

Malaysian Sustainable Palm Oil Certification

MSPO – PART 4 (GENERAL PRINCIPLE FOR PALM OIL MILL)

☐ Stage-1 ☒ Stage-2 ☐ Surveillance ☐ Re-Certification

Plantation Management/Owner : Felda Global Ventures Plantation (Malaysia) Sdn Bhd subsidiary of Felda Global Ventures Holdings Bhd.
 Mill Name : Serting Palm Oil Mill
 Location : Kilang Sawit Serting, 72100 Bandar Seri Jempol, Negeri Sembilan, Country of Malaysia.
 Certificate Code : **MUTU-MSPO/013**
 Date of certificate issue : 14/08/2018
 Date of expiry of certificate : 13/08/2023

Assessment	Assessment Date	Mutuagung Lestari Malaysia Auditor	Review by	Approve by
Main/ST-2	21 st – 22 nd May 2018	Mahaswaran Maliyapan (Lead Auditor), Ebnu Holdoon Shawal [Auditor], Khairul Anuar [Auditor]	Ganpathy Ramasamy / Peter	Hari Naveen Christopher

Assessment	Approved by MUTUAGUNG LESTARI MALAYSIA SDN BHD on:
Main/ST-2	14/08/2018

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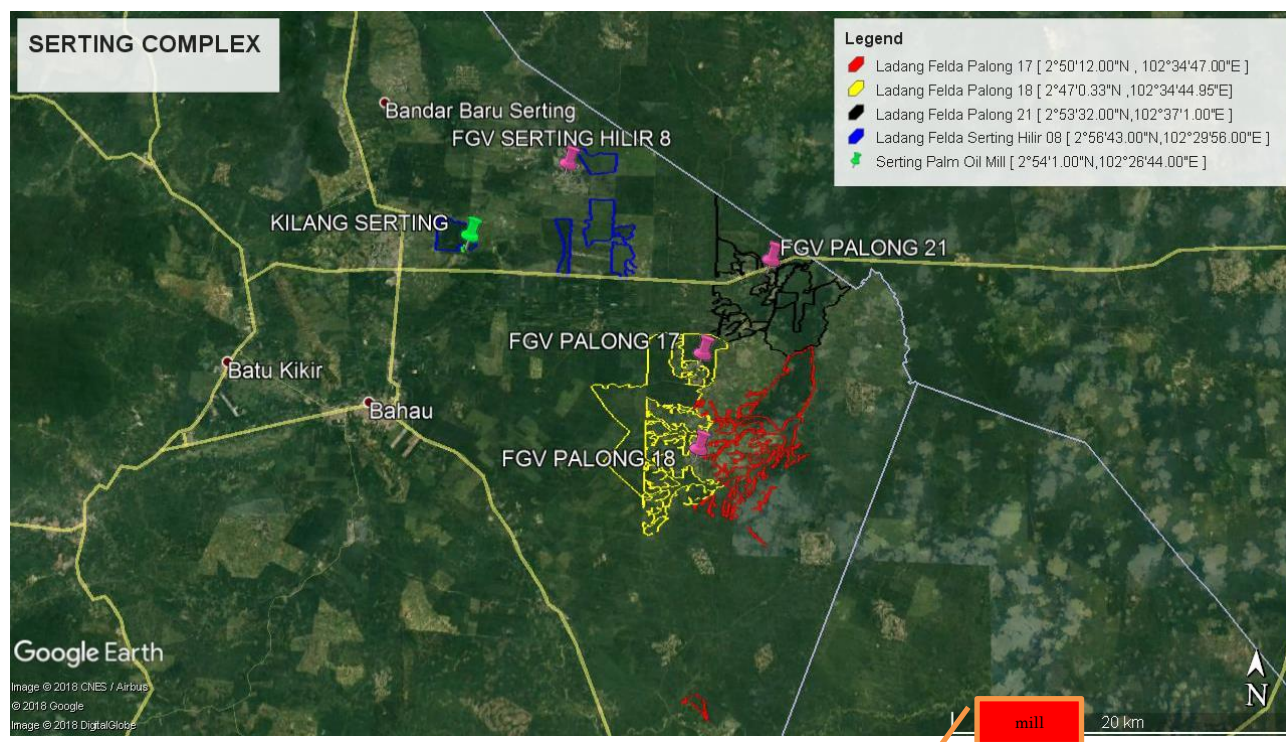
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Figure 1. Location Map of Serting Palm Oil Mill



1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1	Assessment Standard Used		Malaysian Sustainable Palm Oil (MSPO) MS 2530-4:2013: Part 4: General principles for Palm Oil Mills
1.2	Organization Information		
1.2.1	Company name	Felda Palm Industries Sdn Bhd - subsidiary of Felda Global Ventures Holdings Bhd	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Company address and site address	RSPO Registered Company: Felda Global Ventures (HQ) Level 45, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.	
1.2.4	Telephone	(+ 603) – 26005349	
1.2.5	Fax	(+ 603) – 26987816	
1.2.6	E-mail	norazam.ah@feldaglobal.com	
1.2.7	Web page address	http://www.feldaglobal.com	
1.3	Mill Information		
1.3.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	KKS Serting	Kilang Sawit Serting, 72100 Bandar Seri Jempol, Negeri Sembilan.	2° 4'55" N102° 26'44" E

1.3.2	Forecasted and actual volume of FFB, CPO and PK								
	Projected Volume - past year Sept 2016 to Oct 2017			Actual volumes Jun 2017 to May 2018			Projected volume Jun 2018 to May 2019		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
	-	-	-	280,332	61,149	17,172	187,391	41,226	11,243
*Source 12 month Forecasted CPO/PK Production Data by the Company. Use either 12 months forecast from audit or company's next year's forecast.									
1.4	Other Certifications								
	ISO 9001:2008 / 2015			-					
	ISO 14001: 2004 / 2015			-					
	OHSAS 18001:2007			-					
	ISCC			-					
	Others								

2.0	ASSESSMENT PROCESS								
2.1	Certification Body								
	Mutuagung Lestari Malaysia Sdn Bhd. B-0926 Empire Soho, Empire Shopping Gallery, Jalan SS 16/1 Subang Jaya, 47500 Petaling Jaya, Selangor, Malaysia Website: www.mutucertification.com Email: hari@mutucertification.com								
2.2	Assessment Team								
Main / ST-2	<p>Mahaswaran Maliyapan (Lead Auditor) Malaysian. Executive Master in Entrepreneurship Enhancement [Supply Chain Management], Professional Diploma in International Management Practices, Graduate Diploma in Business Administration and Diploma in Mechanical Engineering. Has vast exposure and experience in engineering, quality, 2nd & 3rd party auditing in various industries and owns proven track records of auditing various multinational companies both locally and internationally. Certified Lead Auditor for ISO 9001, 14001, OHSAS 18001, RSPO P&C, RSPO SCCS, RSPO Next and MSPO. Since 2012 trained in agriculture certification programs such as RSPO, MSPO and SCCS and holds role as lead auditor or auditor with several local and overseas certification bodies. He too in Quality Environmental Management System as well the Occupational, Health and Safety auditing.</p> <p>Khairul Anuar bin Abdul Hamid (Auditor), Khairul Anuar is a graduate from University of Alabama at Birmingham with Bachelor of Science in Civil Engineering (environmental) and holds a degree of Associate in Applied Science from the University of New York at Buffalo. A registered Environmental Auditor (EA0079) with the Department of Environment Malaysia. A Certified Erosion Sediment and Storm Water Inspector (CESSWI3309) and also the first batch holder for competency in Environmental Compliance Audit Training from the Natural Resources and Environment Board (NREB) Sarawak. He is also trained in ISO14001 EMS Lead Auditor. 24 years of working experience in various industries and disciplines including a 5 years Lead Estimator role at Honeywell (A Fortune 100 company).</p> <p>Ebnu Holdoon Shawal (Auditor) Malaysian. Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001: 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He has gone for various RSPO audit including Felda POM and United Plantation as trainee auditor and have total 42-man days following the auditing activities. During this audit he has been assigned to verify the Transparencies and Environmental aspect.</p>								

2.3	Assessment Methodology, Assessment Process, and Locations of Assessment
2.3.1	Figure of person days to implement assessment
Main / ST-2	<p>Number of auditors: 3 auditors</p> <p>Number of days for Main/Stage-2 at site: 2 days</p> <p>Number of working days for Main/Stage-2 at site: 6 Working days</p>
2.3.2	Detail process of assessment
Main / ST-2	<p>Mutuagung Lestari Malaysia Sdn. Bhd. [thereafter known as <i>MUTU</i>] has conducted on-site Certification Assessment for Serting Palm Oil Mill on 21st – 22nd May 2018 by 3 auditors as to assess the compliance of the certification unit against the MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills. The Stage 1 audit which to confirm Serting Hilir POM's readiness for the Stage 2 audit was done on 03/05/17 by Trismadi Nurbayuto (Lead Auditor) and Andi Prathama Pasaribu (Auditor) resulted with 4 findings. The client has responded with appropriate corrective actions prior to stage 2 audit.</p> <p>This stage 2 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.</p> <p>Some opportunities for improvement of the results delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase. All information obtained was recorded in Check List of MUTU. It was witnessed, the Palm Oil Mill was having full production as they were receiving enough crop to start the process during the scheduled time of for the POM visit. This allows the audit team start from the input receiving and then walk through the production process which eliminates the risk of missing certain key aspects.</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
MAIN / ST-2	Serting Palm Oil Mill, Kilang Sawit Serting, 72100 Bandar Seri Jempol, Negeri Sembilan, Country of Malaysia.
2.4	Stakeholder Consultation
2.4.1	Summary of stakeholder consultation process
MAIN / ST-2	<p>Consultation of stakeholders for Serting POM, FGVP(M) held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com and www.rspo.org o April 16th, 2018. 2. Public consultation by interview with Policeman form Balai Polis Ladang Geddes on May 24th, 2018. <p>Consultation meeting and interview with Internal Stakeholder (Gender committee, FFB Contractor, & FGV Foreign Workers Representative) on May 24th, 2018.</p> <ol style="list-style-type: none"> 3. Consultation with NGO (Suhakam-National Human Rights Society, NUPW –National Union of Plantation Worker, Traffic - the wildlife trade monitoring network, & Malaysian Environmental NGOs – MENO) via email on May 14th, 2018. <p>Numbers of input from stakeholders were clarified by Serting POM, FGVP (M).</p>
2.5	Determining Next Assessment
	The next visit of ASA 1 will be determined one year after this Main / ST-2.

