

**Roundtable on Sustainable Palm Oil Certification
RSPO**

[√] Reduction Scope Certification

Name of Management Organisation : Selancar.2A Palm Oil Mill, Felda Global Ventures subsidiary of FELDA

Plantation Name : Selancar.01 Estate, Selancar.02 Estate, Selancar.03 Estate, Selancar.04 Estate, Selancar.05 Estate, Redong Estate

Location : District of Segamat, State of Negeri Sembilan, Malaysia

Certificate Code : **MUTU-RSPO/057**

Date of Certificate Issue : 23 April 2015 **Date of License Issue** : 23 April 2015

Date of Certificate Expiry : 22 April 2020 **Date of License Expiry** : 22 April 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approved by
ST-1	10-11 September 2014	Mahas, Diana	Ganapathy Ramasamy	Tony Arifiarachman
ST-2	13-17 October 2014	Mohan Thavarajah, Taufik Margani, Octo HPN Nainggolan, Mahaswaran Maliyapan		
Reduction of Audit Scope	27 November 2015	Octo HPN Nainggolan	Oktovianus Rusmin	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
Reduction of Audit Scope	14 December 2015

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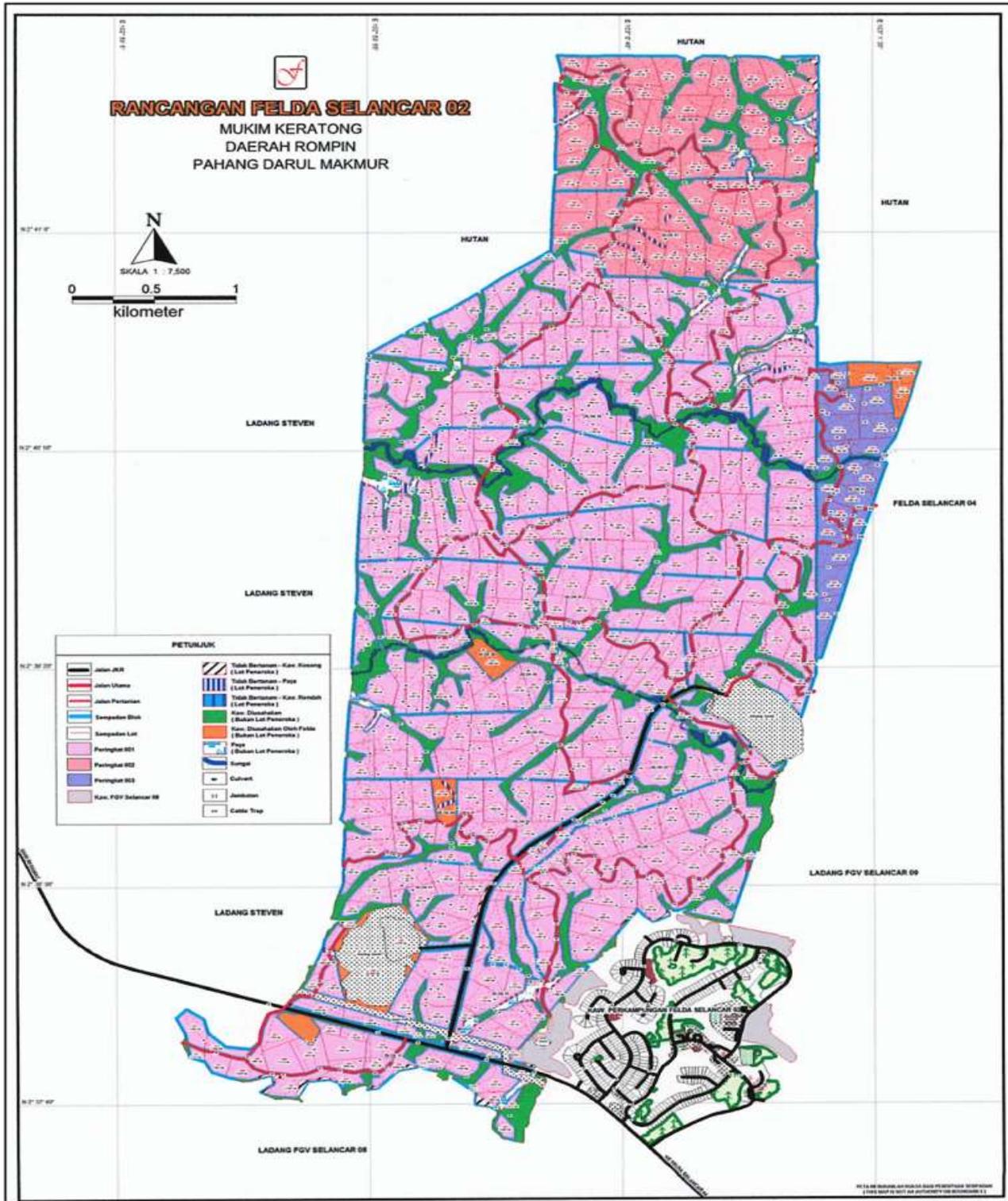


Figure 4. Location Map of Selancar-02 Smallholders (Peneroka) Housing complex

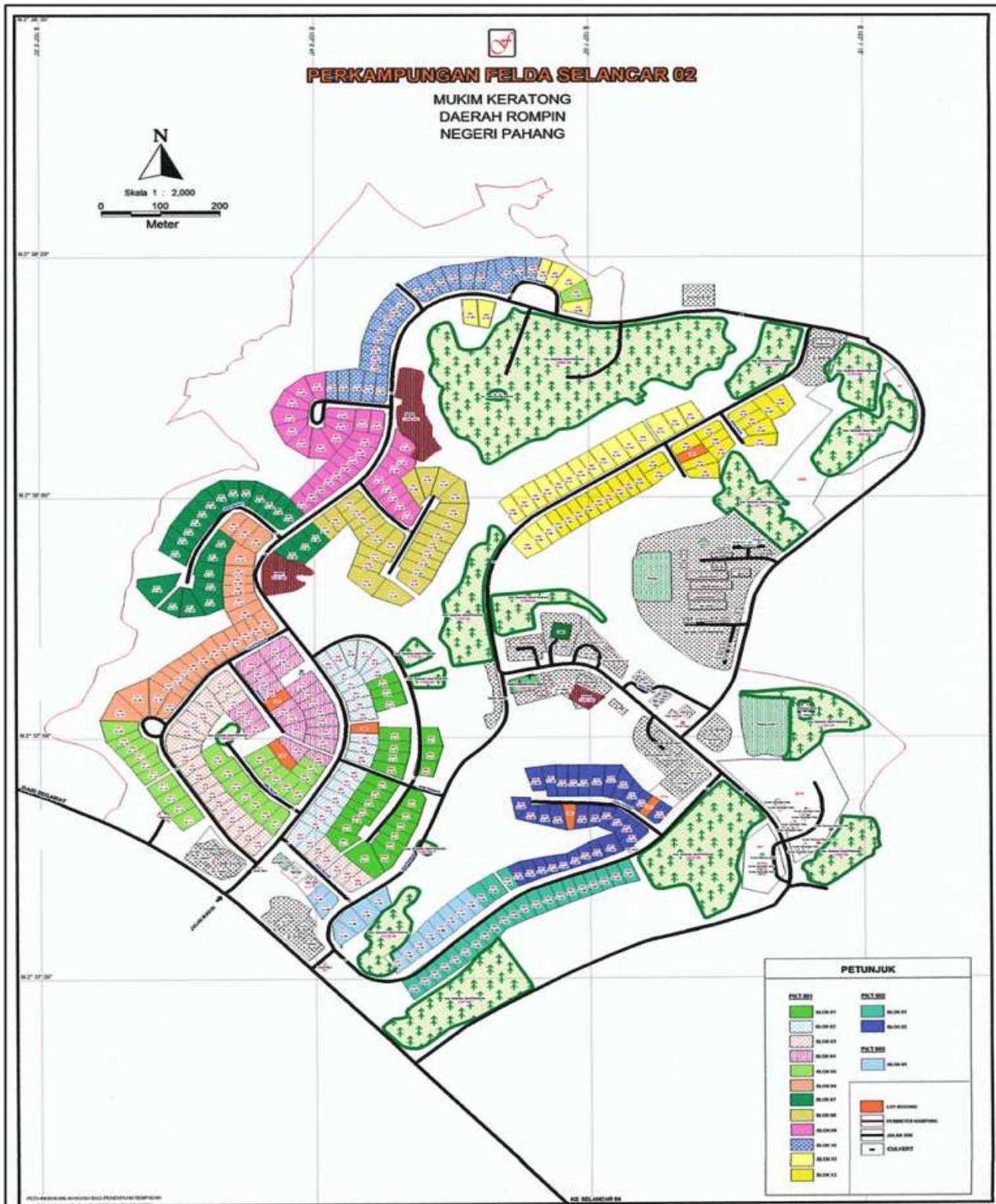


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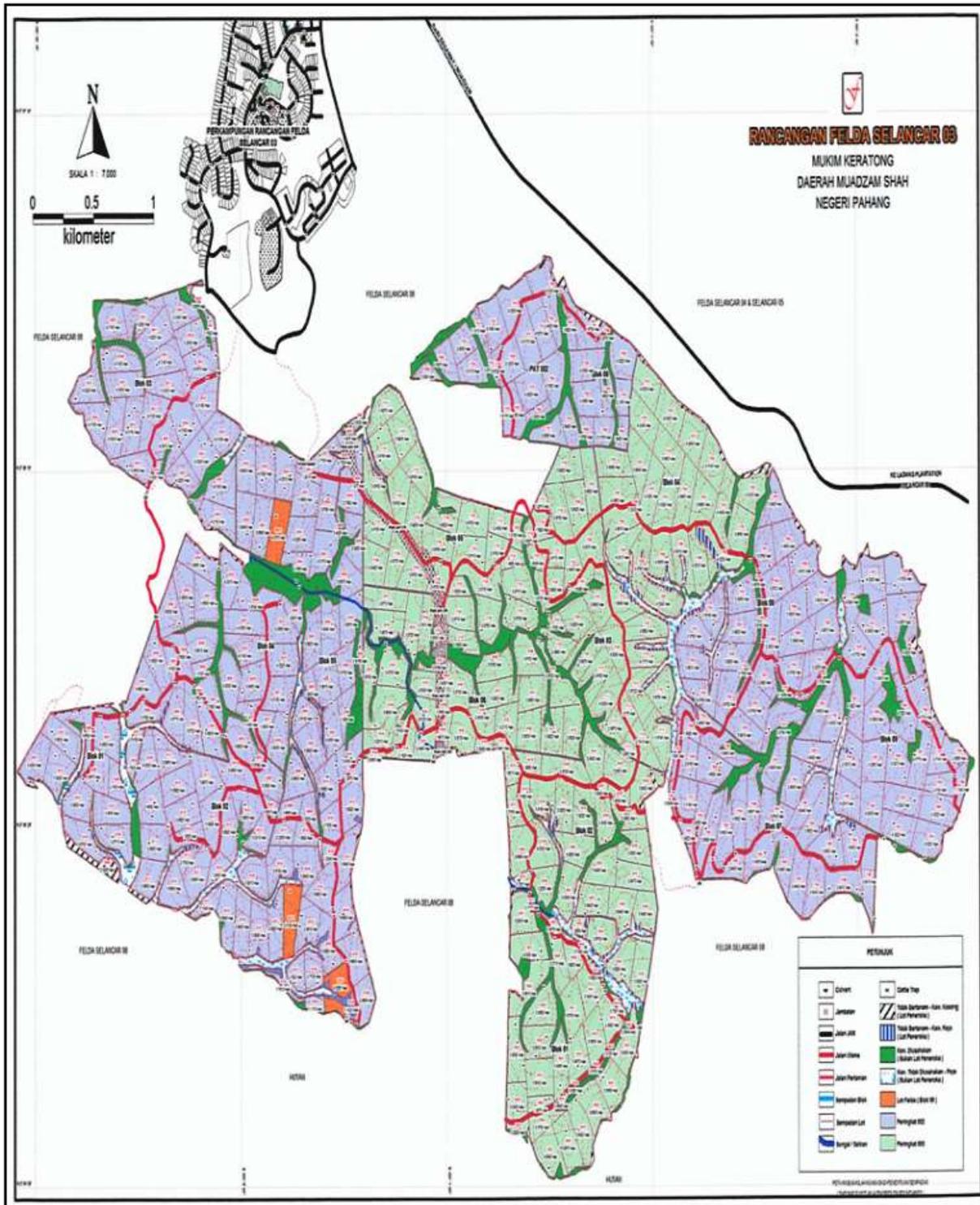
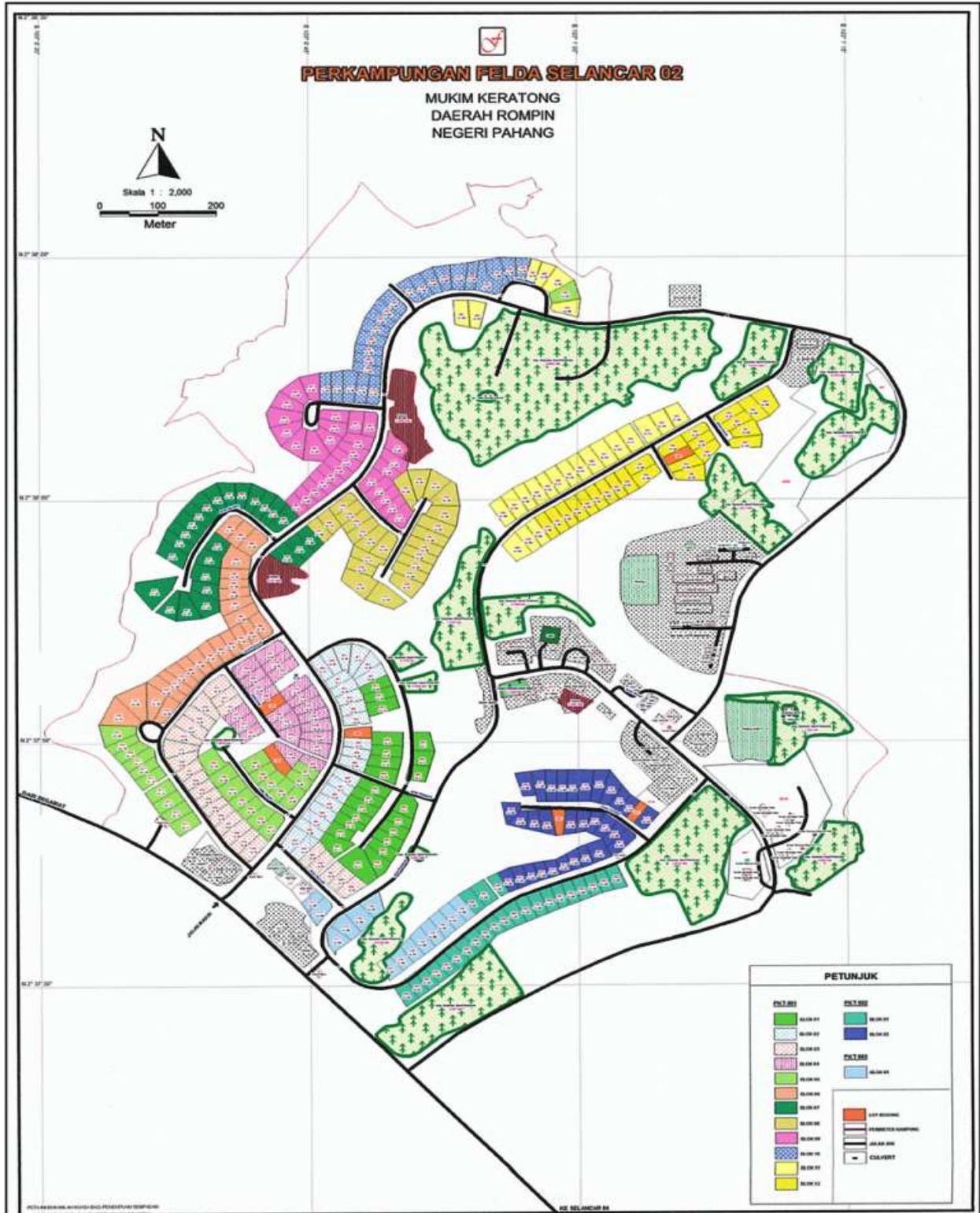


Figure 6. Location Map of Selancar-03 Smallholders (Peneroka) Housing complex



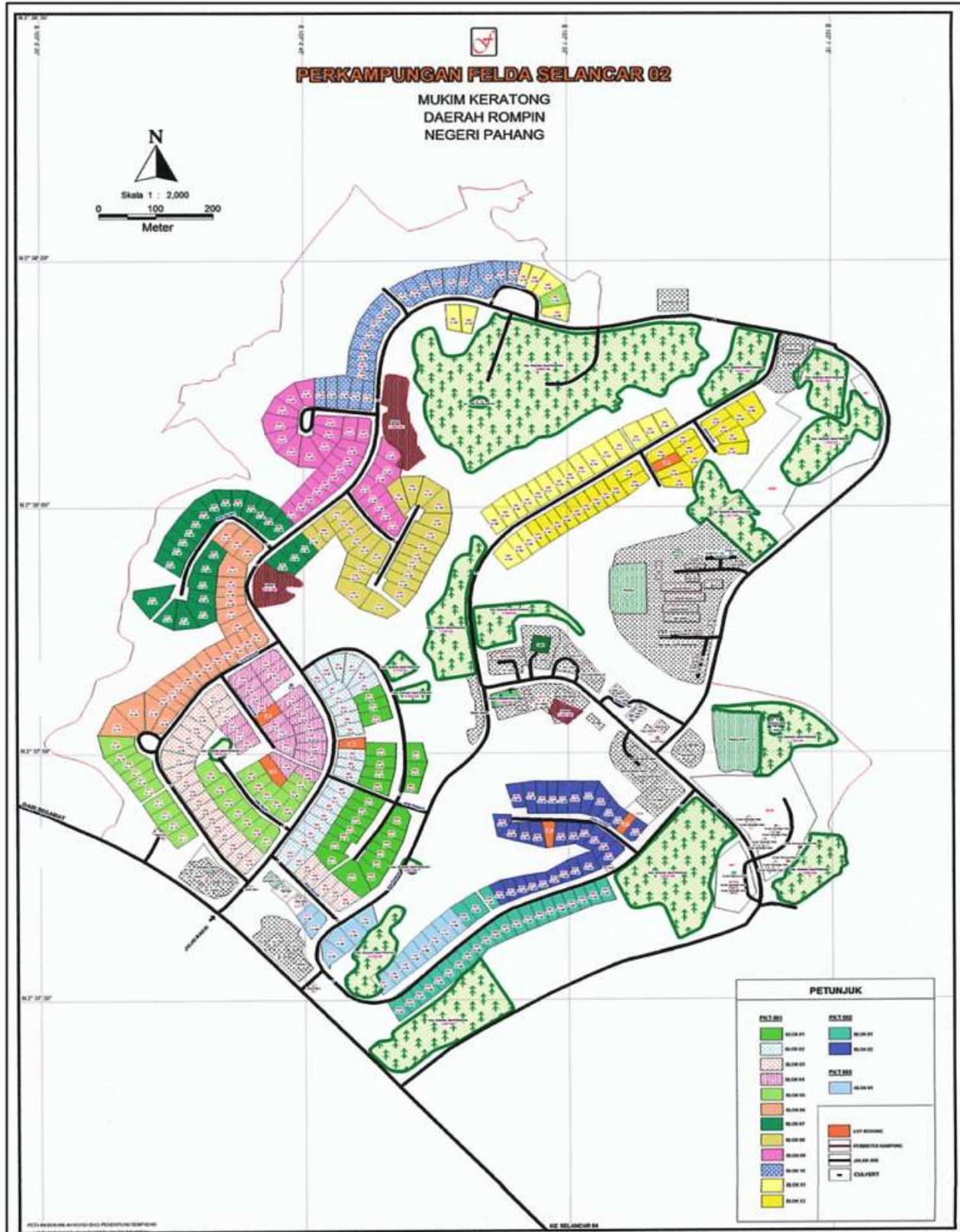


Figure 8. Location Map of Selancar-04 Smallholders (Peneroka) Housing complex

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	National Interpretation Used	<i>National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Malaysia National Interpretation - RSPO MY-NIWG, April 2006 including smallholder NI and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.</i>	
1.2	Organization Information		
1.2.1	Company name	Felda Global Ventures – FELDA	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Company address and site address	PSQM, Felda Global Ventures Plantations (M) Sdn Bhd Tingkat 8 Balai Felda, Jalan Gurney Satu, Kuala Lumpur, Malaysia 54000	
1.2.4	Telephone	03-26005349	
1.2.5	Fax	03-26987816	
1.2.6	E-mail	anthonius.s@feldaglobal.com	
1.2.7	Web page address	www.felda.net.my	
1.2.8	Company status	Government	
1.2.9	Management Representative who completed the application for certification	Mr. Anthonius Sani	
1.2.10	Registered as RSPO member	1-0013-04-000-00, 17 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment	Palm Oil Mill and supply base	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	Felda Global Ventures – FELDA	
1.3.4	Number of management unit	Selancar.2A Mill, Selancar 1 Estate, Selancar 2 Estate, Selancar 3 Estate, Selancar 4 Estate, Selancar 5 Estate, Redong Estate.	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	SELANCAR.2A	Segamat, Johor, Malaysia	2° 39' 5" N 103° 1' 18" E
1.4.2	Location of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	SELANCAR 1	Segamat, Johor Darul Takzim.	2° 29' 44" N 103° 00' 54" E
	SELANCAR 2	Segamat, Johor Darul Takzim.	2° 41' 44" N 102° 57' 23" E
	SELANCAR 3	Muadzam Shah, Pahang Darul Makmur.	2° 37' 53" N 103° 01' 00" E
	SELANCAR 4	Segamat, Johor Darul Takzim.	2° 37' 21" N 103° 00' 20" E
	SELANCAR 5	Segamat, Johor Darul Takzim.	2° 37' 41" N 103° 01' 38" E
	REDONG	Labis, Johor Darul Takzim.	2° 37' 41" N 103° 01' 38" E

