

***Roundtable on Sustainable Palm Oil Certification  
R S P O***

**[√] Reduction Scope Certification**

**Name of Management Organisation** : Keratong 03 Palm Oil Mill, Felda Global Ventures subsidiary of FELDA  
**Plantation Name** : Keratong 03, Keratong 04, Keratong 05, Keratong 06, Keratong 07, Keratong 11  
**Location** : Bandar Tun Razak, Pahang, Malaysia  
**Certificate Code** : **MUTU-RSPO/064**  
**Date of Certificate Issue** : 1 JULY 2015      **Date of License Issue** : 1 JULY 2015  
**Date of Certificate Expiry** : 30 JUNE 2020      **Date of License Expiry** : 30 JUNE 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ST-1	10 – 11 September 2014	Mahaswaran Maliyapan	Ganapathy Ramasamy	Tony Arifiarachman
ST-2	13 - 17 October 2014	Mohan Thavarajah (LA), Yap Chin Hung, Oktovianus Rusmin, Muardi Marwas		
Reduction of Audit Scope	26 November 2015	Taufik Margani	Octo HP Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	28 July 2015
Additional Audit	11 December 2015

Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia  
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: [agri@mutucertification.com](mailto:agri@mutucertification.com) • [www.mutucertification.com](http://www.mutucertification.com)  
 MUTU Certification • Accredited by Accreditation Services International  
 on March 12<sup>th</sup>, 2014 with registration number **RSPO-ACC-007**

## **TABLE OF CONTENT**

### **FIGURE**

Figure 1. Location Map of Felda Keratong 03 + Mill	1
Figure 2. Operational Map of FELDA KERATONG 03 Mill and Keratong 03 Estate	2
Figure 3. Operational Map of Felda / FTP Keratong 04	3
Figure 4. Operational Map of Felda / FTP Keratong 05	4
Figure 5. Operational Map of Felda / FTP Keratong 06	5
Figure 6. Operational Map of Felda / FTP Keratong 07	6
Figure 7. Operational Map of FGVP Keratong 11	7

Abbreviations Used	8
--------------------	---

## **1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	9
1.2 Organisation Information	9
1.3 Type of Assessment	9
1.4 Location of Mill and Plantations	9
1.5 Description of Area Statement	10
1.6 Planting Year and Cycles	10
1.7 Description of Mill and Supply Base	11
1.8 Estimate Tonnage of Certified Product	11
1.9 Other Certifications	12
1.10 Time-Bound Plan	15

## **2.0 ASSESSMENT PROCESS**

2.2 Assessment Team	16
2.3 Assessment Methodology, Assessment Process and Locations of Assessment	16
2.4 Stakeholder Consultation and List of Stakeholders Contacted	18
2.5 Date of Next Surveillance Visit	18

## **3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	19
3.2 Summary of Assessment Report of Supply Chain Requirement	32
3.3 Conformity Checklist of Certificate and Logo Use	38
3.4 Summary of RSPO Partial Certification	39
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	45
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	52

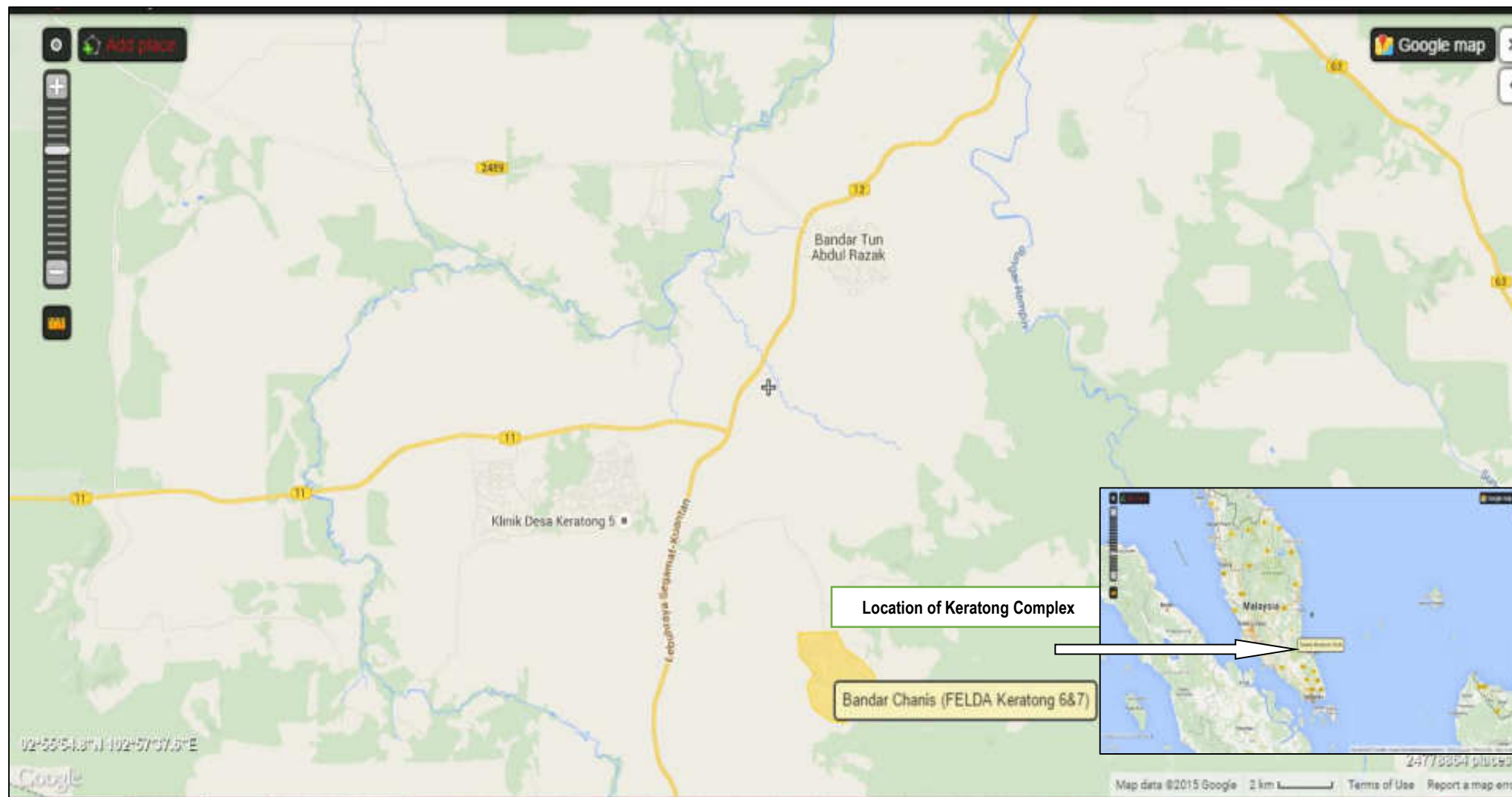
## **4.0 CERTIFIED ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1 Formal Signing of Assessment Findings	55
---	----

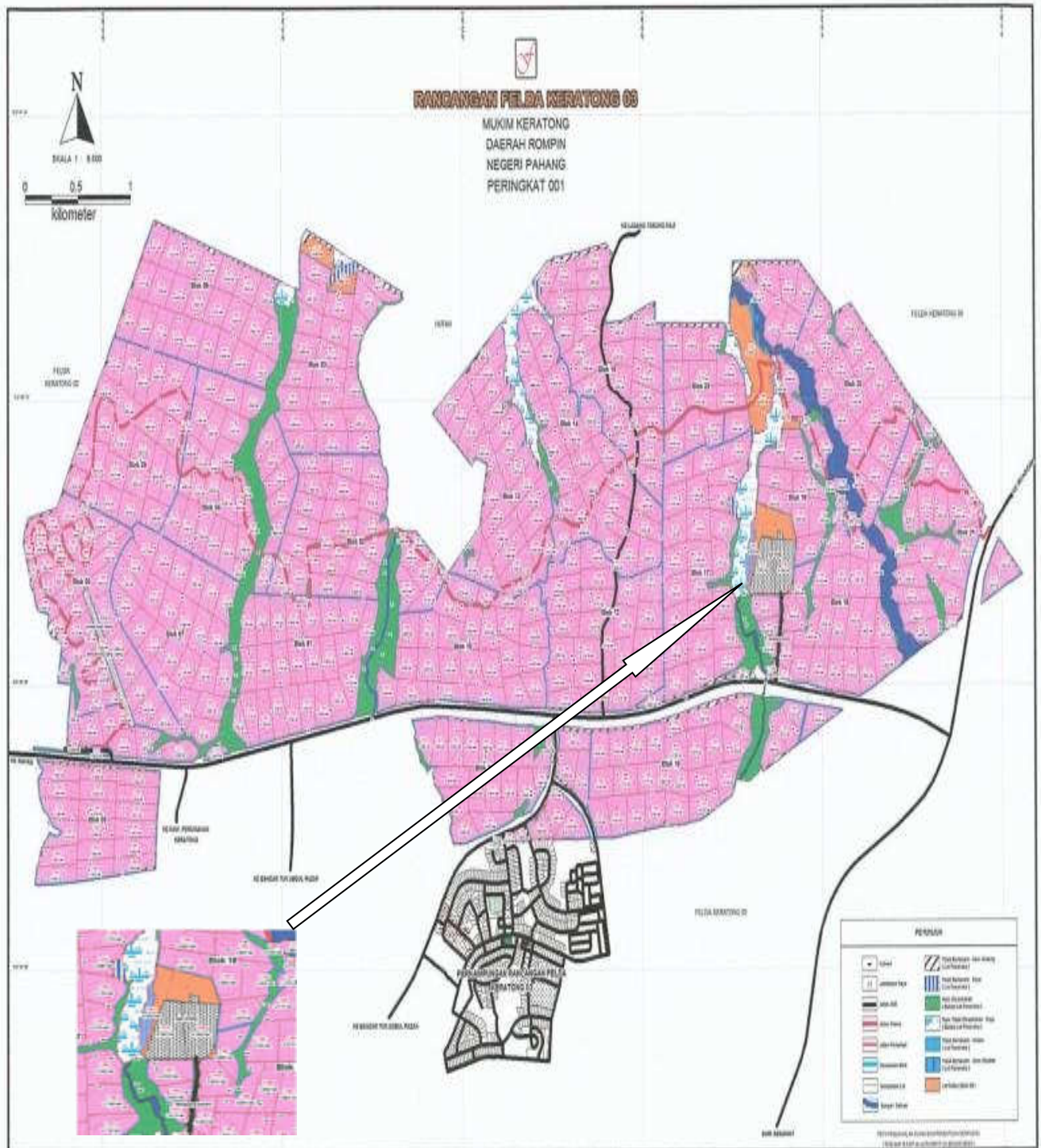
### **APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	56
2. Assessment Program	59