3.0. ASSESSMENT FINDINGS
3.1. Summary of Assessment Report of the MSPO Certification

MUTU has conducted the main / ST-2 assessment of Serting Mill - Felda Palm Industries Sdn Bhd operation consisting of one (1) mill. During this assessment, (4) minor non-conformities and (4) opportunities for improvement were identified against MS 2530-4:2013. Further explanation of the non-conformities raised are provided in section 3.5. MUTU found that Serting Palm Oil Mill – Felda Palm Industries Sdn Bhd complied with the requirements of MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills. Since the audit objectives as mentioned in the audit plan have been achieved and assessment that was resulted with no major non-conformity, therefore the lead auditor **recommends** Serting Palm Oil Mill for compliance with the MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mills.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
4.1 PRINCIPLE 1 MANAGEMENT COMMITMENT AND RESPONSIBILITY		
4.1.1 Malaysian sustainable palm oil (MSPO) policy		
4.1.1.1 Indicator 1: A policy for the implementation of MSPO shall be established.		
A corporate MSPO Policy seen dated on 02/05/2018 was approved Dato' Zakaria Arshad, the Group President/CEO of FGV Holding Berhad. This policy is linked to various Group Sustainability Policies such as commitment towards No Child Labour, No Deforestation, No Forced Labour & Contract Substitution, Meeting the Minimum Wages Standard, etc. The mill workers and staff are being regularly briefed on Group Sustainability Policies during daily morning muster call and weekly meeting, sampled for 02/02/18 and 09/02/18. The mill has 53 workers and 29 staff as at May 2018.		
<u>Minor Non-conformity:</u>		
The newly developed Group policy on MSPO should be communicated to internal and external stakeholders as part of implementation process prior to this audit as sighted no evidences the policy been circulated nor communicated to mill management. Aside, briefing the other sustainability policies to workers during muster call to be evidence with attachments of what are the policies been briefed and how does the presenter ensure the workers understand the content of policies. Currently there are 16 sustainability policies which were approved by Mr. Mohammed Emir Mavani Abdullah in 2014. It must be demonstrable on whether the current President & CEO of FGV has reviewed the adequacy of the policies as sampled policy for child labour "Polisi Pekerjaan Kanak-Kanak" which allows children to help in their family own farm, which contradict with audit findings that FGV only employs foreign or local workers whom above 18 years old for their estate operation.		
	Status:	Minor
4.1.1.2 Indicator 2: The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.		
Among the Group Sustainability Policies, are requirements for the legal compliance that cross verified with Continual Improvement Plans such as schedule waste management, zero accident, control BOD level < 100mg/l and etc.		
	Status:	Ok
4.1.2 Criterion 2: Internal audit:		
4.1.2.1 Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.		
There is annual "Sustainability" Internal Audit by the PSD [Plantation Sustainability Department] and latest audit was done on 10/01/18. The assessment was conducted by Muhd Shafiq and Nurul Hayati which resulted with 11 major and 8 minor non-conformities. Seen the assessment covers requirements needed by the sustainability scheme and mill best practices. Among the lapses found were schedule waste management, stakeholder list, training records and OHS plan.		
	Status:	Ok

4.1.2.2 Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.		
Internal audit procedure [FGV/ML-1A/L2-Pr11] dated on 01/06/16 is currently being revised by the PSD team for the clarity of requirements of various sustainability programs. The process flow of the annual exercise is from establishing audit schedule → audit team selection → prepare audit plan → conduct audit – reporting of findings.		
	Status:	Ok
4.1.2.3 Indicator 3: Report shall be made available to the management for their review.		
The findings from internal audit was responded by the mill management from time to time to the PSD. Sighted there are no outstanding issues that needed longer time [more than 15 days from closing meeting of internal audit] or issues needed commitment from HQ level. This was communicated in the management review dated on 16/01/18. The internal audit findings seen effectively addressed of the root causes with corrective actions plan in the NCR format.		
	Status:	Ok
4.1.3 Criterion 3: Management review		
4.1.3.1 Indicator 1: The management shall periodically review the continuous suitability, adequacy, and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.		
Management review meeting was done on 16/01/18 attended by operation & office staff and the mill manager chaired the meeting.		
<u>Observation:</u> However, sighted the management review only covers internal audit findings, customer satisfaction and production process but does not covers the decision on any changes, modification, continuous improvement plan and timeline for the MSPO implementation.		
	Status:	Obs
4.1.4 Criterion 4: Continual improvement		
4.1.4.1 Indicator 1: The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.		
There are 8 CIPs registered in the FPI/L4/QOHSE-3.1 Pind 0. Sighted the CIPs of 2017 been brought forward to 2018 with reason to maintain legal compliances of environment and safety. Each of the CIP been associated with respective management plans in FPI/L4/QOHSE-3.2 Pind 0.		
	Status:	Ok
4.1.4.2 Indicator 2: The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.		
In 2016, the mill's conventional sterilizer was converted to vertical system. During mill visit seen the mill has no introduction of new technology. However, the mill continuously improving existing operation system for productivity improvement.		
	Status:	Ok
4.2 PRINCIPAL 2: TRANSPARENCY		
4.2.1 Criterion 1: Transparency of information and documents relevant to MSPO requirements		
4.2.1.1 Indicator 1: The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.		
The centralize stakeholder meeting for Serling Complex was done on 05/10/17, sighted the attendance record [total 189 attended] attached with the minutes of meeting. various issues were discussed and communicated, domestic waste management, the purpose of sustainability policies, payment to contractors and PPE awareness. A log book established for tracking of internal and/or external complaint. However, the records seen more on internal stakeholder's housekeeping and maintenance issues.		
	Status:	Ok

4.2.1.2 Indicator 2: Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
The information on the publicly available documents that includes of management documents such as land title, OHS plan, sustainable policies and CIP seen specifically addressed in page 8 of FGV Sustainability Certification Handbook. This information also been communicated to external stakeholder during annual meeting.		
	Status:	Ok
4.2.2 Criterion 2: Transparent method of communication and consultation		
4.2.2.1 Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.		
There is a procedure [FGV/ML-1A/L2-Pr12] dated 01/06/16 available for communicating and reporting of EMS, OHS and social issues with relevant stakeholders. Besides, the mill also provides a log book to enable stakeholders to register their complaints and grievances. Aside, the management takes the effort to provide training during annual stakeholder meetings, where sufficient briefing on complaint flow made. This was verified during stakeholder consultation, whereby all the attended stakeholders agree the mill provides information either through WhatsApp portal or circulation of memo as part of communication in regards of MSPO.		
	Status:	Ok
4.2.2.2 Indicator 2: The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).		
Mr. Muhd. Khairi bin Abdul Kudus [Asst. Mill Manager] appointed [letter dated on 05/07/17 approved by mill manager] as the responsible for communication and consultation with the local communities and other interested parties. The appointment letter also clearly indicates the roles and responsibility of the person.		
	Status:	Ok
4.2.2.3 Indicator 3: A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.		
There are 2 types of stakeholder lists, 1 st on the complex level that covers broader scale and 2 nd for immediate stakeholder for respective sites. The latest reviewed of immediate stakeholder list consists of government agencies, JKKK and other interested parties. The meeting minutes with stakeholder are effectively documented. The complaint and feedbacks during centralize stakeholder meeting was responded by estate management [on behalf for mill] in the minutes dated 30/05/17. Latest stakeholder list for mill dated on 16/04/18.		
	Status:	Ok
4.2.3 Criterion 3: Traceability		
4.2.3.1 Indicator 1: The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.		
The mill has implemented SOP for Traceability FGVPM-RSPO SCC-3.0, dated 01/12/17 and to provide guideline to establish sustainable supply chain and traceability for FFB, CPO and PK. Sampled weighbridge tickets internal and external FFB suppliers that were cross verified against the computed figures and approved vendor list, no discrepancies found. Traceability from estate to mill is the "Nota Hantaran BTS" that consist of running number, date, weight, and transport details. In the weighbridge station, the MPR system [Mill Performance Report] installed to captured incoming of FFB and outgoing of CPO and PK.		
	Status:	Ok
4.2.3.2 Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.		
Internal audit by the sustainability team was conducted on 10/01/18 includes traceability that covering the 4 indicators in the criterion 3. The assessment is conducted on annual basis. During mill visit, sighted the weighbridge operator able to demonstrate on how the system tracks the FFB input and how does the supply bases register in the "Approved Sustainable Supplier List".		
	Status:	Ok

4.2.3.3 Indicator 3: The management shall identify and assign suitable employees to implement and maintain the traceability system.

