 6 October 2015</b> The Besout 6 has conducted the installation of soil subsidence gauge pipe and the water level gauge in the drainage on</p>	Closed	6 October 2015.



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>March 2015; and has been monitoring water levels every month than average of 75cm.</p> <ul style="list-style-type: none"> <li><b>Preventive action:</b> Manager or Assistant Manager will review the record books every month.</li> <li><b>Auditor conclusion:</b> Management unit have not shown the type of the records book to the auditor team</li> </ul>		
2014.04	4.4.1.	<b>Riparian zone protection.</b> Management has identified Chawang River in Besout 1 and 7 as conservation area. However, there is still lack of evidence of riparian protection measures to protect riparian zone from chemical pollution (e.g. marking of chemical area boundary, extension to chemical worker, clear sign board, etc.)	Besout 01 and Besout 07	Major	Before certificate issued	Management unit has to provide evidence of appropriate protection measures of water riparian within the estates	<p>Observation 11 October 2014 and 27 October 2014</p> <ul style="list-style-type: none"> <li><b>Root cause:</b> Budget allocation for RSPO just been approved by the top management. Buffer zone signs, trespassing sign and using chemicals is still in the preparation process and during the visit only half completed and installed.</li> <li><b>Corrective action:</b> <ul style="list-style-type: none"> <li>- Provide adequate Sign Board "Buffer Zone" and the sign board "No Trespassing" and Using Chemicals"</li> <li>- Buffer zones sign will be put on the respective location clearly (either on trees or poles with red paint and white).</li> <li>- Remove the letter of notification or warning, or provide an explanation on a ban on</li> </ul> </li> </ul>	Closed	27 October 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>pesticides and fertilizer in the buffer zone to the staff, workers, contractors and settlers.</p> <ul style="list-style-type: none"> <li>- Make sure there is no use of chemicals in the Buffer Zone area.</li> </ul> <p>• <b>Preventive action:</b></p> <ul style="list-style-type: none"> <li>• Management of the field will ensure that signs are installed properly, and all staff, employees, contractors, and settlers briefed and understanding regarding boundary demarcation and buffer zones.</li> <li>• The estates will maintain signs and spikes boundaries at least every 2 months to ensure that it is in a good condition.</li> </ul> <p>• <b>Auditor conclusion:</b> The management unit has shown the evidences of signboards and notifications in the form of photographic and records to the auditor team. The evidences are available.</p>		
2014.05	4.4.3	<b>Water quality monitoring.</b> HCV identification document has showed that in Besout 1 and 7 area there is outgoing water into main natural waterways (Chawang River) that needs to be monitored	Besout 01 and Besout 07	Major	Before certificate issued	Management unit has to provide evidence of appropriate monitoring of outgoing water into main natural waterways at a	<p>Observation 11 October 2014 and 27 October 2014</p> <ul style="list-style-type: none"> <li>• <b>Root cause:</b> Awareness of the need for water quality monitoring has been given but still lack of enforcement.</li> </ul>	Closed	27 October 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		periodically. Nevertheless, there is lack of evidence of Chawang river water quality monitoring to ensure that the quality meet the requirement .				frequency that reflects the current estate activities which may have negative impacts	<ul style="list-style-type: none"> <li><b>Corrective action:</b> 1. Take water sample in and sample out of the estates and sent for analysis for the water quality. 2. Mark on the map point water samples taken.</li> <li><b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.</li> <li><b>Auditor conclusion:</b> The management unit has shown the evidences of signboards and notifications in the form of photographic and records to the auditor team. The evidences are available.</li> </ul>		
2014.06	4.6.3	<b>Pesticides and ex-containers shall be stored in appropriate place.</b> Field observation auditor found several non-conformances: 1. Besout.01 auditor found ex-pesticides containers disposed in the smallholders/settler's own managed land and not properly stored or managed. 2. In the chemical storage area of Besout.07 estate there was a container still filled with pesticides in open area and the chemical spill directly into the drain flow	Besout 01  and  Besout 07	Major	Before certificate issued	The unit management shall manage all the pesticides stored in accordance to the Occupational Safety and Health Plan.	Observation 11 October 2014 and 27 October 2014 <ul style="list-style-type: none"> <li><b>Root cause:</b> Lack of enforcement of management.</li> <li><b>Corrective action:</b> 1. Provide training to the settlers and employee management related to toxins accordingly. 2. Letter of Instruction for the settlers in order to manage pesticide containers properly. 3. Build a proper reservoirs to trap water containing toxins that will not flow into the drain.</li> </ul>	Closed	27 October 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		without proper mitigation control.					<ul style="list-style-type: none"> <li><b>Preventive action:</b> Periodic checks will be made on management and audit in the RSPO.</li> <li><b>Auditor conclusion:</b> The management unit has shown the evidences of training records and proper storage installment in the form of photographic and records to the auditor team. The evidences are available.</li> </ul>		
2014.07	4.7.1	<b>OSH Plan documentation and implementation.</b> <ol style="list-style-type: none"> <li>1) First Aid box was found to be in poor condition at the boiler area at the POM</li> <li>2) Fire extinguishers at Felda Besout 7 estate office were found to be overdue for maintenance.</li> <li>3) Several workers at Besout 1 – harvesters and loose fruit pickers were not provided footwear PPE by estate management.</li> </ol>	POM  Besout 7  Besout 1	Major	Before certificate issued	The unit management shall manage all OSH related requirements in accordance to the Occupational Safety and Health Plan.	Observation 11 October 214 <ul style="list-style-type: none"> <li><b>Root cause:</b> Lack of enforcement from the management.</li> <li><b>Corrective action:</b> <ol style="list-style-type: none"> <li>1. Replace the original first aid boxes that were dirty and dusty.</li> <li>2. Prepare a first aid box for all supervisors and ensuring taken to the estates.</li> <li>3. Service all fire extinguishers that has expired.</li> <li>4. Provide safety shoes for all reapers and gatherers of the relay.</li> </ol> </li> <li><b>Preventive action:</b> The periodic reviews by the plantation management and The RSPO Internal Auditor.</li> <li><b>Auditor conclusion:</b> The</li> </ul>	Closed	11 October 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							management unit has shown the evidences of first aid box replacement and the fire extinguisher service records in the form of photographic and records to the auditor team. The evidences are available.		
2014.08	5.1.2	<b>Monitoring of negative impact of biomass.</b> Management unit has identified smoke from EFB burning in incenerator as significant impact to environemnt in EIA management plan. However there is lack evidence of monitoring of negative impact of biomass burning in incenerator	Besout.07	Minor	S1	Mangement unit has to provide appropriate evidence of negative impact monitoring of biomass burning in incenerator	Observation 27 October 2014 <ul style="list-style-type: none"> <li>• <b>Root cause:</b> Lack of enforcement of the mill management</li> <li>• <b>Corrective action:</b> Provides monitoring records fumes from the incinerator to record readings every time the EFB is produce.</li> <li>• <b>Preventive action:</b> Review by the management of the factory every week and periodic review by the RSPO Audit Officer and EKAS Officer.</li> </ul> Observation 5 October 2015 <ul style="list-style-type: none"> <li>• Monitoring of all four incinerator emissions was conducted on 9/7/2015 by a 3<sup>rd</sup> party laboratory and the results was sighted. Besout POM has established a biannual monitoring programfor emissions from the incinerators.</li> <li>• <b>Auditor conclusion:</b> Based on the evidence the NCR is closed.</li> </ul>	Closed	5 Oct 2015



