

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

**Name of Management Organisation** : TERSANG Palm Oil Mill, Felda Global Ventures (M) sdn Bhd subsidiary of FELDA

**Plantation Name** : FELDA Tersang-1 estate, FELDA Tersang-2 estate, FELDA Tersang-3 estate, FELDA Tersang-4 estate, FELDA Sungai Koyan-1 estate, FELDA Sungai Koyan-2 estate and FELDA Sungai Koyan-3 estate

**Location** : Raub, Pahang, Malaysia

**Certificate Code** : **MUTU-RSPO/080**

**Date of Certificate Issue** : **16 November 2015**    **Date of License Issue** : **16 November 2015**

**Date of Certificate Expiry** : **15 November 2020**    **Date of License Expiry** : **15 November 2016**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-1	3 – 4 April 2015	Bukti Bagja, Yap Chin Hung	Ganapathy Ramasamy	Taufik Margani
ST-2	11 - 15 May 2015	Bukti Bagja, Mohd Nizam, Mohd Hairimi, Yap Chin Hung		

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	<b>16 November 2015</b>

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**Abbreviation Used**

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Figure 1. Location Map of Tersang Complex

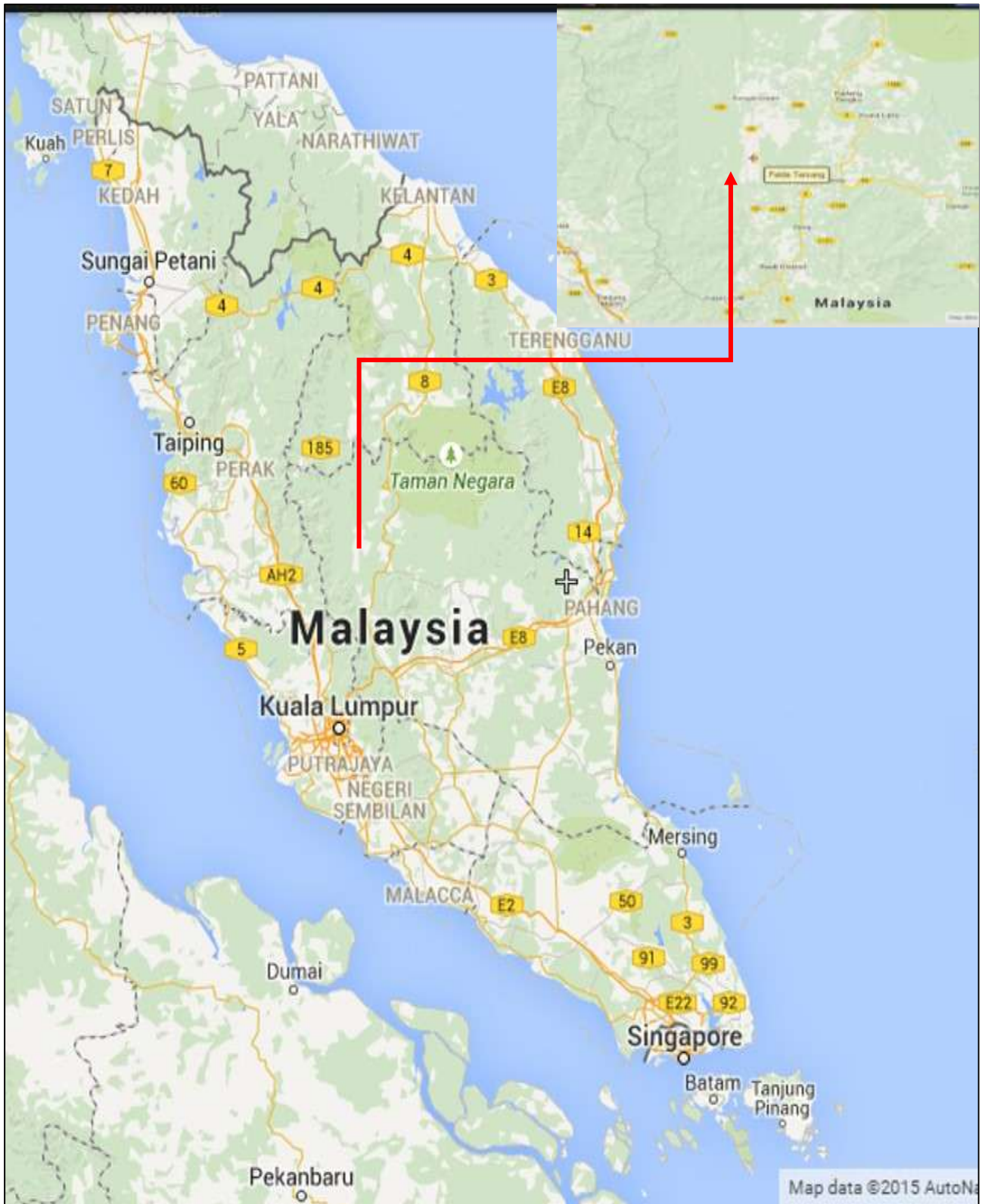




Figure 2. Location Map of Tersang Mill

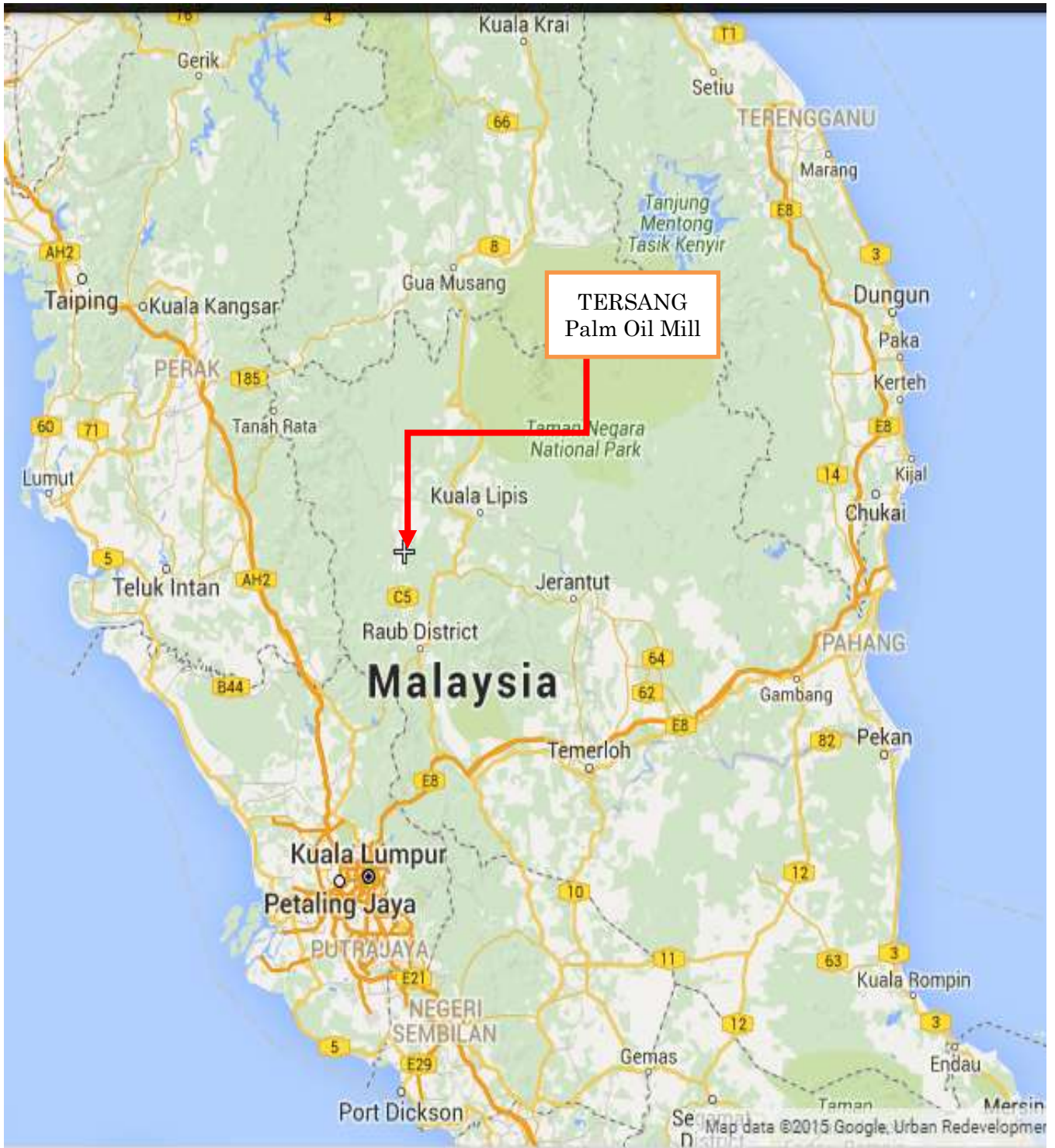


Figure 3. Operational Map of Tersang-1 estate

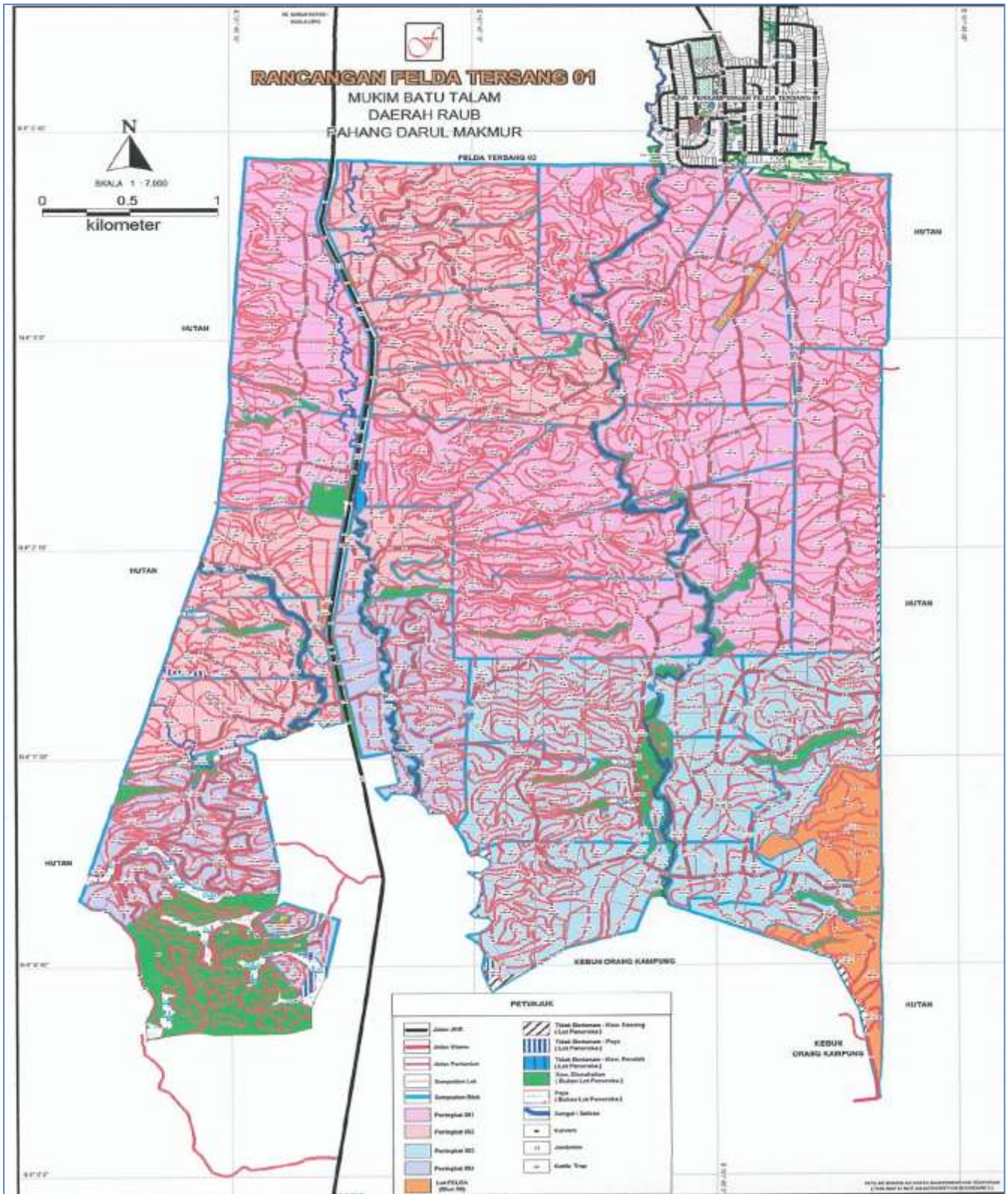






Figure 5. Operational Map of Tersang-3 estate

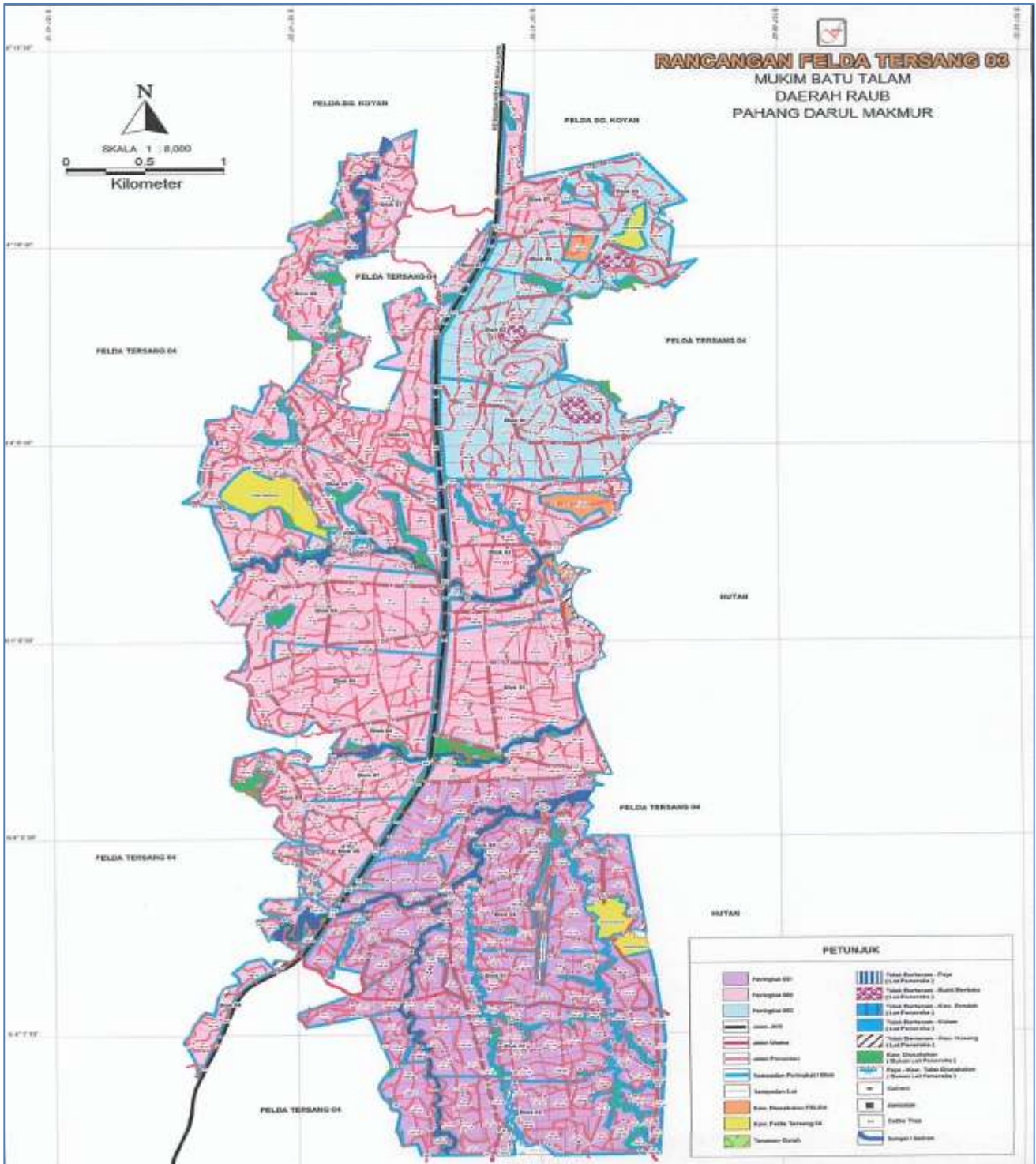




Figure 6. Operational Map of Tersang-4 estate

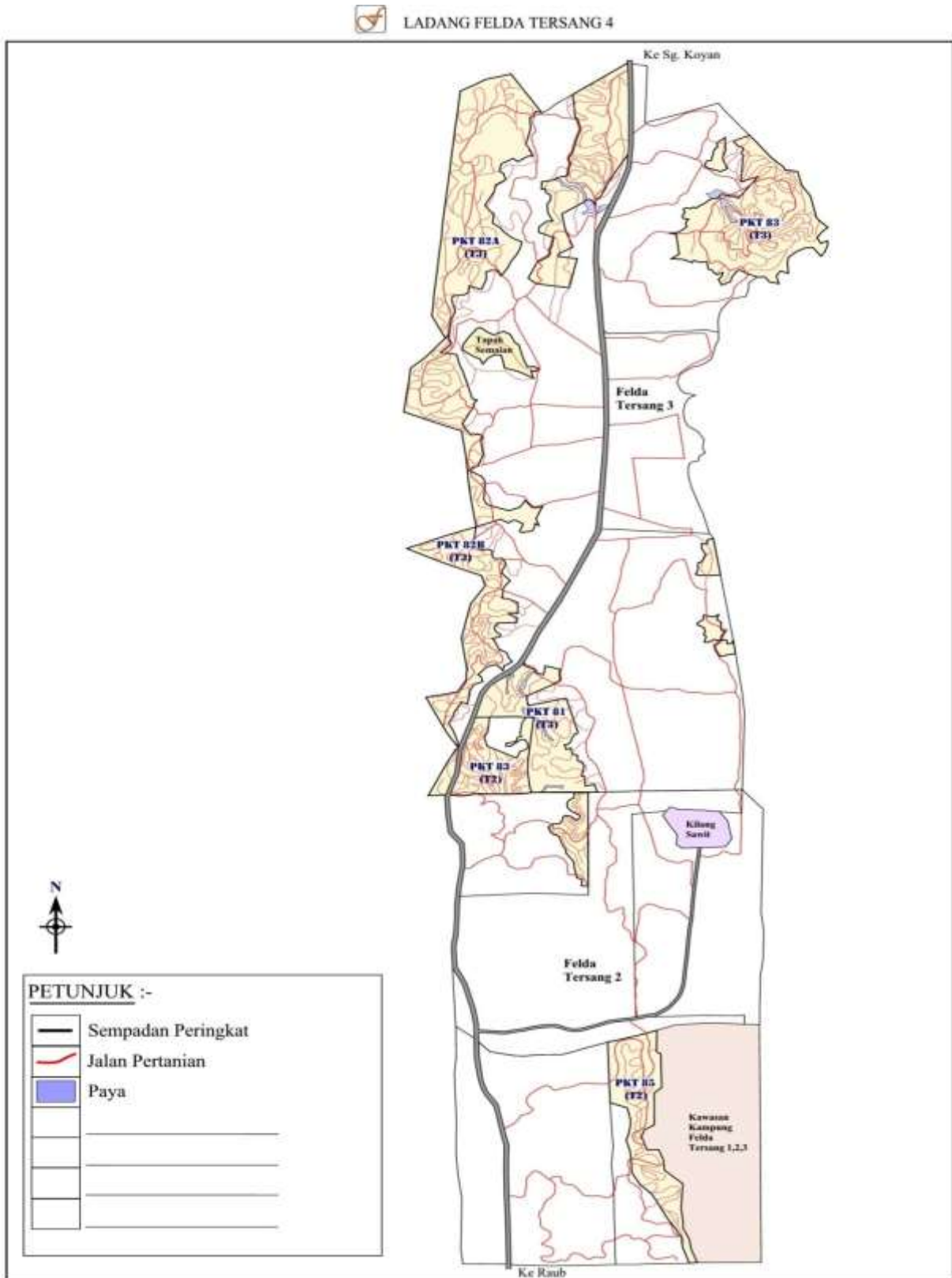




Figure 7. Operational Map of sungai Koyan-1 estate

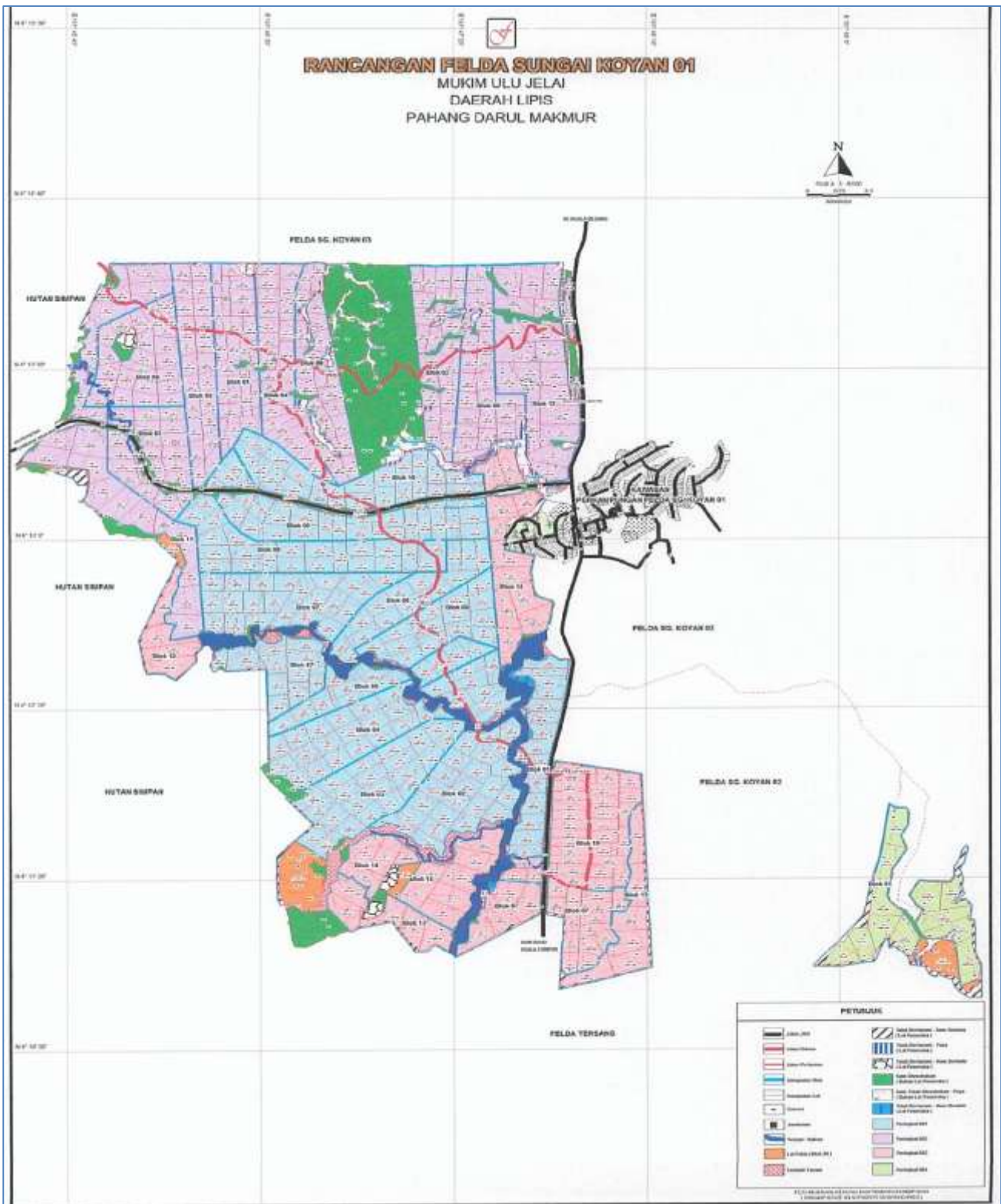


Figure 8. Operational Map of Sungai Koyan-2 estate

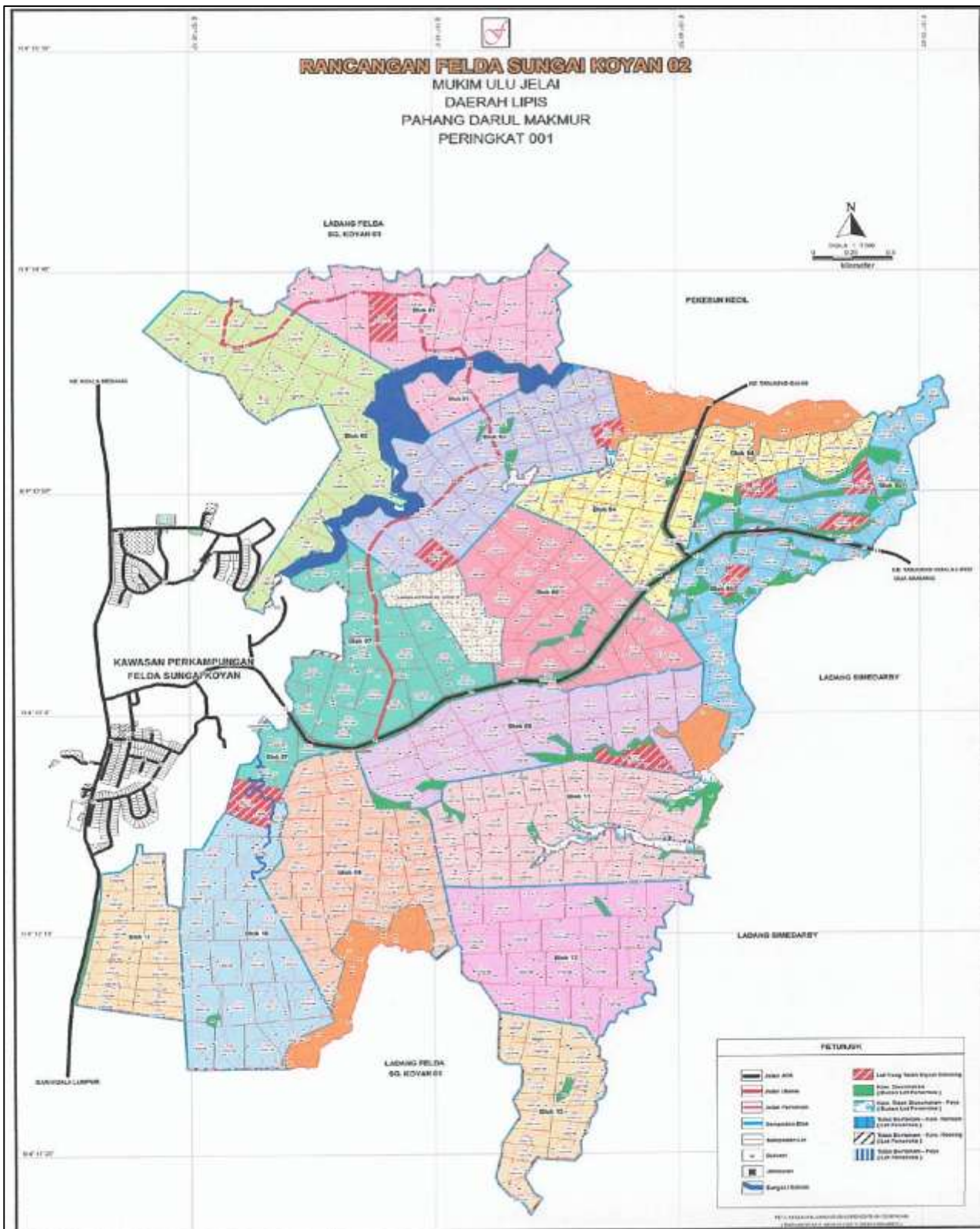
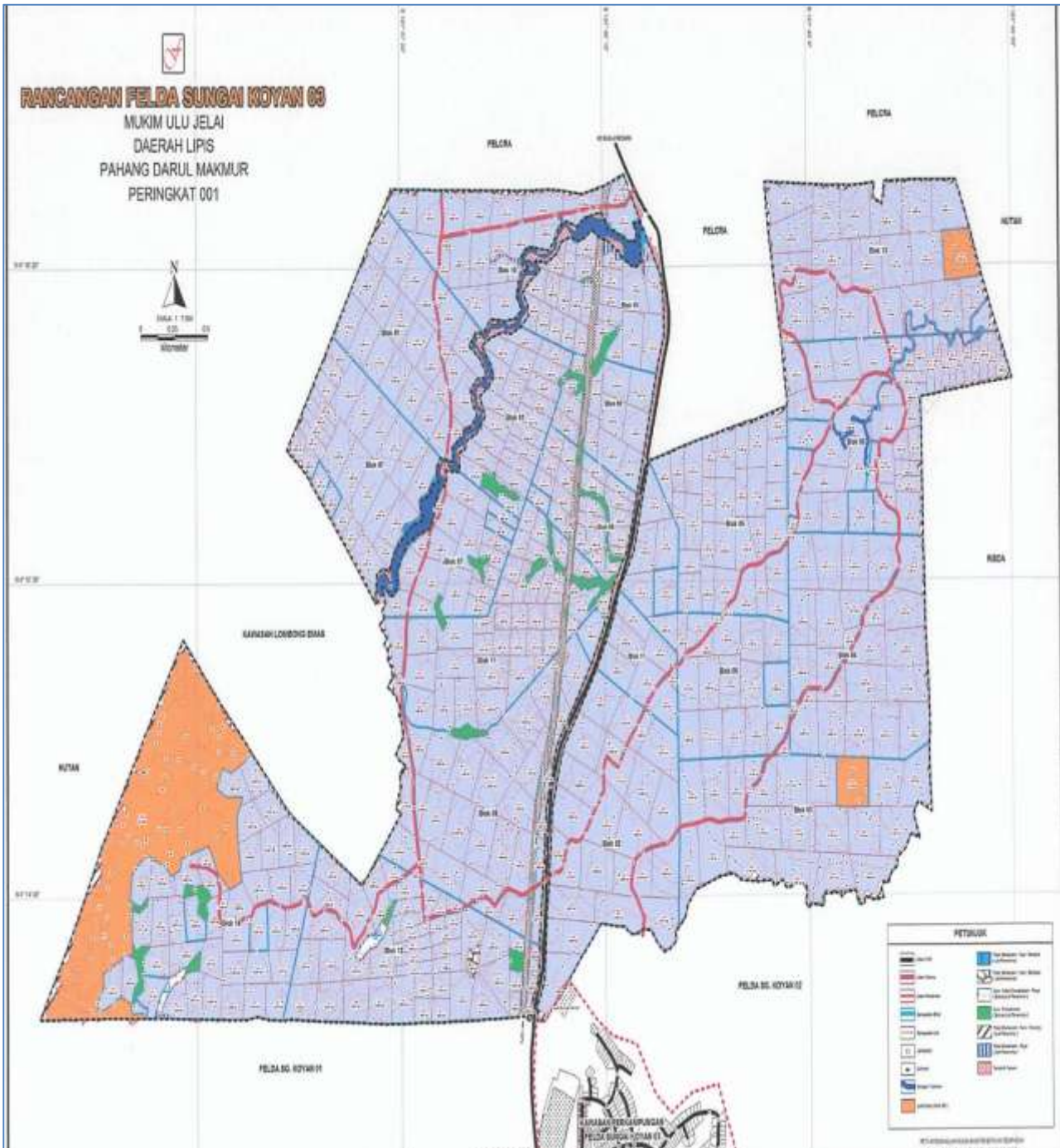




Figure 9. Operational Map of Sungai Koyan-3 estate



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



<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• <i>The Malaysian National Interpretation (MYNI), RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production endorsed on 6<sup>th</sup> March 2015</i></li> <li>• <i>RSPO Supply Chain Certification Standard November 2011 for CPO Mill.</i></li> </ul>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Organisation name listed in the certificate	Felda Global Ventures – FELDA	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Organisation address and site address	PSQM, Felda Global Ventures Plantations (M) Sdn Bhd Level 20, Balai Felda, Jalan Gurney Satu, Kuala Lumpur, Malaysia 54000	
1.2.4	Telephone	(+603) 2600 5349	
1.2.5	Fax	(+603) 2698 7816	
1.2.6	E-mail	<a href="mailto:anthonius.s@feldaglobal.com">anthonius.s@feldaglobal.com</a>	
1.2.7	Web page address	<a href="http://www.felda.net.my">www.felda.net.my</a>	
