

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Kilang Sawit Kemasul, Felda Palm Industries Sdn Bhd subsidiary of Felda Global Ventures Holdings Bhd
 Plantation Name : Felda Global Ventures Plantations Malaysia: Mengkarak 01 Estate and Mengkarak 02 Estate
 Location : Kilang Sawit Kemasul, 28300 Triang Pahang Darul Makmur, Malaysia
 Certificate Code : **MUTU-RSPO/107**
 Date of Certificate Issue : 10 January 2018 Date of License Issue : 10 January 2018
 Date of Certificate Expiry : 9 January 2023 Date of License Expiry : 9 January 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-2	31 October to 3 November 2017	Trismadi Nurbayuto (Lead Auditor), Andi Pratama Pasaribu, Ebnu Holdoon Shawal, Mohammad Aman Samsurey	Ganapathy Ramasamy	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	10 January 2018

TABLE OF CONTENT

FIGURE

Figure 1. Location Map of Kemasul Complex	3
Figure 2. Operational Map of FGVP(M) Mengkarak-01	4
Figure 3. Operational Map of FGVP(M) Mengkarak-02	5

Abbreviations Used	6
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1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	7
1.2 Organisation Information	7
1.3 Type of Assessment	7
1.4 Location of Mill and Plantations	7
1.5 Description of Area Statement	8
1.6 Planting Year and Cycles	8
1.7 Description of Mill and Supply Base	8
1.8 Estimate Tonnage of Certified Product	9
1.9 Other Certifications	10
1.10 Time-Bound Plan	10

2.0 ASSESSMENT PROCESS

2.1 Assessment Team	15
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	15
2.3 Stakeholder Consultation and Stakeholders Contacted	17
2.4 Determining Next Assessment	18

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	19
3.2 Summary of Assessment Report of Supply Chain Requirement	52
3.3 Conformity Checklist of Certificate and Logo Use	57
3.4 Summary of RSPO Partial Certification	58
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	66
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	70

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings	72
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APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	73
2. Assessment Program	74