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.09	5.3.2	<b>Waste and pollution mitigation implementation.</b> The Fertilizer which was stored in the Besout.07 storage area has potential to spill directly into the drain without proper mitigation control.	Besout.07	Minor	26 Oct 2015	The management unit should implement the waste and pollution mitigation to avoid pollution.	Observation 27 October 2014 <ul style="list-style-type: none"> <li>• <b>Root cause:</b> Lack of monitoring of the estates management.</li> <li>• <b>Corrective action:</b> Build a sum in order to avoid spills Drain Store Steel will settle and does not flow directly into the drain.</li> <li>• <b>Preventive action:</b> <ol style="list-style-type: none"> <li>1. Supply Clerk will monitor the store every week so that the sum is in good condition and no spillage of fertilizer.</li> <li>2. Regular monitoring by management and the Audit RSPO</li> </ol> </li> </ul> Observation 5 October 2015 A sump was verified constructed at the drain but the outlet remained open and would not mitigate pollution in the event of a spillage.  16 November 2015 The management unit has been sighted evidence of Stopcock is used to prevent the water from the sum flowing through the drain and went to the river.  <ul style="list-style-type: none"> <li>• <b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b></li> </ul>	Closed	16 Nov 2015
2014.10	6.1.3	<b>Mitigation and monitoring of SIA documentation.</b>	Mill and Estates	Minor	S1	The company shall provide the timetable	Observation 27 October 2014 <ul style="list-style-type: none"> <li>• <b>Root cause:</b> Mitigation Plan is still</li> </ul>	Closed	6 Oct 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>The documented social impact assessment (SIA) had been established for the estates (Basout 1 to 7) including the Palm Oil Mill (POM). The SIA documentation involved the affected parties as internal and external stakeholders. The internal stakeholder involved was held through the questioners, evaluating and providing the action plan for mitigating and monitoring.</p> <p>For the external stakeholders had been conducted by meeting on 5 August 2014 (attended more than 60 persons), evaluated and provide the summary for being taken action, however this document was not adequate to cover a time table with the responsible for mitigation and monitoring.</p>				<p>with responsibilities for mitigation and monitoring is reviewed related to social impact that shall be identified and have a plan to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement</p>	<p>not adequately prepared for the new SIA that was made a week before the audit is carried out.</p> <ul style="list-style-type: none"> <li><b>Corrective action:</b> <ol style="list-style-type: none"> <li>Review Plan for SIA Mitigation evaluation for Stakeholders within and outside stakeholders and assign each officer responsible for the implementation of the mitigation plan.</li> <li>Organise meetings and review the actions done based on the mitigation plan.</li> </ol> </li> <li><b>Preventive action:</b> Monitored by estates management through monthly meetings and periodic review by RSPO Internal Audit.</li> </ul> <p>Observation 06 October 2015 The management unit of Felda Besout 7, 4 &amp; 1 has been sighted an evidences of document Plan for Mitigation Social Impact, year 2014 included time table with the responsible for mitigation and monitoring.</p> <p><b>Auditor conclusion:</b> Based on evidences has been sighted, the nonconformance <b>2014.10</b> is <b>Closed</b>.</p>		
2014.11	6.3.2	<p><b>Complaint and communication.</b></p> <p>The estates having the mechanism or procedure of complaint and communication. The company</p>	Estates	Minor	S1	The system resolves disputes in an effective timely and appropriate manner that there is a	<p>Observation 27 October 2014</p> <ul style="list-style-type: none"> <li><b>Root cause:</b> Announcement on the complaints procedure has been made to all the department heads and the</li> </ul>	Closed	6 Oct 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>already provided communication to affected or interested parties (dated on 5 August 2014) for consultation.</p> <p>During interview, one of the external stakeholders informed that there was a complaint about shepherd from smallholders (under Felda management). This complaint was already submitted to the smallholders (under Felda) but there was no response.</p>				<p>mutually agreed and documented system for dealing with complaints and grievances which is implemented and accepted by all parties</p>	<p>public through stakeholder consultation has been undertaken and is still not accessible to all members of the department and the community.</p> <ul style="list-style-type: none"> <li>• <b>Corrective action:</b> To disseminate the information to all levels of personnel within the department and the community through memos, letters, and social programs.</li> <li>• <b>Preventive action:</b> To appoint an officer responsible for this purpose.</li> </ul> <p>Observation 05 October 2015            There was sighted evidence of complaint from Yahya Bin Aminuddin in related to shepherd from smallholders (under Felda management). The Felda has been shows the evidence to follow up the complaint with issued of letter to breeder for keep their cow in stable. Based on stakeholder consultation that knows if the Felda has been resolve the problem with announce to smallholders for keep their cow in stable and until now there is no shepherd activities in plantation area. Based on field visit to Besout 6, 5 &amp; 2 that shows is there is not shepherd activities in plantation area.</p> <p><b>Auditor conclusion:</b>Based on document verification, information by</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							stakeholder and field visit, the noncompliance is <b>Closed</b> .		
2014.12	6.5.1	<p><b>Worker agreement.</b></p> <p>The company demonstrated the documentation of agreement (pay and conditions) for their employees such as administration assistant of Estates Besout-1. But the estates were not able to show the agreement of their foreign workers under subcontractor. For example, the foreign workers with passport numbers: A.007.4861 and AR-531732</p> <p>In addition, during the observation and interviewing on site (field) at the settlers land at Besout-4 with the subcontractor of fertilizing workers, the auditors were informed that subcontractor's workers also did not have a documented agreement. This condition did not comply with the legal or industry minimum standard.</p>	Estates	Major	Before certificate issued	The Company shall provide the documentation of pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards.	<p>Observation 27 October 2014</p> <ul style="list-style-type: none"> <li>• <b>Root cause:</b> All workers and contractors agreements held by the workers themselves, and many have been lost and damaged.</li> <li>• <b>Corrective action:</b> Redo the workers and contractors agreement. Explain to them the content of the agreement and ask them to sign. Distribute them a copy of the contract to each person.</li> <li>• <b>Preventive action:</b> The management of the estates will save a copy of the workers contract that are starting this year so it is not damaged and missing.</li> <li>• <b>Auditor conclusion:</b> Management unit have shown the corrective action evidence of revised workers and contractors agreement to the auditor team. The evidences are available.</li> </ul>	Closed	27 October 2014
2014.13	5.1. of SCCS Nov 2011 (Module E)	<p><b>Supply chain training.</b></p> <p>During the observation and interview sessions, it was found that there were several personnel who had not adequate knowledge for SCCS implementation. For example, the persons at: weighbridge, loading</p>	Mill	NC	3 months	The Palm Oil Mill shall specify and provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	<p>Observation 27 October 2014</p> <ul style="list-style-type: none"> <li>• <b>Root cause:</b> Lack of attention from the management on the SCCS training.</li> <li>• <b>Corrective action:</b> Train all the staff that involved in the Supply Chain</li> </ul>	Closed	27 October 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		ramp, dispatch crude palm oil and palm kernel. These persons and other key persons have not been trained for the SCCS for ensuring the supply chain system was in place and ready to be implemented.					<p>Certification Systems.</p> <ul style="list-style-type: none"> <li>• <b>Preventive action:</b> The periodic reviews by the Audit Officer of EKAS and RSPO internal auditors.</li> <li>• <b>Auditor conclusion:</b> The management unit has shown the evidences of all staff involves in supply chain training records to the auditor team. The evidences are available.</li> </ul>		