1.2.8	Management Representative who completed the application for certification	Mr. Anthonius Sani	
1.2.9	Registered as RSPO member	1-0013-04-000-00, 17 October 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment	<p>1 Palm Oil Mill and Supply by 7 (seven) oil palm estates:</p> <p>Tersang Mill, Tersang-1 estate, Tersang-2 estate, Tersang-3 estate, Tersang-4 estate, Sungai Koyan-1 estate, Sungai Koyan-2 estate, Sungai Koyan-3 estate.</p>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill, Plantations and Area Statement</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Kilang Sawit TERSANG	Kilang Sawit Tersang, Pejabat Pos Mini Felda Tersang, 27600, Raub Pahang	N 4° 6' 25"      E 101° 48' 05"
1.4.2	Location of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Cooridianate</b>
			<b>Latitude</b> <b>Longitude</b>
	FELDA Tersang 1 Estate	Felda Tersang 1, 27600 Raub, Pahang Darul Makmur	N 4° 04' 42"      E 101° 47' 54"
	FELDA Tersang 2 Estate	Felda Tersang 2, 27610 Raub, Pahang Darul Makmur	N 4° 04' 34"      E 101° 47' 59"
	FELDA Tersang 3 Estate	Felda Tersang 3, 27610 Raub, Pahang Darul Makmur	N 4° 04' 52"      E 101° 47' 52"
	FELDA Tersang 4 Estate	Felda Tersang 4, 27610 Raub, Pahang Darul Makmur	N 4° 05' 08"      E 101° 47' 56"

	FELDA Sungai Koyan 1 Estate	Felda Sg. Koyan 01, 27650 Raub, Pahang Darul Makmur	N 4° 13' 03"	E 101° 47' 54"				
	FELDA Sungai Koyan 2 Estate	Felda Sg. Koyan 02, 27650 Raub, Pahang Darul Makmur	N 4° 13' 44"	E 101° 48' 15"				
	FELDA Sungai Koyan 3 Estate	Felda Sg. Koyan 03, 27650 Raub, Pahang Darul Makmur	N 4° 13' 48"	E 101° 48' 14"				
<b>1.5 Description of Area Statement</b>								
<b>1.5.1 Tenure</b>								
	• State			797.04 Ha				
	• Community (Peneroka)			10,741.71 Ha				
<b>1.5.2 Area Statement</b>								
	• Total area			11,538.75 Ha				
	• Mature area			9,448.68 Ha				
	• Immature area			- Ha				
	• Others area			879.86 Ha				
	• Infrastructure			242.03 Ha				
	• Buildings (local quarters)			1.7 Ha				
	• Mill			4.78 Ha				
	• HCV			- Ha				
	• Conservation area			2.6 Ha				
<b>1.6 Planting Year and Cycles</b>								
<b>1.6.1 Age profile of planting year</b>								
	<b>Hectarage (Ha)</b>							
<b>Planting Year</b>	<b>Tersang 1</b>	<b>Tersang 2</b>	<b>Tersang 3</b>	<b>Tersang 4</b>	<b>Sg. Koyan 1</b>	<b>Sg. Koyan 2</b>	<b>Sg. Koyan 3</b>	<b>TOTAL (Ha)</b>
1995					763.49			763.49
1997						1,778.38		1,778.38
1998					322.81			322.81
1999					605.34			605.34
2003	713.29						1,640.76	2,354.05
2004	328.18							328.18
2005	401.28							401.28
2007		690.18		94.34				784.52
2009			410.33					410.33
2010	104.95		420.29	702.7				1,227.94
2011			169.1					169.1
2012		303.26						303.26
<b>TOTAL</b>	<b>1,547.7</b>	<b>993.44</b>	<b>999.72</b>	<b>797.04</b>	<b>1,691.64</b>	<b>1,778.38</b>	<b>1,640.76</b>	<b>9,448.68</b>