The person in-charge is the assistant manager, verified "Job Scope" that stated his role on implement and maintain traceability system. The records for traceability training dated on 09/01/18 to the respective supporting personnel seen maintained.

Status:
Ok
4.2.3.4 Indicator 4: Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.

Sampled weighbridge tickets [Feb-May'18] were cross-checked for the delivery of non-certified CPO against the shipping instruction from logistic department. The daily production record [throughput for 20/04 – 05/05/18] were reviewed to cross-check against the daily ullage measurement taken every morning. The amount of FFB processed was cross-checked against the amount received. Example, weighbridge tickets include contract number. CPO delivery order weighbridge tickets include contract number.

Status:
Ok
4.3 PRINCIPLE 3: COMPLIANCE TO LEGAL REQUIREMENTS
4.3.1 Criterion 1: Regulatory requirements
4.3.1.1 Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

Below permits and licenses were verified for compliance:

- MPOB license for FFB, PK, CPO, SPO from 01/04/18 until 31/03/19, Fee = RM 1,500.00 per year (license number 500158004000).
- Sighted license Jadual Pematuhan Kilang Sawit Serling No. 004973 dated 30 June 2017 for the period of 1st July 2017 until 30th June 2018 with Capacity Maximum: 60 MT/Hours.
- Schedule Form A – Poison Ordinance 1952 to purchase, store and use of Sodium Hydroxide – NC 0022/2018.
- Permit for diesel – 24,000 Liter, 06/02/18 – 05/02/19
- **Observation - The mill management has initiated the Fire Certificate application [Fire Services Act 1988 and Fire Services (Fire Certificate) Regulations 2001. Seen the application letter to Bomba on 22/12/17 which the acknowledged the acceptance 28/12/17. A visit by Bomba was done on 28/02/18 which resulted a timeline till 01/04/19 given to rectify the issues found during their inspection.**
- Water extraction Negeri Sembilan 01/07/18 – 31/12/18 – Akta Air 1920 [Act 418], Sek 7(4) for 262,800.00m³
- Certified Environmental Professional in Waste Management (CEPSWAM) No. CePSWaM/183002 dated 20/12/17 until 20/12/18 (Mohammad Zubir Bin Mohamad Zaki).
- Certified Environmental professional in the Treatment of Palm Oil mill Effluent – Pond Processes (CePPOME) No. CePPOME/15104 - Mohammad Zubir Bin Mohammad Zaki [01/12/15–01/12/16]. Mr. Zubir has submitted his FTR [Field Training Report] and attended the interview session with EMAS on 23/11/17. The announcement of result still pending.
- Competence person as Charge man - Mohd. Nasir Jamaludin [850217075763] PJ-T-4-B-0267-2015, expires 04/07/18.
- Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 – report to DOE sighted for 1st quarter dated on 23/04/18 [ref. ASNS(B) 31/152/000/002]. Total CPO produced 16,019.28 MT / total FFB processed 86,290 MT and total water consumed was 94,919 cubic meter(m³).
- **Observation - The license number in the QRF is different [actual is 004973 but appears 000234]**
- Sampled for air emission monitoring for Boiler 3 – PMD 731 – 1100kW – 24 bar pressures [Clean Air, Reg. 2014], by MZ Enviro Testing & Consulting on 10/01/18. Result found with not exceeding the limit Ringelmann Smoke Chart1, 118.95 / 150mg/Nm³ of TPM and 27.96 / 500mg/Nm³ of Sum of SO₂ & SO₃.
- Competence person for ERT – by Bomba [Abu Bakar Yusoff - 691225-10-6021]
- Competence person for first aid and CPR -by Malaysian Red Crescent [Mohd Nasir Jamaludin – 850217-06-5763]
- Steam Engineer Gred 2 – Mahadi Mohammad [025/2018]

<ul style="list-style-type: none"> Authorized Entrant and Standby Person for Confined Space [Aiden] 26/02/20 by Niosh. Weighbridge machine calibration – 70MT expires 08/10/18 [MCM/NSB/LP-Ujian/2017(697)] Weighbridge machine calibration – 50MT renewed 01/06/17 [B1392 85 925] Initial Noise Monitoring was done on 09/08/04 by Specialist Mobile Safety Supplies S/B. based on the result – Sterilizer station 85-100dB, Press station [87-91dB], Nut plant [91-96dB], Oil room [87-88dB], Engine room [97-100dB] and Boiler room [87-99dB]. Boundary noise test was conducted in April 2016, result 89.3dB [Nominal Sound Pressure Level is 94dB] Annual & Baseline Audiometric Testing done from 21/04 – 12/05/17 as per required by the Noise Regulation for Workplace 1989, found hearing impairment-profound (25 workers) and another (19) with standard threshold shift that required an audiometry test recommended within 3 months. Verified the re-test report dated on 12/08/17 for 17 workers as 2 resigned prior to the test. The final report is still pending at consultant which will allows the mill management to execute further processing with D.O.S.H. 		
Status:		Obs
4.3.1.2 Indicator 2: The management shall list all relevant laws related to their operations in a legal requirement register.		
There is a "Legal & Requirements Register" established by the PSD [Plantation Sustainable Department] which verified for compliance by the Mill's Asst. Manager & Manager. Seen a compliance checklist established for monitoring of environment, safety, and health, etc. Sighted the list of compliance updated and circulated to mill by the sustainability team from HQ.		
Status:		Ok
4.3.1.3 Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.		
There is annual RSPO/MSPO Internal Consultative Assessment by the PSD. Seen the assessment covers requirements such as Fire Services (Fire Certificate) Regulations 2001, Occupational Safety and health Act 1994, Environmental Quality Act 1974, Factories, and Machinery (Safety, Health, and Welfare), Factories and Machinery (Noise Exposure) Regulations 1989, etc.		
<u>Observation:</u> There was an update on Electrical Supply Act 1990 (Amendment 2015). The communication from PSD to mill needs further enhancement as sighted the LORR not reflecting the amendments accordingly. The operating unit to be made known on the changes and what are the potential impact to respective operating units. Aside, the references made to the requirements of MPOB and Worker's Minimum Standards of Housing & Amenities Act 1990 needs to be review on what are applicable regulation that the mill to comply with.		
Status:		Obs
4.3.1.4 Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.		
The identification of changes is the responsibility of PSD in HQ whom shall notify in written to the mill's representatives of the changes which normally the assistant manager. It then the PIC to delegate the information within the related mill staff. As for the issues concerning to environment and OHS, it is the responsibility of EHS unit [under the arm of PSD] to update and implement the changes. For the issues related to foreign workers, the Worker Management Unit will liase with respective sites. The HR team co-ordinates on wages concern issues with all operating units.		
Status:		Ok

4.3.2 Criterion 2: Land use rights		
4.3.2.1 Indicator 1: The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.		
This mill was commissioned on 26/09/83 with a processing capacity of 54MT/hr – an average of 288,00MT/year. The mill receives 13% of external crops, 72% from FGVP owned estates and others from smallholders. The POM's land title was registered on 15/08/07. No. PT 3326 – 79000m ² – HSM 1664, Mukim Seriting Hilir. There is a letter dated on 08/05/18 to the Land Office of Jempol district to secure a new Geran for effluent pond. Since the land with size of 20.3159 HA was sold by Felda Seriting 02, therefore sighted a letter from external land surveyor requesting for QT [Pelan Hakmilik] and LJT [Lembaga Jurukur Tanah] for the price quoting.		
	Status:	Ok
4.3.2.2 Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.		
Verified the land title registered on 15/08/2007. No. PT 3326 – 79000m ² – HSM 1664, Mukim Seriting Hilir found compliance. Verified the D.O.E license [004973] renewed for period Jun 2017 to Jun 2018.		
	Status:	Ok
4.3.2.3 Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.		
The mill perimeter found fenced from illegal entrance by outsiders. The mill has no plan of extension of operational area.		
	Status:	Ok
4.3.2.4 Indicator 4: Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).		
There are no communities nor individual has any implications for the legal status of their land.		
	Status:	Ok
4.3.3 Criterion 3: Customary land rights		
4.3.3.1 Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.		
There are no communities nor individual has any implications for the legal status of their land.		
	Status:	NA
4.3.3.2 Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.		
There was no traces of communities nor individual implications for the legal status of their land or have been disputes.		
	Status:	NA
4.3.3.3 Indicator 3: Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.		
No negotiation process involved.		
	Status:	NA