**3.5.1.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment**

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.1	1.1.1	<b>Request for information</b> There is no evidence available that stakeholder list being updated regularly and their identity been verified as seen the current list without date of preparation and acknowledgement by the management. JCC [Joint Council Committee] being used as platform reaching stakeholders to provide adequate information to relevant stakeholders. However during audit, there was no stakeholder or JCC meeting minutes that proves the scheme managers has provided adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria for effective participation in decision making.	Besout 06	Minor	ASA 02	The stakeholder list shall be updated and at relevant interval and evidence shall be available for information provided to stakeholders.	<b>Root cause:</b> Lack of available updated stakeholder list.  <b>Corrective action:</b> Touptdatedstakeholder list regularly and theiridentityto be verifiedas seen the current list with date of preparation and acknowledgement by the management.  <b>Preventive action:</b> To appoint a person in charge that will be responsible for monitoring all applications and feedback each week and JCC [Joint Council Committee] as a platform to reach stakeholders in providing adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria.  <b>Auditor conclusion:</b> (filled by CB)	Open	

2015.2	2.1.1	<b>Evidence of compliance</b> <ol style="list-style-type: none"> <li>Seen evidence of open burning at Besout 05 residential areas.</li> <li>Schedule waste management is not in accordance to EQA 1974, Reg. 2005 [notification, inventory and information of the waste not sighted].</li> <li>Fire certificate for mill was not sighted as per Fire Services [Fire Certificate] Reg. 2001.</li> <li>Permission to purchase and use of "Monocrotopos" – letter from department of Agriculture dated on 30/09/2015 [ref. dlm PPBPT.09/25.02 (3). However it was observed the letter carries the same reference number as Besout 02 but manually corrected to be 05.</li> </ol>	Besout 5 & POM	Major	9 Dec 2015	Legal permits and licenses shall be track as not to have lapses in compliance.	<b>Root cause:</b> Lack of enforcement by management.  <b>Corrective action:</b> <u>Besout 5</u> 1) To ensure that the management make installation sign of "No Open Burning". 2) Issue a Warning Letter to the Independent smallholders. 3) Provide awareness training to the staff, the Independent smallholders and contractors. 4) Issue a Letter to Settlers to send to their empty poisons waste to the management office to do the 3 times rinsing, labeling and send it back to the settlers.  <u>POM Besout</u> Action Plan for Fire Certificate from October 2015 until March 2016.  <b>Auditor Observation:</b> 16 November 2015 The management unit has been sighted evidence of:  <u>Besout 5 :</u> e. Open burning forbidden: <ul style="list-style-type: none"> <li>Warning sign board for forbidden of open burning was installed at residential area</li> <li>Warning Letter for forbidden of open burning, dated</li> </ul>	Observation.	30/11/2015
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							<p>26/10/2015, issued by manager of Felda Besout 5</p> <ul style="list-style-type: none"> <li>• Official Report of Socialization of forbidden open burning, dated 22/10/2015</li> <li>• Attendant List of Socialization of forbidden openburning.</li> </ul> <p>f. Schedule waste management. An evidence of notification, inventory and information of the waste is not yet sighted</p> <p>g. Fire certificate for mill</p> <ul style="list-style-type: none"> <li>• Application letter (Number (27) 4030/BS/840A/25, dated 15 October 2015) from Manager of Besout POM to Fire Fight Agency in Perak</li> <li>• Letter from Head of Fire Fight Agency in Perak (dated 19 October 2015) as respond to letter from Manager of Besout POM</li> </ul> <p>h. Permission to purchase and use of "Monocrotopos":</p> <ul style="list-style-type: none"> <li>• Application Letter Number (1) 9264/1.1.1 dated 29 October) 2015, from Manager of Felda Besout 5 to Agriculture Agency of Perak in related to permit for pay and use monocotrophos and paraquat</li> </ul>		
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							<ul style="list-style-type: none"> <li>Letter Number PPBPT.09/25.02 (3), dated 29 October 2015, issued by Agriculture Agency of Perak in related to permit for pay and use monocotrophos and paraquat for Besout 5.</li> </ul> <p><u>22 November 2015</u> The management unit has been sighted evidence of: Open burning forbidden:</p> <ul style="list-style-type: none"> <li>Warning sign board for forbidden of open burning was installed at residential area</li> <li>Warning Letter for forbidden of open burning, dated 16/11/2015, issued by manager of Felda Besout 6</li> <li>Attendant List of Socialization of forbidden openburning.</li> </ul> <p><u>30 November 2015</u></p> <ul style="list-style-type: none"> <li>Instruction from Manger of Besout 5, dated 15/10/15 regarding handling of empty containers.</li> <li>Signage No reuse of chemical containers</li> </ul> <p><b>Preventive action:</b> Monitoring by the plantation management through monthly</p>		
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							meetings with the JCC especially on open burning and schedule waste, training and periodic review by the RSPO Internal Audit.  <b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed with Observation</b> for Fire certificate for mill.		
2015.3	2.1.3	<b>Mechanism for ensuring compliance</b> Seen the record of "Keperluan Daftar Perundangan" serve as a guide to measure the compliance of applicable laws and regulations was last updated and reviewed on 04/06/2014. It was identified the list was not updated according on the new development in the regulations, such as Environmental Quality (Clean Air) Reg. 1978 should be read along with Environmental Quality (Clean Air) Reg. 2014. Also sighted the Occupational Safety & Health (Classification, Labeling and Safety Data Sheet of Hazardous Chemicals) Regulations was revised to 2013 however the master lists remain with 1997.	Besout 05	Minor	ASA 02	Legal compliance monitoring to be in line with the development of the laws and regulations which newly releases.	<b>Root cause:</b> Records of "Keperluan Daftar Perundangan" list was not updated according on the new development in the regulations.  <b>Corrective action:</b> To update records list of "Keperluan Daftar Perundangan".  <b>Preventive action:</b> Management to periodically monitor records list of "Keperluan Daftar Perundangan".  <b>Auditor conclusion:</b> (filled by CB)	Open	
2015.4	2.2.2	<b>Legal boundaries</b> The management appointed Norhishamudin Shah [letter dated on 09/06/2014] as the coordinator for monitoring boundary stones. Besout 05 is surrounded by Independent smallholders, United Plantations and other Felda	Besout 05	Minor	ASA 02	The monitoring mechanism for the boundary stones and the records of census to be made available at all time. There shall be approval from authority	<b>Root cause:</b> There is no proper monitoring control and records available for number of boundary stones and census activities.  <b>Corrective action:</b> To do proper monitoring control	Open	



		plantations [Besout 06] and there is no reserve land or forest adjacent. There is no proper monitoring control and records available for number of boundary stones and census activities. During field visit, sighted there are boundary poles at along the Lot 918 and 936 which adjacent to government reserve land, however the reserve lands seen were planted with oil palm.				allowing to plant in reserve area.	and records for number of boundary stones and census activities.  <b>Preventive action:</b> The periodic reviews by the plantation management and The RSPO Internal Auditor.  <b>Auditor conclusion:</b> (filled by CB)		
2015.5	4.1.2.	<b>A mechanism to check consistent implementation of procedures shall be in place.</b>  Besout 2 has already Agronomist Report at June 2014, however it's has not been able to show Agronomist Report year of 2015.	Besout 2	Minor	ASA 02	A mechanism to check consistent implementation of procedures shall be in place.	<b>Root cause:</b> Lack of Agronomist Report for the year of 2015.  <b>Corrective action:</b> To apply Agronomist Report from Felda Agriculture for the year of 2015.  <b>Preventive action:</b> The periodic reviews by the plantation management and The RSPO Internal Auditor.  <b>Auditor conclusion:</b> (filled by CB)	Open	
2015.6	4.3.1.	<b>Maps of any fragile/marginal soils shall be available.</b>  Topography maps in Besout 2 & Besout 5 was no available.	Besout 2 & 5	Major	9 Dec 2015	Maps of any fragile/marginal soils shall be available.	<b>Root cause:</b> Topography maps were not available.  <b>Corrective action:</b> Provides topographic maps and maps of soil series for each estate.  <b>Auditor Observation:</b>	Closed	16/11/2015