Figure 1. Location Map of Kemasul Complex



Figure 2. Operational Map of Mengkarak-01 Estate

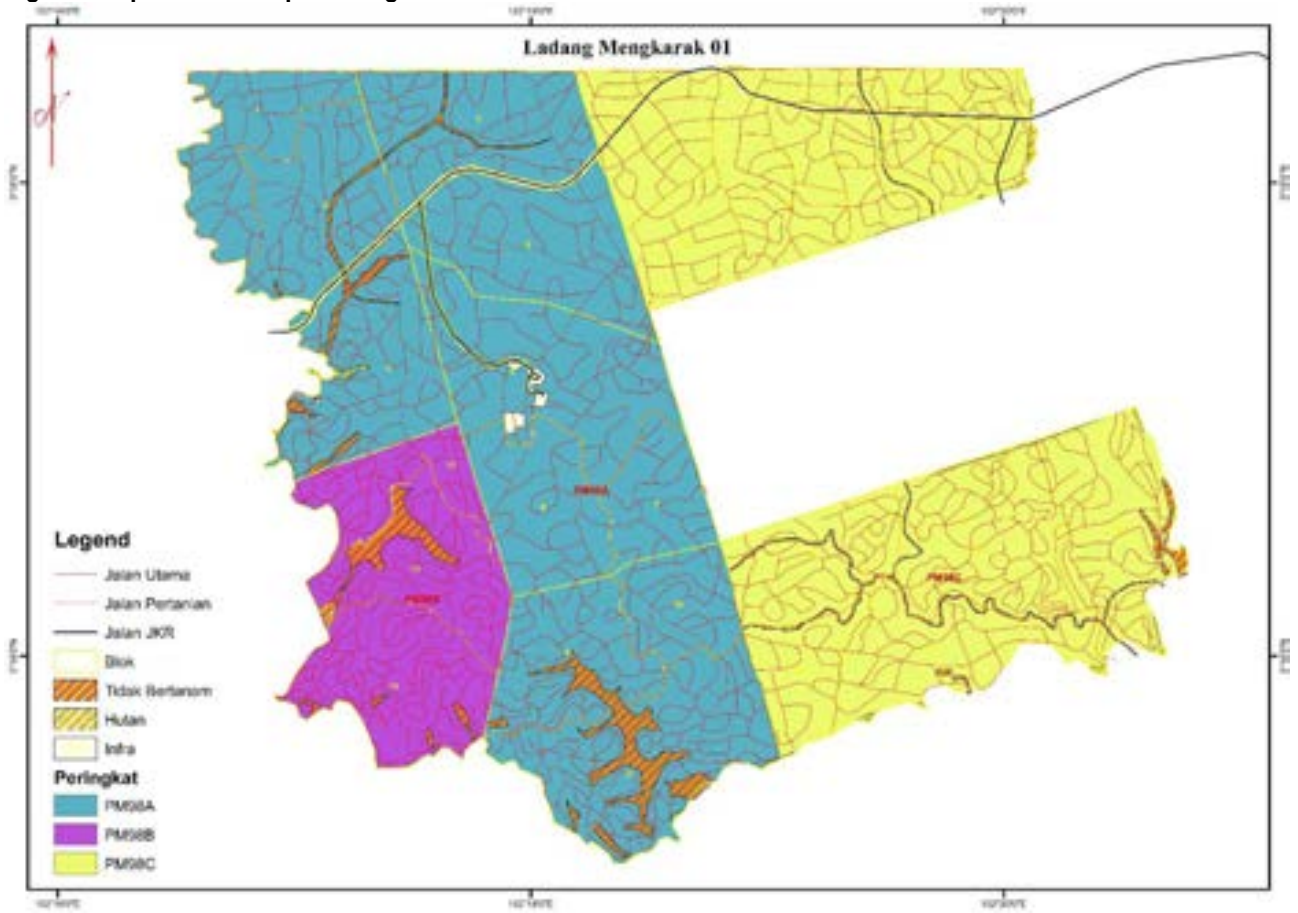
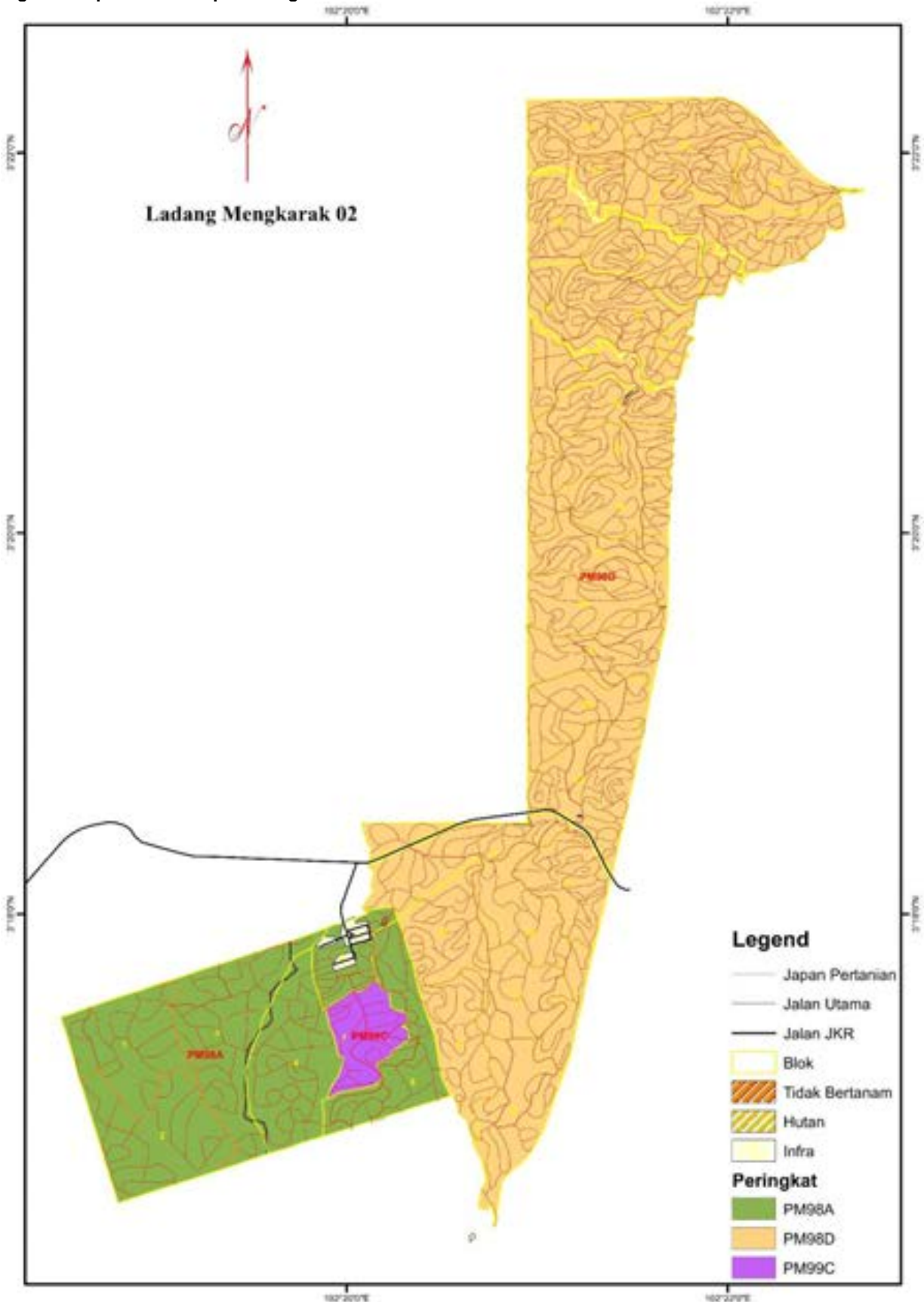