	<p>Note: Age profile of planting year consist of FELDA core estate, smallholders manage by FELDA and own manage smallholders. Total planted area for own managed smallholders <b>959.1 Ha</b> in age profile of planting year</p> <ul style="list-style-type: none"> <li>• Tersang 1 → 198.3 Ha</li> <li>• Tersang 2 → 97.12 Ha</li> <li>• Tersang 3 → 190.2 Ha</li> <li>• Sungai Koyan 1 → 242.81 Ha</li> <li>• Sungai Koyan 2 → 182.11 Ha</li> <li>• Sungai Koyan 3 → 48.56 Ha</li> </ul>						
1.6.2	New Planting area after January 2010	No new planting after January 2010, is already under replanting program					Ha
1.6.3	Planting Cycle	2 <sup>nd</sup> Cycle					Years
<b>1.7</b>	<b>Description of Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	<b>TERSANG</b>	<b>40</b>	<b>175,001.46</b>	<b>38,273</b>	<b>21.87</b>	<b>9,888</b>	<b>5.65</b>
	<i>*Source Production Data May 2014 to April 2015</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	FELDA Tersang 1 Estate (348 peneroka by FELDA/FTP)	1,851.42	1,547.70	14,323.54	9.3	14,323.54	100
	FELDA Tersang 2 Estate (153 peneroka by FELDA/FTP)	1,400.88	993.44	5,266.84	5.3	5,266.84	100
	FELDA Tersang 3 Estate (286 peneroka by FELDA/FTP)	1,176.75	999.72	3,423.32	3.4	3,423.32	100
	FELDA Tersang 4 Estate	797.04	797.04	4,897.68	6.1	4,897.68	100
	FELDA Sungai Koyan 1 Estate 268 peneroka by FELDA/FTP)	1,717.68	1,691.64	35,996.73	21.3	35,996.73	100
	FELDA Sungai Koyan 2 Estate (214 peneroka by FELDA/FTP)	1,922.07	1,778.38	31,606.37	17.8	31,606.37	100
	FELDA Sungai Koyan 3 Estate (248 peneroka by FELDA/FTP)	1,709.03	1,640.76	35,223.46	21.5	35,223.46	100
	<b>TOTAL</b>	<b>10,574.87</b>	<b>9,448.68</b>	<b>130,737.92</b>	<b>13.8</b>	<b>130,737.92</b>	<b>100</b>
	<i>*Source Production Data May 2014 to April 2015</i>						
	<i>*FELDA Global Ventures Plantation (M) Sdn Bhd Letter on November 11<sup>th</sup>, 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.</i>						
1.7.3	other source (non certified)						
	<b>Name of sources</b>	<b>Members</b>		<b>Location</b>		<b>FFB Supplied to Mill (tonnes/year)</b>	
	Independent	Independent Smallholders		Kuantan Pahang		41,823.85	

	smallholders	RSPONon Certified					
	Dealer	Independent Smallholders RSPONon Certified	Kuantan Pahang	2,429.69			
	<b>TOTAL</b>			<b>44,253.54</b>			
	<i>*Source Production Data May 2014 to April 2015</i>						
1.7.4	Product categories		<b>FFB, CPO, PK</b>				
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
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	Estimate Claim Certified of FFB						
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	FELDA Tersang 1 Estate (348 peneroka by FELDA/FTP)	1,851.42	1,547.70	16,412	9.4		
	FELDA Tersang 2 Estate (153 peneroka by FELDA/FTP)	1,400.88	993.44	5,998	5.5		
	FELDA Tersang 3 Estate (286 peneroka by FELDA/FTP)	1,176.75	999.72	4,284	3.6		
	FELDA Tersang 4 Estate	797.04	797.04	5,659	7.1		
	FELDA Sungai Koyan 1 Estate 268 peneroka by FELDA/FTP)	1,717.68	1,691.64	38,109	19.7		
	FELDA Sungai Koyan 2 Estate (214 peneroka by FELDA/FTP)	1,922.07	1,778.38	32,366	18.2		
	FELDA Sungai Koyan 3 Estate (248 peneroka by FELDA/FTP)	1,709.03	1,640.76	36,996	21.9		
	<b>TOTAL</b>	<b>10,574.87</b>	<b>9,448.68</b>	<b>139,824</b>	<b>13.6</b>		
	<i>*Projected FFB production for 12 months of certificate</i>						
	<i>*Projected FFB's consist of FELFA core estate and Smallholders manage by FELDA/FTP (not include own manage smallholders)</i>						
1.8.3	Estimate Claim Certified of Palm Product						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	TERSANG	40	139,824	30,621	21.9	7,970	5.7
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
<b>1.9</b>	<b>Other Certifications</b>						
	OHSAS			Certified by SIRIM			
	ISO 9001			Certified by SIRIM			
	ISO 14001			Certified by SIRIM			
<b>1.10</b>	<b>Time Bound Plan</b>						
1.10.1	<b>Time Bound Plan for Other Management Units</b>						
No	Management Unit	Address		Hectarage	Time Bound	Status	



			(Ha) *	Plan (Planned Audit Year)	(Actual/Target Certification Year)
1	Kota Gelanggi 6	Kilang Sawit Kota Gelanggi 6, W/Pos Felda Kota Gelanggi.27000 Jerantut, Pahang	10,334	Q4, 2009	Certified: 2010
2	Lepar Utara 6	Kilang Sawit Lepar Utara 6, Peti Surat 12 & 2020 26400 Bandar Pusat Jengka Pahang	11,538	Q4, 2009	Certified: 2010
3	Jengka 21	Kilang Sawit Felda Jengka 21, Bandar Pusat Jengka, 26400 Pahang	14,319	Q3, 2011	Certified: 2013
4	Jengka 3	Kilang Sawit Jengka 3, 26400 Bandar Jengka. Pahang	13,720	Q1, 2011	Certified: 2012
5	Jengka 8	Kilang Sawit Jengka 8, 26400, Bandar Tun Abdul Razak Jengka, Pahang	13,895	Q1, 2011	Certified: 2012
6	Lepar Utara 4	Kilang Sawit Lepar Utara 04, Peti surat 55, Pejabat Pos Bandar Pusat Jengka, 26400 Bandar Pusat Jengka, Pahang	9,415	Q3, 2011	Certified: 2012
7	Jengka 18	Pejabat Felda Jengka 18 (Seroja) palm Oil Mill, 26400 Bandar Pusat Jengka, Jengka, Pahang	12,296	Q3, 2011	Certified: 2013
8	Padang Piol	Kilang Sawit Padang Piol, 27040 Jerantut, Pahang	4,960	Q1, 2011	Certified: 2012
9	Adela	Kilang Sawit Adela, Po Box 73, Bandar Penawar, Kota Tinggi 81930 Johor	12,930.04	Q1, 2011	Certified: 2012
10	Lok Heng	Kilang Sawit Lok Heng, PO Box 55, 81907 Kota Tinggi, Johor	12,799	Q1, 2011	Certified: 2012
11	Semenchu	Kilang Sawit Semenchu, Peti Surat 63, 81907 Kota Tinggi, Johor	15,797	Q2, 2011	Certified: 2012
12	Wa Ha	Kilang Sawit Waha, Karung Kunci S24, 81907 Kota Tinggi, Johor	9,597	Q1, 2013	Certified: 2012
13	Bukit Kepayang	Kilang Sawit Bukit Kepayang, 28300 Triang, Pahang	10,164.44	Q4, 2011	Certified: 2013
14	Bukit Mendi	Kilang Sawit Bukit Mendi, 28320 Triang, Pahang	7,838	Q4, 2011	Certified: 2012
15	Kemasul	Kilang Sawit Kemasul, 28300 Triang, Pahang	10,150	Q4, 2011	Certified: 2012
16	Tementi	Kilang Sawit Tementi, 38300 Triang, Pahang	11,696	Q4, 2011	Certified: 2013
17	Triang	Kilang Sawit Triang, 28300 Triang, Pahang	10,142	Q4, 2011	Certified: 2012
18	Segamat (GC)	Felda Segamat Region Complex, KM 5, Jalan Genuang, 89000 Segamat, Johor	11,192	Q1, 2011	Certified: 2012
19	Belitong	Kilang Sawit Belitong, Peti Surat 61, 86007 Kluang, Johor	7,110	Q4, 2012	Certified: 2014
20	Bukit Besar	Kilang Sawit Bukit Besar, W/P Bukit Besar, 81450 Kulai, Johor	4,716	Q4, 2012	Certified: 2014
21	Kahang	Kilang Sawit Kahang, Karung Berkunci No. 533, 86007 Kluang, Johor	5,134	Q4, 2012	Certified: 2014
22	Kulai	Kilang Sawit Kulai, Felda Taib Andak, 81000, Kulai, Johor	7,531	Q4, 2012	Certified: 2014
23	Nitar	Kilang Sawit Nitar, Felda Nitar 2, 86700 Kahang, Johor	5,819	Q4, 2012	Certified: 2014
24	Penggeli	Felda 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	Certified: 2014
30	Mercu Puspita	Kilang Sawit Mercu Puspita, Peti Surat 29, 91150, Cenderawasih, Lahad Datu, Sabah	12,734	Q3, 2014	Certified: 2014
31	Nilam Permata	Kilang Sawit Nilam Permata, Peti Surat 23, 91150, Cenderawasih, Lahad Datu, Sabah	8,359	Q3, 2014	Certified: 2014
32	Hamparan Badai	Kilang Sawit Hamparan Badai, Peti Surat 25, 91150, Cenderawasih, Lahad Datu, Sabah	17,212	Q3, 2014	Certified: 2014
33	Embara Budi	Embara Budi Peti Surat No. 28, 91105 Lahad Datu, Sabah	15,070	Q2, 2014	Certified: 2014
34	Lancang Kemudi	Lancang Kemudi, Felda Sahabat 45, Lahad Datu, Sabah	10,698	Q2, 2014	Certified: 2014
35	Kalabakan	Kilang Sawit Kalabakan, Peti Surat No. 62007, 91030 Tawau, Sabah	7,352	Q2, 2014	Certified: 2014
36	Umas	Kilang Sawit Umas, WDT 43,91009, Tawau, Sabah	8,356	Q2, 2014	Certified: 2014
37	Besout	Kilang Sawit Besout, 35600 Sungkai, Perak	12,201.80	Q3, 2014	Certified: 2014
38	Trolak	Kilang Sawit Trolak, Pejabat POS Sungkai, 35600 Sungkai, Perak	6,899	Q3, 2014	Certified: 2014
39	Krau	Kilang Sawit Krau, Peti Surat 17, 28700 Bentong, Pahang	14,619	Q3, 2014	Certified: 2015
40	Pancing	Kilang Sawit Pancing, Peti Surat 257, 25730 Kuantan, Pahang	3,850	Q3, 2014	Certified: 2014
41	Neram	Kilang Sawit Neram, Pejabat Pos Mini Felda Neram 1, 26160 Kuantan, Pahang	15,262	Q3, 2014	Certified: October 2015
42	Mempaga	Kilang Sawit Mempaga, 28600 Karak, Pahang	7,648	Q3, 2014	Certified: 2014
43		Kilang Sawit , 21450 Setiu Terengganu	8,730.67	Q4, 2014	Audited November 2014
44	Sg Tenggi	Kilang Sawit Sg. Tenggi, Felda Gedangsa, 44010 Kuala Kubu Bahru, Selangor	7,320	Q3, 2014	Certified: 2014
45	Serting	Kilang Sawit Serting, Bandar Baru Serting, 72109 Jempol, Negeri Sembilan	17,947.93	Q3, 2014	Certified October 2015
46	Keratong 2	Kilang Sawit Keratong 02, Peti Surat 28, 26900 Bandar Tun Razak, Pahang	15,276	Q3, 2014	Certified: 2014
47	Keratong 03	Kilang Sawit Keratong 03, Peti Surat 21, 26900 Bandar Tun Razak, Pahang	12,036.48	Q3, 2014	Certified: 2015
48	Pasoh	Kilang Sawit Pasoh, 72300 Simpang Pertang, Negeri Sembilan	8,197.34	Q3, 2014	Certified: 2015
49	Kerteh	Kilang Sawit Kerteh, Beg berkunci No. 3, 23309 Ketengah Jaya, Terengganu	13,170.13	Q4, 2014	Certified: 2015
50	Selendang	Kilang Sawit Selendang, Pejabat Pos Kuala Rompin, 26800 Rompin, Pahang	13,944.20	Q3, 2014	Audited September 2014
51	Selancar 2A	Kilang Sawit Selancar 2A, Peti Surat 98, 85007 Segamat, Johor	8,399.40	Q4, 2014	Certified: 2015
52	Selancar 2B	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor	7,555	Q3, 2014	Certified: 2015
53	Jerangau Barat	Kilang Sawit Jerangau Barat, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	1,556	Q4, 2014	Certified: 2015

54	Jerangau Baru	Kilang Sawit Jerangau Baru, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	10,805	Q4, 2014	Certified: 2015
55	Palong Timur	Kilang Sawit Palong Timur, Peti Surat 2, 73400 Gemas, Negeri Sembilan	26,331	2014/2015	Audited January 2015
56	Serting Hilir	Kilang Sawit Serting Hilir, 72120 Bandar Baru Serting, Negeri Sembilan	24,689	2014/2015	Audited January 2015
57	Maokil	Kilang Sawit Maokil, Jalan Kilang, Rancangan Felda Maokil, 85300 Labis, Johor	8,777	2014/2015	Audited December 2014
58	Tenggaroh	Kilang Sawit Tenggaroh, 86810 Jemalung, Johor	16,812	2014/2015	Audited December 2014
59	Tenggaroh Timur	Kilang Sawit Tenggaroh Timur, Karung Berkunci No. 534, 81907 Kota Tinggi, Johor	4,420	2014/2015	Audited: December 2014
60	Keratong 09	Kilang Sawit Keratong 09, Peti Surat 32, 26900 Bandar Tun Razak, Pahang	7,810	2014/2015	Audited: December 2014
61	Kechau A	Kilang Sawit Kechau A, Peti Surat 16, 27207 Kuala Lipis, Pahang	15,963	2014/2015	Audited January 2015
62	Kechau B	Kilang Sawit Kechau B, Peti Surat 57, 27200 Kuala Lipis, Pahang	8,712	2014/2015	Audited January 2015
63	Ciku	Kilang Sawit Ciku, Peti Surat 29, 18300 Gua Musang, Kelantan	10,796	2015/2016	Audited April 2015
64	Aring.A	Gua Musang, Kelantan, MALAYSIA	21,791.60	2015/2016	Certified September 2015
65	Aring B	Kilang Sawit Aring B, Peti Surat 46, 18300 Gua Musang, Kelantan	6,920	2015/2016	Audited: 2015
66	Kemahang	Kilang Sawit Kemahang, Peti Surat 35, 17507 Tanah Merah, Kelantan	7,775	2015/2016	Certified July 2015
67	Tersang	Kilang Sawit Tersang, 27600 Raub, Pahang	10,044	2015/2016	Certified November 2015
68	Cini 2	Kilang Sawit Chini 2, 26690 Chini, Pahang	9,422	2015/2016	Audited May2015
69	Cini 3	Kilang Sawit Chini 3, 26690 Chini, Pahang	7,730	2015/2016	Audited May2015
70	Sampadi	Kilang Sawit Sampadi, Peti Surat 18, 94507 Lundu, Sarawak	7,680	2016/2017	Audited June 2015
71	Air Tawar	Kilang Sawit Air Tawar, 81900 Kota Tinggi, Johor	12,338.62	2016/2017	Audited May 2015
72	Pontian Plantation	Kilang Sawit Pontian Plantation, KM52 off Jalan Sandakan-Lahad Datu, PO Box 60525, 91114 Lahad Datu, Sabah	14,978	2016/2017	Certified October 2015
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	All the outgrowers which supplies to TERSANG palm oil 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.				



<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>2.1.1</b>	<b>Lead Assessor and Assessment Team</b>
<b>ST-2</b>	<p><b>1. BUKTI BAGJA (Lead Auditor)</b>          Indonesian citizen. Master of Science in Environmental Science, University of Indonesia. More than 10 years experience in environmental sector. Certified RSPO Lead Auditor, involved in various RSPO assessment in Indonesia and Malaysia as Lead Auditor. He too experienced in numbers of international environmental project in Indonesia. Had attended various relevant training i.e. Auditor/Lead auditor Management System Certification (ISO 9001-2008), HCV assessment, Indonesian Sustainable Palm Oil Lead auditor, ArcGIS, MAPInfo, ER MAPPER, ERDAS Imagine. During this ST-2 audit, he assigned to verify of legal, supply chain and conservation aspect.</p> <p><b>2. YAP CHIN HUNG</b>          Graduated from University of Malaya with a Bachelor of Engineering (Honours) Degree in Manufacturing Engineering. He is a member of the Institute of Engineers, Malaysia. He had consulted and trained clients from various industries such as chemical, metal fabrication, engineering, electronics, manufacturing, fabrications, plastics, construction and trading in setting up and implementing the Management Systems based on ISO 9001, ISO 14001, ISO 13485, ISO 2200, HACCP, GMP, FSC and OHSAS 18001. Along his service as ISO consultant, he has assist more than 100 companies to obtain the ISO certification from various Certification Body. Yap is also the associate auditor for QE Certification, UK helping in carrying out 3rd party certification audit for ISO 9001, ISO 14001, ISO 22000 &amp; OHSAS 18001. In this audit, he assigned to verify of legal aspect, quality management system, safety and health and good in local language</p> <p><b>3. MOHD HAIRIMI MOHD ALI</b>          Graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honours (Geography). Registered as assistant consultant on Social Impact Assessment with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 5 years in environment auditing and in Social and Environmental Impact Assessment Report (EIA and SIA). In this audit, he assigned to verify of legal aspect, worker welfare, social issue, and good in local language</p> <p><b>4. MOHD NIZAM ABU BAKAR</b>          Malaysian citizen, graduated from University Malaya with a Bachelor of Sciences with Honours (Ecology). Registered as a DOE environmental auditor EA 0012 and EIA consultant AC 0808. He had a 7 years experience on plantations as assistant manager at Asiatic Development Berhad. He had 21 years experience on auditing works on ISO 14000 Advanced EMS Auditing, Identifying Environmental Aspects &amp; Impacts by Sirim Training Services S/B, Environmental Assessment &amp; Management (Aberdeen, Scotland), Project Management Training Course &amp; Train The Trainer Course (MIM). In this audit, he assigned to verify of legal aspect, best agricultural practices, Integrated Pest Management and good in local language</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ST-1</b>	Number of auditors : 2 auditor Number of days for <b>ST-1</b> desktop review : 2 days Number of working days for <b>ST-1</b> at site : 4 Working days for auditor
<b>ST-2</b>	Number of auditors : 4 auditor Number of days for <b>ST-2</b> at site : 4 days Number of working days for <b>ST-2</b> at site : 16 Working days for auditor
<b>2.2.2</b>	<b>Detail process of assessment</b>
<b>ST-2</b>	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the TERSANG Mill – FGVP subsidiary of FELDA to the requirements of Malaysian National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO MYNI, March 2015 and <i>RSPO Supply Chain</i> )

*Certification Standard November 2011 for CPO Mill.*

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **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 (**ASA-1**).