							<p>16 November 2015 The management unit has been sighted an evidence of:</p> <ul style="list-style-type: none"><li>• Soil Map for Besout 2, Phase 1 A &amp; 1 B</li><li>• Soil Map for Besout 5, Phase 1 &amp; 2</li></ul> <p><b>Preventive action:</b> Regional management must ensure that each estate supplied with topographical maps and maps of soil series.</p> <p><b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b>.</p>		
2015.7	4.3.4.	<p><b>Subsidence of peat soils shall be minimized and monitored. A documented water and ground cover management program shall be in place</b></p> <p>According to field observation there were found one water level gauge and one subsidence pole on Block 3. There was no evidence that the Besout 6 has monitored the peat soil subsidence and water level at all peat area (Block 15 &amp; 31) which refer to the <i>RSPO on BMP's for existing oil palm cultivation on peat</i>, June 2012.</p>	Besout 6	Major	9 Dec 2015	<p>Subsidence of peat soils shall be minimized and monitored. A documented water and ground cover management program shall be in place</p>	<p><b>Root cause:</b> Lack of monitored peat soil subsidence and water level at area (Block 15 &amp; 31).</p> <p><b>Corrective action:</b> Records of monitoring the peat soil subsidence and water level at peat area (Block 15 &amp; 31).</p> <p><u>22 November 2015</u> The management unit has been sighted an evidence of:</p> <ul style="list-style-type: none"><li>• Subsidence pole was installed but only sighted the evidence for block 15.</li></ul>	Observation	02/12/2015

							<ul style="list-style-type: none"> <li>Monitoring of peat subsidence but only sighted evidence for block 15.</li> </ul> <p><u>30 November 2015</u> The management unit was sighted evidence of:</p> <ul style="list-style-type: none"> <li>Monitoring of water level at Block 15 &amp; 31</li> <li>Picture of piezometer was installed but it is not clear (the evidence is refer to block 15 or block 31?)</li> <li>Evidence for monitored of peat subsidence at block 15 and 31 <b>not yet sighted.</b></li> </ul> <p><u>02 December 2015</u> The management unit has been sighted an evidence of:</p> <ul style="list-style-type: none"> <li>Picture of piezometer was installed in Block 15 &amp; 31</li> <li>Evidence for monitored of peat subsidence at block 15 and 31.</li> </ul> <p><b>Preventive action:</b> (filled by client)</p> <p><b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b> with <b>Observation</b>.The effectiveness and consistency of monitoring</p>		
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							process will observe on next audit.		
2015.8	4.4.1.	<b>An implemented water management plan shall be in place.</b>  There's no result of water analysis year of 2015 for outgoing water into natural waterway (S. Chawang) in Besout 1 and Besout 7.	Besout 1 & 7	Minor	ASA 02	An implemented water management plan shall be in place.	<b>Root cause:</b> Lack of result of water analysis year of 2015 for outgoing water into natural waterway (S. Chawang) in Besout 1 and Besout 7.  <b>Corrective action:</b> 1. Take water sample in and sample out of the estates and sent for analysis for the water quality. 2. Mark on the map point water samples taken.  <b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.  <b>Auditor conclusion:</b> (filled by CB)	Open	
2015.9	4.5.1.	<b>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</b>  According to field visit in Besout 2 there area few blocks infected leaf eating bagworm, for example at block 11 and block 12. However, the management unit has not been able to show the evidence early warning system of pests as well as program to prevent the	Besout 2	Major	9 Dec 2015	Implementation of Integrated Pest Management (IPM) plans shall be monitored.	<b>Root cause:</b> Lack of evidence on an early warning system of pests as well as program to prevent the next attack.  <b>Corrective action:</b> An early warning census of pests and programs to prevent the next attack.	Closed	22/11/2015

		next attack.					<p><b>Auditor Observation:</b> 22 November 2015 The management unit has been sighted an evidence of:</p> <ul style="list-style-type: none"> <li>• Letter from Manager of Besout 2, Number: 3170/RSPO, dated 15 October 2015 related instruction to action taken for attack of bagworm.</li> <li>• Minutes meeting of Socialization about bagworm to smallholders.</li> <li>• Attendant list of meeting of Socialization about bagworm to smallholders.</li> <li>• Documentation process (pictures attached)</li> </ul> <p><b>Preventive action:</b> Periodic checks will be made on management and audit in the RSPO.</p> <p><b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b>.</p>		
2015.10	4.5.2.	<p><b>Training of those involved in IPM implementation shall be demonstrated.</b></p> <p>Record of IPM training was no available on Besout 2.</p>	Besout 2	Minor	ASA 02	Training of those involved in IPM implementation shall be demonstrated.	<p><b>Root cause:</b> Lack of training and records in IPM.</p> <p><b>Corrective action:</b> Train all the staff that involved in IPM.</p>	Open	



							<b>Preventive action:</b> The periodic reviews by the Audit Officer of RSPO internal auditors.  <b>Auditor conclusion:</b> (filled by CB)		
2015.11	4.6.4	<b>Pesticide reduction plan with categorized as WHO Class IA IB</b> Based on interview with management and document observation, it has not been able to show that pesticide reduction plan with categorized as WHO Class IA (Chloropachinone/Butik) and Class IB (Warfarin/Ebor Bait).	<b>All Estate</b>	<b>Minor</b>	<b>ASA 02</b>	The company did not used,except in specific situations identified in industry's Best Practice. The use of suchpesticides and shall be minimizedand/or eliminated as part of a plan, and shall only be used inexceptional circumstances	<b>Root cause:</b> Lack of pesticide reduction plan with categorized as WHO Class IA (Chloropachinone/Butik) and Class IB (Warfarin/Ebor Bait).  <b>Corrective action:</b> To do pesticide reduction plan with categorized as WHO Class IA (Chloropachinone/Butik) and Class IB (Warfarin/Ebor Bait).  <b>Preventive action:</b> Periodic checks will be made on management and audit in the RSPO.  <b>Auditor conclusion:</b> (filled by CB)		
2015.12	4.7.1	<b>An occupational health and safety plan is documented, effectively communicated and implemented</b> There were lapses in implementation of the OHS plan: <ul style="list-style-type: none"> <li>Hearing conservation program training for all workers exposed to noise above the action level was not carried out.</li> </ul>	<b>POM</b>	<b>Major</b>	<b>9 Dec 2015</b>	The occupational health and safety plan shall be documented, effectively communicated and implemented.	<b>Root cause:</b> Lack of implementation in OHS plan especially in: <ul style="list-style-type: none"> <li>Hearing conservation program training for all workers exposed to noise above the action level was not carried out.</li> <li>Noise hazard signage not sighted</li> </ul>	<b>Closed</b>	<b>30/11/2015</b>