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
4.4 PRINCIPLE 4 : SOCIAL RESPONSIBILITY, HEALTH, SAFETY AND EMPLOYMENT CONDITION		
4.4.1 Criterion 1: Social impact assessment (SIA)		
4.4.1.1 Indicator 1: Social impacts should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.		
<p>Procedure FGV/ML-1A/L2-Pr21 - In- House Social Impact Assessment (SIA) dated 01/06/16. Latest SIA done on 09/01/18. The purpose of this study is to measure and to understand both positive and negative social impacts resulting from the mill operation or activities. Management had developed management plan to promote positive impacts and mitigate negative impacts resulting from the feedbacks received. Sighted the SIA have sampled various categories such as 6 from mill administration, 1 contractor, 4 from neighboring plantations and a canteen operator.</p> <p>The SIA is plan to be review annually as per required in the SOP. The negative impact categorized as emergency [to be respond within 6 months], short term [to be respond within 1 year], midterm [to be respond within 6 months – 1 year] and long term [to be respond within 2 years]. Among the negative impacts were the MSPO awareness rather low among interviewed stakeholders, facilities in canteen to be upgraded and EFB seen scattered on the main access road.</p>		
	Status:	Ok
4.4.2 Criterion 2: Complaints and grievances		
4.4.2.1 Indicator 1: A system for dealing with complaints and grievances shall be established and documented.		
<p>The mill is maintaining a SOP No. FGV/ML-1A/L2-Pr12 for Communication/Engagement/Negotiation as the consultation and communication procedures to relevant stakeholders. The SOP has outlined the context of request & response, consultation & communication, and complaint & grievance. There are evidences available that the SOP been communicated through training programs. Seen the Stakeholders Log Book for mill and at during verification time, no negative complaints made by internal/external stakeholders. Its more to request and response from workers, such as request to repair the roofing - leaking.</p>		
	Status:	Ok
4.4.2.2 Indicator 2: The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.		
<p>The procedure also indicates the time line for responding in FGV/ML-1A/L2-Pr12 [point 6.2.3] where the process of receiving and executing actions for complaint & grievances received consist in preliminary, stage 1 and stage 2.</p>		
	Status:	Ok
4.4.2.3 Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints		
<p>Seen there is a complaint box affixed at entrance to the office. There are empty forms attached to the box. The admin staff will collect any filled forms on daily basis.</p>		
	Status:	Ok
4.4.2.4 Indicator 4: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.		
<p>As per interviewed with stakeholders for external communication, the management takes the effort to give training during annual stakeholder meetings [189 participants attended the recent meeting]. During the external stakeholder meeting, sufficient briefing on complaint flow made. This was verified during stakeholder consultation, whereby all the attended stakeholders [JAS, JPS, JKS, Village Head and Contractors] agrees the mill provides information either through WhatsApp portal or during annual stakeholder meeting. Those attended acknowledged circulation of memo also received as part of communication in regards of MSPO.</p>		
	Status:	Ok

4.4.2.5 Indicator 5: Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.

Seen the internal and external stakeholders log book. At this moments, no negative complaints made by either party in the last 24 months. Its more to request and response from them for household maintenance which the mill management responded timely.

Status:

Ok

4.4.3 Criterion 3: Commitment to contribute to local sustainable development

4.4.3.1 Indicator 1: Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.

There was no significant contribution either monetary nor infrastructure by the mill for the local's sustainable development. This is possibly due to the location of the mill which surrounded by FGV and/or Felda managing plantations and any request from the external stakeholder's will be attention to estate. If there would be any miscellaneous request from the local communities such as food sponsorship during festive seasons will be communicated during public prayers session.

Status:

Ok

4.4.4 Criterion 4: Employees safety and health

4.4.4.1 Indicator 1: An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated, and implemented.

The amended Occupational, Safety, Health and Environment Policy sighted - Signed by the Chief Executive Officer of Felda Palm Industries Sdn Bhd - En Mohamad Saodi Husin dated 20 November 2017. The policy are written in Bahasa Malaysia, which stated that FGV(P) committed to delivering value to our stakeholders by operating in a sustainable and environmentally manner. This providing a safe and healthy work environment and balancing business objectives with environmental interest. Sighted the OSH plan in all respective unit for period of 2018, OSH plan includes among others: OSH training, medical surveillance, PPE use inspection and workplace inspection.

Status:

Ok

4.4.4.2 Indicator 2: The occupational safety and health plan shall cover the following:

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:
 - i) all employees involved are adequately trained on safe working practices; and
 - ii) all precautions attached to products should be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.
- h) Accident and emergency procedures shall exist, and instructions shall be clearly understood by all employees.

- i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals

A safety and health policy established which communicated and implemented. The risks of all operations been assessed and documented. Sighted Hazard Identification and Risk Assessment and Determining Control (HIRADC) & Environmental Aspect Impact (EAI) document (Under HAZARD & RISIKO File FPI/L2/QOHSE – 1.0 – Doc. No. FPI/L4/QOHSE-1.4 Pind 2, Dated 1/3/201) which set a standard in developing HIRADC & EAI aside of identifying all hazards and aspects in workplace and finally to assess risk of respective hazards/aspects and formulate control measure to mitigate them.

Seen the awareness and training programme which includes management of oil spillage, fire and emergency evacuation, first aider and etc. PPE records sighted for workers at laboratory, grader, Mechanical & electrical workshop, and boiler. Mill visit by auditor revealed workers wearing PPE according to job scope and PPE matrix. Seen the mill has established Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.

Emergency Shower / eye wash was sighted and tested at the Laboratory. A sample of the accident record was an incident on a workshop operator, Abu Bakar bin Ibrahim (Workers ID 1202805, IC 681223-02-5253) a Senior Operator (App. Mechanical) on 16 Nov 2017. Incident happened while he was cutting a pipe using a disc cutter. The disc cutter broke and the split blade injured his hands and fingers. He was treated at Jempol Hospital & Senawang Specialist Hospital. Report was made to SOCSO, JKKP and the Insurance company. The OSH committee headed by the mill manager with appointed secretary and committee members representing the employee and the employer from every sections. Regular meetings regards to OSH are held every 3 months, the last meeting on 01/01/18. The meeting are concern on health, safety and welfare, which discussed on work accident report, on-site inspection work reports, trainings and other emerging OSH issues.

Minor Non-conformity:

The mill has established the type of first aid kit that should be available at the work site namely 16 items, however based on observation to workshop in Seriting POM sighted that the first aid box provided is not complete according to the list. This is against the requirement of Factory & Machinery Act 1967, Regulation 38 of Safety, Health and Welfare – 4th Schedule

Status:

Minor

4.4.5 Criterion 5: Employment conditions

4.4.5.1 Indicator 1: The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.

An official statement on the document of policy of human rights, issued dated 01 June 2014, mentioned that the company committed to support of human rights. Under FGV's list of Sustainability Policies (Senarai Polisi Sustainability) No.12 – Polisi Hak Asasi Manusia (Human Rights Policy). Signed by the President & CEO of FGV Mohammed Emir Mavani Abdullah Dated 1/6/2014. Seen the policy displayed at main office and in the notice board at production area.

Status:

Ok

4.4.5.2 Indicator 2: The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin, or any other distinguishing characteristics.

The policy on equal opportunity is to ensure that all workers will be treated fairly and not involved or does not support repression of race, religion, nationality, disability, gender, age, sexual attraction, union labor and political body signed by President Director June 1st, 2014. Based on interview with boilerman and shawl driver, this policy has been socialized to workers during the roll-call and displayed in the work-station, housing notice board and office's information board.

Status:

Ok

4.4.5.3 Indicator 3: Management shall ensure that employees' pay, and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage		
The mill has determined of wage rate for local and foreign workers under the management of Felda Global Ventures Plantation (Malaysia) Sdn Bhd use the new payroll listed in Book of guidance rate wages in Mill (Bil 5/2017). The determination is not less RM 1000 per month for Peninsular Malaysia which approved by head of the palm oil cluster and Felda Global Ventures Plantation (M) Sdn Bhd Chief Executive Officer. Verified the payslip of mill workers for Feb'18 and Apr'18 with no workers received pay less than RM 1000, except those absent from scheduled work. Those workers on approved leave sighted with minimum wage of RM1000/- per month. Sighted the approval letter dated 26/04/16 for "Pay Deduction for Water – RM 4. As for Electricity – RM 6 in accordance to Sek 24, Act 1955 and cross verified the worker's payslip that deduction on electricity and water been made appropriately.		
	Status:	Ok
4.4.5.4 Indicator 4: Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.		
Mill does not employ any contract workers. Interview with contractors revealed their workers are local [driver] as loading of FFB done by estate workers.		
	Status:	Ok
4.4.5.5 Indicator 5: The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.		
Sighted the records of employee for the workers [100% local], workers including the management unit, staff, general workers, and auxiliary police. The list form has been divided into description of sex, date of birth, employee full name, mill working, the date of joining the company, and work designation description verified.		
	Status:	Ok
4.4.5.6 Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.		
The contract employment between the workers and management sighted including the offer of appointment, letter of employment, induction training for the new employee, offer of employment, acceptance form and training attendance records. Sighted the evidence of copy contracts of each workers available for all the workers, staff, and auxiliary police.		
	Status:	
4.4.5.7 Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.		
Sampled, "Penyata Gaji Bulanan untuk April 2018", for 3 workers. Documented payment for basic pay, shift allowance, normal days' overtime, holiday pay, phone reimbursement, defray expenses on accommodation and insurance reimbursement. Based on the site visit at Serling POM, there is available information regarding the working hours displayed at the Muster ground. Punch card system is being used at the mill to record working hours and OT.		
	Status:	
4.4.5.8 Indicator 8: The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.		
The working hours and breaks for the workers in the mill had complied with legal regulations. Sighted the pay slip for the workers that stated the overtime of the workers on daily works, overtime on holiday works, and overtime on public holiday. Based on the agreement made by the mill and workers, stated that "you may work overtime, and this is subject to approval from your manager. Overtime interpreted as "any work performed after normal working hours", the worker will be paid based on applicable rates in the employment Act 1955(EA). Sighted Perjanjian Bersama Antara Felda Palm Industries Sdn. Bhd & Kesatuan Pekerja-Pekerja PFISB Semenanjung (01/01/ – 30/12/18) referencing to Artikel 21 – Waktu Bekerja and Artikel 22 – Bekerja Lebih Masa.		
	Status:	Ok