Figure 2. Operational Map of Mengkarak-02 Estate



Abbreviations Used

BOB	: Barn Awl Boxes	ISO	: International Standard Organization
BOD	: Biological Oxygen Demand	KER	: Kernel Extration Rate
CB	: Certification Body	KKD	: Kelab kebijakan dayabudi
CDD	: Certification & Due Diligence	LSU	: Leaf Sampling Unit
CEMS	: Contionuous Emission Monitoring System	MSDS	: Material Safety Data Sheet
CEO	: Chief Executive Officer	MPOB	: Malaysia Palm Oil Board
CPO	: Crude Palm Oil	NGO	: Non-Government Organisation
DoE	: Departemen of Environment	OER	: Oil Extration Rate
EFB	: Empty Fruit Bunches	OHS	: Occupational Health and Safety
EIA	: Environmental Impact Assessment	PAIP	: Pengurusan Air Pahang
EKAS	: Eksekutif Kualiti Alam Sekitar	PIC	: Personel In Charge
EM	: Estate Manager	PK	: Palm Kernel
ETP	: Effluent Treatment Plant	POM	: Palm Oil Mill
FASSB	: Felda Agriculture Service Sdn. Bhd	PPE	: Personel Protective Equipment
FFB	: Fresh Fruit Bunches	RSPO	: Roundtable on Sustainable Palm Oil
FGV	: Felda Global Ventures	SED	: Sustainability and Environment Department
FGVP(M)	: Felda Global Ventures Plantation Malaysia	SCCS	: Supply Chain Certification System
FPISB	: Felda Palm Industries Sdn Bhd	SIA	: Social Impact Assessment
GAP	: Good Agriculture Practice's	SOP	: Standard Operating Procedure
GHG	: Green House Gases	SPAN	: Suruhanjaya Perkhidmatan Air Negara
HCV	: High Conservation Value	SSU	: Soil Sampling Unit
HIRARC	: Hazard Identification Risk Assessment and Risk Control	SW	: Schedule Waste
HRM	: Human Resources Management	WTP	: Water Treatment Plant
IPM	: Integrated Pest Management		

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>Malaysian National Interpretation - RSPO MY-NIWG of Principles and Criteria (P & C) for Sustainable Palm Oil Production. Endorsed by RSPO Board of Governors 6 March 2015.</i> • <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 for CPO Mill)</i> 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Felda Palm Industries Sdn Bhd subsidiary of Felda Global Ventures Holdings Bhd	
1.2.2	Contact person	Mr. Norazam Abdul Hameed	
1.2.3	Organisation address and site address	RSPO Registered Company: Felda Global Ventures (HQ) Level 45, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.	
1.2.4	Telephone	(+ 603) – 26005349	
1.2.5	Fax	(+ 603) – 26987816	
1.2.6	E-mail	norazam.ah@feldaglobal.com	
1.2.7	Web page address	http://www.feldaglobal.com	
1.2.8	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	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> • Kilang Sawit Kemasul, Mengkarak 01 Estate, Mengkarak 02 Estate 	
1.3.2	Type of certificate	Single / Holding	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Kemasul	Kilang Sawit Kemasul, 28310 Triang Pahang	3° 16' 24" N 102° 13' 55" E
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	FGVPM Mengkarak 01	28309 Triang, Pahang	3° 17' 14" N 102°17' 56" E