		<ul style="list-style-type: none"> <li>Noise hazard signage not sighted the entrance to the nut plant</li> <li>Worker at the press station was not using noise PPE</li> </ul>					<p>the entrance to the nut plant</p> <ul style="list-style-type: none"> <li>Worker at the press station was not using noise PPE.</li> </ul> <p><b>Corrective action:</b> To implement:</p> <ul style="list-style-type: none"> <li>Hearing conservation program training for all workers who is exposed to noise above the action level.</li> <li>Noise hazard signage at the entrance to the nut plant.</li> <li>Worker at the press station to use noise PPE.</li> </ul> <p><b>Auditor Observation:</b> <u>30 November 2015</u> The management unit has been sighted an evidence of:</p> <ul style="list-style-type: none"> <li>Evidence of hearing conservation programme training notes.</li> <li>Attendant list of 71 participant, dated on 06 November 2011.</li> </ul> <p><b>Preventive action:</b> The periodic reviews by the Audit Officer of OSH and RSPO internal auditors.</p> <p><b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b>.</p>		
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2015.13	4.7.3	<p><b>All workers shall be adequately trained in safe working practices. Appropriate protective equipment shall be available to cover pesticide application. All workers involved in the operation shall be adequately trained in safe working practices</b></p> <ul style="list-style-type: none"> <li>Besout 2: <ul style="list-style-type: none"> <li>Respirators &amp;/ gloves were not being used &amp;/ wrong dust mask was used</li> <li>No evidence of training on safe working practices for pesticide handling for contractors &amp; smallholders</li> <li>Harvesting tool(sikel) covers were not sighted at the field</li> </ul> </li> <li>Besout 6: <ul style="list-style-type: none"> <li>Respirators has holes &amp;/ were torn</li> </ul> </li> <li>Besout 5: <ul style="list-style-type: none"> <li>No evidence of training on safe working practices for pesticide handling for contractors &amp; smallholders</li> </ul> </li> </ul>	Besout 2, 5 & 6	Major	9 Dec 2015	<p>All workers shall be adequately trained in safe working practices. Appropriate protective equipment shall be available to cover pesticide application. All workers involved in the operation shall be adequately trained in safe working practices</p>	<p><b>Root cause:</b> Lack of safe working practices.</p> <p><b>Corrective action:</b> <u>Besout 2:</u></p> <ul style="list-style-type: none"> <li>To use correct or suitable respirators and gloves.</li> <li>To do training on safe working practices for pesticide handling for contractors &amp; smallholders.</li> <li>Harvesting tool (sikel) to have covers while no in use at the field.</li> </ul> <p><u>Besout 6:</u> To replace new respirators to the workers if it has holes &amp;/ were torn.</p> <p><u>Besout 5:</u> To do training on safe working practices for pesticide handling for contractors &amp; smallholders.</p> <p><b>Auditor Observation:</b> 16 November 2015 The management unit has been sighted an evidence of:</p> <p><u>Besout 2:</u> <b>Not yet sighted</b></p> <p><u>Besout 5:</u></p> <ul style="list-style-type: none"> <li>Letter about Instruction for PPE</li> </ul>	Closed	30/11/ 2015
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							<p>Use (number (01) 4.7.3/3264, date 19/10/2015), issued by Manager of Felda Besout 5</p> <ul style="list-style-type: none"> <li>• Attendant list of Training for PPE Use</li> <li>• Official Report of Training PPE Use</li> <li>• Documentation of sample PPE Use properly (picture)</li> </ul> <p><u>Besout 6:</u> Not yet sighted</p> <p><u>22 November 2015</u> The management unit has been sighted an evidence of:</p> <p><u>Besout 6:</u></p> <ul style="list-style-type: none"> <li>• Record of new PPE delivery to the workers.</li> <li>• Attendant list of Socialization for PPE using</li> </ul> <p><u>Besout 2:</u> Not yet sighted</p> <p><b>Auditor Observation:</b> <u>30 November 2015:</u> <u>Besout 2:</u></p> <ul style="list-style-type: none"> <li>• Reissue of PPE records</li> <li>• Letter dated 15/10/15 to contractor Besout Panjang Engerprise stating:</li> </ul>		
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						<ul style="list-style-type: none"> <li>- PPE to be used</li> <li>- Return of empty containers</li> <li>- To use only legal workers</li> </ul> <ul style="list-style-type: none"> <li>• FTP letter to all supplier/contractor dated 8/12/15 to use PPE</li> <li>• FGV records of issuance of PPE &amp; PPE training test records for workers</li> </ul> <p><b>Preventive action:</b> Periodic checks will be made on management and audit in the RSPO.</p> <p><b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b>.</p>		
2015.14	4.7.4	<p>There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>There was no evidence of meetings between the appointed Safety Representative and workers which covered safety and health issues</p>	Besout 5	Major	9 Dec 2015	<p>There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p><b>Root cause:</b> There was no evidence of meetings between the appointed Safety Representative and workers which covered safety and health issues.</p> <p><b>Corrective action:</b> To do OSH meetings between the appointed Safety Representative and workers mainly on safety and health issues.</p> <p><b>Auditor Observation:</b></p>	Closed	30/11/2015



							<p>16 November 2015 The management unit has been sighted an evidence :</p> <ul style="list-style-type: none"> <li>• Minutes of meeting of OSHA Organization in Besout 5.</li> <li>• A few document of Decision Letter by Manager of Besout 5 in related to appointment to a few personnel in charge for OSHA Organization</li> <li>• Organization Chart of OSHA Besout 5</li> </ul> <p>However the evidence was not sufficient as formal document (there is not yet signed by Management Representative.</p> <p><u>30 November 2015</u> The management unit has been sighted an evidence :</p> <ul style="list-style-type: none"> <li>• OSHA committee organization structure list - 12 participant of representatives</li> <li>• Sighted OSHA Committee meeting minutes on 20/10/15 attended by 10 participant</li> <li>• Appointment letters for OSHA committee members dated 22/10/15 .</li> </ul>		
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							<b>Preventive action:</b> The periodic reviews by the plantation management and The RSPO Internal Auditor. <b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b> .		
2015.15	4.7.5	<b>Assigned operatives trained in First Aid should be present infield operations, and first aid equipment shall be available at worksites.</b> There was no operator trained in First Aid and First Aid Kit at the harvesting area where the contract workers were carrying out harvesting activities.	Besout 5	Minor	ASA 02	Assigned operatives trained in First Aid should be present in field operations, and first aid equipment shall be available at worksites.	<b>Root cause:</b> Lack of enforcement from the management.  <b>Corrective action:</b> 1. Provide first aid boxes for all supervisors at the harvesting area. 2. To do training in First Aid to operator/contract worker that were carrying harvesting activities.  <b>Preventive action:</b> The periodic reviews by the plantation management and The RSPO Internal Auditor.  <b>Auditor conclusion:</b> (filled by CB)		
2015.16	4.8.1	<b>A training programme covering all aspect of RSPO Principles and Criteria</b> The training programme for RSPO P&C did not adequately cover the following: <ul style="list-style-type: none"> <li>Besout 5: Felda personnel, smallholders, Koperasi Gunung Besout 5 &amp; contractors</li> </ul>	Besout 2 & 5	Major	9 Dec 2015	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training	<b>Root cause:</b> Lack of training programme for RSPO P&C.  <b>Corrective action:</b> To do training programme for RSPO P&C for Felda personnel,	Closed	30/11/2015