4.4.5.9 Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
Sighted the pay slip of workers, that include wages and overtime for the payment. Sighted from the pay slip (Mar-May'18) of the workers that include name of workers, workers number, group number of workers, basic pay of workers etc. Based on the document observation, sighted the payment on minimum wages had been done in accordance with national law and regulation.		
	Status:	Ok
4.4.5.10 Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings		
Sighted from the pay slip, bonus pay for working during holidays and weekend, water supply to the housing area, medical for the workers [include medical examination at qualified hospital or medical assistant made by the mill, free accommodation for the workers, festival token for the workers (Hari Raya, Deepavali), foreign workers compensation scheme (FWCS), bearing the cost of return to own country in the event death, bearing the cost of return back to the country once the fixed term expired, 13 days annual leave and transportation and PPE Provided by the management.		
	Status:	Ok
4.4.5.11 Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.		
Based on interview with mill workers and asset data of May 2018, the mill has provided public facilities such as 28 units of workers housing - 3 rooms including a kitchen and a bathroom (class F), 3 units of class C, a Mosque, a government clinic, sundry shops owned by local communities and etc. The power source comes from government (TNB); the water source is from SAINS [Syarikat Air Negeri Sembilan Sdn Bhd]. Based on the site visit, mill workers are placed in a centralized compound with estate workers. Sighted from the visit adequate basic amenities such as electricity and clean water supply from SAINS [Negeri Sembilan state government-linked company responsible for water supply services in Negeri Sembilan]. The maintenance of the house had been done as a request basis and domestic waste had been collected twice a week. There is also nearby shop for the workers and staff to shop on groceries.		
	Status:	Ok
4.4.5.12 Indicator 12: The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.		
Sighted a published policy in Bahasa Melayu on sexual harassment and violence as well as the policy for reproductive rights, those documents were signed by the President & CEO FGV on 01/06/14. Estates and mill has been formed the gender committee to handle any complaint and grievance in associate with gender issues including but not limited to sexual harassment and reproductive. Minutes of meeting for gender committee/KKD at Serting Complex dated on 26/01/18, 0900hrs – 1230hrs held at Kelab Keluarga Dayabudi, Kilang Sawit Serting, Chaired by Puan Mashitah Bt Abd Wahab.		
	Status:	Ok
4.4.5.13 Indicator 13: The management shall respect the right of all employees to form and join trade union and allow workers own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.		
The Mill showed a policy of freedom of speech and membership policy approved by the FGV President & CEO dated 01/06/14. FGV gives the right to freedom of speech (in accordance with the law) and does not prevent individuals from joining unions or other registered unions and obtaining the existing FGV approval within the FGV group. The mill had done the Union Meeting with the workers, attended by the mill manager, assistant manager, lab operator, lab supervisor, assistant engineer of mill and local worker representative. Based on the minutes of meeting sighted between the workers and management , the transparency related to workers request has been made and collected in attendance records book.		
	Status:	Ok

4.4.5.14 Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.		
The Mill shows a policy on child labor approved by President Director & CEO of FGV dated 01/06/14. The FGV group does not allow individuals below 18 years to work under current law. Based on mill worker's list for period Jan'17 to May'18, there are no workers under 18 years. The youngest workers were born in 1996.		
	Status:	Ok
4.4.6 Criterion 6: Training and competency		
4.4.6.1 Indicator 1: All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.		
Training programs for officers / contractors for period 2018 sighted, such as OHS training for loading ramp workers, sterilizer workers, press workers, kernel workers, mechanical & electrical workshop, and others. Sighted the training records for "Pengisian Keatas Semak Stesen K, Plant" dated 17/04/18, "Fire Drill" on 14/05/18 was attended by 54 Participants, seen attendance record for "Tumpahan Minyak" dated on 14/02/18.		
	Status:	Ok
4.4.6.2 Indicator 2: Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.		
Sighted, document titled "FPISB Training Matrix Analysis, whereby training requirements within 2 years for 26 identified individuals. Training frequencies for "Core Training Requirements" such as (OSHA 1994, Hiradc, Nadopod 2004, Safety & Health Committee 1997, OHSAS Awareness, hearing conservation and chemical safety management). As for the "Non-Core Training Requirements" includes of theoretical training (PPE management, 5S, incident & investigation, ERP, safety policy, SDS, schedule waste management, electrical & fire & welding safety and SOP, first aid & CPR, and etc.)		
	Status:	Ok
4.4.6.3 Indicator 3: A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure		
The procedure manual [DOC NO. FPI/L2/QOHSE-1.0] titled Quality Planning, Hazard Identification, Risk Assessment, Determining Control and Environmental Aspects was prepared by mill manager and verified by Regional Executive (QOHSEMR HQ). Training Plan for each individuals according to their job matrix are scheduled for 2018, sampled:		
<ul style="list-style-type: none"> • For WWTP operator – Chemical Handling, Effluent Operation, Oil Spill and Schedule Waste • Workshop staff – Working at Height, Hearing Conservation, Fire Drill, OHSAS Awareness • All operation workers – Hiradc, fire safety awareness, safety committee and LOTTO • ERT team – confined space 		
	Status:	Ok
4.5 PRINCIPLE 5 : ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY AND ECOSYSTEM SERVICES		
4.5.1 Criterion 1: Environmental management plan		
4.5.1.1 Indicator 1: An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated, and implemented.		
Serting mill had updated an Environmental Aspect and Impact Register for year 2018. Relevant processes covered in the aspect and impact assessment. Sighted the form in form of Aspect and Impact environment and impact assessment for, FPI/L4/QOHSE – 1.7 amendment no. 2 that comprise all the workstation such as shredder and bunch press, weighbridge, grading FFB, loading ramp, sterilizer, crane threshing and press and etc. The mill had developed a manual procedure regarding preparation of facing emergency (emergency preparedness and responses)-no document FPI / L2 QOHSE potential emergency classified into emergency potential , inspection manual, frequency and peoples in charge of the emergency situation.		
	Status:	Ok

4.5.1.2 Indicator 2: The environmental management plan shall cover the following:		
a) An environmental policy and objectives b) The aspects and impacts analysis of all operations.		
The mill had made a procedure by FGV document number FGV/ML-1A/L2 – Pr. 1 issued number effective date on 01/06/16 that include scope, definition, procedure of identification aspect and impact of environment, identification and assessment of aspect and impact environment, and registration of aspect impact environment. Sighted the aspect and impact identification had been made into the form that comprise activity , product/ service → type of operation → input including water , energy resources, → volume discharge → output to land , water, and air → impact including past and potential incidence → evaluation criteria : legal, scale, severity, probability , change, damage, interested parties, public , total score , significance effect. Sighted the identification of Environmental Aspect and evaluation of Significance form no FPI/L4/QOHSE 1.7 amendment 1.		
Status:		Ok
4.5.1.3 Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.		
Monitoring and measuring performed for management program on regular basis. Monitoring report for final discharge point BOD reading observed for year 2017 and updated. All BOD & SS results showed within permissible limit. Action plan for mill reviewed and the progress was in line with planning. Sighted at the mill environmental management plan in place and been reviewed yearly referring to report of aspect impact through waste disposal. Sighted a file titled as “RSPO 2017 criteria 5.1/5.3/5.6” dated 13/11/17 with a management plan to reduce the impact on environment through the mill activities, Example, soil pollution – empty chemical container – action to collect the empty container and record in the collection storage – triple rinse and recorded. Sighted on “Lampiran 4” the criteria aspect/impact that will monitor the frequency of incident, severity and risk assessment by the management unit. This has been categorized as frequency [daily, weekly, monthly], severity [early, intermediated, heavy], risk assessed [level 1 & level 2], severe [preparation of objective and management program] and non-severe [lessen on the pollution and determination of control].		
Status:		Ok
4.5.1.4 Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.		
Sighted the continual improvement plan on Borang “Objektif Kualiti Keselamatan Kesihatan Pekerjaan dan Alam Sekitar”, number FPI L4/QOHSE – 3.1 Pind 0 the include in objective statement, such as to achieve BOD below 100 mg/l dan suspended solids below 250 mg/l, water usage below 1.20 Mt / tan FFB and to increase awareness amongst the workers. The mill had developed a manual procedure regarding preparedness of facing emergency (emergency preparedness and responses)-no dokumen FPI / L2 QOHSE potential emergency classified into potential emergency, manual inspection, frequency and person in charge. Sampled of effluent discharge into water course ,bund pond leakage, and water pipe effluent leaked – daily inspection and monitoring of effluent pond → laboratory. Another sampled was if overflow in diesel storage, storage of used lubricating oils, lubricant stores - checks and notes in logs - once a month - foreman, chief clerk.		
Status:		Ok
4.5.1.5 Indicator 5: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.		
Training programs for officers / contractors for period 2018 such as technical and OHS training for loading ramp workers, sterilizer workers, press workers, kernel workers, mechanical, and others; supply chain training for mill workers, MSPO awareness training, environmental training, and others. Training records for the period 2017-2018 such as; training and socialization of MSPO policy, Introduction for Foreign workers, chemical training, training the poison ban in buffer zone area, OHS training and others.		
Status:		Ok

