



**PT. MUTUAGUNG LESTARI**  
**ASSESSMENT REPORT**

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

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

Name of Management Organisation : Kilang Sawit Selendang – Felda Palm Industries Sdn. Bhd. Subsidiary of Felda Global Ventures Holding Bhd

Plantation Name : Felda Global Ventures Plantations Malaysia: FGVPM Berabong-01 Estate; FGVPM Selendang-03 Estate; FGVPM Selendang-04 Estate and FGVPM Selendang-05 Estate

Location : 26800 Kuala Rompin ,Pahang Darul Makmur, Malaysia

Certificate Code : **MUTU-RSPO/108**

Date of Certificate Issue : 12 January 2018      Date of License Issue : 12 January 2018

Date of Certificate Expiry : 11 January 2023      Date of License Expiry : 11 January 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-2	9 <sup>th</sup> to 13 <sup>th</sup> October 2017	Yudwi Wisnu Rahmanto (Lead Auditor); Bukti Bagja, Ebnu Holdoon Shawal, Khairul Anuar	Ganapathy Ramasamy	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	12 January 2018

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FIGURE

Figure 1. Location Map of Kilang Sawit Selendang and its Supply Bases



Figure 2. Operational Map of FGV Berabong-01 Estate

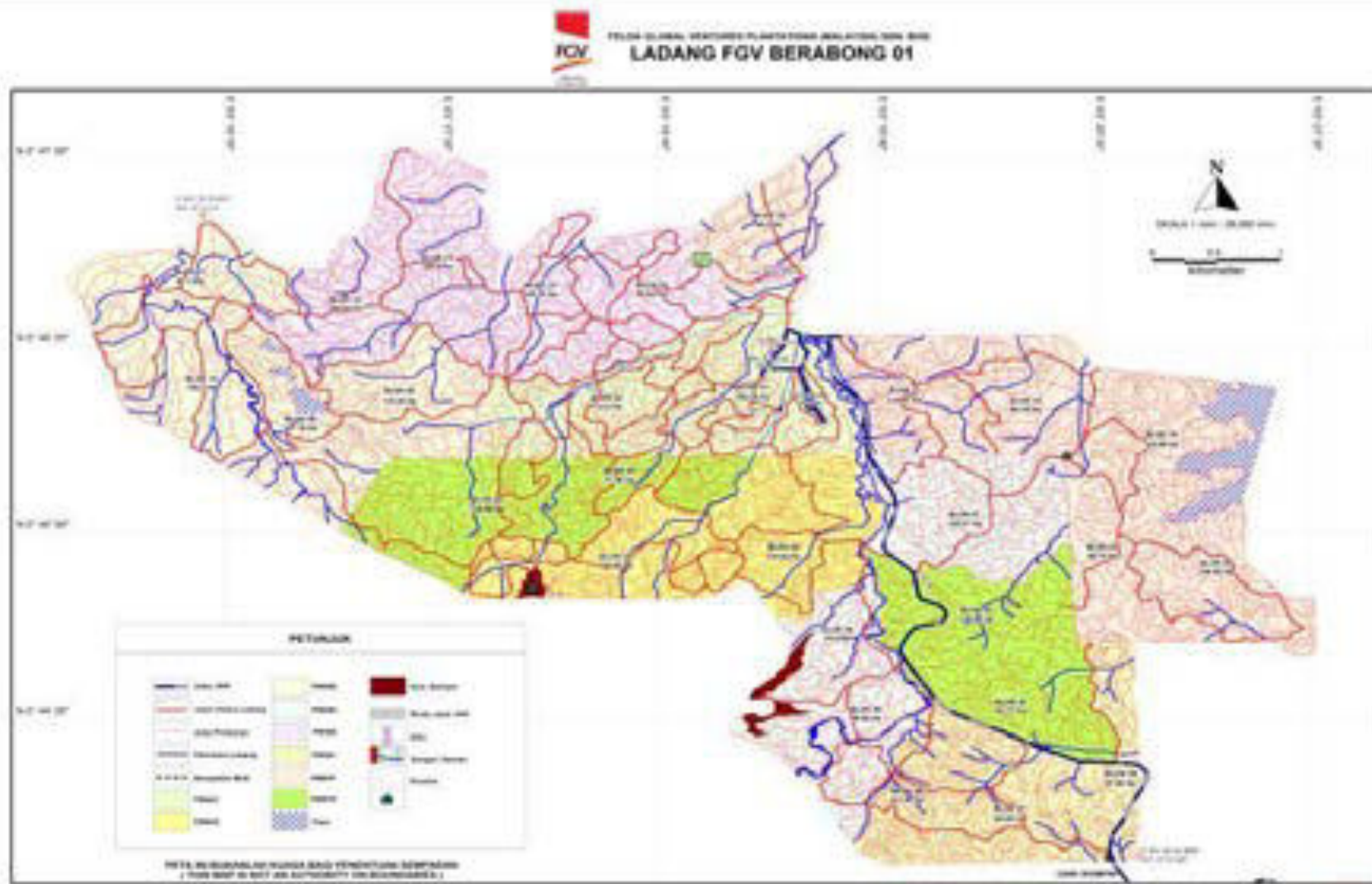
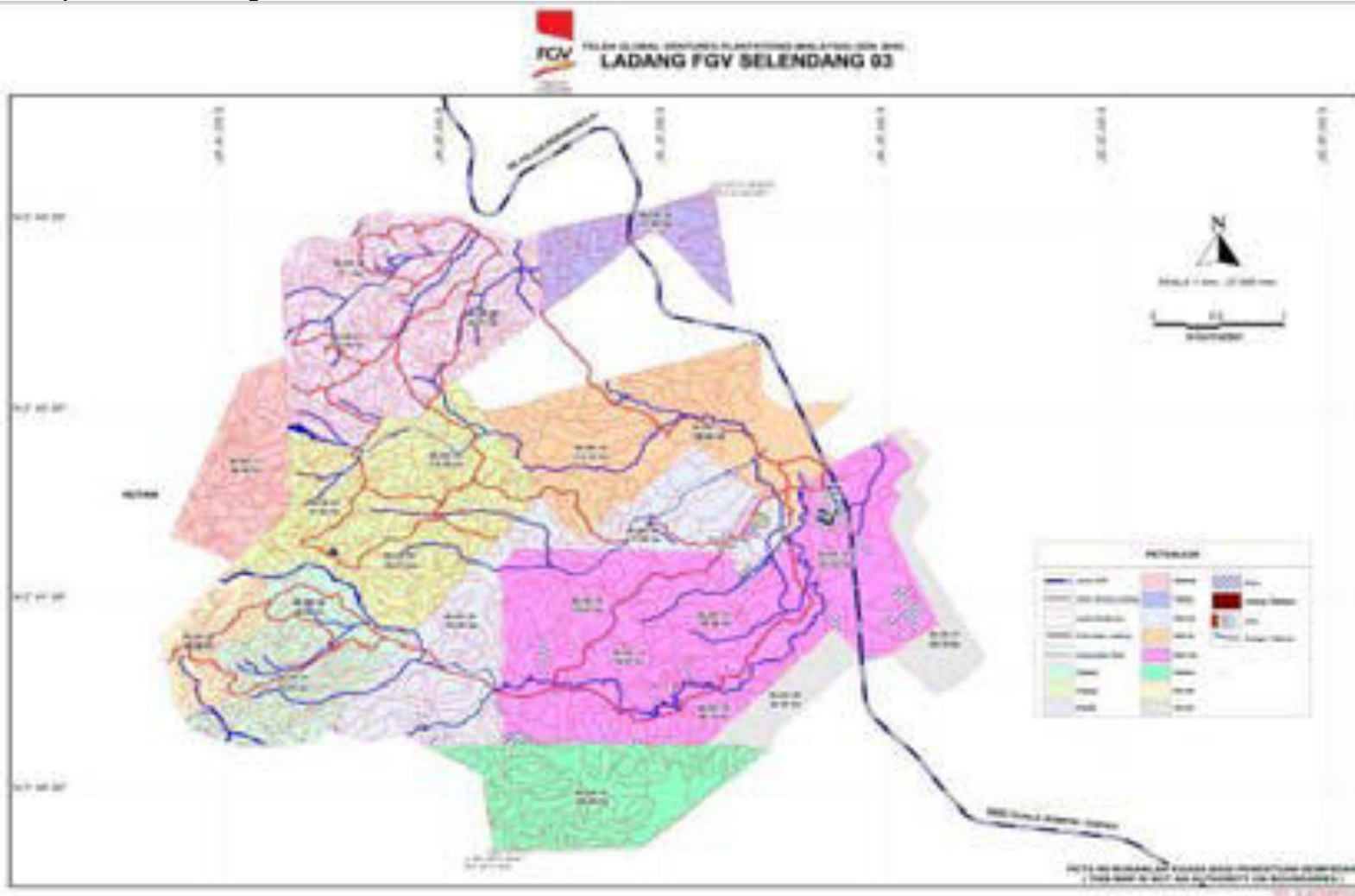
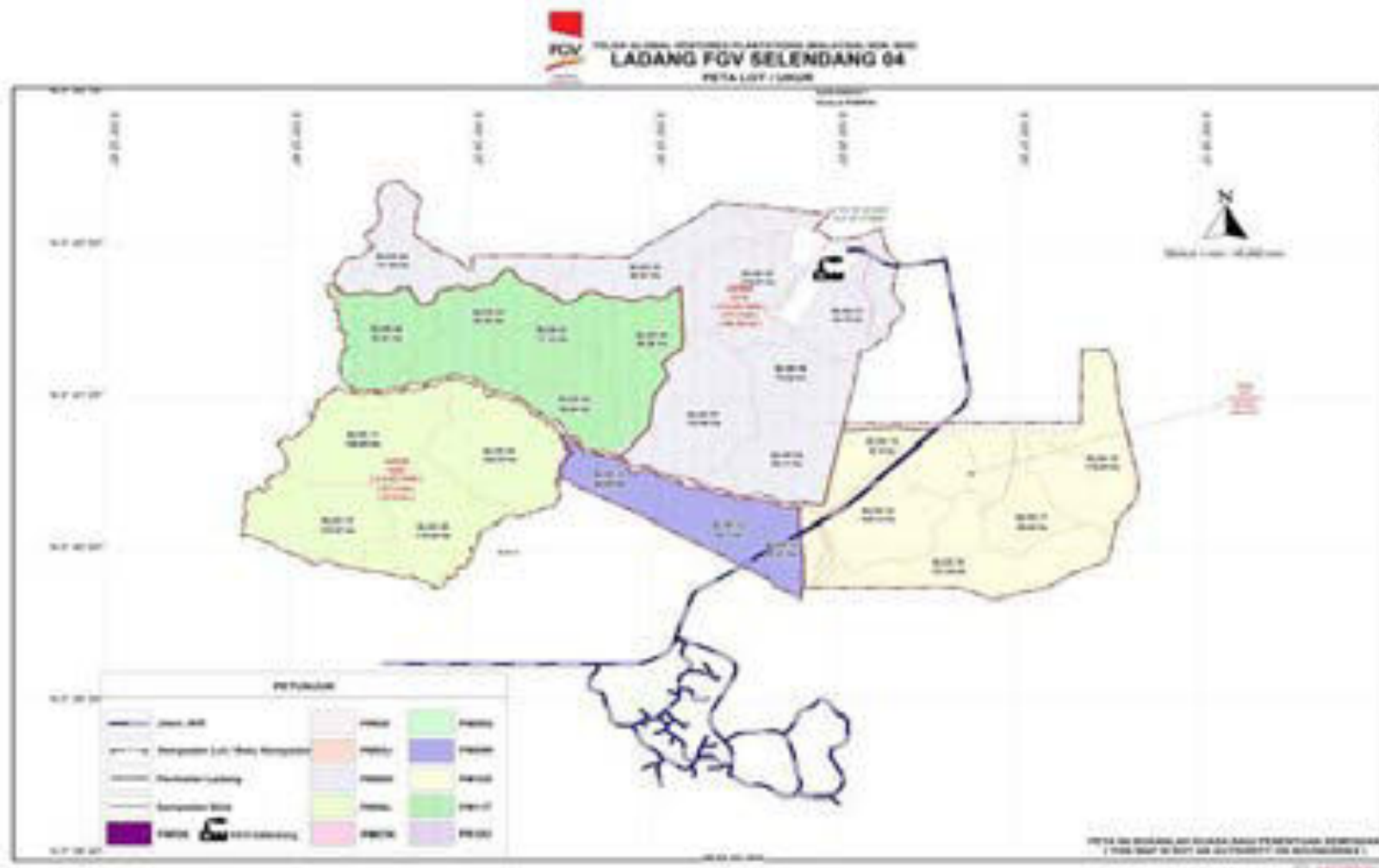




Figure 3. Operational Map of FGV Selendang-03 Estate



**Figure 4. Operational Map of FGV Selendang-04 Estate**



[illegible]

**Abbreviation Used**

ASA	: Annual Surveillance Assessment	LCC	: Legume Cover Crop
BOD	: Biological Oxygen Demand	LSU	: Leaf Sampling Unit
CB	: Certification Body	ML	: Sustainability Manual ( <i>Manual Lestari</i> )
CDD	: Certification & Due Diligence	MSDS	: Material Safety Data Sheet
CPO	: Crude Palm Oil	MPOA	: Malaysia Palm Oil Association
DoE	: Departement of Environment	MPOB	: Malaysia Palm Oil Board
DoSH	: Departement on Safety and Healt	NGO	: Non-Government Organisation
EFB	: Empty Fruit Bunches	OER	: Oil Extration Rate
EIA	: Environmental Impact Assessment	OHS	: Occupational Health and Safety
EM	: Estate Manager	PIC	: Personel In Charge
EMP	: Environmental Management Plan	PK	: Palm Kernel
FASSB	: Felda Agriculture Service Sdn. Bhd	POM	: Palm Oil Mill
FFB	: Fresh Fruit Bunches	POME	: Palm Oil Mill Effluent
FGV	: Felda Global Ventures	PPE	: Personel Protective Equipment
FGVP(M)	: Velda Global Ventures Plantation Malaysia	RSPO	: Roundtable on Sustainable Palm Oil
GHG	: Green House Gases	SOCISO	: Social Security Organisation
HCV	: High Conservation Value	SCCS	: Supply Chain Certification System
HIRARC	: Hazard Identification Risk Assessment and Risk Control	SIA	: Social Impact Assessment
IPM	: Integrated Pest Management	SOP	: Standard Operating Procedure
ISO	: International Standard Organisation	SPAN	: Suruhanjaya Perkhidmatan Air Negara
KER	: Kernel Extration Rate	SSU	: Soil Sampling Unit
KMAM	: <i>Kawalan Mutu Air minum</i>	WTP	: Water Treatment Plant
KPDNKK	: Ministry of Domestic Trade, Co-operatives and Consumerism	WWTP	: Waste Water Treatment Plant



<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
	<ul style="list-style-type: none"> <li>• <i>Malaysian National Interpretation of RSPO Principles and Criteria 2013 by MY-NITF (Malaysian National Interpretation Task Force), endorsed by the RSPO Board of Governors 6th March 2015</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>		
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	FELDA PALM INDUSTRIES Sdn. Bhd and FELDA GLOBAL VENTURES PLANTATION (M) Sdn. Bhd subsidiary of FELDA GLOBAL VENTURES HOLDING BERHAD	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Organisation address and site address	RSPO Registered Company: Felda Global Ventures Holdings Berhad Level 45, No. 11, Persiaran KLCC, Menara Felda Platinum Park, 50088, Kuala Lumpur, Malaysia	
1.2.4	Telephone	(+ 603) – 28591995	
1.2.5	Fax	(+ 603) – 28591311	
1.2.6	E-mail	<a href="mailto:norazam.ah@feldaglobal.com">norazam.ah@feldaglobal.com</a>	
1.2.7	Web page address	<a href="http://www.feldaglobal.com">www.feldaglobal.com</a>	
1.2.8	Management Representative who completed the application for certification	Mr. Anthonius Sani	
1.2.9	Registered as RSPO member	1-0225-16-000-00, 27 December 2016	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and its supply bases: <ul style="list-style-type: none"> <li>• Selendang Palm Oil Mill, FGV Berabong-01 Estate, FGV Selendang-03 Estate, FGV Selendang-04 Estate and FGV Selendang-05 Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Kilang Sawit Selendang	26800 Kuala Rompin, Pahang Darul Makmur, Malaysia	N 2° 42' 12"      E 103° 26' 25"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	FGVPM Berabong-01	26800 Kuala Rompin, Pahang Darul Makmur, Malaysia	N 2° 43' 51"      E 103° 20' 42"

	FGVPM Selendang-03	26800 Kuala Rompin, Pahang Darul Makmur, Malaysia	N 2° 07' 00"	E 103° 37' 07"		
	FGVPM Selendang-04	26800 Kuala Rompin, Pahang Darul Makmur, Malaysia	N 2° 39' 31"	E 103° 25' 36"		
	FGVPM Selendang-05	26800 Kuala Rompin, Pahang Darul Makmur, Malaysia	N 2° 39' 31"	E 103° 25' 36"		
1.5 Description of Area Statement						
1.5.1	Tenure					
	• State		9,383.51	Ha		
	• Community		-	Ha		
1.5.2	Area Statement					
	• Total area		9,383.51	Ha		
	• Mature area		8,096.92	Ha		
	• Immature area		-	Ha		
	• Undeveloped area		97.32	Ha		
	• Timber		12.36	Ha		
	• Mill		30.20	Ha		
	• Infrastructure (Staff and workers Quarters, store etc. )		21.76	Ha		
	• Drainage		85.41	Ha		
	• Roads (Main road, subsidiary road)		814.93	Ha		
	• Mining		11.29	Ha		
	• Others area (Non-economic, rocky, road reserve)		213.32	Ha		
	• HCV		-	Ha		
1.6 Planting Year and Cycles						
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		FGVPM Berabong-01	FGVPM Selendang-03	FGVPM Selendang-04	FGVPM Selendang-05	Total
	2004	467.29	156.93	-	390.36	1,014.58
	2005	664.54	240.45	-	365.37	1,270.36
	2006	620.52	257.61	1049.89	-	1,928.02
	2007	951.27	-	-	187.26	1,138.53
	2008	-	298.98	-	427.54	726.52
	2009	-	-	131.33	-	131.33
	2010	-	438.10	443.19	-	881.29
	2011	-	447.50	377.43	-	824.93
	2012	-	-	-	181.36	181.36
	TOTAL	2,703.62	1,839.57	2,001.84	1,551.89	8,096.92
1.6.2	New Planting area after January 2010		-			Ha
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle			

<b>1.7 Description of Mill and Supply Base</b>							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Selendang	54	244,578.21	49,991.79	20.44	11,519.63	4.71
	<i>*Production data period September 2016 – August 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	FGVPM Berabong-01	3,108.69	2,703.62	47,969.05	17.74	47,969.05	100
	FGVPM Selendang-03	2,204.38	1,839.57	25,237.25	13.72	25,237.25	100
	FGVPM Selendang-04	2,297.88	2,001.84	41,241.45	20.60	41,241.45	100
	FGVPM Selendang-05	1,772.56	1,551.89	13,106.76	8.45	13,106.76	100
	<b>TOTAL</b>	<b>9,383.51</b>	<b>8,096.92</b>	<b>127,554.51</b>	<b>15.75</b>	<b>127,554.51</b>	<b>100</b>
	<i>*Production data period September 2016 – August 2017</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	FTPSB Selendang 01	Scheme smallholders of Felda Techno Plant (FTP)	258	1,163.58	12,473.17		
	FTP Selendang 02				8,487.74		
	FTPSB Selendang 01				140.13		
	Felda Selendang 01	Scheme smallholders of FELDA	69	311.19	7,772.71		
	Felda Selendang 01				2,096.81		
	Felda Selendang 02				129.30		
	Fan Kwee	Individual smallholders			53.35		
	Mohamad Arsad Bin Othman	Individual smallholders			51.75		
	Rosli Bin Aziz	Individual smallholders			75.35		
	Harun Bin Bidin	Individual smallholders			303.88		
	Mohd Azam Bin Yusof	Individual smallholders			368.21		
	Baharudin bin Jusoh	Individual smallholders			171.91		
	Asemah Binti Hj Ibrahim	Individual smallholders			143.62		
	Perniagaan Bingan Jaya	Dealer			8,325.38		
	Eng Huat Latex Concentrate Sdn. Bhd.	Dealer			6,359.56		
	Tai Chi Enterprise Sdn. Bhd	Dealer			25,949.88		
	Risda Plantation Sdn. Bhd.	Dealer			6,518.08		
	Kuasa My Enterprise	Dealer			194.10		
	Ekstrapalma Sdn. Bhd.	Dealer			11,357.14		
	Kim Ma Oil Palm (Transport) Sdn. Bhd.	Dealer			4,931.71		