1.5	Description of Area Statement							
1.5.1	Tenure							
	• State						212.96 Ha	
	• Community (Peneroka)						8,011.77 Ha	
1.5.2	Area Statement							
	• Total area						8,224.73 Ha	
	• Mature area						6,524.08 Ha	
	• Immature area						1,022.44 Ha	
	• Electrical line (TNB)						6.34 Ha	
	• Main road						152.00 Ha	
	• Smallholders housing complex						208.99 Ha	
	• Low land (paya)						273.68 Ha	
	• Water reservoir						15.15 Ha	
	• Buildings						1.00 Ha	
	• Undeveloped land						13 Ha	
	• Mill						8.05 Ha	
	• HCV						- Ha	
1.6	Year of Plantings and Cycles							
1.6.1	Age profile of planted palms*							
		Hectarage						
	Planting Year	Selancar.01 (Ha)	Selancar.02 (Ha)	Selancar.03 (Ha)	Selancar.04 (Ha)	Selancar.05 (Ha)	Redong (Ha)	TOTAL
	1994	-	-	-	-	-	28.35	28.35
	2005	-	-	-	-	-	90.17	90.17
	2006	559.45	-	-	-	-	1,351.06	1,910.51
	2007	-	1,023.00	-	-	-	-	1,023.00
	2008	-	126	-	-	-	-	126
	2010	-	-	793.06	-	-	941.45	1,734.51
	2011	-	-	552.55	593.63	465.36	-	1,611.54
	2012	711.36	311.08	-	-	-	-	1,022.44
	TOTAL	1,270.81	1,460.08	1,345.61	593.63	465.36	2,411.03	7,546.52
1.6.2	New Planting area after January 2010				-			Ha
1.6.3	Planting Cycle				2 nd Cycle			Years
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	SELANCAR.2A	30	166,010.33	31,824.2	19.17	8,794.61	5.9	
	<i>*Source Production Data Septemember 2013 to August 2014</i>							
1.7.2	Description of Certification Scope of Supply Base							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill		
						FFB	%	

						(tonnes/year)	
FELDA/FTP Selancar 1 (300 smallholders by FELDA/FTP)	1,270.81	1,270.81	14,430.58	10.94	14,430.58	8.69	
FELDA/FTP Selancar 2 (318 smallholders by FELDA/FTP)	1,632.62	1,460.08	22,629.64	14.06	22,629.64	13.63	
FELDA Selancar 3 (353 smallholders by FELDA/FTP)	1,565.60	1,345.61	1,312.52	0,94	1,312.52	0.79	
FELDA Selancar 4 (133 smallholders by FELDA/FTP)	685.63	593.63	299.02	1.91	299.02	0.18	
FELDA Selancar 5 (81 smallholders by FELDA/FTP)	659.04	465.36	74.50	2.63	74.50	0.05	
FELDA/FTP Redong (555 smallholders by FELDA/FTP)	2,411.03	2,411.03	25,353.94	9.81	25,353.94	15.27	
TOTAL	8,224.73	7,546.52	64,100.20	9.04	64,100.20	38.61	

**Source Production Data Septemember 2013 to August 2014*

**FELDA Global Ventures Plantation (M) Sdn Bhd Letter on November 11th, 2015 number (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.*

1.7.3 Smallholders and other source

Name of sources	Members	Location	Supplied to Mill	
			FFB (tonnes/year)	%
Peneroka (Individu) - Ahmad Bin Man	Independent smallholders	Segamat, Johor Darul Takzim.	31.21	0.02
DEALER (Kontaktor)	Independent smallholders	Segamat, Johor Darul Takzim.	100,744	60.69
PEMANIS - 01	FELDA	Segamat, Johor Darul Takzim.	23.13	0.01
RISDA PLANT. SDN. BHD	RISDA	Segamat, Johor Darul Takzim.	412.11	0.26
FELDA SELANCAR-06	FELDA	Segamat, Johor Darul Takzim.	281.85	0.17
FELDA SELANCAR-08	FELDA	Segamat, Johor Darul Takzim.	234.50	0.14
FELDA SELANCAR-09	FELDA	Segamat, Johor Darul Takzim.	183.51	0.11
TOTAL			101,910.13	61.39

**Source Production Data Septemember 2013 to August 2014*

1.7.4 Product categories FFB / CPO / PK

1.8 Estimate Tonnage of Certified Product

1.8.1	Past Annual Claim Certified Product	Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)
	• FFB Production	-	-
	• CPO Production	-	-
	• Palm Kernel (PK) Production	-	-
<i>** Certificate Claim will be verified during the next assessment (first Surveillance)</i>			

1.8.2 Claim Certified Tonnage of FFB

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
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FELDA/FTP Selancar 1 (300 smallholders FELDA/FTP)	by	1,270.81	1,270.81	14,614	11.5		
FELDA/FTP Selancar 2 (318 smallholders FELDA/FTP)	by	1,632.62	1,460.08	22,631	15.5		
FELDA Selancar 3 (353 smallholders FELDA/FTP)	by	1,565.60	1,345.61	6,728	5.0		
FELDA Selancar 4 (133 smallholders FELDA/FTP)	by	685.63	593.63	2,968	5.0		
FELDA Selancar 5 (81 smallholders FELDA/FTP)	by	659.04	465.36	2,327	5.0		
FELDA/FTP Redong (555 smallholders FELDA/FTP)	by	2,411.03	2,411.03	24,110	10.0		
TOTAL		8,224.73	7,546.52	73,379	9.7		
<i>*Projected FFB production for 12 months of certificate (23 April 2015 to 22 April 2016)</i> <i>*Projected FFB's consist of FELDA own estate and Smallholders manage by FELDA/FTP (not include own manage smallholders)</i>							
1.8.3	Claim Certified Tonnage of Palm Product						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Selancar.2A	30	73,379	13,942	19.0	4,403	6.0
<i>*Projected CPO and Palm Kernel production for 12 months of certificate (23 April 2015 to 22 April 2016)</i>							
1.9	Other Certifications						
1.9.1	ISO 9001:2008		ISO 9001 (validity 31 May 2013 until 30 May 2016) No. MY-AR 3826 by SIRIM QAS				
1.9.2	ISO 14001: 2004		ISO 14001 (validity 31 May 2013 until 30 May 2016) No. MY-ER 0344 by SIRIM QAS				
1.9.3	OHSAS 18001:2007		ISO 18001 (validity 31 May 2013 until 30 May 2016) No. MY-SR 0230 by SIRIM QAS				
1.9.4	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.		13,720	Q1, 2011	Certified: 2012	

Pahang					
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 Penggeli 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,	15,070	Q2, 2014	2014/2015

		Sabah			
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	Besout	Kilang Sawit Besout, 35600 Sungkai, Perak	12,201.80	Q3, 2014	2014/2015
38	Trolak	Kilang Sawit Trolak, Pejabat POS Sungkai, 35600 Sungkai, Perak	6,899	Q3, 2014	2014/2015
39	Krau	Kilang Sawit Krau, Peti Surat 17, 28700 Bentong, Pahang	14,619	Q3, 2014	2014/2015
40	Pancing	Kilang Sawit Pancing, Peti Surat 257, 25730 Kuantan, Pahang	3,850	Q3, 2014	2014/2015
41	Neram	Kilang Sawit Neram, Pejabat Pos Mini Felda Neram 1, 26160 Kuantan, Pahang	15,262	Q3, 2014	2014/2015
42	Mempaga	Kilang Sawit Mempaga, 28600 Karak, Pahang	7,648	Q3, 2014	2014/2015
43	Chalok	Kilang Sawit Chalok, 21450 Setiu Terengganu	8,730.67	Q4, 2014	2014/2015
44	Sg Tenggi	Kilang Sawit Sg. Tenggi, Felda Gedangsa, 44010 Kuala Kubu Bahru, Selangor	7,320	Q3, 2014	2014/2015
45	Serting	Kilang Sawit Serting, Bandar Baru Serting, 72109 Jempol, Negeri Sembilan	17,947.93	Q3, 2014	2014/2015
46	Keratong 2	Kilang Sawit Keratong 02, Peti Surat 28, 26900 Bandar Tun Razak, Pahang	15,276	Q3, 2014	2014/2015
47	Keratong 03	Kilang Sawit Keratong 03, Peti Surat 21, 26900 Bandar Tun Razak, Pahang	12,036.48	Q3, 2014	2014/2015
48	Pasoh	Kilang Sawit Pasoh, 72300 Simpang Pertang, Negeri Sembilan	8,197.34	Q3, 2014	2014/2015
49	Kerteh	Kilang Sawit Kerteh, Beg berkunci No. 3, 23309 Ketengah Jaya, Terengganu	13,170.13	Q4, 2014	2014/2015
50	Selendang	Kilang Sawit Selendang, Pejabat Pos Kuala Rompin, 26800 Rompin, Pahang	13,944.20	Q3, 2014	2014/2015
51	Selancar 2A	Kilang Sawit Selancar 2A, Peti Surat 98, 85007 Segamat, Johor	8,399.40	Q4, 2014	2014/2015
52	Selancar 2B	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor	7,555	Q3, 2014	2014/2015
53	Jerangau Barat	Kilang Sawit Jerangau Barat, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	1,556	Q4, 2014	2014/2015
54	Jerangau Baru	Kilang Sawit Jerangau Baru, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	10,805	Q4, 2014	2014/2015
55	Palong Timur	Kilang Sawit Palong Timur, Peti Surat 2, 73400 Gemas, Negeri Sembilan	26,331	2014/2015	2015
56	Serting Hilir	Kilang Sawit Serting Hilir, 72120 Bandar Baru Serting, Negeri Sembilan	24,689	2014/2015	2015
57	Maokil	Kilang Sawit Maokil, Jalan Kilang, Rancangan Felda Maokil, 85300 Labis, Johor	8,777	2014/2015	2015
58	Tenggaroh	Kilang Sawit Tenggaroh, 86810 Jemalung, Johor	16,812	2014/2015	2015
59	Tenggaroh Timur	Kilang Sawit Tenggaroh Timur, Karung Berkunci No. 534, 81907 Kota Tinggi, Johor	4,420	2014/2015	2015
60	Keratong 09	Kilang Sawit Keratong 09, Peti Surat 32, 26900 Bandar Tun Razak, Pahang	7,810	2014/2015	2015
61	Kechau A	Kilang Sawit Kechau A, Peti Surat 16, 27207 Kuala Lipis, Pahang	15,963	2014/2015	2015
62	Kechau B	Kilang Sawit Kechau B, Peti Surat 57, 27200 Kuala	8,712	2014/2015	2015

		Lipis, Pahang			
63	Ciku	Kilang Sawit Ciku, Peti Surat 29, 18300 Gua Musang, Kelantan	10,796	2015/2016	2016
64	Aring B	Kilang Sawit Aring B, Peti Surat 46, 18300 Gua Musang, Kelantan	6,920	2015/2016	2016
65	Kemahang	Kilang Sawit Kemahang, Peti Surat 35, 17507 Tanah Merah, Kelantan	7,775	2015/2016	2016
66	Tersang	Kilang Sawit Tersang, 27600 Raub, Pahang	10,044	2015/2016	2016
67	Cini 2	Kilang Sawit Chini 2, 26690 Chini, Pahang	9,422	2015/2016	2016
68	Cini 3	Kilang Sawit Chini 3, 26690 Chini, Pahang	7,730	2015/2016	2016
69	Sampadi	Kilang Sawit Sampadi, Peti Surat 18, 94507 Lundu, Sarawak	7,680	2016/2017	2017
70	Air Tawar	Kilang Sawit Air Tawar, 81900 Kota Tinggi, Johor		2016/2017	2017
71	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	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	All the outgrowers which supplies to Besout mill are planned to be in RSPO certifiable standard within three years after the mill certified. The progress of the outgrowers will be verified during the next assessment.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
2.1.1	Lead Assessor and Assessment Team
ST-2	<ol style="list-style-type: none"> Mohan Thavarajah (Lead Auditor). 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 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. Taufik Margani (Auditor). 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. Octo HPN Nainggolan (Lead Auditor). 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. 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.
Additional Audit	<ol style="list-style-type: none"> Octo HPN Nainggolan (Lead Auditor). During the additional assessment he verified the reduction of scope of independent "Own manage" Smallholders. Verification of coverage area which will reduce and not include in the previous scope of assessment.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ST-2	Number of auditor : 4 auditors Number of days for ST-2 at site : 4 days Number of working days for ST-2 at site : 16 Working days
Additional Audit	Number of auditor : 1 auditors Number of days for Additional Audit at site : 1 days Number of working days for ST-2 at site : 1 Working days
2.2.2	Detail process of assessment

ST-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Selancar 2A Palm Oil Mill under FELDA operation that consisting of 1 (one) Palm Oil Mill: and supplied by 5 (five) estates: FELDA/FTP Redong, FELDA/FTP Selancar 01, FELDA/FTP Selancar 02, FELDA Selancar 03, FELDA Selancar 04/05 to the requirements of Malaysian National Interpretation (MY-NI) – (Including Smallholder NI Approved by RSPO Executive Board November 2010. The Baseline NI Indicators and guidance are as in Approved NI 26 April 2008) and RSPO Supply Chain Certification Standard for CPO Mill, 25 November 2011.</p> <p>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.</p> <p>Some opportunities for improvement of the results ST-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ST-2).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ST-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ST-2.</p> <p>The assessment program please find Appendix 2</p>
Additio nal Audit	<p>The assessment was carried out for reduction of certification scope from previous initial assessment and to exclude the independent smallholders “Owm Manage Smallholders” which also in the same estate with the smallholders manage by FELDA or FTP (Felda Techno Plant).</p> <p>The auditor conducts the reduction of scope through desk review, due to on the initial assesment all smallholders already include in the scope. Observation is mainly to verified number of smallhodlers, hectarage.</p>
2.2.3	Locations of Assessment
ST-2	<p>Selancar 2A Palm Oil Mill:</p> <ol style="list-style-type: none"> 1. Processing station (loading ramp to dispatch). Observation on crude palm oil production from fresh fruit bunch and fire emergency response on mill. Interview with mill's officers (boiler operator, engine room operator) regarding the medical examination, operator license, payment, complaint mechanism, first aid implementation, capacity building/training, safety, the availability of personal protective equipment and mass balance model supply chain mechanism. 2. Chemical storage. Observation on handling chemical material and interview with storage officer regarding the chemical material handling process, emergency response and implementation of Occupational Health & Safety 3. Water Treatment Plant. Observation on clean water provision. 4. Workshop. Observation on emergency response feasibility and availability of Occupational Health & Safety (first aid kits) and interview with welders on training, medical examination, Occupational Health & Safety implementation, safe way of working, complaint mechanism, freedom to establish association and payment 5. Schedule waste storage waste in mill. Observation on handling hazardous material waste whether it complied regulation and interview with hazardous material storage officers regarding medical examination, handling on hazardous material waste and availability of means to handle pollution and exposure. 6. Waste Water Treatment Plant (WWTP). Observation on industrial liquid waste management and pollution reduction handling process. 7. Worker interviews. There some workers that the auditor interviewed and some of them are awae about OSH, sexual rights, religious rights and racial. They are well aware on the pay and contract agreement between the employer and employee. <p>Redong Estate:</p> <ol style="list-style-type: none"> 1. Block-04. Observation of manual weeding activity according to the procedure and interview with the 4 migrant workers from India regarding the payments, workers facilities, medical screening, contract agreement and the labor forces. 2. Block-05. Observation of harvesting activity and interviewing the 5 migrant workers from Indonesia regarding the harvesting quota basis, payments, health and safety, health insurance, workers facilities, labor force, contract agreement and the legal permits. 3. Peringkat-1, Block-07. Observation of harvesting activity and interviewing the 5 migrant workers from Indonesia regarding the harvesting quota basis, payments, health and safety, health insurance, workers facilities, labor

- force, contract agreement and the legal permits.
4. **Chemical storage and Fertilizer storage.** Observation of chemical management regarding safety and health practices.
 5. **Peringkat-2, Block-02.** Observation of hazardous waste management on the field
 6. **Interview with six smallholder (Peneroka)** which have oil palm plantation 4 ha each regarding how the plantation have been manage and maintain, social relationship with FELDA
 7. **Peringkat-1, Block-02.** Observation of empty fruit bunch application.
 8. **Pukin River riparian.** Observation regarding the maintainence of water source and conservation area.

Selancar 2 Estate:

1. **Chemical storage and Fertilizer storage.** Observation of chemical management regarding safety and health practices.
2. **Peringkat-1b, Block-06.** Observation of harvesting activity and interviewing the 5 migrant workers from Indonesia regarding the harvesting quota basis, payments, health and safety, health insurance, workers facilities, labor force, contract agreement and the legal permits.
3. **Peringkat-1b, Block-06.** Observation of fertilizing activity practices and observe there was ex chemical containers abandon in the field without well manage.
4. **Smallholders Plantation (Ladang Peneroka).** Observation 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.