Figure 1 : Maps Location Of Supply Base

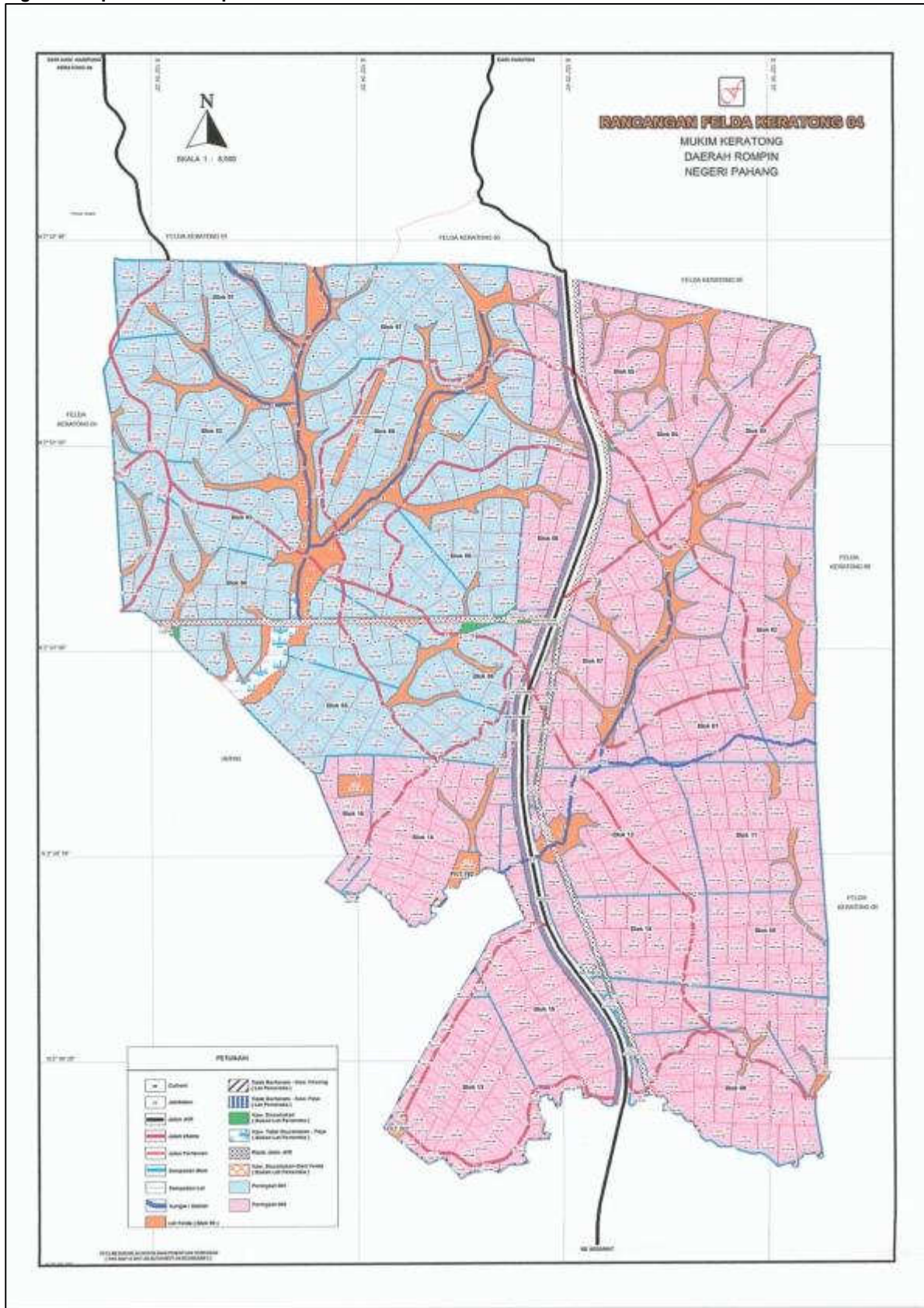


**Figure 2. Operational Map of FELDA KERATONG 03 Mill and Keratong 03 Estate**

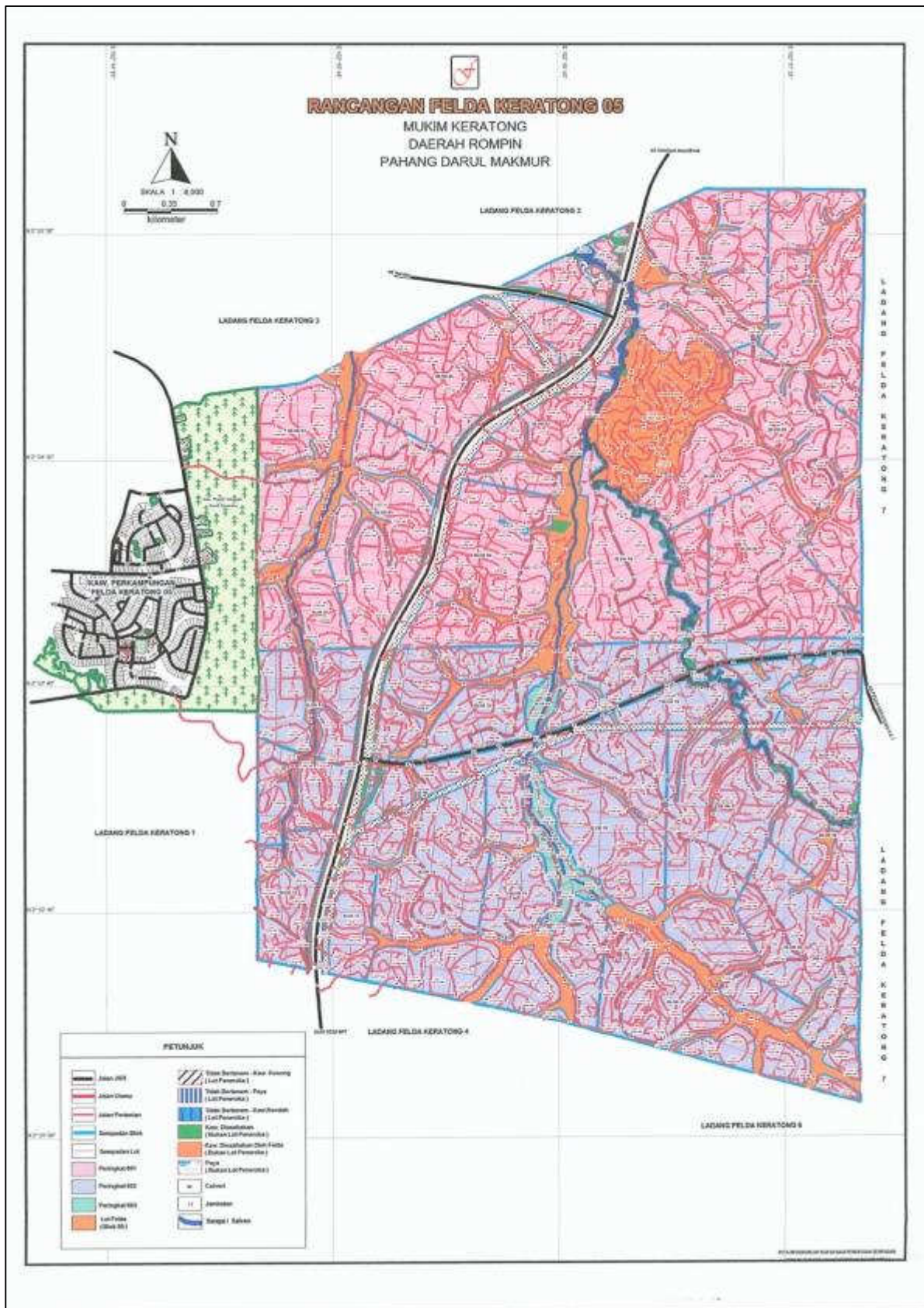




**Figure 3. Operational Map of FELDA / FTP KERATONG 04**



**Figure 4. Operational Map of Felda / FTP Keratong 05**





**Figure 5. Operational Map of Felda / FTP Keratong 06**

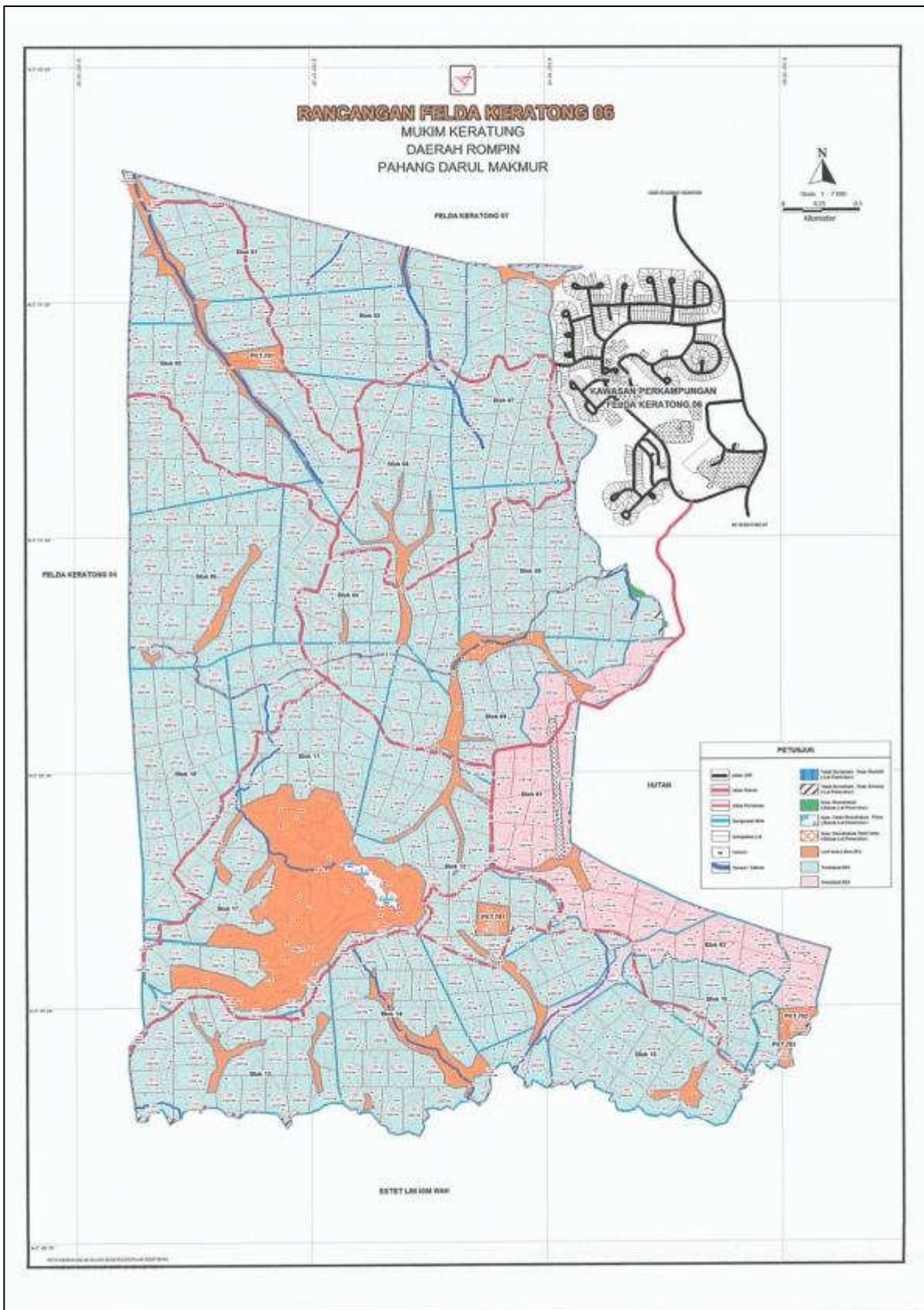


Figure 6. Operational Map of Felda / FTP Keratong 07

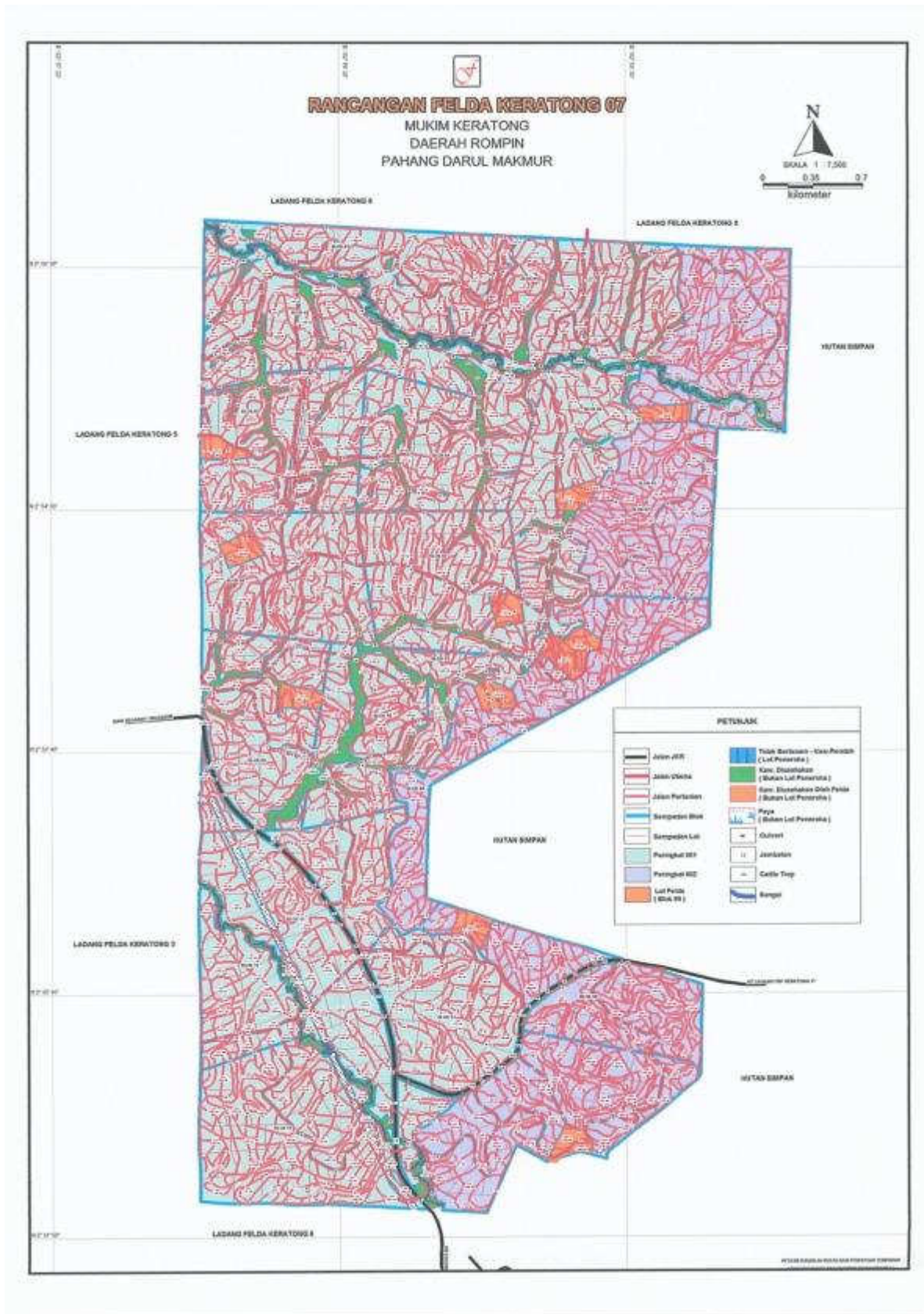
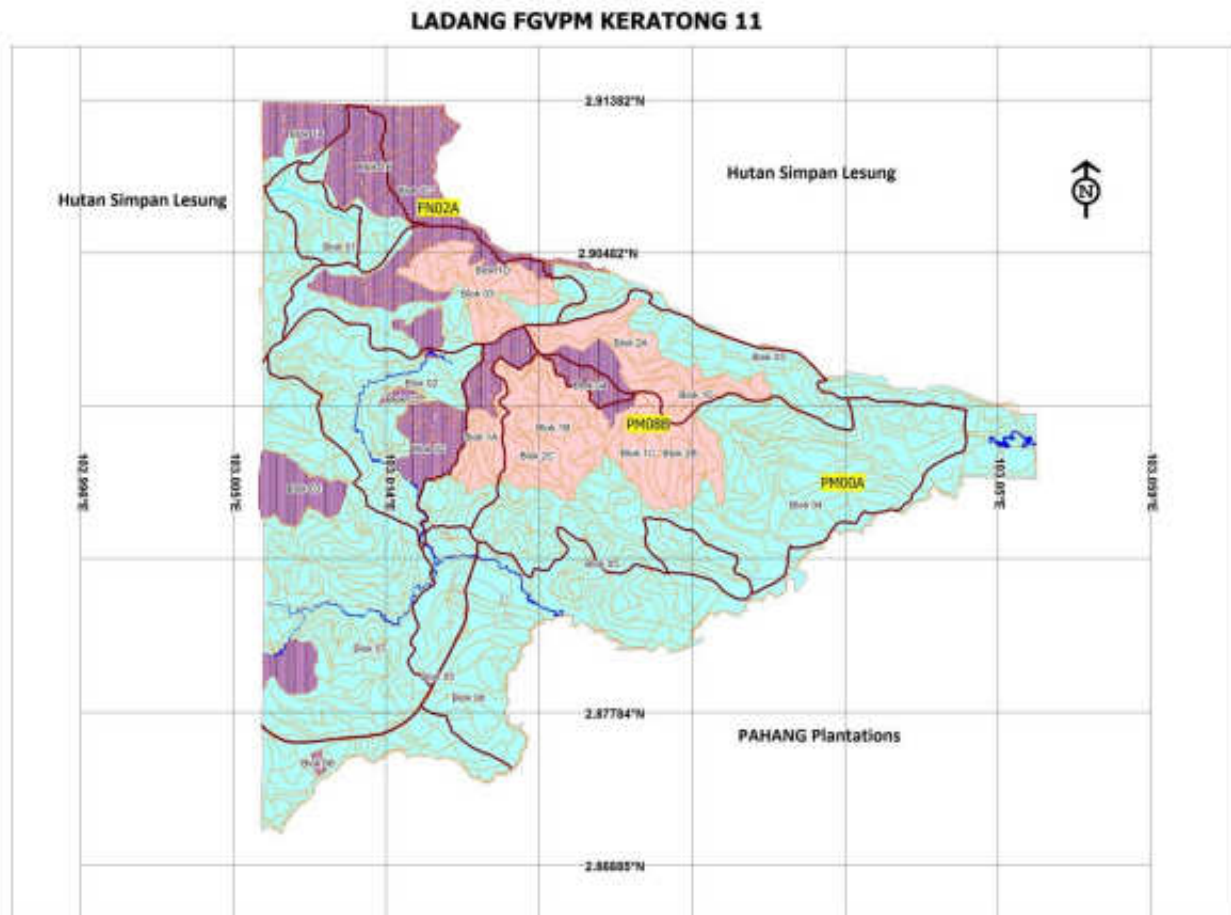




Figure 7. Operational Map of FGVP Keratong 11



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



1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>• <i>National Interpretation, RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production, Malaysia National Interpretation - RSPO MY-NIWG, April 2006 including smallholder NI</i></li><li>• <i>RSPO Supply Chain Certification Standard November 2011 for CPO Mill.</i></li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Felda Global Ventures – FELDA	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Organisation address and site address	PSQM, Felda Global Ventures Plantations (M) Sdn Bhd Tingkat 3 Balai Felda, Jalan Gurney Satu, Kuala Lumpur, Malaysia 54000	
1.2.4	Telephone	(+603) 2600 5349	
1.2.5	Fax	(+603) 2698 7816	
1.2.6	E-mail	<a href="mailto:anthonius.s@feldaglobal.com">anthonius.s@feldaglobal.com</a>	
1.2.7	Web page address	<a href="http://www.felda.net.my">www.felda.net.my</a>	
1.2.8	Management Representative who completed the application for certification	Mr. Anthonius Sani	
1.2.9	Registered as RSPO member	1-0013-04-000-00, 17 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Felda Global Ventures – FELDA: Keratong 03 Palm Oil Mill, FELDA / FTP Keratong 03, FELDA / FTP Keratong 04, FELDA / FTP Keratong 05, FELDA / FTP Keratong 06, FELDA / FTP Keratong 07, FGVP Keratong 11	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	KERATONG 03	Kilang Sawit Keratong 3, Peti Surat 21, 26900 Bandar Tun Razak, Pahang	N 2° 55' 24"E 102° 55' 41"
1.4.2	Location of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	FELDA/FTP Keratong 03 (501 smallholders)	Felda Keratong 03, 26900 Bandar Tun Razak, Pahang Darul Makmur.	N 2° 55' 08"E 102° 53' 24"
	FELDA/FTP Keratong 04 (582 smallholders)	Felda Keratong 04, 26900 Bandar Tun Razak, Pahang Darul Makmur.	N 2° 53' 50"E 102° 53' 38"
	FELDA/FTP Keratong 05 (529 smallholders)	Felda Keratong 05, 26900 Bandar Tun Razak, Pahang Darul Makmur.	N 2° 54' 53"E 102° 55' 38"
	FELDA/FTP Keratong 06 (415 smallholders)	Felda Keratong 06, 26700 Muadzam Shah, pahang Darul Makmur.	N 2° 55' 46"E 102° 56' 41"

	FELDA/FTP Keratong 07 (460 smallholders)	Felda Keratong 07, 26900 Bandar Tun Razak, Pahang Darul Makmur.	N 2° 59' 45"	E 103° 01' 21"				
	FGVP Keratong 11	Ladang Felda Keratong 11, 26900 Bandar Tun Razak, Pahang Darul Makmur	N 2° 53' 08"	E 103° 01' 05"				
1.5	Description of Area Statement							
1.5.1	Tenure							
	• Private (FGVPM)		1,196.40 Ha					
	• Community (Peneroka)		9,942.82 Ha					
1.5.2	Area Statement							
	• Total area		11,139.22 Ha					
	• Mature area		10,388.69 Ha					
	• Immature area		0 Ha					
	• Mill		5.75 Ha					
	• Emplishment		0.45 Ha					
	• Infrastructure		519 Ha					
	• Nursery		0 Ha					
	• Occupation		0 Ha					
	• Other area (roads, drain, office building, etc.)		225.33 Ha					
	• HCV		0 Ha					
1.6	Planting Year and Cycles							
1.6.1	Age profile of planting year							
	Hectarage							
	Planting Year	FELDA / FTP Keratong 03 (Ha)	FELDA / FTP Keratong 04 (Ha)	FELDA / FTP Keratong 05 (Ha)	FELDA / FTP Keratong 06 (Ha)	FELDA / FTP Keratong 07 (Ha)	FELDA FGVP Keratong 11 (Ha)	TOTAL
	2000						723.75	723.75
	2003	1872.78						1872.78
	2004		1995.43	1781.54				3776.97
	2005			19.37				19.37
	2006				1777.99			1777.99
	2007					1425.02		1425.02
	2008						129.5	129.5
	2010					532.32		532.32
	2011						130.99	130.99
	2012							0
	TOTAL	1,872.78	1,995.43	1,800.91	1,777.99	1,957.34	984.24	10,388.69
	Note: Total planted area for own managed smallholders (Urus Sendiri) 1,464.96 Ha in age profile of planting year							



	<ul style="list-style-type: none"><li>• Felda/Keratong 03 - 182.11 Ha</li><li>• Felda/Keratong 04 - 566.56 Ha</li><li>• Felda/Keratong 05 - 566.56 Ha</li><li>• Felda/Keratong 06 - 101.17 Ha</li><li>• Felda/Keratong 07 - 48.56 Ha</li></ul>						
1.6.2	New Planting area after January 2010			0		Ha	
1.6.3	Planting Cycle			2 <sup>nd</sup> Cycle		Years	
1.7	Description of Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Keratong 03	40	186,424.13	38,888	20.86	10,122.83	5.43
	*Source Production Data September 2013 to August 2014						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	FELDA/FTP Keratong 03 (447 smallholders)	2,015.43	1,872.78	35,676.46	19.05	35,676.46	100%
	FELDA/FTP Keratong 04 (655 smallholders)	2,116.83	1,995.43	39,808.83	19.95	39,808.83	100%
	FELDA/FTP Keratong 05 (320 smallholders)	1,885.88	1,800.91	35,243.81	19.57	35,243.81	100%
	FELDA/FTP Keratong 06 (375 smallholders)	1,853.34	1,777.99	32,466.10	18.26	32,466.10	100%
	FELDA/FTP Keratong 07 (440 smallholders)	2,071.34	1,957.34	29,203.51	14.92	29,203.51	100%
	FGVP Keratong 11	1,196.40	984.24	14,025.42	14.25	14,025.42	100%
	TOTAL	11,139.22	10,388.69	186,424.13	17.94	186,424.13	100%
	*Source Production Data September 2013 to August 2014. *FELDA Global Ventures Plantation (M) Sdn Bhd Letter on November 11th, 2015 number (32)FVPM/PSQM/SPO/HQ/01 regarding the exclusion of own manage smallhodlers (Peneroka Urus Sendiri) from RSPO certification scope in estates which have smallholders.						
1.7.3	Smallholders and other source						
	Name of sources	Members	Location	Supplied to Mill			
				FFB (tonnes/year)	%		
	Independent Smallholder (Peneroke Urus Sendiri)	Independent Smallholders - Non Certified RSPO	Felda Keratong, Pahang Darul Makmur.	28,875.67	100%		
	TOTAL					28,875.67	100%
	*Source Production Data September 2013 to August 2014						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						