	Pertubuhan Peladang Kawasan Endau	Dealer			1,635.65
	Bakti Mas Bina Sdn. Bhd.	Dealer			7,127.23
	Landlite Returns Sdn. Bhd.	Dealer			2,170.01
	Top Golden Harvest (M) Sdn. Bhd.	Dealer			189.71
	AA Sawit Sdn. Bhd.	Dealer			615.31
	Kawthar Business Resources	Dealer			4,790.01
	Bistamin Trading	Dealer			977.63
	Bidin Legacy Services	Dealer			475.96
	Unik Meranti Sdn. Bhd	Dealer			3,138.41
	TOTAL				117,023.70
	*Production data source from Laporan Penerimaan BTS Mengikut Pembekal KS Selendang period September 2016 – August 2017				
1.7.4	Product categories		FFB, CPO, PK		
1.8 Tonnage of Product					
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim ..... to ..... (tonnes/year)		Actual certified product ..... to ..... (tonnes/year)
	• FFB Production		Not Applicable		Not Applicable
	• CPO Production		Not Applicable		Not Applicable
	• Palm Kernel (PK) Production		Not Applicable		Not Applicable
1.8.2	Product Selling				
	Tonnage of selling product		Actual selling product period ..... until .....		
	• CSPO		Not Applicable, it's Initial Assessment		
	• CSPK		Not Applicable, it's Initial Assessment		
	• CPO under other scheme trading (e.g ISCC, RFS)		Not Applicable, it's Initial Assessment		
	• CPO under conventional trading (if any)		Not Applicable, it's Initial Assessment		
	• PK under other scheme		Not Applicable, it's Initial Assessment		
	• PK under conventional trading (if any)		Not Applicable, it's Initial Assessment		
1.8.3	Estimate of Certified FFB Claim				
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	FGVPM BERABONG-01	3,108.69	2,703.62	56,910	21.05
	FGVPM SELENDANG-03	2,204.38	1,839.57	34,401	18.70
	FGVPM SELENDANG-04	2,297.88	2,001.84	36,237	18.10
	FGVPM SELENDANG-05	1,772.56	1,551.89	31,118	20.05
	TOTAL	9,383.51	8,096.92	158,666	19.60
	*Projected FFB production for 12 months of certificate (12 January 2018 – 11 January 2019)				
1.8.4	Estimate of Certified Palm Product Claim				

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		SC Module
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	KS SELENDANG	54	158,666	33,558	21.15	7,933	5.0	MB
<i>*Projected FFB production for 12 months of certificate (12 January 2018 – 11 January 2019)</i>								
1.9 Other Certifications								
	ISO 9001:2008			Validity period: 8.Jan.2015 – 13.Oct.2017, by SIRIM				
	ISO 14001: 2004			Validity period: 8.Jan.2015 – 13.Oct.2017, by SIRIM				
	OHSAS 18001:2007			Validity period: 8.Jan.2015 – 13.Oct.2017, by SIRIM				
	ISCC			-				
	Others			-				
1.10 Time Bound Plan								
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Selancar 2B	2017	FGVPM Selancar 6 FGVPM Selancar 8 FGVPM Selancar 9	2017	Malaysia	Audited		
	Lepar Hilir	2017	FGVPM Lepar Hilir 5 FGVPM Lepar Hilir 6 FGVPM Lepar Hilir 8	2017	Malaysia	Audited		
	Aring A	2017	FGVPM Aring 2 FGVPM Aring 3 FGVPM Aring 4 FGVPM Aring 5 FGVPM Aring 6 FGVPM Aring 8 FGVPM Aring 10 FGVPM Aring 11	2017	Malaysia	Certified		
	Kechau B	2017	FGVPM Kechau 6 FGVPM Kechau 8 FGVPM Kechau 9 FGVPM Kechau 10	2017	Malaysia	Audited		
	Bukit Sagu	2017	FGVPM Bukit Sagu 4 FGVPM Bukit Sagu 6 FGVPM Bukit Sagu 7 FGVPM Bukit Sagu 8	2017	Malaysia	Audited		
	Keratong 09	2017	FGVPM Bera Selatan 5 FGVPM Bera Selatan 7 FGVPM Merchong FGVPM Keratong Timur FASSB Merchong	2017	Malaysia	Audited		
	Lepar Utara 6	2017	FGVPM Lepar Utara 7 FGVPM Lepar Utara 8 FGVPM Lepar Utara 9 FGVPM Lepar Utara 11	2017	Malaysia	Certified		



Besout	2017	FGVPM Besout 6, FGVPM Besout 7	2017	Malaysia	Audited
Kemasul	2017	FGVPM Mengkarak 1 FGVPM Mengkarak 2	2017	Malaysia	Certified
Triang	2017	FGVPM Triang 2 FGVPM Triang Selatan 1 FGVPM Triang 4	2017	Malaysia	Audited
Lepar Utara 4	2017	FGVPM Lepar Utara 4 FGVPM Lepar Utara 10 FGVPM Lepar Utara 14	2017	Malaysia	Audited
Maokil	2017	FGVPM Maokil 6 FGVPM Maokil 7	2017	Malaysia	Certified
Palong Timur	2017	FGVPM Palong Timur 4/5 FGVPM PALONG TIMUR 06	2017	Malaysia	Audited
Selendang	2017	FGVPM Selendang 3 FGVPM Selendang 4 FGVPM Selendang 5 FGVPM Berabong 1	2017	Malaysia	Certified
Krau	2017	FGVPM Krau 2 FGVPM Krau 4	2017	Malaysia	Certified
Tenggaroh Timur	2017	FGVPM Tenggaroh 12 FGVPM Tenggaroh Timur 2	2017	Malaysia	-
Chini 3	2018	FGVPM Terapai 1 FGVPM Chini Timur 4	2018	Malaysia	-
Nitar	2018	FGVPM Nitar Timur	2018	Malaysia	-
Jerangau Baru	2018	FGVPM Rantau Abang 1 FGVPM Rantau Abang 2 FGVPM Chador 1	2018	Malaysia	-
Serting Hilir	2018	FGVPM Tembangau 3 FGVPM Tembangau 5 FGVPM Tembangau 6 FGVPM Tembangau 7 FGVPM Tembangau 8 FGVPM Tembangau 9 FASSB Serting Hilir	2018	Malaysia	-
Serting	2018	FGVPM Palong 17 FGVPM Palong 18 FGVPM Palong 21	2018	Malaysia	-
Kota Gelanggi	2018	FASSB PPPTR FASSB Kota Gelanggi 5/6	2018	Malaysia	-
Kerteh	2018	FASSB Kerteh FASSB Semaring 01	2018	Malaysia	-
Neram	2018	FGVPM Cherul 03	2018	Malaysia	-
Keratong 3	2018	FGVPM Keratong 11	2018	Malaysia	-
Tenggaroh	2018	FGVPM Tenggaroh 9 FGVPM Tenggaroh 11 FGVPM Tenggaroh 13	2018	Malaysia	-
Chiku	2018	FGVPM Ciku 4 FGVPM Ciku 8	2018	Malaysia	-
Keratong 2	2018	FGVPM Bera Selatan 3	2018	Malaysia	-
Jengka 21	2018	FASSB Jengka 24/25	2018	Malaysia	-

	Adela	2018	FGVPM Kledang 02	2018	Malaysia	-
	Bukit Kepayang	2018	FGVPM Terapai 3	2018	Malaysia	-
	Belitong	2018	FASSB Ulu Belitong FGVPM Bukit Tongkat B	2018	Malaysia	-
	Kulai	2018	FASSB Bukit Besar/Taib Andak	2018	Malaysia	-
	Penggeli	2018	FGVPM Inas Selatan	2018	Malaysia	-
	Chalok	2018	FGVPM Setiu 1	2018	Malaysia	-
	Tementi	2018	FGVPM Bera Selatan 1 FGVPM Bera Selatan 4	2018	Malaysia	-
	Kalabakan	2019	FGVPM Kalabakan Utara 1 FGVPM Kalabakan Tengah 1 FGVPM Kalabakan Selatan	2019	Malaysia	-
	Kembara Sakti	2019	FGVPM Sahabat 30 FGVPM Sahabat 35 FGVPM Sahabat 40 FGVPM Sahabat 41 FGVPM Sahabat 42 FGVPM Sahabat 43	2019	Malaysia	-
	Nilam Permata	2019	FGVPM Sahabat 50 FGVPM Sahabat 51 FGVPM Sahabat 52 FGVPM Sahabat 53 FGVPM Sahabat 54	2019	Malaysia	-
	Hamparan Badai	2019	FGVPM Sahabat 23 FGVPM Sahabat 24 FGVPM Sahabat 26 FGVPM Sahabat 28 FGVPM Sahabat 31 FGVPM Sahabat 33 FGVPM Sahabat 34 FASSB Tambisan	2019	Malaysia	-
	Mercu Puspita	2019	FGVPM Sahabat 7 FGVPM Sahabat 46 FGVPM Sahabat 48 FASSB Sahabat 6	2019	Malaysia	-
	Lancang Kemudi	2019	FGVPM Sahabat 10 FGVPM Sahabat 36 FGVPM Sahabat 38 FGVPM Sahabat 39 FGVPM Sahabat 44 FGVPM Sahabat 45	2019	Malaysia	-
	Pontian United Plantation	2019	Pontian Fico Pontian Subok Pontian Orico Pontian Pendirosa Pontian Kuril Pontian Hilco Rawajaya Sdn Bhd Blossom Plantation Sdn Bhd	2019	Malaysia	-
	Embara Budi	2019	FGVPM Sahabat 11 FGVPM Sahabat 12	2019	Malaysia	-

			FGVPM Sahabat 17 FGVPM Sahabat 56 FGVPM Sahabat 20 FGVPM Sahabat 21 FGVPM Sahabat 22 FGVPM Sahabat 25			
	Baiduri Ayu	2019	FGVPM Sahabat 9 FGVPM Sahabat 16 FGVPM Sahabat 55	2019	Malaysia	-
	Umas	2019	FGVPM Umas 5 FGVPM Umas 6	2019	Malaysia	-
	Sampadi	2019	FGVPM Sampadi 1 FGVPM Sampadi 3 FGVPM Sampadi 4 FGVPM Sampadi 5 FGVPM Sampadi 6	2019	Malaysia	-
	Bukit Mendi	2019	Felda Settlers	2019	Malaysia	-
	Jengka 8	2019	Felda Settlers	2019	Malaysia	-
	Jengka 18	2019	Felda Settlers	2019	Malaysia	-
	Jengka 3	2019	Felda Settlers	2019	Malaysia	-
	Padang Piol	2019	Felda Settlers	2019	Malaysia	-
	Sg. Tenggi	2019	Felda Settlers	2019	Malaysia	-
	Mempaga	2019	Felda Settlers	2019	Malaysia	-
	Pasoh	2020	Felda Settlers	2020	Malaysia	-
	Kemahang	2020	Felda Settlers	2020	Malaysia	-
	Tersang	2020	Felda Settlers	2020	Malaysia	-
	Selancar 2A	2020	Felda Settlers	2020	Malaysia	-
	Chini 2	2020	Felda Settlers	2020	Malaysia	-
	Trolak	2020	Felda Settlers	2020	Malaysia	-
	Semenchu	2020	Felda Settlers	2020	Malaysia	-
	Jerangau Barat	2020	Felda Settlers	2020	Malaysia	-
	Panching	2020	Felda Settlers	2020	Malaysia	-
	Bukit Besar	2020	Felda Settlers	2020	Malaysia	-
	Kahang	2020	Felda Settlers	2020	Malaysia	-
	Waha	2020	Felda Settlers	2020	Malaysia	-
	Air Tawar	2020	Felda Settlers	2020	Malaysia	-
	Lok Heng	2020	Felda Settlers	2020	Malaysia	-
	FGV Asian Plantation Milling Plantation	2021	Inco Setia Sdn Bhd Kronos Plantation Sdn Bhd Fortune Plantation Sdn Bhd BJ Corporatio Sdn Bhd	2021	Malaysia	-
	FGV Yapid MAS (Golden Land)	2021	15 Estate : Sri Kehuma Yapidmas AE Tanah Emas Corporation Bhd	2021	Malaysia	-

			Ladang Kluang Yapidmas D Sri Mosta 1 Sri Mosta 2 Sri Mosta 3 Cepat Ringgit A Cepat Ringgit B Cepat Ringgit D Karamuak Sg Milian Sg Imbak Kuamat Sg Imbak Kuamat			
	PT Citra Niaga Perkasa	2021	PT Citra Niaga Perkasa Estate	2021	Indonesia	-
	PT Temilia Agro Abadi	2021	PT Temila Agro Abadi Estate	2021	Indonesia	-
	FGV Estates without FGV Mill	2021	FGVPM Paloh Estate	2021	Indonesia	-
	Based on time bound plan on 2017, total mill that FGVP(M) have <b>70</b> mills and no one has had certified. In 2017 FGVP(M) plans to conduct RSPO certification process (Initial Assessment) at 16 mill for 2017. The progress of certification process will be observed on next assessment.					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Selendang POM received FFB from associated and scheme smallholders (FTP and Felda). The process of RSPO certification for scheme smallholder will be observed on next assessment.					

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ST-2</b>	<p>1. <b>Yudwi Wisnu Rahmanto (Lead Auditor)</b>. Indonesian citizen graduated as Bachelor of Forestry with major study on Silviculture background in 2006. Previous working experiences i.a: Agronomy Assisstant in one of Plantation Company for 8 months and pharmacy business for 6 months afterwards. In 2010 began work as auditor in one of international certification body and became as RSPO Lead Auditor in 2013. Several training and audit activities for other certification schemes that have been involved including Organic Standard scheme (JAS, USDA-NOP, EU); Sustainability Coffee (C.A.F.E Practices - Starbucks); Sustainability of Forest Management (FSC-FM/CoC, CW); Sustainability of Oil Palm Plantations (RSPO, ISPO). Preferred aspects during auditing in sustainable certification schemes i.e: Land Tenure, HCV/Conservation, Social Community and Supply Chain. Having communication ability in local language (Javanese, Sundanese), Bahasa Indonesia, Malay and English (moderate fluent). During this audit, he assigned to verify on Agronomy, IPM, Mill processing and Supply Chain aspect.</p> <p>2. <b>Bukti Bagja (Auditor)</b> Indonesian citizen. Master of Science majoring in Environmental Science, University of Indonesia. More than 10 years experience in various national and international forestry and environmental project. Certified RSPO Lead Auditor, involved in various RSPO assessment in Indonesia and Malaysia as Lead Auditor. He too experienced in numbers of international environmental project in Indonesia. Had attended various relevant training i.e. Auditor/Lead auditor Management System Certification (ISO 9001-2008), EIA, HCV assessment, Indonesian Sustainable Palm Oil Lead auditor. Has competency in digital mapping such as: Arc GIS, MapInfo, ER MAPPER, and ERDAS Imagine. During this audit, he assigned to verify on HCV and Environmental aspect.</p> <p>3. <b>Ebnu Holdoon Shawal (Auditor)</b>. Malaysia Citizen. Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001 : 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He is fluent in local language. He has gone for various RSPO audits. Fluent in Bahasa, Malay and English. At the time of audit, has verify aspect of Transparency and Social.</p> <p>4. <b>KHAIRUL ANUAR (Auditor)</b>. Graduated from University of Alabama at Birmingham with Bachelor of Science in Civil Engineering (environmental) and holds a degree of Associate in Applied Science from the University of New York at Buffalo. A registered Environmental Auditor (EA0079) with the Department of Environment Malaysia. A Certified Erosion Sediment and Storm Water Inspector (CESSWI3309) and also the first batch holder for competency in Environmental Compliance Audit Training from the Natural Resources and Environment Board (NREB) Sarawak. He is also trained in ISO14001 EMS Lead Auditor. 24 years of working experience in various industries and disciplines including a 5 years Lead Estimator role at Honeywell (A Fortune 100 company). During this audit, he assigned to verify of Legal and OHSA aspect.</p>
<b>2.2 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>	<p>Number of auditors : 4 auditor</p> <p>Number of days for <b>ST-2</b> at site : 5 days</p> <p>Number of working days for <b>ST-2</b> at site: 20 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ST-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the FGVPM Selendang Complex to the requirements of <i>Malaysian National Interpretation of RSPO Principles and Criteria 2013 by MY-NITF (Malaysian National Interpretation Task Force), endorsed by the RSPO Board of Governors 6th March 2015 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i>.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p>



Some opportunities for improvement of the results **ST-2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1**).

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

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ST-2</b>	<p>Number of units in this certification activity is 4 estates, which supply the raw material (FFB) to Selendang palm oil mill. In conducting the assessment, the team of auditors used the <math>0.8\sqrt{y}</math> formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are One palm oil mill (Kilang Sawit Selendang) and Two estates (FGVP Selendang-03 estate and FGVP Selendang-04 estate).</p> <p>SELENDANG POM:</p> <ol style="list-style-type: none"> <li><b>Processing line start from Receiveing Station (Weighbridge), Loading ramp, Sterilizer station, Thresher and Press Station, Clarification, Ripple Mill.</b> Observation on Mill processing line, OHS and Supply Chain.</li> <li><b>POME treatment plant.</b> Observation on waste water treatment facilities.</li> <li><b>EFB Open dumping area.</b> Observation on EFB management related to potential environmental impact.</li> <li><b>Fiber and Shell stock station.</b> Observation on waste product by the Mill (fiber and shell).</li> <li><b>Chemical storage.</b> Observation on OSH implementation (MSDS/CSDS, Fire Extinguisher, Signboard, Kits, etc) and its facilities.</li> <li><b>Schedule Waste.</b> Observation on hazardous waste management and proper emergency kits.</li> <li><b>Emergency Response Simulation.</b> Observation on emergency equipment is standby and ready to use. Make a simple simulation of hydrant near boiler station.</li> </ol> <p>FGV SELENDANG 03 ESTATE:</p> <ol style="list-style-type: none"> <li><b>PM04D.</b> Observation on harvesting activities and PPE aspect includes interview with harvesters (foreign workers).</li> <li><b>PM04D.</b> Observation on Barn Owl Box as Integrated Pest Management to control rats infestation.</li> <li><b>Area proposed for NPP;</b> Block 21 Peringkat PM15P; observed that new planting has yet to be started.</li> <li><b>Selendang 3 Estate boundary;</b> <ul style="list-style-type: none"> <li>Eastern boundary at Block 21 Peringkat PM15P; boundary marking available and well maintained. Adjacent with smallholder farmer.</li> <li>Northern boundary at Block 18 Peringkat PM08J; adjacent with smallholder farmer and plantation development by Local Government of Pahang</li> <li>Western Boundary with Protected Forest; Blok 20 Peringkat PM04D, adjacent with State Forest Protection. Signboard installed</li> </ul> </li> <li><b>Teruh River Buffer Zone;</b> Blok 11 Peringkat PM10L; Buffer zone marking available with no chemical application at the radius of 5 meters left and right side.</li> <li><b>Hilly area;</b> Blok 20 Peringkat PM04D; Observed soil conservation technique: terrace, frond stacking, and cover crop for open area.</li> <li><b>Landfill area;</b> Blok 9-10 Peringkat PM10L; Landfill in good condition, no indication of leakage</li> <li><b>Scheduled waste and temporary workshop in Central Office Complex;</b> Sighted that storage not in proper condition such as no concrete, broken door, no compartment and oil trap, etc. Some scheduled wastes such as used battery and used chemical container not centrally stored in the store and yet to be well handled.</li> <li><b>PM 0405.</b> Observation on proper PPE used and first aid kit during Harvesting activities.</li> <li><b>Landfill area.</b> Observation on domestic waste management.</li> <li><b>Workers housing complex.</b> Observation on workers conditions.</li> <li><b>Fertilizer and Chemical storage.</b> Observation on agrochemical handle, OHS facilities, PPE Store, Eyewash and other conditions.</li> <li><b>Workshop area.</b> Observation on workshop management to prevent pollution and contamination.</li> </ol> <p>FGV SELENDANG 04 ESTATE:</p>

1. **PM11T, Block 44.** Observation on harvesting activities, FFB transportation and PPE aspect includes interview with harvesters (foreign workers).
2. **PM06L, Block 20.** Observation on Manual weeding activities and interview with new foreign workers.
3. **PM06K, Block 24.** Observation on Manuring activities (palm fertilizing) and interview with foreign workers concerning best practices, chemical handling, PPE usage and workers condition.
4. **Buffer zone of Serai Sub Watershed:**
  - Block 17 Peringkat PM06L; 5 meters radius of buffer zone in natural condition, signboard available but not in proper condition and needs improvement
  - Block 36 Peringkat PM10 S; Buffer zone in good condition, signboard and marking available. No indication of pollution
5. **Selendang 4 Estate boundary;**
  - Western Boundary; Block 16 Peringkat PM06K, adjacent with swamp area belongs to State Government
  - Eastern Boundary; Peringkat PM10 S, plantation belongs to smallholder
6. **Water Intake Area for mill,** Block 16 Peringkat PM06K; Sighted water pollution due to oil leakage from pump generator.
7. **Agrochemical and Fertilizer Storage.** Observation on storage management concerning OSH.
8. **Scheduled Waste.** Observation on hazardous waste management and handling.
9. **Diesel skid tank.** Observation on safety and environmental aspect.
10. **General Store.** Observation on Barn Owl Boxes stocks concerning to Integrated Pest Management.