		<ul style="list-style-type: none"> <li>Besout 2: Smallholders &amp; contractors</li> </ul>				<p>needs and documentation of the programme.</p>	<p>smallholders, Koperasi staff and contractors.</p> <p><b>Auditor Observation:</b> 16 November 2015 The management unit has been sighted an evidence:</p> <p><u>Besout 5:</u></p> <ul style="list-style-type: none"> <li>Official Report of training related to RSPO Principle, dated 21/10/2015.</li> <li>Attendant List of training related to RSPO Principle, dated 21/10/2015.</li> <li>Documentation (picture) of training related to RSPO Principle</li> </ul> <p><u>Besout 2:</u> <b>Not yet sighted an evidence</b></p> <p><u>30 November 2015</u> The Felda Besout 2 has been sighted evidence of:</p> <ul style="list-style-type: none"> <li>Training programme of RSPO P&amp;C to officer and field workers</li> <li>Attendant list of Training programme of RSPO P&amp;C to officer and field workers, dated 10 November 2015, 40</li> </ul>		
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							participants was attended.  <b>Preventive action:</b> The periodic reviews by the plantation management and The RSPO Internal Auditor.  <b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b> .		
2015.17	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, an action plan shall be implemented. Oil drips from the Nursery water pump was contaminating soil.	Besout 6	Minor	ASA 02	Implement an action plan to mitigate negative impacts	<b>Root cause:</b> Mitigation Plan is still not adequately prepared.  <b>Corrective action:</b> <ul style="list-style-type: none"><li>• Review Plan for SIA Mitigation.</li><li>• Organize meetings and review the actions done based on the mitigation plan.</li></ul> <b>Preventive action:</b> Monitored by estates management through monthly meetings and periodic review by RSPO Internal Audit.  <b>Auditor conclusion:</b> (filled by CB)		
2015.18	5.2.3.	Program to regularly educate the workforce about the status of RTE Species. According to notification of Besout 1	All Estate	Minor	ASA 02	There shall be a program to regularly educate the workforce about the status of these RTE	<b>Root cause:</b> Lack of program to educate the workforce about RTE species status.		

		about footprint of a Bear (RTE Species) on January, 9 2015 to the <i>Pejabat Perhilitan Daerah Tapah, Perak</i> . However, there's no evidence that program to regularly educate the workforce about status RTE species.				species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.	<b>Corrective action:</b> To provide program to regularly educate the workforce about the status of RTE species.  <b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.  <b>Auditor conclusion:</b> (filled by CB)		
2015.19	5.2.4.	<b>RTE action plan and its feedback</b> No action plan was available for RTE monitoring.	Besout 1	Minor	ASA 02	The company shall provide the evidence of action plan monitoring of RTE Species.	<b>Root cause:</b> Lack of action plan for RTE monitoring.  <b>Corrective action:</b> To provide: <ul style="list-style-type: none"> <li>Action plan for RTE monitoring.</li> <li>Monitoring records for RTE.</li> </ul> <b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team. <b>Auditor conclusion:</b> (filled by CB)		
2015.20	5.3.2	<b>All chemicals and their containers shall be disposed of responsibly.</b> There was inadequate control of the disposal of pesticide containers. Used containers were sighted discarded &/	Besout 2, 5 & 6	Major	9 Dec. 2015	All chemicals and their containers shall be disposed of responsibly.	<b>Root cause:</b> Inadequate control of disposal of pesticide containers.	Closed	30/11/2015



		<p>left in the field at:</p> <ul style="list-style-type: none"> <li>• Besout 6 - Replanting area Block 15 and peat area Block 3</li> <li>• Besout 5 – Smallholder plot</li> <li>• Besout 2 &amp; 3 –smallholders based on stakeholder consultation</li> </ul>					<p><b>Corrective action:</b></p> <ul style="list-style-type: none"> <li>• Disposal of waste according to the planned action plan that has been provided.</li> <li>• Enforce the practice of waste recycling and proper management of chemical containers (3x rinsing, sales through wholesalers who have a permit).</li> <li>• Record the implementation of recycling and disposal of chemical containers.</li> </ul> <p><b>Auditor Observation:</b> 16 November 2015 The management unit has been sighted an evidence:</p> <p><u>Besout 2:</u> Not yet sighted the corrective action evidences</p> <p><u>Besout 5:</u></p> <ul style="list-style-type: none"> <li>• Instruction Letter from Manager of Besout 5 (dated 15 October 2015) to Smallholders for send their pesticide container waste</li> </ul>		
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							<p>to estate storage.</p> <ul style="list-style-type: none"> <li>Record of pesticide container waste sent by Smallholders and was stored in estate</li> </ul> <p><u>Besout 6:</u> Not yet sighted the corrective action evidences</p> <p><u>30 November 2015</u> The management unit has been sighted an evidence :</p> <p><u>Besout 2:</u></p> <ul style="list-style-type: none"> <li>Log book Records of return of fertilizer bags</li> <li>FTP Besout 2/3/4 instruction to contractor to return empty pesticide containers dated 13/10/15</li> <li>FTP Besout 2/3/4/ reminder to contractor to properly handle empty pesticide containers 25/10/15</li> </ul> <p><u>Besout 6:</u></p> <ul style="list-style-type: none"> <li>Log book with records of empty pesticide containers</li> </ul>		
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							<ul style="list-style-type: none"> <li>•Reminder memo to all contractors &amp; settlers to return empty pesticide containers</li> </ul> <p><b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.</p> <p><b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b>.</p>		
2015.21	5.3.3	<p><b>A waste management and disposal plan to avoid or reduce pollution shall be implemented.</b></p> <p>Solid waste disposed at the disposal area was scattered and inadequately controlled.</p>	Besout 2 & 6	Minor	ASA 02	<p>A waste management and disposal plan to avoid or reduce pollution shall be implemented effectively.</p>	<p><b>Root cause:</b> Inadequate control/enforcement from the management at the disposal area.</p> <p><b>Corrective action:</b>To do waste management and disposal plan in reducing pollution.</p> <p><b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.</p> <p><b>Auditor conclusion:</b> (filled by CB)</p>		
2015.22	5.6.2	<p><b>Plans to reduce or minimize GHG shall be implemented.</b></p> <p>Plans to reduce GHG was not sighted.</p>	POM & Besout	Major	9 Dec. 2015	<p>Implement plans to reduce or minimize GHG</p>	<p><b>Root cause:</b> Lack of plans to reduce or minimize GHG.</p>	Closed	22/11/2015

			2				<p><b>Corrective action:</b> The management to plan outlines measures for GHG reduction by 2015.</p> <p><b>Auditor Observation:</b> 16 November 2015 The management unit has been sighted an evidence:</p> <p><u>Besout POM :</u></p> <ul style="list-style-type: none"> <li>• Plan for reduce of GHG 2015</li> <li>• Description of Diesel Used, year 2015</li> <li>• Plan for Reduce of Diesel Machine</li> </ul> <p>Besout 2: <b>Not yet sighted of evidende</b></p> <p>22 November 2015 The management unit has been sighted an evidence:</p> <p><u>Besout 2:</u></p> <ul style="list-style-type: none"> <li>• Plan for reduce of GHG 2015</li> <li>• Plan for minimize impact of waste to environment (Reduce, Reuse &amp; Recycle)</li> </ul> <p><b>Preventive action:</b> Periodic checks will be made on</p>		
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						management and the RSPO internal audit team.  <b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b> .		
2015.23	5.6.3	<b>A monitoring system shall be in place, with regular reporting for significant emissions from mill operations, using appropriate tools.</b> Monitoring equipment of three boiler stacks at the mill were not functioning&/ erroneous: <ul style="list-style-type: none"><li>• Smoke density meter recorder</li><li>• Computerized Emission Monitoring System (CEMS)</li></ul>	POM	Minor	ASA 02	Ensure the monitoring system for emissions from mill operations, using appropriate tools shall be functioning.  <b>Root cause:</b> Lack of enforcement of the mill management.  <b>Corrective action:</b> To repair: <ul style="list-style-type: none"><li>• Smoke density meter recorder</li><li>• Computerized Emission Monitoring System (CEMS)</li></ul> <b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.  <b>Auditor conclusion:</b> (filled by CB)		
2015.24	6.1.4	<b>The plans shall be reviewed as a minimum once every two years and updated as necessary.</b> There was available of plan related to Plan for mitigate the Social Impact and Corporate Social Responsibility Program in each estate and mill but there is no evidence of plans review includes the participation of affected parties.	POM & Estate 6,5,2	Minor	ASA 02	The company shall provide evidence of plans review includes the participation of affected parties  <b>Root cause:</b> Lack of plans review for mitigation in Social Impact and Corporate Social Responsibility Program.  <b>Corrective action:</b> <ul style="list-style-type: none"><li>• To do SIA report.</li><li>• To do Implementation Record (such as briefing &amp;attendance</li></ul>		