1.8.1	Past Annual Claim Certified Product		Certificate Claim (tonnes/year)		Actual certified product (tonnes/year)		
	• FFB Production		N/A		N/A		
	• CPO Production		N/A		N/A		
	• Palm Kernel (PK) Production		N/A		N/A		
	** Certificate Claim will be verified during first Surveillance						
1.8.2	Estimate Claim Certified of FFB						
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	FELDA/FTP Keratong 03 (447 smallholders)		2,015.43	1,872.78	39,328	21	
	FELDA/FTP Keratong 04 (655 smallholders)		2,116.83	1,995.43	41,904	21	
	FELDA/FTP Keratong 05 (320 smallholders)		1,885.88	1,800.91	37,819	21	
	FELDA/FTP Keratong 06 (375 smallholders)		1,853.34	1,777.99	35,560	20	
	FELDA/FTP Keratong 07 (440 smallholders)		2,071.34	1,957.34	35,232	18	
	FGVP Keratong 11		1,196.40	984.24	17,716	18	
	TOTAL		11,139.22	10,388.69	207,560	19.98	
	*Projected FFB production for 12 months of certificate *Projected FFB's consist of FELFA core estate and Smallholders manage by FELDA/FTP (not include own manage smallholders)						
1.8.3	Estimate Claim Certified of Palm Product						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	KERATONG 03	40	207,560	43,588	21	11,623	5.6
	*Projected CSPO and CSPK production for 12 months of certificate *Projected FFB's processed consist of FELFA core estate and Smallholders manage by FELDA/FTP (not include own manage smallholders)						
1.9	Other Certifications						
1.9.1	ISO 9001:2008		YES				
1.9.2	ISO 14001: 2004		YES				
1.9.3	OHSAS 18001:2007		YES				
1.9.4	Others		-				
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
No	Management Unit	Address		Hectarage (Ha) *	Time Bound Plan (Planned Audit Year)	Status (Actual/Target Certification Year)	
1	Kota Gelanggi 6	Kilang Sawit Kota Gelanggi 6, W/Pos Felda Kota Gelanggi.27000 Jerantut, Pahang		10,334	Q4, 2009	Certified: 2010	
2	Lepar Utara 6	Kilang Sawit Lepar Utara 6, Peti Surat 12 &		11,538	Q4, 2009	Certified: 2010	



		2020 26400 Bandar Pusat Jengka Pahang			
3	Jengka 21	Kilang Sawit Felda Jengka 21, Bandar Pusat Jengka, 26400 Pahang	14,319	Q3, 2011	Certified: 2013
4	Jengka 3	Kilang Sawit Jengka 3, 26400 Bandar Jengka. Pahang	13,720	Q1, 2011	Certified: 2012
5	Jengka 8	Kilang Sawit Jengka 8, 26400, Bandar Tun Abdul Razak Jengka, Pahang	13,895	Q1, 2011	Certified: 2012
6	Lepar Utara 4	Kilang Sawit Lepar Utara 04, Peti surat 55, Pejabat Pos Bandar Pusat Jengka, 26400 Bandar Pusat Jengka, Pahang	9,415	Q3, 2011	Certified: 2012
7	Jengka 18	Pejabat Felda Jengka 18 (Seroja) palm Oil Mill, 26400 Bandar Pusat Jengka, Jengka, Pahang	12,296	Q3, 2011	Certified: 2013
8	Padang Piol	Kilang Sawit Padang Piol, 27040 Jerantut, Pahang	4,960	Q1, 2011	Certified: 2012
9	Adela	Kilang Sawit Adela, Po Box 73, Bandar Penawar, Kota Tinggi 81930 Johor	12,930.04	Q1, 2011	Certified: 2012
10	Lok Heng	Kilang Sawit Lok Heng, PO Box 55, 81907 Kota Tinggi, Johor	12,799	Q1, 2011	Certified: 2012
11	Semenchu	Kilang Sawit Semenchu, Peti Surat 63, 81907 Kota Tinggi, Johor	15,797	Q2, 2011	Certified: 2012
12	Wa Ha	Kilang Sawit Waha, Karung Kunci S24, 81907 Kota Tinggi, Johor	9,597	Q1, 2013	Certified: 2012
13	Bukit Kepayang	Kilang Sawit Bukit Kepayang, 28300 Triang, Pahang	10,164.44	Q4, 2011	Certified: 2013
14	Bukit Mendi	Kilang Sawit Bukit Mendi, 28320 Triang, Pahang	7,838	Q4, 2011	Certified: 2012
15	Kemasul	Kilang Sawit Kemasul, 28300 Triang, Pahang	10,150	Q4, 2011	Certified: 2012
16	Tementi	Kilang Sawit Tementi, 38300 Triang, Pahang	11,696	Q4, 2011	Certified: 2013
17	Triang	Kilang Sawit Triang, 28300 Triang, Pahang	10,142	Q4, 2011	Certified: 2012
18	Segamat (GC)	Felda Segamat Region Complex, KM 5, Jalan Genuang, 89000 Segamat, Johor	11,192	Q1, 2011	Certified: 2012
19	Belitong	Kilang Sawit Belitong, Peti Surat 61, 86007 Kluang, Johor	7,110	Q4, 2012	Certified: 2014
20	Bukit Besar	Kilang Sawit Bukit Besar, W/P Bukit Besar, 81450 Kulai, Johor	4,716	Q4, 2012	Certified: 2014
21	Kahang	Kilang Sawit Kahang, Karung Berkunci No. 533, 86007 Kluang, Johor	5,134	Q4, 2012	Certified: 2014
22	Kulai	Kilang Sawit Kulai, Felda Taib Andak, 81000, Kulai, Johor	7,531	Q4, 2012	Certified: 2014
23	Nitar	Kilang Sawit Nitar, Felda Nitar 2, 86700 Kahang, Johor	5,819	Q4, 2012	Certified: 2014
24	Penggeli	Felda Peggeli Palm Oil Mill, Peti Surat 28, 81440 Bandar Tenggara, Johor	9,456	Q4, 2012	Certified: 2014
25	Lepar Hilir	Pejabat Felda Lepar Hilir palm Oil Mill, Gambang, Pahang	14,575	Q4, 2012	Certified: 2014
26	Bukit Sagu	Kilang Kelapa Sawit Bukit Sagu, Peti surat 331, 26130 Kuantan, Pahang	11,684	Q4, 2012	Certified: 2014
27	Baiduri Ayu	Kilang Sawit Felda Baiduri Ayu, Peti Surat 29, Pos Cenderawasih, 91150 Lahad Datu, Sabah	7,450	Q4, 2013	Certified: 2014
28	Fajar Harapan	Kilang Sawit Felda Fajar Harapan, Peti Surat 27, Pos Cenderawasih, 91150 Lahad Datu, Sabah	13,668	Q4, 2013	Certified: 2014
29	Kembara Sakti	Kilang Sawit Kembara Sakti, Peti Surat 24, 91150, Cenderawasih, Lahad Datu, Sabah	10,208	Q3, 2014	2014/2015

30	Mercu Puspita	Kilang Sawit Mercu Puspita, Peti Surat 29, 91150, Cenderawasih, Lahad Datu, Sabah	12,734	Q3, 2014	2014/2015
31	Nilam Permata	Kilang Sawit Nilam Permata, Peti Surat 23, 91150, Cenderawasih, Lahad Datu, Sabah	8,359	Q3, 2014	2014/2015
32	Hamparan Badai	Kilang Sawit Hamparan Badai, Peti Surat 25, 91150, Cenderawasih, Lahad Datu, Sabah	17,212	Q3, 2014	2014/2015
33	Embara Budi	Embara Budi Peti Surat No. 28, 91105 Lahad Datu, Sabah	15,070	Q2, 2014	2014/2015
34	Lancang Kemudi	Lancang Kemudi, Felda Sahabat 45, Lahad Datu, Sabah	10,698	Q2, 2014	2014/2015
35	Kalabakan	Kilang Sawit Kalabakan, Peti Surat No. 62007, 91030 Tawau, Sabah	7,352	Q2, 2014	2014/2015
36	Umas	Kilang Sawit Umas, WDT 43,91009, Tawau, Sabah	8,356	Q2, 2014	2014/2015
37	Besout	Kilang Sawit Besout, 35600 Sungkai, Perak	12,201.80	Q3, 2014	2014/2015
38	Trolak	Kilang Sawit Trolak, Pejabat POS Sungkai, 35600 Sungkai, Perak	6,899	Q3, 2014	2014/2015
39	Krau	Kilang Sawit Krau, Peti Surat 17, 28700 Bentong, Pahang	14,619	Q3, 2014	2014/2015
40	Pancing	Kilang Sawit Pancing, Peti Surat 257, 25730 Kuantan, Pahang	3,850	Q3, 2014	2014/2015
41	Neram	Kilang Sawit Neram, Pejabat Pos Mini Felda Neram 1, 26160 Kuantan, Pahang	15,262	Q3, 2014	2014/2015
42	Mempaga	Kilang Sawit Mempaga, 28600 Karak, Pahang	7,648	Q3, 2014	2014/2015
43	Chalok	Kilang Sawit Chalok, 21450 Setiu Terengganu	8,730.67	Q4, 2014	2014/2015
44	Sg Tenggi	Kilang Sawit Sg. Tenggi, Felda Gedangsa, 44010 Kuala Kubu Bahru, Selangor	7,320	Q3, 2014	2014/2015
45	Serting	Kilang Sawit Serting, Bandar Baru Serting, 72109 Jempol, Negeri Sembilan	17,947.93	Q3, 2014	2014/2015
46	Keratong 2	Kilang Sawit Keratong 02, Peti Surat 28, 26900 Bandar Tun Razak, Pahang	15,276	Q3, 2014	2014/2015
47	Keratong 03	Kilang Sawit Keratong 03, Peti Surat 21, 26900 Bandar Tun Razak, Pahang	12,036.48	Q3, 2014	2014/2015
48	Pasoh	Kilang Sawit Pasoh, 72300 Simpang Pertang, Negeri Sembilan	8,197.34	Q3, 2014	2014/2015
49	Kerteh	Kilang Sawit Kerteh, Beg berkunci No. 3, 23309 Ketengah Jaya, Terengganu	13,170.13	Q4, 2014	2014/2015
50	Selendang	Kilang Sawit Selendang, Pejabat Pos Kuala Rompin, 26800 Rompin, Pahang	13,944.20	Q3, 2014	2014/2015
51	Selancar 2A	Kilang Sawit Selancar 2A, Peti Surat 98, 85007 Segamat, Johor	8,399.40	Q4, 2014	2014/2015
52	Selancar 2B	Kilang Sawit Selancar 2B, Peti Surat 98, 85007 Segamat, Johor	7,555	Q3, 2014	2014/2015
53	Jerangau Barat	Kilang Sawit Jerangau Barat, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	1,556	Q4, 2014	2014/2015
54	Jerangau Baru	Kilang Sawit Jerangau Baru, Wakil POS Felda Jerangau, 21820 Ajil Terengganu, Terengganu	10,805	Q4, 2014	2014/2015
55	Palong Timur	Kilang Sawit Palong Timur, Peti Surat 2, 73400 Gemas, Negeri Sembilan	26,331	2014/2015	2015
56	Serting Hilir	Kilang Sawit Serting Hilir, 72120 Bandar Baru Serting, Negeri Sembilan	24,689	2014/2015	2015
57	Maokil	Kilang Sawit Maokil, Jalan Kilang, Rancangan Felda Maokil, 85300 Labis, Johor	8,777	2014/2015	2015



58	Tenggaroh	Kilang Sawit Tenggaroh, 86810 Jemalung, Johor	16,812	2014/2015	2015
59	Tenggaroh Timur	Kilang Sawit Tenggaroh Timur, Karung Berkunci No. 534, 81907 Kota Tinggi, Johor	4,420	2014/2015	2015
60	Keratong 09	Kilang Sawit Keratong 09, Peti Surat 32, 26900 Bandar Tun Razak, Pahang	7,810	2014/2015	2015
61	Kechau A	Kilang Sawit Kechau A, Peti Surat 16, 27207 Kuala Lipis, Pahang	15,963	2014/2015	2015
62	Kechau B	Kilang Sawit Kechau B, Peti Surat 57, 27200 Kuala Lipis, Pahang	8,712	2014/2015	2015
63	Ciku	Kilang Sawit Ciku, Peti Surat 29, 18300 Gua Musang, Kelantan	10,796	2015/2016	2016
64	Aring B	Kilang Sawit Aring B, Peti Surat 46, 18300 Gua Musang, Kelantan	6,920	2015/2016	2016
65	Kemahang	Kilang Sawit Kemahang, Peti Surat 35, 17507 Tanah Merah, Kelantan	7,775	2015/2016	2016
66	Tersang	Kilang Sawit Tersang, 27600 Raub, Pahang	10,044	2015/2016	2016
67	Cini 2	Kilang Sawit Chini 2, 26690 Chini, Pahang	9,422	2015/2016	2016
68	Cini 3	Kilang Sawit Chini 3, 26690 Chini, Pahang	7,730	2015/2016	2016
69	Sampadi	Kilang Sawit Sampadi, Peti Surat 18, 94507 Lundu, Sarawak	7,680	2016/2017	2017
70	Air Tawar	Kilang Sawit Air Tawar, 81900 Kota Tinggi, Johor		2016/2017	2017
71	Pontian Plantation	Kilang Sawit Pontian Plantation, KM52 off Jalan Sandakan-Lahad Datu, PO Box 60525, 91114 Lahad Datu, Sabah	14,978	2016/2017	2017
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	All the outgrowers which supplies to Keratong 3 mill are planned to be in RSPO certifiable standard within three years after the mill certified. The progress of the outgrowers will be verified during the next assessment.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>2.1.1</b>	<b>Lead Assessor and Assessment Team</b>
<b>ST-2</b>	<ol style="list-style-type: none"> <li><b>Mohan Thavarajah (Lead Auditor).</b> He is an IRCA Lead Auditor and Lead Tutor for ISO 9001 as well as other integrated management systems (ISO 14001 and OHSAS 18001). He holds a Masters in Management of Technology from University of Technology Malaysia (UTM) and a Bachelor of Engineering from National University of Singapore (NUS). He has more than 25 years' experience in engineering, managerial, consultancy, training, and auditing in the industrial sector in Singapore, Malaysia, Indonesia, Thailand, Cambodia and other regional countries. Has successfully assisted corporations to establish, implement and maintain (Occupational Health Safety) OHSAS 18001 Management System, Environmental Management System (ISO14001), ISO22000 / HACCP Food Safety Management Systems and Quality Management System (ISO9001) by providing auditing, consultancy and training in the relevant areas for various manufacturing, engineering, plantation, service and government sectors. Currently he is the Intertek Regional Certification Manager. He was a CB Team member in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He was part of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2011. In Initial Audit Stage 2, he conducted an assessment on Legalities Aspects, Land Use Legality &amp; Environment Aspect.</li> <li><b>Oktovianus Rusmin (Auditor).</b> Indonesian Citizen. Bachelor's Degree in Social &amp; Political Sciences Department of Anthropology. Specialists in the field of Social and Cultural (Social Impact &amp; Conflict Resolution) and HCV. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001 Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSPO Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions and was approved as HCV assessor by RSPO for Social Discipline Specialist. Have been involved in several palm oil certifications as Auditor and Lead Auditor. In Initial Audit Stage 2, he conducted an assessment on Social aspect and worker welfare.</li> <li><b>Yap Chin Hung (Auditor).</b> Graduate from University of Malaya with a Bachelor of Engineering (Honours) Degree in Manufacturing Engineering. He is a member of the Institute of Engineers, Malaysia. He had consulted and trained clients from various industries such as chemical, metal fabrication, engineering, electronics, manufacturing, fabrications, plastics, construction and trading in setting up and implementing the Management Systems based on ISO 9001, ISO 14001, ISO 13485, ISO 2200, HACCP, GMP, FSC and OHSAS 18001. Along his service as ISO consultant, he has assist more than 100 companies to obtain the ISO certification from various Certification Body. Yap is also the associate auditor for QE Certification, UK helping in carrying out 3rd party certification audit for ISO 9001, ISO 14001, ISO 22000 and OHSAS 18001. In Initial Audit Stage 2, he conducted an assessment on Environment Aspect (EIA) and Health &amp; Safety aspect.</li> <li><b>Muardi Marwas (Auditor).</b> Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. He had been trained Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness greenhouse gas and Witness Distribution Quality Management Process (DQMP) APMEA. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. Initial Audit Stage 2 he conducted an assessment on Best Agriculture Practices and SCCS.</li> </ol>
<b>Additional audit – Nov 26, 2015</b>	<b>Taufik Margani (Auditor).</b> A bachelor of Forestry, Majoring in Forest Management Bogor Agricultural University in Forestry. He has led several audits for Forest Management in Indonesia under Accreditation Scheme of Indonesia Ecolabel Institute (LEI) and under scheme Forest Stewardship Council (FSC) and as Lead auditor for FSC Chain of Custody. Other experiences: Lead Auditor for Environment Management System, Quality Management System and RSPO. He has been working for independent Certification Body as General Manager for Resources Management Certification and he has conducted Environment Management System and RSPO audits in Indonesia and Malaysia.
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>

<b>ST-2</b>	Number of auditor : 4 auditors Number of days for Stage 2 at site : 4 days Number of working days for Stage 2 at site : 16 Working days
<b>Additional audit – Nov 26, 2015</b>	Number of auditor : 1 auditor Number of day additional audit (desk review): 1 day or 1 working days
<b>2.2.2</b>	<b>Detail process of assessment</b>
<b>ST-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the KERATONG 03 Palm Oil Mill under FELDA operation that consisting of 1 (one) Palm Oil Mill: and supplied by 6 (six) estates: FELDA / FTP Keratong 03, FELDA / FTP Keratong 04, FELDA / FTP Keratong 05, FELDA / FTP Keratong 06, FELDA / FTP Keratong 07, FGVP Keratong 11 to the requirements of Malaysian National Interpretation (MY-NI) – (Including Smallholder NI Approved by RSPO Executive Board November 2010. The Baseline NI Indicators and guidance are as in Approved NI 26 April 2008) and RSPO Supply Chain Certification Standard for CPO Mill, 25 November 2011.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results Stage 2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase.</p> <p>The auditor determined estate sample by using formula of <math>0.8 \sqrt{y}</math>. The sample taken was 3 estates from 6 estates. During stage 2, the sample estate taken are Keratong 3 Estate, Keratong 5 Estate and Keratong 11 Estate.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this stage 2. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of stage 2.</p> <p>The assessment program please find Appendix 2</p>
<b>Additional audit – Nov 26, 2015</b>	The additional audit was based on data from FELDA Global Ventures Plantation (M) Sdn Bhd Letter on November 11th, 2015 number (32)FVPM/PSQM/SPO/HQ/01 regarding the exclusion of own manage smallhodlers (Peneroka Urus Sendiri) from RSPO certification scope in estates which have smallholders; and reviewing the basic information for exclusion the independent smallholders.
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ST-2</b>	<p><b>The sampling taken are Keratong 03 Mill, Keratong 03 Estate, Keratong 05 Estate and Keratong 11 Estate.</b></p> <ol style="list-style-type: none"> <li><b>1. Harvesting Activities.</b> Interview with harvester for gathering information related to best practices implementation, PPE providing, welfare aspect, complaint mechanism, contract agreement of migrant workers, etc.</li> <li><b>2. Spraying Activities.</b> Interview with spraying operators for gathering information related to best practices spraying, PPE providing, welfare aspect, complaint mechanism, contract agreement of migrant workers, training of pesticide application, medical check-up, etc.</li> <li><b>3. Manuring Activities or Fertilizer Application</b> Rock Phosphate application. Interview with spraying operators for gathering information related to best practices spraying, PPE providing, welfare aspect, complaint mechanism, contract agreement of migrant workers, training of pesticide application, medical check-up, etc.</li> <li><b>4. Stakeholder consultation at Meeting Hall “Balai Raya”.</b> Gathering information from relevant stakeholders, such as settlers “peneroka/wati”, Teacher, Land Agency Officer of Rompin area.</li> <li><b>5. Riparian Zone.</b> River to ensure of riparian zone management according to conservation management plan.</li> <li><b>6. Field visit at settler/smallholder area.</b> Gathering information related to FELDA influence against community.</li> <li><b>7. Safety.</b> Interview with upkeep contractor and with migrant workers regarding the use of PPE, work skill and training, complaint mechanism, payments, facilities given by the company, labour permit facilities given by contractor, work agreement, social and health insurance.</li> <li><b>8. Supply chain verification.</b> Observation and interview with the operators regarding their job descriptions and</li> </ol>