### 2.3 Stakeholder Consultation and Stakeholders Contacted

#### 2.3.1 Summary of stakeholder consultation process.

<b>ST-2</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for FGVPM Selendang Complex was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification <a href="http://www.rspo.org/uploads/default/pnc/Notifikasi_untuk_Kegiatan_Initial_Assessment_RSPO_PKS_Selendang_-_PT_Felda_Global_Ventures_Plantation_Sdn._Bhd_(BM)_1_.pdf">http://www.rspo.org/uploads/default/pnc/Notifikasi_untuk_Kegiatan_Initial_Assessment_RSPO_PKS_Selendang - PT Felda Global Ventures Plantation Sdn. Bhd (BM) (1) .pdf</a> on 30 August 2017.</li> <li>• Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by interviews on 11<sup>th</sup> October 2017.</li> <li>• Numbers of input from stakeholders were clarified by FGVPM Selendang Complex</li> </ul>
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#### 2.3.2 Stakeholder contacted

*Please find appendix 1*

### 2.4 Determining Next Assessment

The next visit (**ASA-1**) will be determined one year after this **ST-2**.

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of KILANG SAWIT SELENDANG – Felda Palm Industries Sdn. Bhd, Felda Global Ventures Plantations Malaysia operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicators; two (2) nonconformities were assigned against Minor Compliance; and five (5) 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.

MUTUAGUNG LESTARI found that KILANG SAWIT SELENDANG – Felda Palm Industries Sdn. Bhd, Felda Global Ventures Plantations Malaysia complied with the requirements of Malaysian National Interpretation of RSPO Principles and Criteria 2013 by MY-NITF (Malaysian National Interpretation Task Force), endorsed by the RSPO Board of Governors 6th March 2015 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>During the audit at Selendang Palm Oil Mill, the company had updated the latest stakeholder list dated 13<sup>th</sup> September 2017 and the stakeholder meeting has been done at Dewan Felda Selendang 4 attended by management of Felda Global Ventures Plantations, workers representative, staff and related stakeholders including villagers of Felda Selendang 1 and Selendang 2, representative from FGV Selendang 3,4,5 and Berabong1, teachers of SK Selendang and SMK Selendang, local groceries store, contractor Impian Jaya and Pelangi Mercu Enterprise, auxiliary police from Felda Security Sdn Bhd. The company had also verified the document and the stakeholder list and person in charge is Mr Halim Embong (Manager Of FGVPM Selendang 4), Mr Mohd Noor Jafri (Estate Selendang 4) and Mr Misran (Mill Manager Selendang). Each estate under Selendang will send their own list of internal and external stakeholder and the representative will call through medium digital and letter.</p> <p>The stakeholders are aware regarding type information during the stakeholder meeting and has been briefed by FGV management and regarding the information that can be obtained from FGV and they are aware of the company procedure of communication “Komunikasi, Penglibatan dan Rundingan – FGV/ML-1A/L2- Pr12” prosedur for internal and external communication. Time frame for External Communication is 2 weeks from date of receiving the information and 1 week for investigation. External communication has been made a chart through the safety policy, social aspect, and external complain forward to estate manager then estate will comment and investigate, grievance procedure and all external communication will be recorded. The information and procedure are made aware by the management through muster morning meeting and policy related to it has been displayed at morning roll call meeting and workshop. FGVPM also had established a procedure of SOP related to grievance and response to stakeholder referring to “Prosedur menangani Aduan dan Rungutan (effective date 1<sup>st</sup> June 2016) FGV/ML-1A/L2-Pr13 (pindaan 0). Arising matter will be discussed</p>	

through following steps :

- SOP of constructive response : in 1 weeks discussing the matter with the executive
- After discussion management unit has to settled the problem as soon as possible
- Internal : 7 working days started from date of reporting (second stage)
- Head of department should settled the problem in 14 working days.
- External communication response : 2 weeks from the date of reporting
- 1 week to settle the investigation (if any)
- Media and external stakeholder announce through allowed form Human resource Unit.

### 1.1.2

There is a clear timeline available from the SOP and person in charge of handling the request which are :

- The report for house number L5-52 : report on 3<sup>rd</sup> March 2017 for plywood 12' 2 units and has been repaired on February 2017
- Sighted the report on January 2017 and has been repaired on February 2017 related to: lamp repair, Kepala Paip, broken door room and plywood door broken.
- There is invoice , receipt from Waja selendang Enterprise to Manager of Selendang 3 issued to the manager of Selendang 3 estate dated 7<sup>th</sup> Augst 2017: works on repairing damages on electricity due to storm on mosque, houses and office : report has been taken into account and repairing tendered had been issued
- Sighted the payment voucher from the FGV Selendang 3 to Waja Slendang Enterprise Kuala Rompin amounted RM 4135.80 work order no 000858
- Sighted the record of "Buku aduan pelanggan for Ladang FGVPM Selenndag 4 dated 26<sup>th</sup> April 2017 until 29<sup>th</sup> September 2017 and break down into name list, report, application, action, and time request.
- Mr Abdul Gapur (mill workers) House no.34 broken, broken lamp, dated 28 march 2017 and action taken on 29<sup>th</sup> March 2017

Based on the observation, site verification and interview on the ground, the company had taken action regarding the request from internal stakeholders timely and appropriate.

**Status: COMPLY**

## 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.**

### 1.2.1

Felda Global Ventures Plantations Malaysia Sdn Bhd has made publicly available the related document listed by the standard. It include the Land title of the management unit (mill and supply bases), license of SPAN, generator set, OSH plan of the mill and estate, risk assessment, mitigation plan (HIRARC document), Environmental Management Plan (EMP) and Environmental Risk Assessment (EIA) aspect and impact of the plantations activity towards the environment, waste management plan of scheduled waste and domestic waste were made available at the estate and mill.

Felda Global Ventures Plantations (FGVPM) had also documented the Social Impact Assessment (SIA) at estate involving the aborigine and settlers (aring1) and mill accordingly, together with HCV document for Selendang 3 for the wildlife and water catchment area, Pollution prevention Plan (PPR), waste management plan, communication procedure to internal and external parties, and also include all the company policy ( e.g : human right policy, recycling policy, no open burning policy, ethical code and integrity policy, sexual harassment and right of reproduction policy, and protection environment that made available at all estate and management unit of UP as per field visit and document verification.

**Status: COMPLY**

## 1.3

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

### 1.3.1

The company Felda Global Ventures Plantations had set up the policy of code ethical conduct documented and communicated to all level of workforce and third party contractor. The company has input all the elements of prohibitions

of all forms of corruption, bribery and fraudulent of funds into the code of conduct. Its include the elements such as : Code ethical conduct made available at the estate and Mill referring to 'Polisi Kod Etika Kerja dan Integriti' approved by Mr Emir Mavani Abdullah (Group Chief Executive) dated 1/6/2014:

- Reject practices of corruption, and breaking trust
- Rid of any conflict of interest
- Implement business management with sincere , honest and fair
- protect the confidentiality of information
- Increase the level of professionalism

The code of ethical conduct has been made in Bahasa and English language and been communicated to the workers in Bahasa due to workers understood the language. 3 workers had been interviewed during the field visit, foreman, assistant foreman and water treatment plant foreman. 3 workers has been interview (Mr Sairidan from Lombok), Mr Suhadiri Rahman (Lombok) and Rabby Shaik- Bangladeshi) had been asked regarding policy. The workers are aware regarding the policy and announcement by the management to the workers during morning roll call and muster morning. Sighted also the latest policy of code ethical conduct has been pasted on the roll call ground notice board office and management office.

**Status: COMPLY**

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

### **2.1**

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

#### **2.1.1**

Evidence of compliance with applicable local, national and ratified international laws and regulations were observed at the Selendang POM and supply chains. Records are well kept and documented. Certificates, Permits and such as

- MPOB – License to Buy, Sell, Process, Transport and Storage (FFB, PK, CPO, SPO)
- DOE – Prescribed Premise License (Palm Oil), Effluent License, Written Notification
- KPDNKK – Diesel use and storage Permit, Weighing Equipment Inspection
- JTK PAHANG – Overtime Limit Permit, Minimum Housing & Facilities, Wage Deduction Permit
- ROYAL CUSTOM – Windfall Profit Levy Certificate of Registration
- ENERGY COMMISSION – Private Installation License (Capacity Not Exceeding 2210 kW)
- HEALTH MINISTRY – Sodium Hydroxide Purchase, Store and Use Permit
- DOSH – All Burners and UPV use certification and approval
- STATE and Local Council – Water Source Usage License, Operating License

#### **2.1.2 ; 2.1.3 & 2.1.4**

The appointment of En Ibrahim bin Saad as officer in charge of legal changes (ref letter (01)14/256-11-4 pt 3 dated 2<sup>nd</sup> May 2017) for Selendang 3 and the appointment of En Mohamad Hafeez bin Zainudin as officer in charge of legal changes (ref letter (01)14/232/2.1.2RSPO dated 18<sup>th</sup> April 2017) for Selendang 4

The following procedures for documentation are being used:

- Pematuhan Undang-Undang dan Keperluan Lain, No. FGV/ML-1A/L2-Pr6, dated 1 June 2016.
- (Pindaan 4) Sistem Semakan Perubahan Undang-Undang & Sistem Pengesahan Perubahan Undang-Undang, dated 23 June 2015.

Internal Audits were conducted at Selendang POM, Selendang 3 & 4 plantation between 28 to 29 March 2017

**Status: COMPLY**

### **2.2**

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

#### **2.2.1**

Selendang POM and its supply base is owned by Felda Global Ventures Plantation Malaysia. The mill located on Lot No



PT 8117, Daerah Rompin, Bandar Mukim Pontian has legal lease from the state government in form of land use right (*"HAK MILIK SEMENTARA BERSAMAAN DENGAN HAK MILIK PEJABAT PENDAFTARAN"*) Registered on 26<sup>th</sup> August 1998. The lease is for 66 years until 25<sup>th</sup> August 2064. Selendang 3 Estate has a total of 9 leased land lots totaling 2,204.38 Ha, 8 leased of them valid until 25 August 2097 and 1 leased until 16 November 2097. While Selendang 4 Estate has a total of 6 lease land lots totaling 2,297.88 Ha valid until 25 August 2097. While, Berabong 1 Estate has total permitted area 3,108.69 Ha (within 9 leased of rights), Selendang 5 Estate has total permitted area 1,772.56 Ha (within 15 leased of rights). Total land rights of this area for this scope are **9,383.51 Ha**.

## 2.2.2

Selendang 3 and 4 plantations had appointed personnel for the surveillance and boundaries re-establishment. Record and locations of boundary markers are sighted and recorded. At Selendang 3 surveillance records containing GPS locations of Boundary stone, old and new poles were sighted. At Selendang 4 locations were visited but no boundary stones located. In addition, site visit to the plantation had confirmed the boundaries.

## 2.2.3; 2.2.4; 2.2.5 & 2.2.6

No land dispute or compensation at Selendang POM, Selendang 3 and 4 Estate. Land belongs to the state government and title documents are well kept. FGV has procedures and mechanism for addressing conflict solution and land dispute. During stakeholder consultation held on 11 October 2017, it was confirm that no information related to land dispute within the certification scope.

**Status: COMPLY**

## 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.**

## 2.3.1; 2.3.2; 2.3.3 & 2.3.4

All land at Selendang POM, Selendang 3 and 4 are leased from state government. No record of other user customer right has arised. Records are available to show that the land leases comply with legal requirements. Records are available to show that the land leases comply with legal requirements in Manual Lestari 1A. Doc. No:ML-1A/L2-PR4(0) and ML-1A/L2-PR13(0) dated March 2012

**Status: COMPLY**

## 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.**

## 3.1.1.

FGVPM Estate budget called Rumusan Anggaran Belanjawan Bagi Tahun 2018 hingga 2020 which includes forecast figures from 2018 until 2020 generated by FGVPM that provide data of Year, Total Hectarage, Total Planted Area, Actual and Forecast Crop Volume.

Sighted the also 3 year budget forecast for operational cost with breakdown cost for Penjagaan dan Penyeliaan, Pungutan, dan Perbelanjaan Am. Perbelanjaan Am breakdown to medical, RSPO, CSR, workers welfare, and infrastructure.Projection of budget for operational cost.The actual usage are following with the forecast.

## 3.1.2

Sighted there is no replanting activities at Selendang 3 and Selendang 4 due to no replanting activities in the estates.

**Status: COMPLY**

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

## 4.1

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

## 4.1.1

Estates (FGVP) and Mill (FPISB) of Selendang complex has had SOP's for each operational activities and it's documented. For estate, the procedures are refered to

Manual Ladang Sawit Lestari Edisi II (5 section), 1 June 2012:

Section 1: Pengurusan Tapak Semaian Sawit (Nursery Management). Sec. 1 (1.0 – 20.0)

Section 2: Pembangunan Tanam Semula Sawit (Replanting Development). Sec. 2 (1.0 – 20.0)

Section 3: Sawit Pra Matang (Immature). Sec. 3 (1.0 – 11.0)  
 Section 4: Sawit Matang (Mature). Sec. 4 (1.0 – 12.0)  
 Section 5: Pembajaan Sawit (Palm Fertilizing). Sec. 5 (1.0 – 8.0)

While, for Selendang POM referred to FELDA PALM INDUSTRIES Sdn. Bhd MANUAL OPERASI:

There are 140 procedures/manual were applicable at Mill. Relevant procedures for implementing supply chain are:

- Kawalan Keluar Hasil-Hasil Kilang (FPI/L3/1-03, rev. 2)
- Kawalan Keluar Masuk Pembekal di Pintu Utama (FPI/L3/1-04, rev. 2)
- Kawalan Keluar dan Masuk Alihantar BTS (FPI/L3/1-06, rev. 2)
- Kawalan Timbang (FPI/L3/2-01, rev. 2)
- Kawalan Greding BTS di Kilang (FPI/L3/3-01, rev. 5)
- Kawalan Greding BTS Pembekal Luar Felda (FPI/L3/3-03, rev. 6)
- Mengisi BTS ke Dalam Gerabak Konvensional (FPI/L3/4-01, rev. 1)
- Mengukus BTS (FPI/L3/4-03, rev. 1)
- Meleraikan Buah Dari Tandan (FPI/L3/5-01, rev. 2)
- Menjalankan Digester (FPI/L3/7-03, rev. 1)
- Menjalankan Press (FPI/L3/7-04, rev. 1)
- Etc.

#### 4.1.2; 4.1.3

Mechanism to check consistent implementation of procedures was developed by the management units. If there is any revisions related SOP's, the management unit has Review Committee that responsible to review and approving the updating procedures. For example: Manual Ladang Sawit Lestari Edisi II version February 2012, revising of Manual Operasi Ladang Sawit Lestari version October 2007.

To maintain the implementation of procedures, an internal control was conducted periodically by Agronomy department through Agronomic Advisory visit and report, conducted annually or once a year by R&D Felda Agriculture Sdn. Bhd. i.e: Laporan Agronomi FGVP Selendang 3 (latest Agronomy Visit) on 21 March 2017, Plantation Advisory visit on 19 September 2017 by Group President Taskforce Consultant.

Records of monitoring and any action taken is available in Result of Agronomy Report 2017 compared with 2016:

- Output/Yield Aspect: Satisfied (75-84 %)
- Crops Fertility Aspect: Satisfied (75-84 %)
- Fertilizing Aspect: Unsatisfaction ( $\leq 25\%$ ) due to Pending application of manuring because fertilizer stock was late. Recommendation: Manuring should be timely manner despite of rainy season.
- Cover Crops Maintenance/Moisturizing Aspect: Satisfied (75-84 %)
- Frond Pruning aspect: Satisfied (75-84 %)
- Upkeep Aspect: Satisfied (75-84 %)
- IPM Aspect: Satisfied (75-84 %)

#### 4.1.4

For Selendang POM, records the origins of all third parties sourced FFB are well maintained. Starts from third-party FFB procedures:

- Pembelian BTS/Purchasing of FFB (No. Doc: FGV/FGVPM/III/QOHSE/15/012.1, Rev.1, Dated 1 April 2016)
- Kawalan Greding BTS Pembekal Luar Felda (FPI/L3/3-03, rev. 6, dated 30 Dec 2014)

List of FFB suppliers also recorded in the Mill through system (code SLT 230: Laporan Penerimaan BTS Mengikut Pembekal). List of approved third-party FFB suppliers by Selendang POM are:

No.	Supplier period September 2016 – August 2017	Supplier Code
1	FGVPM Selendang 04	5232
2	FGVPM Selendang 03	5256
3	FGVPM Berabong 01	5457
4	FGVPM Selendang 05	5602
5	FTPSB Selendang 01	3202

6	FTP Selendang 02	3257
7	FTPSB Selendang 01	6202
8	Felda Selendang 01	4202
9	Felda Selendang 01	9202
10	Felda Selendang 02	9257
11	Fan Kwee	480417015079
12	Mohamad Arsad Bin Othman	540406106137
13	Rosli Bin Aziz	571020026005
14	Harun Bin Bidin	600610025723
15	Mohd Azam Bin Yusof	601111016173
16	Baharudin bin Jusoh	631001016225
17	Asemah Binti Hj Ibrahim	681223025528
18	Perniagaan Bingan Jaya	7423
19	Eng Huat Latex Concentrate Sdn. Bhd.	7767
20	Tai Chi Enterprise Sdn. Bhd	7822
21	Risda Plantation Sdn. Bhd.	7951
22	Kuasa My Enterprise	8442
23	Ekstrapalma Sdn. Bhd.	8566
24	Kim Ma Oil Palm (Transport) Sdn. Bhd.	8668
25	Pertubuhan Peladang Kawasan Endau	8861
26	Bakti Mas Bina Sdn. Bhd.	8877
27	Landlite Returns Sdn. Bhd.	8985
28	Top Golden Harvest (M) Sdn. Bhd.	9028
29	AA Sawit Sdn. Bhd.	90491
30	Kawthar Business Resources	91051
31	Bistamin Trading	92022
32	Bidin Legacy Services	92033
33	Unik Meranti Sdn. Bhd	92055

**Status: COMPLY**

## 4.2

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

### 4.2.1; 4.2.2

Evidence of good agriculture practices is well documented in Oil Palm Manual Procedures "*Manual Ladang Sawit Lestari Edisi II, dated 1<sup>st</sup> June 2012*" by FGVPM. Some relevant procedures related to soil fertility are describes as follow:

Section 3: Sawit Pra Matang (Immature). Sec. 3 (1.0 – 11.0)

Section 4: Sawit Matang (Mature). Sec. 4 (1.0 – 12.0)

Section 5: Pembajaan Sawit (Palm Fertilizing). Sec. 5 (1.0 – 8.0)

Document of *Syor Baja Tahunan & Program* (Fertilizer Recommendation for FGVPM 2016) is the evidence that SOPs has been implemented and monitored. This fertilizer recommendation is applicable for year 2017, consist of Estate, Peringkat, Size, Crops Age, Rotation, Schedule, Dosage (kg/palm). Therefore, fertilizer inputs are well recorded in Selendang-03 and Selendang-04.