							list, file, mail, signboard, QMS etc )		
							<b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.  <b>Auditor conclusion:</b> (filled by CB)		
2015.25	6.2.3	<b>Records of actions taken in response to input from stakeholders, shall be maintained.</b> There was sighted evidence of records of communication in each estate but the evidence is the same thing in all estate. There is no different evidence of communication or meeting in each estate related to their stakeholders.	POM & Estate 6,5,2	Minor	ASA 02	The company shall provide evidence of communication or meeting in each estate related to their stakeholders.	<b>Root cause:</b> Inadequate records of communication related to the stakeholders in each estate.  <b>Corrective action:</b> To do stakeholders meeting in each estate.  <b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.  <b>Auditor conclusion:</b> (filled by CB)		
2015.26	6.8.3	<b>Demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</b> The management of Mill and Estate has not presented any evidence on recruitment selection and hiring process	POM & Estate 6,5,2	Minor	ASA 02	The management unit of Mill and Estate shall presented any evidence on recruitment selection and hiring process and promotion.	<b>Root cause:</b> Lack of recruitment selection, hiring process and promotion that does not demonstrate discrimination.  <b>Corrective action:</b> <ul style="list-style-type: none"> <li>To do SIA Survey.</li> <li>To advertise job application that</li> </ul>		

		and promotion.					<p>does not include age, gender and religion.</p> <p><b>Preventive action:</b> Periodic checks will be made on management and the RSPO internal audit team.</p> <p><b>Auditor conclusion:</b> (filled by CB)</p>		
2015.27	6.13.1	<p><b>Growers and millers respect human rights.</b></p> <p>There was sighted an evidence of Human Right Policy (approved by President &amp; CEO FGV), dated 01 June 2014) but there is no evidence of communication those Policy to all levels of the workforce and operations.</p>	POM & Estate 6,5,2	Major	9 Dec. 2015	The management unit of Mill and Estate shall provide evidence of communication Human Right Policy to all levels of the workforce and operations.	<p><b>Root cause:</b> Lack of knowledge in Human Right Policy.</p> <p><b>Corrective action:</b> 1) Exercise training in 16 RSPO policies to staff, the independent settler and contractors. 2) To disseminate information of the 16 RSPO policy to staff, independent settlers and contractor management meetings.</p> <p><b>Auditor Observation:</b> 16 November 2015 The management unit of Felda Besout 5 has been sighted a few document but it is not related to corrective action request <u>about</u> evidence of communication of <b>Human Right Policy</b> (approved by President &amp; CEO FGV) to all levels of the workforce and operations.</p>	Closed	30/11/2015

						<p><u>22 November 2015</u> The management unit of Felda Besout 6 has been sighted an evidence of Attendant List for Socialization of 16 Felda Policy to Staff, Smallholders &amp; Contractor.</p> <p><u>Besout POM</u> Not yet sighted an evidences of communication of <u>Human Right Policy</u></p> <p><u>Besout 5</u> Not yet sighted an evidences of communication of <u>Human Right Policy</u></p> <p><u>Besout 2</u> Not yet sighted an evidences of communication of <u>Human Right Policy</u></p> <p><u>30 November 2015</u> The management unit has been sighted evidences of: <u>Besout POM</u></p> <ul style="list-style-type: none"> <li>Minute meeting of 16 Felda Policy to Staff &amp; Operator, dated 24 October 2015.</li> </ul>		
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							<ul style="list-style-type: none"> <li>• Attendant list of participant (45 attended), dated 24 October 2015.</li> <li>• Documentation (pictures) of socialization process.</li> </ul> <p><u>Besout 5</u></p> <ul style="list-style-type: none"> <li>• Minute meeting of 16 Felda Policy to Staff, Smallholder &amp; Contractor, dated 22 October 2015.</li> <li>• Attendant list of participant (26 attended), 06 October 2015.</li> <li>• Official Report of socialization process.</li> </ul> <p><u>Besout 2</u></p> <ul style="list-style-type: none"> <li>• Minute meeting of 16 Felda Policy to Staff, Smallholder &amp; Contractor, dated 06 November 2015.</li> <li>• Attendant list of participant (43 attended), 06 November 2015.</li> <li>• Documentation (pictures) of socialization process.</li> </ul> <p><b>Preventive action:</b> Periodic checks will be made on</p>		
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							management and the RSPO internal audit team.		
							<b>Auditor conclusion:</b> Based on evidence was sighted, the NCR is <b>Closed</b> .		

**3.5.1.3. Opportunity for Improvement**

No	Ref.Std	Description
1	<b>Major 1.2.1</b>	Observation
2	<b>Minor 4.1.2</b>	Consideration to take action on the following: <ul style="list-style-type: none"> <li>Implementing GAP for Palm Oil at smallholder plots where under planting at mature stands was observed</li> <li>Implementing GMP for kernel storage at the mill and rejected bunches at the ramp</li> </ul>
3	<b>Minor 6.5.3</b>	Consideration to build the toilet in nursery area
4	<b>Minor 6.10.3</b>	Consideration to Felda Management for put the clause of Personal Protective Equipment using in all of contract or agreement.
5	<b>Minor 6.11.1</b>	Consideration to Felda Management for arrange the selected Corporate Social Responsibility (CSR) program based on community need.

**3.5.1.4. Noteworthy Positive Components**


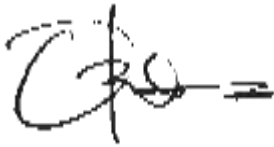
No	Ref.Std	Description
1		The Company has commitment to implement the principle of sustainable palm oil management.
2		Felda Besout was RSPO certified on 2014
3		Besout POM was certified for ISO 14001: 2004, OHSAS 18001:2007&ISO 9001:2008



**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>Besout 03 [270 settlers] - Head of settlers</b> No environmental issue due to activities from mill and estates.	Continuing the description of environmental issues by organizing campaigns, road shows and a sign board installation.	Based on document verification and stakeholder consultation, there is no significant issue related to negative impact of plantation and mill operation
<b>Besout 02 [495 settlers] - Head of settlers</b> Felda assist and provide informations on good agriculture practice.	Continue to provide assistance in terms of training, information and finance for good agricultural practices.	Based on field visit and interview with the <i>smallholders</i> ( <i>peneroka</i> ), for example in Felda Besout 2 & Besout 5 that Felda was contribution to increase the <i>smallholders</i> income.
<b>Besout 02 - Settlers</b> Felda provides full support. She commented no disturbance from foreign workers and she concern all the workers are legally appointed. Settler's dependents are given priority for job employments.	Recruitment legally by law will be approved and continued, and at the same time the information to migrant workers regarding the latest information law should be continued as well.	Based on document verification and field visit (interview the foreign workers) in Besout 6 and Besout 5 that knows all of foereign workers from Indonesia has have legal permit.
<b>Besout 04 - Head of Settlers</b> After RSPO certification many good things happening now and then, such as awareness on fire fighting and basic knowledge of RSPO.	Estate will continue to get assistance of training regarding RSPO from internal auditor RSPO of FELDA headquartes .	Based on field visit and interview with a few <i>smallholders</i> ( <i>peneroka</i> ) that knows generally of peneroka was understand related prohibition of open burning activities.
<b>Sekolah Kebangsaan Besout</b> Well support receives from Felda whenever there is a need for fund for school activities.	Felda Community services will be continued to help communities around the estate or factory to foster the spirit of cooperation among residents .	Based on document verification and field visit observed that shows Felda was develop a few school facility for the community surround
<b>Labour Union</b> Workers in the mill are well taken care. Basic facilities both in workers' quarters and settlers housing well taken care by Felda.	Felda will continue monitoring and inspection to workers quarter for any problems , and will fix the problems	Based on filed visit for observed the falicity for the workers, for example in Indonesian and Bangladesh dormitory, that shows the facilities in good condition.