Improvement of findings from main assesment findings were observed by auditors at this **ST-2** assessment. All information obtained was recorded in Checklist of PT Mutuagung Lestari (MUTU) and part of **ST-2**.

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**ST-2** Number of units in this certification activity is eight estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that sampling locations are one palm oil mill (Tersang POM) and three estates (FELDA Tersang-4 estate, FELDASungai Koyan-2 estate and FELDA Sungai Koyan-3 estate).

**Tersang Mill**

- **All Station in Mill:** Generally Mill was relatively clean and in good condition. However grading form in grading station not consistently signed by mill staf, shovel found operated temporary un-trained worker. No visitor line found, fire fighting facility not ready to use, one polishing drum worker (contractor) did not use PPE, Escavator operators in empty bunch station did not have license.
- **Effluent Treatment Pond:** The treatment system has 13 series of ponds inclusive of tertiary treatment plant (polishing plant). Final discharge quality physically looked brownish color.
- **Scheduled Waste store:** The store has proper concrete floor with bund and roofing. Every drum was labeled according to DOE standard.
- **Chemical store:** Properly maintained of chemical store observed.

**Tersang 4 Estate**

- **Boundary with State Forest at Peringkat 84 anf 82 B:** Demarcation using parit drain and barb wire at some area. Batu sempadan (internal) available. Boundary line match with map 1971 (agreement between FELDA and Kerajaan).
- **Buffer zone Sungai Telang at Tersang 3 and Peringkat 82 Tersang 4:** Permanent waterflow, signboard available, no clear boundary of buffer zone area, water quality visually clear
- **River Lengkar at Peringkat 84 Tersang 4:** Permanent water flow, No sign board, no clear boundary of buffer zone area, water quality visually clear.
- **Estate Block 8/4:** Block was visited for the workers interview for workers welfare aspects.
- **Asrama Tenaga Kerja Asing Felda Tersang 4:** Workers housing were in good condition, provided with 24 hours electricity and clean water from Perbadanan Air Pahang (PAIP). : Several facilities assessed and found sufficient.
- **Groceries Coop Mart:** Based on observations the prices is affordable and variety of goods.
- **Pkt 84 – Harvesting:** Workers hail from Lombok, Indonesia. PPE was supplied and workers were trained before starting work.
- **Pkt 82- weeding/Pancah:** Workers hail from Nepal. PPE was supplied and workers were trained before starting work.
- **Chemical Store:** Good chemical store established with proper ventilation in place

**Sungai Koyan 2 Estate**

- **Buffer zone of Keromoi River, Peringkat 1 A Block 1:** Sign board available, buffer zone marker, good condition. Water quality visually muddy due to rain.

- **Peringkat 1C Blok 4, lot FELDA:** Boundary marker with State Forest Area available made by Juru Ukur Felda, sign board (hunting prohibition) available.
- **Peringkat 1C Blok 11, lot FELDA:** Boundary marker with Sime darby plantation available made by Juru Ukur Felda, marking available.
- **Estate 1B Blok 13:** Block was visited to meet the self-manage settlers regarding the social and welfare issues.
- **Workers Housing area:** Workers housing were in good condition, provided with 24 hours electricity and clean water from Perbadanan Air Pahang (PAIP).
- **Coop Mart Groceries:** Based on observations the prices is affordable and variety of goods.
- **Block 12 (Pkt B) – Ladang urus sendiri:** Field was well maintained and owner has a good agricultural knowledge.
- **Block 4 (Managed by FTPSB):** Woody spraying worked was in progress. Workers were using proper PPE and have a proper knowledge of spraying.
- **Block A/ Peringkat 3 – managed by FTP:** Harvesting worked was in progress. Workers were using proper PPE, properly trained and have knowledge about harvesting.
- **Peringkat B:** Observation 1: Discussion session with scheme smallholder. Interviewed Mr Shariff Ismail
- **Peringkat 1C:** Pesticide spraying activity observed. Interview Mr Noor Syah during the site assessment.
- **Block 13, Peringkat 1 B:** Harvesting activity observed. Interviewed Mandore, Mr Roslan Tajuddin and Harvester, Mr Marzuki.
- **Worker Hostel:** Several facilities assessed and found sufficient.

**Sungai Koyan 3 Estate**

- **Block 2:** Block was visited for the workers interview for workers welfare aspects.
- **Workers Housing Area:** Workers housing were in good condition, provided with genset for electricity and tube well and supported by clean water from Perbadanan Air Pahang (PAIP)..
- **Groceries COOP MART, Post Office and Bank Rakyat:** Based on observations the prices is affordable and adequate for settler's usage
- **Block 2/ Pkt.1 – managed by FTP:** Harvesting worked was in progress. Harvesters were using proper PPE. Properly trained and had knowledge. Fertiliser applicators were from India and cannot speak English or Bahasa Melayu. Information supplied by mandor
- **Spraying works at Blok 6:** Sprayers were using proper PPE and knew about the agro-chemical they used.
- **Peringkat 1 Blok 2:** Manuring and harvesting activity process. Interview Mr Shamsul Bahari and Mandore, Mr Razak

<b>2.3</b>	<b>Stakeholder Consultation and List of Stakeholders Contacted</b>
2.3.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process            Consultation of stakeholders for <i>Tersang Mill – Felda Global Ventures, FELDA</i> was held by:            Public Notification 30 days before the initial assessment (10 April 2015) and uploaded on RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>), company and certification body websites</p> <ul style="list-style-type: none"> <li>- Interview with representatives of worker union and gender committee on May 12, 2015.</li> <li>- Interview with representatives of local settlers of Tersang 1, Tersang 2, Tersang 3, Tersang 4 Sungai Koyan 1, Sungai Koyan 2, and Sungai Koyan 3 on May 13, 2015.</li> </ul> <p>Numbers of input from stakeholders were clarified by the management units. Minutes from those public consultation have been clarified by Felda Global Ventures – FELDA and have been incorporated in this initial ST-2 report.</p>
2.3.2	List of stakeholder contacted
	<b>Please find appendix 1</b>
<b>2.4</b>	<b>Determining Next Visiting</b>
	The next visit (Annual Surveillance Assessment-01) planned on period of September to November 2016.



**3.0. ASSESSMENT RESULT**

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

MUTUAGUNG LESTARI has conducted an assessment of Tersang Palm Oil Mill under FELDA operation that consisting of 1 (one) Palm Oil Mill: and supplied by 7 (seven) estates: FELDA Tersang-1 estate, FELDA Tersang-2 estate, FELDA Tersang-3 estate, FELDA Tersang-4 estate, FELDA Sungai Koyan-1 estate, FELDA Sungai Koyan-2 estate and FELDA Sungai Koyan-3 estate

During the initial assessment, there were Seven (7) nonconformities were assigned against Major Compliance Indicators, three (3) nonconformities were assigned against Minor Compliance Indicators; and nine (9) 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 evidences e.g. (*document record/photographic/etc...*). Those corrective actions taken that consist of *seven (7)* Major non-conformities had been closed out on September 12, 2015 with sufficient evidences. There are still *3 (three)* Minor non-conformities still not closed and will be verified during next assessment.

MUTUAGUNG LESTARI found that Tersang Palm Oil Mill - FELDA operation complied with the requirements of **Malaysian National Interpretation Task Force (MYNI-TF)**, March 2015 and RSPO Supply Chain Certification Standard November 2014 for CPO Mill.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
	<p>Evidences available showing that growers and millers provide adequate information upon request for information on environmental, social and legal issues relevant to RSPO Criteria, such as:</p> <ul style="list-style-type: none"> <li>- SOP number FPI/L2/WOHSE-6.0 effective since January 2008 concerning “Komunikasi, Penglibatan, dan Rundingan (Communication, Participation, and Consultation)”.</li> <li>- Procedure number ML-1A/L2-PR3 (0) effective since March 2012 concerning “Prosedur Komunikasi Penglibatan dan Rundingan”.</li> <li>- Policy of Communication signed by Datuk Faizoull Ahmad on 01.06.2014 which stated that Felda Management responsible in communicating with stakeholder regarding achievement standard of environmental, safety, and health</li> </ul> <p>Records of all requests for information including responses available and well maintained, as shown in:</p> <ul style="list-style-type: none"> <li>- Register book (logbook) of incoming letters that records all information regarding incoming letters, such as: date, number, subject, and sender.</li> <li>- Archive (in folder) of all incoming letters.</li> <li>- Register book (logbook) of outgoing letters that records all information regarding outgoing letters from Tersang Mills, such as: date, number, address, and subject.</li> </ul> <p>Example of response on information request: incoming letter from MPOB dated 17 April 2015 (04/B/TE/985/1(2)/2015</p>	

Jil. 1 regarding “Peringatan Penghantaran Penyata Bulanan Melalui E-Kilang dan E-Biodiesel Bagi Bulan April 2015”. It had been responded well as shown by print out of e-kilang application (Penyata Bulanan Kilang Buah – MPOB (EL) MF 4 of Kilang Kelapa Sawit Tersang) submitted on 5 May 2015 through on line e-kilang system (www. e-kilangmpob.com.my/p91\_papar.php).

**Status: Full compliance**

**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.**

Relevant management documents are publicly available except those that are prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. Records of those all management documents are available and well maintained in office of each estate.

According to available SOP number ML-1A/L2-PR3 (0) , documents that are publicly available in Estate and Tersang Mill are:

- Land titles /ser rights (Geran tanah / Hak pengguna);
- Occupational health and safety plans (Pelan Kesihatan dan Keselamatan)
- Plans and impact assessments relating to environmental and social impacts (Pelan dan Impak taksiran berkaitan alam sekitar dan sosial);
- HCV documentation summary (Laporan Pengenalpastian HCV dan Pelan Pengurusan HCV & Biodiversity)
- Pollution prevention and reduction plans (Pelan pencegahan pencemaran);
- Details of complaints and grievances (Buku Aduan at Mills and Estates);
- Continual improvement plans (Pelan pembangunan yang berterusan);
- Company policies including Human Rights Policy (Polisi Hak Asasi Manusia).

Example: Records of regular report submitted to relevant institution, such as:

- Three months report on effluent quality to relevant government institution
- Report of accident to local labour office
- Statistical statement MPOB

**Status: Full compliance**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**1.3**

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

Evidence observed in form of written policy committing to a code of ethical conduct and integrity in all operations and transactions. The document is well documented and has been communicated to all levels of the workforce and operations as seen in socialization records.

Policy available in document entitled: “Policy in ethical code and integrity / Polisi Kod etika kerja dan Integriti” signed by Mohammed Emir Mavani Abdullah (President & CEO FGV) and Datuk Faizoull Ahmad (Pengarah Besar FELDA) on 01-06-2014. The policy regulate the following things:

- *Menolak amalan rasuah, korupsi, dan pecah amanah* (anti corruption)
- *Menghindarkan sebarang pencanggahan kepentingan* (avoid conflict of interest)
- *Melaksanakan urusan perniagaan dengan tulus, jujur, dan adil* (fair business)
- *Melindungi kerahasiaan maklumat perkumpulan selaras dengan etika penghebahan maklumat mengikut peraturan* (confidentiality)
- *Meningkatkan tahap profesionalisme* (Increase professionalism)

The policy was well documented and has been communicated to all level and operations including external stakeholders. Evidences available regarding socialization of all policies including code of ethical conduct and integrity on April 23th 2015, attended by 34 internal and external stakeholders of Tersang Complex.

From interview with representatives of workers and contractors (suppliers) during the public consultation, auditor observed that internal and external stakeholders understand the policy.

**Status: Full Compliance**

**2.1**

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

Based on the site assessment, interviews and evidence checking at the estate, there were evidences of compliance with the relevant laws, regulations, local and International laws relevant with palm oil operation. Relevant required licensing and document such as MPOB license, competence license for specific operators, land title / land lease agreement, environmental license, minimum wages, can be observed.

There were no records of cases of any violation or actions imposed by relevant authorities. Communication to scheme smallholder on legal requirements observed at satisfactory level.

A legal register covering the applicable local and international laws and regulations is available at the mill and estates. The identified legislations were regarding to safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management.

Evaluation of compliance performed and found compliance with relevant requirements. Yearly review of legal compliance observed. Tracking of law changes system defined. Relevant staffs were found clear with the law changes tracking process.

**NCR 2015.1. raised:**

There was a lapse in ensuring compliance to legal requirements. The following lapses were recorded:

- Back Hoe driver, Mr Zukarna who observed in transferring EFB did not have competency certificate.
- Storage of SW 410 was over permissible period (6 months) as per legal requirement. Last collection of SW 410 observed dated 19/9/2014 by Famous Phase Sdn Bhd.
- Effluent Treatment System, final discharge water quality did not meet DOE standard. BOD and SS average level from Jan – April 2015 exceed 100 mg/l and 400 mg/l successively. (EQ (Industrial Effluent) Regulations 2009)

BOD (mg/L)	SS (mg/L)
April 2015 average = 118.25	April 2015 average = 525
Mar 2015 average = 70	Mar 2015 average = 333
Feb 2015 average = 101	Feb 2015 average = 564
Jan 2015 average = 86.75	Jan 2015 average = 477

**Observation in 12 September 2015**

- a. Auditor observed that the supplied evidence regarding competency of person in charge in heavy equipment station is sufficient. To ensure compliance to regulation, there is also list of currently active operators with their certification status.
- b. There was evidence of scheduled waste storage time extension process, in the form of application letter from management unit and approval from JAS (Jabatan Alam Sekitar) on September 2, 2015. NCR can be closed
- c. Auditor examined that the supplied evidences are sufficient and non conformity regarding effluent quality can be closed out

**OFI:**

It is recommended to improve personnel awareness on the tracking methodology for legal and other requirement changes. It is also recommended to review and update the legal register to ensure updated version defined. OFI raised.

**Status: OFI for indicator 2.1.2 & 2.1.4**

**2.2**

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



Relevant land title and land lease agreement with Pahang state government available as shown by following documents:

- Land title for Palm oil mill observed, land usage defined as Palm Oil Mill.
- Agreement between Felda and Pahang State Government dated 10/10/1973 observed.
- Land title awarded to whole Koyan 02 on year 1997.
- Land title awarded to whole Koyan 03 on year 1998.

The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for cultivation of oil palm, rubber and agricultural use. Individual land title (for Peneroka) awarded and observed with sufficient evidence documents.

Legal boundaries for Tersang Complex area have been well demarcated as seen in field observation at Tersang 4, Koyan 3 and Koyan 2. Boundary marker (*batu sempadan*) available according to map of boundary marker as well as physical demarcation using boundary drain.

There are no reported cases of land disputes arising from the acquisition. There is a documented procedure ML-1A/L2-PR 12 (0) dated Mar 2012 for handling and response to legal issue and customary rights as well as for calculation and distribution of compensation.

Refers to public consultation and management interview, there are no evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.

**Status: Full Compliance**

**2.3**

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

The lands at the Tersang 4, Sungai Koyan 2 & 3 are legally leased by Felda / FGVP from the Pahang State Government as evidenced by signed agreement with the right to develop it for oil palm plantations or agriculture use. The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.

Records are available to show that the land lease complies with legal requirements. Therefore, the Tersang and Sungai Koyan estates do not diminish the legal, customary or user rights of other users without their free, prior and informed consent.

**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.**

FELDA management (Tersang complex) has appropriate long term management plan for FFB production that includes business case for scheme smallholders (Peneroka). Appropriate management plan (five years) also available and well documented in Tersang Mills that includes OER projection, cost and CPO production.

Long term management plan of Tersang Mill derived from upper level plan of Kuala Lipis Regional Office. FFB production target in Estates derived by Regional Office (Mempaga Office) refers to FFB production target in national level (FELDA). Costing projection refers to current year cost standard. Annual budget made every year, and long term planning can be adjusted according to actual condition of current year.

Five years management plan available in Tersang mill, starting from 2016-2020 that contains: projection of processed FFB, OER, KER, CPO production, kernel production, cost projection. Summary of the plan are as follows:

Year	FFB	CPO	OER	Cost (RM/ MT)
2016	270,000	60,213	22.3	40.12
2017	252,410	52,703	22.05	40.46

2018	253,950	56,123	22.10	40.53
2019	260,000	57,712	22.20	40.21
2020	270,000	60,213	22.30	40.12

**Example at Tersang 04 for 2015:** Area 797.04 hektar; target 15.0; cost per ton 1,752.09; cost / hek RM 8,606.18; total cost 7,290,868.38; OER target 20. **Koyan 02 for 2015:** Area 1,585.55 hektar; target yield 25.0; cost per ton 183.47; cost / hek RM 4,586; price assumption RM 550. **Koyan 03 for 2015:** Planted area 1,002.57 hektar; target yield 24.0; cost per ton 287.66; cost / hek RM 6,903; price assumption RM 550 .

According to hectareage statement and planting year map, second cycle of plantation (replanting) has been finished in year 2014 for Tersang 04, in year 1997 for Sungai Koyan 02 and in year 2002 for Sungai Koyan 03. There is no replanting program within upcoming 10 years in all Estate of Tersang and Sungai Koyan.

**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.**

Tersang Palm Oil Mill ((POM) has appropriately documented and consistently implemented SOPs such as:

- Occupational safety and health / *Pengurusan Kerja Selamat* (PKS) and *Pengurusan Keselamatan dan Kesihatan Pekerjaan* (KKP) (FPI-PK-001) (ref: revision July 2010)
- Laboratory Manual Operation / *Manual Operasi Makmal* (FPI/L3/14-01-01) Ref. revision July 2011
- Oil Palm Manual Operation / *Manual Operasi Kilang Sawit* (Ref. revision August 2014)
- Occupational Safety and Health and Environmental (*Manual Prosedur Sistem Pengurusan Kualiti Keselamatan Kesihatan Pekerjaan dan Alam Sekitar*) (FPI/L2/QOSHE-1.0) Ref. revision January 2012
- SOP for mill operation starting at FFB receiving till Effluent management.
- Clear procedures and records of third party supply of FFB.