	FGVPM Mengkarak 02	28300 Triang, Pahang	3° 17 '55" N	102° 20' 01" E			
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		5,111.01	Ha			
	• Community		-	Ha			
1.5.2	Area Statement						
	• Total area		5,111.01	Ha			
	• Mature area		4,662.32	Ha			
	• Immature area		0	Ha			
	• Mill and Emplasmnt		5.49	Ha			
	• Trench/ swamp/ river		111.72	Ha			
	• Infrastructure (Housing, Offices, Road)		274.01	Ha			
	• Nursery		29.40	Ha			
	• Air strip		0	Ha			
	• Others area		28.07	Ha			
	• HCV (HCV Areas include to planted area)		0	Ha			
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		FGVP(M) Mengkarak 01	FGVP(M) Mengkarak 02	Total			
	1990		561.49	561.49			
	1991		1,568.43	1,568.43			
	1992		52.00	52.00			
	1993	1,293.67		1,293.67			
	1994	279.21		279.21			
	1995	907.52		907.52			
	TOTAL	2,480.40	2,181.92	4,662.32			
1.6.2	New Planting area after January 2010		-	Ha			
1.6.3	Planting Cycle		1 st Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Kemasul	45	199,835.26	37,648.96	18.84	10,391.43	5.20
	<i>*Production data source from 12 months before assessment (October 2016 – September 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)	%	
	FGVP(M) Mengkarak 01	2,776.01	2,480.40	46,244.19	18.64	46,244.19	100
	FGVP(M) Mengkarak 02	2,335.00	2,181.92	36,711.00	16.82	36,711.00	100
	TOTAL	5,111.01	4,662.32	82,955.19	17.79	82,955.19	100
<i>*Production data source from 12 months before assessment (October 2016 – September 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)		
	Felda Kemasul	Felda Scheme smallholders	24	250.29	2,859.39		
	Own Manage Smallholders (Chemomoi)	Independent smallholders	391	1,625.52	30,433.33		
	Felda Techno Plant Kemasul	FTP Scheme smallholders	382	1,553.98	31,502.01		
	Felda Techno Plant Chemomoi	FTP Scheme smallholders	155	891.03	33,027.41		
	KIM MA Oil Palm	Independent Suppliers	-	2500	14,323.44		
	PPK Pelangai	Independent Suppliers	-	18.00	300.00		
	Mashome Trading	Independent Suppliers	-	40.00	578.22		
	Bakti Mas	Independent Suppliers	-	25.00	433.95		
	Nya Kimbong	Independent Smallholders	-	25.00	298.22		
	Fathol Karib	Independent Smallholders	-	10.00	103.99		
	Rahani	Independent Smallholders	-	10.00	158.54		
	Zulkifi	Independent Smallholders	-	20.00	310.07		
	Noor Iddzzah	Independent Smallholders	-	15.00	140.71		
	Abd Rauf	Independent Smallholders	-	45.00	1,243.93		
	Rohana	Independent Smallholders	-	30.00	653.04		
	Norlelawati	Independent Smallholders	-	45.00	513.82		
	TOTAL					116,880.07	
<i>*Source Production Data on 12 months before assessment (October 2016 – September 2017)</i>							
1.7.4	Product categories		FFB, CPO, PK				
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim to (tonnes/year)		Actual certified product to (tonnes/year)		
	• FFB Production		-		-		
	• CPO Production		-		-		
	• Palm Kernel (PK) Production		-		-		
	<i>*It will be verified on ASA-1</i>						
1.8.2	Product Selling		Actual selling product period until				
	• CSPO		-				
	• CSPK		-				
	• CPO under other scheme trading (e.g ISCC, RFS)		-				
	• CPO under conventional trading (if any)		-				
	• PK under other scheme		-				