	<p>responsibilities. Ensuring the operators' awareness on the Supply Chain System applied in the work.</p> <p><b>9. Processing Stage (from Loading Ramp to Dispatch):</b> observation on the processing steps of the FFB to become Crude Palm Oil (CPO), the implementation of OHS, the mill's emergency response facility, and First Aid facility.</p> <p><b>10. Hazardous Waste Temporary Warehouse.</b> Observation on the hazardous waste management that shall comply with the applicable regulations and interviews with the warehouse staff regarding the procedure of hazardous waste management, and the availability of the facilities to handle contamination and exposure.</p> <p><b>11. Water Treatment Plan:</b> observation on the pre-processed clean water supply.</p> <p><b>12. Waste Water Pond/ Disposal:</b> observation on how to handle the mill's effluent and the WWTP's condition, which is well maintained without any leakage and runoff.</p> <p><b>13. Workshop.</b> Observation on the safety signboard is available. The first aid box is available but the content of the first aid box is not complete.</p> <p><b>14. Chemical Store.</b> Observation on the chemical storage and the way the kept all the chemicals. The ventilation and security is proper.</p> <p><b>15. Worker interviews.</b> There some workers that the auditor interviewed and some of them are aware about OSH, sexual rights, and religious rights and racial. They are well aware on the pay and contract agreement between the employer and employee.</p>
<b>2.3</b>	<b>Stakeholder Consultation and List of Stakeholders Contacted</b>
2.3.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for <i>Keratong 03 Mill – Felda Global Ventures, FELDA</i> was held by:</p> <ol style="list-style-type: none"> <li>1. Public Notification 30 days before the initial assessment (13 September 2014) and uploaded on RSPO, company and certification body websites.</li> <li>2. Public consultation meeting with internal stakeholders by interviews and local stakeholders on 24 September 2014.</li> <li>3. Public consultation on 25 September 2014 conducted by visit to villages and interviews with local peoples including the smallholders (Peneroka).</li> </ol> <p>Numbers of input from stakeholders were clarified by the management units</p> <p><i>Please see table 3.6 summary of rising issues from public, management and auditor response.</i></p>
2.3.2	List of stakeholder contacted
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Visiting</b>
	The next Surveillance-1 will be determined nine to twelve months after the management unit held the certificate.

### 3.0. ASSESSMENT RESULT

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

MUTUAGUNG LESTARI has conducted an assessment of Keratong 03 Palm Oil Mill under FELDA operation that consisting of 1 (one) Palm Oil Mill: and supplied by 6 (six) estates: FELDA / FTP Keratong 03, FELDA / FTP Keratong 04, FELDA / FTP Keratong 05, FELDA / FTP Keratong 06, FELDA / FTP Keratong 07, FGVP Keratong 11 Estate.

During the assessment, there were four (4) nonconformities were assigned against Major Compliance Indicators; seven (7) nonconformities were assigned against Minor Compliance Indicators; and four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences. Those corrective actions taken that consist of four (4) Major non-conformities and two (2) Minor non-conformity had been closed out and all the nonconformances shall be monitored against the consistency and fulfillment during next assessment.

MUTUAGUNG LESTARI found that Keratong 03 Palm Oil Mill - FELDA operation complied with the requirements of **Malaysian National Interpretation (MY-NI) – (Including Smallholder NI Approved by RSPO Executive Board November 2010. The Baseline NI Indicators and guidance are as in Approved NI 26 April 2008) and RSPO Supply Chain Certification Standard for CPO Mill, 25 November 2011.**

Therefore MUTUAGUNG LESTARI Auditors recommend RSPO Certification of compliance to be **issued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1		
Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.		
The Felda Keratong 03 PMU has established a documented Communication Procedure document number ML-1A/L2-PR3 to address provision for adequate information for stakeholders. The time period to respond by the management unit is generally within 1 month from stakeholder letter / enquiry received. All records of requests for information are forwarded to the local estate or mill manager and recorded in enquiry/ grievance book for appropriate action to be taken.		
However, Major Noncompliance for 1.1.1 - Record Book for external stakeholder communication was not available at Keratong 05.estate. Only Record Book for settler's complaints and enquiries was available. <b>NCR. 2014.1</b>		
27 November 2014		
The Estate Keratong 5 has been sent an evidence of Record Book for external stakeholder communication. Based on the corrective evidence, the non-conformity is closed.		
1.1.1	Status: Major nonconformance 2014.1	Closed
1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
The documents that are publicly available are :		
▪ Land Titles ( by Pahang State Govt)		

- Safety and Health Plan (dated (09/09/14) Keratong 11, POM dated 15/01/2014
- Social Impact Assessment- (dated (09/09/14) Keratong05, (dated (09/09/14) Keratong 11, POM dated 15 Aug 2014 and 21 Aug 2014.
- Complaint and Grievance SOP ( ML-1A/L2-PR4).
- Mechanism of Negotiation SOP(ML-1A/L2-PR1).
- Continuous Improvement Plans.
- EAI Report (dated (09/09/14) Keratong 5.
- HCV Identification & Biodiversity Management Plan ( dated 02 Sep 2014).

<b>Status: Full Compliance</b>	
--------------------------------	--

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**
**2.1**

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

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

Licensing / permits , safety & health and environmental management eg: MPOB license , Factories and Machinery Act 1967, Occupational Safety and Health Act 1994, Environmental Quality Act 1974, Fire Services Act 1988, Poisons Act 1952, Employee Social Security Act 1969 (SOCSO), Employees Provident Fund (EPF), Employment Act 1955 and Industrial Relations Act 1967.

The Felda Keratong PMU has established and implemented a documented system for determining, reviewing and updating applicable legal requirements. It included the listing of laws and regulations that encompass safety, environment and labour legal requirements, among others.

**OFI MT 2.1.2 #1-** However, the FGV RSPO documentation could enhance the description of the control mechanism for establishing and updating of the legal register and associated licenses / permits related to RSPO requirements.

Minor 2.1.2	<b>Status: Opportunity For Improvement</b>
-------------	--

**2.2**

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

The lands were leased by Felda Keratong 03 from the Pahang State Government with the right to develop it for oil palm plantations or agriculture use. The legal use of the land by Felda Keratong 03 PMU was confirmed to be for cultivation of palm oil.

OFI - Copies of land titles or equivalent documentation should be available for reference at the document filing centre of Keratong 05 for administrative management purpose.

*Minor Noncompliance for Indicator 2.2.3 - However, the boundary marker maintenance checklist was not updated by estate PIC of Keratong 5 estates. NCR. 2014.2*

2.2.3	<b>Status: Minor nonconformance 2014.2</b>
-------	--

**2.3**

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

No cases of land claims or disputes in this Felda Keratong 03. As such this process is presently not applicable for this initial audit. Stakeholder interview with field staff, workers, and scheme smallholders of the Felda Neram PMU revealed that there have been no land disputes in the Felda Keratong 03 PMU.

<b>Status: Full Compliance</b>	
--------------------------------	--



**PRINCIPLE #3 Commitment to long-term economic and financial viability**
**3.1**
**There is an implemented management plan that aims to achieve long term economic and financial viability.**

The management units of Felda Keratong 03 PMU including Keratong 03 POM and sampled estates as below have established annual budgets in order to facilitate long term economic and financial viability. Annual replanting programme has been projected from FY2014 - FY2019. No replanting activities are envisaged for this period for all of Keratong 11 estate. Annual replanting programme has been projected from FY2014 - FY2019. No replanting activities are envisaged for this period for all of Keratong 5 estate.

Status: Full Compliance

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**
**4.1**
**Operating procedures are appropriately documented and consistently implemented and monitored.**

The latest document Standard operation procedures namely Manual ladang Lestari/FGV dated 2012. Relevant monitoring activity planned and documented well. For Mill, there are Manual Operasi Kilang Sawit dated 2010. Relevant monitoring activity like.

- Grading FFB
- Loading ramp
- Sterilizer station
- Thresher station
- Pressing station
- Digester station

Quality, Occupational Health & Safety and Environmental management system developed for mill observed. Accident and emergency procedure available in Manual procedure (FPI/L2/QOHSE-14.0) and instructions clearly understood by all workers.

Agronomy checking was conducted annually by Felda Agriculture Services Sdn Bhd (Company 353791-M). The last checking on 31/09/2013 by Mohd Najib Abd Rasid. All record and the action taken are maintained and documented into doc Felda Technoplant Sdn Bhd.

Status: Full Compliance

**4.2**
**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

Records of fertiliser inputs are maintained in the database set aside for this purpose and split into each estate, these details are readily available through the database system maintained by Felda Agricultural Services Sdn Bhd. Felda Agricultural Services Sdn Bhd also carries out regular annual tissue and soil sampling. The last tissue and soil sampling was carried out on November 2013 record held on fertilizer recommendation for 2014 & 2015 Leaf and Soil Nutrient level. Annual fertiliser inputs are then further recommended based on this data for future applications. The results of the analysis of the samples used to optimise fertilizer requirements. Keratong 11 Staff stated that all fertilizing activity are done this year, Keratong 5 fertilizing activity still in progress until the end of the year.

During the field observation, there was manuring on the smallholder area Block 7 Keratong 5. Application of NK – 27 with doses 2.5 kg/tree.

All palm by-products like empty fruit bunch are recycled. These are used as nutrients and are applied to improve organic matter and to substitute or supplement inorganic fertiliser. Fronds are also used to prevent erosion following pruning and after harvesting of FFB. Map shown the area on which EFB is applied and readable. Based on Field inspection in Blok 6 EFB was applied. Record of EFB applied, March 2014 144.85 ton, April 215.86 ton, June 98.87 ton, September 210.16 ton.

Status: Full Compliance

**4.3**
**Practices minimize and control erosion and degradation of soils.**

Felda has implemented soil conservation techniques such as cover crops planting, L-shape and terrace. In keratong 11 there is terracing in areas to reduce soil erosion. To prevent erosion, the pruned fronds placed in a position to reduce erosion in the form of frond boxing. Rainfall run off is minimised where necessary by construction of strategically placed drains. Based on filed inspection, Felda has implemented appropriate practices for minimising soil erosion. These include stop bunds on terraces, especially in sloping land. Based on field inspection in Keratong 11 and Keratong 5 estate, no bare soil within estates and no peat soils. All plantable area was planted by oil palm.

*Felda has implemented soil conservation techniques such as cover crops planting, L-Shape and terrace. Nevertheless, there is still lack evidence of appropriate slope and soil map as basic information for soil conservation implementation. **NCR 2014.3.***

4.3.1

Status: **Minor nonconformance 2014.3**
**4.4**
**Practices maintain the quality and availability of surface and ground water.**

During field inspection at riverside of Pesoh River Blok 6 Keratong 5, it was identified that riparian buffer zone as conservation area has clearly. The company do have marking "no pesticide spraying and no manuring" to protect the quality of water. Observed with sprayer and peneroka member, there is no agrochemical applied on 10 meters out riparian. Based on filed visit There was no rivers across through and Keratong 11.

*Sungai Paloh accross through Keraton 5 Estate. Regarding the natural waterways inside the Keratong 5 estate, there is still lack evidence of water quality monitoring at a frequency that reflects the estates current activities which may have negative impacts. **NCR. 2014.4.***

**27 November 2014**

The Estate Keratong 5 had sent evidence of water quality monitoring on 2014.

The company monitored the rainfall data as required by RSPO criteria & indicator. Daily records of rainfall data for each scheme were made available for inspection (doc Rainfall record). Rainfall data for last 3 year for Estates. Daily rainfall has been recorded since 2011 until August 2014. The data shown 2.074 mm (2011); 1185 mm (2012); 1191 mm (2013) and 328 mm (August 2014). The data was used in the water management for each scheme.

Felda monitored the rainfall data as well as their water consumption as required by RSPO criteria & indicator. Daily records of rainfall data for each scheme were made available. The data was used in the water management for each scheme. Rain water harvesting was not practiced at line sites, mill and estate complexes. And also the water usage in mill be monitored well.

- January 1.95 m<sup>3</sup> /ton TBS
- February 2.51 m<sup>3</sup> /ton TBS
- March 1.87 m<sup>3</sup> /ton TBS
- April 2.24 m<sup>3</sup> /ton TBS
- May 2.22 m<sup>3</sup> /ton TBS
- June 2.14 m<sup>3</sup> /ton TBS
- July 1.71 m<sup>3</sup> /ton TBS
- August 1.59 m<sup>3</sup> /ton TBS

4.4.3

Status: **Major nonconformance 2014.4**
**Closed**
**4.5**
**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.**

Felda monitored the toxicity of pesticides used, to date records, areas where pesticide have been used and documented into file doc PM08, Ladang keraton 11.

A number of beneficial plant species are used in biological control of pests. Among the plant species are *Turnera subulata*. *Turnera subulata* seen in Blok 11 Keratong 11. Naturally grown weeds were left to grow on exposed areas to serve as cover crops. Beneficial plant was planted along the road side and within the plantation, meanwhile In Keratong 11 and keratong 5 *Antigonon leptosus* was planted in Nursery, no added planting because dry season.

A number of beneficial plant species are used in biological control of pests. Among the plant species are *Turnera subulata*. *Turnera subulata* seen in Blok 11 Keratong 11. Naturally grown weeds were left to grow on exposed areas to serve as cover crops. Beneficial plant was planted along the road side and within the plantation, meanwhile Keratong 11 *Antigonon leptosus* was planted in Nursery, no added planting because dry season.

Status: Full Compliance

#### 4.6

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

SOP off all agrochemical used stated in the Manual Ladang Sawit Lestari docMLSL (ed.2) - Sec 4 (2.0) which is covered Methods of application, safety usage and appropriate PPE to be used. Pregnant and breast feeding no worked with pesticide. The chemical health risk assessment was conducted 9/5/2013 to 20/6/2013 by Dr Yasriza bin yahaya, a registered assessor, and occupational health doctor and hygenen technician. The assessment followed closely the guideline (CHRA Manual 2 edition) provided by department of occupational safety and health (DOSH) of Human Resources Ministry of Malaysia.

All pesticides used are approved by the MPOA like Methyl metsulfuron (Juru), Triclopyr butoxyel ester (Garlon), Paraquat/Kentec, Glyphosat (Ecomax), Glufosinat ammonium (basta), Chlorophacinon (Butik S). All pesticide used comply with the USECHH regulation 2000.

It was observed that the specific area for empty pesticide container rinsing and pesticide mixing yet to be established referring to environmental mitigation plan dated on 2/5/2014 and also pesticide act 1974. *There no place to wash off the knapsack and empty container. Pesticide store locked at the complex. Every work unit have a copy of chemical register and MSDS, like in chemical storage.* **NCR. 2014.5**

All pesticide operators have an annual medical check and records on file confirmed. Medical check by qualified medical doctor in Clinic Syed Badaruddin Sdn Bhd on 22.03.2014. Sprayer (Ahmad Yusup) have a medical checked and records on file confirmed. Exposure risk during the spray activity has been controlled on Personal Protective equipment. Based on field visit, the sprayer used PPE – avron, goggle and respiratory protection device. Sprayers are man. No women worker. Records of pesticide use are maintained and documented. Laboratory analysis quality CPO and Kernel, not chemical residues.

Occupational Saftey and Health Plan has not been effectively implemented at certain areas e.g:

- Sprayer like Sukri (New worker), Apipudin (harvester), Jamal Saodagar (harvester) does not checkup as requested RSPO CHRA for pesticide operators.
- It was observed that Gun/Nozzle wasn't installed in hose so that cannot work well. **NCR. 2014.6**

#### 27 November 2014

The Estate Keratong 5 had sent evidence of place to wash off the knapsack and empty container (on finishing process for establish). Based on the evidence it will observation on next audit visit.

The Estate Keratong 11 had sent evidence of medical surveillance of the workers (Sukri, Apipudin, Jamal Saodagar). The Keratong Mill had sent evidence of new set Gun and Nozzle was installed for each hose. Based on the evidence givens by Estate Keratong 11 and the Keratong POM will observation on next audit visit.