### 4.2.3

Evidence of periodic tissue and soil sampling to monitor changes in nutrient status was conducted periodically by FGVPM through their research department. i.e:

Tajuk: Kaedah Percontohan Daun dan Tanah

Objective: Panduan Kakitangan Unit Percontohan Daun (Guidance for Leaf Sampling Unit). There is no specific timeline to take LSU and SSU, but regularly conducted once a year/annually. The latest LSU and SSU at Selendang 3 Estate taken on 12-15 January 2017, the aims for fertilizer recommendation 2018.

### 4.2.4

Strategy to optimizing soil nutrient, FGVP Selendang-03 and Selendang-04 has applied EFB application in some blocks.

**Status: COMPLY**
**4.3**
**Practices minimize and control erosion and degradation of soils.**
**4.3.1.**

Mapping of soil type for FGV Selendang Complex had been done by Perbadanan Khidmat Pertanian Felda – PKPF. Appropriate and georeferenced soil map can be seen in sample estate of Selendang 3 and Selendang 4. According to the map, there was no soil type categorized as fragile soil in the FGV Selendang Complex. Selendang 4 dominated by RGM soil type, while it is more varies at Selendang 3 such as Durian, Tavy, and Bungor and Bungor Late.

**4.3.2.**

Management strategy for area with slope 9 – 25 degrees available in SOP number FGV/ML-1A/L2-Pr8 regarding Steep area identification and River Buffer Zone Reserve and in Agronomy Manual of FGV. The procedure had covered identification of steep slope and step for soil conservation during land preparation and operational.

Map of slope for the whole estate available appropriately based on analysis on SRTM data (90 m) and map from Jupem Malaysia. According to the data, there are no area with slope > 25%.

To minimize the soil erosion, they are applying: Planting terraces had been constructed where slope >10°, cover crops such as *Muccuna* sp. and soft grasses and ferns.

**4.3.3.**

Estate has implemented annual road maintenance programm. Example of programme checked at Selendang 3 and Selendang 4 Estate that showed the road maintenance budget and implementation for year 2017. A documented monthly monitoring system for road and bridges maintenance available, contained information of: budget (in RM), actual (in RM), cost/ ha to date, cost per MT FFB produced.

There was also map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface. Sighted in field visit that toad maintenance programme was managed well and condition was good.

**4.3.4. & 4.3.5**

No presence of peat soil in this estate. No peat soil detected during site visit or in the plantation map. According to the soil map reference we located and verified, there are sites for the bare area and exposed soil in both estates during site visit.

**4.3.6.**

There are no indication of fragile and problems soil in Selendang complex according to map of soil series and Agronomy Manual of FGV.

**Status: COMPLY**
**4.4**
**Practices maintain the quality and availability of surface and ground water.**
**4.4.1**

Water management plan available for each management unit as shown by document “Pelan Pengurusan Air tahun 2017 for Estate and Mills. The plan covered the explanation of: water sources, efficiency, impact on catchment and stakeholders, renewability, action plan, person in charge in the management, including action to be taken during the drought season. Neither flooding nor water pollution issues raised during field visit and stakeholder consultation. Housing supplied with water tank and inspection carried out for any leakage or wastage.

Water management program for mill seen associated with laboratory test results which produced the compliances statement. A matrix is available indication of the frequency, responsibility, legal indicators and parameters for the monitored activities

Water management in mills had been associated with mills performance indicator that covered the efficiency, quality of water, and waste water. A matrix of monthly performance monitoring available that indicated the frequency, responsibility, indicators and parameters for the monitored activities.

**4.4.2**

Map of water course identification available based on topographic Map scale 1:50,000 from State Mapping Office (*Jupem*) combined with Internal mapping from satellite imagery. Observed in Selendang 3 and Selendang 4 several major water

courses that are Teruh River, Serai River, and Sub of Pontian River. According to field visit, there are no specific use of the water course by surrounding community. Sighted the estate management had started enforcing of buffer zone of minimum 5 meters at both river sides. Buffer zone sign and marking available, no indication of chemical use in buffer zone. SOP of Identification of water courses available in document number FGV/ML-1A/L2-Pr8. SOP for water quality sampling available in document number ML-1A/L2-PR6(0) Manual Lestari dated on March 2012 regarding water quality sampling. Minimum once in a year unless there are significant environmental cases.

#### 4.4.3

Sighted that Selendang Mill had mill effluent treatment facility in place. Procedure for Operation of Effluent Treatment Plant available under document number FPI/L2/QOHSE-10.0 regarding "Operation of Effluent Maintenance", approved by Chief of Executive. According to the SOP, mill final effluent drained to water course. Approval letter from DOE available for the period of July 1, 2017 – Jun 30, 2018. Required specifications as per the license are: capacity 54 ton/hour, daily discharge not exceeding 1036.8 m<sup>3</sup>/day, BOD <100 ppm, TSS 400 mg/l, Oil & Grease 50 mg/l, NH<sub>3</sub> 150 mg/l, pH 5 – 9, temperature 45°C to avoid water contamination of surface and ground water.

Effluent quality and volume had been monitored and tested. Effluent test carried out every week by Bukit Goh Laboratory - Felda Palm Industries (FPI) (accredited no. MS ISO/IEC 17025 Testing SAMM no. 247).

Result of lab analysis from recent month.

Total CPO produced [MT]	FFB capacity [MT]	Avg Discharge [M <sup>3</sup> ]	BOD	pH	TSS
5007.48	48.53	567 m <sup>3</sup> /day	85 (max)	8.67	325 (max)

\* Exceeding limit

Report of analysis available on monthly basis and submitted regularly to local DOE. Government agency (DOE) will cross check the result to monitor the result 3 month once. Recent submission to DOE was on October 10, 2017. Sighted during the field visit that had buffer pond used for pond POME solid dumping. All are closed system and no indication of leakage. No fence and free access from external.

#### 4.4.4

Water monitoring procedure follows the SOP number FPI/L2/QOHSE regarding Monitoring and Measurement of Performance Approved by Chief of Executive. The effective use of water also available in document FPI/L3/15-28 regarding guidance of water use in mill.

License for up taking water from river was available, issued by Local Water Authorities *Pengarah Sumber Air Negeri Pahang* number 0079 dated January 19, 2017, valid for one year.

Monitoring of daily water use had been done consistently by Mill officer (Lab Analyst, M. Shahril B Sarbini). Average of water use of latest three months compared to ton of FFB processed according to flowmeter data was:

Month	Water use (m <sup>3</sup> )	FFB Process	Water / FFB
Sept	26,681	25,310	1.06
August	25,504	27,600	0.92
July	18,159	24,500	0.74

According to company performance standard, the average ratio was considered as accepted and below the max threshold. Observed at field visit that all facilities worked well including flow meter at water treatment plant

Field practice includes silt pits construction to retain water. Outgoing water monitoring to identify any adverse effect from the mill and estate activities conducted. Latest laboratory analysis results at Sungai Papan estate indicate (Test Report No.: WI/1511/0699-0702) dated 2/11/2015 analysed for nitrogen and phosphate due to the recent fertilizer application activities. Result shows less than 0.07mg/L nitrogen and phosphate in the sample. REM Pasak river water analysis dated 25/11/15 (Report No. WI/1511/0761, 0762). Result shows less than 0.4mg/L nitrogen and phosphate in the sample.

Recent water sampling was on September 15, 2017 sent to Unit Kimia Pertanian Felda Agriculture Services for 9 water samples: inlet and outlet of Sawak River (Berabong Estate), 2 inlets and outlet of Teruh River (Selendang 3 Estate), Inlet and outlet of Serai River from Selendang 4 Estate, and Inlet and outlet from Sungai Sejuntai at Selendang 5 Estate. Parameters: pH, BOD, COD, TSS, Ammoniacal Nitrogen. The result is presented as below:



Based on Test Certificate – Water Analysis on 15 September 2017, TSS in Sawak River Inlet: 1 mg/L; Outlet: 6 mg/L.

Teruh river Inlet-1: 7 mg/L; Inlet-2: 5 mg/L; Outlet-2: 1 mg/L

Serai river Inlet: 20 mg/L; Outlet: 41 mg/L

Sejuntai river Inlet: 102 mg/L; Outlet: 14 mg/L.

**Status: COMPLY**

#### 4.5

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

##### 4.5.1

Implementation of IPM plans namely “*Pelan Pengurusan Kawasan Serangan Mahluk Perosak Tanaman Bersepadu*” is documented and monitored periodically, among others:

1. Bancian serangan tikus (Rats Infestation Census)
2. Program tabor *Butik* (rat bait)
3. Bandian Penghunian sarang Burung Hantu “Tyto Alba”
4. Pemasangan tambahan keperluan sarang tyto alba
5. Latihan tabor *Butik*
6. Tanam Tanaman Tumbuhan Berfaedah ITurnera, Antigonon, Cassia)
7. Bancian Serangan Ulat Pemkan Daun (Ulat Bungkus)
8. Kerja pengawalan ulat bungkus
9. Bancian serangan Ganoderma
10. Program kerja penghapusan sanitasi Genoderma

This plan consists of Objective, Activities, Target, Merit, and Timetable. i.e: Activity: Rats infestation; Target: Workers; Timetable: March, June, Sep, and Dec 2017.

##### 4.5.2

In Selendang-03 Estate, training records of those in IPM implementation has been recorded. For example: “*Ringkasan Mengumpukan Racun Tikus*”, dated 27 September 2017 (Roll Call event). There are 117 workers was trained, consist of harvester, collector, loader, nursery, mandor upkeep, driver, etc.

**Status: COMPLY**

#### 4.6

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

##### 4.6.1

The certification units (Selendang-03 Estate and Selendang-04 Estate) have had justification of all pesticides used on IPM (ML-1A/L3-GP1 (0), March 2012, which attempts to ensure that the most effective and least harmful chemicals are always first choice. Also, able to demonstrate at the field. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species which used is available.

##### 4.6.2

Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. For example, MPOA – Malaysian Palm Oil Board (Persatuan Minyak Sawit Malaysia) tanggal 29 October 2007 nomor.32/2007 to all Registered Members MPOA Branches.

Approved List of Pesticides Registered for Oil Palm (wef April 2007) “this is to inform that the latest list of pesticides for use in oil plam (food act 1983) is enclosed herewith, Members are advised to use ONLY pesticides which are approved by the Pesticedes Board as well as the Food Act”.

Example at Selendang-03 Estate:

Register of Chemical Hazardous to Health, Sep 2017.

Product Name	No. of Worker Exposed	Usage of Chemical (Quantity)	Active Ingredients	Class	Supplier Address
Agrochemical					

Supresat 41 %	12	12 Liter	Glyphosate, Isopropylamine	III	D'Agro Segamat, No. 13 Jalan Nagasari 16, 81900 Segamat Johor
Round Up Ranguard	12	277 Liter	Glyphosate Pottasium	III	
Alion	12	1 Liter	Indaziflam 45%	III	
Garlon 250	12	149 Liter	Tricopry-Butotyl 32.1 %	III	
Metfuron 20	12	30500 gram	Metsulfuron-Methyl	IV	
Fertilizer					
NPK MAG Granular 14/13/9/2.5	9	18.90 MT	Nitrogen Kalium Phospor		FPM Sdn Bhd, Lot 115, Johor Port Authority Area, PO Box 29, 81707 Pasir Gudang, Johor.
NK Mixture 10.5/30.0	9	82.95 MT	Nitrogen Kalium		
FELDA 10 (NPK MAG Granular 10.5/8/20/3+0.5B	9	53.85 MT	Nitrogen Kalium Phospor		

#### 4.6.3 & 4.6.4

The certification units has had Policy of Paraquat use on 1 June 2014 by FELDA and FGV document no.97/143-H which informed:

The reducing and stopped the application based on consideration of: The Paraquat only uses for the young palm (0-3 year) and prohibited for the old palm, the alternative of the replacing the paraquat pesticides have to implement.

Policy from Circular Memorandum No. (27) 010810/HQ/JAB.OP.17/PLANTATIONS/AM, dated 8 May 2017, regarding Larangan Penggunaan Herbicide Paraquat Dicloride, by Ketua Pegawai Eksekutif FGVP (M) Sdn Bhd, Suhaidi Hamzah. Based on field observation at Selendang-03 and Selendang-04 chemical storage, stock of Paraquat was zero.

#### 4.6.5;

According to interview with supervisor as a representative person who handles and applies pesticides at Selendang-03 and Selendang-4, it was confirmed that responsible person has had necessary training concerning pesticides. Also, basic knowledge training was delivering to the workers. Mechanism for pesticide handling is written in their procedure "SOP Pengendalian dan Kawalan Racun No. Dok: ML-1A/L2-Pr9(0), dated 01 June 2016".

#### 4.6.6; 4.6.7

All pesticides are stored and inventory well kept. SOP for handling and working with pesticides were sighted. Only assigned personnel are keeping the keys to the store room and during visit they are well aware of the SOP and the PPE required to carry out their task. MSDS/CSDS were available and clearly displayed at store room. Emergency eye wash and shower are available and working.

#### 4.6.8

There is no pesticide applied aerially within this certification scope. All the applications conducted by the workers.

#### 4.6.9

During audit, there are no activities for pesticide applications. However, based on interview with 4 workers at Selendang-04 Estate while doing manual weeding, it is known that basic training for pesticide handle was held by the officer. Continual training will be plan after peak season of harvesting was ended.

#### 4.6.10

SOP for waste disposal available in document number FPI/L2/QOHSE-9.0 regarding Waste Management, approved by FPSB executive, dated on September 15, 2014. Waste are categorized into:

- Non-scheduled waste: reused/recycled when possible, stored as regulated by SOP FPI/L3/15-19 to SOP FPI/L3/15-23

- Scheduled waste: labeled, stored as regulated by SOP FPI/L3/15-19 to SOP FPI/L3/15-23, disposed by licensed third party.

Plan for waste products disposal in estate available on the following documents:

- Environmental Aspect and Impact Register Form number FPI/L4/QOHSE-1.8 that contains list of activities in estates and waste or pollution produced.
- Action plan to reduce pollution through 3 R, contains list of waste from mill activities: steel, plastic/glass/metal, paper, used PPE, Tire, Chemical container, Domestic waste.

Plan for waste products disposal in mill available on the following documents:

- SOP for waste disposal available in document number FPI/L2/QOHSE-9.0 regarding Waste Management, that includes the step of: identification, storage, and disposal
- Significant Environmental Aspect and Impact Register Form number FPI/L4/QOHSE-1.8, contains list of processing activities and waste/pollution produced, e.g. shell, fiber, lubricant, effluent,
- Action plan to reduce pollution through 3 R, contains list of waste from mill activities: steel, plastic/glass/metal, paper, used PPE, Tire, Chemical container, Domestic waste, EFB, POME, Shell, Fiber

#### 4.6.11

Pesticides operator updated list was sighted. Occupational Medical Surveillance Program was conducted on 12<sup>th</sup> May 2017 by Dr. Abdul Wahid Mohd Wazir (MD – Klinik Syed Badaruddin, Kuantan) on 35 personnel including pesticides handlers. Results showed negative effect of chemical exposure.

All pesticides are stored and inventory well kept. SOP for handling and working with pesticides were sighted. Only assigned personnel are keeping the keys to the store room and during visit they are well aware of the SOP and the PPE required to carry out their task. MSDS/CSDS were available and clearly displayed at store room. Emergency eye wash and shower are available and working.

SELENDANG 4 – Empty containers record did not tally with pesticide used. Used containers unaccounted for.

#### 4.6.12

Policy and field visit confirms that there are no female workers handling pesticides. During field visit, there is clear signage for no entrance for pregnant and nursing mothers are posted on pesticide storage room.

Record for the reduction of use of paraquat is sighted. NO Paraquat found in any of the pesticide storage area.

**Status: COMPLY**

#### 4.7

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

##### 4.7.1

HEALTH, SAFETY and ENVIRONMENT POLICY, dated 1 April 2016, by Group President CEO – Dato'Zakaria Arshad. In Addition, Commitment and policy regarding to OHS are set out in the document of "Dasar Kualiti, Keselamatan Kesihatan Pekerja dan Alam Sekitar", date of revision 1 February 2017, signed by signed by Ketua Pegawai Eksekutif (MAT NOOR SAPIEE), Felda Palm Industries Sdn Bhd

##### 4.7.2

The hazard identification and risk assessment has been carried out in the all operational activities both of mill and estates, risk control and measures had been performed such as established the SOP, trainings, provide PPE and medical checks to employees who working at high risk. PPE Store was visited and in proper and well-kept manner.

Chemical Health Risk Assessment (CHRA) was conducted on Ladang Selendang 3, Selendang 4, Tenggaroh 11 and Tenggaroh 12. The report was presented on 31/5/2016 (Ref: (95)9520/WM/840B/1 datd 26/5/2016)

CHRA was conducted by Occupied Consultancy & Services Sdn Bhd, by Dr. Yasriza Bin Yahaya MD.Pg.DOH (Chemical Risk Assessor – JKPP-IH 127/171-2(08).

However, based on sampling site visit, it was found that implementation of risks on health and safety was not in well implemented and identified. For example:

- Interviewed with 5 harvesters at PM04D (Selendang 3) and 2 harvesters at PM06L (Selendang 4), information gathered that harvesting sickle and chisel was placed on field.
- Selendang 4, PM11T Block 44: Observed on 5 contract workers (harvesters) of Jeevendran Enterprise did not given appropriate PPE (safety helmet) by the contractors. While in the contract No. 5300003151 it was clearly mentioned that PPE is fully responsible by the contractors.
- Selendang 4, Manuring PM06K Block 24: drinking water brought by the workers was placed at fertilizer container.

- Selendang POM: Broken stairs between loading ramp to sterilizer station

**This is raised as NC MAJOR.**

#### 4.7.3

Training provided (Samples taken from training record)

- Penerangan Polisi RSPO (17/8/17) Conducted by Mohamad Hafeez – Every Policy were explained to staff and workers, 16 Important policies were explained, every policy explained and understood
- Training on Harvesting/Cutting Machine (12/7/17) Conducted by Dr. Syukri Baharudin – Machine used to replace sickle/chisel and pole for trees above 15 feet, Handling procedures and technique.
- Training on Scheduled Chemical Management by HSE Wilayah Mersing(10/02/17) – Attended by 24 people Manager, Supervisor, Mandor, Supply Clerk.
- Training on CDA Pump Handling for Pesticide Spraying (20/03/17) – Conducted by Mohamad Hafeez b. Zainudin – The efficiency of CDA pump, 20L water can cover 2 hectras/pump, Pesticide Mix limit, PPE reminder and warning, - Attended by 3 pesticide spraying workers (Muhali, Mahsun and Mulyadi)

FGV had follow the guidelines of PPE to be used in accordance with the provisions of DOSH. This can be seen by list of PPE to be used according to task to be carried out. For example, pesticide operators have to use gloves, goggles, respiratory mask protection, long sleeve shirt, trousers and helmets. It also take into consideration the MSDS and the precautions contained on the product containers. Consequently, field observation in the plantation and POM found that the PPE are being used by personnel. .

#### 4.7.4

Determination of Occupational Health and Safety (OHS) officers sighted in all sampling units (Estate and Mill), ie in the document of “*Jawatan Keselamatan dan Kesihatan Pekerja 2017*”.

#### 4.7.5

The SOP and procedures regarding to handling of accidents and emergencies including its reporting provided and sighted, namely: SOP “*MENGHADAPI KECEMASAN*” No document FGV/ML-1 A/L2-Pr15, dated 1 June 2016

It contains:

- Potential Emergencies
- Emergency Respond Team
- Procedures
- Mechanism for ERP

It was observed that first aid box was provided to the field supervisors as well as made available at several strategic locations at the mill and estates.

#### 4.7.6, 4.7.7

Local workers are covered by SOCSO/Perkeso insurance payment performed in monthly basis and foreign workers covered by ETIQA Takaful Insurance (Foreign Workers Compensation Scheme)

Work accidents have been monitored, the records can be shown monthly and yearly, lost time have been calculated using LTI metric. There were no accidents since Jan 2017 at Selendang POM, Selendang 3 and Selendang 4

Fire extinguishers at Selendang POM, Selendang 3 and 4, and workers housing are located at suitable locations and their validity were checked and are up to date.

Bomba pump house was affected by the new boiler civil and piling works at Selendang POM. Stand-by firefighting system are being used.

<b>4.7.2</b>	<b>Status: Not Comply under 2017.01 MAJOR category</b>
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#### 4.8

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

#### 4.8.1 & 4.8.2

Training record were sighted. List of attendees were available.