Mechanism of check on SOP implementation in mill was done through internal audit scheme (*Laporan Pemereksaan Audit Dalaman Kumpulan and Laporan Audit Dalaman*), such:

- RSPO (conducted on 21/4/15)
- QHSE (QOSHE 1A/TRG-15; dated 25-26/3/2015)
- OSHA. (QOSHE 1A/TRG-15; dated 25-26/3/2015, Clause 6.3)

Monitoring and action planning were documented in:

- QOSHWE file, FPI/L2/QOSHE -15.0 (*Pengukuran Pemantauan Prestasi*)
- QOSHE file, FPI/L2/QOSHE -21.0 (*Kawalan Produk yang tidak memenuhi spesifikasi*)
- Buku Makmal 5 – rawatan effluen.
- Log book 06 - Pengeluaran MRE dan Final Discharge.
- Log book – Monitoring of Monsoon Drain.
- Manual Operation of mill – Checksheet.
- Manual Operasi Makmal – Fail JAS, (KB approval for extension dated 30/4/15 has not been approved by DOE Pahang. No evidence of acknowledgement of receive by DOE).
- Report UIT

Appropriate SOP also available for estates as observed in Tersang 4, Sungai Koyan 2, Sungai Koyan 3. Basic SOP for plantation estate operation are as follows:

- Manual on Sustainable Oil Palm Plantation / *Manual Ladang Sawit Lestari* (ref:Edisi II,1Jun 2012. Seksyen 1-5))
- MS ISO 9001-2008 ( ref: SOP/JHETS/PPTS/1 dated 7/10/2013.
- Manual on ISO 9001-2008 MS Quality / *Manual Kualiti* MS ISO 9001-2008 dated July 2010.
- Replanting SOP / *Prosedur Perancangan Tanaman Semula* (SOP/JHETS/PPTS/1 dated 1 August 2013.
- Manual on Environmental, Safety, and Health / *Manual Keselamatan, Kesihatan dan Alam Sekitar*,2009
- Manual on Felda Estates Management / *Manual Pengurusan Rancangan FELDA*.
- Polisi & Prosedur Perolehan, Kumpulan Felda Group, Edisi 2012.
- Manual on Workers Payment / *Manual Kadar Upah Kerja* (KUK)

Mechanism of checking on implementation was documented in Agronomy report 2014. Monitoring of action was well recorded in work book (*Buku Kerja*):

- Bin Kad - Kerja Mencuci Merumput
- Bin Kad – Rekod Racun
- Bin Kad – Aplikasi BUTIK
- Bin Kad - Kerja Penaburan Baja.

Harvesting workers were trained prior to enter the field. Interviewed conducted proved that workers have good knowledge about harvesting. Workers were also supplied with proper PPE : shoes, hand gloves and safety helmets.

Activity : Spraying

Workers had a knowledge about spraying worked. PPE were supplied : rubber boots, hand gloves, goggles and safety helmets.

Third party supplier record was kept by the Mill. There are 2 dealers, 9 individuals & 8 suppliers.

**Status: Full compliance**

**4.2**

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

Soil fertility maintenance was done through fertilizing programme and monitoring in each estate. Evidences observed in sample (Tersang 4, Sungai Koyan 2, and Sungai Koyan 3) estates were:

- Latest agronomy report / *Laporan Agronomi Terbaru* (Tersang 4 : 25/09/2014, Sungai Koyan 2, Sungai Koyan 3)
- Fertilizer recommendation / *Syor Baja FASSB* (dated : 25/09/2014).
- Fertilizing programme / *Program Pembajaan* 2015, type of fertilizer mainly – FMX NK2.
- Integrated palm oil record / *Rekod Kerja Intergrasi Sawit* for year 2015 such as: fertilizing record and fertilizer bin card record.

Monitoring on soil fertility was conducted by periodic tissue and soil sampling. Latest foliar and soil sampling at Sungai Koyan 2 was done on 7-10/03/2015 (Ref: CS/FTPSB/06/3/01/4015(03)), latest foliar and soil sampling at Sungai Koyan 3 was on 4-6/2015, while Latest foliar and soil sampling at Tersang 4 was conducted on 22-23/01/2015 (CS/FELDA/06/3/01/3198(03)).

Nutrient recycling was done through EFB application. Record of EFB application at Sungai Koyan 2 was:

- EFB application file / Fail Tandan Kosong (Sijil Perintah Kerja; 200013157 tarikh ; 1/3/2015).
- Field applied at Peringkat 1B
- Applied areas were marked on the estate map

Record of EFB application at Sungai Koyan 3 was:

- EFB application file / Fail Tandan Kosong (Nota penghantaran 2014).
- Field applied at Peringkat 1B

Record of EFB application at Tersang 4 was:

- EFB application record available in Check Roll book.
- EFB mulching was observed at Pkt. 85 However, at Tersang 4 EFB mulching not yet properly recorded on the map (OFI numer 6 raised)

**Status: Full compliance**

**4.3**

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

Based on Agronomy Report year 2013, soil types found in Tersang complex are Malacca, Bungor, and Musang. Neither fragile soil nor peat soil records found within the estates.

Based on slope map of Tersang Complex, no area with slope more than 25° were recorded. Evidences available showing practices to minimize and control erosion and degradation of soils, such as:

- Terraces construction for moderate hilly area ( observed at Pkt 84 Tersang 4)



- Cover crop planting.
- Maintaining Ferns on slopes.
- EFB application at certain area
- River buffer zone protection

Standard operating procedure for soil conservation and degradation protection available in:

- Manual Ladang Lestari Seksyen 2 (11.0) – membina teres
- Manual Ladang Sawit Lestari
- SPK Tanam Semula
- Rekod Tandan Kosong

In general, roads were maintained adequately in all sample estates. Plantation roads were also maintained annually through road maintenance programmes. Evidence observed for road maintenance such as:

- Road maintenance programme for 2015 at Tersang 4 (FAS – RSPOL1/K4.3/4.3.3).
- Road maintenance programme / Program Kerja Baiki Jalan Pertanian 2015 at Sungai Koyan 2 estate (FAS-RSPOL1/K4.3/4.3.3)
- Surat Perintah Kerja
- Road Map

**Status: Full compliance**

**4.4**

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

Water management plan is essential in Mill operation as the boiler need water. Water supply for Mill was extracted from Sungai Lipis. Raw water was treated for mill operation used. To-date as per May 2015 = 1.67 m3/mtBTS. Mill office and resident consumed water from PAIP. Water supply for mills extracted from Sungai Lipis and discharged to Sungai Telang.

There are 13 series of effluent ponds to treat the Mill waste water.. Approval from DOE to clean the pond was obtained from 1/4/15 – 15/8/15. However cleaning worked has not started and the worked need about 5 months to complete. Tersang Mill has sent a letter to DOE Pahang to extend the approval but no reply received to-date.

Observation in FELDA Tersang 4, Sungai Koyan 2, and Sungai Koyan 3 showd that major rivers crossing each estates as follows:

- Tersang 4: Sungai Telang and Sungai Lengkar
- Koyan 2: Sungai Keromoi
- Koyan 3: Sungai Keromoi

Surface water quality monitoring was conducted as follows:

- 23/03/2015; Tersang 4 for Sungai Telang and Sungai Lengkar.
- 2/3/2015 ; Sungai Koyan 2 for Sungai Keromoi.
- 20/4/2015 ; Sungai Koyan 3 for Sungai Keromoi

Buffer zone marking available for:

- Sungai Telang, Sungai Keromoi.
- Sungai Lengkar.
- Sungai Keromoi

**Status: Full compliance**

**4.5**

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

FELDA has a standard Manual for IPM and apply to all estates under FELDA management. As for Tersang 4, Koyan 2 and Koyan 3, common pest was rat and Barn Owl. Staff handling IPM was trained by FASSB while workers were trained by the trained staff through roll-call and campaign and IPM training.

- Common pest was rat and Barn Owl was a biological control.
- Evidence of IPM implementation was recorded in:-

- (1) Borang Bancian Serangan Tikus dated 27/12/2014.
- (2) Rumusan Bancian Burung Pungguk Jelapang, Mac 2012
- (3) Rekod Kerja Intergrasi Sawit
- Evidence of training was available in "Latihan IPM FTSB Sg. Koyan 2, dated 8/5/2015"

**Status: Full compliance**

**4.6**

**Agrochemicals are used in a way that does not endanger health or the environment.**

To ensure proper used of agro-chemical; FELDA has prepared Manual Lestari 1A and used on all estates. Chemical purchasing was done centrally to ensure compliance to standard and policy. Effort on minimizing paraquat usage was recorded in all the three estates. Chemical handling was conducted by trained staff and record was available. Agro-chemicals were stored in proper building with proper safety measure. Chemical containers were reused for pre-mixing purposes. MSDS for Surfactant, Ecomax and Garlon; Challenge was not available for Tersang 4. Koyan 2 MSDS was available for all chemicals. As for Koyan 3, MSDS for Surfactant and Challenge were not available.

**Observation in 04 August 2015**

Auditor examined that the supplied evidences regarding MSDS in chemical store are sufficient and the non conformity can be closed out

- (1) Tersang 4: MSDS for Ecomax & Garlon were made available
- (2) Koyan 3: MSDS for surfactant & Challenge were made available.

**Status: Full compliance**

**4.7**

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

Occupational health and safety policy was in place that covering all activities in mill and estates. Tersang POM certified with OHSAS 18001:2007 by SIRIM QAS International. OHSAS 18001 certificate ref no. SR 0168 observed. Occupation Safety and Health Policy observed. Relevant safety operating procedure (SOP) observed with coverage of overall operation process.

In Tersang Mill, total 85 safety operating procedures observed such as SOP for Overhead Crane, Kernel Silo SOP, Confined Space SOP, etc. Occupational health and safety plan observed for mill and estates. Progress of health and safety plan monitored and recorded. All planned program performed according to planned schedule. CHRA conducted for mill and estates and still within the validity period. Medical surveillance performed and all results showed as normal condition.

Nevertheless, recommendation from CHRA was not performed, most notably regarding inspection for air suction unit at laboratory once in twelve months. **NCR 2015.3 raised.**

**Observation in 04 August 2015**

Auditor examined that the supplied evidences regarding inspection for air suction are sufficient and the non conformity can be closed out

HIRADC procedure developed with proper criteria attached for risk assessment at mill and estates. All mill and estates processes covered for HIRADC study. Several significant observed and listed into the summary of significant hazard. Relevant action proposed for identified significant hazard. Several operation controls defined with relevant procedures. Overall implementation of operation controls were at satisfactory level.

It is recommended to improve the operational control implementation such as shovel driver competency and storage of gas cylinder. OFI number 5 raised.

Sufficient and suitable PPE had been distributed to workers. Relevant PPE training provided to mill and estates staff and workers. PPE usage assessed during the field observation.

However, inadequate monitoring system and use of personal protective equipment:

- No ear protecting device wore by Mr Majid, subcontractor worker from Iwana Sdn Bhd at Kernel Plant (high risk)

area).

- No safety helmet observed for excavator driver from Kamal Enterprise.
- No suitable PPE (e.g. safety helmet) wore by Mr Khairul Anam (harvester) at peringkat 84, Tersang 04.

**Therefore, NCR 2015.4. raised.**

**Observation in 04 August 2015**

Auditor examined that the supplied evidences regarding personal protective equipment monitoring and use are sufficient and the non conformity can be closed out

Safety & Health Committee established for mill and estates. Safety & Health meeting conducted at least on quarter yearly basis. Safety and health related issue discussed during the meeting and proper action plan observed for outstanding issue.

Complaints, Nonconformity, Incidents Investigation and Corrective Action Procedure observed with description of emergency situation handling for mill and estates. Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.

Accident records for mill and estates assessed and found details investigation in place together with corrective action. Effectiveness of corrective action reviewed and found all accidents closed with effective corrective action. Submission of accident records to JKPP observed.

Fire drill training conducted at mill and estates for improving of staff and workers awareness. Functionality of fire fighting system and first aid equipment assessed during the field observation. It is recommended to improve the firefighting equipment performance and availability of first aid equipment at mill and estates. (OFI number 4 raised).

Medical insurance provided to all workers. Insurance agreement observed for all workers. Field observation performed and found basis medical care provided. Panel doctor assigned for the supply of medical care.

Accident data was defined based on lost work day basis. 12 lost working days observed for mill for year 2015. Meanwhile, 8 lost working days reported at Sungai Koyan 03 for year 2014.

**Status: OFI for indicator 4.7.2 & 4.7.5,**

**4.8**

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

Training program for year 2015 observed for mill and estates. Sufficient training planned for improving of RSPO awareness among workers observed. Relevant training arranged according to Training Program. Training records for each training captured for training date, participant list, training venue and trainer. Training record for employees observed with evaluation performed.

At Tersang POM, training program for year 2015 observed with total 10 trainings planned such as: Objective and Achievement Training, QOHSE Awareness Training, RSPO Awareness Training, ERP Training for Spillage and Fire Accident, PPE Handling Training

Training attendance list for RSPO Awareness Training on 15/1/2015 observed. Total 17 staffs involved in the training. Sufficient training material observed. All planned training has covered all aspects of RSPO. Training records also available for various categories of operators, including all field and staff, with regards to their duties and training needs had been reviewed and found acceptable. Training of PPE usage dated 9/5/2015 observed with 14 staffs participated.

Records of training for each employee had been verified and at satisfactory level. Training evaluation performed after training. Test paper for QOHSE for Mr Mohd Affendi also observed.

At Tersang 04, Training program for year 2015 observed with 5 trainings planned such as: SOP Training, Safety & Health Training, Chemical Handling Training, PPE Training, Rules and Job Monitoring Training.



Regular assessment of training needs conducted on yearly basis. Suitable planned training observed. Two in house trainings conducted on year 2015 for relevant staff. Safety and Fire Prevention Training performed on 15/1/2015. Total 18 staffs attended. Chemical and Pesticide Handling Training conducted on 19/3/2015 observed. 10 staffs attended according to attendance list.

At Sungai Koyan 02 estate, training program for year 2015 observed with sufficient training planned such as: RSPO Training, First Aid Training, IPM Training, PPE Training, Work Safety Practice Training, Fire Fighting Squad Training, Harvesting, Manuring and Spraying Training. Responsible trainer assigned with target date defined.

Relevant trainings arranged for improvement of staff competency. Training attendance list for all attendees observed. Several trainings performed:

- PPE Training dated 10/4/2015 with 51 participants
- First aid training dated 2/5/2015 with 51 participants
- IPM Training dated 8/5/2015 with 51 participants

At Sungai Koyan 03, Training program for year 2015 observed with sufficient training planned such as: PPE Training, Work Safety Practice Training, Fire Fighting Squad Training, Harvesting, Manuring and Spraying Training, Pesticide Handling Training, Responsible trainer assigned with target date defined.

Relevant trainings arranged for improvement of staff competency. Training attendance list for all attendees observed. Several trainings performed:

- PPE Training dated 12/3/2015 with 5 participant

**Status: Full compliance**

**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.**

An environmental impact assessment (EIA) document was available and well documented. In Tersang POM, Identification of Environmental Aspects and Evaluation of significance performed on 20/1/2015. All processes covered in the aspect and impact assessment. Significant environmental aspect and impact identified as: Black smoke emission, Spillage, Scheduled waste, Waste water treatment plan

In Tersang 04, Sungai Koyan 02, Sungai Koyan 03, Environmental aspect and impact evaluation performed for all estate processes observed. Sufficient criteria developed for the assessment and found the assessment performed accordingly. Significant impact identified for whole estate processes.

Tersang POM

Relevant SOP developed for each identified significant aspect. Roles and responsibility of relevant personnel defined with relevant action plan. 2 objectives developed for environmental significant aspect. Proper action plan in place for set objectives.

Tersang 04

Environmental aspect and impact report dated 24/4/2015 for Tersang 04 observed. Summary of significant impact observed with used pesticide and chemical container defined as significant aspect. Management plan for reducing environmental impact observed. Detail action plan from Apr 2015 to March 2016 observed. Responsibility defined and proper time plan observed.

Sungai Koyan 02

Environmental aspect and impact report dated 20/4/2015 for Sungai Koyan 02 observed. Summary of significant impact observed with used pesticide and chemical container defined as significant aspect. Management plan for reducing environmental impact observed. Detail action plan from Apr 2015 to Jan 2016 observed. Responsibility defined and proper time plan observed.

Sungai Koyan 03

Environmental aspect and impact report dated 12/2/2015 for Sungai Koyan 03 observed. Summary of significant impact observed with used pesticide and chemical container defined as significant aspect. Management plan for reducing environmental impact observed. Detail action plan from Apr 2015 to Mar 2016 observed. Responsibility defined and proper time plan observed.

Tersang POM

Monitoring and measuring report for objective observed on monthly basis. Monitoring report for objective 5 > to achieve BOD and SS limit observed and updated until April 2015.

Tersang 04, Sungai Koyan 02, Sungai Koyan 03

Detail action plan observed with specific column observed for stating the actual implementation date. Progress of action plan monitored and found it is on track with plan. Action plan for Sungai Koyan 02 with completion status observed.

**Status: Full compliance**

**5.2**

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

HCV identification available in: Laporan Pengenalpastian HCV (Hutan Bernilai Pemuliharaan Tinggi) dan Pelan Pengurusan HCV & Biodiversity for Komplek Mempaga (Tersang 1, Tersang 2, Tersang 3, Tersang 4, Sungai Koyan 1, Sungai Koyan 2, Sungai Koyan 3, and Kilang Sawit Tersang). Identification was done by internal (Felda) HCV team and has been finished on 30 April 2015.

**Tersang Area:**

HCV in Tersang Estate: Sungai Telang (no information of area and location). Important wildlife in Tersang are: 9 bird species, 4 mamal species, 2 reptil species.

**Sungai Koyan Area:**

HCV in Sungai Koyan Estate: Sungai Koyan and Sungai Kermoi (no information of area and location). Important wildlife in Sungai Koyan are: 9 bird species, 4 mamal species, 2 reptil species.