OFI The company should be clean up the floor specially at sterilizer station as recommended in HIRADC (Hazard



identification Risk Assessment).		
4.6.3 4.6.5	Status: <b>Major nonconformance 2014.5</b> Status: <b>Major nonconformance 2014.6</b>	<b>Closed with observation</b>
<b>4.7</b> <b>An occupational health and safety plan is documented, effectively communicated and implemented.</b>		
<p>The newest safety and Health policy dated 2 September 2014 signed by Abdul Halim Ahmad as Ketua Kluster Perlandangan. Total 85 staff available in palm mill oil. The OSH plan is documented in file 4.7.1 KKS Keraton 3, reporting to the government, OSH committee meetings and safe working procedure. The responsible persons in OSH has been identified, the latest period 2014 - 2015. Meeting held every 2 months – January, April, June, and August. Last Safety and Health meeting held on 21/4/2014, 02/6/2014 and 26/8/2014. Attendance from unit management and committee OSH and security. During the assessment the auditor have observed the training documentation</p> <p>Training for staff and records show that training included employees for mill. Training program include for Operator pressing, loading ramp, sterilizer and especially for operator which worked at high noise level station</p> <p>Each accident reported using an OSH form. Accidents are investigated by a safety committee. Report are given to unit management, government and Perkeso (Insurance). The number of days lost are recorded. In example accident by Razak Bin Awang da dated 17 January 2014, totally days lost 11 days. This year total days lost 11 days. All workers covered by accident insurance (Perkeso) and Takaful (optional). Perkeso gave assurance claim to Razak bin Awang, others like Abdul aziiz Bin abdul sukor, Abdul Rahim, Amirol azman, Azhar.</p> <p>HIRADC for Palm Oil Mill dated 15 January 2014 observed. The HIRADC covered the relevant production processes loading ramp, Steriliser, Boiler, Press, Kernel Plant, Loading Ramp, Effluent Treatment, workshop observed.</p> <p>Accident and emergency procedure available in Manual procedure (FPI/L2/QOHSE-14.0) and instructions clearly understood by all workers. Accident potencies in mill are fire, fatality, boiler explosion and etc. Workers trained in emergency responses plan present in mill, the latest Simulation on 25/1/2014 and 7/6/2013. Workers trained every year. Emergency respond team, namely first aid (Ramlee bin Abdullah), fire (Enmohd faired bin baharim), evacuate (En helmy bin muhammad khairi), control (En jainal bin bonandar) and communication (Enmohd faired bin baharim) team.</p> <p>Audimetric test has been done on 2/7/2011 to boilers Mat Nasir jawadi, Madzlan bin Abdullah, hassan bin yaakud (13/8/2011). The latest checking on 13/04/2013 Mat Nasir jawadi, Madzlan bin Abdullah, Mohamad Sani.</p>		
	Status: Full compliance	
<b>4.8</b> <b>All staff, workers, smallholders and contractors are appropriately trained.</b>		
<p>A training matrix is used to plan the programme and training records are in place. Training for all staff, contractors who have opted out of Felda management. Training for staff and records show that training included employees for mill. Training program include for Operator pressing, loading ramp, sterilizer, emergency response team, operator storage tank.</p> <p>Workers trained in First Aid present in mill, they has been trained by Malaysian red Crescent, the latest training 28/8/2013. Namley Baharuddin bin Muhammad, Muhamad zahir bin Mustapa, Ramlee bin Abdullah, Abdul samad bin yusop, Zaimi bin baharun, Siti nor Amirah binti mahamad saad, Anizah binti md yusuf (valid until 25 February 2014/not valid). Workers trained in emergency responses plan present in mill, the latest Simulation on 25/1/2014 and 7/6/2013. Workers trained every year.</p> <p>Boilermans has certificate, Mat nasir bin jawadi (valid, PA/98/86). Madzlan bin Abdullah (valid, PA/51/2013), Hassan bin yaakud (Valid, PA 10/88) and Mohammad sani bin ghazali (valid, PA/51/2007). Electric man has certificate, Abdul samad bin Yusop (valid).</p>		
	Status: Full Compliance	
<b>PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity</b>		

**5.1**

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

Keratong 03 Palm Oil Mill certified with ISO 9001, ISO 14001 & OHSAS 18001. Maintenance of certification observed and under SIRIM QAS certification.

Quality Planning, Hazard Identification Risk Assessment, Determining Controls and Environmental Aspect Procedure observed with the details description on the process of environmental aspect and impact evaluation.

Environmental Aspect & Impact (EAI) register list developed for palm oil mill and all estates. The EAI covered the relevant processes/areas/equipment such as Incinerator, Sterilizer, Effluent Treatment, Transportation of BTS, Laboratory, Crane Treshing Press, Workshop, Diesel Storage Tank, Spraying pesticide, Harvesting, Pest Control Process, Pruning, BTS Grading Process, Road Maintenance Process, Terrace Erection, Diesel Handling Process, etc)

Significant environmental aspect and impact identified and mitigation plan proposed for impact reduction purpose.

Environmental objective and target performance reviewed on yearly basis during management review meeting.

2 environmental objectives set and relevant management program defined:

- a) To comply with EQ (Prescribed Premises) (Crude Palm Oil) Regulation 1977
- b) To reduce diesel consumption < 0.80 liter/BTS

Relevant mitigation activities observed:

- a) Discharge water analysis conducted on weekly basic. Analysis certificate for final discharge on 3/9/2014 observed with BOD rate at 71. Analysis test conducted by Laboratory analysis Bukit Goh. Reference standard MO/MABG/pH observed.
- b) Cleaning of pond algae A1, A2 & B3 observed with photo attached.
- c) Monitoring of chimney for boiler 1 & 3. Isokinetic Stack Sampling for Boiler 1 & 3 dated 21/5/2014 observed conducted by Mareff Management Sdn Bhd. Analysis test result showed all within the permissible limit.

Mitigation plan developed for identified environmental impact at estate. Mitigation plan involved relevant impact such as empty pesticide container, spillage of pesticide and vehicle emission:

- a) Establish specific area for empty pesticide container rinsing process
- b) Establish specific area for pesticide mixing activity
- c) Regular maintenance on vehicle

**It was observed that the specific area for empty pesticide container rinsing and pesticide mixing yet to be established at Keratong 05. – Refer to CAR 2014.5.**

<b>Status: Full Compliance</b>
--------------------------------

**5.2**

**The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.**

HCV Identification and Assessment Report for Complex Keratong 03 observed dated 2/9/2014.

Sufficient details observed in the HCV Identification and Assessment Report:

- a) HCV identification methodology
- b) Category of HCV
- c) Consultation result with internal and external stakeholder
- d) Consultation result with relevant agency
- e) HCV Management plan in Complex Keratong 03
- f) Conclusion report

No HCV defined for Complex Keratong 03.

Biodiversity evaluation result observed for Complex Keratong 03. River and reserve forest border defined as conservation area. HCV action plan developed for all estates.

Buffer zone identified in estate map. Site audit observed sufficient buffer zone (10 metre) set for the river. Signboard "Buffer Zone" and "Restriction Area for Spraying and Manuring" observed at buffer zone area. Marking in blue and white colour observed at tree.

Hunting is prohibited in all plantation areas. In addition, there are evidences of signage in the field for prohibiting of hunting.

Status: Full Compliance
-------------------------

### 5.3

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

Various aspects have been identified such as domestic waste, disposal of spent oil & container, disposal of scheduled waste, cleaning of pesticide container, etc for whole operation process.

Operational control for each of the identified waste source is found to be established and implemented as follows:

a) Scheduled waste storage area

- Proper arrangement of scheduled waste observed for SW 305, SW 409 & SW 410 observed.

- Sufficient labelling observed for scheduled waste storing and disposal of schedule waste in accordance with EQA, 1974.

- Sufficient spill kit observed

- 7<sup>th</sup> schedule for SW 410, SW 305 & SW 409 observed.

**It is recommended to improve the segregation of schedule waste according to type of scheduled waste. – Refer to OFI 4.**

b) Domestic waste, sewage and garden residue. Systematic collection of garbage by contractor observed.

c) Disposal of scheduled waste. Proper disposal of scheduled waste observed to licensed collector, Kualiti Alam Sdn Bhd. Sufficient documents retained for scheduled waste disposal.

d) Recycle use of empty pesticide container. Rinsing of empty used pesticide container performed. Good setup of container rinsing area observed at Keratong 11. Waste water directed to specific septic tank. Proper storing, labelling and monitoring observed.

Crop residues are recycled. EFB are sent back to the estates that are within travelling distances to be used as mulch.

Data usage of EFB for Keratong 05 & 11 observed with total 1032.23 Mt used for year 2014.

Fruit fibre and shell are used as renewable energy in the boiler

Fruit Shell sold to dealer/customer as renewable energy.

Minor 5.3.2	Status: Opportunity for Improvement
-------------	-------------------------------------

### 5.4

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

For the mill, only fruit fibre used as renewable energy for boiler.

Monitoring of diesel consumption for palm mill observed. Environmental objective set to ensure < 0.8 litre/BTS.

Diesel consumption monitoring chart observed for year 2014 (Jan~Aug).

Average ratio diesel / BTS from Jan until Aug 2014 observed at 0.49.

Status: Full Compliance
-------------------------

### 5.5

#### **Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**



Restriction of Open Burning Policy observed for Felda Global Ventures. Commitment to comply with legal requirement observed. Policy endorsed by President and CEO FGV, Mr Mohammed Emir Mavani Abdullah.

No evident of open burning and burning waste observed at estates during the field audit. Sufficient signage of "Dilarang Membakar" erected at relevant location as a warning sign.

**However, there is evidence of burning waste observed at Keratong 05 office waste disposal area during the audit. – Refer to Minor CAR 2014.7.**

Specific waste disposal area observed at office area. No nearby waterway observed for the waste disposal area.

Felled palms are placed in a closed and conservation terrace are mulching. It helps to enhance nutrition of the soil and to prevent soil erosion.

5.5.3	Status: Status: <b>Minor nonconformance 2014.7</b>
-------	--

## 5.6

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

Significant environmental aspect and impact identified in Significant Environmental Aspect and Impact Registrar. Mitigation plan for significant impact defined for mill and estates.

Keratong 03 Palm Oil Mill environmental mitigation plan developed and reviewed on yearly basis during management review meeting.

Relevant mitigation plan defined as:

- Conduct discharge water analysis on weekly
- Cleaning of pond algae A1, A2 & B3 planned for year 2014.
- Monitoring of chimney for boiler 1 & 3.

Several test conducted for monitoring of environmental performance at mill operation such as air monitoring test and discharge water analysis. All results showed it is within the permissible limit at the moment.

All Environmental Mitigation Plan reviewed on yearly basic.

No peat soil observed for Keratong 11 & 05.

Status: Full Compliance
-------------------------

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

## 6.1

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

The company has been done of Social Impact Assessment. There was available report of Social Impact Assessment of Felda Golden Ventures in Keratong 03 POM, FGVP Keratong 11 and FTP Keratong 05 These report is described of positive and negative impact by plantation and mill operational, plan for monitoring and manage those impacts. The components that will be managed and monitored are:

- Access of community to facilities (road and recreational area)
- Additional activities of community for welfare increasing (provide of market area and skill training)
- Religion and cultural aspect (provide of mosque)
- Access to education and health facility (provide of school and health facilities adjacent plantation area)
- Transportation infrastructure, communication process and migrant influence (implies to income of local people)
- Replanting program (positif and negative impacts)

Documentation process is available in each estate. These document are; invitation letter to stakeholder, attendant list, minutes of meeting and sample of questioner as a tools for data gathering. There were available of monitoring and management plan Social Impact Assessment but data source only based on a few questioner. These indicated that plan for mitigation and

monitoring was not adequate for all impacts (both positive and negative) and did not identified based on participation represented of affected parties. **NCR 2014.8**

The report of Social Impact Assessment (SIA) had been established for Keratong 03 POM and estates (Keratong 11 & Keratong 05). These document explain about evaluating and providing the action plan for mitigating and monitoring but it not adequate that impacts (both positive and negative) are identified. **NCR 2014.9**

**27 November 2014**

*Monitoring program action plan SIA has done.* Providing the action plan for mitigating and monitoring impacts both positive and negative are identified. Based on the evidence givens by Estate Keratong 11, the non-conformity is closed.

6.1.2	Status: <b>Minor nonconformance 2014.8</b>	
6.1.3	Status: <b>Minor nonconformance 2014.9 – condition closed</b>	

**6.2**  
**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

The company has have Procedure of Communication (ML-1A/L2-PR3 (0), March 2012. These procedures is aim to provide a system of communication with internal and external parties associated with environment around, hazards and risks in the workplace. Records of consultation and communication between management units with stakeholders in every management unit is available. In accordance with the procedure of Communication, involvement and collective bargaining (Communication, Participation and Communication), there are any officers on duty to consult and make a report related of information received and follow-up.

In accordance with the procedure of Communication, involvement and collective bargaining (Participation and Communication), there are any officers on duty to consult and make a report related of information received and follow-up. Officers who have been assigned, respectively are:

- Keratong 03 POM is Rashid Bin Hassim, based on Decree Manager of Keratong 03 POM Number; (01) 402/Krt3/840A/RSP0 dated September 20, 2014.
- FGVP Keratong 11 is Harman Bin Ayob based on Decree Manager of FGVP Keratong 11 Number; (01) 483/Surat Am, dated Juni 01, 2014.
- FTP Keratong 05 is Ahmad Salim Bin Mahmud based on Decree Manager of FTP Keratong 05 Number ; (03) 3162-11—MS ISO 9001: 2008, dated September 17, 2014.

There were available list of stakeholders in a few estate. Based on document verification in Keratong 11 it known that list of Stakeholder not yet available. **CAR 2014.10**

**27 November 2014**

The management unit of Keratong 11 had been provided evidence of Stakeholders list (Senarai Stakeholder). Based on the evidence givens by Estate Keratong 11, the non-conformity is closed.

6.2.3	Status: <b>Minor nonconformance 2014.10</b>	
-------	---	--

**6.3**  
**There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

The company has have Procedure of Complaint and Grumbling Handling (Number: ML - 1A / L2 - PR4 (0), March 2012. The procedure aim to resolve all complaints and grievances fairly and to maintain good relations between the company and other parties. These procedure was explained that complaints resolution will resolve through joint efforts of dialogue and deliberation. If problem could not be resolved through consultation, it will submit to next authority level of company. Based on verification of Record Complaint Book and interview with smallholders peasant and another external stakeholder, there are no complaints from the surrounding community and the other.

Status: Full Compliance
-------------------------

**6.4**  
**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

<p>Felda Golden Ventures has have procedure to Identification of Legal and Customary Rights Number: ML-1A/L2-PR12(0), March 2012. These procedures as a guide to resolve problems of land boundaries among company and local communities related to legal or customary rights. Based on interviews with Felda staff on three site (Keratong 03 POM, FGVP Keratong 11 and FTP Keartong 05) and information from external stakeholders around the area managed by the Felda – Keratong 03 POM, there are not area was control by indigenous rights and there are not compensation process. All of ands are managed by FGV has been set by the Malaysian Kingdom in early the company began to operates. The communities or smallholders peasant (called <i>peneroka</i>) around the plantation area it was the first generation of people who also have acquired land by the Kingdom of Malaysia. Those program was begun in period 1980.</p>		
	Status: Full Compliance	
<b>6.5</b> <b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b>		
<p>The company already have Letter Number: (02) 010810 /HQ/ JAB.OP.14/plantation/KUK, dated : March 7, 2014 from the Executive Vice President (CEO ), Head of Plantation Cluster, Felda Global Ventures Plantation (M) Sdn, Bhd to all Plantation Manager, Felda Global Ventures Plantations (Malaysia ) Sdn Bhd. These letter is related to levels of workers minimum wage.. Since April 1, 2014 was decree that all field workers have opportunities to receive income not under of RM 9000.per month. These policy is related with implementation of Section 4 (2) Deed (Akta 732 Perenggan 6 Perintah Gaji Minimum 2012) about Minimum Salary on 2012. Based on workers interview and document verification in relation of minimum payment, the company was implemented of minimum wage standard for all employee</p> <p>There was any foreign worker in Keratong 05. Field observation and interview of employee has showed that any migrant worker from Nepal. Based on document verification, the management unit could not showed the legal agreements or direct contracts for their foreign workers. <b>NCR 2014.11</b></p>		
6.5.2	Status: <b>Minor nonconformance 2014.11</b>	
<b>6.6</b> <b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b>		
<p>The Workers union have formed with the name of the Unitary Workers Felda Palm Industries Sdn.Bhd (Registration Number: 505, was registered at Ministry of Domestic Affair). Parent of this labor organization has been established since 1976. There has been also Unitary Workers Regulations Felda Palm Industries Sdn.Bhd was valid today for and be issued a new regulation if there are changes or additions of chapters and verses contained in these regulation.</p> <p>Based on the results of interviews with Labor Organization FGVP 03 Keratong POM was known that there are two types of meetings are routinely performed, namely :</p> <ul style="list-style-type: none"> <li>• Meeting every 3 years for succession of organization staff and discussions related matters wage system.</li> <li>• Regular meetings every 6 months between the organization's staff in related to organize of program.</li> </ul> <p>The company has have policy number: 974143-H (Policy Rights and Freedom Voice of Unity). These document is explain about freedom of association and argue for workers. Published and signed by President &amp; CEO of Felda Global Ventures - Plantation. Those document are available in each estate or management unit. Each management unit called "ladang" (estate) already have worker union.</p>		
	Status: Full Compliance	
<b>6.7</b> <b>Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.</b>		
<p>There are available Policy ML-1A/L2-PO9 (0), issued by President Director of FELDA, dated December 20, 2010 and The Felda Golden Ventures - Plantation has had a policy regarding the minimum age to work. Published and signed by President &amp; CEO of Felda Global Ventures. In the policy explained that children under the age of 18 are not allowed to work in accordance with applicable regulations. By verification of Workers Database Period August 2014 in Keratong 03 POM, Keratong 11 and Keratong 05, that showed there are no workers under 18 years old. Based on information from stakeholder consultation and field observation that there are no workers under 18 years old.</p>		
	Status: Full Compliance	

**6.8**

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

The FGV - Plantation has had a policy of equal opportunities for work, published and signed by President & CEO of Felda Global Ventures, dated June 1, 2014. In the policy explained that management will strive to ensure that all workers get the same opportunities without refer on nationality, citizenship, religion, physical condition, sex, age, membership organizations and political affiliation. Those document are available in each estate (ladang). Based on interview of migrant worker, for example in Keratong 11 and Keratong 05 it is any migrant worker from Indonesia, Bangladesh and Nepal. They are was said that there are no discrimination by each other.

Status: Full Compliance

**6.9**

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

The FGV - Plantation has had a policy for the prevention of abuse and violence against women and the protection of reproductive rights. These policy published and signed by the President & CEO of Felda Global Ventures. The Gender Committee has been formed in Keratong 03 POM, Keratong 11 and Keratong 05. There are available Procedure of Gender Committee, Number : ML-1A/L2-PR10 (0), March 2012. Those procedure as guidance for handling of sexual harassment and abuse of woman. The gender committee was establish in each estate, it is aim to handling and overcome of problem or any case related woman rights. There was available document of minutes of meeting and attendant list of gender committee meeting. For example in Keratong 05 was available Minutes meeting of Gender Committee formation and Attendant list meeting. Based on interview and stakeholder consultation with the Wowan Associate called Gerakan Perkumpulan Wanita – Keratong, was known that there are no abuse and violence against women until now.

Status: Full Compliance

**6.10**

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

Pricing mechanism is determined by meeting of the parties: MPOB, growers and others. There are examples of pricing Fresh Fruit Bunch (FFB) issued by Jabatan Belian Buah Tandan Segar (BTS) in Semenanjung of Malaysia, Sabah and Sarawak period 1 to 31 August 2014 and also the price of FFB for period until September 2014. Management unit of Keratong 03 POM was kept and filled of FFB pricing and was posted on information board in the factory area.

The company was cooperation with local business. For examples, the management unit of Keratong 03 Palm Oil Mill has been showed of Work Agreement with MFM Afdhal Enterprise – Muadzam Shah, Pahang, dated September 02, 2014 regarding for transportation of Empty Fruit Bunch from Mill to plantation area. There were available sample of payment record :

- Good Receipt Number 029/2014 ktg 3, dated September 15, 2014.
- Invoice of MFM Afdhal Enterprise to Keratong 03 POM, dated 15 September, 2014
- Payment Voucher Number 351721052, dated September 17, 2014 (Number cek 014801), total cost is RM 4.703,00

Based on interview with the one of local contractor called Nasa Workshop, they are said that Felda was giving many access to local contractors to involve in several project and it was increase income of community adjacent the mill and plantation area.