4.5.1.6 Indicator 6: Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.		
Sighted the environmental meeting has been done on 05/03/18, minutes meeting with head department of environmental. Sighted the meeting had been done together with safety meeting, maintenance of mill operation, safety on the mill operation. On the other hands the mill workers had been advised to clean the area, waste collection as per schedule, black smoke emission under Ringleman chart 2, condition on BOD under control in the mill and effluent pond bund well-constructed. Sighted the action had been taken with person in charge.		
	Status:	Ok
4.5.2 Criterion 2: Efficiency of energy use and use of renewable energy		
4.5.2.1 Indicator 1: Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity, and energy efficiency in the operations over the base period.		
Several strategy which already implemented by mill are monitoring of fuel consumption, utilizing by-products (kernel and fiber) as source of energy (fossil fuel substitute) for the boiler operation. The anaerobic pond had been extracted and stored in a 3-digester tank to reduce the BOD of final discharge. Records of several strategy mentioned in the former is presented. Sighted the FFB process in the mill form Jan-Apr'18 in tonnage of FFB:		
i) 29180, 27240, 29240.00, 85,660.00 (Tons)		
ii) Litres diesel per ton FFB = 0.61, 0.56, 0.45, 0.57		
Sighted record diesel for the mill form month January to march = 6,891.00 litres , 5990.00 litres, 5877.00 litres, 6273.00 litres.		
	Status:	Ok
4.5.2.2 Indicator 2: Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.		
Sighted the shell and fibre form month of January until May 2018 comprise into dates, FFB process, shell usage, fibre usage, notes;		
i) January 2018 – Avg. FFB process: shell usage 29180, fibre usage 2276.04,		
ii) February 2018 – FFB process 27240: Shell usage 2124.72: fibre usage 3977.04		
iii) March 2018 – FFB Process = 29240, Shell usage 2280.72, fibre usage = 4269.04		
iv) April 2018 – FFB process 26870.00, Shell usage 2095.86, fibre usage = 3923.02		
v) May 2018 – FFB process up to 22 May 2018: 1 st May 2018- 22 May 2018 = 16010, shell usage 1248.78, fibre usage = 2337.46		
Sighted the usage of electricity record of usage Tenaga Nasional Berhad in the mill office, water pump, effluent and diesel for year 2018 →Electricity : January = 77581 kw/H, February =67910 kw/H, March = 58,235 Kw/H.		
	Status:	Ok
4.5.2.3 Indicator 3: The use of renewable energy should be applied where possible.		
Biogas had been installed in Seriting Mill however the biogas has not been operated since 18 th November 2016 – FPISB and AES AgriVerde Limited – letter of cessation crediting period. Sighted the termination of the license and emission reduction, purchase agreement shall take effect.		
	Status:	Ok

4.5.3 Criterion 3: Waste management and disposal		
4.5.3.1 Indicator 1: All waste products and sources of pollution shall be identified and documented.		
Sighted the identification of source and type of scheduled waste in the mill and non-schedule waste classified as scheduled waste – operation in mill [used PPE – land, air water pollution, spent chemical container / spent paint container, spent hydraulic / filter, used lamp & electronic waste and battery – from vehicles and mill]. The non-scheduled waste [tire, scrap iron, wood, paper / plastic / glass / cotton rags / aluminum, domestic waste and etc. Sighted the inventory made by the mill for April 2018:		
i) SW 306 – Hydraulic oil = 0.00 Ton ii) SW 305- Lubricant oil = 0.150 Ton iii) SW 410 – spent cotton gloves = 0.001 MT iv) SW 410 – Spent Filter – 0.007 MT		
Status: Non-Compliance		Ok
4.5.3.2 Indicator 2: A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:		
a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.		
Waste management program observed with disposal of scheduled waste to licensed collector and proper scheduled waste store had been made in waste management plan of mill. Sighted the source of pollution from mill activities: dark smoke → pome → waste oil → paper → electronic waste → domestic waste → action plan.		
<u>Minor Non-conformity:</u>		
The implementation of waste management not properly managed. Based on Field observation at Seriting Mill, it was observed of below findings:		
<ul style="list-style-type: none"> Spent Tires (Bobcat) was found at the sludge pit area and has not been kept at the proper storage area as per management plan Entrance and exit area of Empty fruit bunch storage has not been properly implemented according to waste management plan 		
Status: Non-compliance		Minor
4.5.3.3 Indicator 3: The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage, and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.		
Sighted the mill's SOP for the schedule waste "Procedure Pengendalian Bahan Buangan Terjadual" reference FPI – PK - 106 dated 4 th April 2017 that include objective, scope of procedure, responsibility, reference, procedure, handling and disposal of scheduled waste (empty drums), handling of scheduled waste using pump and the storage area of scheduled waste as per DG requirement.		
<u>Minor Non-conformity:</u>		
The mill unable to properly identified, store and dispose of scheduled waste item. Based on field visit at Seriting Mill, it was observed that the mill unable to identified as scheduled waste items such as spent lubricant drums near the scheduled waste store and spent Hexane & Isopropanol alcohol from the laboratory.		
Status:		Minor
4.5.3.4 Indicator 4: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.		
Domestic waste disposal for Seriting Mill has been made by UES Resources Sdn Bhd No 574, Seremban that will do the collection of waste at the mill and housing area. Sighted the collection of waste dated 8 th May 2018 as per reference number STG -4006/2018.		
Status:		Ok

4.5.4 Criterion 4: Reduction of pollution and emission including greenhouse gas		
4.5.4.1 Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.		
<p>Mill management unit has identified GHG emission sources, as well as its mitigation plan which issued by manager, presented as follows:</p> <p><u>Mitigation Plan:</u> monitoring, recording and analysis of diesel consumption for FFB transportation, reduction of chemical uses (liter), domestic waste management on monthly bases, waste separation (organic and non-organic) and no burning in waste management, paperless implementation (rim/month), recording on recycle (kg/month) and training to the respective worker.</p> <p><u>Mill Sources:</u> Boiler, uses of electricity, uses of Diesel, uses of Lubricant, final discharge, effluent treatment plant, composting and empty fruit bunches.</p> <p><u>Mitigation:</u> Monitoring and control of emission through maintenance, reduction of electricity consumption, reduction of diesel consumption, reduction of lubricant consumption, land application and EFB mulching.</p>		
	Status:	Ok
4.5.4.2 Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.		
<p>The mill had made a procedure by FGV document number FGV/ML-1A/L2 – Pr. 1 issued number effective date on 1st June 2016 that include scope, definition, procedure of identification aspect and impact of environment, identification and assessment of aspect and impact environment, and registration of aspect impact environment. Sighted the procedure of identification environment aspect impact, monitoring of aspect impact and environment. The flow summarized as verified by mill manager → identification aspect impact → chemical usage, natural resource utilization → normal → working procedure manual operation of palm oil sustainability → severe / non-severe – action by and suggestion of action → assistant manager.</p>		
	Status:	Ok
4.5.4.3 Indicator 3: Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.		
<p>Sighted the permit of effluent discharge licensed number 004973 validity from 01/07/17 until 30/06/18 for Seriting Mill at Bandar Seri Jempol. Based on the letter that stressed out on requirement of boiler from 400g/m³ increase to 150g/m³ started on 04/06/14. Sighted the license from Department of environmental Malaysia regarding the plan "General Site Plan-New Flow Line, No. Pela PMT/ED688/F Seriting /2006/SP01_2 dated 26/06/08, the final discharge to water course. Sighted the requirement of for Final Discharge:</p> <ul style="list-style-type: none"> i) BOD requirement 3days not More than 100mg/l ii) Suspended solid less than 400 mg/l iii) Oil and grease not less than 50 mg/l iv) Ammoniacal nitrogen not more than 50 mg/l v) Total nitrogen less than 200 mg/l vi) PH not less than 5.0 and more than 9.0 vii) Temperature not more than 45 degrees. <p>Based on the result analysis of Seriting Mill dated 02/03/18, 21/02/18, and 17/01/18, as per details:</p> <ul style="list-style-type: none"> • No. 1138/2018 → 01/18 → 21st Feb 2018 Final Discharge → Ph. 8.35 → BOD 3 Days 65 → COD 375 → total Solids 7100 → Suspended Solid 279 → Oil and Grease 1 → Ammoniacal Nitrogen 76 → total nitrogen 86 • No. 366/2018 → 01/18 → 17th January 2018 Final discharge → pH 8.37 → BOD 78 → COD 513 → TS 9596 → TSS 288 → oil and Grease 3 → Ammoniacal Nitrogen 24 → Total Nitrogen 40 <p>Based on the observation and document verification, sighted that the mill had not surpass the limit set by DOE and according to regulation and policies.</p>		
	Status:	Ok

4.5.5 Criterion 5: Natural water resources

4.5.5.1 Indicator 1: The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:

- a) Assessment of water usage and sources of supply.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all-natural waterways within the estate.
- e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.

Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

The mill had utilized the water from Syarikat Air Negeri Sembilan (SAINS) to supply the workers and mill consumption. Sighted the water treatment plan and the license of water abstraction as permit license number BKSA-JPL/700-111/2/1-39/2018/0528 Akta air 1920 and the water abstraction maximum capacity is 262,800.00 m3 form 1st July 2017 until 31st December 2018. the mill had done the water analysis for Sungai Serling dated 21st February 2018 and been divided into river upstream and downstream:

- i) River Upstream – 1139/2018 → PH 7.64 → BOD 12 → COD 83 → TS 91 → TSS 14 → Oil Grease 1 → Ammoniacal Nitrogen 10 → Total Nitrogen 17
- ii) River Downstream – 1140 /2018 → PH 7.42 → BOD 16 → COD 138 → TS 949 → TSS 98 → oil and Grease 1 → Ammoniacal Nitrogen 16 → Total Nitrogen 24

Status:

Ok

4.5.5.2 Indicator 2: Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.

Serling Mill had developed a conventional system pond for POME treatment that will phased out the effluent in the mill. Sighted the flow diagram of effluent treatment which include Sterilizer and Sludge trap → Condensate Sump → cooling pond → 2 Mixing Pond → 4 Anaerobic Pond → intermediate sump → 2 Facultative pond → 2 algae Pond A1 → 2 Algae Pond B2 → Bio polishing Plant → final Discharge. Based on the evident of finals discharge that being submitted to DOE , sighted that the analysis on final discharge is in accordance to the national regulation of Malaysia.

Status:

Ok

4.5.5.3 Indicator 3: Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.

Sighted the permit for effluent discharge licensed number 004973 validity from 01/07/17 until 30/06/18 for Serling Mill at Bandar Seri Jempol. Based on the letter that stressed out on requirement of boiler from 400g/m3 increase to 150g/m3 started on 04/06/14. Sighted the license from Department of environmental Malaysia regarding the plan "General Site Plan-New Flow Line, No. Pela PMT/ED688/F Serling /2006/SP01_2 dated 26/06/08, the final discharge to water course. Sighted the requirement of for Final Discharge:

- viii) BOD requirement 3days not More than 100mg/l
- ix) Suspended solid less than 400 mg/l
- x) Oil and grease not less than 50 mg/l
- xi) Ammoniacal nitrogen not more than 50 mg/l
- xii) Total nitrogen less than 200 mg/l
- xiii) PH not less than 5.0 and more than 9.0
- xiv) Temperature not more than 45 degrees.

Based on the result analysis of Serling Mill dated 02/03/18, 21/02/18, and 17/01/18, as per details:

- No. 1138/2018 → 01/18 → 21st Feb 2018 Final Discharge → Ph 8.35 → BOD 3 Days 65 → COD 375 → total Solids 7100 → Suspended Solid 279 → Oil and Grease 1 → Ammoniacal Nitrogen 76 → total nitrogen 86
- No. 366/2018 → 01/18 → 17th January 2018 Final discharge → pH 8.37 → BOD 78 → COD 513 → TS 9596

→ TSS 288 → oil and Grease 3 → Ammoniacal Nitrogen 24 → Total Nitrogen 40 Based on the observation and document verification, sighted that the mill had not surpass the limit set by DOE and according to regulation and policies.		
Status:		Ok
4.6 PRINCIPLE 6 : BEST PRACTICES		
4.6.1 Criterion 1: Mill management		
4.6.1.1 Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.		
Sighted the master copy of manual operation of Serting Mill dated 02/01/01 that include all the operation based on document FPI /L3 / 1-01 until FPI L3/16-01 that comprise form weighbridge, security, CCTV, grading FFB in Mill, Operational mill [sterilizing, threshing, FFB into Cage, tipper operation, transfer carriage, FFB Conveyor handling, releasing fruits from bunch,] and all the operation include in direct mill and details out of it. Sighted 141 list of the operation in total. Based on the field visit in the mill, storage area, weighbridge and mill operation, the SOP are adequately implemented throughout the process.		
Status:		Ok
4.6.1.2 Indicator 2: All palm oil mills shall implement best practices.		
The mill seen appropriately implementing the best practices throughout the operation base on the standard operating procedure of the mill. The mill has procedures and manual for operating the mill in form of:		
1. Manual Operasi Kilang Sawit which implement from 02/01/01 (revised on 19/02/16) in documents clear number identified for example operation from FFB receipt until SPO sell.		
2. Manual Operasi Makmal for laboratory since January 2001:		
a) Sample tacking - 14 activities in documents number from FPI/L3/14-01-01 until FPI/L3/14-01-14		
b) laboratory use tools - in documents number from FPI/L3/14-02-01 until FPI/L3/14-02-15		
c) Chemical material provision - in documents number from FPI/L3/14-03-01 until FPI/L3/14-03-17		
d) Calibration - in documents number from FPI/L3/14-04-01 until FPI/L3/14-04-15		
Status:		Ok
4.6.2 Criterion 2: Economic and financial viability plan		
4.6.2.1 Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.		
Serting Mill and its supply base has made long term work plan for 2018 – 2022. It consists estimation data of FFB projection, prices per ton, revenue, operating cost, total cost and profit. The document also equipped with 10 years' production backward, hectare statement, yield, OER/KER and CPO/PK projection. Based on interview with manager known there is no land expansion plan or mill capacity extension as at audit date.		
Status:		Ok
4.6.3 Criterion 3: Transparent and fair price dealing		
4.6.3.1 Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.		
Daily pricing for FFB is displayed near the weighing bridge. Price A – For FTP, Felda Price B-FGV, Private Price is set by MPOB.		
Status:		Ok
4.6.3.2 Indicator 2: All contracts shall be fair, legal, and transparent and agreed payments shall be made in a timely manner.		
Tender displayed at notice board. Contractor submit price. Selection made by committee based on price, ability to carry out job, record of accomplishment/experience		
Status:		Ok

4.6.4 Criterion 4: Contractor		
4.6.4.1 Indicator 1: In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.		
Not Applicable as the engineering and infrastructure related works being done internally with support from other FGVP's mills. Nonetheless contractors are being called in for briefing on MSPO requirements.		
	Status:	Ok
4.6.4.2 Indicator 2: The management shall provide evidence of agreed contracts with the contractor.		
Contract agreement between the mill and contractor sighted. Sampled, SPK No. 33012080318 Dated 10/04/18 Quotation from BR Jaya Bina Enterprise to Fabricate footing and gearbox installation FFB No.4 and related works at Serting POM. Invoice from MZS Power Equipment (M) Sdn Bhd Invoice o. MZA/MV/1084 being charges for footing and gearbox installation FFB Conveyor No.2 and related works at Serting POM 25//18. No discrepancy found.		
	Status:	Ok
4.6.4.3 Indicator 3: The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.		
The mill was audited by MUTU MSPO auditors with full cooperation from the management units. Sighted audit plan which have been accepted by the Sustainability Manager. All the auditors are MSPO qualified auditors. As agreed, the respective operating units will accept the MUTU MSPO Auditors to verify through a physical inspection if required for audit purposed.		
	Status:	Ok
4.6.4.4 Indicator 4: The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.		
Mechanism of contractor pursuance towards PPE, has carried out through daily field checking and inspection which conducted by Foreman listed on document.		
	Status:	Ok

3.2 Identification of findings, Corrective actions, observations, opportunity for improvement and noteworthy positive components.

3.2.1 Noteworthy Positive Components at Stage-2

No	Description
1	The mill is maintaining zero discharge from POME to waterways.
2	Mill vertical sterilizing process seen advantage with less power and maintain cleanness.
3	Interview with sampled workers revealed, the mill management impose strict control measure on safety compliances.