	<ul style="list-style-type: none"> PK under conventional trading (if any) 		-					
	* it will be verified on next surveillance.							
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 Mengkarak 01	2,776.01	2,480.40	46,952	19.57			
	FGVPM Mengkarak 02	2,335.00	2,181.92	40,940	17.66			
	TOTAL	5,111.01	4,662.32	87,892	18.68			
	*Projected FFB production for 12 months of certificate (10 January 2018 – 9 January 2019)							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Kemasul	45	87,892	17,402	19.80	4,658	5.30	MB
	*Projected CSPO and CSPK production for 12 months of certificate (10 January 2018 – 9 January 2019)							
1.9	Other Certifications							
	ISO 9001:2015			No. Certificate: QMS 030903 validity period 24 February 2017 – 11 August 2019.				
	ISO 14001: 2004			No. Certificate: EMS 00769 validity period 24 February 2017 – 11 August 2019.				
	OHSAS 18001:2007			No. Certificate: OHS 00691 validity period 24 February 2017 – 11 August 2019.				
	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 Plan						
	Selancar 2B	2017	FGVPM Selancar 6 FGVPM Selancar 8 FGVPM Selancar 9	2017	Malaysia	Certified		
	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	2017	Malaysia	Audited		

		FGVPM Kechau 9 FGVPM Kechau 10			
Bukit Sagu	2017	FGVPM Bukit Sagu 4 FGVPM Bukit Sagu 6 FGVPM Bukit Sagu 7 FGVPM Bukit Sagu 8	2017	Malaysia	Certified
Keratong 09	2017	FGVPM Bera Selatan 5 FGVPM Bera Selatan 7 FGVPM Merchong FGVPM Keratong Timur FASSB Merchong	2017	Malaysia	Certified
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	Audited
Krau	2017	FGVPM Krau 2 FGVPM Krau 4	2017	Malaysia	Certified
Tenggaroh Timur	2017	FGVPM Tenggaroh 12 FGVPM Tenggaroh Timur 2	2019	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	2018	Malaysia	

		FGVPM Palong 18 FGVPM Palong 21			
Kota Gelanggi	2018	FASSB PPPTR FASSB Kota Gelanggi 5/6	2018	Malaysia	
Kerteh	2018	FASSB Kerteh FASSB Semarang 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	2019	Malaysia	

		FASSB Sahabat 6			
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 FGVPM Sahabat 17 FGVPM Sahabat 56 FGVPM Sahabat 20 FGVPM Sahabat 21 FGVPM Sahabat 22 FGVPM Sahabat 25	2019	Malaysia	
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. Tengi	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 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	2021	Malaysia	
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 FGVPM Tawai 1 FGVPM Lawin Tengah	2021	Indonesia	
Based on time bound plan on 2017, total mill that FGVP(M) have 70 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	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Kilang Sawit Kemasul receive FFB from scheme smallholder and independent outgrower. The process of RSPO certification for scheme smallholder will be observed on next assessment.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ST-2	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesia Citizen, Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Environmental Social Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training, Auditor/Lead auditor Management System Certification (ISO 9001-2008), RSPO Lead Auditor training, and RSPO Next training. Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation company. Fluent in Bahasa and Malay. At the time of audit, has verify aspect of Legal, SCCS and Social Impact Assessment. Ebnu Kholdun (Auditor). Malaysia Citizen. Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001 : 2008 QMS, RSPO Lead Auditor, 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 Worker Welfare, HCV, and GHG Emissions. Andi Pratama Pasaribu (Auditor). Indonesian citizen. Bachelor degree, majoring agricultural science of social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005 etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify long term business plan, and best management practices. Mohammad Aman Samsurey (Auditor). Malaysia Citizen, graduated in Biochemistry for his first degree from University of Arizona, United States of America in 1997 and received his Executive Masters in Management from Asia-e-University in 2012. He has 18 years' experience in environmental consultancy service covering various types of projects and has become the Team Leader in a few Environmental Impact Assessment (EIA) projects and a Team Member in some other EIA projects as well as other environmental projects like Environmental Management Plan (EMP), Environmental Monitoring and Audit Report (EMAR) etc. He is registered as an EIA Consultant with DOE since 2007 carrying DOE registered no.(C0101) with 3 fields registered namely water quality, noise and vibration and general environmental management. He is also a registered, CESSWI (3530), CPECS (7468), MIS-BOSET, OGSP, and CIDB. He has also done a few environmental compliance audits covering areas in industries and housing development and acted as an assistant to the registered auditor with DOE. During this audit, he verify transparencies, environment, and social.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ST-2	Number of auditors : 4. auditor Number of days for ST-2 at site : 4 days Number of working days for ST-2 at site : 16 Working days
2.2.2	Assessment Process
ST-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Kilang Sawit Kemasul to the requirements of Malaysian National Interpretation - RSPO MY-NIWG of Principles and Criteria (P & C) for Sustainable Palm Oil Production endorsed by RSPO Board of Governors 6 March 2015 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>

substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

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

The assessment program please find Appendix 2

2.2.3

Locations of Assessment

ST-2

The number of management units of this activity consists of four estates that supply material FFB to the Kilang Sawit Kemasul. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders as fundamental and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill, 2 estates (FGVPM Mengkarak 01 Estate and FGVPM Mengkarak 02 Estate).

Kemasul Mill

1. **Security Post.** Observation and interview with Security Guard (*Polis Bantuan*) towards FFB reception, product delivery emergency situation handling, OHS and manpower aspects.
2. **Weight Bridge.** Observation and interview with Weigh Bridge Operator towards FFB reception, product delivery, training/socialization, weigh device calibration and OHS.
3. **Loading Ramp.** Observation regarding on OHS aspect and interview with workers regarding on employment aspects.
4. **Sterilizer, boiler and engine room.** Observation and interview regarding to the implementation of OHS and employment aspects.
5. **Workshop.** Observation and interview with mechanic and welder related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
6. **Hoisting Crane.** Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
7. **Hazardous waste warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
8. **Solid Waste.** Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.
9. **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill.
10. **Sedimentation Trap Pond.** Observation on rainfall flows system on the mill.
11. **Effluent Treatment Plant.** Field observations related to Ban to entry to Effluent Treatment Plant, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.
12. **Chemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
13. **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
14. **Hydrant.** Simulate the facility of emergency.

Mengkarak 01:

15. **Chemical weeding, Block 8.** Observation and interview with herbicide applicator and supervisor regarding to chemical weeding procedure, safety work procedure, payments, worker welfare, complaint mechanism etc.
16. **Harvesting, Block 8. Chemical weeding, Block 8.** Observation and interview with harvester and supervisor regarding to harvesting procedure, safety work procedure, payments, worker welfare, complaint mechanism etc.
17. **Barn Owl Box Number 3, Blok 7.** Observation rat control by using natural predator *Tyto alba*.
18. **Buffer Zone, Block 11.** Observation of buffer zone management.
19. **EFB Application, Block 5.** Observation of EFB application to maintain soil fertility especially in less fertile area.

20. **Landfill, Block 5.** Observation of domestic waste treatment.
21. **Water Treatment Plant, Block 3.** Observation of clean water management.
22. **Fertilizer Store.** Observations relating to the implementation of hazardous material storage, OHS, training and labor management.
23. **Pesticide Store.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
24. **Mixing area.** Observation of chemical management, the MSDS are available on place, interview with the personnel in charge regarding to the procedure implementation and OHS aspect
25. **Block G13 Div. 1.** Observation the implementation of water management in water resource.
26. **Linesite / housing Area.** Observation the availability of infrastructure such as housing, water and electricity facilities, fire extinguisher, education facilities, religious facilities, health facilities, domestic wastemanagement, childcare and sports facilities.
27. **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
28. **Composting pit / landfill area.** Observsation on domestic waste management.
29. **Fuel tank.** Observsation on OHS and emergency preparedness facility.

Mengkarak 02:

30. **Boundary Pole, Block 23.** Observation of availability and maintenance of boundary poles.
31. **Barn Owl Box Number 88, Blok 23.** Observation rat control by using natural predator *Tyto alba*.
32. **Riparian Zone of Ulu Mengkarak River, Block 22.** Observation of buffer zone management.
33. **Harvesting, Block 8.** Observation and interview with harvester and supervisor regarding to harvesting procedure, safety work procedure, payments, worker welfare, complaint mechanism etc.
34. **EFB Application, Block 9.** Observation of EFB application to maintain soil fertility especially in less fertile area.
35. **Manuring, Block 9.** Observation and interview with fertilizer applicator and supervisor regarding to manuring procedure, safety work procedure, payments, worker welfare, complaint mechanism etc.
36. **Chemical weeding, Block 4.** Observation and interview with herbicide applicator and supervisor regarding to chemical weeding procedure, safety work procedure, payments, worker welfare, complaint mechanism etc.
37. **Fertilizer Store.** Observations relating to the implementation of hazardous material storage, OHS, training and labor management.
38. **Pesticide Store.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
39. **Mixing area.** Observation of chemical management, the MSDS are available on place, interview with the personnel in charge regarding to the procedure implementation and OHS aspect
40. **Block G13 Div. 1.** Observation the implementation of water management in water resource.
41. **Linesite / housing Area.** Observation the availability of infrastructure such as housing, water and electricity facilities, fire extinguisher, education facilities, religious facilities, health facilities, domestic wastemanagement, childcare and sports facilities.
42. **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
43. **Composting pit / landfill area.** Observsation on domestic waste management.
44. **Fuel tank.** Observsation on OHS and emergency preparedness facility.