1st day (Oct 13, 2014)

1. Palm Oil Mill Selancar 2A.

Observation including documentation review and interviewing to several staff of Palm Oil Mill such as workers, labour union, gender committee and the personal in-charge related to the principles 6 and its indicator requirements that had been implemented.

2nd day (Oct 14, 2014)

Redong Estate. The estate was managed by FELDA Techno Plant (FTP) for the settlers (or Peneroka's) palm oil land and FELDA for controlling the settlers managed their owned land.

2. Observation and interviewing to settlers owned land managed by FELDA Techno Plant (FTP). There were 5 (five) settlers attended at Block 7, Peringkat 1 and discussion about the land historical, agreement with FELDA for managing land for palm oil plantation, the mechanism payment from the harvesting FFB by FELDA, land conflict issues and other social issues.
3. Observation and interviewing to FELDA's staff (or worker) about the workers agreement and minimum wages, workers facilities, labour union implementation and FELDA measures to the workers, child workers.
4. Observation and interviewing to Settlers that managed their owned land. Attended 7 (seven) Peneroka about the land historical, employed the workers, the FFB price, FFB payment, FELDA socialization, land conflicts, contribution to local development and other social issues.
5. Observation and interviewing to migrant workers. Meeting to 4 workers from Indonesia and 2 workers from Bangladesh. Discussion about workers agreement, minimum wages, grievances/complaint, labour agency, SIA identification, and other workers issues, and worker facilities.
6. Meeting and interviewing to ordinary member of labour union. Discussion about the workers issues and records meeting of workers union distributed to the members.
7. Meeting and interviewing to Head of Gender Committee at Redong Estate. Discussion about the policy related to women rights such as sex harassment and grievance process.
8. Redong Estate Office. Interviewing to Staff FELDA and reviewing the records and completing the checklist.
9. Meeting and interviewing to Head of Kampung Asli Segamat Kecil (Mr Alias Bin Hasan). Discussion about the complaint mechanism, the relationship to FELDA, conflict and social issues impacted by FELDA.

3rd day (Oct 15, 2014)

	<p>Selancar 02 Estate. The estate was managed by FELDA Techno Plant (FTP) for the settlers (or Peneroka's) palm oil land and FELDA for controlling the settlers managed their owned land.</p> <ol style="list-style-type: none"> 10. Observation and interviewing to Settlers that managed their owned land. There were 4 (four) settlers attended at Block 7, Selancar 2 and discussion about the land historical, employed the workers, the FFB price, FFB payment, FELDA socialization, land conflicts, contribution to local development and other social issues. 11. Observation and interviewing to Migrant Workers (3 workers from Bangladesh) at Block 7 Selancar 2. Discussion about the worker wages, facilities, workers agreement, grievance or complain mechanism. 12. Observation and interviewing to Migrant Workers (2 workers from India and Indonesia) at their housing Selancar 2. Discussion about the worker agreement, minimum wages, facilities, grievance or complain mechanism and observation workers facilities. 13. Meeting and interviewing to Head of Gender Committee at Selancar 02 Estate. Discussion about the policy related to women rights such as sex harassment and grievance process. 14. Stakeholders meeting (external). Attended 10 peoples that consist of teacher school, palm oil suppliers (Steven Estates), Transporters, subcontractors (FFB grader), Food and stationery supplier, Cooperative of Settlers, Engineering subcontractor and Police. Discussion about the FELDA activities both Mill and Estates that impact (positive and negative) to them, and other social, environment and production issues. 15. Stakeholders meeting (Internal). Attended 24 peoples consists of the settlers which managed their land by FELDA and managed by settlers own-self. Discussion about the FELDA activities both Mill and Estates that impact (positive and negative) to them and other social, environment and production issues 16. Selancar 02 Estate Office. Interviewing to Staff FELDA and reviewing the records and completing the checklist. <p><u>4th day (Oct 16, 2014)</u></p> <p>Stakeholders consultation</p> <ol style="list-style-type: none"> 17. Meeting with Jabatan Perhilitan (Wildlife Agency) at Segamat. Discussion about the FELDA activities that impact to environment and the wild-life, FELDA awareness to wild-life condition. 18. Meeting with Jabatan Perhutanan (Forest Agency) at Segamat. Discussion about the FELDA activities that impact to environment and forest, land conflict, illegal logging and open forest areas. 19. Meeting with Jabatan Pengairan and Saliran (Irrigation and drainage agency) at Segamat. Discussion about the FELDA Estates and Mill activities that impact and pollution and erosion to rivers in FELDA areas. 20. Meeting with Jabatan Orang Asli (JAKOA) at Segamat. Discussion about the complaint and grievance to FELDA because of estates and mill activities, land conflict and social issues. <p>Selancar 02 Mill, Internal discussion with all auditors regarding the finding; brief information to FELDA key personal</p> <p>Closing meeting</p>
2.3	Stakeholder Consultation and List of Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Selancar2A Mill – Felda Global Ventures, FELDA was held by:</p> <p>Public Notification 30 days before the initial assessment and uploaded on RSPO, company and certification body websites</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders on 14 October 2014 smallholders on 15 October 2014 conducted by visits to villages and interviews with local peoples including the smallholders (Peneroka).</p> <p>Numbers of input from stakeholders were clarified by the management units</p>
2.3.2	List of stakeholder contacted
	Please find appendix 1
2.4	Determining Next Visiting

The next visit (*Surveillance-1*) will be determined nine to twelve months after the management unit held the certificate (period of February to April 2016).

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Selancar.2A Palm Oil Mill under FELDA operation that consisting of 1 (one) Palm Oil Mill: and supplied by 6 (six) estates: Selancar 01 Estate, Selancar 02 Estate, Selancar 03 Estate, Selancar 04 Estate, Selancar 05 Estate and Redong Estate

During the assessment, there were fourteen (14) Nonconformities were assigned against Major Compliance Indicators; fourteen (14) nonconformities were assigned against Minor Compliance Indicators; and ten (10) opportunities 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 actions that had been reviewed and accepted by Auditors in form of documentation evidence(s) e.g. (*document record/photographic/etc...*). Those corrective actions taken that consist of fourteen (14) Major non-conformity(s) and *nine* (9) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Selancar 2A Palm Oil Mill - FELDA operation complied with the requirements of **Malaysian National Interpretation (MY-NI)** – (*Including Smallholder NI Approved by RSPO Executive Board November 2010. The Baseline NI Indicators and guidance are as in Approved NI 26 April 2008*) and **RSPO Supply Chain Certification Standard for CPO Mill, 25 November 2011.**

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.	
There is an available Communication Policy, signed by Mohammed Emir Mavani Abdullah, CEO FGV dated 1/6/2014. The Felda Selancar 2A Grouping mill and estates have established a documented Communication and Negotiation Procedure document number ML-1A/L2-PR3 to address provision for adequate information for stakeholders.		
Requests for information or complaints are forwarded to the local estate or mill manager and recorded in enquiry/ grievance record book for appropriate action to be taken. Among complaints recorded were : Cows intrusion into Selancar 2 estate blocks whereby the agreed corrective action was to install a fence, which was carried out on 10/09/14. At Redong Estate, complaints and enquiries were adequately heard , resolved and recorded into the Stakeholder Communication Record Book as well as Joint Consultative Committee (JCC)minutes of meetings.		
However, Major Noncompliance (2014.01 indicator 1.1.1) was raised regarding the record Book for external		

stakeholder communication was not available at the SELANCAR POM. Only record books for staff / settlers complaints and enquiries were available.

1.1.1	Status: Non conformance 2014.01 with major category
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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.

The Management documents for Felda Selancar 2A POM and estates that are publicly available are as follows:

- a) Land Titles (From Pahang / Johor State Governments and records available at respective state Land Offices)
- b) Safety and Health Plan (Selancar 2 dated 21/07/2014) POM dated 26/03/14
- c) Social Impact Assesment- (Selancar 2 dated (02/10/14) POM dated 29/05/14
- d) HCV Identification & Biodiversity Management Plan (dated 20 Sep 2014)
- e) Complaint and Grievance SOP(Prosedur menangani Aduan dan Rungutan) (ML-1A/L2-PR4)
- f) Mechanism of Negotiation SOP(Prosedur Perundingan) (ML-1A/L2-PR1),
- g) Continuous Improvement Plans (for Mill and all estates sampled)
- h) EAI Report (Redong Estate dated 04/09/14), (Selancar 2 last reviewed 09/10/14),POM dated 15/02/2014

Additional Management documents for Felda Selancar 2A POM and estates that are publicly available, are as below:

- 1) Code of Ethics and Integrity Policy ((dated 01/06/14) signed by CEO)),
- 2) Human Right Policy((dated 01/06/14) signed by CEO)),

	Status: Full Compliance
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PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

A legal register covering applicable local and international laws and regulations is found to be available at the Felda Selancar 2A mill and estates. The relevant legislations identified and listed were among others are regarding:

Licensing / permits for occupational health & safety , environmental management and other industry regulatory requirements verified include :

- a) MPOB license ,
- b) Factories and Machinery Act 1967,
- c) Occupational Safety and Health Act 1994,
- d) Environmental Quality Act 1974,
- e) Fire Services Act 1988,
- f) Poisons Act 1952,
- g) Employee Social Security Act 1969 (SOCSO),
- h) Employees Provident Fund (EPF),
- i) Employment Act 1955 and
- j) Industrial Relations Act 1967.

In addition, land titles available at KL HQ and /or State Government Land Offices demonstrated compliance to land regulations including land use for palm oil agriculture.

However, OFI (2.1.1) - Copies of land titles or equivalent documentation should be available for reference at the document filing centre of the respective management units for administrative management purpose .

Licenses for MPOB was available dated 01/04/2014 validity until 31/03/2015 - POM Selancar 2A
 Licenses for MPOB was available dated 01/04/14 validity until 31/03/2015 – Estate Selancar 02
 Licenses for MPOB was available dated 01/04/2014 validity until 31/03/2015 – Estate Redong.

Stakeholder interview with office staff, field workers, scheme smallholders revealed that there were no cases of any

legal or statutory non-compliances imposed by regulatory authorities. Statutory documentary submissions to government authorities were found to be in compliance.

Based on the field and site observations, interviews and records checking at the Felda Selancar 2A mill and estates, there was evidence of compliance with the relevant laws, regulations, local and international laws at the Felda Selancar 2A mill and estates. Licenses and permits such as MPOB license, DOSH Certificates, DOE Permit, JPJ licenses, Business Premises License, Permit for Employment of Foreign Workers, Domestic and Consumer Permit for storing diesel & etc were renewed and found to be valid.

The Felda Selancar 2A mill and estates has established and implemented a documented system for determining, reviewing and updating applicable legal requirements. It included the listing of laws and regulations that encompass safety, environment and labour legal requirements, among others. Based on field observations, interviews and review of records at the Felda Selancar 2A mill and estates, there was evidence of a documented system that has been appropriately disseminated to all staff, scheme smallholders and contractors. Field observations further verified that all activities were in compliance to the relevant laws, regulations, local and international laws.

A mechanism for ensuring that the relevant legal requirements are implemented has been established in the form of an Evaluation of Legal Compliance Checklist. This checklist is utilized in all Selancar 2A POM and estates.

However, Major Noncompliance (2014.02 indicator 2.1.3) - at Redong estate the evaluation of legal compliance checklist was not updated by the estate PIC.

Felma Selancar 2A POM and estates have a system of tracking of changes in the relevant laws and statutory requirements that are communicated and received from Felma HQ based in Kuala Lumpur (KL). Monitoring of changes to the applicable laws and statutory requirements is carried out through periodical review in accordance with Felma's documented requirements. Changes in laws are disseminated by the PSQM Department in KL HQ to all the various PMUs throughout East and West Malaysia.

Stakeholder interview with office staff, field workers and scheme smallholders of the Felma Selancar 2A POM and estates confirmed that Felma Selancar 2A POM and estates has implemented a procedure for tracking changes of the relevant laws and statutory requirements which was communicated and received from Felma HQ in Kuala Lumpur. Based on the field observations and review of records at the Felma Selancar 2A Grouping mill and estates, there was sufficient evidence that the applicable laws and statutory requirements are effectively implemented.

2.1.1	Status: Opportunity for improvement.
2.1.3	Status: Non conformance 2014.02 with major category

**2.2
The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

Felma Selancar 2A POM and estates was able to demonstrate ownership of land titles of mill and estates within the PMU. The original copies are maintained by the Felma Corporate Head office in Kuala Lumpur. The legal use of the land was confirmed to be for oil palm mill and cultivation use for estates. Based on the field observations and interviews at the Selancar 2A mill and estates, there was evidence in the form of available records to show that the land lease complies with legal requirements and does not infringe on any legal rights that require free, prior and informed consent.

However, observation was raised regarding the copies of land titles or equivalent documentation should be available for reference at the document filing centre for administrative management purpose. (Refer to OFI at 2.1.1)

There were boundary stones / markers along the perimeter of Felma Selancar 2A POM, Redong Estate and Selancar 02 Estate which were sampled in this initial audit. Locations of several boundary stones and/or pole markers were visited and verified to be within the boundary parameters of the estates. Based on the field observations at the Felma Selancar 02 and Redong estates, there were visible confirmations of the locations of several boundary stones and pole markers

which were verified to be demarcating the boundary parameters of the estates.
However, Minor Noncompliance (2014.03 indicator 2.2.3) was raised regarding the boundary maintenance checklist was not updated by Mill and estate PIC of Selancar 2A POM and Redong estates.

There is a documented Felda procedure ML-1A/L2-PR4 for handling and response to land disputes and customary rights as well as for calculation and distribution of compensation. However, there have been no land disputes in the Felda Selancar 2A POM and estates to date. Stakeholder interviews and field observations at the Felda Selancar 2A POM and estates revealed that there have been no land disputes in these areas.

2.1.1	Status: Opportunity for improvement.
2.2.3	Status: Non conformance 2014.03 with minor category

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.

No cases of land claims or disputes in this Felda Selancar 2A PMU.
 As such this process is presently not applicable for this initial audit

Stakeholder interview with field staff, workers, scheme smallholders of the Felda Selancar 2A PMU revealed that there have been no land disputes in the Felda Selancar 2A PMU. Based on the field observations at the Felda Selancar 2A Estates, was verified that there have been no land disputes in the Felda Selancar 2A PMU.

No cases of land claims or disputes in this Felda Selancar 2A PMU.
 As such this process is presently not applicable for this initial audit

Stakeholder interview with field staff, workers, scheme smallholders of the Felda Selancar 2A PMU revealed that there have been no land disputes in the Felda Selancar 2A PMU. Based on the field observations at the Felda Selancar 2A Estates, was verified that there have been no land disputes in the Felda Selancar 2A PMU.

No cases of land claims or disputes in this Felda Selancar 2A PMU.
 As such this process is presently not applicable for this initial audit.

Stakeholder interview with field staff, workers, scheme smallholders of the Felda Selancar 2A PMU revealed that there have been no land disputes in the Felda Selancar 2A PMU. Based on the field observations at the Felda Selancar 2A Estates, was verified that there have been no land disputes in the Felda Selancar 2A PMU.

Status: Full 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.

The plantation management units of Felda Selancar 2A POM Grouping including mill and sampled estates were verified as below to have established annual budgets in order to facilitate long term economic and financial viability. The annual budget for the Felda Selancar 2A POM and estates was projected for financial period as follows:

- a) Selancar 2A POM – Budget projection until 2016.
- b) Estate Selancar 2 - Budget projection until 2016.
- c) Estate Redong - Budget projection until 2016.

Annual replanting programs have been projected from FY2014 - FY2019. No replanting activities are envisaged for this period for all of Redong and Selancar 2 estates. From interviews with the Felda Holding Manager and FTP Manager, it was verified that there are no annual replanting planned from FY 2014- FY 2019. Field observations confirmed that sites visited were already replanted and therefore no replanting activities are ongoing currently or are planned for the near

future upto FY2019.

Status: Full 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 Selancar complex 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).

For 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).

During the office visit to the mill and estates the documented procedures were available in Bahasa Malaysia and have been communicated to scheme members through meetings. FELDA management team also periodically recorded the field inspection and verification related to fertilizer application, pest and disease control, weed upkeep and the agronomic reports. On the mill operations supported by regular preventive maintenance and scheduled inspection

Through interview and document review in the estate the managers and field staff revealed that they were understand and conversant with the operations manual and there were shown the upkeep and harvesting records documentation of **Rekod Kerja Integrasi Sawit** and **Buku Rekod Kerja tahun 2014**. The mill also visited by group mill advisory every semester and the last visit was conducted on 13-14 August 2014. All the records were well maintained.

During the mill site visit to Loading Ramp station it was shown the workers have following the FFB quality acceptance procedures and on Central Room Operations visit the operator have recorded the process activity in the *Inverter Continuous Sterilizer* document. In the mill the preventive maintenance under the maintenance division which supported by mechanical and electrician to ensure all the operation process capability is well and safe, all the inspections are conducted and recorded in *Buku Rekod Kerja Harian* on daily manner.

However thee managemnt unit have to maintained the consistency of the work plan record (muster chit) with implementations in the field. Raised as an **observation**.

4.1.2 Status: Opportunity of improvement

4.2

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

Annually fertilizer recommendation was made for every estates by Felda Agriculture Services (FAS) Sdn Bhd. Based on document observation of fertilizer stock book and application found that on year 2013 the estates have applied 100 percent of fertilizer application accordance to recommendation for example in Redong-01 estate the fertilizer applied amount 3,565.51 ton with NK Mix fertilizer. Until the assessment conducted fertilizer application already reach 85 percent of the 2014 recommendation with type of fertilizer NK Mix (7.25 Kg/plant), Kieserite (1.25 Kg/plant) and Rock Phosphate (2.25 Kg/plant). During the field observation to Redong-01 Estate, Peringkat-1, Block-4 it was found the activity of fertilizing applied circling around the oil palm plant and accordance to the procedure and recommendation.

Not all the area in FELDA/FTP Redong-01 Estate and FELDA/FTP Selancar-02 Estate manage by FELDA or FELDA techno Plant, several smallholders' areas are own manage (individually), however FELDA still responsible inform to all the scheme smallholders about fertilizer recommendation from the leaf and soil sampling analysis.

Soil and leaf sampling analysis annually have been conducted in each estates by Felda Agriculture Services (FAS) Sdn Bhd and the result are used to optimize fertilizer requirements for example on Redong-01 estate conducted on 21-24 December 2013 and analyze in **Pusat Perkhidmatan Tun Razak, Pahang** laboratory, the test result is for 2014 fertiliser recommendation. The record of all area tested, include the blocks number and estate name are well kept. Untill the assessment conducted the 2014 soil and leaf analysis have not been conducted, however the sampling was planned on December 2014 for fertilizer recommendation on 2015.

Based on document review and field observation there was no Land Application due to the mill effluent is discharge into the water stream, however during the assessment the BOD (Biological Oxygen Demand) is still in the threshold (not more than 100 mg/l) 40 mg/l.

FELDA Selancar complex also implementing the zero burn replanting, however during the assessment there was no replanting activity since 2010.

Based on **Manual Ladang Lestari Edisi II MLSL (Ed.2)-Sec.3 (3.0)** explain the EFB have to applied in two weeks after sent from mill to field, however during the site visit to Redong-01 Estate, Peringkat-1, Block-7 identified the EFB's were not applied for more than one week. The management unit shall ensure to implementing the EFB application accordance to procedure. Raised as an **observation**

4.2.3	Status: Opportunity for improvement
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4.3

Practices minimize and control erosion and degradation of soils.