The report also contains management plan for HCV, as summarized below:

- Create physical obstacle to avoid human – wildlife conflict (Jan – March 2016)
- Identification of human-wildlife conflict point and extension to stakeholder to avoid human – wildlife conflict (July – september 2015)
- Field marking of river buffer zone (July – September 2015)
- Put sign board regarding prohibition of illegal hunting and encroachment (Oct – December 2015)
- Regular Patrol (rondaan) every 3 months in boundary and reporting to related institution
- No chemical treatment at river buffer zone

Monitoring of HCV area has just started as the HCV assessment has just been completed on April 2015. Time table of action plan including HCV monitoring plan is available. Monitoring will become subject of verification in surveillance audit. According to Agreement between FELDA and Kerajaan Negeri Pahang year 1071, all area of FELDA Tersang and Koyan originated from state owned area. No indication of rights of local communities inside HCV of Felda area.

During initial stage audit, no appropriate records of HCV and wildlife protection education programme available as well as its implementation for staff and workers. (NCR 2015.7)

**Status: Non compliances in indicator 5.2.3. minor**

**5.3**

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

Scheduled waste notification observed for mill where SW 305, SW 306 & SW 410 notified to DOE. Disposal of scheduled waste observed to licensed collector. Waste management plan available and found good implementation in place. Good scheduled waste store observed during field observation and scheduled waste handled according to legal

requirements.

During the field observation, empty lubricant oil container was available and yet to be identified as scheduled waste SW 409. NCR raised.

Relevant waste and source of pollution identified in the Environmental Aspect and Impact evaluation for all estates. Program 3R (Reuse, Reduce and Recycle) observed for all identified pollution sources. Overall waste handling was at satisfactory level. However, It is recommended to improve the sum establishment for pesticide container rinsing area and control of domestic waste disposal area for Tersang 04 and Sungai Koyan 03. OFI raised.

**Status: NCR for indicator 5.3.1 and OFI for indicator 5.3.3**

**5.4**

**Efficiency of energy use and use of renewable energy is maximized.**

Daily diesel consumption in Tersang Mill available in the following document:

- Laporan penggunaan harian diesel (daily diesel use report).
- Record of monthly diesel consumption (Laporan Penggunaan Diesel Bulanan) in Tersang Mills, e.g. for year 2014, total diesel use was 273,980 litre mostly from engine room (205,750 litre).

In estates, document of diesel use monitoring available in:

- Buku Log Kendaraan Felda Tersang 04. Example of diesel fuel use for last three month: january 358.33 litre, February 189.41 litre, March 248.25 litre.
- Report of monthly diesel use

Example of diesel use and analysis with FFB production in Sungai Koyan 02 estate is as follows:

	Diesel used (litre)	FFB production (ton)	Ratio (litre / ton)
Jan	1,825.37	1380.58	1.32
Feb	2015.35	1498.61	1.34
Mar	2678.35	1931.38	1.39
April	3492.64	2491.85	1.40

Renewable energy mainly fibre is used as boiler fuel. However during initial audit no appropriate plan and monitoring for improving efficiency of fossil fuels use and to optimize renewable energy (NCR 2015.6).

**Status: Not compliance in indicator 5.4.1 minor**

**5.5**

**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.**

There is no indication of land preparation by burning during replanting process as seen in the following evidences:

- Policy on Prohibition of Open Burning (Polisi Larangan Pembakaran Terbuka) signed on 01 June 2014 by Datuk Faizoull Ahmad.
- SOP of Replanting by chipping method in SOP no. MLSL (Ed.2) – Sec. 2 (6.0) concerning Chipping of Oil Palm Trees during replanting to avoid burning.
- Contract of replanting work between Felda and contractor (e.g. Hassan Development Company Sdn Bhd dated 01 July 2009), that stated that replanting should be done mechanically according to above mentioned replanting SOP.

According to planting map and hectare statement, no replanting programme within upcoming 5 years. Replanting in Tersang Complex have been finished in year 2014. Field verification at Tersang 4, Sungai Koyan 2, and Sungai Koyan 4 found no indication of open burning in all Tersang complex oil palm estates.

**Status: Full compliance**

**5.6**

**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

Environmental aspect and impact evaluation observed for all mill and estates. However, assessment on Greenhouse gases emission was not observed for mill and estates. **NCR 2015. 08 raised.**

**Observation in 04 August 2015**

Auditor examined that the supplied evidences regarding Assessment on Greenhouse gases are sufficient and non conformity can be closed out

Action plans were developed for control of significant aspect and impact observed for mill and estates. Detail action plan observed with responsibility and targeted completion date defined. However, GHG emissions have yet to be identified and plans to reduce or minimise GHG were not sighted. **NCR 2015.09 raised.**

**Observation in 04 August 2015**

Auditor examined that the supplied evidences regarding identification and reduction plan of GHG are sufficient and non conformity can be closed out

Monitoring of emission, discharge and pollution performed at mill and estates. However, no monitoring of greenhouse gases emission observed at the moment. **NCR 2015.10 raised.**

**Status: NCR for indicator 5.6.3 minor**

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

**6.1**

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

- SIA has been made for related stakeholder for Tersang POM, Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03 for duration 2015-2016.
- There is an evidence of meeting for stakeholder on 23 April 2015 for Tersang Complex. Several issues raises in the meeting and responses had been made by the management to solve the issues and been documented. 34 people were attended, list of attendance is attached in the report.
- A complete timetable with responsible are presented in Management plan (Pelan Pengurusan Bagi impak Sosial di Rancangan) at Tersang POM, Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03 on 23 February 2015. 6 positive impact and 6 negative impact were highlighted in based on the summary from the questionnaires and stakeholder meeting.
- There is a positive impact for the smallholder have been identified such as improve of living standards and increase of health, education facilities and cultural and religious values.
- There is a complete timetable with responsibilities are shown and the latest updated as necessary.

An interview has been made during the stakeholder meeting and also from the visit to the local groceries. The respond are recorded in the Summary of Arising Issues from Public, Management and Auditor Response.

**Status: Full Compliance**

**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.**

- Felda management had established the methods for communication and consultation on Manual Lestari 1A, 3.4 Prosedur Komunikasi Penglibatan dan Rundingan ML-1A/L2-PR3 (0) at Tersang POM, Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03. There is a transparent method for communication and consultation with public, a meeting had been done on 23 February 2015 for Tersang Complex, The issues and response are documented in the minutes of meeting.
- There was personal which had been appointed by the management related to all of stakeholders, as a RSPO Communication Officer for Tersang POM. (Muhaiyidin bin Mat Taib, Barath A/L Munasamy, Wan Ahmad Saiful bin Wan Muhamad Sukeri) Officer for Felda Tersang 04 (Mohamad Ikhwan bin Mohd Sani), Felda Sg. Koyan 02 (Ahmad Firdaus B. Arif Fazilah), and FELDA Sg. Koyan 03. (Airul Nizam bin Mahat and Mohd Faris bin Idris)
- There is the documented for communication and consultation (ML-1A/L2-PR3 (0)) for Tersang POM, Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03. Felda had been involved with the effected parties such as settlers, contractors, and government agencies. A list of stakeholders is available at every POM and estate



included, the information of the internal and external stakeholders including name, phone number, position, name of companies and address were maintained.

Until the audit there are no issues raises based on the interview and record

**Status: Full 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.**

- The was a procedure for communication and consultation been established in Manual Lestari 1 A, 3.5 (Prosedur Menangani Aduan dan Rungutan ML-1A/L2-PR04. This procedure explaining the flow to handling the compliant from the first step to discussion with nominated personnel until the top management of Felda in the headquarters.
- Based on the audit, there is a complaint been made at There is a complaint have been made at the Tersang POM on 02/5/2015 Khairul Salleh regarding the facilities issues. An action have been taken by the management are recorded  
 , at Felda Tersang 04 no compliant are been made until the audit, Felda Sg. Koyan 02 There is a latest complaint made by Kuntom bt Tahat (Block 11) regarding family issues on 8 March 2015 and Felda Sg. Koyan 03 There is a latest complaint made by Hj Alliuddin b Ujong (Block 4) regarding family issues on 10 March 2014. All issues has been resolved and documented. All complaints and grievances are received and recorded and action taken documented in the book.

**OFI\* At Felda Sg. Koyan 02. A complaint been made in the compliant book (Buku Aduan Peneroka) and documented. But the action plan and action that been taken not state in the book.**

**Status: OFI 6.3.2**

**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.**

There is a procedure (Prosedur Mengenalpalsti Hak Perundangan dan Adat) to resolve the conflict between the settlers and management. Clearly stated the process flows of the way to resolving the issues (ML– 1A/L2- PR 12 (0). There was no issues occurred the compensation regarding the land ownership and customary right, in the procedure mentioned that the resolution will be processed with the affected parties regarding the issues raised and based the negotiation the compensation.

**Status: Full Compliance**

**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.**

- Based on the audit, all workers have an agreement with management and been signed by the workers regarding the labour laws, union agreements including (working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal. All workers are given the pay slips and the minimum basics salary is RM 900.00 Seksyen 4 (2) Akta 732 Perenggan 6 Perintah Gaji Minimum 2012, at Tersang POM, Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03.  
 During the audit the auditor team conducted interviews with the Nepal workers (General workers) – 2 years of employment with Felda Kemahang Satu, the salary is sufficient and paid in timely manners
- For foreign workers, there is a specific guidelines for foreign workers (Petunjuk Praktis mengenai Hak & Kewajiban Tenaga Kerja Indonesia), Buku Panduan Tenaga Kerja Indonesia di Malaysia (BNP2TKI 2012), Kadar Upah Pekerja Ladang 2012 (Bil. 01/2012).
- There is a clear contract between Felda and workers regarding the labour laws, union agreements in Bahasa Malaysia for workers and made understanding to the workers. The contracts are signed by the workers and the copy is given to them.
- The management have complied workers Minimum Standards of Housing and Amenities Act 1990 (Act 446). All workers were provided with the staff house FPISB of minimum 3 rooms. And for For the foreign workers of Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03 they were provided with the workers housing completed with water (Perbadanan Air Pahang – PAIP) and electricity for free.

- Based on the interview on site with local and foreign workers Felda provided the facilities of housing with clean water, medical, education and the facilities are in good condition. And based on the observation (COOP MART) there is sundry shop, Bank (Bank Rakyat), Post Office, and restaurant, it been verified to be adequate and affordable.
- There is a clear contract between Felda and workers regarding the labour laws, union agreements in Bahasa Malaysia for Felda workers and made understanding to the workers. The contracts are signed by the workers and the copy is given to them. There are aware that management is kept their original passport and copy is given to them. If the workers return to their hometown (Indonesia or other countries) the original copy will be given to them. No issues are raises regarding these matters during the audit.
- The POM management have complied workers Minimum Standards of Housing and Amenities Act 1990 (Act 446).
- For the foreign workers of Felda Kemahang Empat they were provided with the workers housing completed with water and electricity for free.
- Interview with one of the Indonesian workers (General workers) – the housing condition and facilities is satisfy and good condition.

**Status: Full Compliance**

**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.**

- There is a policy for freedom for joining the union (Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan 01/06/2014). Stated that FGV gives their workers freedom to express their feelings according to the law and not prohibited individual to join the workers union. An evidence record of minutes of meetings for workers union at Tersang POM (Kesatuan Pekerja-pekerja Felda Palm Industries Sdn Bhd Cawangan Kilang Sawit Tersang – Sessi 2013-2016) latest on 7 March 2015, An evidence record of minutes of meetings for foreign workers union at Felda Sg. Koyan 02 (Mesyuarat Kesatuan Pekerja Ladang Sg. Koyan 02 – Bil 01/2015) latest on 30 January 2015. For staff workers (Mesyuarat Kakitangan FTPSB Sungai Koyan 2 – Bil 02/2015) latest on 27.02.2015.
- An evidence record of minutes of meetings for foreign workers union at Felda Tersang 04 (Mesyuarat Petugas Felda Tersang 04 – Bil 07/2015) latest on 3 March 2015. For foreign workers (Mesyuarat bulanan TKA 01/2015 – 27.02.2015) an evidence record of minutes of meetings for foreign workers union at Felda Sg. Koyan 03 (Persatuan Kakitangan Kanan Felda) latest on 15 April 2014.

**Status: Full Compliance**

**6.7**

**Children are not employed or exploited.**

- There is a clear policy that prohibited under aged workers (below 18 years) Polisi Pekerja Kanak-Kanak Felda 01/06/2014. This policy mentioned that Felda prohibited the children workings ages below 17 years old, and if there is a children is supporting his/her parent it shall be under supervised by their parents and not disturbed their education.
- At Tersang POM, an evidence attached in (Senarai Nama Petugas G6, and Petugas Am Kilang Sawit Tersang) the work no, name, position and ic no. At At Felda Tersang 04, an evidence attached in (Senarai Nama Kakitangan Felda Tersang 04, Senarai Nama Pekerja Tempatan Felda Tersang 04) the name, ic number, position and date of birth. For foreign workers in (Senarai Nama TKA Felda Tersang 04). At Felda Sg. Koyan 02, an evidence attached in (Maklumat kakitangan) the name, workers number, ic number, position and date of birth. For foreign workers in (Database Pekerja Asing – FTP Sg. Koyan 02). And At Felda Sg. Koyan 03, an evidence attached in (Maklumat kakitangan) the name, workers number, ic number, position and date of birth. From the list, clearly stated that all of the list of name is fulfilled the minimum requirement age.

**Status: Full Compliance**

**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.**

- There is a policy regarding the equal opportunity (Polisi Kesetaraan Peluang) signed by Mohammed Emir Mavani Abdullah CEO FGV (1/6/2014) at Tersang POM, and Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03 signed by Datuk Faizoull Ahmad, General Manager Felda (1/6/2014). This policy stated that all workers and applicant will received an equal opportunities and non-discrimination based on race, nationality, religion, gender, sexual orientation, disability and political affiliations. Based on the interview there is no issues regarding the discrimination issues
- There is a detail of specification on education level, skills and qualities stated in the job vacancy memo. And a guidelines for employment (Garis Panduan Pengambilan Pekerja Am di Projek) by Felda, detailing of specification on education level, skills and qualities stated in the job vacancy memo. For foreign workers, there is a specific guidelines for foreign workers (Petunjuk Praktis mengenai Hak & Kewajipan Tenaga Kerja Indonesia), Buku Panduan Tenaga Kerja Indonesia di Malaysia (BNP2TKI 2012), Kadar Upah Pekerja Ladang 2012 (Bil. 01/2012).

**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 is a policy to prevent the sexual harassment and violence (Polisi Gangguan Seksual dan Keganasan serta Hak Kebebasan Reproduksi 01/06/2014) signed by Mohamed Emir Mavani Abdullah 01/06/2014 at Tersang POM and at Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03 signed by Datuk Faizoull Ahmad, General Manager Felda 01/06/2014. The policy stat that Felda ensure that the policy was implemented to maintaining the women rights reproductive and families from harassment and discrimination also concerning about the women healthy.
- There is a clear policy developed for women that stated in gender committee on (Prosedur Menangani Aduan oleh Gender Committee ML-1A/L2-PR 10(0) to channelize the complaint if the issues occur.
- There is an evidence of Meeting of gender committee (Mesyuarat Perlantikan Jawatankuasa Wanita RSPO (Gender Committee) on 23 April 2015. Discussing on women rights and domestics violence in the family.
- There is a specific mechanism is established with the procedure and process flow to channel the complaint, but there is no complaint are been made.

**Status: Full Compliance**

**6.10**

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

- There is a fairly and transparently mechanism for mill to the smallholders and other local business. The current and past prices paid for FFB shown in BTS price report for Tersang POM, The current and past prices paid for FFB shown in BTS MPOB Harian price report for Tersang POM (Kilang Sawit Tersang Laporan Harga BTS). The current and past prices paid for FFB shown in BTS daily price report for Felda Sg. Koyan 02 and Felda Sg. Koyan 03 (Hasil Harian 2015), Penerimaan BTS mengikut rancangan and Monthly Palm Oil Prices. Besides the documented and displayed at the board, based on the interview supplier can telephone the mill regarding the current price and also can compared the price at the MPOB online website and also can check by SMS to MPOB.
- Based on the audit, there is Contractual document between Contractual document between Tersang POM and Kasim bin Tan (3301029388), Contractual document between Felda Tersang 04 with Ibnu Trading (3100127835), Felda Sg. Koyan 02 with Koperasi Peserta Felda Sg. Koyan Dua Berhad (2000126950), and Felda Sg. Koyan 03 with Koperasi Peserta Felda Sg. Koyan III Berhad (2000115330). The contract has been sign and detailing about the work description and pricing are properly stated in the document.
- Payment are made promptly by Tersang POM, the evident of payment show in FES (Baucar Bayaran), Payment are made by Felda Tersang 04, the evident of payment show in FES (Sijil Bayaran Kontrak Kerja Pertanian), Payment are made by Felda Sg. Koyan 02, the evident of payment show in FES (Baucar bayaran). And Payment are made by Felda Sg. Koyan 03, the evident of payment show (Sijil Bayaran Kontrak).
- The payment are made promptly by Based on the interview the payment to supplier is confirmed that all payments have been made in a timely manner.

**Status: Full Compliance**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

- The management for Tersang POM, Felda Tersang 04, Felda Sg. Koyan 02 and Felda Sg. Koyan 03 had contributed to local communities related to the development :

- A contribution has been made from Tersang POM for Contribution for Surau Block 7 Felda Tersang RM 200.00 (14 January 2015) and Contribution for Refurbished for Surau Block 7 Felda Tersang RM 30,653.80
- A contribution towards local communities has been made by the Felda Tersang 04 for Contribution for PIBG Meeting SK LKTP Tersang 3 and Contribution for PIBG Meeting SMK LKTP Tersang Raub (Hamper and Cash Money)
- A contribution towards local communities has been made by the Felda Sg. Koyan 02 for: Contribution for Hari Raya Donations and Tuition for School Student.
- A contribution towards local communities has been made by the Felda Sg. Koyan 03 for: Contribution Settlers Fund Welfare and Education Fund for Settlers and Felda Staff.
- There is an effort made by Felda to contribute to improvement of their farming practices evidence by giving an incentive bonus to increase the productivity (Bonus Insentif produktiviti Peneroka (BIPP) at Felda Sg. Koyan 02 and Felda Sg. Koyan 03.