- “*Penerangan Polisi RSPO*” (17/8/17) Conducted by Mohamad Hafeez – Every Policy were explained to staff and workers, 16 Important policies were explained, every policy explained and understood
- Training on Harvesting/Cutting Machine (12/7/17) Conducted by Dr. Syukri Baharudin – Machine used to replace sickle/chisel and pole for trees above 15 feet, Handling procedures and technique.
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- The efficiency of CDA pump, 20L water can cover 2 hectras/pump, Pesticide Mix limit, PPE reminder and warning, - Attended by 3 pesticide spraying workers (Muhali, Mahsun and Mulyadi).

**Status: COMPLY**

## **PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

### **5.1**

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

#### **5.1.1.**

There is documented impact assessment in Selendang 1&2 Estate and Selendang 4 Estate, reference as “RSPO 2010 (KRITERIA 5.1/5.3/5.6)” last reviewed assistant manager, on 17/06/2014. In the report, there was summary of score on environmental impact from waste product that include information on activity, aspect, impact, score and status. Verified the assessment conducted for pre-mixed area, whereby the risk rating is 16 that require a management plan [rating above 12 needs a management program to reduce the environmental impact]. There were also action plans of 3R to reduce environmental impact and to control pollution

Environmental Impact Assessment (EIA) available for each management unit

#### **Estate Selendang 04 and Estate Selendang 3**

- Matrix of Identification of Environment Aspect and Impact (Form no 5.1 / 5.6) dated on March 03, 2017 approved by Manager of each estate.
- The matrix contains information of: all activities, env. aspect, impact, condition, Impact score, action plan, significance, reference, PIC.
- Activities covered by the matrix: Fertilizing, Boundary marking, Road maintenance, Transportation by contractor, fertilizer transportation, pruning, FFB harvesting, FFB grading, FFB transportation, pest control using chemical, waste disposal, etc.
- Significant impact: pest control using chemical, ex-chemical container

#### **Selendang Mill**

- Matrix of Identification of Significant Environment Aspect and Impact (Form no FPI/L4/QOHSE-1.8) dated on January 4, 2016 approved by Manager (Misran Bin Emam). Contains: List of around 139 activities/process in mill, env. aspect, operation and situation, impact, usage/discharge, impact mitigation method, comments.

Stakeholder consultation to assess and monitor impact: conducted annually, the latest was on October 3, 2017, attended by 90 stakeholders from surrounding community, contractors, government representatives.

FGV collect questionnaire survey for all attendant. Minutes of meeting and documentation available appropriately. Some issues: bridges quality, sustainability product, etc

There is documented impact assessment in Selendang 1&2 Estate and Selendang 4 Estate, reference as “RSPO 2010 (KRITERIA 5.1/5.3/5.6)” last reviewed assistant manager, on 17/06/2014. In the report, there is score summary on environmental impact from waste product that include information on activity, aspect, impact, score and status. Verified the assessment conducted for pre-mixed area, whereby the risk rating is 16 that require a management plan [rating above 12 needs a management program to reduce the environmental impact]. There also actions plan to reduce environmental impact and to control pollution.

In mill the assessment well identified the entire activities or aspects of the mill, such as schedule waste store, chemical

#### **5.1.2**

Environmental Management Plan was available under the document of Impact Assessment (EIA). Periodic review (annual) had been done in accordance to SOP on Environmental Impact Assessment. Recent review on Environmental Impact available for 2017

Sighted during field visit in Selendang Mill significant changes in current practices that was discontinuation of incinerator operation and open dumping of EFB. However, no evidence of incorporation of the changes into EIA in order to mitigate negative effects to the environment.

**Minor NCR was raised for 5.1.2**



**5.1.3**

The management plan has incorporated monitoring protocol of environmental management action. The plan had been reviewed periodically every two years to adjust with existing practice. The latest version was on 2017 and had been approved by manager and executive of FGV.

**Status: Not Comply under 2017.02 minor category**

**5.2**

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

**5.2.1.**

Identification and Management Plan of HCV and Biodiversity have been made by Plantation Sustainability and Quality Management (PSQM) FELDA on 7 September 2014. Scope of HCV Identification study is Selendang complex: Selendang POM, Felda Selendang 1&2, Felda Endau, Ladang FGVPM Selendang 3, Ladang FGVPM Selendang 4 and Ladang FGVPM Berabong.

Summary of HCV assessment in Selendang Complex (based on HCV assessment report) stated that there is no HCV area found in Selendang Complex Area. However, the report said that the surrounding landscape was part of Asian elephant's (*Elephas maximus*) home range. This RTE species (categorized as EN by IUCN Redlist) foraging in the forest reserve (Hutan Bukit Sejabur) with some cases in the past that the elephant crossed the plantation.

Map of HCV assessment available including map of hotspot area within the plantation scope. To anticipate the conflict with elephant, some equipment / facilities had been prepared in the plantation boundary for treatment of the RTE such as: low voltage electric fence and wildlife signboard.

**5.2.2**

HCV management plan 2017 - 2022: management of river buffer zone, wildlife protection signboard, campaign and education (just 1 and needs improvement, education not yet available), wildlife monitoring (record available), forest boundary signboard, hunting prohibition, buffer zone, and protected forest signboard. Management plan had been reviewed periodically. The most recent one was for year 2017.

**5.2.3**

To ensure compliances to the HCV management plan, FGV has held Training for Estate management regarding HCV and biodiversity protection: Records of training at Selendang 3 was follows:

- Training for staff of Selendang 3 Estate on April 26, 2017, attended by 10 staffs.
- Training for Staffs of Selendang 4 Estate on April 28, 2016, attended by 9 staffs
- Training / campaign for all workers on 11 October 2017, attended by 125 persons from Pengurus Ladang, Field Supervisor, Workers. Random interview with workers during audit and site visit to housing complex did not find any indication of wildlife poaching, capturing, or harm by Felda Selendang workers.

HCV Training and awareness delivered by HCV specialist from CDD department, FGVH (M. Dzulfadzli Bin Sufian Suri). Sighted some supporting materials for HCV: Training plan, training material available, and picture documentation.

**5.2.4**

Monitoring of HCV had been done periodically, as seen through Annual Report on Biodiversity Monitoring, the latest was dated on April 26, tahun 2017, prepared by Muhammad Zulfadzli Bin Sufian Suri. The report contained wildlife monitoring at several biodiversity hotspots such as buffer zone and forest boundary: Sungai Teruh, Sungai Temaris, Hutan Rizab Tambahan Lesung, Kawasan belum dimajukan, Kawasan Sawit non-economic.

**5.2.5**

Identification and Management Plan of HCV and Biodiversity have been made by Plantation Sustainability and Quality Management (PSQM) FELDA on 7 September 2014. Scope of HCV Identification study is Selendang complex: Selendang POM, Felda Selendang 1&2, Felda Endau, Ladang FGVPM Selendang 3, Ladang FGVPM Selendang 4 and Ladang



FGVPM Berabong. The RTE's species were identified is Asian elephant (*Elephas maximus*) – EN by IUCN Redlist, this species foraging in the forest reserve (Hutan Bukit Sejabur).

Summary of HCV Area in Selendang Complex (based on summary executive HCV assessment report) stated that no HCV was found in Selendang Complex Area.

During the field observation in Selendang 2 and Selendang 4, sighted the conservation area is well maintained according to management plan. Sighted reserved forest area in Selendang 2 ("Hutan Bukit Sejabur") and Selendang 4: Riparian zone (Sungai Serai). Actions to maintaining the conservation area is erect the sign board No Trespassing, No Encroachment, etc.

Management representative who responsible to monitor of adjacent conservation area and information from settler (peneroka) said that no illegal activities were identified, particularly in border of forest border (Hutan Bukit Sejabur).

**Status: COMPLY**

### 5.3

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

##### 5.3.1

List of waste from plantation and mill activities available on the Environmental Aspect and Impact Register Form number FPI/L4/QOHSE-1.8. The document provides list of activities in estates or mill and relevant waste or pollution produced from each activity. Some significant wastes from plantation estate activities: chemical containers, domestic waste, fertilizer sack, etc. While from mill activities: scheduled waste, EFB, shell, fiber, lubricant, POME (effluent), etc.

To avoid / prevent the negative impact from waste production, the plantation estate and mill have applied policy of 3R for all its waste products, as seen on the following documents:

- Identification of pollution sources and action plan to reduce the pollution, approved by estate / mill manager. The document listed the activities, impact, plan to reduce impact, person in-charge, action to be done.
- Plan for domestic waste management which listed the following aspects: type of waste, sources, relevant 3R activities, time table for action, person in-charge.

The document focused more on avoiding negative impact from pollution and still very little on reducing the waste production. During field visit, also sighted that EFB from mill has not yet fully applied to the crop estate as organic fertilizer due to transportation and manpower problem. POME was not also used for Land Application.

##### 5.3.2

SOP for waste disposal available in document number FPI/L2/QOHSE-9.0 regarding Waste Management, approved by FPSB executive, dated on September 15, 2014. Categorized waste into:

- Non-scheduled waste: reused/recycled when possible, stored as regulated by SOP FPI/L3/15-19 to SOP FPI/L3/15-23
- Scheduled waste: labeled, stored as regulated by SOP FPI/L3/15-19 to SOP FPI/L3/15-23, disposed by licensed third party.

However, at all of the visited sample estate, observed that used chemical containers such as glyphosate (Supersat 41) has yet to be managed properly in accordance with the applicable regulation and SOP:

- No clear evidence of disposal of chemical container by licensed third party
- Uncontrolled disposal of used chemical container in the oil palm block:

#### Major NCR was raised for 5.3.2

At all of the visited sample estate, observed that used chemical containers such as glyphosate (Supersat 41) has yet to be managed properly in accordance with the applicable regulation and SOP:

- No clear evidence of disposal of chemical container by licensed third party
- Uncontrolled disposal of used chemical container in the oil palm block

However, sighted during field visit at Selendang 3 and Selendang 4 that used chemical container in Selendang 3 and 4 has yet to be handled well. Observed many containers dumped in the field or kept by employee in housing.



Selendang 03



Asrama Selendang-03



Selendang -03 Near housing



Selendang-04

### 5.3.3

Plan for waste products disposal in estate available on the following documents:

- Environmental Aspect and Impact Register Form number FPI/L4/QOHSE-1.8 that contains list of activities in estates and waste or pollution produced.
- Action plan to reduce pollution through 3 R, contains list of waste from mill activities: steel, plastic/glass/metal, paper, used PPE, Tire, Chemical container, Domestic waste.

Plan for waste products disposal in mill available on the following documents:

- SOP for waste disposal available in document number FPI/L2/QOHSE-9.0 regarding Waste Management, that includes the step of: identification, storage, and disposal
- Significant Environmental Aspect and Impact Register Form number FPI/L4/QOHSE-1.8, contains list of processing activities and waste/pollution produced, e.g. shell, fiber, lubricant, effluent,
- Action plan to reduce pollution through 3 R, contains list of waste from mill activities: steel, plastic/glass/metal, paper, used PPE, Tire, Chemical container, Domestic waste, EFB, POME, Shell, Fiber
- No waste disposal using fire found during field trip to Selendang 03, Selendang 04, and Selendang Mill

However:

- Sighted during field visit in Selendang 4 Estate, pollution to the upstream of Pontian River due to lubricant spillage from water pump generator for Selendang Mill water supply.



Spillage to river from genset at water intake

- Scheduled waste had yet to be handled properly as per applicable SOP and regulation, as follows:
  - Used battery in Selendang 3 Estate scattered outside of scheduled waste storage
  - Used chemical container placed outside of scheduled waste store at Selendang Mill



a) Uncontrolled used battery at Selendang 3 storage; and b) used chemical containers at Selendang 4

**Minor NCR was raised for 5.3.3**

	<b>Status: Not Comply under 2017.03 MAJOR category</b> <b>Not Comply under 2017.04 minor category</b>	
5.4		

**Efficiency of fossil fuel use and the use of renewable energy is optimised.**
**5.4.1.**

Observed that plan for improving renewable energy available through:

- SOP for reuse the fiber and shell for renewable energy as per SOP number FPI/L2/QOHSE-9.0 regarding Waste Management.
- Company's action plan to reduce waste pollution through 3 R (*reuse, recycle, reduce*). The plan was approved by executive, listed all waste from mill activities and the implementation of 3R. including the plan to re-use the Shell and Mesocarp Fiber for boiler fuel.
- Environmental Impact Assessment for Selendang Mill that incorporated use of biomass for boiler fuel.

To monitor the plan, there was matrix of mill performance monitoring that included the monitoring of fiber and shell use for boiler fuel. In addition to that, an analysis on renewable energy use per ton CPO and use of fossil fuel per ton CPO was also available.

In average, the use of fossil fuel use for year 2017 was 168,619 came from transportation and genset. Ratio per ton TBS was 1.00 which was slightly above the targeted budget due to the extensive use of genset for processing.

**Status:**

**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.**
**5.5.1**

Observed that Management of FGV in Selendang Complex had a Policy of Zero Burning in all of plantation activities as per policy from President & CEO of GV on dated 01/06/2014. Procedure of zero burning in had also been incorporated in agronomical manual for land preparation.

Field verification in Oil Palm Estate and Housing Complex of Selendang 3 and Selendang 4 shown that the policy and procedures had been implemented well. There was no indication of fire use both for agronomy or domestic activities. Also sighted some signboards of "No Burning" in several accessible spots. Procedure of emergency response to handle land fire available and supported by refreshment practice that had been conducted in cooperation with the local authorities (*Jabatan Bomba dan Penyelamat*).

**5.5.2**

In Selendang, the last replanting was done in 2012 and the next replanting will be in 2035. No indication of fire use in replanting process as seen by records of land clearing by using mechanic equipment.

**Status: COMPLY**

**5.6**
**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**
**5.6.1**

The certification unit has identified waste sources that include location, source of waste, type of waste, and handling. Identification of waste and pollution sources has covered to relevant indicators i.e Criteria 5.1 EIA and Criteria 5.3 waste management.

**5.6.2**
**NC was raised for indicator 5.6.2**

All significant pollutants and greenhouse gas (GHG) emissions not yet identified by Estate and Mill, and plan to reduce or minimize them was not describes in detail. In example: all type of operations/activities caused GHG emissions, type of GHG produced, measurable quantity to reducing, etc.

The mill has periodically monitor the smoke density and opacity by using 2 units of smoke density / opacity meter (Orwell Smoke Opacity Meter) and chart recorder for its 2 operating boilers. The instruments have been calibrated periodically by the provider (Mesra Alam Sekitar Sdn Bhd), the latest calibration and maintenance was in October 5, 2017 where all instrument were in good condition including CEMS/DIS.

All data from Smoke Density Meter has been stored, analyzed, and reported to local authorities. Mill also keep the smoke

monitoring data on its monthly environmental performance table. The table showed that there was no indication of smoke density that exceeding the allowed limit (< 15 minutes) per day for > 2R.

### 5.6.3

There is a regular system to monitor of emission and pollutants from estates and mill by using RSPO PalmGHG calculator version 3.0.1. Summary of net GHG emissions from PalmGHG Calculator of Selendang POM with assessment year 2016 is presented below:

Emissions per Product	tCO <sub>2</sub> e/tProduct
<b>CPO</b>	0.57
<b>PK</b>	0.57

Extraction	%
OER	43.80
KER	9.8

Production	t/yr
FFB processed	111,487.69
CPO produced	48,835.59
PK produced	10,926.16

Land Use	Ha
OP planted area	7985.21
OP planted on peat	-
Conservation (forested)	45.18
Conservation (non-forested)	-

### Summary of Field Emissions and Sinks

	Own Crop			3 <sup>rd</sup> Party		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB
<i>Emissions source</i>						
Land Conversion	78866.95	9.88	0.71	0	0	0
CO <sub>2</sub> Emissions from Fertiliser	4052.78	0.51	0.04	0	0	0
**N <sub>2</sub> O Emissions	3165.65	0.40	0.03	0	0	0
Fuel Consumption	232.75	0.03	0	0	0	0
Peat Oxidation	0	0	0	0	0	0
<i>Sinks</i>						
Crop Sequestration	-74755.4	-9.36	-0.67	0	0	0
Sequestration in conservation area	-414.3	-0.05	0			
<b>Total</b>	<b>11148.43</b>	<b>1.4</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Summary of Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<i>Emissions Sources</i>		
POME	21853.48	0.2
Fuel Consumption	690.29	0.01

Grid Electricity Utilisation	325.82	0
Credits		
Export of Grid Electricity to Housing & Grid	0	0
Sales of PKS	-54.54	0
Sales of EFB	0	0
Total	22815.05	0.2

**Palm Oil Mill Effluent (POME) Treatment**

Divert to compost	0 %
Divert to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion:**

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

**Status: Non Conformity MAJOR 5.6.2**
**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.**

**6.1.1**

SIA has been conducted on 26<sup>th</sup> April 2017 (FGVPM Selendang 3) and 27<sup>th</sup> April 2017 (FGVPM Selendang 4) by internal assessor by En Azwan Muhammad Mohd Shafiq Ariffin and Muhammad Zulfadzli Bin Sufian Suri from Certification & Due Diligence (CDD) Unit. This is the re-assessment of Social Impact Assessment for FGVPM Selendang 3, FGVPM 4, and Kilang Sawit FGVPM Selendang 4. The method of assessment referred to FGVPM Social Impact Assessment Procedure Doc. No.: ML-1A/L2-Pr21 (0). Both assessors of Social Impact Assessment covered all aspect of access and use of rights, economic livelihood, cultural and religious values, health and education facilities, or other community values. The findings of SIA had been documented in the report based on the negative and positive feedback/issues raised and collected during the stakeholder consultation during the assessment and stakeholder meeting dated 3<sup>rd</sup> October 2017. Referred to Rumusan Penilaian Kesan Sosial. Identified significant issues that shall contributed to adverse impact are tabulate in Jadual 1: Pelan Pengurusan Bagi Impak Sosial (SIA Management Plan).

**6.1.2**

Attendance list with completed questionnaire as evidences that the Social Impact Assesment is being done in a participatory ways with the affected parties . The interview sessions at FGVPM Selendang 3 had been done on 26<sup>th</sup> April 2017 that inclusive of internal stakeholders (Loose Fruit Collectors, Manurers, Harvesters, Office Clerk, Auxiliary Police, Medical Assistants) and external Stakeholders (Sundry Shop Owner, KEMAS Staff, Food Stall Owner (Peniaga Kedai Makan). There is also an interview sessions at FGVPM Selendang 4 been done on 27<sup>th</sup> April 2017 inclusive of internal stakeholders (Loose Fruit Collectors, Manurers, Harvesters, Office Clerk, Auxiliary Police, Medical Assistants) and external Stakeholders (Tok Batin Kampung Orang Asli Sg. Mok, Sundry Shop Owner, KEMAS Staff, Peniaga Kedai Runcit). The interview sessions at Kilang Sawit FGVPM Selendang 4 hade been done on 28<sup>th</sup> April 2017 inclusive of internal stakeholders (Office Staff, Staff and Workers, Lorry Drivers, Loading Ramp Graders) and external Stakeholders (BTS lorry driver, Auxiliary Police, and Canteen Owner). There was a stakeholder meeting for internal and external stakeholders been held at Complex Selendang Hall dated 3<sup>th</sup> October 2017 inclusive of external stakeholders from government agencies, NGOs, contractors, Ketua Peneroka, contract lorry drivers, and FGV/FELDA representatives

**6.1.3**

There is SIA Management Plan available with 9 issues (FGVPM Selendang 3), 16 issues (FGVPM Selendang 4) and 10 issues (Kilang Sawit FGVPM Selendang 4) raised and being tabulate in the SIA Management Plan.



All the issues being monitored accordingly on monthly basis upon completion. All completed issues are provided with sufficient evidences and verified by the Manager of each estate. The Social Impact Assessment Report distributed to estates and mill on 3<sup>rd</sup> October 2017. Management Plan is being updated yearly basis.

**6.1.4; 6.1.5**

The Social Impact Assessment Report distributed to estates and mill on 3<sup>rd</sup> October 2017. Management Plan is being updated in a yearly basis. The management of FGV Selendang mill and estate had monitored the management plan for Social Impact Assessment 2016/2017 based on input from stakeholder (workers and community/smallholder member). The evaluation of social impact management plan conducted ones a year, the last evaluation was April 2017. The certification scope for FGV Selendang complexes was not including the smallholders.