Management unit has implemented soil conservation practices to minimize soil erosion and soil degradation as shown by the following record: soil and the steep river bank protection policy, terracing record at the time of land preparation; planting of cover crops (Mucuna); frond stacking shape practice, silt pit, EFB application and composting in the planting site. Nevertheless there is still lack of evidence of documenting the practice minimizing soil erosion and degradation properly e.g. Terracing, frond stacking, water ways/small river erosion control, etc. **Non conformance was raised (2014.04 indicator 4.3.1) with minor category.**

To avoid bare / open land resulted from planting activity, management unit has cultivated cover crops (mucuna) and terracing during the early stage of planting or at replanting period. As example: there was evidence of cover crops planting and terracing in the replanting estates.

For road maintenance, management unit has standard operating procedures in the document of Field Manual on Sustainable Oil Palm Plantation chapter 10 concerning "Agricultural Road Establishment". Periodic road maintenance are planned and incorporated in the budgeting plan of each estate, for example: patching, clean and preserve the trenches, grading, repair collapsed roads on the porch, plaster, installation of box culvert, and other forth. For monitoring of the implementation, there is form for roadwork monitoring in each estate. During the field observation the collection and transport roads are well maintained. All the road maintenance program along 68,500 meter on the year 2014 is implemented.

Soil Maps are in place for each estate identifying all soil types. There are no peat soils in Sample estates (Redong-01 and Selancar-1) areas audited. According to survey carried out by FELDA Agricultural Services, Sdn Bhd majority of the land is **rengam** (berpasir/sandy) and no peat soil. There are no acid sulphate soils, which required special treatment Based on field observation there was no peat soil in the estate except for colluvial and alluvial soils that occur in the ravines and low lying flats in Redong-01 and Selancar-02 estates.

Improvement of EFB application, "L" shape frond stacking on the sandy area and LCC (Lagume Cover Crop) plant on replanting/immature area

4.3.1	Status:
4.3.5	Non conformance 2014.04 with minor category
	Opportunity for improvement

4.4

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

Seen no evidence of neither spraying nor manuring activities at both locations. Estate has implement policy for no spraying at buffer zone area. Basically the estate following guidelines by local authority to maintain the buffer zone as stated in ML-1A/L2-PR5. No signages seen along the rivers on restricting spraying, manuring, fishing, etc. Visited rivers not being maintained and restores appropriately as riparian buffer zones. **Non conformance was raised (2014.05 indicator 4.4.1) with major category.**

During field visit, seen no construction of bunds or weirs across waterways. The mill is monitoring the quality of effluent discharge on weekly basis [every Wednesday]. Estates fail to convince the audit team, on whether the waterway passing this estate free of pollution from estate's activities.

Record of rainfall is maintained daily and monthly. Record of rainfall is effecting the fertilizer recommendations by FASSB. The mill has documented objective for water usage [Objective QOHSE 2014 - < 1%]. The percentage derived

from 0.70% for boiler, 0.10% for cleaning and 0.20% for processing.

As at audit date, the estates have not done the water analysis as per required by procedure ML-1A/L2-PR6 and FAS-RSPO L1/K4.4/4.4.1. **Raised nonconformance (2014.06 indicator 4.4.3) with major category.**

Water management plan established, maintained and monitored by Asst. Manager Mat Ramli. No significant issues noted in last 2 years, either drought or flood.

During site visit to chemical premix area, the contaminated water being drained to land thru a pipeline and there isn't any sump been constructed as to hold the contaminated waste water. **Non conformance raised (2014.07 indicator 4.4.6) with minor category.**

Status:	
4.4.1	Non conformance 2014.05 with major category
4.4.2	Opportunity for improvement
4.4.3	Non conformance 2014.06 with major category
4.4.6	Non conformance 2014.07 with minor category

4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) 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 whit cultural, biology and chemical concepts. The prosedur also explain the mechanism of beneficial plant to increase the population of caterpillar natural enemies.

Based on to the own manage *Peneroka* known that they are aware of the Integrated Pest management System for example how to control rat attack, however the FELDA scheme manager need to improve of periodical training to settlers (own manage land *Peneroka*). **This was raised as an observation.**

Based on document review revealed that the management unit (FTP manage land and own manage smallholders) cannot shown evidence of Integrated Pest and Disease Management monitoring implementation (example: rat attack, caterpillar, *ganoderma boninense*). **Minor non conformance was raised (2104.08 indicator 4.5.2).**

The estate management units (FTP manage land and own manage smallholders) have not shown evidences of all pesticides use location area information records on chemical which have been explaining the active ingredients annually use per ton of FFB. **Minor non conformance was raised (2014.09 indocator 4.5.3).**

Status:	
4.5.1	Opportunity for improvement
4.5.2	Non conformance 2014.08 with major category
4.5.3	Non conformance 2014.09 with minor category

4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

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. There is also shown the **Policy of Paraquat use** on 1 June 2014 by FELDA and FGV document no.97/143-H which informed the reducing and stopped the application based on consideration of: The *Paraquat* only uses for the young palm (0-3 year) and prohibited for the old palm, the alternative of the replacing the paraquat pesticides have to implement.

All the pesticides use by the estates has been registered in *Senarai Racun Berdaftar MPOA April 2007*. *Approved List of Pesticides Registered for Oil Palm (wef April 2007)* "this is to inform that the latest list of pesticides for use in oil plam (food act 1983) is enclosed herewith, Members are advised to use **ONLY** pesticides which are approved by the Pesticedes Board as well as the Food Act".

Pesticides use by the unit are GC Paraquat (a.i. paraquat dichloride), JURU 20F (metsulfuron methyl), ECOMAX (glyphosate isopropylamine), ROUNDUP RAINGUARD (Glyphosate), BASTA 15 (glufosinate ammonium).

During the assseessment audit team also check the chemical storage and found all the herbicides are comply with the registered list.

The letter from MPOA – Malaysian Palm Oil Board dated 30 October 2007 No.33/2007 regarding **Used HDPE Pesticides Containers Recycling Programme** related Pesticides containers which have been triple rinse are not categorized as Scheduled Waste and can be recycled.

The Guidelines:

- ❖ The National Recycling Program (Recycling of Used HDPE Pesticides Containers) is under the Department of Agriculture. MPOA is a member of the main committee
- ❖ Recycling activities are driven by state level sub committees which are chaired by the respective State Directors of Agriculture
- ❖ All pesticides containers are scheduled waste, however pesticides containers triple rinsed under this Recycling Program are exempted from scheduled waste classification and therefore could be recycled
- ❖ To be formally included in this Recycling Program, MPOA branches will have to invite the officers to attend their sub-committee meeting

During the field observation auditor have sight non conformances of the implementation and have not meets the regulatory requirement for example spill containment, labeling, separation and safety tools.:

1. Selancar-2 estate the new bulding of fertilizer storage is in properly condition.
2. Redong-01 estate water disposal of premixing location, labeling and no spill containtment in the chemical store and field observation to Peringkat-1 (blok-2) found the ex chemical containers are not properly manage.

Non conformance was raised (2014.10 indicator 4.6.3) with major category.

Inspection to chemical storage audit team found all the chemicals were labeled in Bahasa Malaysia and the Material Safety Dtaa Sheet (MSDS) are stored in information board. During the assessment auditor interviewing the workers which use the pesticides and reveal all the workers have understand the usage and hazards of each chemical they are use.

Available evidence of medical screenings of chemical sprayers for example FELDA/FTP Redong-02 estate to 21 spraying workers which exposed by chemical pesticides (Paraquat, Aminopyralid, Glyphosate, Metil Metsulfuron) on 8-9 October 2014 by B.P Clinical Lab Sdn Bhd (DR.Ling Kay Kwong) and the result received on 13 October 2014. The medical testing are Genral Checkup, Blood Sampling and Urine Sampling, Spirometry (lung test) and the special recommendation made by the doctor according to the medical test.

Based on interview with the chemical sprayers and fertilizer workers known that all the workers have been annually following the medical check and surveillance and the result known by the workers and no complaints againt skin disorders or rashes, breathing difficulties or nail problems, however the management units have not shown the evidence of medical surveillance to all workers which applied with the chemical (spraying, fertilizing). **Non conformance was raised (2014.11 indicator 4.6.5) with major category.**

Based on document observation and field inspection there are only males workers employed as pesticides sprayers at estates, The management unit of FELDA/FTP Redong-01 and FELDA/FTP Selancar-02 have documentation (policy) to support the prohibition or restriction on pregnant and breast feeding workers for conducting the chemical works (spraying and manuring).

During the field observation conducted on the Redong-01 and Selancar-02 estate there was no activity of agrochemical spraying, however the auditor interview with the settlers/Peneroka/smallholders and inform the spraying activity still use the paraquat a.i and not recorded.

The estates management units of Redong-01 and Selancar-02 estates have shown the evidence of there was no **World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions** are use, however the units use the *Paraquat* a.i to controlled weeds in the operational area. Based on the chemical records the units have

shown the reducing of the *paraquat* from year 2012 until 2014 and programming to reduce the application in Redong-02 Estate., however in Selancar-02 the paraquat a.i application still use in the estate still higher than previous year. The management unit cannot show the reduction of paraquat application. The 2015 plan of paraquat use still higher than 2014.

There is no evidence of aerial spraying carried out by the management unit.

Based on interview with the management representative, there is no buyer has yet requested CPO testing for chemical residues.

Records of chemical usage, spraying location, dates of application have been inform daily and well records and maintain by the management units. Auditor have request the spraying records, however the estates managemet units (FTP manage land and own manage smallholders) have not shown the evidences of active ingredients pesticides usage per hectare records and monitoring. **Non conformance was raised (2014.12 indicator 4.6.10) with minor category.**

	Status:	
4.6.3	Non conformance 2014.10 with major category.	
4.6.5	Non conformance 2014.11 with major category.	
4.6.10	Non conformance 2014.12 with minor category.	

4.7 An occupational health and safety plan is documented, effectively communicated and implemented.

HIRARC prepared by Safety committee consist of all station in mill operations. HIRARC criteria consist of activities, hazard identification, possibility, severity, risk level, mitigation measures and person in charge. OSH document control is maintained in file FPI/L4/QOHSE-3.4. No evidence of mill and estate workers trained on First Aid. Improper records maintained for tracking of fire extinguishers. The PPE issuance record not effectively linked to HIRADC and EIA. No assessment conducted on why there is a need for PPE replacement. During the mill visit, sighted the fire hose and fire hydrant not being manage properly. There was no plan available to test the "Emergency Respond Procedure" by regularly conducting evacuation drill, occupational safety audits or health awareness campaign. **Major nonconformance was raised (2014.13 indicator 4.7.1).**

Based on the monthly OHS summary report [Jan – Sept'14] for both mill and estates, there was no Lost Time Accident [LTA] recorded and it was supported with Form JKPP 8.

Staffs are covered by ETIQA insurance. Foreign workers are being covered by Group insurance. Based on the audit evidence, there was no claims been done. . As for settlers, Felda has no policy to secure insurance, however RM 10,000 will be compensate for death.

4.7.1	Status: Non conformance 2014.13 with major category.	
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4.8 All staff, workers, smallholders and contractors are appropriately trained.

Sighted a documented procedure [FPI/L2/QOHSE-5.0] on how the training process being managed. Sighted mill and estates training programme for year 2014. Annual training program for year 2014 seen included for staff, workers and contractors. Among the listed programs are awareness towards schedule waste management and chemical handling for workshop employees. However no program and training records available for settlers. Improper documented evidence demonstrated for settlers whom were not provided with adequate training and skills. Improper records maintained on whether workers and contractors appropriately trained for the work being conducted. Training programs has no linkages to HIRADC and environmental aspect impact. **Major nonconformance was raised (2014.14 indicator 4.8.1).**

4.8.1	Status: Non conformance 2014.14 with major category.	
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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.

For mill, there is a document: FPI/L4/QOHSE-1.8 Pin 0 for environmental impact assessment. The file last updated on 15/02/2014. Identification - To identify all activities or aspects of the palm oil mill that have impact to the environment. Mitigation measures in the mill, includes monitoring of water quality, FFB receiving, training on process of mill, operation maintenance and etc. All the estate activities were assessed, that also inclusive of outsourced spraying process. However There is documented impact assessment (5.1/5.6) last update on 09/05/2014 done by Asst. Manager Mr. Shafie. However the assessment not effectively reviewed or assessed by the management.

- Sighted activities of this estate, such as chemical store, premix area, fertilizer store; foreign worker's hostel, etc were not assesesed.
- There is no procedure available to guide on how the assessment to be conducted.

Major non-conformance was raised (2014.15 indicator 5.1.1)

5.1.1	Status: Non conformance 2014.15 with major category.	
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5.2

The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.

Based on the document review, stakeholders interview and filed observation there were no conservation area identified in Selancar.2A Mill and supply bases. Management units have describing the external stakeholder participation, however there were several information (but not limited to) need to be improve for example the team members and their qualification, basic biophysical data such as: land cover map, river and conservation area, slope map. **This was raised as an observation.**

The report of HCV identification also contains the HCV management plan 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, however the implementation plan will be taken as observation by the auditors during the next assessment.

Based on the field observation the management units of Selancar complex (Redong Estate and Selancar-02 Estate) have installing the notification board for 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. Improvement of ERTs and conservation through regular socialization, awareness and signboards by FELDA/FTP management to related stakeholders (smallholders and workers). This was raised as an observation.

5.2.1	Status: Opprtunity for improvement	
5.2.3	Opprtunity for improvement	

5.3

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

In mill, seen all waste [general, laboratory and engineering] is identified, documented and waste is disposed of in the prescribed way. This been clearly defined and summarized in "Rumusan Skor Untuk Impak Alam Sekitar Dari Bahan Buangan".

In estates, the domestic waste being collects on weekly basis. However there are no records maintain for the collection and no documented evidence to justify whether the waste sorted before disposed in the landfill. Mill is having identified wastes and pollutants, an operational plans developed and implemented, to avoid or reduce pollution.

Major non-conformance was raised (2014.16 indicator 5.3.1).

Monthly testing and monitoring of effluent samples was carried out as per DOE recommendation.

During field visit to estates, observed that

- There is no evidence of schedule waste disposal programme and the notification to DOE.
- There is no management plan that to encourage and educate the scheme smallholder's participations.
- During field visit, sighted improper storage area allocated for schedule waste. Also seen the 3R activities not implemented effectively whereby mixed wastes found in each recycle containers. Identified waste is not disposed of in the prescribed way.

<p>➤ Waste water is treated using ponding system before discharging</p> <p>➤ The visited estate has evidence with inappropriate waste disposal control at landfill. The landfill consisted waste that shall not be disposed of in the landfill.</p> <p>As the spraying process being outsourced, the Scheme Manager to ensure on how the premix of chemicals being done and how the contractor dispose of the contaminated waste water. There is no monitoring of schedule waste and no evidence demonstrated that schedule waste disposed in accordance to EQA 1974 [Schedule Waste Regulation – 2005]. Minor non-conformance was raised (2014.17 indicator 5.3.2).</p>	
5.3.1	<p>Status:</p> <p>Non conformance 2014.16 with major category.</p>
5.3.2	<p>Non conformance 2014.17 with minor category.</p>
<p>5.4</p> <p>Efficiency of energy use and use of renewable energy is maximized.</p> <p>Renewable energy in mill consists of boiler usage to generate electricity for processing use. Source of energy includes, Fibre [record of fibre usage in /MT CPO]. Monitoring of fossil fuel such diesel and lubricant available on monthly basis. Record is include with total monthly FFB received and total fuel usage in litre.</p> <p>Status: Full compliance</p>	
<p>5.5</p> <p>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.</p> <p>Enforcement of “Restriction of Open Burning” being brief to all mill employees during weekly safety briefing. During field visit not seen evidence of open burning. Sighted a letter from Department of Environment both Johor and Pahang whom enforcing the policy of not having any open burning as well to increase the patrolling interval during dry season.</p> <p>Policy for replanting is well implemented including fencing, pre felling planning, shredding of palms, lining on steep terrain, land preparation with zero burning. Old palm will be felled, chipping and pulverizing.</p> <p>During the site visit to landfill, found fire was used to burn the waste. The surrounding environment on site creates the impression that, open burning at landfill not at 1 time but happens a few times but no remedies action taken by the management. Minor nonconformance was raised (2014.18 indicator 5.5.3).</p>	
5.5.3	<p>Status:</p> <p>Non conformance 2014.18 with minor category.</p>
<p>5.6</p> <p>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>There are environmental aspect and impact assessment for mill and estates. Mill effluent final discharge are drain to river with the specification of BOD limits at <100 ppm approved by DOE as to avoid water contamination of surface and ground water. However the assessment in Rendong 01 not effectively covers or assessed the entire activities of this estate. Based on the assessment report, those rating greater than 16 [significant] to be provided with a mitigation measure.</p> <p>There is no action plan available to reduce environmental impact and to control pollution.</p> <p>Based on the agronomist report, there isn’t any peat land in all the estates visited.</p>	
5.6.1	<p>Status:</p> <p>Non conformance 2014.19 with major category.</p>
5.6.2	<p>Non conformance 2014.20 with minor category.</p>
<p>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</p>	
<p>6.1</p> <p>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.</p>	

The documented social impact assessment (SIA) had been established for the all estates including the Palm Oil Mill (POM) Selancar 2A. The SIA documentation involved the affected parties as internal and external stakeholders. The internal and external stakeholder involved was held through the questioners, evaluating and providing the action plan for mitigating and monitoring based on the questioners that completed by stakeholders.

Based on observation and interviewing in Palm Oil Mill Selancar 2A, Redong Estate and Selancar 02 Estate to the company staff, they showed the meeting records of stakeholders related to the palm oil and plantation activities against the social impact assessment which had been done. The stakeholder comments had been gathered by questioners to find the information of positive and negative impact to communities or social aspects and then the company established the action plan for improvement.

The Stakeholders records meeting (on May 2014) at Selancar 2A Mill, Redong Estates (on Sept 2014) and Selancar Estates (on Oct 2014) had been showed and also the attendance list of communities in sites and out sites of the scope areas, internal and external workers incl. migrant workers, teachers, Settlers (Peneroka or farmers), contractors, government agencies, and other interested peoples.

For Palm Oil Mill Selancar 2A had been conducted the stakeholders meeting regarding the establishment of social impact assessment (SIA) on May 28, 2014, however the Palm Oil Mill only showed the questioners from Settlers (Peneroka) and no evidence questioners from other stakeholders (internal/external) that had been met at showed in the attendance list. **Non conformance was raised with major category (2014.21 indicator 6.1.1)**

There was identified the negative and positive impact from the company activities and these impact consists of the accessibilities to the areas of FELDA (Estates and Palm Oil Mill), educational and healthy facilities, communication and transportation, the religions and cultural and also the possibility of extra incomes. The identified of social impact assessment was provided through the action plan in time frame and defined the personal in charges for their monitoring the progress.

During audit there was the established social impact assessment (SIA) for Selancar 2A Mill (POM) had identified the positive and negative impact, the corrective action, personal in-charge who has the responsible, but the timetable was not clear to be defined i.e mentioned Jan-April, May 2014/2015.