Status: Full Compliance

**6.11**

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

Document verification that showed any activities from Felda as contribution to local community. For example in Keratong 05 was establish workshop for woman activities (tailoring activities), build a new facilities of kindergarten school and clinic, etc. Based on stakeholder consultation with smallholder peasants (peneroka) and the other stakeholder that known Felda already help the community to increase their income and many more facilities is constructed since Felda come to Keratong.

Status: Full Compliance

**PRINCIPLE #7 Responsible development of new plantings**
**7.1**

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

Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been



established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>7.2</b>		
<b>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>		
Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>7.3</b>		
<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>7.4</b>		
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>7.5</b>		
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>7.6</b>		
<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>		
Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>7.7</b>		
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
Regarding statement area and field visit revealed that There are no new plantings. Felda Keratong Complex is been established before 2005 and the several estates already implementing the replanting activity.		
	Status: Not Applicable	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
The company has been done of Social Impact Assessment. There was available report of Social Impact Assessment of Felda Golden Ventures in Keratong 03 POM, FGVP Keratong 11 and FTP Keratong 05. These report is described of positive and negative impact by plantation and mill operational, plan for monitoring and manage those impacts. The components that will be manage and monitor are:		
<ul style="list-style-type: none"> <li>• Access of community to facilities (road and recreational area)</li> <li>• Additional activities of community for welfare increasing (provide of market area and skill training)</li> <li>• Religion and cultural aspect (provide of mosque)</li> <li>• Access to education and health facility (provide of school and health facilities adjacent plantation area)</li> <li>• Transportation infrastructure, communication process and migrant influence (implies to income of local people)</li> </ul>		

• Replanting program (positif and negative impacts)		
	Status: Full Compliance	

### 3.2. Summary of Assessment Report of Supply Chain

Clause	(Module E) CPO Mills - Mass Balance Requirements
<b>1</b>	<b>Documented Procedures</b>
1.1	<p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> <li>Complete and up to date procedures covering the implementation of all the elements in these requirements.</li> <li>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</li> </ol> <p>Mill management unit have Standard Operating Procedure For Mill RSPO Supply Chain Certification System (No. Doc: FGVP-MSPO SCCS, Version 1.0 dated 1 December 2012). FPISB Kilang Sawit SOP Perkilangan untuk pematuhan Sistem Persijilan RSPO SCCS. The document contains of:</p> <ol style="list-style-type: none"> <li>Management Functions &amp; Job Descriptions: Mill Manager, Assistant Mill Manager, Weighbridge Clerk, Laboratory Analyzer, Traceability.</li> <li>Mass Balance, Supply Chain Verification, Claim: MB Reporting of Certified CPO/PK.</li> <li>Supply Chain Verification – FFB Delivery Plantation to Mill.</li> <li>Supply Chain Verification – CPO/PK Delivery Mill to Customer.</li> <li>Claim</li> <li>Record Keeping.</li> <li>Training.</li> </ol>
	Status: Full Compliance
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>Mill management unit have Standard Operating Procedure For Mill RSPO Supply Chain Certification System (No. Doc: FGVP-MSPO SCCS, Version 1.0 dated 1 December 2012). Under MB Reporting of Certified CPO/PK, the procedure stated:</p> <p><u>Weighbridge Clerk</u></p> <p>Receiving Material must be contain information of:</p> <ul style="list-style-type: none"> <li>&gt; Delivery Notes should be informed name of supply base under scope RSPO certification, stamp of RSPO Mass Balance must be available on document.</li> <li>&gt; Entering of information on Delivery Notes to the FELDA computerized systems.</li> <li>&gt; Ensuring of all information on FFB Delivery must be categorized certified and Non-Certified.</li> <li>&gt; All data records of FFB received should be reported through Reporting Spreadsheet by FELDA reporting systems.</li> </ul>
	Status: Full Compliance
<b>2</b>	<b>Purchasing and goods in</b>
2.1	

<b>The facility shall verify and document the volumes of certified and non-certified FFBs received.</b>	
SELENDANG POM has no certified yet. But they having identify of FFB sources, there are 2 sources namely Certified FFB's (supplied by scope certification) and Non-Certified FFB's (from out growers). The FFB Supplier is: FELDA Holdings, Dealer (FFB Collector), Estate (Other company), and Persendirian (Individual SH).	
	Status: Full Compliance
<b>2.2</b>	
<b>The facility shall inform the CB immediately if there is a projected overproduction.</b>	
NA yet. SELENDANG POM not certified yet.	
	Status: Not Applicable
<b>3</b>	<b>Record keeping</b>
<b>3.1</b>	
<b>The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</b>	
<p>Certification scope of SELENDANG POM is FGVP SELENDANG 3, FGVP SELENDANG 4, FGV BERABONG, FTP SELENDANG 1&amp;2, FELDA ENDAU. These supply bases will be claimed as Certified sources (if SELENDANG POM have certified). Based on Receiving Data January – September 2014, SELENDANG POM also received of FFB from out growers, which is as Non-Certified sources. Sample document for FFB Delivery Note (goods in) are:</p> <p>FFB from Own Estate:</p> <ol style="list-style-type: none"> <li>Gate Pass No: 01019526 (FFB Receiving / Penerimaan BTS FELDA/FPSB/FTP/FASSB)  Vehicle No.: CBS2853  Driver ID: A2397231  Driver name: Ozan  Company: BERABONG 01  Incoming date: 22 September 2014  Time: 14:34:00  Delivery Note: 2552042  Average FFB Weight: 10 kg/bunch, Sample 1: 100 bunches  OER grading: 20.05 % (OER approximate after grading)  UnRipe: 2 bunch; Over Ripe: 2 bunch; Empty Bunch: - tandan; Under Ripe: 5 bunch; Dirt: 2 bunch</li> <li>Weighbridge Slip  Supplier Code: 5457-010  Supplier Name: FGVP BERABONG 01  Delivery Note: 2552042  No. Truck: CBS2853  Gross: 08.91 MT; Tare: 02.85 MT; Reject: 00.04 MT; Nett: 06.02 MT</li> </ol> <p>FFB from Outgrowers (BTS Luar)</p> <ol style="list-style-type: none"> <li>Gate Pass No: 02008502 (Penerimaan BTS Luar)  Vehicle No: CDD5095  Driver ID: 571014035511  Driver name: Ishak bin Harun  Company: BKF  Incoming date: 22 September 2014  Time: 14:33:22  Delivery Note: 0247</li> </ol>	

Unripe: - bunch; Under Ripe: 6 bunches; Dirt: 6 bunches;

2. Weighbridge Slip

No Pass: 02008502

No Akuan Terima: A00027540

Penjual: 8824 SKB: 6055327

Nama Penjual: BKF BERHAD

No Lesen MPOB: 538531115000

Nota Hantaran: 0247

No. Lori: CDD5095

Purata Berat (BJR): 15 kg/tandan; Sampel 3: all tandan

KPG: 19.55 (OER approximate after grading)

Harga/Tan: 420.33

Jumlah Nilai: 1,828.44

Gross: 07.70 MT; Tare: 03.35 MT; Reject: 00.00 MT; Nett: 04.35 MT

Status: Full Compliance

3.2

Retention times for all records and reports shall be at least five (5) years.

All the data recorded into Felda Prodata System, Computerized Software.

Status: Full Compliance

3.3

- (a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.
- (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.

SUMMARY OF MONTHLY PRODUCTION 2014 (LAPORAN PENERIMAAN BTS MENGIKUT STATUS PEMBEKAL TAHUN 2014) – KILANG SAWIT SELENDANG.

FFB RECEIVING – SELENDANG POM

Supplier	January (MT)	February (MT)	March (MT)	Total (MT)	
1. Internal					
FELDA	1,221.29	929.91	1,152.67	3,303.87	29,761.30
FGVPM	7,808.83	6,315.27	9,214.07	23,338.17	
FTPSB	1,117.41	866.69	1,135.16	3,119.26	
2. External (Outgrowers)					
Dealer (FFB collector)	4,760.27	2,846.96	3,767.95	11,375.18	16,565.53
Other company	1,461.35	1,247.10	2,113.34	4,821.79	
Independent	136.70	103.23	128.63	368.56	
Sub total	16,505.85	12,309.16	17,511.82	46,326.83	

Supplier	April (MT)	May (MT)	June (MT)	Total (MT)	
1. Internal					
<b>FELDA</b>	1,223.62	1,289.97	1,502.36	4,015.95	42,761.68
<b>FGVPM</b>	11,536.13	11,031.39	12,009.69	34,577.21	



<b>FTPSB</b>	1,222.15	1,463.50	1,482.87	4,168.52	
2. External (Outgrowers)					
<b>Dealer (FFB collector)</b>	2,749.98	2,305.96	2,617.34	7,673.28	17,894.13
<b>Other company</b>	2,723.20	3,055.74	3,803.77	9,582.71	
<b>Independent</b>	177.53	210.52	250.09	638.14	
<b>Sub total</b>	19,632.61	19,357.08	21,666.12	60,655.81	

Supplier	July (MT)	August (MT)	Total (MT)	
1. Internal				
FELDA	992.39	1,260.45	2,252.84	33,639.07
FGVPM	12,009.69	15,480.80	27,490.49	
FTPSB	1,686.90	2,208.84	3,895.74	
2. External (Outgrowers)				
Dealer (FFB collector)	2,884.17	3,296.26	6,180.43	14,446.54
Other company	3,701.94	4,201.41	7,903.35	
Independent	195.11	167.65	362.76	
Sub total	21,470.20	26,615.41	48,085.61	

**FFB PROCESSED AND PALM OIL PRODUCTION – SELENDANG POM**

Months	Processed (MT)	OER (%)	CPO (MT)	KER (%)	PK (MT)	CPO DELIVERY (MT)	PK DELIVERY (MT)
<b>January</b>	16,370.00	21.01	3,439.34	5.26	861.06	3,439.40	861.18
<b>February</b>	12,400.00	21.96	2,723.04	5.28	654.72	2,722.81	654.67
<b>March</b>	17,330.00	21.51	3,727.68	5.28	915.02	3,728.54	915.75
<b>Sub total</b>	46,100.00		9,890.06		2,430.81	9,890.75	2,431.60
<b>April</b>	18,330.00	22.08	4,047.26	5.15	944.00	4,046.59	943.76
<b>May</b>	18,000.00	21.81	3,925.80	4.80	864.00	3,926.38	863.39
<b>June</b>	19,660.00	21.60	4,246.56	4.13	811.96	4,246.51	811.07
<b>Sub total</b>	55,990.00		12,219.62		2,619.95	12,219.48	2,618.22
<b>July</b>	21,200.00	21.50	4,558.00	4.70	996.40	4,557.22	995.98
<b>August</b>	26,020.00	20.67	5,378.33	4.60	1,196.92	5,378.14	1,196.10
<b>Sub total</b>	47,220.00		9,936.33		2,193.32	9,935.36	2,192.08
<b>TOTAL</b>	<b>149,310.00</b>	<b>21.52</b>	<b>32,046.02</b>	<b>4.90</b>	<b>7,244.08</b>	<b>32,045.59</b>	<b>7,241.90</b>

Status: Full Compliance

**3.4**

The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. \*product name\*/MB or Mass Balance. The supply chain model used should be clearly indicated.

SELENDANG POM have not been certified, this clause are not available for the mean time until this POM are certified. Anyhow, this management unit should be prepared for the document sampling to ensure this requirements (Modul-E: CPO Mills) will be implemented, after getting certificate.

Alihantar BTS Bersijil dan BTS Tidak Bersijil (Basic Delivery of FFB Certified and Non-Certified)

Documents of Certified FFB Delivery are:

- Manual Procedure of Controlling on Delivery FFB In and Out.
- Separation of FFB Certified and Non-Certified at Loading Ramp.

<ul style="list-style-type: none"> <li>– Delivery Note must be including: RSPO Certified FFB stamp, Name and Address of Mill, Type of Goods, Date, Quantity, Approval Stamp by Mill Manager.</li> <li>– Valid of RSPO Certificate.</li> <li>– Mill Spreadsheet “Sustainability Verification Information Spreadsheet” for Certified Product.</li> </ul>	
	Status: Full Compliance
<b>3.5</b> In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	
NA. Selendang POM does not have Kernel Crushing Plant.	
	Status: Full Compliance
<b>4</b>	<b>Sales and goods out</b>
<b>4.1</b> The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information: (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) (d) The quantity of the product delivered (e) Reference to related transport documentation	
Sample of CPO delivery: a) To: 886 – FPI FOD – PASIR GUDANG, JOHOR b) Date: 30 August 2014 c) Penghantaran CPO (CPO Delivery): Temperature (49° C); FFA (4.02 %); Dobi (2.45 %); Dirt (0.014 %); Nett (42.74 MT) – SC model is not settle yet because SELENDANG POM not certified yet. d) Quantity: 42.74 MT (nett) e) Reference doc: Contract No: SI/4034/0814/00001; Bil. Hantaran: H00000799/2014; Arahan Angkut (DO): D04050014083074  Sample of Kernel delivery: a) To: 861 – FKP – PASIR GUDANG, JOHOR b) Date: 29 August 2014 c) Penghantaran Intisawit (Kernel Delivery): Moisture (6.71 %); Dirt (4.140 %); Nett (44.76 MT) – SC model is not settle yet because KRAU POM not certified yet. d) Quantity: 44.76 MT (nett) e) Reference doc: Contract No: Q21506913; Bil. Hantaran: L00000160/2014; Arahan Angkut (DO): D04050314081910	
Picture of Demonstration System Input Data (Felda Prodata System). Operator WB: Mohamad.	
	Status: Full Compliance
<b>5</b>	<b>Training</b>
<b>5.1</b> The facility shall specifies and provides the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	
Supply Chain Training have been provided by FELDA PALM Industries Sdn. Bhd. through Training Workshop of SCCS, RSPO and ISCC on 25 <sup>th</sup> June 2014. Personal to be involved on this training from SELENDANG POM is Mill Administration (Mr. Abd. Hazim bin Rahmat) and Laboratory Analyzer (Mr. Ahmad Ridzuan bin Selamat).	

	Status: Full Compliance
<b>6</b>	<b>Claims</b>
6.1	<p>The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.</p> <p>Mill management unit have Standard Operating Procedure For Mill RSPO Supply Chain Certification System (No. Doc: FGVP-MSPO SCCS, Version 1.0 dated 1 December 2012). Under Claim, the procedure stated:</p> <p>The Mill may only claim / sell a number of products (CPO / PK) from FFB certified processing, which is produced from the estate that is involved with the RSPO certification Mill, through the Mass Balance method.</p>
	Status: Full Compliance

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

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



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

<b>Management units was observed:</b>		
<ol style="list-style-type: none"> <li>1. Serting</li> <li>2. Kemahang</li> <li>3. Kerteh</li> <li>4. Tersang</li> <li>5. Selendang</li> </ol>		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	
	<p>Felda has and follows the "GSA" Group Settlement Act, where all land under FELDA will abide by local and national land laws. I.e. Compliance with legal documents such as the "Land Rules Applicable to the States in Malaysia" and relevant acts.</p> <p>A procedure sighted for "Register of legal and other requirements" [FPI/L2/QOHSE-2.0] which effectively covers 3 aspects which [Identification / Implementation and Compliance / Review]. Estate has a "Legal Compliance Checklist" matrix updated in 2014 that contain the entire license and permit for easy tracking and monitoring of the validity. Document review done for pay slip that proven, workers are paid according to the government regulation.</p> <p>A Legal Register covering the applicable local and international laws and regulations is available at the mill and estates. The identified legislations were regarding to safety and health, environmental management, pollution management, chemical handling, usage &amp; storage, schedule waste management.</p> <p>Based on the site assessment at five Units Management (<b>Serting, Kemahang, Kerteh, Tersang and Selendang</b>), there were evidences of compliance with the relevant laws, regulations, local and International laws. There were no cases of any violation or actions imposed by relevant authorities. Information were updated regularly and mechanism for ensuring compliances was available. Tracking system for any changes were in place and properly documented.</p> <p>However, there was a lapse in ensuring compliance to legal requirements: For examples</p>	✓
	<b>Status: Compliance</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	
	<p>Legal ownership of land and its land use is available for all operating units and demonstrated through the respective land titles. For the FELDA settlers program, land titled is covered under the "GSA" (Group Settlement Act).</p> <p>The land occupied by Felda is a leasehold which is outside of Orang Asli reserves/areas and forest reserves. Orang Asli, the only indigenous peoples in Peninsular Malaysia do not have rights to land tenureship as per Aborigines Peoples Act, 1954 (pertaining to Aboriginal Areas (Section 6) Reserves (Section 7).</p> <p><b>Serting</b> Land ownership document clearly indicate that land could be used for palm plantation activities. No disputes, conflicts or customary rights as the land belong to state government that leased to FGVP for 99 years. Sighted a map detailing the boundary stones spot, main roads and estate roads. During field visit, the auditors found satisfactory condition of the boundary stones.</p> <p><b>Kemahang</b> Legal boundaries were maintained. Sighted the record sheet "PerakuanMenandaBatuSempadan" effectively provides the census of boundary stones [1.5m] that painted with red and white. Aside that, 3 palm trees nearest to the boundary stone painted in red 2 m from ground level.</p> <p>Land ownership document clearly indicate that land be used for palm plantation activities. There wasn't any conflict on the condition of land use as per land title and no conflict on the condition of land use as per land title. No disputes, conflicts or a customary right since land acquired.</p>	✓