<b>Status: COMPLY</b>
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**6.2**

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

**6.2.1**

List of Stakeholder dated January 2017 is available in listing identified internal and external stakeholders such as Government Agencies, Schools, Contractors, Auxiliary Police, Head of Villagers for FGVPM Selendang 3, FGVPM Selendang 4, and Kilang Sawit FGVPM Selendang 4.

Sighted Prosedur Komunikasi, Penglibatan dan Rundingan No Doc.: ML-1A/L2-PR3(1) dated March 2012 detailed out open and transparent method for communication and consultation in between estate/mill and interested/affected parties. Also there are suggestion box and complaint logbook available at each estate and mill.

Internal and External Communication Procedure is in Bahasa Malaysia.

A Stakeholder Meeting "Majlis Perjumpaan Bersama Pihak Yang Berkepentingan/Stakeholder" had been held on 03/10/2017 attended by Government Agencies, Contractors, Head of Villagers, Schools, and other identified parties. According to the meeting minutes, all identified stakeholder had been explained with Standard Operating Procedure (SOP) and Policies on communications and consultation

**6.2.2 and 6.2.3**

The management unit had appointed two Assistant Managers (Yazid Bin Sapar and Ahmad Bin Latif) appointed as person in-charge in handling social issues and official appointment letter are available "Perlantikan Sebagai Pegawai Bertanggungjawab bagi komunikasi and sosial" for FGVPM Selendang 3. HEP Staff En Mohd Azlan Bin Arbain and Assistant Manager Muhammad Hafeez Bin Zainudin appointed as person in-charge in handling social issues and official appointment letter are available "Perlantikan Sebagai Pegawai Bertanggungjawab bagi komunikasi and sosial" at FGVPM Selendang 4. Office Staff En Normanjani Bin Anas appointed as person in-charge in handling social issues and official appointment letter are available "Perlantikan Sebagai Pegawai Bertanggungjawab bagi komunikasi and sosial" in FGVPM Selendang Mil.

Based on the appointment letter, the appointed person job description on overall internal/external communications inclusive of :

1. Request of responses and feedback with external stakeholders
2. Any grievances and discussion with external stakeholders.
3. Informed the management regarding the activities with external stakeholders.
4. Any related social issues internal and externally with other parties

Copies of appointment letters are displayed at roll-call ground and informed to workers and staff during morning briefing. There is List of Stakeholder for 2017 established by both estates. Suggestion box is available at estate office as a medium of communication for any comment/feedback from stakeholders at FGVPM Selendang 3 and 4.

<b>Status: COMPLY</b>
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**6.3**

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

**6.3.1 and 6.3.2**

The management unit of FGV Selendang 3 has have Procedures of Complaint and Grievance Handling (Number: ML - 1A / L2 - Pr13, 1 June 2016). The procedure aim to resolve all complaints and grievances fairly and to maintain good relations between the company and other parties. The company was installed complain box in in each estates and mill. Management unit also have records of complain in log book. Sighted the document related to the procedure :



- Objective
- Scope of communication
- Responsibility
- Definition : complaint and Grievance
- Internal communication procedure
- Method of communication to the workers – through the posters, morning meeting
- Communication workers to the management
- Communication to the external workers
- Communication to the head quarters
- Communication with media
- External information to the outside
- Involvement and discussion

Based on the interview made, the workers are aware related to the communication procedure and who to complain and made when they have an issues or complain regarding the company operation and management.

The system had been developed to ensure the complain and grievances has been resolved in time and appropriate manner. Internal report procedure is once the report has been logged in, the report will be discussed with the executive less than 7 days the date of report made → after executive report made will be transfer to the head of department → will be settled in 14 days → in management unit level → then report made to the company and parties (union) settled in 21 days.

Sighted a policy of the right of freedom and joining the association .The policy has been developed by Kumpulan FGV in regards of procedure giving information dated 24<sup>th</sup> February 2015, policy and procedure of giving information, preparing the mechanism format to raise out their concern, prepared the protection for the whistleblowers, with good instinct and the mechanism for the management department to act upon the report been made. The policy of joining parties also made available.

FGV management allowed their workers and staff to raise out the concern and does not prevent individuals from joining the unions or other registered unions and obtaining the permission in existing FGV group. The management unit also prepared a report book related to any complain made by the workers and based on th document verification, most of the complain and report are related to the repairing of broken houses.

Status: COMPLY

#### 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.**

##### 6.4.1; 6.4.2 & 6.4.3

No land dispute or compensation at Selendang POM, Selendang 3 and 4 plantations. Land belongs to the state government and title documents are well kept. Procedures for addressing these issues are documented in Manual Lestari 1A (ML-1A/L2-PR12 (0): Prosedur Mengenalpasti Hak Perundangan dan Adat).

During stakeholder consultation held on 11 October 2017, it was confirm that no information related to land dispute within the certification scope.

Status: COMPLY

#### 6.5

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

##### 6.5.1

The type of employment in the company is local workers (permanent) and foreign workers (contractual), pay and condition are describes in each employment agreement and wage-define letter from HRM. Sighted the circular letter number no. FGVH/AOM.03 (32) date 1 August 2016 on the implementation of the minimum wage, that from 1 July 2016, the minimum wage will be implemented in accordance with the section of 23 of *Akta Majlis Perundangan Gaji Negara*, which defined based on region of Malaysian peninsula RM1000 (per month) and Sabah/Sarawak/Labuan RM920 (per month) :

- The definition of living wage in Malaysia available at PERINTAH GAJI MINIMUM 2016 (Minimum Wages Order 2016) → Peninsular Malaysia Monthly (RM 1,000), Daily (6 hours-RM 38.46, 5 hours – RM 46.15, 4 hours – RM 57.69), Per/Hour RM 4.81

Sighted on the payslip of employees in sampled units based on random check, which stated the income varies into (basic pay, overtime, insurance benefit, incentive) and deduction (socso dues for local workers and loans). Both local and foreign workers has been paid in accordance with applicable regulation. The company had also kept a contract of third party between contractor and workers (perjanjian kontrak – 3<sup>rd</sup> part contractor and workers) that include ;

- Holidays
- Payment term (period of 7 days after closing)
- Laws of the company (FGV and Felda)
- Guidance on Safety and health

#### 6.5.2

Employment payment and conditions explained in the document of collective agreement 1 Jan 2016 – 31 Dec 2018 namely “*Perjanjian kerja bersama antara Felda Palm Industries Sdn Bhd dan kesatuan pekerja-pekerja Felda Semenanjung*”, which is written in Bahasa. These agreements cover terms of services, salary, allowances, monetary and medical benefits, confirmation of post, salary scale, transfer, retirement, working hours, overtime, traveling claims, subsidies (housing loan, electricity supply, water supply), leave entitlement, discipline and formation of a committee at the headquarters and regional levels. There is a documentation of pay and condition made by the company :

Sighted the evidence of new employment contract for Mr Satheesh Kumar A/L Mohan (mill workers) regarding the payment, and contract :

- With minimum Salary of RM 1000.00 Gred 7 (T)
- Including the year or retirement (60 years old )
- 6 months probation period before confirmation
- Dated 1<sup>st</sup> April 2017.

As for foreign workers, there are a signed agreement/contract for each employee for period of 3 years and renewed from year to year (not exceeding 10 years), covering the terms of : type of work and location, working hours, salary/wages, accomodation, transportation, health and medical examination, work equipment and appliances, passport and permit, employee insurance, employee’s leave, death of employee, keeping of employees passport (only for safety reason, employees may obtain the passport from the employer as a valid travel document if necessary), code of conducts, termination of contract, safety health guide. The contract has been made in malay language and English language. During the field verification at FGV Selendang 4, it was found that 4 new Bangladeshi workers in the estate unable to understand the contract and work instruction in the estate (**NC MAJOR 6.5.2 was raised**)

#### 6.5.3, 6.5.4

During the field visit to employee’s housing complex at Selendang 3, Selendang 3 and Selendang Mill complexes, it was observed the the housing complexes is up to the standard, water supplies by government water, electricity provided by governemnt, place for worship (mosque and surau) and clinic at Selendang 1 has been provided by the government for FGV and Felda smallholders.

The company provides a store (kedai runcit) on each estate that provides basic need at an affordable price. In addition there is transportation facility (bus/van) if employees want to shop for daily needs outside / nearby markets. The company also provides daily bus transportation to the school (primary and secondary school) at Selendang 1. The bus and van provided is new and in a good condition. From the interview with the workers, they are happy working in the estate and the cooperation between the workers and management is very good.

**Status: Non Conformity Major 6.5.2**

#### 6.6

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

**employer facilitates parallel means of independent and free association and bargaining for all such personnel.**
**6.6.1**

All staff is allowed to join trade unions and they are free to join any association. There is a policy signed by Mohammed Emir Mavani Abdullah, President & CEO FGV dated 01.06.2014 mentioned that all staff and workers is free to join any registered association. There was the published policy for worker unions and freedom of association in FELDA and available in the estate. With reference on the *Polisi Hak Kebebasan Bersuara & Mengangotai Kesatuan*,. It was stated in the policy that FGV Workers and Staff are allowed to join a registered association. The management practice freedom of speech (align with the local law) and do not stop individual to join Worker Union or any other association that has received approval from FGV. The company allowed the workers to bargain collectively with their employer through JKPP meeting including the migrant and transmigrate workers. However based on the observation and interview with the company representative and workers, there is no association sighted in the estate.

The company had an agreement between workers and the direct contracts and employment regarding payments has been made. Sighted a clause of following "Perintah gaji umum 2016 – referring to legal register has been updated yearly according to the new law. There is also guidance of payment for the workers administration and estate operation peninsular Malaysia– KUK BIL 05 dated 1<sup>st</sup> January 2017 FGVPMSB :

"Company is giving the chance for the workers to get the income not more than RM 1000.00 per month according to the Malaysian Minimum wages regulation 2016 in accordance with section 23 act 732 Perintah Gaji Minimum 2016"

Sighted a document number FPISB Union Workers (mill Selendang) :

1. Minutes of meeting 3 year basis for Selendang Mill 10<sup>th</sup> times session 2016 – 2019 located at canteen Selendang Mill on 2<sup>nd</sup> May 2016 and 51 person had attended the meeting
2. Union meeting that discussing the issues of employees – with the KKS selendang: Issues
  - Increase the allowance of the workers
  - Increase the incentive of the project
  - To select and appointed 5 new people as a checker for voting 2013 - 2015
  - Increase the allowance of fasting for the workers
  - Promotion of the workers and staff that have been long servicing without interview.

**Status: COMPLY**

**6.7**
**Children are not employed or exploited.**

Sighted the list of workers 90 Nos Workers in Selendang 3 has been verified and it included the :

- i. Workers Name
- ii. Worker ID
- iii. Passport no
- iv. Citizenship
- v. Birth Place of worker
- vi. Birth date of workers
- vii. Age (youngest = 20 years old, oldest 49)
- viii. gender

Sighted no of foreign workers 97 workers at Selendang 4 that working in the company. From the list 62 Indonesian workers and 35 Bangladeshi workers. The record has been made including the passport number and their citizenship. The company had also made a list of workers including their job specialization for the foreign workers, from general worker / harvesters /General Workers operational. There is company policy on the prohibition of child labor does not justify individuals under the age of 18 taken to work in accordance with applicable law), stated in the document "polisi pekerjaan kanak-kanak", signed by President & CEO FGV on 1 June 2014. Consistent between document verification (employee' master list) and field observation, there is no found any workers who is under the age of 18 (the minimum working age under Malaysian Labour Laws Act A1238) being hired by the company.

**Status: COMPLY**

<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>
<b>6.8.1</b> An equal opportunities policy in <i>Bahasa Melayu</i> stated in the document of “ <i>Polisi Kesetaraan Peluang</i> ” was publicly made available. Communication to workers are performed during the roll-call and displayed in the work-station, housing notice board and office’s information board.  <b>6.8.2, 6.8.3</b> It was found that there is no discrimination to the employees based on gender, religion, race, country and etc,. All workers (local or migrant) were covered by the same payments and conditions of employment. This was confirmed during random interviews held with the workers, also confirmed that there is no complaint and grievance raised in regard of discrimination. During the interview, there are 7 workers interviewed in the company: they are happy working in the company.
<div> <div></div> <div>Status: COMPLY</div> <div></div> </div>
<b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>
<b>6.9.1</b> Sighted a published policy in Bahasa Melayu on sexual harrasment and violence as well as the policy for reproductive rights, those documents was signed by the President & CEO FGV on 1 June 2014. Estates and mill has been formed the gender committee to handle any complaint and grievance in associate with gender issues including but not limited to sexual harrasment and reproductive. Sighted the appointment letter of Ahli Jawatankuasa Wanita (Kelab Daya Budi – KKD) whose responsible for the tasks related to women’s matters. There is a specific grievance mechanism on the document of “mekanisme aduan gender” document no.: FGV/ML-1A/L2-Pr14, no issue 1, effective date 1 June 2016. Based on minute of meeting and interview with female workers (staff of Selendang 3 and 4) confirmed that there is no issues and report regarding to sexual harrasment, productivity rights and other issues related. It was found that a book that entitled objective of Gender Committee formed and to handle the sexual cases, wrong doing and bad practices towards women. Mill assistant manager Mr Safwan is the person in charge of receiving complain form internal and external stakeholders at the mill.
<div> <div></div> <div>Status: COMPLY</div> <div></div> </div>
<b>6.10</b> <b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>
<b>6.10.1 &amp; 6.10.2</b> Pricing mechanism is determined by Malaysian Palm Oil Board (MPOB). The management of Palm Oil Mill can access the price standard for everyday by MPOB website. The standard of FFB price was put on Palm Oil Mill board announcement and it can access by all outsider supplier. There in an evidence of FFB pricing by MPOB : Daily price of FFB has been determined by MPOB – divided into Northern Region, Southern region, Central region, East , Sabah, and Sarawak. Evidence date : 12 October 2017 (in RM) - 31.00 for Northern, 31.00 Southern, 31.00 Central, 31.00 Eastern, 27.00 Sabah, 26.50 Sarawak  <b>6.10.3</b> Management unit of mill and estates has been showed of Work Agreement between FGVP (M) with the local contractor, such as 2017 between Selendang 1 Estate and local contractor for transport FFB. Based on record of payment it is known that payment has been made in accordance of agreement. Mill also can show evidence of payment record for FFB purchasing from independent traders, such as: <ul style="list-style-type: none"> <li>Kim Ma Oil Palm Enterprise : 25<sup>th</sup> September 2017 : amount RM 10,714.07, cheque payment – dated 26<sup>th</sup> September 2017 cheque no Maybank 00850</li> </ul>
<div> <div></div> <div>Status: COMPLY</div> <div></div> </div>
<b>6.11</b> <b>Growers and millers contribute to local sustainable development wherever appropriate.</b>
<b>6.11.1</b> There is contributions given by the management to the community lived around the Selendang Complex. There is also

Corporate Social Responsibility for Selendang 3 van provided transportation to the school. In Selendang 4 Sighted the contribution for Hari raya Festival to the workers = RM 9300.00 dated 23 June 2017 and all the workers get RM 100.00 as raya payment and incentive. There is also contribution to surau, RM 2400.00 to the workers dated 18/1/2017 and received by the Surau Management .Sighted the application payment on program speech by surau Felde Selendang 4 Estate amount 2400.00 Myr. For instance, festive season contribution, schooling facilities, scholarship and medical assistance. Based on the documentation review, there is some contributions given by the management to the contributions of the local communities.

#### 6.11.2

The certification scope is not include the smallholder.

Status: COMPLY

#### 6.12

No forms of forced or trafficked labour are used.

##### 6.12.1, 6.12.2,

There is no found any substitution contract, as in the work permit and contract are written for plantation workers and its in accordance with the result of interview with workers. *Procedure of foreign workers intake to the Estate.*, No. ML-1A/L5-AP10(0), dated 1 June 2016:

1. List of workers from Visa will be send to the supplier for the consulate Malaysia in their own country. Foreign workers will sign the agreement letter, working contract with FGVP in their own country. Foreign workers will be induction course at their own country. JTK will informed the arrival of workers to the estate department.
2. Workers will be transferred to One Stop Center and giving induction, FOMEMA inspection for 3 days.
3. Arrival list formed will be given to the workers once they arrived at the estate by
4. Transferee of workers to the estate will be arranged by Department of workforce (JTK)
5. Toiletries will given at one stop centre (toothpaste, soap, towel)

There was showed evidence Policy of Foreign Worker Requirement (approved by President & CEO FGV, dated 01 June 2014). The procedure was explained of basic salary based on Minimum Wage in Malaysia and the early training for the workers in related to language, Health & Safety, Labor requirement and culture sensitive. There is also SOP of "Prosedur Kemasukan Pekerja Asing ke Ladang", No. ML-1A/L5-AP10(0), dated 1 June 2016:

Workers will be transferred to One Stop Centre (OSC) for induction course and health inspection FOMEMA for 3 days

Passport are kept by the company in the respective estate for safety reason, sighted the document of "borang penyerahan passport", which stated that its may obtain at anytime if there is a needed. Its consistent with the interview result with workers in Selendang 3, Selendang 4 and mill.

##### 6.12.3

FGV has a Policy of Human Right (approved by President & CEO FGV, dated 01 June 2014). These document as Felde commitment to consent for support and protect of human right as a corporate responsibility. There is a policy on Human Rights that has been communicated to all level of the workforce by making the public at the office and certain parts of the estates and office. The manager and assistant manager have the task to communicate to all the workers and external party in each of their unit management. FELDA will also involve with the effort of supporting and also take part in various activities to support corporate social responsibilities to respect human rights.

Status: COMPLY

#### 6.13

Growers and millers respect human rights

##### 6.13.1

There has been shows an evidence Policy of Foreign Worker Requirement (approved by President & CEO FGV, dated 01 June 2014). The procedure was explained of basic salary based on Minimum Wage in Malaysia and the early training for the workers in related to language, Health & Safety, Labor requirement and culture sensitive. It is related to clause point 17 in Worker Agreement. Furthermore in document of work discipline point b (Disiplin Tata Laku) that explained prohibition to bring the family member and forbidden to the migrant workers for marry in Malaysia with local people or the other foreigner

##### 6.13.2



Not applicable, since the audit held in Semenanjung Malaysia.

**Status: COMPLY**

## **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.**

#### **7.1.1**

No establishing new plantings operations in Selendang complex. Replanting had been commenced in 2012 on the managed area. Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting. A newly proposed NPP area are yet be opened due to ongoing process of RSPO NPP approval.

Sighted during the field visit to proposed NPP area that the land still covered by old shrub / secondary forest and adjacent to smallholder farmers.

However, to anticipate potential negative impact of any kind of plantation activities, there was Matrix of Identification of Environment Aspect and Impact (Form no 5.1 / 5.6) dated on March 03, 2017 approved by Manager of each estate.

For Selendang Mill, matrix of Identification of Significant Environment Aspect and Impact (Form no FPI/L4/QOHSE-1.8) dated on January 4, 2016 approved by Manager (Misran Bin Emam). Contains: List of around 139 activities/process in mill, env. Aspect, operation and situation, impact, usage/discharge, impact mitigation method, comments.

#### **7.1.2 & 7.1.3**

Environmental Management and Monitoring Plan was available under the document of Impact Assessment (EIA). Periodic review (annual) had been done in accordance to SOP on Environmental Impact Assessment. Recent review on Environmental Impact available for 2017

**Status: COMPLY**

### **7.2**

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

#### **7.2.1. & 7.2.2.**

No establishing new plantings operations in Selendang complex. Replanting had been commenced in a part of managed area. Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting. A newly proposed NPP area are yet be opened due to ongoing process of RSPO NPP approval.

However, as aforementioned, map of slope for the whole estate available appropriately based on analysis on SRTM data (90 m) and map from Jupem Malaysia. According to the data, there are no area with slope > 25%.

To minimize the soil erosion, they are applying: Planting terraces had been constructed where slope >10°, cover crops such as *Muccuna* sp. and soft grasses and ferns.

**Status: COMPLY**

### **7.3**

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

No establishing new plantings operations in Selendang complex. Replanting had been 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. A report on liability disclosure had been submitted to RSPO on 2015.

**Status: COMPLY**

### **7.4**

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

No establishing new plantings operations in Selendang complex. Replanting had been commenced in a part of managed area. Social and environmental assessment is undertaken by internal (PSQM FELDA) prior to replanting.