And due to the established social impact assessment (SIA) for Selancar 2A Mill and Estates Redong, there was no evidence that the identified SIA had involved the independent expert to ensure the impact (positive/negative) were identified. See **Non conformance was raised with minor category (CAR 2014.22 indicator 6.1.3)**

Due to the stakeholders for comment related to the SIA, the company should be updated and reviewed periodically the comment for identifying the positive and negative issues, such as the gender committee (established October 2014) that should be identified for social impact assessment. **observation**

6.1.1	Status: Non conformance 2014.21 with major category.
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6.1.3	Status: Non conformance 2014.22 with minor category.
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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 had showed 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 was personal who had been appointed by Mill management (dated on Sept 1, 2014) related to responsible implementing the procedure of communication and consultation (ML-1A/L2-PR3 issued March 2012); but the company should review this procedure that define who had responsible at Palm Oil Mill Selancar 2A. The procedure mentioned the estates only. See **OFI 2014.10**

There was personal who had responsible which had been defined for the communication and consultation to all of stakeholders, namely: the Manager or Head of Estates who appointed the staff of Human Resource Department in Estates for examples in Selancar Dua Estate appointed Mr. Mat Ramli Bin Mohamed dated on July 18, 2014 by Head of Felda Selancar Dua; and also the Palm Oil Mill appointed Mr. Moh Nizam Bin Zain (as Mill Manager) by Head of Felda

dated on Sept 1, 201. (Referred to SOP -ML-1A/L2-PR3 issued March 2012). And based on observation at Redong Estates, there was the documented procedure of communication and consultation ML-IA/L2-PR3 issued March 2012 at Redong Estates, but there was no evidence official person who had responsible for issues related communication and consultation. **Non conformance was raised with minor category (CAR 2014.23 indicator 6.2.2)**

There is the documented procedure for communication and consultation (ML-IA-/L2/PR) for palm oil mill and all estates (Redong and Selancar Estates) and the company had been involved the effected parties (internal and external stakeholders) consists of settlers, contractors, government agencies, eminent persons and private estates; and documented and recorded the all of their comments and provided the summary for action to be taken related to social impact assessment, for examples: records of action taken in responses from stakeholders at Redong Estates dated on .Sept 17, 2014, at Selancar Estates dated Oct 2, 2014 and Palm Oil Mill dated on May 28, 2014.

6.2.1 Status: Opportunity for improvement

6.2.2 Status: Non conformance 2014.23 with minor category.

6.3

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

There was a procedure for handling or managing complaint (internal and external) namely ML IA/L2 PR4 issued March 2012. This procedure mentioned 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

Observation at Selancar 2A Palm Oil Mill, Redong Estates and Selancar Estates there was recording book for complaint (claiming book) came from internal and external parties. This recording described who the complainants, date of complaint, the description of complaint, and correction actions. For examples: on October 2014 at Selancar 2A Mill there was complain internal employees regarding the electrical problem; and there was corrective action by repairing and changing the electricity; and at Selancar dua Estate dated on Sept 10, 2014 regarding complaint of shepherd or cows disturbed the palm oil trees; and the corrective action checking with the complainant on sites and repairing the fence to protect the cows.

Based on interviewing to the stakeholders internal and external to palm oil mill and estates workers under FELDA, gender committee, settlers owned land managed by FELDA Techno Plant (FTP), settlers that managed their owned land, local peoples or Head of Kampung Asli Segamat Kecil, they informed that FELDA opened for communication if any compliant and there was box complain in each estates and also in the Palm Oil Mill when the stakeholders would like to submit the complaining because of affected or impacted of the company activities. The company also showed the book recording for the any compliant entered to the estates and/or palm oil mill complain or claiming book

Regarding the implementation of procedure for complaint and grievance (ML-1A/L2-PR4 issued March 2012), if any complaints, actually this procedure did not adequate to be implemented regarding the resolves disputes in an effective, timely and appropriate manner, such as,

- Based on observation and interviewing to Migrant Workers at Redong Estate there were complaint/grievances and reported to FELDA but there was no evidence had been recorded and resolved, defined timeline and appropriate manner, for example: migrant worker’s medical and minimum wages;
- There was no clear action to be taken and resolved effectively and no time frame such as the monthly meeting report between FTP, FELDA and Peneroka that grievances had been identified, (eg. Meeting Jawatan Kuasa Tanam Semula Felda Redong dated Sept 15, 2014), grievance records dated on June 28, 2014 from FFB contractor about the late payment, July 4, 2014 from Peneroka Selancar 2 about the about slippery roads during to / from estates; Sept 10, 2014 there was cow disturbance to palm oil compartment at several places in the Selancar Estates
- Stakeholder consultation comments dated on Oct 15, 2014 had been already informed and asked to FELDA about the lower OER than other Mills and buah muda cannot bring back to growers.

Non conformance was raised with minor category (CAR 2014.24 indicator 6.3.2 and 6.3.3). The company shall has records of the system resolves disputes in an effective, timely and appropriate manner; and has the system that open to any affected parties as required by indicator 6.3.2 and 6.3.3

6.3.2 & 6.3.3	Status: Non conformance 2014.24 with minor category.
<p>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.</p>	
<p>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. 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</p> <ul style="list-style-type: none"> - Raising Issues - 1st 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 <p>There was no occurred the compensation regarding the land ownership and/or customer rights issues, but the company (FELDA) has procedure for compensation calculation (ML-1A/L2-PR13(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).</p>	
Status: Full compliance	
<p>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.</p>	
<p>The company demonstrated the documentation of agreement (pay and condition) for their employees in each estates and Palm Oil Mill, for example showed at POM Selancar 2A for the administration staff, maintenance operators, and at Selancar Estates for administration staff. The all of agreement workers were documented, valid and controlled</p> <p>Based on observation at Redong Estates and Selancar 2 Estates the company can show the workers agreement for both internal and foreign workers. The company has showed the Policy for retrieval of foreign workers (June 28, 2011) and communicated to all workers, but regarding the implementation of this policy was not fully implemented as follows,</p> <ul style="list-style-type: none"> - Based on observation and interviewing to migrant workers at their housing at Redong Estate, it was informed that there were no found document of payment and condition (or agreement) between migrant workers and FELDA; and there was no payment slip and calculation of workers. - At Redong Estates office and Selancar 2 Office, Staff FELDA can show several agreements between FELDA and foreign workers, but there were uncompleted signed by FELDA Management and no evidence this agreement had been distributed. - There was no evidence agreement between the labour or workers agents and FELDA regarding the migrant workers {eg. PT Sinarmakmur, PT Wirakaritas} - Based observation and interviewing at Selancar 2 Estates to the settlers that managed owned land informed that sometimes they employed the migrant workers for harvesting activities which given by FELDA. This condition was unclear for the legal obligation in employing workers on settlers land; and who responsible if any happened with the workers <p>Non conformance was raised with major category (CAR 2014.25 indicator 6.5.1)</p>	

FELDA used the regulations for all workers agreement in the estates based on labour wages rates for estates KUK Bil 04/2014 (FGVPMSB) approved by government agencies; and also in the Palm Oil Mill (POM) based on the Labour Laws Union Kesatuan Pekerja special for Palm Oil Mill. This agreement regulated the payment of working hours, incentives, compensation, estates activities, contract workers and temporary workers. All of these agreements had been showed and documented by the company (both Estates and Mil).

Based on interviewing on sites to workers estates or settlers (growers) at Redong Estate and Selancar Dua Estates and the Palm Oil Mill, the company (FELDA) provided the facilities of housing for internal workers and the settlers (farmers) who has their own self housing, provided the facilities of clean water, medical, education (schools); and all these facilities was good enough and FELDA was aware with their facilities.

6.5.1	Status: Non conformance 2014.25 with major category.
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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.

Based on interviewing to staff of labour union of palm oil mill or Kesatuan Pekerja special for POM and also staff or workers for Redong Estate and Selancar Dua Estates regarding the labor union under FTP (Jawatan Kuasa Kebijakan Pekerja FTP) and under FELDA (Kesatuan Kakitangan FELDA), informed that all workers had been involved and participated to the labor unions.

There was the published policy for worker unions and freedom of association in FELDA and available in Kesatuan Kaki Tangan Felda at Redong Estates and Selancar Estates dated on June 28, 2011 and also for the Palm Oil Mill dated on June 1, 2014.

For the Palm Oil Mill Selancar 2A showed the records meeting of the represented workers, and labor union periodically and the last meeting done on September 2, 2014. All of these records are controlled and documented. But based observation at Redong Estates there was no evidence the documented minutes of meetings with the worker representative that conducted at least once a year. The last data record minutes of meeting dated on July 20, 2011. See **Non conformance was raised with major category (CAR 2014.26 indicator 6.6.1)**

FELDA having and showed the Policy for freedom of association to all workers signed by FELDA Director dated on June 28, 2011. 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. And also there was additional policy at POM regarding free rights for stating against the regulations and not prevent to using the rights for freedom of association dated on June 1, 2014. Based on interviewing to estates and POM workers they understood for this policy.

6.6.1	Status: Non conformance 2014.26 with major category.
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6.7

Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.

In the Estates FELDA having and showed the Policy for children workers or the minimum age for working that signed by FELDA Director dated July 1, 2013 and for the Palm Oil Mill was signed by President and CEO of Felda Global Venture (FGV) on June 2014. 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 and also in the Palm Oil Mill front offices.

The company also showed the list workers both POM and Estates that not employees workers under 17 years old and prohibited the children workers.

	Status: Full compliance
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6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

The company (FELDA) having and showed the policy of the equal opportunities that signed by FELDA Director (JKPMSM) dated Dec 20, 2010 in the Estates and signed by President & CEO of FGV dated June 1, 2014. 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.

The policy of the equal opportunities for working was valid as well for the employees and group including the migrant workers that have not been discriminated. For examples there was evidence that the FELDA open for migrant workers, the company issued the announcement (dated on July 25, 2014) for opportunities working as Estates as Supervisor and for the interesting workers may come as applicant to the estates management at Felda Redong 01 Estates. This announcement was available in front of the office and also in the Head of Farmers (growers) office. And also there was announcement at Palm Oil Mill Selancar 2A Front Office for the opportunity working as palm oil operators and closed the opportunity dated on July 31,2014

Status: Full compliance

6.9

Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

There was available and showed the policy of sexual harassment and violence that signed by FELDA Director dated June 28, 2011 and dated on June 1, 2014 signed by President & CEO of FGV. Mentioned in this policy that FELDA shall ensure that the 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.

This 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 no nothing happened for this issue

The company (FELDA) has showed the establishing mechanism regarding the grievance related to the policy of sexual harassment and violence by established procedure ML-1A/L2-PR10(0) issued march 2012. The established mechanism was managed by the gender committee that mentioned with the following steps,

- The grievance entry to the gender committee.
- Processing the grievances to the gender committee
- Reporting to the women, family and community Ministry.

Based on interviewing to the gender committee head at Palm Oil Mill Selancar 2A and the gender committee representative at Redong Estates was informed that there was no issues or grievance happened regarding sexual harassment and violence.

Status: Full compliance

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 Selancar 2A. This number price was connected to the Malaysian Palm Oil Board (MPOB) daily updated. The all FFBs entry to the POM which supplied by the suppliers should know the FFB price as reference for payment. The POM was received the FFB from Redong 1 Estates, Selancar 01 to Selancar 5 and other growers.

During the audit the POM showed the FFB prices as reference for payment to the FFB suppliers, for example: the latest FFB price dated on Oct 11, 2014 for quality A is 22.00 RM and quality B is 21.90 RM

There was evidence contractual agreement between FELDA and FFB suppliers (growers) regarding the FFB entry to the Palm Oil Mill (POM) for the price of FFB. This agreement mentioned that the FFB shall comply with the requirements such as the quality FFB received, the calculated fees of FFB, FFB prices against the MPOB updated announcement; and the FFB from growers shall be supplied to the POM under FELDA. Based on interviewing to settlers owned land managed by FELDA Techno Plant (FTP) and Settlers that managed their owned land at Redong 01 Estate and also at Selancar Dua Estate informed that the Growers understood the contract agreement of the FFB; and had been paid in

<p>accordance with the agreement and the FFB price referred to the MPOB.</p> <p>Regarding the contract agreement there were two types of payments, 1st for grower (settlers/Peneroka) that managed plantation by FELDA will be paid monthly and all of calculation of FFB price that had been paid by FELDA was reported into monthly bill account that received by growers (Peneroka), and 2nd for settlers that managed the plantation by their self, the payment had been paid at least a week. And there was no issue or problem regarding the time for payment to the growers (settlers or Peneroka).</p>	
	<p>Status: Full compliance</p>
<p>6.11 Growers and millers contribute to local sustainable development wherever appropriate.</p>	
<p>The company (mill and estates) had contributed to local community (including the settlers) related to sustainable development, for examples: at Selancar 2A Mill contributed for repairing the cemetery at Felda Selancar 03 community areas dated on May 5th 2014, contributed for the school dated on April 20, 2014, contributed to poor peoples at Segamat areas dated on June 15, 2014; and at Redong 01 Estate contributed to healthy equipment to the settlers or persons because healthy problem who lived at Felda Redong 1, etc.</p> <p>As above mentioned such as FELDA in Redong Estates and Selancar Estates gave a donation or contributed to help the local communities (settlers or Peneroka) upon request. FELDA managed this as a contribution. However FELDA cannot show the evidence that these contributions based on the results of the consultation, priorities and need from local communities. Non conformance was raised with minor category (CAR 2014.27 indicator 6.11.1).</p>	
6.11.1	<p>Status: Non conformance 2014.27 with minor category.</p>
<p>PRINCIPLE #7 Responsible development of new plantings</p>	
<p>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.</p>	
<p>There is no new development or expansion of plantation within the area of FELDA Selancar complex, only replanting activities.</p>	
	<p>Status: Full compliance</p>
<p>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.</p>	
<p>There is no new development or expansion of plantation within the area of FELDA Selancar complex, only replanting activities.</p>	
	<p>Status: Full compliance</p>
<p>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.</p>	
<p>There is no new development or expansion of plantation within the area of FELDA Selancar complex, only replanting activities.</p>	
	<p>Status: Full compliance</p>
<p>7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	
<p>There is no new development or expansion of plantation within the area of FELDA Selancar complex, only replanting activities.</p>	
	<p>Status: Full compliance</p>
<p>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.</p>	
<p>There is no new development or expansion of plantation within the area of FELDA Selancar complex, only replanting</p>	

activities.		
	Status: Full compliance	
7.6		
Local people 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 Selancar complex, only replanting activities.		
	Status: Full compliance	
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 Selancar complex, only replanting activities.		
	Status: Full compliance	
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.		
<p>The estates management units of Redong-01 and Selancar-02 estates have shown the evidence of there was no World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions are use, however the units use the <i>Paraquat</i> a.i to controlled weeds in the operational area. Based on the chemical records the units have shown the reducing of the <i>paraquat</i> from year 2012 until 2014 and programming to reduce the application in Redong-02 Estate., however in Selancar-02 the paraquat a.i application still use in the estate still higher than previous year. The management unit cannot show the reduction of paraquat application. The 2015 plan of paraquat use still higher than 2014. Major non conformance raised (2014.28 indicators 8.1.1).</p> <p>For mill, those appears high risk in EIA been converted into continuous improvement. Sighted CIPs for upgrading the fibre store next to the boiler for effective dust control / pollution. Kick start of 5”S at office level and basic awareness done effectively. As for estates, among the CIPs noted are to increase the area for subsoil manuring, smart weeding technique with less water consumption, recycle pesticide containers for refill water and to recycle the fertilizer bags. However for Rendong 01, there are non-conformities issued in 5.1 in regards to environmental pollution control.</p> <p>The Social Impact Assessment (SIA) had been done for all Estates and Palm Oil Mill Selancar 2A. And regarding gathering information from the stakeholders the company provided the positive and negative impact of social impact assessment and the action plan. There was identified the negative and positive impact from the company activities and these impact consists of the accessibilities to the areas of FELDA (Estates and Palm Oil Mill), educational and healthy facilities, communication and transportation, the religions and cultural and also the possibility of extra incomes. The identified of social impact assessment was provided through the action plan in time frame and defined the personal in charges for their monitoring the progress. The established action plan regarding the SIA had been implemented for maintaining the social issues problem and for improvement that related to the company performance.</p>		
8.1.1	Status: Non conformance 2014.28 with major category.	

3.2. Summary of Assessment Report of Supply Chain

Clause	(Module E) CPO Mills - Mass Balance Requirements
1	Documented Procedures
<p>1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements.</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p>	
<p>The Selancar 2A POM has established written procedure entitled Mill Requirements RSPO Supply Chain System SOP, Doc No. FGVPM-RSPO SCCS distributed 01 June 2014. The system established for Selancar POM is Mass Balance (MB). The SOP covers updated requirements covering the implementation of all the elements in the Mass Balance Module E of the RSPO SCCS: 2011 requirements.</p> <p>The POM manager, Mr Hazrin bin Abdul Hamid is the overall PIC for the effective implementation of the Supply Chain MB SOP. He is assisted by the POM assistant managers, Mr Muhammad Syafiq b Sarani .The other main mill personnel involved include the Weighbridge Clerk , Operations Supervisor , Laboratory Analyst , Area Quality Supervisor and Security Officer.</p>	
	Status: Full compliance
<p>1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	
<p>The SOP has addressed the following requirements:</p> <ul style="list-style-type: none"> • Purchase, delivery, receipt, storage and processing of FFB from own PMU estates and other suppliers (including Outside Crop Producers), • Identification of certified and non-certified sources of FFB, • Production and Storage of CPO/ PK, • CPO/PK production report, • Sales and delivery of CPO / PK , • Document control, • Record control with retention period of 10 years. 	
	Status: Full compliance
2	Purchasing and goods in
<p>2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>	
<p>The POM verifies and records weight and supply of source of FFB received at the weighbridge in the delivery and weighbridge documents. FFB records are data -entered into the POM computer system – MPR (Monthly Performance Report) on a daily basis by the chief clerk. Monthly reports are submitted to the Kuala Lumpur Head Office through the Mill Performance Report (MPR) system. Production Report for last 12 months (Oct 2013 – Sep 2014) was verified to be adequately recorded into the MPR IT System.</p>	
	Status: Full compliance

2.2	
The facility shall inform the CB immediately if there is a projected overproduction.	
The POM has an internal monitoring and reporting mechanism for advising the CB of over-production. So far, there is no projected overproduction as per related to RSPO SCCS: 2011 requirements.	
	Status: Full compliance
3	Record keeping
3.1	
The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	
Records and reports necessary for all aspects of the Mass Balance Supply Chain System RSPO requirements were verified and confirmed to be in place. The records and reports shall be updated regularly , adequately filed and readily retrievable.	
	Status: Full compliance
3.2	
Retention times for all records and reports shall be at least five (5) years.	
Retention times for all records and reports shall be ten (10) years as stipulated by the POM Supply Chain SOP.	
	Status: Full compliance
3.3	
(a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	
(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	
(c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	
Transaction documents and bookkeeping of CPO and PK are recorded daily basis . Monthly summary report of FFB received, FFB processed, CPO production, PK production and balance stocks are submitted to the Kuala Lumpur Head Office. All volumes of palm oil and palm kernel oil that are delivered are to be deducted from the CPO/PK palm goods accounting system according to conversion ratios accepted by RSPO. All deliveries of the MB sales are to be from positive stock as per SOP for Mill RSPO Supply Chain System, Doc No. FGVPM-RSPO SCCS.	
	Status: Full compliance
3.4	
The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	
PSQM Department from FELDA HQ has prepared an appropriate stamp for the identification of RSPO certified CPO and PK. Documents to be stamped e.g “CPO RSPO MB ” appropriately for CPO and accordingly “PK RSPO MB ” also for PK products.	
	Status: Not Applicable will be verified on the next assessment
3.5	
In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	
There is no outsourced palm kernel crushing activity at this POM .	
	Status: Not Applicable will be verified on the next assessment
4	Sales and goods out