3.2.2 Identification of Non-conformity at Stage-2 - Four (4) minor non-conformities were raised.

NCR No.	:	MSPO/Serting-01/18-P4	Issued by	:	Mahas
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	4.1.1.1 Indicator 1: A policy for the implementation of MSPO shall be established.			
Non-Conformance Description& Evidence observed: <p>The newly developed Group policy on MSPO should be communicated to internal and external stakeholders as part of implementation process prior to this audit as sighted no evidences the policy been circulated nor communicated to mill management. Aside, briefing the other sustainability policies to workers during toolbox meeting or morning roll call to be evidence with attachments of what are the policies been briefed and how does the presenter ensure the workers understand the content of policies.</p> <p>Currently there are 16 sustainability policies which were approved by Mr. Mohammed Emir Mavani Abdullah in 2014. It must be demonstrable on whether the current President & CEO of FGV has reviewed the adequacy of the policies as sampled policy for child labour "Polisi Pekerjaan Kanak-Kanak" which allows children to help in their family own farm, which contradict with audit findings that FGV only employs foreign or local workers whom above 18 years old for their estate operation.</p>					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by : WILL BE VERIFIED ON THE NEXT ASSESSMENT					

NCR No.	:	MSPO/Serting-02/18-P4	Issued by	:	Khairul Anuar
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	4.4.4.2 Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. (i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.			
Non-Conformance Description& Evidence observed: <p>The mill has established the type of first aid kit that should be available at the work site namely 16 items, however based on observation to workshop in Serting POM sighted that the first aid box provided is not complete according to the list. This is against the requirement of Factory & Machinery Act 1967, Regulation 38 of Safety, Health and Welfare – 4th Schedule.</p>					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:	WILL BE VERIFIED ON THE NEXT ASSESSMENT			

NCR No.	:	MSPO/Serting-03/18-P4	Issued by	:	Ebnu Holdoon
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	4.5.3.2 Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: <ul style="list-style-type: none"> Identifying and monitoring sources of waste and pollution. Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. 			
Non-Conformance Description& Evidence observed: The implementation of waste management not properly managed. Based on Field observation at Serting Mill, it was observed of below findings: <ul style="list-style-type: none"> Spent Tires (Bobcat) was found at the sludge pit area and has not been kept at the proper storage area as per management plan Entrance and exit area of Empty fruit bunch storage has not been properly implemented according to waste management plan 					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:	WILL BE VERIFIED ON THE NEXT ASSESSMENT			

NCR No.	:	MSPO/Serting-04/18-P4	Issued by	:	Ebnu Holdoon
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	4.5.3.3 Indicator 3 The palm oil mill management shall establish Standard Operating. Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage, and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.			
Non-Conformance Description& Evidence observed: The mill unable to properly identified, store and dispose of scheduled waste item. Based on field visit at Serting Mill, it was observed that the mill unable to identified as scheduled waste items such as spent lubricant drums near the scheduled waste store and spent Hexane & Isopropanol alcohol from the laboratory.					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:	WILL BE VERIFIED ON THE NEXT ASSESSMENT			

3.2.3 Opportunity for Improvement (OFI)

No	Ref. Std.	Description
1	4.1.3.1	Management review meeting was done on 16/01/18 attended by operation & office staff and the mill manager chaired the meeting. However, sighted the management review only covers internal audit findings, customer satisfaction and production process but does not covers the decision on any changes, modification, continuous improvement plan and timeline for the MSPO implementation.
2	4.3.1.1	The mill management has initiated the Fire Certificate application [Fire Services Act 1988 and Fire Services (Fire Certificate) Regulations 2001. Seen the application letter to Bomba on 22/12/17 which the acknowledged the acceptance 28/12/17. A visit by Bomba was done on 28/02/18 which resulted a timeline till 01/04/19 given to rectify the issues found during their inspection.
3	4.3.1.1	The DOE license number in the QRF is different [actual is 004973 but appears 000234]
4	4.3.1.3	There was an update on Electrical Supply Act 1990 (Amendment 2015). The communication from PSD to mills needs further enhancement as sighted the LORR not reflecting the amendments accordingly. The operating unit to be made known on the changes and what are the potential impact to respective operating units. Aside, the references made to the requirements of MPOB and Worker's Minimum Standards of Housing & Amenities Act 1990 needs to be review on what are applicable regulation that the mill to comply with.

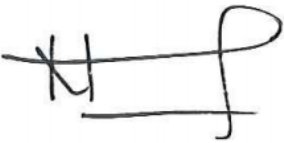

1.4 Summary of Arising Issues from Public, Management, and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Gender Committee of FGV Serting</p> <p>There is a feedback from gender committee chairman of FPISB Serting mill for the women staff at both estates. Sighted the respondent from Kelab Kebajikan Daya Budi are having a good response and feedback to the FGV Management.</p> <p>The relationship with the manager is good. There is a budget given for a year for the committee to run the activities in the mill. The Gender Committee in the estate had been involved in activities and such as cooking activity that involve women staff and the workers such as pudding made, and few sport activities.</p> <p>There is also meeting among them to discuss the request from women workers and staff, new amendment of company policies of woman rights, and also to discuss any sexual harassment that happen in the company.</p> <p>The committee also thanks the FGV management to keep on approving the budget for their activity throughout the years and concern about women.</p>	<p>FGV Palong 17 and Palong 18 will continue to follow the company policy and support the woman rights at their management unit.</p>

<p>Contractors of FFB Transportation</p> <p>2 Local contractors had been interviewed during the audit. 1 is local contractor for the electricity and one for the FFB transportation to Seriting Mill. The method of payment will be done by banking online and payment been made monthly basis based on the contract available and invoice.</p> <p>Sighted no complain has been logged in towards the mill and estate management and both contractors are satisfied with the managers and FGV Management handling the contract. The mill and estate management also giving information to the workers during signing the contract that the workers should obey the company policy, code of conduct and everything had been kept in a booklet send to the contractors and a copy of contract also kept by the contractor.</p> <p>There is also a request by contractors of FFB to extend the retendering of contract from 3 years to 5 years to cover the cost of upgrading the bin.</p>	<p>The company will continue to keep a good relation between the contractors and FGV Palong 17 and 18. The Feedback already been explained to the workers and further engagement will be enhanced.</p>
<p>FGV Foreign Workers Representative</p> <p>3 worker's representative had been interviewed in FGVM Ladang Palong 17 and Palong 18. 1 Indian worker, 1 Indonesian workers and 1 Bangladeshi workers had been interviewed. All of them had expressed a good feeling towards the management and satisfied the way management treat them fairly in the estate. The company also had provided a van to go the nearest town and given them a proper housing area to stay during works in the estate.</p>	<p>FGV Management will keep a good relationship with the foreign workers representative.</p>
<p>Policeman form Balai Polis Ladang Geddes</p> <p>Two Representative from Balai Polis Ladang Geddes had been interviewed. based on the interviews, there is no serious cases reported and the relationship and cooperation between estate manager and police station is good.</p>	<p>FGV Management will keep a good relationship with the police station of Ladang Geddes.</p>
<p>There was no feed-back received from NGO and External Stakeholders</p>	<p>No issues raised</p>

3.4 Summary of findings and Recommendation

MAJOR	MINOR	O F I
0	4	4
<p>Recommendation of Certification:</p> <p>Due to No Major Non- Conformity finding, Seriting Palm Oil Mill is <u>RECOMMENDED</u> for MSPO Part 4 certification.</p>		

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<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>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; margin-top: 100px;"> <div style="text-align: center;"> <p>Company Name Management Representative</p>  <p><u>Norazam Abdul Hameed</u> 06/06/2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Mahaswaran Maliyapan</u> 05/06/2018</p> </div> </div>

Appendix 1. Glossary

MSPO	:	Malaysian Sustainable Palm Oil
MPOB	:	Malaysia Palm Oil Board
ARM	:	Agriculture Reference Manual
BOD	:	Biological Oxygen Demand
BTS (FFB)	:	Buah Tandan Segar (Fresh Fruit Bunch)
CePPOME	:	Certified Environmental Professional in the Treatment of POME
CEMS	:	Continuous Emission Monitoring System
CPO	:	Crude Palm Oil
CHRA	:	Chemical Hazard Risk Assessment
CLC	:	Child Learning Centre
CSA	:	Conservation Site Area
CSR	:	Corporate Social Responsibility
COBC	:	Code of Business Conduct
COD	:	Chemical Oxygen Demand
DOE	:	Department of Environmental
EFB	:	Empty Fruit Bunch
EMS	:	Environment Management System
EPSM	:	Environmental Protection Society Malaysia
EQMS	:	Environment Quality Management System
FY	:	Financial Year
FPIC	:	Free Prior and Informed Consent
GHG	:	Green House Gases
HCV	:	High Conservation Value
HIRAC	:	Hazard Identification and Risk Assessment Control (HIRAC)
HSE	:	Health Safety and Environment
HQ	:	Head Quarter
IUCN	:	International Union for Conservation of Nature
KER	:	Kernel Extraction Rate
KKS (POM)	:	Kilang Kelapa Sawit (Palm Oil Mill)
LC	:	Land Clearing
LCC	:	Legium Cover Crop
LOTO	:	Log Out and Take Out
LTA	:	Lost Time Accident
MPOB	:	Malaysian Palm Oil Board
MSDS	:	Material Safety Data Sheet
NCR	:	Non-Conformance Report
NPP	:	New Planting Procedure
NWSDM	:	National Council of Welfare & Social Development Malaysia
NUPW	:	National Union Plantation Workers
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OHSAS	:	Occupational Health and Safety Assessment

OER	:	Oil extraction Rate
PANAP	:	Pesticide Action Network Asia and the Pacific
PK	:	Palm Kernel
PPE	:	Personal Protective Equipment
POME	:	Palm Oil Mill Effluent
POM	:	Palm Oil Mill
PSQM	:	Plantation Services Quality Management
PSS	:	Pictorial Safety Standard
RSPO	:	RoundTable on Sustainable on Palm Oil
RTE	:	Rare, Threatened, or Endangered
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SOM	:	Standard Operation Manual
SPMS	:	Sustainable Plantation Management System
SOCISO	:	Social Security Organization
SW	:	Schedule Waste
TQEM	:	Total Quality Environmental Management
WTP	:	Water Treatment Plan