**Status: Full Compliance**

**6.12**

**No forms of forced or trafficked labour are used.**

A policy on Recruitment of Foreign Workers (“Polisi Pengambilan Pekerja Asing”) stated that foreign workers will have a minimum wages based on the minimum wages Act of Malaysia and no discrimination and no contract substitution. There is a clear policy regarding the no contract substitution for FGV in (“Polisi Pengambilan Pekerja Asing”) signed by FGV CEO and General Manager Felda on 0/06/2014. There was no evidence of contract substitutions and verified during the interview with workers and relevant stakeholder. Based on interviewed with foreign workers there is no force labour are used at the POM and estate all workers have a working permit.

- Based on interviewed with foreign workers there is no force labour are used at the Felda Kemahang Empat all workers have a permit.
- There is a clear policy regarding the no contract substitution for FGV in (“Polisi Pengambilan Pekerja Asing”) signed by FGV CEO on 0/06/2014.
- There was no evidence of contract substitutions and verified during the interview with workers and relevant stakeholder.
- Based on the interviewed with the foreign workers, there are no issues regarding the passport matters. The foreign workers are aware that the passports are kept by the manager and copies are given to them. They are using the copy of the passport when they are going out to nearest town. The original passport are given when their want to go back to their hometown.
- There is an agreement between manager and foreign workers to give permission to felda manager to keep their original passport for safety reason.

**Status: Full Compliance**

**6.13**

**Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented**

A policy for human rights has been established (“Polisi Hak Asasi Manusia) and signed by FGV CEO and Felda General Manager on 01/06/2014 are available and displayed at POM and Office. Felda are committed to support the human rights.

Based on the interviewed there are aware the SOP of Felda and the Stakeholder Booklet are given to them. There is a monthly JCC meeting to discuss any issues and disseminated the new info.

**Status: Full Compliance**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

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

Principle 7 is not applicable for Tersang Compelx no new planting found in Tersang Complex. According to planting



<p>years data and map (see basic info of this report), All Tersang complex (Tersang 1, Tersang 2, Tersang 3, Tersang 4, Sungai Koyan 1, Sungai Koyan 2, and Sungai Koyan 3) was developed by FELDA in year 1971 as per agreement between FELDA and Pahang government. By the time initial stage audit was held, Felda Tersang complex has come to second cycle of plantation both for FELDA's own land and Settler's land (Peneroka).</p>	
	<b>Status: Not applicable</b>
<p><b>7.2</b> 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>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>7.3</b> New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>7.4</b> Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>7.5</b> No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>7.6</b> Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>7.7</b> 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.</p>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>7.8</b> New plantation developments are designed to minimize net greenhouse gas emissions.</p>	
Not applicable, see indicator 7.1. above	
	<b>Status: Not applicable</b>
<p><b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b></p>	
<p><b>8.1</b> Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p>	
<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations. To monitor and review plantation and mill activities, there are several tools such as:</p> <ul style="list-style-type: none"> <li>- Internal Audit of RSPO P &amp; C, aimed at monitoring implementation of RSPO P&amp;C.</li> <li>- Internal Audit of FELDA at estate, aimed at monitoring implementation of valid SOPs, performance target, and policy. Latest internal audit in Koyan 02 was April 2014. All audit finding have been closed out.</li> </ul>	

- Internal audit on QOSHE at mill (annually) latest was on 25-26 March 2015 by PSQM Head Quarter.
- Internal audit on Mill Operation (depend on issue) latest was on 18 September 2012 done by Head Quarter
- External audit on QOHSE at mill (annually) latest was on 2-3 April 2015 by Sirim QAS International Berhad.

There are also documented plan for continual improvement plan at each estates, such as:

- Widening of river buffer zone into 5 meters in 2016
- Separation of organic and non organic waste in 2016
- Reduction of paraquate use
- Increase Intergrated pest management using beneficial plant and natural predator
- Increase smart weeding area to decrease water use
- Increase organic fertilizer area
- Improvement best management practice: harvest rotation, decrease percentage of immature FFB.

<b>Status: Full compliance</b>
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**3.2. Summary of Assessment Report of Supply Chain**

Clause	(Module E) CPO Mills - Mass Balance Requirements
1	<b>Definition</b>
	<p><b>1.1</b>            Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Based on annual processed FFB report of Tersang Mills (period May 2014 –April 2015), supply bases of Tersang Mill are as follow:</p> <ol style="list-style-type: none"> <li>Internal FELDA (Tersang 1, Tersang 2, Tersang 3, Tersang 4, Sungai Koyan 1, Sungai Koyan 2, Sungai Koyan 3) with total supply in last year about 130,747.92 tonnes.</li> <li>Outside (Dealer and Independent Small holder) with total supply ton 44,253.54 tonnes.</li> </ol> <p>Since there are mixing of certified and uncertified FFB sources, the mill will be using using Mass Balance supply chain system as mentioned in the SOP.</p>
	<b>Status: Full Compliance</b>
2	<b>Explanation</b>
	<p><b>2.1</b>            The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Based on projection of FFB and CPO production, estimated tonnage of CPO and PK that potentially be produced by Tersang Mills in upcoming twelve months is 49,298.00 ton. The actual tonnage of certified CPO can not be verified yet in initial stage and will be subject to verification on surveillance audit.</p>
	<b>Status: Full compliance</b>
	<p><b>2.2</b>            The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>During initial audit, actual implementation of registration and reporting requirements for the appropriate supply chain through the RSPO IT platform or book and claim yet to be verified in initial stage. This will be subject to verification on surveillance audit.</p>
	<b>Status:</b>
3	<b>Documented procedures</b>
	<p><b>3.1</b>            The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> <li>Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</li> </ol>

<p>There is procedure of SCCS implementation in Tersang document: FGVPM – RSPO SCCS dated December 1 st 2012 concerning SOP Perkilangan untk Pematuhan Sistem Persijilan RSPO SCCS. The SOP contains: QOSHE committee, organization chart of SCCS implementation, management functions &amp; job descriptions in SCCS implementation (pengurus kilang, assistant mill managers, weighbridge clerk, penyelia operasi / juru analisa makmal/penggred BTS, formula pengiraan Mass Balance, Notis amaran / Non-conformance material, FFB delivery verification, CPO / PK delivery, Claim, Record keeping, training.</p>	
	<b>Status: Full compliance</b>
<p><b>3.2</b> The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	
<p>The site has procedure of SCCS implementation in document coded: FGVPM – RSPO SCCS dated December 1 st 2012 concerning SOP Perkilangan untuk Pematuhan Sistem Persijilan RSPO SCCS. The SOP including procedure of receiving and processing certified and non certified FFBs. Implementation of the procedure will become subject of surveillance 1audit .</p>	
	<b>Status: Full compliance</b>
<b>4</b>	<b>Purchasing and goods in</b>
<p><b>4.1</b> The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	
<p>Tersang mill has had procedure of verification of volumes of certified and non-certified FFBs received in following document: FGVPM – RSPO SCCS dated December 1 st 2012 concerning SOP “Perkilangan untuk Pematuhan Sistem Persijilan RSPO SCCS”. The SOP including verification of certified and noncertified incoming FFBs. Implementation of the procedure will become subject of surveillance 1 audit .</p>	
	<b>Status: Full compliance</b>
<p><b>4.2</b> The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	
<p>The actual tonnage of certified CPO yet to be verifeid in initial stage and will be subject to verification on surveillance audit.</p>	
	<b>Status: Full compliance</b>
<b>5</b>	<b>Record keeping</b>
<p><b>5.1</b> a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p> <p>For further details refer to Module C.</p>	
<p>The site has procedure of SCCS implementation in document coded: FGVPM – RSPO SCCS dated December 1 st 2012 concerning SOP Perkilangan untuk Pematuhan Sistem Persijilan RSPO SCCS. The SOP including recording and balancing all receipts of certified FFB and deliveries of CSPO in CPK . Implementation of the procedure will become subject of surveillance 1 audit and can not be measured in initial assessment.</p>	
	<b>Status: Full compliance</b>
<p><b>5.2</b></p>	



In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

There is no outsourced palm kernel crushing activity at this POM.

**Status: Full compliances**

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

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

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

**Summary:**

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

As of this assessment, Felda has successfully certified 52 mills and have had another 20 mills already conducted main assessments as per the time bound plan under 1.9 above.

<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or √</b>
	<p>Felda has and follows the “GSA” Group Settlement Act, where all land under FELDA will abide by local and national land laws. I.e. Compliance with legal documents such as the “Land Rules Applicable to the States in Malaysia” and relevant acts.</p> <p>The group has a common human resource policy which is also cascaded to all operating units. There are several handbooks and guides, shared with employees. Examples: “Syarat-syarat Perkhidmatan Petugas Bergaji Bulan Syarikat Kumpulan” which went into effect on 1<sup>st</sup> January 2007, explains to employees their benefits and company rules. The “Syarat-syarat Perkhidmatan Pekerja Operasi Ladang” was established in 1<sup>st</sup> May 2010. There is also the “Perjanjian Bersama Kesatuan Perkerja-perkerja Felda Plantations” and “Surat Perjanjian Kontrak Perkerjaan Perkerja Asing”, which are used to educate and inform employees of their rights and responsibilities.</p> <p>Issues relating to employees 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>	√
	<b>Status: Compliance</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or √</b>
	Legal ownership of land and its land use is available for all operating units and demonstrated through the respective land titles. For the FELDA settlers program, land titled is covered under the “GSA” Act.	√
	<b>Status: Compliance</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or √</b>
	There is a standard complaints procedure that is communicated to all facilities and locations. The procedure, “Prosedur Menangani Aduan dan Rungutan”, No. Document: ML.1A/L2-PR4(0), is made available from the head office and cascaded to all operating units.	√
	<b>Status: Compliance</b>	
<b>6.4</b>	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or √</b>
	FELDA has a Social Officer based in each regional office throughout the nation, where existing scheme/settlers can share their views and concerns. On a monthly basis, the reports from the Social Officers are shared and reviewed through the monthly Head of Department meetings. Quarterly there is a “Mesyuarat Jawatan Kuasa Minyak Sawit Mampan” known as the Sustainability Steering Committee Meeting, where both FELDA and FGVP Head of Departments review on-going matters. The PSQM department will monitor any issues and reviewed with the Head of Department.	√
	<b>Status: Compliance</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	<b>X or √</b>
	FGVP Malaysia through its subsidiary in Indonesia, FGVP Kalimantan, has acquired land. The 2	√

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



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

3.5.1 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
2015.01	2.1.1	<p><b>Compliance to regulation</b> There was a lapse in ensuring compliance to legal requirements:</p> <ul style="list-style-type: none"> <li>• Back hoe driver (Mr Zukarna) who observed in transferring EFB did not have competency certificate. (F&amp;M (Person In Charge) Regulation 1970 Revised 1983)</li> <li>• Storage of SW 410 was over permissible period (6 months) as per legal requirement. Last collection of SW 410 observed dated 19/9/2014 by Famous Phase Sdn Bhd. (EQ (Scheduled wastes) (Amendment) Regulations 2007)</li> <li>• Effluent Treatment System, final discharge water quality did not meet DOE standard. BOD and SS average level from Jan – April 2015 exceed 100 mg/l and 400 mg/l successively. (EQ (Industrial Effluent) Regulations 2009)</li> </ul>	Tersang POM	Major	Before certificate decision	Management shall ensure evidence of compliance with relevant legal requirements available.	<p><b>Root cause:</b> Lack of awareness among workers and enforcement of compliance with the relevant rules to instantly make corrections.</p> <p><b>Corrective action:</b></p> <ol style="list-style-type: none"> <li>1. A letter of request to the management to have an additional backhoe driver with a license for a replacement to the driver at the moment</li> <li>2. Provide a copy of the license qualifications for both the backhoe driver.</li> <li>3. Submit a letter of approval from additional application period for the disposal of wastes SW 410 allowed to exceed 6 months.</li> <li>4. To submit a mitigation plan for the implementation of an effluent washing action in the short term and the long term.</li> <li>5. To submit a report BOD and SS latest complies with the standards prescribed minimum.</li> </ol>	Closed	12 September 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p><b>Preventive action:</b> Ensure implementation mechanisms for monitoring compliance of law in records and reported for more effective enforcement action.</p> <p><b>Auditor conclusion:</b> <b>September 12, 2015</b></p> <p>a. Auditor observed that the supplied evidence regarding competency of person in charge in heavy equipment station is sufficient. To ensure compliance to regulation, there is also list of currently active operators with their certification status. NCR can be closed out</p> <p>b. There was evidence of scheduled waste storage time extension process, in the form of application letter from management unit and approval from JAS (Jabatan Alam Sekitar) on September 2, 2015. NCR can be closed out</p> <p>c. Auditor examined that the supplied evidences are sufficient and non conformity regarding effluent quality can be closed out</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.02	4.6.6	<p><b>MSDS in chemical store</b></p> <ul style="list-style-type: none"> <li>MSDS for Surfactant and Ecomax were not available and Garlon was partially available at Chemical store of Tersang 4.</li> <li>MSDS for Surfactant and Challenge were not available at Chemical store of Sungai Koyan 3.</li> </ul>	Tersang 4, Sungai Koyan 3	Major	Before certificate decision	Management shall ensure MSDS for pesticides available at chemical store in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders.	<p><b>Root cause:</b> Less concern by the estate management to ensure compliance with any kind of chemical substances in the store have a reference copy of the MSDS.</p> <p><b>Corrective action:</b></p> <ol style="list-style-type: none"> <li>A letter of request to the supplier MSDS for the chemicals involved.</li> <li>Forward a copy of MSDS chemicals involved.</li> </ol> <p><b>Preventive action:</b> Agricultural Officer and Officer OSHA will visit the store management review poison.</p> <p><b>Auditor conclusion:</b> <b>04 August 2015</b> Auditor examined that the supplied evidences regarding MSDS in chemical store are sufficient and the non conformity can be closed out Tersang 4: MSDS for Ecomax &amp; Garlon were made available Koyan 3: MSDS for surfactant &amp; Challenge were made available.</p>	Closed	04 August 2015
2015.03	4.7.1	<p><b>Inspection of air suction</b></p> <p>Recommendation from Chemical Health Risk Assessment (CHRA) was not performed to conduct inspection for air</p>	Tersang POM	Major	Before certificate decision	Management shall ensure recommendations from Chemical Health Risk Assessment (CHRA)	<p><b>Root cause:</b> Less concern for the needs of management in the implementation of the recommendations of the report CHRA.</p>	Closed	04 August 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		suction unit at laboratory once in twelve months.				documented and implemented, and its effectiveness monitored.	<p><b>Corrective action:</b></p> <ol style="list-style-type: none"> <li>1) Letter of application execution of the ventilation inspection.</li> <li>2) A letter or invoice inspection program was implemented.</li> <li>3) Report of ventilation equipment.</li> </ol> <p><b>Preventive action:</b> Updating information on the recommendations of the report CHRA read and adhere to the next action.</p> <p><b>Auditor conclusion:</b> <b>04 August 2015</b> Auditor examined that the supplied evidences regarding inspection for air suction are sufficient and the non conformity can be closed out</p>		
2015.04	4.7.3	<p><b>Personal Protective Equipment</b> Inadequate monitoring system and use of personal protective equipment:</p> <ul style="list-style-type: none"> <li>• No ear protecting device wore by Mr Majid, subcontractor worker from Iwana Sdn Bhd at Kernel Plant (high risk area).</li> <li>• No safety helmet observed for</li> </ul>	Tersang POM, Tersang 04 estate	Major	Before certificate decision	Management shall ensure all workers involved in the operation adequately trained and provided with adequate and appropriate protective equipment to cover all potentially hazardous operations.	<p><b>Root cause:</b> Lack of effectiveness in the regulatory use of PPE by workers who require tougher action and consistent</p> <p><b>Corrective action:</b> a. Submission of evidence or enforcement campaign program implemented the use of PPE.</p>	Closed	04 August 2015