Stakeholder Consultation

45. Surrounding communities. Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ST-2	Consultation of stakeholders for Kilang Sawit Kemasul, FGVP(M) held by:

1. Public announcement at web www.mutucertification.com and www.rspo.org on 22 September 2017.
2. Public consultation by interview with locals of the nearby village (Smallholder of Felda Kemasul, Felda Chemomoi and local contractor) on 1 November 2017.
3. Consultation meeting and interview with Internal Stakeholder (labour union and gender committee) on 1 November 2017.
4. Consultation with NGO (Malaysia CropLife & Public Health Association (MCPA); Women's Aid Organisation – Pertubuhan Pertolongan Wanita; BSCDM – Business Council for Sustainable Development in Malaysia; Environmental Protection Society Malaysia (EPSM); Amnesty International Malaysia; and Wild Asia Sdn Bhd via email on 25 October 2017.

Numbers of input from stakeholders were clarified by Kilang Sawit Kemasul, FGVP(M).

2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-1) will be determined at least 9-12 months approval of RSPO certification process by CB.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Kemasul A POM – FGVP(M) operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there are one (1) Nonconformity assigned against Major Compliance Indicator; three (3) Nonconformities assigned Minor Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformances raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of one (1) Major Nonconformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Kemasul Mill, FGVP(M), *complied* with the requirements of Malaysian National Interpretation (MYNI), March 2015 and RSPO Supply Chain Certification Standard November 2014 for CPO Mill.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Issued**

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
<p>1.1 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.</p>		
<p>1.1.1 During the audit at Kemasul Palm Oil Mill, the company had updated the latest stakeholder list and the stakeholder meeting has been done at Felda Bukit Mendi on 20/9/2017 attended by management of Felda Global Ventures Plantations, workers representative, staffs and related stakeholders.</p> <p>The company had also verified the document and the stakeholder list, person in charge is Mr. Mohd Harif bin Mat Yusof (Manager of Kemasul Mill), Hj. Maamor Bin Salam (Manager of Mengkarak 1) and Mr. Mohd Fuad Bin Salleh (Manager of Mengkarak 2).</p> <p>The stakeholders are aware regarding type information during the stakeholder meeting and has been briefed by FGVP(M) management and regarding the information that can be obtained from FGVP(M). <i>Komunikasi, Penglibatan dan Rundingan – FGV/ML-1A/L2- Pr12</i>. Sighted procedure for internal and external communication. Time frame for External communication – 2 weeks from date of receiving the information, one 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 muster morning meeting and workshop. FGVP(M) also had established a procedure of SOP related to grievance and response to stakeholder referring to FGV <i>prosedur menangani Aduan dan Rungutan</i> (effective date 1st June 2016) FGV/ML-1A/L2-Pr13 (revision 0). Arising matter will be discussed through following steps :</p> <ul style="list-style-type: none"> ☐☐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.

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.

The management has made publicly available the related document listed by the standard. It includes 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 Impact 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 (FGVP(M)) had also documented the Social Impact Assessment (SIA) at estate, HCV documents for Mengkarak 1 and Mengkarak 2, Pollution prevention 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 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. It includes 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. 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 has been pasted on the muster ground 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

The management unit has shown the compliance of local, national, international laws and regulation, such as:

- MPOB license: License number 500192004000; License number 594328015000; License number 594458003000
- DOE license: License number 03217
- Has electrical license for generator number PKN (P) 003/99
- Water Source Usage License: number SWUL/LPSA/38/2017 and number SWUL/LPSA/88/2017