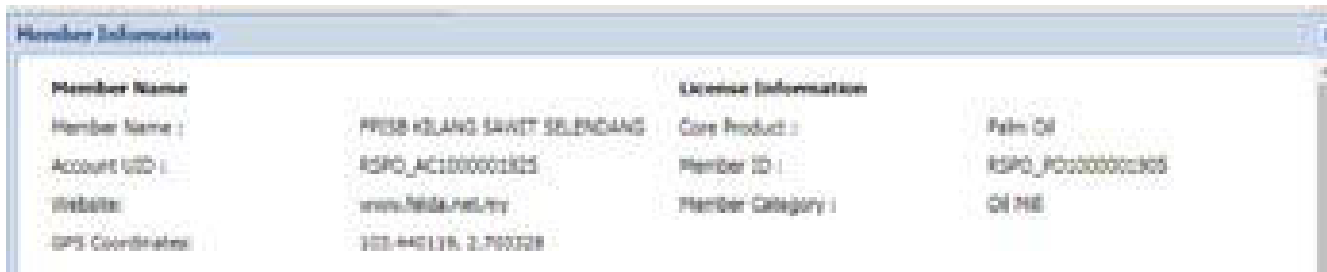
	<b>Status: COMPLY</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
	Neither new planting nor extension of existing one seen during this audit. Replanting program in planned for period of 2029 - 2035. There is a SOP established for new planting. The management claimed there is no oil palm extension in Malaysia. Felda has a zero burning Policy and SOP-09 that seen effectively documented and communicated among all the interested parties. During field visit not observed any open burning in the operating units. Apart from the policy, Guidelines for the implementation of the ASEAN policy on zero burning used for reference.	
	<b>Status: COMPLY</b>	
<b>7.6</b>	<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
	No new planting at Selendang complex. Selendang POM and its supply base is owned by Felda Global Ventures Plantation Malaysia. The mill located on Lot No PT 8117, Daerah Rompin, Bandar Mukim Pontian has legal lease from the state government in form of land use right ("HAK MILIK SEMENTARA BERSAMAAN DENGAN HAK MILIK PEJABAT PENDAFTARAN") Registered on 26 <sup>th</sup> August 1998. The lease is for 66 years until 25 <sup>th</sup> August 2064. Selendang 3 plantation has a total of 9 leased land lots totaling 2,204.38Ha. 8 of them valid until 25 August 2097 and 1 until 16 November 2097. While Selendang 4 plantaion has a total of 6 lease land lots totaling 2,246.14 Ha valid until 25 August 2097. No land dispute or compensation at Selendang POM, Selendang 3 and 4 plantations. Land belongs to the state government and title documents are well kept. Procedures for addressing these issues are documented in Manual Lestari 1A (ML-1A/L2-PR12 (0): Prosedur Mengenalpasti Hak Perundangan dan Adat).	
	<b>Status: COMPLY</b>	
<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>	
	No establishing new plantings operations in Selendang complex. Observed that Management of FGV in Selendang Complex had a Policy of Zero Burning in all of plantation activities as per policy from President & CEO of GV on dated 01/06/2014. Procedure of zero burning in had also been incorporated in agronomical manual for land preparation. Field verification in Oil Palm Estate and Housing Complex of Selendang 3 and Selendang 4 shown that the policy and procedures had been implemented well. There was no indication of fire use both for agronomy or domestic activities. Also sighted some signboards of "No Burning" in several accessible spots. Procedure of emergency response to handle land fire available and supported by refreshment practice that had been conducted in cooperation with the local authorities ( <i>Jabatan Bomba dan Penyelamat</i> ).	
	<b>Status: COMPLY</b>	
<b>7.8</b>	<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
	Neither new planting nor extension of existing one seen during this audit. Replanting program in planned for period of 2029 - 2035. There is a SOP established for new planting. So that, Carbon Stock Assessment is not applicable for this units. Relating to GHG calculation and result, please also refer to Criteria 5.6	
	<b>Status: COMPLY</b>	
<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>	
	Continuous improvement is available under these clauses C4.6, C5.1, C5.3 and C6.1 C4.6 – minimized use of Class I herbicide, C5.1 – Mills use dust cyclone to prevent dust pollution, C5.3 – EFB is incinerated	

or used as mulch in the estate, C6.1 – Improved working conditions of the estate workers

<b>Status: COMPLY</b>
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**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements		
E.1	Definition		
E.1.1			
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.			
Based on FFB received record data for last 12 months, Selendang POM is receiving FFB from many suppliers. This is the reason that Selendang POM will be applied Module E: CPO mills – Mass Balance. During this audit, Selendang POM has not been certified, however this unit has had projection plan that supply bases within this certification scope will be determined as Certified sources.			
No.	Supplier period September 2016 – August 2017	Supplier Code	Projection
1	FGVPM Selendang 04	5232	Certified
2	FGVPM Selendang 03	5256	Certified
3	FGVPM Berabong 01	5457	Certified
4	FGVPM Selendang 05	5602	Certified
5	FTPSB Selendang 01	3202	Non-Certified
6	FTP Selendang 02	3257	Non-Certified
7	FTPSB Selendang 01	6202	Non-Certified
8	Felda Selendang 01	4202	Non-Certified
9	Felda Selendang 01	9202	Non-Certified
10	Felda Selendang 02	9257	Non-Certified
11	Fan Kwee	480417015079	Non-Certified
12	Mohamad Arsad Bin Othman	540406106137	Non-Certified
13	Rosli Bin Aziz	571020026005	Non-Certified
14	Harun Bin Bidin	600610025723	Non-Certified
15	Mohd Azam Bin Yusof	601111016173	Non-Certified
16	Baharudin bin Jusoh	631001016225	Non-Certified
17	Asemah Binti Hj Ibrahim	681223025528	Non-Certified
18	Perniagaan Bingan Jaya	7423	Non-Certified
19	Eng Huat Latex Concentrate Sdn. Bhd.	7767	Non-Certified
20	Tai Chi Enterprise Sdn. Bhd	7822	Non-Certified
21	Risda Plantation Sdn. Bhd.	7951	Non-Certified
22	Kuasa My Enterprise	8442	Non-Certified
23	Ekstrapalma Sdn. Bhd.	8566	Non-Certified
24	Kim Ma Oil Palm (Transport) Sdn. Bhd.	8668	Non-Certified
25	Pertubuhan Peladang Kawasan Endau	8861	Non-Certified
26	Bakti Mas Bina Sdn. Bhd.	8877	Non-Certified
27	Landlite Returns Sdn. Bhd.	8985	Non-Certified
28	Top Golden Harvest (M) Sdn. Bhd.	9028	Non-Certified
29	AA Sawit Sdn. Bhd.	90491	Non-Certified
30	Kawthar Business Resources	91051	Non-Certified
31	Bistamin Trading	92022	Non-Certified
32	Bidin Legacy Services	92033	Non-Certified
33	Unik Meranti Sdn. Bhd	92055	Non-Certified

	Status: COMPLY																										
E.2	Explanation																										
E.2.1																											
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																											
During this audit, Selendang POM has not been certified. The estimated product of CPO and PK is available within this report (point 1.8.4 page 10-11), following:																											
<table><tr><th rowspan="2">Name of Mill</th><th rowspan="2">Capacity (tonnes/ hour)</th><th rowspan="2">FFB Processed (tonnes/year)</th><th colspan="2">CPO</th><th colspan="2">Palm Kernel</th><th rowspan="2">SC Module</th></tr><tr><th>Out put (ton)</th><th>Extraction (%)</th><th>Out put (ton)</th><th>Extraction (%)</th></tr><tr><td>SELENDANG</td><td>54</td><td>158,666</td><td>33,558</td><td>21.15</td><td>7,933</td><td>5.0</td><td>MB</td></tr></table>								Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		SC Module	Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	SELENDANG	54	158,666	33,558	21.15	7,933	5.0	MB
Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		SC Module																				
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SELENDANG	54	158,666	33,558	21.15	7,933	5.0	MB																				
	Status: COMPLY																										
E.2.2																											
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																											
RSPO registration for Selendang POM:																											
																											
	Status: COMPLY																										
E.3	Documented procedures																										
E.3.1																											
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:																											
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;																											
b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.																											
Mill management unit have Standard Operating Procedure For Mill RSPO Supply Chain Certification System (No. Doc: FGVP- RSPO SCCS, Version 1.0, Rev. 2.0, dated 1 December 2012). "FPI SB Kilang Sawit SOP Perkilangan untuk pemuahan Sistem Persijilan RSPO SCCS". The document contains of:																											
1. Management Functions & Job Descriptions: Mill Manager, Assistant Mill Manager, Weighbridge Clerk, Laboratory Analyzer, Traceability.																											
2. Mass Balance, Supply Chain Verification, Claim: MB Reporting of Certified CPO/PK.																											
3. Supply Chain Verification – FFB Delivery Plantation to Mill.																											

4. Supply Chain Verification – CPO/PK Delivery Mill to Customer. 5. Claim 6. Record Keeping. 7. Training.	
	<b>Status: COMPLY</b>
<b>E.3.2</b> <b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b> During this audit, Selendang POM has not been certified. However, this facility has had procedure regarding Supply Chain System which contains of separation material Certified and Non-Certified.	
	<b>Status: COMPLY</b>
<b>E.4</b>	<b>Purchasing and goods in</b>
<b>E.4.1</b> <b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b> During this audit, Selendang POM has not been certified. However, this facility has had procedure regarding Supply Chain System which contains of separation material Certified and Non-Certified.	
	<b>Status: COMPLY</b>
<b>E.4.2</b> <b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b> Selendang POM has not been certified.	
	<b>Status: COMPLY</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b> a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	
Selendang POM has not been certified. So, the Mill was unable to demonstrate record and balance for the certified product in three monthly bases.	
	<b>Status: COMPLY</b>
<b>E.5.2</b> <b>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</b> Selendang POM does not have Kernel Crushing Plant. All product (CPO and PK) deliver to Bulking and KCP at Pasir Gudang, Johor.	
	<b>Status: COMPLY</b>



3.3 Conformity Checklist of Certificate and Logo Use (*only apply for Surveillance Assessment*)

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

### 3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Felda Global Ventures Holdings Berhad against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Felda Global Ventures Holdings Berhad Time Bound Plan is explaining in table 1.10. Felda Global Ventures Holdings Berhad run seventy two (72) mills and Seventy Five (75) Complex in Malaysia and Indonesia and no one has achieved RSPO certified. Felda Global Ventures Holdings Berhad has informed the Time Bound Plan progress, MUTU has considered that Felda Global Ventures Holdings Berhad is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Felda Global Ventures Holdings Berhad on 31 March 2017 approved by FGVP(M).

MUTU has verified partial certification for un-certified unit's subsidiary of Felda Global Ventures Holdings Berhad based on their Time Bound Plan. There are seventy two (72) uncertified management unit of Felda Global Ventures Holdings Berhad. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

2.1 Un-Certified Units or Holdings			
Section	Requirement	Concerns to Discuss, if any	
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Yes, there was an internal audit and has positive assurance statement.</p> <p><b>Auditor Verification:</b> Yes, at the current status only 16 complexes already have internal audit in year 2016. Seen the internal audit done by Certification &amp; Due Diligence (CDD) Department. The NC during the audit still in progress to close. All certification bodies that will do the audit for FGV need to verify those NC. Others complex will do as per their time bound plan. Overall findings is positive as per before.</p>	
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"><li>• Primary forest.</li><li>• Any area identified as containing High Conservation Values (HCVs).</li><li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li></ul>	<p><b>Company Group/Holding Statement:</b></p> <p><b>Auditor Verification:</b> As per this year audit, there has been no replacement of primary forest area. However, there is one issue reported by Chain Research Reaction regarding HCV clearance in Kalimantan.</p> <p>FGV already brief this issue to RSPO secretariat. All details summary as per below:</p> <table><tr><td>HCV clearance Kalimantan reported by Chain Research Reaction</td></tr></table>	HCV clearance Kalimantan reported by Chain Research Reaction
HCV clearance Kalimantan reported by Chain Research Reaction			

		ISSUE	ACTION PLAN PROGRESS	DATE OF COMPLETION
		HCV clearance at PT CNP and PT TAA	Engaged independent consultant for ground investigation	20 April - 4 <sup>th</sup> May 2016
			Investigation finding presentation to FGV management	9 <sup>th</sup> May 2016
			Brief presentation to RSPO on the investigation findings	10 May 2016
			Letter to stop all operation in HCV area	10 May 2016
			1st Public statement on HCV clearance at PT CNP and PT TAA on FGV website	22 <sup>nd</sup> May
			Discussion on Conservation and remediation plan with RSPO technical Director	23 May 2016
			2nd Public statement on HCV clearance at PT CNP and PT TAA on FGV website	25 May 2016
			Sent a letter to RSPO on action plan for PT CNP and PT TAA	27 <sup>th</sup> May 2016
			3rd Public statement on HCV clearance at PT CNP and PT TAA on FGV website	15 June 2016
			Develop the Conservation and Remediation plan and relevant SOP	1 <sup>st</sup> July 2016
			Appointment letter to engage independent external social mediator to handle negotiation with	1 <sup>st</sup> July 2016

			affected communities	
			Conducted social mediation and engagement with affected communities	18 July to 30 July 2016
			Consultation with FGV legal department on local national regulation. Found that the area (PT CNP and PT TAA) were outside the Indonesia Peat Moratorium no. X (10)	30 July 2016
			4th Public statement on HCV clearance at PT CNP and PT TAA on FGV website	12 August 2016
			Sent the progress of action taken to RSPO using SRT V	19 August 2016
			Sent out the Conservation and remediation plan to PT CNP and PT TAA for implementation	7 Oct 2016
			Meeting with RSPO Technical Director and RSPO Complaint Coordinator on PT CNP and PT TAA issue	14 Oct 2016
			Sent the progress of action taken to RSPO using SRT V	17 Oct 2016
			5th Public Statement on HCV clearance at PT CNP and PT TAA on FGV website	5 Nov 2016
			Meeting with RSPO secretariat on Compensation Panel feedback and	25 Nov 2016

			our complaints on HCV updates in WSJ complaint update	
			Received comment and recommendation from RSPO compensation Panel on PT CNP	1 Dec 2016
			Meeting with the FGV Kalimantan at PT CNP office for further engagement with ELC/Aidenvironment and Aksenta	13 Dec 2016
			Meeting on new revised Indonesia regulation PP57 and PP 71 with Badan Lingkungan Hidup dan Kehutanan as well as with Dinas Perkebunan Kalimantan Barat	14 Dec 2016
			Meeting with ELC/AIDH and Aksenta on new proposal to include Aidenvironment proposal for our Landscape conservation plan	14 Dec 2016
			Meeting with PERMADA (Persatuan Madura & Dayaks) on their request to develop the HCV area	15 Dec 2016
			Site visit to PT CNP and PT TAA with Kalimantan team	15 Dec 2016
			Finalizing the next action for conservation engagement with ELC/AIDH and Aidenvironment	16 Dec 2016



			Kalimantan operation to seek an area with local Bupati to replace the cleared HCV area	In progress
		REVIEW HCV ASSESSMENT	6th Public Statement on HCV clearance at PT CNP and PT TAA on FGV website	10 Feb 2017
			PERSADA meeting with RSPO Jakarta	9th Mar 2017
2.2.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<b>Company Group/Holding Statement:</b> There is new planting after 1 Jan 2010.  <b>Auditor Verification:</b> NPP audit has been carried out for all FGVPM Estate and is currently under review. Data as per below		
		ESTATE	HECTARAGE INVOLVES IN NPP	Status
		FGVPM Chegar Perah 1	59.32	Still on going. Waiting consultant (Aksenta) to present the final report for HCV, SIA, LUCA & HCS sssessment.
		FGVPM Bukit Sagu 8	61.54	
		FGVPM Tembangau 5	86.58	
		FGVPM Selendang 3	97.59	
		FGVPM Krau 2	170.78	Waiting consultant (Aksenta) to start NPP assessment in February 2017.
		FGVPM Krau 4	80.28	
		FGVPM Bukit Sagu 6	72.87	
		FGVPM Lepar Hilir 5	253.62	
		FGVPM Tembangau 6	495.53	
		FGVPM Aring 10	518.52	
		FGVPM Setiu 01	130.72	
		Total	1,722.32	
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<b>Company Group/Holding Statement:</b>  <b>Auditor Verification:</b> There is issue on land conflict although it was captured on Felda Membership, but FGV also indirectly involved as part of the claim involve FGVPM Sahabat 55 The issue still in progress. Data as per below:		

		<p>Member : Lembaga Kemajuan Tanah Persekutuan (FELDA) /Orang Dusun Desa Begahak  Date Filed : 16 February 2015  Complaint : Community of Desa Begahak  Complaint : The company has breached the communities user rights to the land in breach of Principle 2.2</p> <p>Status : Box F – Action Plan</p> <p>Synopsis</p> <p>According to the Enquiry National Hak Tanah of Malaysia conducted by SUHAKAM, the state government had given 1260 acres of land to the Dusun Begahak community in 1981. At the same time, the same land was alienated to FELDA for development.</p> <p>The complainant raised the issue that FELDA has no right to develop their land and should return it to the community because the land originally belonged to the community. The complainant also stated that the cemetery area is being developed by FELDA.</p> <p>FELDA enclaved 916 acres of the said land and gave it back to the community on the 25th of May 1982. The community planted fruits and other crops on the land.</p> <p>We have received some evidence from both sides. The evidence needs to be scrutinised and investigated further.</p> <p>Remarks</p> <p>2 July 2015 – It was agreed that the matter would be referred to the FELDA/FGV Sustainable Steering Committee on 7th July 2015.</p> <p>22 June 2015 – FELDA had another meeting with Robin Balud and the representatives of the community and agreed to exchange documents on the land claim. A site visit was also undertaken with the community members.</p> <p>4 June 2015 – FELDA met with Robin Balud again and agreed to do a joint mapping of the land.</p>
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		<p>10 April 2015 – FELDA met the complainant, Robin Balud, in Kota Kinabalu Sabah, to discuss the complaint.</p> <p>9 April 2015 – FELDA met the community (Viillage of Begahak) members and discussed the issues from the complaint and the land claim.</p> <p>13 March 2015 – RSPO had a conference call meeting with the head of the Dusun Begahak community to understand the situation.</p> <p>16 March 2015 – RSPO had a conference call meeting with FELDA representatives to discuss the situation.</p> <p>17 March 2015 – The complaint was raised to the Complaint Panel for further discussion and action.</p> <p>4 June 2015 – FELDA met the complainant Robin Balud and discussed the main issues of the land claim and compensation.</p> <p>22 March 2016 – RSPO sent complaint notice to FELDA.</p> <p>1 April 2016 – State Land and Survey Department begin its mapping exercise.</p> <p>4 April 2016 – FELDA submits action plan to RSPO dated 27 March 2016.</p> <p>6 May 2016 – FELDA withdraws its RSPO Principle and Criterias certificates.</p> <p>26 July 2016 – Complainant send a formal letter to FELDA to settle the customary land dispute.</p> <p>19 August 2016 – Progress report submitted by Felda.</p> <p>20 September 2016 – Felda met with the community to discuss on how they will progress on the complaint, once the joint mapping report is received from the Sabah Land and Survey department</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b></p> <p><b>Auditor Verification:</b></p>

		<p>There is 1 issue happen in FGVPM Palong Timur 04 (Now FGVPM Palong Timur 05) and the details is elaborated below:</p> <p>1. FGVPM PALONG TIMUR 04 (NOW FGVPM PALONG TIMUR 05): Claims on 19.06.2012 with value of summon RM61,968.60 and summon status is Court Appeal</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b></p> <p><b>Auditor Verification:</b></p> <p>During partial audit, 1 issue with DOE in FPISB Selancar 2A POM is sighted. Summon no : SJ 53-4/2016 ; Date 14.04.2016 in Mahkamah Seksyen Kuantan.</p> <p>Fixed for Trial on 01.03.2017, 02.03.2017 and 03.03.2017.</p> <p>Also 1 issue for minimum wages. Refer to 4.3.1</p> <p>All process still in progress and CB will verify this issue in next audit or during audit in this mill.</p>

**3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**
**3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment**


<b>NCR No.</b>	<b>:</b>	<b>2017.01</b>	<b>Issued by</b>	<b>:</b>	<b>Khairul Anuar</b>
<b>Date Issued</b>	<b>:</b>	<b>October 12, 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>Prior issued certificate</b>
<b>NC Grade</b>	<b>:</b>	<b>MAJOR</b>	<b>Date of Closing</b>	<b>:</b>	<b>20 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</b>			

**Non-Conformance Description & Evidence observed**

Estate and Mill management unit has had Procedure, Risk Assessment and Policy related implementation of health and safety.