	<p>However there are documented procedures available to manage the situation if needed, namely Land disputes &amp; customary rights - ML-1A/L2-PR 12, Negotiation process - ML-1A/L2-PR 1 and Compensation calculation - ML-1A/L2-PR 13 Participatory mapping not applicable as there was no disputes, conflicts or a customary right. No evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p><b>Kerteh</b> Felda Kerteh POM and estates was able to demonstrate ownership of land titles of mill and estates within the PMU Grouping. The lands were leased by FELDA from the Trengganu State Government. The original copies of land lease documents are maintained by the Felda Corporate Head office in Kuala Lumpur. The legal use of the land was confirmed to be for oil palm mill and oil palm cultivation use for estates. Based on the field observations and interviews at the Kerteh PMU Grouping mill and estates, there was evidence in the form of available records to show that the land lease complies with legal requirements and does not infringe on any legal rights that require free, prior and informed consent.</p> <p>There were boundary stones/markers along the perimeter of Felda Kerteh POM, FGV Semaring 01, FAS Kerteh Estate and Felda Kerteh 03 Estate which were sampled in this initial audit. Locations of several boundary stones and/or pole markers were visited and verified to be within the boundary parameters of the estates.</p> <p><b>Tersang</b> The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for cultivation of oil palm, rubber and agricultural use. Individual land title (for Peneroka) awarded and observed with sufficient evidence documents. Legal boundaries for Tersang Complex area have been well demarcated as seen in field observation at Tersang 4, Koyan 3 and Koyan 2. Boundary marker (<i>batu sempadan</i>) available according to map of boundary marker as well as physical demarcation using boundary drain.</p> <p>There are no reported cases of land disputes arising from the acquisition. There is a documented procedure ML-1A/L2-PR 12 (0) dated Mar 2012 for handling and response to legal issue and customary rights as well as for calculation and distribution of compensation.</p> <p><b>Selendang</b> Legal documents on land title well kept. Due to the land belongs to state government, therefore no land disputes, negotiations, compensation and legal actions corresponded to this management. During site visit, sighted the boundary marks and territory well managed.</p>	
	<b>Status: Compliance</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	
	<p>There was a procedure for communication and consultation been established in Manual Lestari 1 A, 3.5 (Prosedur Menangani Aduan dan Rungutan, ML-1A/L2-PR04). This procedure explaining the flow to handling the complaint from the first step to discussion with nominated personnel until the top management of Felda in the headquarters</p> <p><b>Serting</b> As all the audited facilities are surrounded by other Felda complexes, therefore no disputes, complaints and grievances received and external stakeholders clearly understand the RSPO requirement on the mechanism to make complaints to Scheme Manager. System was found to be open for any affected parties by implementation of SIA form and stakeholders meeting by the management. During the planned stakeholder meetings, the management brief the process of lodging of any disputes, complaints and grievances.</p>	✓

	<p><b><u>Kemahang</u></b> Based on the audit, there is a complaint been made at There is a complaint have been made at the Kemahang POM on 10/2/2015 regarding the odour issues and housing, at FeldaKemahangSatucomplaint regarding plantation issues and FeldaKemahangEmpat complaint from the foreign workers regarding the workers camp issues. All issues has been resolved and documented. All complaints and grievances are received and recorded and action taken documented in the book.</p> <p><b><u>Kerteh</u></b> There is a mechanism and been documented for dealing with complaints and grievances. There is a complaint been made at Kerteh POM latest on 15/10/2014 and the action had been taken on 16/10/2014. At FGVP Semaring 01 Estate, latest complaint on 1/10/2014 been made by Mohd Anuar. No complaint had been made at FASSB Kerteh and Felda Kerteh 03 Estate.</p> <p><b><u>Tersang</u></b> The was a procedure for communication and consultation been established in Manual Lestari 1 A, 3.5 (Prosedur Menangani Aduan dan Rungutan ML-1A/L2-PR04. This procedure explaining the flow to handling the compliant from the first step to discussion with nominated personnel until the top management of Felda in the headquarters. Based on the audit, there is a complaint been made at There is a complaint have been made at the Tersang POM on 02/5/2015 Khairul Salleh regarding the facilities issues. An action have been taken by the management are recorded, at Felda Tersang 04 no compliant are been made until the audit, Felda Sg. Koyan 02 There is a latest complaint made by Kuntom bt Tahat (Block 11) regarding family issues on 8 March 2015 and Felda Sg. Koyan 03 There is a latest complaint made by Hj Alliuddin b Ujong (Block 4) regarding family issues on 10 March 2014. All issues has been resolved and documented. All complaints and grievances are received and recorded and action taken documented in the book.</p> <p><b><u>Selendang</u></b> Documented procedures for dealing with complaints and grievances is covered under SOP 3.4 Participation and Consultation Communication procedures / Prosedur Komunikasi Penglibatan dan Rundangan; No. Doc: ML-1A/L2-PR3 (0); Date of Issued: March 2012. Based on interview with management representative (estates and mill), there is no grievances and/or complaint raised from stakeholders.</p>	
	<b>Status: Compliance</b>	
<b>6.4</b>	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
	<p>FELDA has a Social Officer based in each regional office throughout the nation, where existing scheme/settlers can share their views and concerns. On a monthly basis, the reports from the Social Officers are shared and reviewed through the monthly Head of Department meetings. Quarterly there is a “Mesyuarat Jawatan Kuasa Minyak Sawit Mampan” known as the Sustainability Steering Committee Meeting, where both FELDA and FGVP Head of Departments review on-going matters. The PSQM department will monitor any issues and reviewed with the Head of Department.</p> <p>There is a procedure (Prosedur Mengenalpalsti Hak Perundangan danA dat) to resolve the conflict between the settlers and management. Clearly stated the process flows of the way to resolving the issues (ML– 1A/L2- PR 12 (0).</p> <p><b>Serting</b> Based on audit, there is no negotiations concerning compensation for loss of legal or customary rights as per this assessment period.</p>	✓

	<p><b><u>Kemahang</u></b> Based on audit, there was no issues occurred the compensation regarding the land ownership and customary right, in the procedure mentioned that the resolution will be processed with the affected parties regarding the issues raised and based the negotiation the compensation.</p> <p><b><u>Kerteh</u></b> There is a procedure (Prosedur Mengenalpasti Hak Perundangan dan Adat) to resolve the conflict between the settlers and management. Clearly stated the process flows of the way to resolving the issues (ML– 1A/L2- PR 12 (0) at Kerteh POM, FGVPM Semaring 01 Estate, FASSB Kerteh and Felda Kerteh 03 Estate. Based on the audit, there was no record on issues.</p> <p><b><u>Tersang</u></b> There is a procedure (Prosedur Mengenalpasti Hak Perundangan dan Adat) to resolve the conflict between the settlers and management. Clearly stated the process flows of the way to resolving the issues (ML– 1A/L2- PR 12 (0). There was no issues occurred the compensation regarding the land ownership and customary right, in the procedure mentioned that the resolution will be processed with the affected parties regarding the issues raised and based the negotiation the compensation.</p> <p><b><u>Selendang</u></b> Documented procedure for identifying legal and customary rights is available in place (Manual Lestari 1A (Jenis Dok: 3.13 Prosedur Mengenalpasti Hak Perundangan dan Adat; No. Dok: ML-1A/L2-PR12 (0); Date of Issued: March 2012). During interview with management representative and settlers/smallholders, customary land within Selendang complex is not available. The land of Selendang complex is owned by government and managed by FELDA Plantations, therefore no customary land and land claims were identified.</p>	
	<b>Status: Compliance</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
	<p>In Malaysia, FELDA has land banks that were acquired since the 1950s and has steadily increased their land bank over the past 50 years. These land banks were initial cleared and prepared for crops such as rubber, timber, palm oil and cocoa. As the demand for palm oil increased in the 1990s and 2000s, most of these cleared areas have been converted to palm oil. Given that, all these areas were cleared and either prepared or planted with another crop over the past 50 years, the NPP procedure will not apply. For newly acquired land in Malaysia or any part of the world under FELDA, the NPP procedures will apply.</p> <p><b><u>Serting</u></b> No establishing new plantings operations in Serting complex. Replanting is commenced in a part of managed area i.e Raja Alias 1 (replanted in 2012). Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting.</p> <p><b><u>Kemahang</u></b> According to document verification and interview with management, there is no new plantation development in FELDA Kemahang Complex. All area of Kemahang complex were developed on 1970-s and currently they have came into second cycle of palnting. As seen in the planting year data, the latest planting in Kemahang complex was 2004 (the second cycle). Therefore, no new plantings that replaced primary since 2005 as well as HCV area</p> <p><b><u>Kerteh</u></b> Regarding statement area and field visit revealed that there are no new plantings.</p>	✓



	<p><b><u>Tersang</u></b> No new planting found in Tersang Complex. By the time initial stage audit was held, Felda Tersang complex has come to second cycle of plantation both for FELDA's own land and Settler's land (Peneroka).</p> <p><b><u>Selendang</u></b> No establishing new plantings operations in Selendang complex. Replanting is commenced in a part of managed area. Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting. Identification and Management Plan of HCV and Biodiversity have been made by Plantation Sustainability and Quality Management (PSQM) FELDA on 7 September 2014. No HCV were identified within this area.</p>	
	<b>Status: Compliance</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
	<p><b><u>Serting</u></b> No establishing new plantings operations in Serting complex. Replanting is commenced in a part of managed area i.e Raja Alias 1 (replanted in 2012). Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting.</p> <p><b><u>Kemahang</u></b> According to document verification and interview with management, there is no new plantation development in FELDA Kemahang Complex. All area of Kemahang complex were developed on 1970-s and currently they have come into second cycle of planting. As seen in the planting year data, the latest planting in Kemahang complex was 2004 (the second cycle). Therefore there was no land tenure issue at Kemahang Complex.</p> <p><b><u>Kerteh</u></b> Regarding statement area and field visit revealed that there are no new plantings.</p> <p><b><u>Tersang</u></b> No new planting found in Tersang Complex. By the time initial stage audit was held, Felda Tersang complex has come to second cycle of plantation both for FELDA's own land and Settler's land (Peneroka).</p> <p><b><u>Selendang</u></b> No establishing new plantings operations in Selendang complex. Replanting is commenced in a part of managed area. Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting. Identification and Management Plan of HCV and Biodiversity have been made by Plantation Sustainability and Quality Management (PSQM) FELDA on 7 September 2014. No HCV were identified within this area.</p>	✓
	<b>Status: Compliance</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
	<p>Any new land acquisition will be done by mean of a participatory process with local villages and land owners. No complaints received during this audit process.</p> <p><b><u>Serting</u></b> No establishing new plantings operations in Serting complex. Replanting is commenced in a part of managed area i.e Raja Alias 1 (replanted in 2012). Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting.</p>	✓

	<p><b><u>Kemahang</u></b> According to document verification and interview with management, there is no new plantation development in FELDA Kemahang Complex. All area of Kemahang complex were developed on 1970-s and currently they have come into second cycle of planting. As seen in the planting year data, the latest planting in Kemahang complex was 2004 (the second cycle). Stakeholder consultation shows that there was no land tenure issue at Kemahang Complex.</p> <p><b><u>Kerteh</u></b> Regarding statement area and field visit revealed that there are no new plantings.</p> <p><b><u>Tersang</u></b> No new planting found in Tersang Complex. By the time initial stage audit was held, Felda Tersang complex has come to second cycle of plantation both for FELDA's own land and Settler's land (Peneroka).</p> <p><b><u>Selendang</u></b> No establishing new plantings operations in Selendang complex. Replanting is commenced in a part of managed area. Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting. Identification and Management Plan of HCV and Biodiversity have been made by Plantation Sustainability and Quality Management (PSQM) FELDA on 7 September 2014. No HCV were identified within this area. Documented procedure for identifying legal and customary rights is available in place (Manual Lestari 1A (Jenis Dok: 3.13 Prosedur Mengenalpasti Hak Perundangan dan Adat; No. Dok: ML-1A/L2-PR12 (0); Date of Issued: March 2012). During interview with management representative and settlers/smallholders, customary land within Selendang complex is not available. The land of Selendang complex is owned by government and managed by FELDA Plantations, therefore no customary land and land claims were identified.</p>	
	<p><b>Status: Compliance</b></p>	

**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**
**3.5.1 Identification of Findings, Corrective Actions and Observations at Stage 2**

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.1.	Major 1.1.1	Record Book for external stakeholder communication was not available at Keratong 05 estate. Only Record Book for settler's complaints and enquiries was available.	Estate Keratong 5	Major	Prior to Certificate Issued	The Estate Keratong 5 has to show the Record Book for external stakeholder communication.	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>- Does not provide an open space for public to participate on.</li> <li>- Do not know the appropriate channel to approach public</li> </ul> <p><b>Corrective action:</b></p> <ul style="list-style-type: none"> <li>- Providing a record book for correspondent feedback at the office area.</li> <li>- Put up notice to the public about the feedback and corresponding through proper channel.</li> </ul> <p><b>Preventive action:</b></p> <p>Prepare a record book for feedback and corresponding together with notice to the public for them to know how to go through the proper channel. To record all the feedback and correspond. Conduct monitoring and evaluation for action settlement and record book through monthly meeting.</p> <p><b>Auditor conclusion:</b></p> <p>Based on the corrective evidence gives by Estate Keratong 5, the non-conformity is closed.</p>	Closed	27 November 2014
2014.2.	Minor 2.2.3	The boundary marker maintenance checklist was not	Estate Keratong	Minor	Surveillance 1	The Estate Keratong 5 should be able to	<p><b>Root cause:</b></p> <p>No responsible person appointed to monitor &amp;</p>	Open	

		updated by estate PIC of Keratong 5 Estate.	5			demonstrate evidence of boundary marker maintenance checklist is updated	maintain the boundary marker. Did not use the monitoring form of boundary marker.  <b>Corrective action:</b> Appoint one responsible officer to monitor the boundary marker. Record and monitor the boundary marker and need to update.  <b>Preventive action:</b> Appoint responsible officer to take care of the boundary marker, update record and the officer must do monitoring every once a year.  <b>Auditor conclusion:</b> The evidende is not yet available.		
2014.3.	Minor 4.3.1	<b>Soil conservation.</b> Felda has implemented soil conservation techniques such as cover crops planting, L-Shape and terrace. Nevertheless, there is still lack evidence of appropriate slope and soil map as basic information for soil conservation implementation.	Keratong 05	Minor	Surveil-lance 1	The Estate Keratong 5 should be able to demonstrate evidence of appropriate slope and soil map as basic information for soil conservation.	<b>Root cause:</b> Estates do not have any topographical map and soil series map  <b>Corrective action:</b> Management unit has to provide appropriate soil and topographic maps to support minimization of soil erosion and degradation.  <b>Preventive action:</b> Prepare a Letter of application to the land unit or FASSB for the application series of land map and Slope map. To keep the map for future review. Update all maps for future use.  <b>Auditor conclusion:</b> The evidende is not yet available.	Open	

2014.4.	Major 4.4.3	<b>Quality of surface Water</b> Regarding the natural waterways inside the Keratong 5 estates, there is still lack evidence of water quality monitoring at a frequency that reflects the estates current activities which may have negative impacts.	Keratong 05	Major	Prior to Certificate Issued	The Estate Keratong 5 should be able to demonstrate evidence of water quality monitoring.	<b>Root cause:</b> Management has overlooked when conducting inspections in the field of water quality.  <b>Corrective action:</b> Management unit has to provide evidence of appropriate monitoring of outgoing water into main natural waterways at a frequency that reflects the current estate activities which may have negative impacts  <b>Preventive action:</b> Take water samples and send it to laboratory. Keep the water sample at the estates. Updating the water sample at least once a year.  <b>Auditor conclusion:</b> The Estate Keratong 5 had sent evidence of water quality monitoring on 2014.	Closed	26 November 2014
2014.5.	Major 4.6.3	<b>Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored.</b>  It was observed that the specific area for empty pesticide container rinsing and pesticide mixing yet to be established referring to environmental mitigation plan dated on 2/5/2014 and also pesticide act 1974. There no	Keratong 05	Major	Prior to Certificate Issued	The Estate Keratong 5 has to show the place to wash off the knapsack and empty container.	<b>Root cause:</b> Management overlooked to reserve a place for chemical mixing and chemical storage including empty bottle chemical storage.  <b>Corrective action:</b> <ul style="list-style-type: none"> <li>- Building a store for keeping the empty chemical bottle</li> <li>- Building a space for chemical mixing.</li> </ul> <b>Preventive action:</b> Appoint an experienced contractor to build chemical storage. Monitor chemical store and	Closed with Observation	27 November 2014



		place to wash off the knapsack and empty container.					chemical usage.		
							<p><b>Auditor conclusion:</b></p> <p>The Estate Keratong 5 had sent evidence of place to wash off the knapsack and empty container (on finishing process for establish). Based on the evidence it will observation on next audit visit.</p>		
2014.6.	Major 4.6.5	<p><b>OSH Plan.</b> OSH Plan has not been effectively implemented at certain areas e.g:</p> <ul style="list-style-type: none"> <li>– Sprayer like Sukri (New worker), Apipudin (harvester), Jamal Saodagar (harvester) does not checkup as requested RSPO CHRA for pesticide operators.</li> <li>– It was observed that Gun/Nozzle wasn't installed in hose so that cannot work well.</li> </ul>	Keratong 11 and Mill	Major	Prior to Certificate Issued	<p>The Estate Keratong 11 should be able to demonstrate evidence of medical surveillance of the workers.</p> <p>The Keratong Mill has to show that the Gun/Nozzle was installed in hose</p>	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>- Several worker has switch work task/position however they did not go through any of medical surveillance.</li> <li>- Mill did not do consistence inspections upon nozzle installation to the second pipeline.</li> </ul> <p><b>Corrective action:</b></p> <ul style="list-style-type: none"> <li>- Start off the medical surveillance for the worker who involve at FGVPK Keratong 11.</li> <li>- Installing Gun/Nozzle at the second pipeline at Keratong 03 Palm oil mill.</li> </ul> <p><b>Preventive action:</b></p> <ul style="list-style-type: none"> <li>- Sending workers for health interrogation</li> <li>- Installing Gun/Nozzle at the second pipe line at Keratong 03 Palm oil mill</li> <li>- Inspect the installed nozzle periodically and review worker who have to do health check/interrogation for the following year</li> <li>- Inspect the installed nozzle periodically to make sure it work properly.</li> </ul> <p><b>Auditor conclusion:</b></p> <p>The Estate Keratong 11 had sent evidence of</p>	Closed With Observation	27 November 2014