<p><b>Secretary of Kelab Daya Budi (Woman Club) – Besout</b> Well supportreceive from Felda and the purpose of gender committee operates effectively.</p>	<p>Women's Committee meeting will be continued and improved, especially in matters related to women.</p>	<p>Based on document verification and interview a few with women workers that indicated there is no iissue related to woman abuse and sexual harassment.</p>
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4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;"><b>Signed on behalf of:</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 50px;"> <div style="text-align: center;"> <p><b>Felda Global Ventures – FELDA</b> <b>Management Representative</b></p>  <p><b><u>Norazam Abdul Hameed</u></b> 30 November 2015</p> </div> <div style="text-align: center;"> <p><b>Mutuagung Lestari</b> <b>Lead Auditor</b></p>  <p><b><u>Oktovianus Rusmin</u></b> 30 November 2015</p> </div> </div>

**Appendix1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Jabatan Bomba dan Penyelamat Slim River	Sungkai Perak, Malaysia		Letter	29/09/2015		
2	Jabatan Perhutanan Daerah Perak Selatan	Sungkai Perak, Malaysia		Letter	29/09/2015		
3	Pengurusan Kawasan FELCRA Cangkat Sulaiman D/A Pejabat Pos Sungkai	Sungkai Perak, Malaysia		Letter	29/09/2015		
4	Jabatan Perhilitan Daerah Tapah	Sungkai Perak, Malaysia		Letter	29/09/2015		
5	Jabatan Kemajuan Hal Ehwal Orang Asli	Sungkai Perak, Malaysia		Letter	29/09/2015		
6	Jabatan Pengairan & Saliran Daerah Kinta/Batang Padang	Sungkai Perak, Malaysia		Letter	29/09/2015		
7	Wetland International Malaysia	Malaysia	malaysian@wetland.org.my	email	29/09/2015		
8	Majlis Kebajikan dan Pembangunan Masyarakat Kebangsaan Malaysia		makpem@gmail.com	email	29/09/2015		
9	Pesticide Action Network Asia & Pacific		panap@panap.net	email	29/09/2015		
10	Environmental Protection Society		epsm@epsm.org.my	email	29/09/2015		
11	Mr. Hamidun (Local Contractor) for Besout Mill	Sungkai Perak, Malaysia		Interview	05/10/2015	✓	
12	Mr. Adnan Bin Hasan (Local Contractor) for Besout 2 & 5	Sungkai Perak, Malaysia		Interview	05/10/2015	✓	
13	Gender Committe of Besout Complex	Sungkai Perak, Malaysia		Focus Group Discussion	05/10/2015	✓	
14	Besout Workers Union	Besout		Focus Group Discussion	05/10/2015	✓	

**Appendix 2. Assessment Program**

DATE TARIKH	5 – 9 October 2015	
PLANNED TIME PELAN MASA	PROCESSES / CLAUSES TO BE AUDITED PROSES / FASAL YANG DIAUDIT	AUDITOR
<b>Ahad / Sunday</b> <b>4 October 2015</b> 08.40 – 11.50 12.30 – 13.30 13.30 – 15.30	Travelling from Jakarta to Kuala Lumpur Auditor Team Coordination (Kuala Lumpur) & ASI Auditor Travel from Kuala Lumpur to Plantation Site (Felda Besout)	<b>ORN &amp; TNO</b> <b>All Auditor &amp; ASI Auditor</b>
<b>Monday / Isnin</b> <b>5 October 2015</b> 08.00 – 09.00   09.00 – 12.00  12.00 – 13.00  13.00 – 17.00	<b>Opening Meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification)</li> </ul> Stakeholder Consultation to nearest village and community leader, labour union, gender committee  Stakeholder Consultation to Related Government Institution (District Government & Local NGO)  Break and Lunch  Document Review and Review of Previous Visit Non-conformance (Stage 2)	<b>All Auditor</b>   <b>ORN, MMN</b>  <b>TNO, DNH</b>  <b>All Auditor</b>
<b>Tuesday / Selasa</b> <b>6 October 2015</b> 08.00 – 12.00   12.00 – 13.00  13.00 – 17.00	<b>Field Observation to Besout FGVP 06 Estate</b> <ul style="list-style-type: none"> <li>Agronomy (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir)</li> <li>Environmental, Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, Land Application of POME)</li> <li>Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities)</li> <li>Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave)</li> </ul> Break and Lunch  <b>Field Observation to Besout POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Environmental, Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Interview with Worker's Union Mill, Contractor of CPO Transporter, Gender Committee.</li> </ul>	<b>TNO</b>  <b>TNO</b>  <b>DNH</b>  <b>ORN</b>  <b>MMN</b>     <b>MMN</b>  <b>DNH, TNO</b>  <b>ORN</b>

DATE TARIKH	5 – 9 October 2015	
PLANNED TIME PELAN MASA	PROCESSES / CLAUSES TO BE AUDITED PROSES / FASAL YANG DIAUDIT	AUDITOR
<b>Wednesday / Rabu</b> <b>7 October 2015</b> 08.00 – 12.00	<b>Field Observation to FTP BESOUT 02 Estate</b> <ul style="list-style-type: none"> <li>• Agronomy (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir)</li> <li>• Environmental, Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities)</li> <li>• Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave)</li> </ul>	<b>TNO</b>  <b>TNO</b>  <b>DNN</b>  <b>ORN</b>  <b>MMN</b>
12.00 – 13.00	Break and Lunch	
13.00 – 16.00	Document Review	
16.00 – 17.00	Field Observation Clarification	<b>All Auditor</b>
<b>Thursday / Khamis</b> <b>8 October 2015</b> 08.00 – 12.00	<b>Field Observation to FTP BESOUT 05 Estate</b> <ul style="list-style-type: none"> <li>• Agronomy (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir)</li> <li>• Environmental, Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities)</li> <li>• Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave)</li> </ul>	<b>TNO</b>  <b>TNO</b>  <b>DNN</b>  <b>ORN</b>  <b>MMN</b>
13.00 – 14.00	Break and Lunch	
14.00 – 16.00	Document Review	
16.00 – 17.00	Field Observation Clarification	<b>ALL AUDITORS</b>
20.00 – 22.00	Team Auditor Meeting (Preparation for Audit Finding)	<b>ALL AUDITORS</b>
<b>Friday/Jumat</b> <b>9 October 2015</b> 09.00 – 11.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>• Presentation of Assessment Findings by Auditor Team (Explanation of Identified Nonconformities and Completion of Corrective Timeline, Answer &amp; Questions)</li> <li>• Auditee Response against Assessment Findings</li> </ul>	<b>All Auditor &amp; ASI Auditor</b>
13.00 – 16.00	Traveling from Plantation Site (Felda Besout) to Kuala Lumpur	<b>All Auditor &amp; ASI Auditor</b>
19.05 – 20.30	Travelling from Kualalumpur to Jakarta	<b>ORN, TNO</b>