However, based on sampling site visit, it was found that implementation of risks on health and safety was not in well implemented and identified. For example:

- Interviewed with 5 harvesters at PM04D (Selendang 3) and 2 harvesters at PM06L (Selendang 4), information gathered that harvesting sickle and chisel was placed on field.
- Selendang 4, PM11T Block 44: Observed on 5 contract workers (harvesters) of Jeevendran Enterprise did not given appropriate PPE (safety helmet) by the contractors. While in the contract No. 5300003151 it was clearly mentioned that PPE is fully responsible by the contractors.



- Selendang 4, Manuring PM06K Block 24: drinking water brought by the workers was placed at fertilizer container.





- Selendang POM: Broken stairs between loading ramp to sterilizer station



**Root Cause Analysis** *(filled by organization audited):*

1. Lack of monitoring & enforcement by farm management on the safety and health aspects of workers in the work area.
2. Non-compliance with contractors relating to the use of PPE to workers.
3. Monitoring and maintenance are not implemented.

**Correction** *(filled by organization audited):*

1. Awareness training related Health and Safety procedure on harvesting activities and harvesting equipments storage.
2. Reminder to contractor regarding compliance with PPE usage.
3. Record of PPE handover by contractors to the workers.
4. Preparation of new food containers to the working group and awareness rising on food storage during work.
5. Fixed broken staircase immediately

**Corrective Action** *(filled by organization audited):*

1. Monitor the effectiveness of safe working procedures related to the storage of work equipment
2. Periodic reminder to contractors regarding compliance with PPE at work

3. Monitoring of occupational safety and health
4. Ensure that all infrastructure is in good condition and safe

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**27 October 2017**

Corrective evidence sent by the client related to improvement for harvesting storage at **Selendang 3 Estate**. The estate management has constructed specific place in storage to keep all harvesting equipment after they work. This information has already socialized to the workers during muster morning on 16 October 2017, but record of socialization was not available (Selendang 3 Estate). Meanwhile, **Selendang 4 Estate** has provided the evidence of socialization minutes dated 21 October 2017 (all workers) and construct of harvesting equipment storage.

Also, **Selendang 4 Estate** has given warning letter to the contractor Jeevendran Enterprise dated 11 October 2017 related to providing of proper PPE's to all contract workers who working at Selendang 4 Estate (harvester, driver, FFB loader, picker) according to their working agreement, due date 7 days (since the letter signed). However, evidence of new food containers to the working group and awareness rising on food storage during work at **Selendang 4 Estate** are not provided yet.

**Selendang POM** also sends corrective action regarding staircase broken that already repaired.

**20 November 2017**

This NC is still OPEN until the corrective action and system to ensure this issues to avoid recurrence non-compliances has well provided by the management unit.

<b>Verified by</b>	:	<b>Yudwi Wisnu Rahmanto</b>
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<b>NCR No.</b>	: 2017.02	<b>Issued by</b>	: Bukti Bagja
<b>Date Issued</b>	: October 12, 2017	<b>Time Limit</b>	: Next Surveillance
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 18 November 2017
<b>Standard Ref. &amp; Requirement</b>	<b>5.1.2</b> Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.		
<b>Non-Conformance Description &amp; Evidence observed</b> Sighted during field visit in Selendang Mill, significant changes in current practices that were discontinuation of incinerator operation and open dumping of EFB. However, no evidence of incorporation of the changes into EIA in order to mitigate negative effects to the environment.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Impact Aspect Documents are not updated for changes in operating activities at factories, especially for cost control (EFB)			
<b>Correction</b> <i>(filled by organization audited):</i> Updating the document in the Impact Aspect (EIA) report on empty fruit bunches (EFB)			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Updating EIA documents for EFB management activities at the mill			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>18 November 2017</b> Thank you for submitting the evidences of NCR correction. According to the submitted documents, auditor concluded that the EIA of Selendang Mill had been adjusted to cover changes in mill operation. Mill management had also been doing correction action by moving the EFB from mill and open dumping area to estate as mentioned in plan. However, to completely close the NCR auditor needs an appropriate corrective action to avoid recurrence of the NCR. The aforementioned corrective action is more or less copying the words in correction action. As understood, a corrective action should be a set of action(s) that preventing recurrence of the non-conformity in the future.  <b>Hence, this NC still OPEN until the corrective action taken is appropriate.</b>			
<b>Verified by</b>	: Bukti Bagja		

<b>NCR No.</b>	<b>: 2017.03</b>	<b>Issued by</b>	<b>: Bukti Bagja</b>
<b>Date Issued</b>	<b>: October 12, 2017</b>	<b>Time Limit</b>	<b>: Prior issued certificate</b>
<b>NC Grade</b>	<b>: MAJOR</b>	<b>Date of Closing</b>	<b>: 18 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.3.2 All chemicals and their containers shall be disposed of responsibly</b>		

**Non-Conformance Description & Evidence observed**

At all of the visited sample estate, observed that used chemical containers such as glyphosate (Supersat 41) has yet to be managed properly in accordance with the applicable regulation and SOP:

- No clear evidence of disposal of chemical container by licensed third party
- Uncontrolled disposal of used chemical container in the oil palm block


**Root Cause Analysis** *(filled by organization audited):*

Record of chemical containers log and handling is not available in place.

**Correction** *(filled by organization audited):*

1. Provide empty vat record records (such as empty fertilizer bag production records) to record the movement of venom tanks from the store.
2. Appoint a registered contractor with the Department of Environment for the disposal of the empty vat.
3. Carry out re-collection of all unused empty vats in the field to be stored in an empty vat store.
4. Awareness training on the management of empty poisons to employees.

**Corrective Action** *(filled by organization audited):*

1. Monitor the inventory of the pesticide container from time to time
2. Update records of chemical containers disposal

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**18 November 2017**

Thank you for submitting the correction action evidences.

As showed by the submitted documents, auditee had identified the root cause of the non-conformity and had made appropriate correction action to ensure that all chemicals and their containers were disposed of responsibly, such as:

improving chemical container storage, removing all used chemical containers from estate to storage, improving inventory / records of incoming and outgoing chemical containers as scheduled waste, Auditor had also observed that corrective action had also been sufficient, such as: training and awareness raising for workers who handle chemical materials, periodic monitoring of disposal of chemical containers.

**Hence, auditor concluded that the NCR can be closed**

<b>Verified by</b>	<b>:</b>	<b>Bukti Bagja</b>
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<b>NCR No.</b>	<b>: 2017.04</b>	<b>Issued by</b>	<b>: Bukti Bagja</b>
<b>Date Issued</b>	<b>: October 12, 2017</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 18 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>5.3.3</b> <b>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</b>		

**Non-Conformance Description & Evidence observed**

Sighted during field visit in Selendang 4 Estate, pollution to the upstream of Pontian River due to lubricant spillage from water pump generator for Selendang Mill water supply.

Workshop area at Selendang 3 does not have proper flooring containment system (dykes, trench and sump). Oil stains were found contaminating the area.



Diesel re-fueling located directly on the monsoon drain without protection at the Selendang POM.



Disposed chemical container in the laboratory does not have any label for its content (Selendang POM).



Scheduled waste had yet to be handled properly as per applicable SOP and regulation, as follows:

- Used battery in Selendang 3 Estate scattered outside of scheduled waste storage
- Used chemical container placed outside of scheduled waste store at Selendang Mill

As such, waste management and disposal plan to avoid or reduce pollution was not in well implemented by the management.

**Root Cause Analysis** *(filled by organization audited):*

1. Estate workshops do not have a lubricant oil spill control system.
2. Battery is not sold / disposed of after use
3. There is no monitoring of leakage and lubricant oil spill monitoring at waterpump at the Pontian River
4. The mill overlooked to install the drain cover on the open Monsoon drain in the skid tank area.
5. Lack of awareness on chemicals management.
6. Awareness on the management of scheduled waste is still low

**Correction** *(filled by organization audited):*

1. Establish a lubricant oil spill control system at the farm workshop / garage
2. Dispose of battery with respect to registered contractor
3. Maintain / clean the lubricant oil spill area. Modification of the reservoir system in Selendang Mill waterpump area.
4. Modification on diesel spill control system in the area (skid tank).
5. Re-labeling based on USECHH Reg / CLASS Reg (OSHA1994)
6. Restructuring chemical barrels abandoned to a scheduled waste storage store.

**Corrective Action** *(filled by organization audited):*

1. Monitor the vehicle maintenance activities at the workshop
2. Ensure scheduled waste is disposed of in accordance with company procedures and regulations
3. Appoints responsible officers to monitor every issue related to the management of scheduled chemicals by conducting regular checks.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**18 November 2017**

Thank you for submitting the correction evidences.

According to the submitted documents, auditor concluded that auditee had identified the root cause of the non-conformity and had made appropriate correction action to ensure that waste management and disposal plan to avoid or reduce pollution had been documented and implemented, such as: labelling and storing all scheduled waste into scheduled waste storage, disposing the scheduled waste by licensed contractor, cleaning the oil contamination at

water pump station, improving the oil capture facility in water pump facility.

Auditor had also observed that the proposed corrective actions were sufficient to prevent the recurrence of similar non, such as: training and awareness raising for workers who handle scheduled waste, periodic monitoring of scheduled waste chemical containers.

**Hence, auditor concluded that the NCR can be closed**

<b>Verified by</b>	:	<b>Bukti Bagja</b>
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<b>NCR No.</b>	<b>: 2017.05</b>	<b>Issued by</b>	<b>: Yudwi Wisnu Rahmanto</b>
<b>Date Issued</b>	<b>: October 12, 2017</b>	<b>Time Limit</b>	<b>: Prior issued certificate</b>
<b>NC Grade</b>	<b>: MAJOR</b>	<b>Date of Closing</b>	<b>: 20 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> All significant pollutants and greenhouse gas (GHG) emissions not yet identified by Estate and Mill, and plan to reduce or minimize them was not describes in details. In example: all type of operations/activities caused GHG emissions, type of GHG produced, measurable quantity to reducing, etc.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Estate and mill overlooked to provide identification of all causes of pollution and gas emissions in a complete list. Common practice is the source of pollution recorded one by one			
<b>Correction</b> <i>(filled by organization audited):</i> 1. Conduct assessment on estates and mill to identify all sources of pollution produced by plant and factory. 2. Preparing action plans to mitigate pollution and GHG emissions.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. The CDD unit will conduct an assessment exercise and monitoring of the action plan provided.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 20 November 2017 against evidence sent on 27 October 2017</b> Selendang 3 Estate and Selendang POM has provide the identification of GHG and pollutant sources from relevant activities. This identification consist of Activities, GHG type emitted, GHG Management Plan, Timeline program to reduce the GHG emission period 2017/2018, Personal in Charge, Status and Note.  This evidence is adequate and the non-conformity concludes CLOSED with OBSERVATION.			
<b>Verified by</b>	<b>:</b>	<b>Yudwi Wisnu Rahmanto</b>	

<b>NCR No.</b>	<b>:</b>	<b>2017.06</b>	<b>Issued by</b>	<b>:</b>	<b>Ebnu H Shawal</b>
<b>Date Issued</b>	<b>:</b>	<b>13<sup>th</sup> October 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>Prior issued certificate</b>
<b>NC Grade</b>	<b>:</b>	<b>MAJOR</b>	<b>Date of Closing</b>	<b>:</b>	<b>25 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					

During the field audit at Selendang 4 Estate, PM6L Blok 20, 4 new Bangladeshi workers had been interviewed. Based on the interview, it was found that the workers unable to explain the content of the employment contract. The management unit also cannot show the evidence of direct contracts of employment available in the languages understood by the workers.

**Root Cause Analysis** *(filled by organization audited):*

1. Explanation of contract agreements made by the farms is ineffective because they are not understood by farm workers.
2. Farmers also have not appointed a translator from among themselves as a valid interpreter.

**Correction** *(filled by organization audited):*

1. Make the official appointment of an interpreter from a well-rounded Bangladeshi worker
2. Specific explanation to the workers involved in contract work (in understandable language) by involving translators among Bangladeshi workers who may be intermediaries between management and new employees involved.

**Corrective Action** *(filled by organization audited):*

1. Conducting a course on job-related training and work-related SOPs involving translators from Bangladeshi workers

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**25 October 2017**

- Sighted the presentation from the management unit related to agreement to foreign workers in Selendang 4 dated 19/10/2017 being held at meeting room Selendang 4 by assistant Manager. There are 11 workers had attend the presentation and explanation related to foreign workers contract.
- Sighted also the appointment letter to Bangladeshi workers (Shukkur Bin Ali) as the translator for new workers appointed by Mr Manager.
- Sighted evidence of Contract has been prepared In their own language, agreement in Bangladeshi language to Md Taslim Uddin and Md Shafiqul Islam

**Based on the evidence verification, the auditor is satisfied with the evidence and recommended for the Major NCR to be closed.**

**Verified by** : **Ebnu H Shawal**



**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1		Map of all supply bases
2	4.2.4	Management of EFB application
3	4.5	Knowledge of pest, diseases and weeds to new workers
4	4.6.9	Continual training to enhance knowledge and skills of employees
5	7.3.1	Disclosure of Liability for RSPO members

**3.5.4 Noteworthy Positive Components**

No	Descriptions
1	The mill had received Environmental Management System ISO 14001 for 2017
2	FGV had a good cooperation with the stakeholders
3	FGV management had provide a bus services for the school children
4	Well organized filing system and documentation

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>ASPA (Grower Alliance) and Representatives of Smallholders.</b> Stakeholders are very satisfied with the Estate Management. So far, FGV is very cooperative with the stakeholders.	Has been verified under Principle 6
<b>Auxiliary Police</b> The policeman thanks the FGV Management to support the security around FGV Selendang 3. The Auxilliary Police had a staff for the FGV Selendang day and night shift. As per interview, there is no major cases or crime reported in the estate. The relationship between the police and the smallholders FGV Selendang 1 and 2 also the managers of Overall, good feedback from auxiliary police management and handful cooperation from FGV management.	Has been verified under related Criteria 1.1, C 6.1; C 6.2
<b>FGV Contractor</b> The respondent had thanked FGV for the opportunity given regarding the contract of transporting FFB to the mill. The contractor also had a contracts regarding machineries maintenance, transportation of FFB to the estate. The payment from FGV also appropriate and timely as the contract payment will be done less than 3 months after the work completed. There is also feedback form the contractor that FGV helps the local contractor to work with them and raise up the economic living of local people. The contractors had a suggestion regarding contract of road maintenance being given during the rainy season. It will effect the contractor performance due to worst road condition. The contractor had also asking regarding the FFB percentage that always be the same due to old operation of mill.	Has been verified under related Criteria 1.1, C 6.1; C 6.2; C 6.10
<b>School teacher representative</b> The school teacher had been working in tadika kemas (Kindergarten) Selendang 3. So far, the relationship between the teacher and FGV management is good. The teachers are using the van from FGV Selendang 4 to bring the children to town or any function. There are 15 students in the school.	Has been verified under related Criteria 1.1, C 6.1; C 6.2; C 6.5
<b>Neighbour estate (Yayasan Pahang)</b> There is 2 representatives from the nearby estate. The company had retained a good feedback with the FGV management and they have no issues related to the involvement with FGV management. The company estate situated near the FGV Berabong and had retain a good cooperation with the local people and FGV Management.	Has been verified under related Criteria 1.1, C 6.1; C 6.2

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Groceries store</b></p> <p>The groceries had a good feedback with the estate management. The shops have been operated within 2 years and they thanking the management to give the opportunity setup a shop in Selendang 3</p>	<p>Has been verified under related Criteria 1.1, C 6.1; C 6.2; C 6.5</p>

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

Felda Global Ventures Holdings Berhad  
Head of Certification and Due Diligence; Sustainability  
and Environment Department



**NORAZAM ABDUL HAMEED**  
20 November 2017

Mutuagung Lestari  
Lead Auditor



**YUDWI WISNU RAHMANTO**  
20 November 2017

**APPENDICES**
**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	Jabatan Tenaga Kerja (Ministry of Manpower) Cawangan Bentong, Pahang.	Pahang	<a href="mailto:jtkdbentong@mohr.gov.my">jtkdbentong@mohr.gov.my</a>	Email	4 October 2017		√
2	Jabatan Alam Sekitar (Department of Environmental) Cawangan Rompin, Pahang.	Pahang	<a href="mailto:shahrizan@doe.gov.my">shahrizan@doe.gov.my</a>	Email	4 October 2017		√
3	Pertubuhan Keselamatan Sosial / PERKESO (Social Insurance Body), Temerloh, Pahang.	Pahang	<a href="mailto:pkstemerloh@perkeso.gov.my">pkstemerloh@perkeso.gov.my</a>	Email	4 October 2017		√
4	Sustainable Development Network Malaysia (SUSDEN).	Malaysia	<a href="mailto:bisans@pc.jaring.my">bisans@pc.jaring.my</a>	Email	4 October 2017		√
5	Pesticide Action Network Asia and the Pacific (PAN AP)	Malaysia	<a href="mailto:communications@bosrmalaysia.org">communications@bosrmalaysia.org</a>	Email	4 October 2017		√
6	Environmental Protection Society Malaysia (EPSM)	Malaysia	<a href="mailto:epsm@epsm.org.my">epsm@epsm.org.my</a>	Email	4 October 2017		√
7	Friends of the Earth Malaysia	Malaysia	<a href="mailto:smidris@tm.net.my">smidris@tm.net.my</a>	Email	4 October 2017		√
8	National Union of Plantation (NUPW)	Malaysia	<a href="mailto:sangkara@mail.tm.net.my">sangkara@mail.tm.net.my</a>	Email	4 October 2017		√
9	Center for Orang Asli Concerns (COAC)	Malaysia	<a href="mailto:colin@coac@gmail.com">colin@coac@gmail.com</a>	Email	4 October 2017		√
10	Amnesty International Malaysia	Malaysia	<a href="mailto:aimalaysia@aimalaysia.org">aimalaysia@aimalaysia.org</a>	Email	4 October 2017		√
11	Proforest	Malaysia	<a href="mailto:southeastasia@proforest.net">southeastasia@proforest.net</a>	Email	4 October 2017		√
12	Wild Asia	Malaysia	<a href="mailto:info@wildasia.org">info@wildasia.org</a>	Email	4 October 2017		√
13	Grower Alliance (ASPA)	Endau, Pahang		Direct interview	11 October 2017	√	
14	Local Contractors	Endau, Pahang		Direct interview	11 October 2017	√	
15	Police Officer	Endau, Pahang		Direct interview	11 October 2017	√	
16	FELDA Properties (for Quarry)	Endau, Pahang		Direct interview	11 October 2017	√	

## Appendix 2. Assessment Program

[illegible]



DATE	9 <sup>th</sup> – 13 <sup>th</sup> October 2017	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of HCV management area and legal boundaries.</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	
12.00 – 13.00	<b>LUNCH BREAK</b>	
13.00 – 18.00	<ul style="list-style-type: none"> <li>Confirmation of Field Observation</li> <li>Completing Checklist</li> <li>Verification of Basic Information Estate</li> <li>Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any)</li> </ul>	<b>YWR / BBJ / EHS / MKA / MST</b>
<b>Thursday, 12<sup>th</sup> October 2017</b>		
08.00 – 12.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier  <b>Field observation to Selendang POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Confirmation of Field Observation</li> <li>Completing Checklist</li> <li>Verification of Basic Information Mill</li> </ul>	<b>EHS / MST</b>
12.00 – 13.00	<b>LUNCH BREAK</b>	
13.00 – 18.00	<ul style="list-style-type: none"> <li>Confirmation of Field Observation</li> <li>Completing Checklist</li> <li>Verification of Basic Information Mill</li> <li>Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any)</li> </ul>	<b>YWR / BBJ / EHS / MKA / MST</b>
<b>Friday, 13<sup>th</sup> October 2017</b>		
08.00 – 09.00	<b>Closing Meeting</b>	<b>YWR / BBJ / EHS / MKA / MST</b>
09.30 – 15.00	Traveling from <b>Kuala Rompin to KLIA</b>	<b>YWR / BBJ</b>
18.00 – 19.00	Return Flight <b>KLIA → JAKARTA</b>	