							<p>medical surveillance of the workers (Sukri, Apipudin, Jamal Saodagar).</p> <p>The Keratong Mill had sent evidence of new set Gun and Nozzle was installed for each hose.</p> <p>Based on the evidence givens by Estate Keratong 11 and the Keratong POM will observation on next audit visit</p>		
2014.7.	Minor 5.5.3	<p><b>No evidence of burning waste (including domestic waste).</b></p> <p>There is evidence of burning waste observed at waste disposal area during the audit.</p>	Keratong 05 Office Behind Chemical Store	Minor	Surveil-lance 1	The Estate Keratong 5 has to show the policy and the commitment for No evidence of burning waste (including domestic waste).	<p><b>Root cause:</b> Did not follow the "prohibition of open burning"</p> <p><b>Corrective action:</b> Provide adequate trash bin. Put up signs of open burning prohibition. Educate workers and stallholders pertaining the prohibition of open burning.</p> <p><b>Preventive action:</b> Install signs, provide garbage bins. Make explanations ban open burning. Waste management program monitored each year.</p> <p><b>Auditor conclusion:</b> The evidende is not yet available.</p>	Open	
2014.8.	Minor 6.1.2	<p><b>SIA Assessment has been done with the participation of affected parties.</b></p> <p>Management unit has been done of Social Impact Assessment by gathering data from stakeholders. Based on</p>	Keratong 03 POM, Keratong 11 & Keratong 05	Minor	Surveil-lance 1	The Keratong 03 POM, Keratong 11 & Keratong 05 should be able to demonstrate evidence of Social Impact Assessment gathering data is	<p><b>Root cause:</b> <i>Management were had overlooked the matter.</i></p> <p><b>Corrective action:</b> 1. <i>SIA should be carried out to re-engage more respondents</i> 2. <i>The new SIA report should be provided</i></p>	Open	

		sample of questioner has showed if data only gathered from a few informant and did not involve of affected parties. It is not adequate and lack of evidence about data from external stakeholder (e.q. community member or smallholder peasants).				included from external stakeholder.	<p><b>Preventive action:</b> Distribute the questionnaire / for visits to stakeholders involved</p> <p>Provide SIA report. SIA monitor action plans prepared. The responsible officer will ensure that all action plans implemented each year.</p> <p><b>Auditor conclusion:</b> The evidende is not yet available.</p>		
2014.9.	Minor 6.1.3	<p><b>A timetable with responsibilities for mitigation and monitoring</b></p> <p>The report of Social Impact Assessment (SIA) had been established for Keratong 03 POM and estates (Keratong 11 &amp; Keratong 05). These document explain about evaluating and providing the action plan for mitigating and monitoring but it not adequate that impacts (both positive and negative) are identified.</p>	Keratong 03 POM, Keratong 11 & Keratong 05	Minor	30 days	The management unit shall providing the action plan for mitigating and monitoring all impacts (both positive and negative).	<p><b>Root cause:</b> SIA conducted inaccurate because it does not meet the requirements set RSPO.</p> <p><b>Corrective action:</b> Prepare an action plan for each of the issues raised in the SIA conducted</p> <p><b>Preventive action:</b> Prepare an action plan for SIA and SIA that has been made. 'Monitor program action plan SIA done. Monitor the action plan and updated annually</p> <p><b>Auditor conclusion:</b> Monitoring program action plan SIA has done. Providing the action plan for mitigating and monitoring impacts both positive and negative are identified. Based on the evidence givens by Estate Keratong 11, the non-conformity is closed.</p>	Closed	27 November 2014

2014.10.	Minor 6.2.3	<b>Maintenance of a list of stakeholders.</b> Based on document verification in Keratong 11 it shown that there is no available Stakeholders list.	Keratong 11	Minor	30 days	The management unit should maintenance and providing of Stakeholders list.	<b>Root cause:</b> <i>Estates management overlooked in providing a list of stakeholders.</i>  <b>Corrective action:</b> <i>Provide a list of stakeholders who are in FGVPK Keratong 11</i>  <b>Preventive action:</b> <i>Updating the list of stakeholders for the mill and all the supply bases.</i>  <b>Auditor conclusion:</b> Based on the evidence gives by Estate Keratong 11, the non-conformity is closed.	Closed	27 November 2014
2014.11.	Minor 6.5.2	<b>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment are available in the language understood by the workers</b> Field observation and interviews has showed that any migrant worker from Nepal in Keratong 05 estate. Based on document verification, the estate cannot showed the legal agreements or direct contracts for their foreign workers.	Keratong 05	Minor	30 days	The management unit shall provide the documentation of legal agreements or direct contracts for all migrant workers.	<b>Root cause:</b> Management has overseen on saving copy of the contract of employment on the farm. This is because employment contracts recorded in HQ.  <b>Corrective action:</b> Providing books / agreement / contract workers work per employee Nepal is in Keratong 05. All the books of the agreement must be signed and understood by the employee. Records related explanatory work contracts to foreign workers.  <b>Preventive action:</b> Request a copy of the employment contract of an employee to a unit of Manpower Nepal FTP. Update the working copy of the contract for new employees. Provide explanation on	Open	

							the contract of employment for foreign workers every year		
							<b>Auditor conclusion:</b> The evidende is not yet available.		

### 3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1.	2.1.1	Copies of land titles or equivalent documentation should be available for reference at the document filing center of Keratong 05 for administrative management purpose.
2.	2.1.2	However, the FGV RSPO documentation could enhance the description of the control mechanism for establishing and updating of the legal register and associated licenses / permits related to RSPO requirements.
3.	4.6.5	The company should be clean up the floor specially at sterilizer station as recommended in HIRADC (Hazard identification Risk Assessment)
4.	5.3.2	It is recommended to improve the segregation and storage of schedule waste such as labelling, segregation according to type of scheduled waste, etc.

### 3.5.3 Noteworthy Positive Components

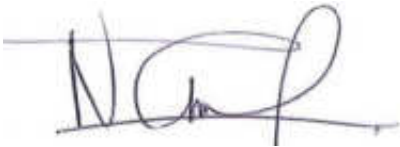
No	Ref.Std	Description
1	-	Management and staff commitment was evident in commitment toward meeting the time-bound plan
2	-	Felda scheme was found to be successful in improving sustainable development for rural settlers



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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>Smallholder Peasant (Peneroka)</b> The Felda program and activities in palm oil plantation is effect of positive impact to community surround, for example: <ul style="list-style-type: none"> <li>• Road is more easy to access than before.</li> <li>• Donation to school activities.</li> <li>• Smallholder program was effect to increase of community income.</li> </ul>	Positive comment and management will maintained it. It is a FELDA's responsible to make sure the smallholder having better living standards.	<ul style="list-style-type: none"> <li>• <u>Good perception by the local contractor:</u> Based on interview that knows if Felda was giving many access to local contractors to involve in several project and it was increase income of community adjacent the mill and plantation area.</li> <li>• <u>Good perception by the smallholder peasants (peneroka) and the other stakeholders:</u> Based on interview that knows if Felda already help the community to increase their income and many more facilities is constructed since Felda come to Keratong.</li> </ul>
<b>Woman Associate (Gerakan Persatuan Wanita – Keratong 05)</b> Impact of Felda activities in palm oil plantation are: <ul style="list-style-type: none"> <li>• Communities income is more increase than before</li> <li>• The company in Keratong already donation and establish workshop for woman activities (workshop for tailoring activities)</li> <li>• Access for education facilities is more easy than before</li> <li>• The company already build a new facilities (kindergarten school building, clinic, etc).</li> </ul>	Thanked for the positive comment and will maintained it. It is a FELDA's responsible to make sure the smallholder having better living standards.	<u>Good perception by the Woman Associate (Gerakan Persatuan Wanita):</u> <ul style="list-style-type: none"> <li>• There are no abuse and violence against women until now.</li> <li>• Based on observation that shows if Felda was provide woman workshop for tailor activities.</li> </ul>
<b>Community member</b> <ul style="list-style-type: none"> <li>• There are not issues in relation of land occupation and negative impact of plantation and mill operation.</li> <li>• Smallholder program was effect to increase of community income.</li> </ul>	Positive comment and management will maintained it.	<ul style="list-style-type: none"> <li>• Based on documents review, management interview and field visit observation is there are no land conflict and complaints by the community surround anf the other stakeholders.</li> <li>• Based on interview with the smallholder peasants (peneroka) and the other stakeholder that known Felda already help the community to increase their income and many more facilities is constructed since Felda come to Keratong.</li> </ul>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
		<ul style="list-style-type: none"> <li>Observation by field visit shows that Felda was provide a few facilities for public (for example is school and another facilities)</li> </ul>
<b>Malaysia Palm Oil Board (MPOB)</b> MPOB is agency was concern for increase the quality of palm oil products. <ul style="list-style-type: none"> <li>The MPOB was collaboration with a few plantation company, include Felda in related for increase the quality of palm oil products</li> <li>There are not issues in relation of land occupation and negative impact of plantation and mill operation.</li> </ul>	Maintained the good relationship with Government's Agency to produce a good quality of Palm Oil Products.	Based on stakeholder consultation and discuss with MPOB representatives in audit process that indicated is there are no negative issues related to opeartional of Felda Keratong 03.
<b>Local Contractor</b> Have a work contract with Keratong 03 POM since 2013 regarding for transportation of Empty Fruit Bunch from Mill to plantation area. <ul style="list-style-type: none"> <li>Access of local contractor for cooperation in several project in Keratong 03 POM.</li> <li>The company already shared many benefit for the community surround, for example is aid to community for house construction, school building, etc.</li> <li>Implementation of smallholder program</li> <li>There are not issues in relation of land occupation and negative impact of plantation and mill operation.</li> </ul>	Maintained good relationship with local supplier and strive for more.	<ul style="list-style-type: none"> <li><u>Good perception by the local contractor:</u> Based on interview that knows if Felda was giving many access to local contractors to involve in several project and it was increase income of community adjacent the mill and plantation area.</li> </ul>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p><b>Formal Sign-off of Assessment Findings</b></p> <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-between; align-items: flex-end; padding-top: 50px;"> <div style="text-align: center;"> <p><i>Felda Global Ventures - FELDA</i> Management Representative</p>  <p><b><u>En. Norazam Abdul Hameed</u></b> 4 December 2014</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p> <p><i><b>T Mohan</b></i></p> <p><b><u>Mohan Thavarajah</u></b> 4 December 2014</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Malaysian CropLife & Public Health Association (MCPA)	11 (1st Floor), Jalan SS 26/8, Taman Mayang Jaya, Selangor Darul Ehsan		Email	20/9/2014		✓
2	All Women's Action Society (AWAM)	85, Jalan 21/1, Sea Park, 46300 Petaling Jaya		Email	20/9/2014		✓
3	Pertubuhan Tindakan Wanita Islam PERTIWI	63 Jalan SS3/53, Kelana Jaya, 47300 Petaling Jaya		Email	20/9/2014		✓
4	Women's Aid Organisation - Pertubuhan Pertolongan Wanita	PO Box 493, Jalan Sultan, 46760 Petaling Jaya		Email	20/9/2014		✓
5	Tenaganita Sdn Bhd	38, Jalan Gasing 46000 Petaling Jaya, Malaysia		Email	20/9/2014		✓
6	Pesticide Action Network Asia and the Pacific (PAN AP)	P.O. Box 1170, Penang, 10850 Malaysia		Email	20/9/2014		✓
7	BCSDM - Business Council for Sustainable Development in Malaysia	Suite 803, MBE Pavilion KL, Lot No. B1.03.00, Level B1, Pavilion KL, 168, Jalan Bukit Bintang, 55100 Kuala Lumpur.		Email	20/9/2014		✓
8	Sustainable Development Network Malaysia (SUSDEN)	B-2114 Tingkat Satu, Jalan Merpati 25300 Kuantan, Pahang		Email	20/9/2014		✓
9	Centre for Environment, Technology and Development, Malaysia – CETDEM	17 Jalan SS2/53, 47300 Petaling Jaya		Email	20/9/2014		✓
10	Environmental Management and Research Association of Malaysia (ENSEARCH)	30-3, Jalan PJU 5/16, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor		Email	20/9/2014		✓
11	Environmental Protection Society Malaysia (EPSM)	No. 60, Jalan 21/35, 46300 Petaling Jaya, Selangor, Malaysia		Email	20/9/2014		✓
12	Friends of the Earth, Malaysia	Sahabat Alam Malaysia (Headquarters) No. 258 Jalan Air Itam 10460 Penang, Malaysia		Email	20/9/2014		✓
13	Global Environment Centre	Global Environment Centre 2nd Floor, Wisma Hing, 78, Jalan SS2/72 47300 Petaling Jaya, Selangor		Email	20/9/2014		✓
14	Institute of Foresters, Malaysia (IRIM)	Pejabat Sekretariat IRIM, Jabatan Perhutanan Semenanjung Malaysia,		Email	20/9/2014		✓

		Jalan Sultan Salahuddin, 50660 Kuala Lumpur					
15	Malaysian Environmental NGOs – MENO	No. 41, Lorong Burhanuddin Helmi 11, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia.		Email	20/9/2014		✓
16	Treat Every Environment Special Sdn Bhd. (TrEES)	No.72, Jalan SS4/10, 47301, Petaling Jaya, Selangor Darul Ehsan, Malaysia		Email	20/9/2014		✓
17	Center for Orang Asli Concerns COAC	P.O. Box 3052, Subang Jaya, Malaysia		Email	20/9/2014		✓
18	JERIT - Jaringan Rakyat Tertindas - Coalition of the Oppressed People	72b, Jalan Reko, Taman Sri Langat Kajang Selangor, Malaysia 43000		Email	20/9/2014		✓
19	JUST - International Movement for a Just World	International Movement for a Just World, JKR, 1258, Jalan Telok Off Jalan Gasing, P.O. Box 288. Petaling Jaya, Selangor.		Email	20/9/2014		✓
20	National Council of Welfare & Social Development Malaysia - NCWSDM	No. 17, Jalan 1/48A, Bandar Baru Sentul, 51000 Kuala Lumpur		Email	20/9/2014		✓
21	National Union of Plantation Workers (NUPW)	No 2, Jalan Templer, 46000 Petaling Jaya, Selangor		Email	20/9/2014		✓
22	SUARAM - Suara Rakyat Malaysia	433A, Jalan 5/46, Gasing Indah, 46000 Petaling Jaya		Email	20/9/2014		✓
23	SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia	11th Floor, Menara TH Perdana, Jalan Sultan Ismail, 50250 Kuala Lumpur.		Email	20/9/2014		✓
24	United Nations Development Programme - UNDP Malaysia	Wisma UN, Block C Kompleks Pejabat Damansara, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur		Email	20/9/2014		✓
25	UNION - AMESU	No. 29-3, Jalan USJ 1/1A 47620 Subang Jaya Selangor Darul Ehsan		Email	20/9/2014		✓
26	Malaysian Employers Federation - MEF	3A06-3A07, Block A, Pusat Dagangan Phileo Damansara II, 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya		Email	20/9/2014		✓
27	Transparency International - Malaysian Chapter	23 Jalan Pantai 9/7 46000 Petaling Jaya, Selangor, Malaysia.		Email	20/9/2014		✓
28	Future in Our Hands Society	No 10, Jalan T.S. Manikawasagam, 10 Taman Menara Maju, 41200 Klang Selangor		Email	20/9/2014		✓
29	EcoKnights	EcoKnights, 41, Lorong Burhanuddin Helmi 11, Taman Tun Dr. Ismail,		Email	20/9/2014		✓



		60000 Kuala Lumpur,					
30	Amnesty International Malaysia	D-2-33A, 8 Avenue Jalan Sungai Jernih 8/1, Section 8, 46050, Petaling Jaya, Selangor.		Email	20/9/2014		✓
31	Malaysian National Animal Welfare Foundation - MNAWF	Wisma Medivet, 8, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia		Email	20/9/2014		✓
32	TRAFFIC - the wildlife trade monitoring network	Unit 3-2, 1st Floor, Jalan SS23/11, Taman SEA, 47400 Petaling Jaya, Selangor, Malaysia.		Email	20/9/2014		✓
33	Malaysian Nature Society (MNS) Kuala Lumpur	JKR 641, Jalan Kelantan, Bukit Persekutuan, 50480 Kuala Lumpur		Email	20/9/2014		✓
34	Proforest - South East Asia Regional Office	Suite #303 MBE Desa Sri Hartamas No. 30G, Jalan 25/70 A 50480 Kuala Lumpur		Email	20/9/2014		✓
35	Wetlands International (Malaysia)	3A31 Block A, Kelana Centre Point, Jalan SS7/19, 47301 Petaling Jaya		Email	20/9/2014		✓
36	Wild Asia Sdn Bhd	Upper Penthouse, Wisma RKT, No 2 Jalan Raja Abdullah, 50300 Kuala Lumpur		Email	20/9/2014		✓
37.	Local People (surrounding area)	Bandar Tun Razak		Focus Group Discussion	24/9/2014	✓	
38	Peneroka	Bandar Tun Razak		Interview	25/9/2014	✓	

**Appendix 2. Assessment Program**

DATE	22 - 26 SEPTEMBER 2014				
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR			
		MT	OR	MM	YCH
MONDAY, 22 September 2014					
08.00 - 09.00	Opening Meeting	√	√	√	√
09.00 - 13.00	Document review at Keratong 03 Palm Oil Mil WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management	√	√	√	√
13.00 – 14.00	BREAK				
14.00 – 17.00	Document review / Field Observation at Keratong 03 Palm Oil Mil WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management	√	√	√	√
TUESDAY, 23 September 2014					
08.00 - 13.00	Field Observation to:  Field Observation to Keratong 03 Palm Oil Mill  Field Observation to FGVP Keratong 11 <ul style="list-style-type: none"><li>Manuring, Spraying, Harvesting, Best Agricultural Practices</li><li>Worker Welfare (payments, complaint mechanism, etc.)</li><li>Legal operational boundary and Conservation Area</li><li>Worker facilities (housing, health clinic, clean water, etc)</li><li>Land Fire facilities, Storage, etc.</li><li>Hazardous Waste Material management</li></ul>	√   √	√  √	√  √	√   √ √ √
13.00 – 14.00	BREAK				
14.00 – 17.00	Field Observation to:  FGVP Keratong 11 <ul style="list-style-type: none"><li>Manuring, Spraying, Harvesting, Best Agricultural Practices</li><li>Worker Welfare (payments, complaint mechanism, etc.)</li><li>Legal operational boundary and Conservation Area</li><li>Worker facilities (housing, health clinic, clean water, etc)</li><li>Land Fire facilities, Storage, etc.</li><li>Hazardous Waste Material management</li></ul>	√	√	√	√ √ √ √
WEDNESDAY, 24 September 2014					
08.00 – 13.00	Continue Field Observation to:  Field Observation to FGVP Keratong 11  Stakeholders consultation to Nearest village and community leader, labour union, gender committee.  Stakeholders consultation to Related Government Institution (District Government and local NGO)	√	√  √	√	√
13.00 – 14.00	BREAK				

14.00 – 17.00	<b>Field Observation to:</b> <b>FELDA / FTP KERATONG 05</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>• Worker Welfare (payments, complaint mechanism, etc.)</li> <li>• Legal operational boundary and Conservation Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Land Fire facilities, Storage, etc.</li> <li>• Hazardous Waste Material management</li> </ul>	√	√	√	√ √ √
<b>THURSDAY, 25 September 2014</b>					
08.00 – 13.00	<b>Field Observation to:</b> <b>FELDA / FTP KERATONG 05</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>• Worker Welfare (payments, complaint mechanism, etc.)</li> <li>• Legal operational boundary and Conservation Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Land Fire facilities, Storage, etc.</li> <li>• Hazardous Waste Material management</li> </ul>	√	√	√	√ √ √
13.00 – 14.00	<b>BREAK</b>				
14.00 – 17.00	<b>Completion of checklist / Audit finding preparation</b>	√	√	√	√
<b>FRIDAY, 26 September 2014</b>					
08.00 – 10.00	<b>Team meeting &amp; briefing to client representative</b>	√	√	√	√
10.00 – 12.30	<b>Closing Meeting</b>	√	√	√	√