4.1	
The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information:	
<ul style="list-style-type: none"> (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) (d) The quantity of the product delivered (e) Reference to related transport documentation 	
Items (a) to (e) are included in the company's invoices, delivery note and other relevant documents to all CPO buyers as stipulated in the SOP for RSPO/MB module. Deliveries of CPO and PK made with Delivery Note. Data entry into computer system or reporting spreadsheet. Delivery of CPO and PK checked to ensure that the authorized quantities are not exceeded. CPO and PK deliveries are made by FELDA subsidiary, Felda Transport Services Sdn Bhd.	
	Status: Full compliance
5	Training
5.1	
The facility shall specify and provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	
The Selancar 2A POM has conducted training on the Supply Chain Certification System for Mass Balance (MB) Module in 25/06/14. The two attendees for the training were Muhammad Nizam Md Zain (Laboratory Head) and Muhammad Syafiq b Sarani (Assistant Manager – Mill) .	
OFI -Additional training should be planned for additional personnel such as weighbridge clerk, area quality supervisor and operations supervisor after sustainability certification.	
	Status: OFI for SCCS 5.1
6	Claims
6.1	
The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	
The SOP has clearly stated that the Felda Selancar 2A POM shall only make claims on certified CPO and PK from certified FFB sources using MB model according to RSPO Rules for Communications and Claims . So far, no claims have been made by the Felda Selancar 2A POM.	
	Status: Compliance

3.3. Conformity Checklist of Certificate and Logo Use.

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ST-2	Will be verified after the management unit certified	
	Status: Not applicable	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ST-2	Will be verified after the management unit certified	
	Status: Not applicable	
3.	Implementation of Certificate and Logo is not used on product	X or√
ST-2	Will be verified after the management unit certified	
	Status: Not applicable	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ST-2	Will be verified after the management unit certified	
	Status: Not applicable	

3.4. Summary of RSPO Partial Certification.

Summary:		
<p>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 1st surveillance assessment.</p> <p>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.</p>		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>Felda has and follows the “GSA” Group Settlement Act, where all land under FELDA will abide by local and national land laws. ie. 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 1st January 2007, explains to employees their benefits and company rules. The “Syarat-syarat Perkhidmatan Pekerja Operasi Ladang” was established in 1st 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 is 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>	
	Status: Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	<p>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.</p>	
	Status: Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	<p>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.</p>	
	Status: Compliance	
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.	X or√
	<p>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.</p>	
	Status: Compliance	

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.	X or√
	<p>FGVP Malaysia through its subsidiary in Indonesia, FGVP Kalimantan, has acquired land. The 2 locations are:</p> <ol style="list-style-type: none"> 1) PT Citra Niaga Perkasa (PT CNP) – 24th February 2011 2) PT Temila Agro Abadi (PT TAA) – 9th July 2013 <p>Both locations have undergone the RSPO New Planting Procedure (NPP):</p> <ol style="list-style-type: none"> 1) PT Citra Niaga Perkasa (CNP) – 14th January 2013, approximately 14,000 Ha. 2) PT Temila Agro Abadi (TAA) – 30th July 2014, approximately 8,000 Ha. <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>	
	Status: Compliance	
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.	X or√
	<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, totalling approximately 14,500Ha. Given that this is a matured plantation, the company has year marked the operations for RSPO certification 2017.</p>	
	Status: Compliance	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	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.	
	Status: Compliance	

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

3.5.1 Identification of Findings, Corrective Actions and Observations at ST2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.01	1.1.1	Stakeholder's communication records. Record Book for external stakeholder communication was not available at Selancar 2A POM. Only record books for staff / settlers complaints and enquiries were available.	Selancar POM	Major	Before report issued	The management unit shall shown the evidence of all stakeholders communication records	<p>Observation 14 January 2015.</p> <p>Root cause: <i>Communication with the external stakeholders are not fully recorded and no officer who monitors this process.</i></p> <p>Corrective action:</p> <ol style="list-style-type: none"> <i>Provide communication record book (Record of Complaints) for external stakeholders.</i> <i>The officer responsible have to monitor the recording process and all complaints including grievance of internal and external stakeholders.</i> <p>Preventive action: <i>Appoint an officer responsible for monitoring the Records of Communication with all stakeholders (internal and external) and the manager will check the record every month.</i></p> <p>Auditor's conclusion: The management unit has shown the evidence in the form of photographic and records to the auditor team. The evidences are available.</p>	Closed	14 January 2015
2014.02	2.1.3	Update of evaluation of compliance against the applicable legal and statutory requirements. The evaluation of compliance	Selancar-2 Estate and	Minor	ASA-01	The management unit shall shown the evidence of all update of evaluation of	<p>Observation 14 January 2015.</p> <p>Root cause: <i>No enforcement of the management plan.</i></p> <p>Corrective action:</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		checklist maintained at respective management units is the established implementation mechanism for evaluation of compliance against the applicable legal and statutory requirements. However, at Redong and Selancar 2 estate the checklist was not updated by the estate PIC. In addition, copies / records of some title deeds were not available at estate office.	Redong-1 Estate			compliance against the applicable legal and statutory requirements	<p>1) Update "Checklist Local Law" and "Checklist of International Law" by ensuring the review date and name of the officer checking on record and signed by the officer reviewer.</p> <p>2) Make sure all Status of Compliance should be marked "√".</p> <p>3) If there is non-compliance, the need for action to comply with such laws.</p> <p>4) Get the whole program Grant / Grants News / letter of ownership.</p> <p>Preventive action: Managers will monitor and issue a letter of formal instructions to the officers responsible for updating the list of legal compliance, also review should be done whenever there is a change and at least once a year</p> <p>Auditor conclusion: The management unit has shown the evidence in the form of photographic and records to the auditor team. The evidences are available.</p>		
2014.03	2.2.3	Boundary maintenance. Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained was not evident. The boundary marker maintenance checklist was not updated by estate PIC of sampled estates - Selancar 2 and Redong Estate	Selancar-2 Estate and Redong-1 Estate	Minor	ASA-01	The management unit shall shown the evidence of the boundary was maintained.	<p>14 January 2015</p> <p>Root cause: Boundary stone monitoring records are not updated because no officer in charge of that specific task.</p> <p>Corrective action: Tracking back boundary stones around the estates, especially the one that is bordering the forest reserves area.</p> <p>1) Marking position on map update record regarding the boundary stones and monitoring border stone.</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>2) <i>Appoint an officer responsible for monitoring the boundary stones.</i></p> <p>Preventive action: <i>Updating the records at least once a year.</i></p> <p>Auditor's conclusion: The management unit has shown the evidence of the records of boundary stones maintenance and boundary officer letter of apoinment in the form of photographic and records to the auditor team. The evidences are available.</p>		
2014.04	4.3.1	<p>Minimizing soil erosion practice not documented. The management unit cannot show evidence of minimizing soil erosion practice documentation, e.g. terracing, frond stacking, water ways/small river erosion control, etc.</p>	Selancar-2 Estate and Redong-1 Estate	Minor	ASA-01	The management unit should show evidence of all the minimizing soil erosion practice in the filed have been documented.	<p>14 January 2015</p> <p>Root cause: <i>No enforcement of the management plan.</i></p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) <i>Provide Planning & Map design for practices to reduce soil erosion.</i> 2) <i>Provide Records & Map of implementation to practice and to reduce soil erosion and to ensure that all work to reduce erosion recorded whenever practicable.</i> <p>Preventive action: <i>Managers will apply and will check erosion reduction work records every month.</i></p> <p>Auditor's conclusion: The management unit has shown the evidence of terracing and erosion control records in the form of photographic to the auditor team. The evidences are</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							available.		
2014.05	4.4.1	<p>During audit process, there was no clear documentations available to determine for maintaining and restoring appropriate riparian buffer zones. No signages seen along the rivers on restricting spraying, manuring, fishing, etc. Both rivers seen with full of fronds that obstructing the flow of natural waterways.</p> <p>During field visit, sighted 2 rivers namely Sg. Pukin and Sg. Basuk are crossing over this estate. There are no replanting program as the last planting took place in 2007. No signages seen along the rivers on restricting spraying, manuring, fishing, etc. Visited rivers not being maintain and restores appropriately as riparian buffer zones.</p>	Selancar-2 Estate and Redong-1 Estate	Major	Before report issued	Demonstrable practices to be maintain for the quality as and availability of surface and ground water. Evidence needed for the protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones.	<p>14 January 2015 Root cause: <i>There is no officer in charge of monitoring the state of rivers and natural waterways also the buffer zones</i></p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) Provide signage "Buffer Zone" and made it clear marking of buffer zones along rivers. 2) Provide adequate signage "No Trespassing" and "Not Allowed to use Chemicals", Signage "No fishing" and others. 3) Perform cleaning of natural waterways clean of any obstruction. 4) Provide a complete schedule (including responsible officer) monitoring natural waterways. <p style="text-align: right;">Pr</p> <p>eventive action:</p> <ol style="list-style-type: none"> 1) Each program / field will appoint an officer responsible for monitoring the condition of rivers and natural waterways and buffer zones 2) Coordinate cleaning program streams and waterways. <p>Auditor conclusion: The management unit has shown the evidence of maintenance of riparian and officer appointed letter in the form of photographic to the auditor team. The evidences are available.</p>	Closed	14 January 2015
2014.06	4.4.3	As at audit date, the estate management have not done the	Selancar 2	Major	Before report	Outgoing water into main natural	<p>14 January 2015 Root cause:</p>	Closed	14 January

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>water analysis as per required by procedure ML-1A/L2-PR6 and FAS-RSPO L1/K4.4/4.4.1. This fails to convince the audit team, on whether the waterway passing this estate free of pollution from estate's activities.</p> <p>As at audit date, the estate management have not done the water analysis that fails to convince the audit team, on whether the waterway passing this estate free of pollution from estate's activities.</p>	Estate		issued	waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts to the stakeholders.	<p><i>Awareness of the need for water quality monitoring has been given but still lack enforcement.</i></p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) <i>Mark on the river route map and point to take samples of water into and out of the water samples.</i> 2) <i>Take a water sample and send it to the lab FASSB to run water analysis (pH @ Temperature, BOD (5 Days) AT 20 °c, COD, Total Suspended Solids, Ammoniacal Nitrogen, Dissolved Oxygen)</i> <p>Preventive action: <i>Periodic checks will be done in estates management and RSPO audit</i></p> <p>Auditor's conclusion: The management unit has shown the evidence of water analysis and monitoring in the form of photographic to the auditor team. The evidences are available.</p>		2015
2014.07	4.4.6	During site visit to chemical premix area, the contaminated water being drained to land thru a pipeline and there isn't any sump been constructed as to hold the contaminated waste water.	Redong-1 Estate	Minor	ASA-01	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders.	<p>Observation 14 January 2015</p> <p>Root cause: <i>Lack of enforcement for the management plan.</i></p> <p>Corrective action: <i>Sump build reservoirs to capture water containing pesticides that do not flow into the ground or watercourses.</i></p> <p>Preventive action: <i>Periodic checks will be done in estates management and RSPO audit</i></p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Auditor's conclusion: The management unit has shown the evidence of <i>Sump build reservoirs</i> in the form of photographic to the auditor team. The evidences are available and will be verified during the next assessment.</p>		
2014.08	4.5.2	<p>Monitoring of Integrated Pest Management. Based on document review revealed that the management unit (FTP manage land and own manage smallholders) cannot shown evidence of Integrated Pest and Disease Management monitoring implementation (example: rat attack, caterpillar, <i>ganoderma boninense</i>)</p>	Selancar-2 Estate and Redong-1 Estate	Minor	ASA-01	The management unit shall record the implementation of pest and disease monitoring	<p>Observation 14 January 2015 Root cause: <i>No officer in charge of the recording and monitoring of Integrated Pest Management Disease.</i></p> <p>Corrective action: 1) <i>Provide monitoring records and Integrated Pest & Disease Management FTP area settlers own governance.</i> 2) <i>Issue an instruction letter to the Responsible Officer in FTP and Felda for recording and monitoring of Integrated Pest & Disease Management FTP area settlers own governance.</i></p> <p>Preventive action: <i>The Manager issues a letter of formal instructions to the officers responsible for recording and monitoring of Integrated Pest Management Disease. Managers will review each month.</i></p> <p>Auditor's conclusion: <i>The management unit has shown the evidence of IPM monitoring record book in the form of photographic to the auditor team. The evidences are available and will be verified during the next assessment.</i></p>	Closed	14 January 2015
2014.09	4.5.3	<p>Pesticides use records. The estate management units</p>	Selancar-2	Minor	ASA-01	The estates should records all the	<p>Observation 14 January 2015 Root cause:</p>	Closed	14 January