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>excavator driver from Kamal Enterprise.</p> <ul style="list-style-type: none"> <li>No suitable PPE (e.g. safety helmet) wore by Mr Khairul Anam (harvester) at peringkat 84, Tersang 04.</li> </ul>					<p>b. To Issue a letter of warning to the workers involved who failed to comply with the use of PPE.</p> <p>c. A copy of the receipt confirmation form PPE by workers involved.</p> <p><b>Preventive action:</b> Record the names of employees who fail to comply with the use of PPE supplied for tougher action and awareness and education program is provided only to those target groups.</p> <p><b>Auditor conclusion:</b> <b>04 August 2015</b> Auditor examined that the supplied evidences regarding personal protective equipment monitoring and use are sufficient and the non conformity can be closed out</p>		
2015.05	5.3.1	<p><b>Scheduled waste</b> During the field observation, empty lubricant oil container was available and yet to be identified as scheduled waste SW 409.</p>	Tersang POM	Major	Before certificate decision	Management shall identify and document all waste products and sources of pollution.	<p><b>Root cause:</b> Used lubricating oil barrel should be documented to be listed as scheduled waste disposal SW 409 and the record shall be made immediately.</p> <p><b>Corrective action:</b> 1. Submission of a record of cask listed as</p>	Closed	04 August 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>a lubricant for the identification of wastes SW 409.</p> <p>2. Records disposal cask lubricant.</p> <p><b>Preventive action:</b> Report by the SHO of the company will be more concerned for the examination of records and safe disposal of waste handling waste in mill.</p> <p><b>Auditor conclusion:</b> <b>04 August 2015</b> Auditor examined that the supplied evidences regarding identification of scheduled waste are sufficient and the non conformity can be closed out</p>		
2015.06	5.4.1.	<p><b>Renewable energy plan and monitoring</b></p> <p>No documented plan and monitoring for improving efficiency of the use of fossil fuels and to optimize renewable energy.</p>	Tersang POM	Minor	Next Surveillance (ASA-1)	Management unit should provide a plan and monitoring for improving efficiency of the use of fossil fuels and to optimize renewable energy	<p><i>Root cause: (filled by client)</i></p> <p><i>Corrective action: (filled by client)</i></p> <p><i>Preventive action: (filled by client)</i></p> <p><i>Auditor conclusion: (filled by CB)</i></p>	Open	
2015.07	5.2.3	<p><b>HCV and wildlife education to workforce</b></p> <p>No documented records of HCV and wildlife protection education programme</p>	Tersang 4, Sungai Koyan 2,	Minor	Next Surveillance (ASA-1)	Management unit should provide records of HCV and wildlife protection education programme and	<p><i>Root cause: (filled by client)</i></p> <p><i>Corrective action: (filled by client)</i></p> <p><i>Preventive action: (filled by client)</i></p> <p><i>Auditor conclusion: (filled by CB)</i></p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		and implementation for staff and workers.	Sungai Koyan 3			implementation for staffs and workers.			
2015.08	5.6.1	<b>Green House Gases Assessment</b> Assessment on Greenhouse gases emission was not available.	Tersang POM, Tersang 4, Sungai Koyan 2 & Sungai Koyan 3	Major	Before certificate decision	Management shall conduct an assessment on greenhouse gaseous emissions.	<p><b>Root cause:</b> The collection of information for the assessment of GHG shall be made in accordance with the parameters needed in the mill and estate.</p> <p><b>Corrective action:</b> To provide data for the assessment of the effects of the calculation of greenhouse gas emissions by mill and estate. REFER TO THE ACCOMPANYING FORM.</p> <p><b>Preventive action:</b> Issuing a case stated.</p> <p><b>Auditor conclusion:</b> <b>04 August 2015</b> Auditor examined that the supplied evidences regarding Assessment on Greenhouse gases are sufficient and non conformity can be closed out</p>	Closed	04 August 2015
2015.09	5.6.2	<b>Green House Gases Reduction Plan</b> Greenhouse gases emissions have yet to be identified and plans to reduce or minimize Greenhouse gases were not	Tersang POM, Tersang 4, Sungai	Major	Before certificate decision	Management shall identify greenhouse gases and develop a plan to reduce or minimize	<p><b>Root cause:</b> The collection of information for the assessment of GHG shall be made in accordance with the parameters needed in</p>	Closed	04 August 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		sighted	Koyan 2 & Sungai Koyan 3			greenhouse gases.	<p>the mill and estate.</p> <p><b>Corrective action:</b> To provide data for the identification of greenhouse gas emissions by mill and estate and provide action plan. REFER TO THE ACCOMPANYING FORM.</p> <p><b>Preventive action:</b> Issuing a case stated.</p> <p><b>Auditor conclusion</b> <b>04 August 2015</b> Auditor examined that the supplied evidences regarding identification and reduction plan of GHG are sufficient and non conformity can be closed out</p>		
2015.10	5.6.3	<b>Green House Gases Monitoring</b> Monitoring system of greenhouse gases emission was not available at mill and estates.	Tersang POM, Tersang 4, Sungai Koyan 2 & Sungai Koyan 3	Minor	Next Surveillance (ASA-1)	Management shall develop a monitoring system with regular reporting on progress for these significant pollutants and emissions from estate and mill operations by using appropriate tools.	<p><i>Root cause: (filled by client)</i></p> <p><i>Corrective action: (filled by client)</i></p> <p><i>Preventive action: (filled by client)</i></p> <p><i>Auditor conclusion: (filled by CB)</i></p>	Open	



**3.5.2 Opportunity for Improvement**

No	Ref.Std	Description
1	<b>Minor 2.1.4</b>	It is recommended to improve personnel awareness on the tracking methodology for legal and other requirement changes.
2	<b>Minor 2.1.2</b>	It is recommended to review and update the legal register to ensure updated version defined.
3	<b>Major 4.4.2 &amp; Major 5.2.2</b>	Consistency of bufferzone marking at Sungai Lengkar and Sungai Kermoi which are crossing the estate (observation)
4	<b>Minor 4.7.5</b>	It is recommended to improve the firefighting equipment performance and availability of first aid equipment at mill and estates.
5	<b>Major 4.7.2</b>	It is recommended to improve the operational control implementation such as shovel driver competency and storage of gas cyclinder.
6	<b>Minor 4.2.4</b>	It is recommended EFB application to be properly recorded in file and topography map for Tersang 4.
7	<b>Major 5.2.1.</b>	Improvement of HCV identification report: assessment maps, evidence of identification process (participative approach, wildlife survey, ecosystem mapping, etc), qualification of HCV assessment team.
8	<b>Minor 5.3.3</b>	It is recommended to improve the sum establishment for pesticide container rinsing area and control of domestic waste disposal area for Tersang 04 and Sungai Koyan 03.
9	<b>Minor 6.5.2</b>	Based on in the audit there is a Complaint been made at Felda Sg. Koyan 02 in the compliant book (Buku Aduan Peneroka) and documented. But the action plan and action that been taken not state in the book.

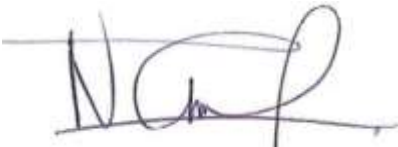

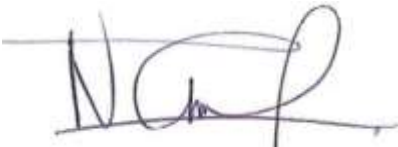

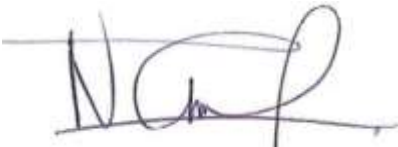

**3.5.3 Noteworthy Positive Components**

No	Descriptions
1	Management and staff commitment was evident in commitment toward meeting the FGV corporate time-bound plan for RSPO certification.
2	Felda scheme was found to be very successful in improving sustainable development and poverty eradication for rural settlers.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><b>Amaluddin Hj. Hashim (JKKK Felda Sg Koyan 2)</b></p> <ul style="list-style-type: none"> <li>• There is a transparent information from the Felda Koyan Satu Management to the settlers.</li> <li>• An information session regarding the RSPO awareness was held to the communities.</li> <li>• Everybody Averages their yields to help out each other with the help from Felda. This helps on monthly cost. This was a request by stakeholders which Felda agreed.</li> <li>• Livestock infringement issues with neighbours are handled internally and without any major incident.</li> <li>• Hopes for a better pricing with RSPO certification.</li> </ul>	<p>Felda – Tersang management will retain their relationship with settlers and maintaining a good response with them</p>	<ul style="list-style-type: none"> <li>• Auditors encourage FELDA – Tersang to maintain its good performance in social aspect</li> <li>• Auditors will keep observe relationship of management unit with settlers to ensure good and mutual collaboration</li> </ul>
<p><b>Haji Mat Ali (Self Manage Estate Sg. Koyan 2)</b></p> <ul style="list-style-type: none"> <li>• A lot of support from Felda management to the self-manage settlers such as fertilizer, pesticide and training.</li> <li>• All self-manage settlers are not exclude from the Felda activities.</li> <li>• Better yield in Koyan 3 and very happy with management.</li> <li>• Koyan 1 stakeholders are not getting good yields due to lack of management from Koyan 1 management. This result with few stakeholders in Koyan 1 estates managed by Felda.</li> <li>• JKKK has a monthly meeting to discuss on wealthfare and solve disputes.</li> <li>• Hopes Felda produces more Palm Oil based consumer products.</li> <li>• Also wishes Felda to venture into Bio Diesel Power Plant</li> </ul>	<p>Felda management thanking them with the compliment and will retain their relationship with settlers while maintaining a good response with them.</p>	
<p><b>Kasmawati Matjapar (Kementerian Komunikasi)</b></p> <ul style="list-style-type: none"> <li>• Felda informs stakeholders on all activities of pesticide etc that affects livestock via advance notices throughtout the estate and mail to stakeholder.</li> </ul>	<p>Felda – Tersang management will retain good performance in relationship with settlers and</p>	


Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><b>Hajjah Rokiah (JKKK Felda Sg. Koyan 2)</b></p> <ul style="list-style-type: none"> <li>All self-manage settlers are not exclude from the Felda activities. All are given 2 weeks advance notice in Koyan 2.</li> <li>Livestock infringement in plantation to make trenches with the help by Felda.</li> </ul>	<p>maintaining a good response with them</p>	
<p><b>Azizan Bahari (Belia &amp; Supplier Sg. Koyan 2)</b></p> <ul style="list-style-type: none"> <li>Majlis Belia Felda initiates a frequent programs with prize money to promote productivity.</li> <li>It also helps on the social aspects and bonding with the community/family.</li> <li>Felda also gives out loans to promote small businesses. They also give discount payback when the business succeeds.</li> <li>Contracts are given by Koperasi of Felda. Management gives a detailed safety/training requirement for subcontractor's employees to do the work.</li> <li>7 Years being a supplier no payment issue. Contracual agreement with stringent conditions that are enforced.</li> </ul>		
<p><b>Mohd Firdouse (Self-Managed Estate Sg. Koyan 2)</b></p> <ul style="list-style-type: none"> <li>Grew up within Felda estate and is eternally grateful.</li> <li>Pleased with the current situation where both Felda and stakeholders can always reach a good compromise that helps each other.</li> <li>Also thankful for the education, infrastructure, safety and frequent advice and training for improvement on plantation management that is given by Felda.</li> </ul>		

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table border="0" style="width: 100%;"><tr><td style="width: 50%; text-align: center;"><p>Felda Global Ventures – FELDA</p><p><b><u>Norazam Abdul Hameed</u></b> 15 September 2015</p></td><td style="width: 50%; text-align: center;"><p>Mutuagung Lestari Lead Auditor</p><p><b><u>Bukti Bagja</u></b> 15 September 2015</p></td></tr></table>	<p>Felda Global Ventures – FELDA</p>  <p><b><u>Norazam Abdul Hameed</u></b> 15 September 2015</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Bukti Bagja</u></b> 15 September 2015</p>
<p>Felda Global Ventures – FELDA</p>  <p><b><u>Norazam Abdul Hameed</u></b> 15 September 2015</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Bukti Bagja</u></b> 15 September 2015</p>		



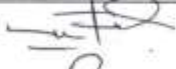


























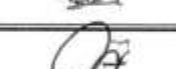

















**Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/NGO/Community	Address	Form of Communication	Date of Contact	Response	
					Yes	No
1	Settlers / Peneroka Tersang.01	Tersang.01 complex	Direct Interview	13 May 2015	√	
2	Settlers / Peneroka Tersang.02	Tersang.02 complex	Direct Interview	13 May 2015	√	
3	Settlers / Peneroka Tersang.03	Tersang.03 complex	Direct Interview	13 May 2015	√	
4	Settlers / Peneroka Tersang.04	Tersang.04 complex	Direct Interview	13 May 2015	√	
5	Settlers / Peneroka Sungai Koya.02 estate	Sungai Koyan.02 complex	Direct Interview	13 May 2015	√	
6	Settlers / Peneroka Bukit Sungai Koyan.03 estate	Sungai Koyan.03 complex	Direct Interview	13 May 2015	√	
7	Worker Union representative		Direct Interview	12 May 2015	√	
8	Gender Committee		Direct Interview	12 May 2015	√	
9	Communication Ministry		Direct Interview	12 May 2015	√	
10	Contractor/Supplier		Direct Interview	12 May 2015	√	
10	Malaysian Employers Federation - MEF	3A06-3A07, Block A, Pusat Dagangan Phileo Damansara II, 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya	Email	7 April 2015		√
10	Environmental Protection Society Malaysia (EPSM)	No. 60, Jalan 21/35, 46300 Petaling Jaya, Selangor, Malaysia	Email	7 April 2015		√
10	Environmental Management and Research Association of Malaysia (ENSEARCH)	30-3, Jalan PJU 5/16, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor	Email	7 April 2015		√
10	Malaysian National Animal Welfare Foundation - MNAWF	Wisma Medivet, 8, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia	Email	7 April 2015		√
10	Proforest - South East Asia Regional Office	Suite #303 MBE Desa Sri Hartamas No. 30G, Jalan 25/70 A 50480 Kuala Lumpur	Email	7 April 2015		√

	<b>PT MUTUAGUNG LESTARI</b>
	<b>DAFTAR HADIR</b>

Kegiatan : Stake holder Consultation Meeting. (Koyan 2)  
 Tanggal : 13/5/14

NO.	NAMA	DIVISI / INSTANSI/ JABATAN/ALAMAT	TANDA TANGAN
1	ROYHAIDA BT HASIM	KERANI PT SG KOYAN 02	1
2	KASMANATI MAT JAPAR	KKMM	2
3	NOORIAH GHAZALI	ASK GPW	3
4	SUAFEEWA BT BAHARUDDIN	KERANI PT KOYAN 3	4
5	Nasrini Daud	SLA C.P.W.2	5
6	MUSRIAH BIEFARMEN	BENARI GPW.2	6
7	AMALYDDIN HJ. HASHIK	BEAD. K/02	7
8	AZIZAN BIN BAHARI	BEUA	8
9	Hajjah Rokiah bt Jamlan	ASK, SKK Kly2	9
10	OTHMAN BIN AHMAD	ASK, KOYAN 3	10
11	ROHAIDI BIN RAMLI		11
12	Hj. Zeinal		12
13	Ghazal Saad		13
14	Othman Hamid		14
15	ISAHAR ATTAN		15
16	Hj. Haid Ali b. Saad	uns sandri.	16
17	MUHAMMAD FIRDAUSE ISAHAR	GEN 26 (Koyan)	17
18	Ismad b. Tunivir	GEN 26 (Koyan)	18
19			19
20			20
21			21
22			22
23			23
24			24
25			25

Company :		Company No. :		
Location :		Date :		
NO.	NAME (Print)	POSITION (Print)	OPENING MEETING (Sign)	CLOSING MEETING (Sign)
14	Shahzadee Saah	Penyeliti		
15	MOTO FARID BIN IDRIS	PENYELIA		
16	MUHAMMAD NIZAM B POTHANE	PENYELIA		
17	MOTAWIFF AGAM KAHM	Pen. Program Projek		
18	MUNAWIR BIN ISMAIL	PENYELIA		
19	ASWAN MUHAMMAD	ENJENIR		
20	Mohamed Fadzil Baei	Pengurus		
21	MOKD SHAHRULL BIN ABULLAH	MILL MANAGER		
22	AHMAD SHAHRIR ISMAIL	SPO, PERM.HO		
23	Muhamad bin Ismail	Pengurus		
24	Muhammad Abdullah	Pengurus		
25	Puan B. Mas Zin	Pengurus		
26	Fadhiliah Ramly	Pengelia Ladang		
27	Taufik Abdullah	Pengurus Ladang		
28	Zamri Ahmad	Pengurus Ladang		
29	Saleh Mohd Khalid Anwar	Pengurus		
30	HARUN BIN NASSIR	PEN. PENGURUS		
31	Wan Nur Hafizah Anwar	Pengurus		
32	MUSTAFAA ABO RAHMANN	Pen. Pengurus		
33	ZAHIR ABDUL RAZAK	PENYELIA LADANG		
34	Mohamed Ikhwan	Pengelia		
35	Mokd Azvi Ab d Razak	Pengelia		
36	MOKD SHAHRULL ABULLAH	PENGURUS ELANG		
37	MUHAMMAD NIZAM B POTHANE	PENYELIA LADANG		
38	ASWAN MUHAMMAD	ENJENIR SPO		

SPO-4008

**Appendix 2. Assessment Program**

DATE	11 <sup>th</sup> – 15 <sup>th</sup> May 2015	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>SUNDAY, 10<sup>th</sup> May 2015</b>		
09.40 – 12.40 13.00 – 17.00	Travelling from Jakarta to Kuala Lumpur Travelling from KL to Pahang	BB All auditors
<b>MONDAY, 11<sup>th</sup> May 2015</b>		
08.00 – 09.00	<b>Opening Meeting</b> <ul style="list-style-type: none"> <li>Introduction to Felda Management</li> <li>Introduction to Auditor Team and Audit Plan Presentation</li> </ul>	FELDA BB
09.00 – 12.00	<b>Document review at Tersang Palm Oil Mill</b> WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management	All auditors
12.00 – 13.30	<b>BREAK</b>	
13.30 – 17.00	<b>Field Observation at Tersang Palm Oil Mill</b> <ul style="list-style-type: none"> <li>Mill Operational &amp; Supply Chain</li> <li>Safety and Health, Hazardous Waste Management</li> <li>Effluent Pond and Waste Water Management</li> <li>Interview with Worker's Union, Gender Committee</li> </ul>	BB YCH NIZ HAI
<b>TUESDAY, 12<sup>th</sup> May 2015</b>		
08.00 – 12.00	<b>Field Observation to FELDA Tersang 04 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>Worker Welfare and facilities (payments, complaint mechanism, housing, health clinic, clean water, etc)</li> <li>Legal operational boundary and Conservation Area</li> <li>Land Fire facilities, Storage, Hazardous Waste Material management</li> </ul>	NIZ BB BB YCH
12.00 – 13.30	<b>BREAK</b>	
13.30 – 17.00	<b>Document review at FELDA Tersang 04 Estate</b>	All auditors
<b>WEDNESDAY, 13<sup>th</sup> May 2015</b>		
08.00 – 12.00	<b>Stakeholders consultation to</b> Nearest village and community leader, labour union, gender committee, statutory bodies as Sg Koyan.  <b>Field Observation to FELDA Koyan 02 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>Worker Welfare and facilities (payments, complaint mechanism, housing, health clinic, clean water, etc)</li> <li>Legal operational boundary and Conservation Area</li> <li>Land Fire facilities, Storage, Hazardous Waste Material management</li> </ul>	HAI  NIZ HAI BB YCH
12.00 – 13.30	<b>BREAK</b>	
13.30 – 17.00	<ul style="list-style-type: none"> <li><b>Document review at FELDA Koyan 02 Estate</b></li> <li>Team meeting &amp; briefing</li> </ul>	All auditors



DATE	11 <sup>th</sup> – 15 <sup>th</sup> May 2015	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>THURSDAY, 14<sup>th</sup> May 2015</b>		
08.00 – 12.00	<b>Field Observation to FELDA Sungai Koyan 03 Estate</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>• Worker Welfare and facilities (payments, complaint mechanism, housing, health clinic, clean water, etc)</li> <li>• Legal operational boundary and Conservation Area</li> <li>• Land Fire facilities, Storage, Hazardous Waste Material management</li> </ul>	
12.00 – 13.30	<b>BREAK</b>	
13.00 – 15.00 15.00 – 17.00 17.00 – 21.00	Preparation for closing meeting Closing meeting Trave from Pahang - KL	<b>All auditors</b>
<b>FRIDAY, 15<sup>th</sup> May 2015</b>		
08.00 –	KL – Jakarta	<b>BB</b>