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		(FTP manage land and own manage smallholders) have not shown evidences of all pesticides use location area information records.	Estate and Redong-1 Estate			pesticides use (example: ha and blocks)	<p><i>Lack of monitoring from the management plan documentation recording the work area poisoning.</i></p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) <i>Providing a map & record work performed including the type of toxin poisoning, the quantity of poisons and poisoned location for the FTP and manage their own settlers.</i> 2) <i>Issue a directive to the Responsible Officer in FTP and Felda to mark the map and record the work performed including the type of toxin poisoning, the quantity of poisons and poisoned location for the FTP and manage their own settlers.</i> <p>Preventive action:</p> <p><i>The Manager will issue a letter of formal instructions to the officers responsible for recording work performed including the type of toxin poisoning, the quantity of poisons and poisoned location. Managers will review each month.</i></p> <p>Auditor conclusion:</p> <p><i>The management unit has shown the evidence of pesticides use monitoring record book in the form of photographic to the auditor team. The evidences are available and will be verified during the next assessment</i></p>		2015
2014.10	4.6.3	<p>Pesticides storage management.</p> <p>During the field observation auditor found the non conformances of the implementation and have not</p>	Redong-1 Estate	Major	Before report issued	The estates shall well manage the chemical accordance to regulations.	<p><i>Observation 14 Januari 2015.</i></p> <p>Root cause:</p> <p><i>Lack of enforcement in the estate management on compliance and storage controls of the toxic container and also the containers that have been used.</i></p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>meets the regulatory requirement for example:</p> <ul style="list-style-type: none"> Water disposal of premixing location, labeling and no spill containment in the chemical store. Observation to Peringkat-1 (blok-2) found the ex chemical containers are not properly manage. 					<p>Corrective action:</p> <ol style="list-style-type: none"> Provide training to clerks, foremen, workers and settlers related storage, use and handling of pesticides and pesticide containers disposal Ensure premixing water flowed into the Sump reservoirs built. Putting pesticides in stores by Class and Label poison. Provide Spill Containment in store toxins. <p>Preventive action: Agricultural Officer and Officer will make a visit OSHA area management review and barrels of toxic pesticides regularly.</p> <p>Auditor's conclusion: The management unit has shown the evidence of pesticides use training and installation of Water disposal of premixing in the form of photographic to the auditor team. The evidences are available.</p>		
2014.11	4.6.5	<p>Medical surveillance of workers.</p> <p>The management units have not shown the evidence of medical surveillance to all workers which applied with the chemical (spraying, fertilizing)</p>	Selancar-2 Estate	Major	Before report issued	The management unit shall provide the evidence of all workers who apply agrochemical, for example chemical sprayer and fertilizing workers.	<p>Observation 14 January 2015</p> <p>Root cause: Less concern on the implementation of farm management for medical surveillance requirements</p> <p>Corrective action: Send Clerk Store, foremen and workers and fertilizing to undergo medical surveillance as specified in the CHRA (Chemical Health Risk Assessmet).</p> <p>Preventive action: Agricultural Officer and Officer OSHA will visit the region</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>to ensure medical surveillance review was conducted to involve as stated in the CHRA.</p> <p>Auditor's conclusion: The management unit has shown the evidence of health assessment of the chemical sprayer in the form of photographic of the examination result to the auditor team. The evidences are available</p>		
2014.12	4.6.10	<p>Records of active ingredients pesticides usage. The estates management units (FTP manage land and own manage smallholders) have not shown the evidences of active ingredients pesticides usage per hectare records and monitoring.</p>	<p>Selancar-2 Estate and Redong-1 Estate</p>	Minor	ASA-01	<p>The estates should records all the active ingredients pesticides usage per hectare</p>	<p>Observation 14 January 2015</p> <p>Root cause: No officer in charge of recording the use of the active ingredients of pesticides per hectare settlers own governance.</p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) Provide a record of active monitoring of the use of pesticides per hectare settlers own governance. 2) Issue a directive to the Responsible Officer in Felda to record usage monitoring pesticide active ingredient per hectare settlers own governance. <p>Preventive action: The Manager will issue a letter of formal instructions to the officers responsible for recording the use of the active ingredients of pesticides per hectare settlers own governance. Managers will review each month.</p> <p>Auditor's conclusion: The management units have planned to prevent the nonconformance raise again, however the records of active ingredients pesticides usage per hectare have not been showed.</p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							The nonconformance still open and will verified during the next assessment.		
2014.13	4.7.1	<p>Occupational, Safety and Health implementation.</p> <ul style="list-style-type: none"> ➤ No evidence of mill and estate workers trained on First Aid. ➤ Improper records maintained for tracking of fire extinguishers. ➤ The PPE issuance record not effectively linked to HIRADC and EIA. ➤ No assessment conducted on why there is a need for PPE replacement. ➤ During the mill visit, sighted the fire hose and fire hydrant not being managed properly. ➤ There was no plan available to test the “Emergency Respond Procedure” by regularly conducting evacuation drill, occupational safety audits or health awareness campaign 	Mill & Estate	Major	Before report issued	The management unit has to show the evidence of the occupational safety and health implementation.	<p><i>Observation 14 January 2015.</i></p> <p>Root cause: <i>Less concern on the needs of estates management training and records in respect of the implementation of the Occupational Safety and Health. (OSHA)</i></p> <p>Corrective action: <i>FACTORY SELANCAR 2A.</i></p> <ol style="list-style-type: none"> 1) <i>Implement training and First Aid Training Vacation to factory workers.</i> 2) <i>Prepare plans extinguisher position.</i> 3) <i>Provide proper PPE production records.</i> 4) <i>Provide a list of PPE supplied and timelines need to be replaced again.</i> <p><i>FELDA redong 01.</i></p> <ol style="list-style-type: none"> 1) <i>Perform first aid training to the head of each group of workers and settlers' own governance.</i> 2) <i>Provide health awareness campaign Program Schedule and Conduct awareness campaigns for settlers and workers' health.</i> <p>Preventive action: <i>Agricultural Officer and Officer will make a visit OSHA area checking to ensure the implementation of training and records in respect of the Occupational Safety and Health.</i></p> <p>Auditor's conclusion: <i>The management unit has shown the evidence of</i></p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							occupational safety and health implementation in the form of photographic to the auditor team. The evidences are available		
2014.14	4.8.1	<p>Training program.</p> <ul style="list-style-type: none"> ➤ No program and training records available for settlers. ➤ Improper documented evidence demonstrated for settlers whom were not provided with adequate training and skills. ➤ Improper records maintained on whether workers and contractors appropriately trained for the work being conducted. ➤ Training programs has no linkages to HIRADC and environmental aspect impact. 	Estate	Major	Before report issued	The management unit has to show the evidence of the training records for settlers and contractors according to the HIRARC and environmental aspect.	<p>Observation 14 January 2015</p> <p>Root cause: Lack of concern for the needs of implementation for estates management related training and Environmental Impact HIRADC to employees, contractors, workers and settlers.</p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) Provide training needs analysis by staff, contractors, workers and settlers. 2) Provide training programs and training to employees, contractors, workers and settlers mainly related training HIRADC and Environmental Impact. 3) Provide an assessment of the effectiveness of such training in the procedures SOP / DSD / PLP / 1 [Procedure Training Settlers]. <p>Preventive action: Agriculture officials will visit the region to ensure the implementation of the revised training program.</p> <p>Auditor conclusion: The management unit has shown the evidence of training plan for employees, contractors, workers and settlers in the form of photographic to the auditor team. The evidences are available. The implementation of the plans will verified during the next assessment.</p>	Closed with observation	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.15	5.1.1	<p>Environmental impact assessment.</p> <p>There is documented impact assessment (5.1/5.6) last update on 09/05/2014 done by Asst. Manager Mr. Shafie. However the assessment not effectively reviewed or assessed by the management.</p> <ul style="list-style-type: none"> ➤ Sighted activities of this estate, such as chemical store, premix area, fertilizer store; foreign worker's hostel, etc were not assesesed. ➤ There is no procedure available to guide on how the assessment to be conducted. 	Redong-1 Estate	Major	Before report issued	Documented aspects and impacts risk assessment that is periodically reviewed and updated	<p>Observation 14 January 2015</p> <p>Root cause: Less concern on the needs of farm management Updating impact assessment and preparation of plans for mitigation activities that have a significant impact.</p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) Update and re-evaluation the incorporating aspects Impact assessment of chemical storage locations, the premix, store fertilizer, hostels and other workers. 2) Provide mitigation measures for activities that get 12-16 rating as specified in the manual Criteria Aspects and Impacts. <p>Preventive action: Agriculture officials and internal audit RSPO Unit will review the impact assessment to ensure updated and metigasi plan for activities that have a significant impact implemented.</p> <p>Auditor's conclusion: The management unit has shown the evidence of environmental impact assessment which has been review and update in the form of document to the auditor team. The evidences are available. The implementation of the update EIA will verified during the next assessment.</p>	Closed with observation	14 January 2015
2014.16	5.3.1	<p>Idnetification of waste products.</p> <p>There is a document on identification of waste product in</p>	Redong-1 Estate	Major	Before report issued	Documented identification of all waste products and sources of	<p>Obssservation 14 January 2015</p> <p>Root cause: Lack of concern regarding recycling and waste segregation.</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		file C5.3. However there is no linkages available for the source of pollution and to identify category of waste [schedule or non-schedule waste]. Domestic waste being collect on weekly basis. However there are no records maintain for the collection and no documented evidence to justify whether the waste sorted before disposed in the landfill. The recyclable waste includes information on recyclable waste, impact, action plan, and remark. The waste identified are fertilizer bag, plastic, paper, used PPE, etc.				pollution.	<p>Corrective action:</p> <ol style="list-style-type: none"> 1) Prepare an action plan for waste by category Scheduled and Non-Scheduled previously mixed into an action plan. 2) Provide a record haul trash. 3) Provide recycling bins at appropriate places (eg: Boarding House, Office, etc.) 4) Issue a letter or memo instructing that all the waste that can be recycled is included in the recycling bin. <p>Preventive action: Management plans will issue a letter / memo official instructions concerning the use of recycling bins and waste separation. Management plans will make the enforcement and regular monitoring in landfills.</p> <p>Auditor's conclusion: The management unit has shown the evidence of all indentification of waste products in the form of document and records to the auditor team. The evidences are available. The implementation of the update EIA will verified during the next assessment.</p>		
2014.17	5.3.2	<p>Implementaion of pollution reduction.</p> <ul style="list-style-type: none"> ➤ There is no evidence of schedule waste disposal programme and the notification to DOE. ➤ There is no management plan that to encourage and 	Redong-1 Estate	Minor	ASA-01	Schedule waste to be disposed as per EQA 1974 (Scheduled Wastes) Regulations, 2005. Municipal waste disposal as per	<p>Observation 14 January 2015</p> <p>Root cause: Lack of concern and enforcement of the management plan for the operation of scheduled waste and recyclables.</p> <p>Corrective action:</p> <ol style="list-style-type: none"> 1) Implement programs and training for the settlers and 	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>educate the scheme smallholder's participations.</p> <ul style="list-style-type: none"> ➤ During field visit, sighted improper storage area allocated for schedule waste. Also seen the 3R activities not implemented effectively whereby mixed wastes found in each recycle containers. Identified waste is not disposed of in the prescribed way. ➤ The visited estate has evidence with inappropriate waste disposal control at landfill. The landfill consisted waste that shall not be disposed of in the landfill. <p>There is no monitoring of schedule waste and no evidence demonstrated that schedule waste disposed in accordance to EQA 1974 [Schedule Waste Regulation – 2005].</p>				<p>local authority or district council in accordance to the Ministry of Health guidelines. Scheme managers should develop and implement an appropriate plan for the management and disposal of waste from smallholdings including the safe disposal of pesticide containers. [adopt appropriate disposal measures (triple rinsing, puncturing and storage) for used chemical containers and ensure that waste from their land holdings are disposed off without burning and without causing a public nuisance.</p>	<p><i>the wholesalers concerned:</i></p> <ol style="list-style-type: none"> 2) <i>Waste management (Scheduled and Non-Scheduled) ii. Control poisons and toxic waste, including waste water contaminated with toxins.</i> 3) <i>Issue a directive to the settlers and contractors so that all scheduled waste (Rasun empty barrels, bags of fertilizer, etc.) are sent to the field offices to be disposed of properly by the management of the farm.</i> 4) <i>Provides store scheduled wastes.</i> <p>Preventive action: <i>All scheduled waste by contractors and manage their own settlers will be collected, managed and disposed of by the management of the farm. Managers will review the record sales or reuse of waste per month and the management will periodically review areas.</i></p> <p>Auditor's conclusion: <i>There are not enough evidences shown by the management unit regarding implementation of pollution reduction.</i> <i>The nonconformance still open and will be verified during the next assessment.</i></p>		
2014.	5.5.3	Waste burying.	Selancar-	Minor	ASA-01	No evidence of	Observation 14 January 2015	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
18		<p>During the site visit to landfill, found fire was used to burn the waste. The surrounding environment on site creates the impression that, open burning at landfill not at 1 time but happens a few times but no remedies action taken by the management.</p> <p>During the site visit to landfill, found fire was used to burn the waste.</p>	2 Estate and Redong- 1 Estate			burning waste (including domestic waste).	<p>Root cause: <i>Lack of enforcement of the management plan for compliance with the prohibition of open burning.</i></p> <p>Corrective action: 1) <i>Issue a letter of instruction to stop any open burning activities.</i> 2) <i>Installation of signage prohibition of Open Burning</i></p> <p>Preventive action: <i>Agriculture officials will make visits periodically revised.</i></p> <p>Auditor's conclusion: <i>The management unit has shown the evidence of action plan to stop open burning, however the effectiveness of the plan through implementation will be verified during the next assessment.</i></p>		
2014.19	5.6.1	<p>Mitigation measure. There is documented impact assessment (5.1/5.6) last update on 09/05/2014 done by Asst. Manager Mr. Shafie. However the assessment not effectively covers or assessed the entire activities of this estate. Based on the assessment report, those rating greater than 16 [significant] to be provided with a mitigation measure, however there is no action plan available to reduce environmental impact and to</p>	Redong- 1 Estate	Major	Before report issued	Documented plans to mitigate all polluting activities.	<p><i>Observation 14 January 2015</i></p> <p>Root cause: <i>Less concern on the needs of farm management Updating impact assessment and preparation of plans for mitigation activities that have a significant impact.</i></p> <p>Corrective action: 1) <i>Provide mitigation measures for activities that get 12-16 rating as specified in the manual Criteria Aspects and Impacts.</i></p> <p>Preventive action: <i>Agriculture officials and internal audit RSPO Unit will review the impact assessment to ensure updated and mitigation plan for activities that have a significant impact</i></p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		control pollution.					<p><i>implemented.</i></p> <p>Auditor's conclusion: <i>The management unit has shown the evidence of environmental impact assessment which has been review and update in the form of document to the auditor team. The evidences are available. The implementation of the update EIA will verified during the next assessment.</i></p>		
2014.20	5.6.2	Mitigation of pollution plan Since there is no action plan available, therefore no review process took place.	Redong-1 Estate	Minor	ASA-01	Plans are reviewed annually.	<p>Observation 14 January 2015</p> <p>Root cause: <i>Less concern on the needs of farm management Updating impact assessment and preparation of plans for mitigation activities that have a significant impact.</i></p> <p>Corrective action: 1) <i>Provide mitigation measures for activities that get 12-16 rating as specified in the manual Criteria Aspects and Impacts.</i></p> <p>Preventive action: <i>Agriculture officials and internal audit RSPO Unit will review the impact assessment to ensure updated and mitigasi plan for activities that have a significant impact implemented.</i></p> <p>Auditor's conclusion: <i>The management unit has shown the evidence of environmental impact assessment which has been review and update in the form of document to the auditor team. The evidences are available. The implementation of the update EIA will verified during</i></p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<i>the next assessment.</i>		
2014.21	6.1.1	<p>Documented social impact assessment. Mill had conducted the stakeholders meeting regarding the establishment of social impact assessment (SIA) on May 28, 2014. But Palm Oil Mill only showed the questioners from settlers (Peneroka) and no evidence questioners from other stakeholder (internal/external) which had been met at showed in the attendance list</p>	Selancar. 2A Mill	Major	Before report issued	The company shall have the documented social impact assessment including the records of meeting as required by indicator 6.1.1	<p>14 January 2015 Root cause: <i>Sessions with external stakeholders was held on 09.10.2014 in that session there is a slot for a question and answer. But outside stokholder remains less involved in the session.</i></p> <p>Corrective action: 1) <i>To distribute questionnaires SIA to external stakeholders (Contractors, Heads of the surrounding villages, government agencies and private corner) to get additional feedback.</i> 2) <i>Make a summary and action plan for the feedback.</i></p> <p>Preventive action: <i>Management's factory will distribute Questionnaire SIA to once again try to get feedback from outside stakeholder.</i></p> <p>Auditor's conclusion: <i>The management unit has shown the evidence of sosial impact assessment meeting record which has been review and update in the form of document to the auditor team. The evidences are available</i></p>	Closed	14 January 2015
2014.22	6.1.3	<p>SIA timetable and involving the independent expert The established social impact assessment (SIA) for Selancar 2A Mill had identified the positive and negative impact, the corrective action, personal</p>	Selancar. 2A Mill and Estates	Minor	ASA-01	The company shall defined a timetable with responsibilities for mitigation and monitoring is reviewed and updated and also	<p>Observation 14 January 2015 Root cause: <i>No independent expert appointed to involved in the implementation of SIA in factories and design. PQMS from the headquarters only involded in external stakeholder plan.</i></p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>in-charge who has the responsible, but the timetable was not clear to be defined i.e mentioned Jan-April, May 2014/2015.</p> <p>Due to the established social impact assessment (SIA) for Selancar 2A Mill and Estates Redong, there was no evidence that the identified SIA had involved the independent expert to ensure the impact (positive/negative) were identified.</p>				the involvement of independent experts is considered necessary to ensure that all impacts are identified as required by indicator 6.1.3 and its guidance	<p>Corrective action: Review the implementation of the SIA and involve outsiders who have nothing to do with this complex (Officer sqm) to assess and review the formulation and action plans SIA made.</p> <p>Preventive action: PSQM officer will assess and review the formulation and action plans SIA made by factory and design.</p> <p>Auditor's conclusion: The management unit has shown the evidence of sosial impact assessment review in the form of document to the auditor team. The evidences are available</p>		
2014.23	6.2.2	<p>Official person for SOP communication and consultation</p> <p>There was the documented procedure of communication and consultation ML-IA/L2-PR3 issued March 2012 at Redong Estates, but there was no evidence official person who had responsible for issues related communication and consultation.</p>	Selancar-2 Estate and Redong-1 Estate	Minor	ASA-01	The company shall have a nominated plantation management official at the operating unit responsible for these issues as required by indicator 6.2.2.	<p>Observation 14 January 2015</p> <p>Root cause: Lack of awareness regarding the importance of the management plan the official appointment of the officer responsible for the tasks related to communication and consultation.</p> <p>Corrective action: Manager issued an official designated letter for officer responsible for the tasks related to communication, Complaints and consultations.</p> <p>Preventive action: Review by internal audit will be conducted each year.</p> <p>Auditor's conclusion:</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<i>The management unit has shown the evidence of official designated letter for officer responsible for the tasks related to communication, Complaints and consultations in the form of document to the auditor team. The evidences are available</i>		
2014.24	6.3.2 and 6.3.3	<p>Implementation of complaint/grievance procedure.</p> <p>There was procedure of complaint and grievance (ML-1A/L2-PR4 issued March 2012), and all complaint/grievances were recorded into claiming book. This procedure did not adequate to be implemented regarding the resolves disputes in an effective, timely and appropriate manner, such as,</p> <ul style="list-style-type: none"> - Based on observation and interviewing to Migrant Workers at Redong Estate there were complaint/grievances and reported to FELDA but there was no evidence had been recorded and resolved, defined timeline and appropriate manner, for example: migrant worker's medical and minimum wages; 	Selancar-2 Estate and Redong-1 Estate	Minor	ASA-01	The company shall has records of the system resolves disputes in an effective, timely and appropriate manner; and has the system that open to any affected parties as required by indicator 6.3.2 and 6.3.3	<p><i>Observation 14 January 2015</i></p> <p>Root cause: <i>Lack of awareness regarding the importance of management plan and action has to be made to record all complaints within two weeks.</i></p> <p>Corrective action:</p> <ol style="list-style-type: none"> <i>To disseminate to all employees and settlers procedure for complaints.</i> <i>Record all complaints received.</i> <i>Ensure that all complaints recorded taken within 2 weeks from the date of the complaint.</i> <i>Communication Officer, Complaints and consultations appointed must ensure that all complaints are properly recorded.</i> <i>Managers need to check and ensure that all complaints had been acted upon.</i> <i>All complaints and grievances were found during the audit process should be recorded and acted upon.</i> <p>Preventive action: <i>Management will review the complaint record book each week and review by internal audit will be conducted each year.</i></p> <p>Auditor's conclusion: <i>There is still not enough evidences show to auditor team</i></p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<ul style="list-style-type: none"> - There was no clear action to be taken and resolved effectively and no time frame such as the monthly meeting report between FTP, FELDA and Peneroke that grievances had been identified, (eg. Meeting Jawatan Kuasa Tanam Semula Felda Redong dated Sept 15, 2014), grievance records dated on June 28, 2014 from FFB contractor about the late payment, July 4, 2014 from Peneroke Selancar 2 about the about slippery roads during to / from estates; Sept 10, 2014 there was cow disturbance to palm oil compartment at several places in the Selancar Estates - Stakeholder consultation comments dated on Oct 15, 2014 had been already informed and asked to FELDA about the lower OER than other Mills and buah muda 					<p><i>regarding the response of the complaints. The nonconformance still opens and will verify during the next assessment.</i></p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		cannot bring back to growers.							
2014.25	6.5.1	<p>Documentation of pay and conditions for employees. The company has showed the Policy for retrieval of foreign workers (June 28, 2011) and communicated to all workers. But the implementation of this policy was not fully implemented as follows,</p> <ul style="list-style-type: none"> - Based on observation and interviewing to migrant workers at their housing at Redong Estate, it was informed that there were no found document of payment and condition (or agreement) between migrant workers and FELDA; and there was no payment slipt and calculation of workers. - At Redong Estates office and Selancar 2 Office, Staff FELDA can show several agreements between FELDA and foreign workers, but there were uncompleted signed by FELDA Management and no 	Selancar-2 Estate and Redong-1 Estate	Major	Before report issued	The Company shall has documentation of pay and conditions for employees and for employees of contractors that meet at least legal or industry minimum standards and are sufficient to provide decent living wages as required by 6.5.1 .	<p>Observation 14 January 2015.</p> <p>Root cause:</p> <ol style="list-style-type: none"> 1) Lack of monitoring from the management to keep a copy of the draft contract agreement early stage entry of each employee and the employee has been improved for the new entry. 2) Lack of enforcement of management regarding distributing payslips for each employee and also in respect of employees employed by the settlers' own governance. <p>Corrective action:</p> <ol style="list-style-type: none"> 1) Provide information back to the employee terms and conditions on the agreements that they have sign. 2) Provide a list of attendance and report side illumination as proof employees were briefed again regarding the terms and conditions of employment contracts. 3) Ensure that all labor agreements signed by employees and employers. 4) Ensure that all employees diderikan a copy of the employment agreement and a copy kept in the office layout. 5) Ensure that all employees are given a paycheck every month. 6) To issue a warning letter to the settlers own governance so as not to employ an unauthorized alien. <p>Preventive action:</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>evidence this agreemen had been distributed.</p> <ul style="list-style-type: none"> - There was no evidence agreement between the labour or workers agents and FELDA regarding the migrant workers (eg. PT Sinarmakmur, PT Wirakaritas) - Based observation and interviewing at Selancar 2 Estates to the settlers that managed owned land informed that sometimes they employeed the migrant workers for harvesting acivities which given by FELDA. This condition was unclear for the legal obligation in employing workers on settlers land; and who responsible if any happened with the workers. 					<p>Agriculture official's territory and internal audit RSPO Unit will review to ensure that it will not happen again.</p> <p>Auditor's conclusion: The management unit has shown the evidence of employee terms and conditions on the agreements in the form of document to the auditor team. The evidences are available. However the effectiveness of the implemantaion will observe during the next assessment.</p>		
2014.26	6.6.1	<p>Documented minutes of meetings with main union workers</p> <p>There was the published policy for worker unions and freedom of association in FELDA and</p>	Selancar-2 Estate and	Major	Before report issued	The Compay shall have the documented minutes of meetings with main trade unions or	<p>Observation 14 January 2015</p> <p>Root cause: Minutes of meetings of unions that being carried out at the center of the zone has not being circulated to the members.</p>	Closed	14 January 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		available Kesatuan Kaki Tangan Felda at Redong Estates and Selancar Estates. But there was no evidence the documentation minutes of meetings with the worker representative that conducted at least once a year. The last data record minutes of meeting dated on July 20 th , 2011 (at Redong Estates)	Redong-1 Estate			workers representatives as required by indicator 6.6.1	<p>Corrective action: Obtain a copy of the minutes of the latest union meeting to be kept in the office as a filing plan of union members for future plan.</p> <p>Preventive action: Managers will get a copy of the minutes of the meeting whenever new union meeting minutes released.</p> <p>Auditor's conclusion: The management unit has shown the evidence of minutes of the latest union meeting in the form of document to the auditor team. The evidences are available.</p>		
2014.27	6.11.1	<p>Contributions to local development based on the results of consultation with local communities</p> <p>FELDA in Redong Estates and Selancar Estates gave a donation to help the local communities (Peneroke) upon request. FELDA managed this as a contribution. However FELDA cannot show the evidence that these contributions based on the results of the consultation, priorities and need from local communities.</p>	Selancar-2 Estate and Redong-1 Estate	Minor	ASA-01	The Company shall demonstrate the contributions to local development that are based on the results of consultation with local communities as required by indicator 6.11.1	<p>Observation 14 January 2015</p> <p>Root cause: Management had implemented discussion regarding contributions and donations were indeed a necessity for every donation is directed centrally by HQ and has been studied in detail.</p> <p>Corrective action: Discuss on kind contributions to the settlers and the target groups of settlers and minuted meetings.</p> <p>Preventive action: Discuss about kind contributions and the target groups of settlers and minuted meetings to ensure this discussion recorded.</p> <p>Auditor's conclusion: The management unit has not shown enough evidence</p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							to auditor team regarding the consultation with local communities to support local development plan.		
2014.28	8.1.1	<p>Reduction of paraquat. The paraquat a.i application still use in the estate still higher than previous year and the 2015 plan of paraquat use still higher than 2014. The management unit cannot show the reduction of paraquat application.</p>	Selancar-2 Estate	Major	Before report issued	The application of paraquat a.i shall have to programmed and implement.	<p>Observation 14 January 2015 Root cause: Lack of control on the use of paraquat.</p> <p>Corrective action: 1) Provide a plan to reduce the use of paraquat. 2) Issue a directive to the field officers and contractors in order to control the use of paraquat and inform on the use of paraquat reduction plan.</p> <p>Preventive action: Estate management will prepare a plan to reduce the use of paraquat and control the use of paraquat in accordance with the plan provides.</p> <p>Auditor's conclusion: The management unit has shown the evidence of reduction of paraquat (a.i) plan in 2015 in the form of document to the auditor team. The evidences are available.</p>	Closed	14 January 2015

3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.1.2	consistency of the work plan record (muster chit) with implementations in the field
2	Minor 4.2.3	Implementation of Empty Fruit Bunch application which have been to long piled in the field since delivered from the factory
3	Minor 4.3.5	Improvement of EFB application, "L" shape frond stacking on the sandy area and LCC (Lagume Cover Crop) plant on replanting/immature area
4	Major 4.4.2	During field visit at Selancar 02, a culvert build across the river at Peringkat 2 – block 2, however severe erosion seen next to the culvert which eventually narrowing the size of the river.
5	Minor 4.5.1	Periodical training of integrated Pest management System to own manage land <i>Peneroka</i>
6	Major 4.8.1	In the mill, seen the training evaluation records not effectively maintained as per required in procedure [FPI/L2/QOHSE-5.0].
7	Majaor 5.2.1	Management unit may consider to improve the HCV report through completing with: HCV identification team description, basic environment data such as landcover, river map, slope map, and stakeholder interview.
8	Minor 5.2.3	Improvement of ERTs and conservation through regular socialization, awareness and signboards by FELDA/FTP management to related stakeholders (smallholders and workers)
9	Minor 6.1.3	Due to the stakeholders for comment related to the SIA, the company should be updated and reviewed periodically the comment for identifying the positive and negative issues, such as the gender committee (established October 2014) should be identified for social impact assessment.
10	Major 6.2.1	There was personal who had been appointed by Mill management (dated on Sept 1, 2014) related to the procedure of communication and consultation (ML-IA/L2-PR3 issued March 2012); but the company should review this procedure that define who had responsible at Palm Oil Mill Selancar 2A. The procedure mentioned the estates only.

3.5.3 Noteworthy Positive Components

No	Descriptions
1	Very good and consistent commitment from mill and scheme managers throughout audit process.
2	The management units had seen very proactive, transparency and dedicated attitude during document and field audit.
3	The housekeeping and cleanliness in the mill very impressive.
4	Continious improvement for new chemical / fertilizer stores from wooden to concrete rooms well sighted.
5	Management and staff commitment was evident
6	Felda scheme was found to be successful in improving sustainable development for rural settlers
7	<p>The company committed to implement the Roundtable on Sustainable Palm Oil and supported through by</p> <ul style="list-style-type: none"> - Implementing the quality and environmental management system - Enthusiasm to demonstrate compliances against the RSPO principles and criteria - The existing land owned by community which respected to Malaysian government requirements which managed by FELDA (Federal Land Development Authority) - Good internal team working and also cooperate with the settlers under managed by FELDA - Having personal with the competence and skill accordance with their aspects.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<u>Gender Committee</u> <ul style="list-style-type: none"> The gender committee mentioned that they are not aware about the grievance mechanism that the management have 	The management unit will improving regarding the complaint mechanism and	The auditors have found the non conformance regarding the complaint mecahanism. Please refer to criterion 6.3
<u>Estates Worker</u> <ul style="list-style-type: none"> One of the estate workers (loading) mentioned that his passport has been kept by the management all this while since he first come to Malaysia The estate workers mentioned that they are not aware about the grievance mechanism is still not clearly conveyed by the management to all the workers. If they have problems they are not sure to whom they should talk to and how to complaint if there is any matter arise. They have to go to the clinic and pay with their own money 	The management unit will improving regarding the complaint mechanism and	The auditors have found the non conformance regarding the complaint mecahanism. Please refer to criterion 6.3
<u>Stakeholder Meeting (Related to the POM)</u> <ul style="list-style-type: none"> During the smallholders meeting the settlers have highlighted their concern on the OER price in Felda Selancar. He said that the OER is still not improving even when the management have already upgrade the mill The smallholders have asked the management on who will bear the cost of processing for the palm oil. The smallholders also asked on who has the rights of the palm kernel Even there is meeting with the JCC (Joint Consultative Committee) every month but there is still no one that could resolve all the matters raised by the stakeholders. 	The management unit will improving regarding the complaint mechanism and response.	The auditors have found the non conformance regarding the complaint mecahanism. Please refer to criterion 6.3
<u>Social Problem (Zaki, PDRM Police)</u> <ul style="list-style-type: none"> There is a high rate of social problem in Selancar 2A, but it is not new because it has been happening in the different area as well. 	The Selancar management unit will improve regarding to social issue around the plantation through communication	The auditors have found the non conformance regarding the identification of positive and negative issues around the plantation. Please refer to criterion 6.1

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Regional Forest Department</p> <ul style="list-style-type: none"> If there is any logging activity should be done, the department will discuss with Felda management first and asking for their approval or agreement for such activity to be carried out. There will be a weekly monitoring on the respective area. 	<p>Selancar management unit (FELDA) will support the government program regarding logging activity.</p>	<p>Referring to the criterion 5.2 Selancar management unit have programming the conservation which include the wildlife protection to the stakeholder through consultation and communication, and notification wildlife hunting prohibition to the settlers</p>
<p>Head of Kampung Asli Segamat Kecil (Mr Alias Bin Hasan).</p> <p>There were no negative issues and he informed that FELDA and Orang Kampung Asli having good relationship, there were no land conflict and social issues and environmental issues. If any cases or grievance (but actual never), the head of Orang Kampung Asli will manage and meeting with the FELDA staff.</p>	<p>Positive comment and maintained The management units under FELDA will keep maintains the relationship between company and the smallholders (peneroka) in the form of social responsibility program regularly.</p>	<p>Accepted and recognized</p>
<p>Stakeholders meeting (external).</p> <p>Attended 10 peoples that consist of teacher school, palm oil suppliers (Steven Estates), Transporters, subcontractors (FFB grader), Food and stationery supplier, Cooperative of Settlers, Engineering subcontractor and Police.</p> <p>Basically, there were no significant issues from stakeholders and the issues that informed by them about,</p> <ul style="list-style-type: none"> The opportunities for school from Peneroka and/or out sider of Peneroka. Having program to motivate the school by evaluating the performance of schools Assisting the stationery and book to the schools Good relationship to the suppliers and Cooperative, and contractor engineering Helping the to maintain and repairing the road access to villages Collaboration with the FELDA Police Supporting for security. There was social and land conflict issues <p>Comment for improvement from stakeholders to FELDA</p> <ul style="list-style-type: none"> The cow disturbance to Steven Estates. This already reported but there was re-occurred The immature or Buah Muda cannot bring the growers back, because the fruits had not been processed. 	<p>The positive comment will be maintained and the improvement will be done by provide the plan.</p>	<p>See CAR 2014.23. The implementation of procedure of complaint and grievance, did not adequate to be implemented regarding the resolves disputes in an effective, timely and appropriate manner. This is related to stakeholder comment for improvement to FELDA</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> - The opportunity from Peneroka for schooling was limited - The security cases regarding the outside peoples been in the Peneroka areas. The Peneroka housing closed to migrant workers 		
<p>Stakeholders meeting (Internal). Attended 24 peoples consist of the settlers which managed their land by FELDA and managed by Settlers own-self. Basically, there were no significant issues from stakeholders and the Peneroka having good relationship to FELDA because the Settlers given the land from Government and assisting by FELDA for managing their land.</p>	Positive comment and maintained	Accepted and recognized
<p>Meeting with Jabatan Perhilitan (Wildlife Agency and met the PIC who record the complaint) at Segamat. There were no significant issues because of FELDA and Mill activities. FELDA very responsible maintaining the areas of palm oil plantation; and the wild life having roles to protected the wild-life</p>	Positive comment and maintained	Accepted and recognized
<p>Meeting with Jabatan Perhutanan (Head of Forest Agency) at Segamat. There were no significant issues because of FELDA and Mill activities. FELDA very responsible maintaining the areas of palm oil plantation; and Forest Agency having roles to protected and monitoring the forest that closed to FELDA</p>	Positive comment and maintained	Accepted and recognized
<p>Meeting with Jabatan Pengairan and Saliran (Irrigation and drainage Head agency) at Segamat. There were no significant issues because of FELDA and Mill activities. But they informed the normal situation in Malaysia that the palm oil plantation having potential to contaminate the rivers and the fertiliser and chemical cannot influenced the water.</p>	Positive comment and maintained	Accepted and recognized
<p>Meeting with Jabatan Orang Asli (JAKOA) at Segamat. There were no significant issues because of FELDA and Mill activities. They informed there was no land conflict and social issues raised. If any happened to Orang Kampung Asli in Segamat Kecil the Head of Orang Kampung Segamat and FELDA</p>	Positive comment and maintained The management units under FELDA will keep maintains the relationship between company and the smallholders (peneroka) in the form of social	Accepted and recognized

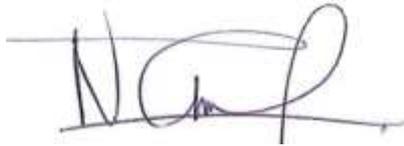
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
will manage the disputes.	responsibility program regularly.	
<p><u>WORKER UNION (Representative)</u></p> <ul style="list-style-type: none"> The worker union representative mentioned that they have received salary from the company based on the minimum wage. There is no other issue with the management and he also mentioned that the entire worker has been treated equally by the management. 	<ul style="list-style-type: none"> The workers salary is accordance to the regulation. Management unit will maintain the workers issues. 	<p>The management unit is implementing the all the workers issues according to the regulation. Refer to criterion 2.1, 4.7, 6.5, 6.6, 6.7, 6.8, 6.9</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

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.

Signed on behalf of:

Felda Global Ventures - FELDA



En. Norazam Abdul Hameed
30 November 2015

Mutuagung Lestari

Lead Auditor



Octo HPN Nainggolan
30 November 2015

Appendix 1. 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	Malaysian CropLife & Public Health Association (MCPA)	11 (1st Floor), Jalan SS 26/8, Taman Mayang Jaya, Selangor Darul Ehsan		Email	28/8/2014		√
2	All Women's Action Society (AWAM)	85, Jalan 21/1, Sea Park, 46300 Petaling Jaya		Email	28/8/2014		√
3	Pertubuhan Tindakan Wanita Islam PERTIWI	63 Jalan SS3/53, Kelana Jaya, 47300 Petaling Jaya		Email	28/8/2014		√
4	Women's Aid Organisation - Pertubuhan Pertolongan Wanita	PO Box 493, Jalan Sultan, 46760 Petaling Jaya		Email	28/8/2014		√
5	Tenaganita Sdn Bhd	38, Jalan Gasing 46000 Petaling Jaya, Malaysia		Email	28/8/2014		√
6	Pesticide Action Network Asia and the Pacific (PAN AP)	P.O. Box 1170, Penang, 10850 Malaysia		Email	28/8/2014		√
7	BCSDM - Business Council for Sustainable Development in Malaysia	Suite 803, MBE Pavilion KL, Lot No. B1.03.00, Level B1, Pavilion KL, 168, Jalan Bukit Bintang, 55100 Kuala Lumpur.		Email	28/8/2014		√
8	Sustainable Development Network Malaysia (SUSDEN)	B-2114 Tingkat Satu, Jalan Merpati 25300 Kuantan, Pahang		Email	28/8/2014		√
9	Centre for Environment, Technology and Development, Malaysia – CETDEM	17 Jalan SS2/53, 47300 Petaling Jaya		Email	28/8/2014		√
10	Environmental Management and Research Association of Malaysia (ENSEARCH)	30-3, Jalan PJU 5/16, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor		Email	28/8/2014		√
11	Environmental Protection Society Malaysia (EPSM)	No. 60, Jalan 21/35, 46300 Petaling Jaya, Selangor, Malaysia		Email	28/8/2014		√
12	Friends of the Earth, Malaysia	Sahabat Alam Malaysia (Headquarters) No. 258 Jalan Air Itam 10460 Penang, Malaysia		Email	28/8/2014		√
13	Global Environment Centre	Global Environment Centre 2nd Floor, Wisma Hing, 78, Jalan SS2/72		Email	28/8/2014		√

		47300 Petaling Jaya, Selangor				
14	Institute of Foresters, Malaysia (IRIM)	Pejabat Sekretariat IRIM, Jabatan Perhutanan Semenanjung Malaysia, Jalan Sultan Salahuddin, 50660 Kuala Lumpur		Email	28/8/2014	√
15	Malaysian Environmental NGOs – MENGO	No. 41, Lorong Burhanuddin Helmi 11, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia.		Email	28/8/2014	√
16	Treat Every Environment Special Sdn Bhd. (TrEES)	No.72, Jalan SS4/10, 47301, Petaling Jaya, Selangor Darul Ehsan, Malaysia		Email	28/8/2014	√
17	Center for Orang Asli Concerns COAC	P.O. Box 3052, Subang Jaya, Malaysia		Email	28/8/2014	√
18	JERIT - Jaringan Rakyat Tertindas - Coalition of the Oppressed People	72b, Jalan Reko, Taman Sri Langat Kajang Selangor, Malaysia 43000		Email	28/8/2014	√
19	JUST - International Movement for a Just World	International Movement for a Just World, JKR, 1258, Jalan Telok Off Jalan Gasing, P.O. Box 288. Petaling Jaya, Selangor.		Email	28/8/2014	√
20	National Council of Welfare & Social Development Malaysia - NCWSDM	No. 17, Jalan 1/48A, Bandar Baru Sentul, 51000 Kuala Lumpur		Email	28/8/2014	√
21	National Union of Plantation Workers (NUPW)	No 2, Jalan Templer, 46000 Petaling Jaya, Selangor		Email	28/8/2014	√
22	SUARAM - Suara Rakyat Malaysia	433A, Jalan 5/46, Gasing Indah, 46000 Petaling Jaya		Email	28/8/2014	√
23	SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia	11th Floor, Menara TH Perdana, Jalan Sultan Ismail, 50250 Kuala Lumpur.		Email	28/8/2014	√
24	United Nations Development Programme - UNDP Malaysia	Wisma UN, Block C Kompleks Pejabat Damansara, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur		Email	28/8/2014	√
25	UNION - AMESU	No. 29-3, Jalan USJ 1/1A 47620 Subang Jaya Selangor Darul Ehsan		Email	28/8/2014	√
26	Malaysian Employers Federation - MEF	3A06-3A07, Block A, Pusat Dagangan Phileo Damansara II, 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya		Email	28/8/2014	√
27	Transparency International -	23 Jalan Pantai 9/7 46000 Petaling Jaya,		Email	28/8/2014	√

	Malaysian Chapter	Selangor, Malaysia.					
28	Future in Our Hands Society	No 10, Jalan T.S. Manikawasagam, 10 Taman Menara Maju, 41200 Klang Selangor		Email	28/8/2014		√
29	EcoKnights	EcoKnights, 41, Lorong Burhanuddin Helmi 11, Taman Tun Dr. Ismail, 60000 Kuala Lumpur,		Email	28/8/2014		√
30	Amnesty International Malaysia	D-2-33A, 8 Avenue Jalan Sungai Jernih 8/1, Section 8, 46050, Petaling Jaya, Selangor.		Email	28/8/2014		√
31	Malaysian National Animal Welfare Foundation - MNAWF	Wisma Medivet, 8, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia		Email	28/8/2014		√
32	TRAFFIC - the wildlife trade monitoring network	Unit 3-2, 1st Floor, Jalan SS23/11, Taman SEA, 47400 Petaling Jaya, Selangor, Malaysia.		Email	28/8/2014		√
33	Malaysian Nature Society (MNS) Kuala Lumpur	JKR 641, Jalan Kelantan, Bukit Persekutuan, 50480 Kuala Lumpur		Email	28/8/2014		√
34	Proforest - South East Asia Regional Office	Suite #303 MBE Desa Sri Hartamas No. 30G, Jalan 25/70 A 50480 Kuala Lumpur		Email	28/8/2014		√
35	Wetlands International (Malaysia)	3A31 Block A, Kelana Centre Point, Jalan SS7/19, 47301 Petaling Jaya		Email	28/8/2014		√
36	Wild Asia Sdn Bhd	Upper Penthouse, Wisma RKT, No 2 Jalan Raja Abdullah, 50300 Kuala Lumpur		Email	28/8/2014		√

Appendix 2. Assessment Program

DATE	13 – 16 October 2014	AUDITOR			
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	MT	TFK	OCT	MH
Monday, 13 October 2014					
09.00 - 09.30	Opening Meeting	√	√	√	√
09.30 – 13.00	Document review and Collect Basic Information	√	√	√	√
13.00 – 14.00	BREAK				
14.00 – 17.00	Field observation to SELENCAR.2A POM. WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management Document review and Clarification of Time Bound Plan	√	√	√	√
Tuesday, 14 October 2014					
09.00 - 13.00	Field Observation to FELDA/FTP Redong Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area 	√	√	√	√
09.00 - 13.00	<ul style="list-style-type: none"> • Worker facilities (housing, health clinic, clean water, etc) • Land Fire facilities, Storage, etc.. • Hazardous Waste Material management 				√
13.00 – 14.00	BREAK				
14.00 – 16.00	Continue Field Observation to FELDA/FTP Redong Estate	√	√	√	√
16.00 – 17.00	Document review and Field observation clarification				
Wednesday, 15 October 2014					
09.00 – 13.00	Field Observation to FELDA Selancar. - 02 Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) • Land Fire facilities, Storage, etc.. • Hazardous Waste Material management 	√	√	√	√
13.00 – 14.00	BREAK				
14.00 – 16.00	Continue Field Observation to FELDA Selancar.02 Estate			√	√
14.00 – 17.00	Stakeholders consultation to Related Government Institution (District Government and local NGO) Document review and Clarification of Public Consultation	√	√	√	√
Thursday, 16 October 2014					
09.00 – 13.00	Completion of checklist and clarification		√	√	
09.00 – 13.00	Stakeholders consultation to Nearest village and community leader labour union, gender committee.	√			√
13.00 – 14.00	BREAK				
14.00 – 17.00	Audit finding preparation	√	√	√	√
19.30 – 21.00	Closing Meeting				
FRIDAY, 27 November 2015					
08.00 – 17.00	Additional Audit of Reduction scope by Desk Review			√	

Annex.3. Glossary

BOD	:	Biological Oxygen Demand
CHRA	:	Chemical Health Risk Assessment
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
FGV	:	Felda Global Ventures
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