- Diesel Tank License number C008106; C002891;
- Permit to Purchase, store and use of sodium hydroxide in accordance with Poison Ordinance, 1952 and the poisons (Sodium Hydroxide) Regulation number CC0083/2017

Beside that, auditor team also assessing some applicable laws or regulation. For example:

1. **Work Permits:** Auditor was checked the work permits of foreign workers. For example: on behalf Vijay Bahadur (India), Mohamed Rubel Ali (Bangladesh), Zaenudin (India) and Suraj Khan (India) Permits work in sector plantation, permitted to enter and remain in West Malaysia until 1 June 2018.
2. **Boiler licenses:** The latest machinery inspection on 25 May 2017 by Manpower Ministry. This inspection for 20 machines. For example: Boiler 1: PMD2678, Boiler 2: PMD 2679, Boiler 3: PMD 5132.
3. **Steam certificates:** there are 6 steam certificates, such as: 2 steam certificates grade I and 4 steam certificates grade II. For example: Mohd Harif Mat Yusuf (reg. number 172/2014 – Grade II) and Annuar Bin Yunus (reg. number PA/38/92 – Grade I).
4. **Boilerman certificates:** all boilermen and chargemen has certificates in accordance with factories and machinery (PIC) Regulation, 1970. For example: Mohd Asri Bin Md Nor Reg Number: PA/46/2001 – Grade II.
5. According to Regulation 1989 with the requirement of the Factories and Machinery (Noise Exposure) there are noise monitoring at the mill. The result of noise level had been done using noise logging Dosimeter shows average of 88.5 db of Dosimeter 1(boiler House) and 88.2 db at Dosimeter 2(sterilizer) codunte by Mr Pauzer Ahmad DOSH Approval no. – Noise JKPP HIE 12/5/3 1(NO 67).
6. The auditor verify the EQ (Prescribed Premises) (Crude Palm Oil) Regulation 1977 that kept in mill office.
7. The compliance related to Factories and machineries Act has been made available at the mill and mention related to Noise monitoring will be from 30 – 130 db. Based on the result made by JKPP HIE 12/5/3 1 (NO 67) at Kemasul Mill the mill has not passed the threshold limit as per license requirement.

Based on document verification at Mengkarak-01 Estate sighted record of SPAN license renewal progress. However during observation at Mengkarak-02 Estate, the management unit cannot show the evidence application of SPAN license renewal. **It was raised as nonconformity No. 2017.1.**

2.1.2 & 2.1.3

There is a “Legal & Requirements Register” established by the CDD (Certification and Due Diligent) and sent to each estate and mill. CDD can show the evidence of email that sent to each management unit on 16 January 2017. The evaluation of compliance is conduct once a year by manager and asst manager of each management unit in accordance with procedure “*Pematuhan Undang-Undang dan Keperluan Lainnya*”. Based on the evaluation on 2017, among the legal & other requirements evaluated were Factories & Machinery Act 1967, Classification, labelling & Safety data Sheet of Hazardous Chemicals Reg 2013, Pesticide – labelling Reg. 1984, OSH 1994 and EQA 1974. There are record of latest inspection by JKPP. For example: Boiler Inspection at 23 January 2017 Number PMD 5132 valid till 22 April 2018.

2.1.4

FGV already has procedures for changes / update of legislation in “*Prosedur Undang-Undang dan Keperluan Lainnya*”. The source of regulation update is based on government act book, relevant industry associations, relevant government departments (such as Department of Environmental, Department of Safety and Health, Department of Labor), National Occupational Safety and Health Institute and MPOB. Each management has had PIC to update the relevant regulation.

2.1.1.	Status: Nonconformity No. 2017.1 with Major Category
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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.
Kilang Sawit Kemasul has land use title with area 5.491 Ha (validity period till year of 2064); therefore the Mengkarak 01 Estate had 20 land use titles with total area 2,770.52 Ha (validity period till year of 2097 & 2098); while the Mengkarak 02 Estate had 8 land use titles with area 2,335.00 Ha (validity period till year of 2098).

2.2.2.

There are no evidence that physical markers are located and visibly maintained along the boundaries particularly adjacent to state land. **It was raised as nonconformity No. 2017.2.**

Based on the document verification the company had record 24 boundary stones at Mengkarak-01 Estate and 45 boundary stones at Mengkarak-02 Estate. However based on sites verification and monitoring records there are only 2 boundary stones in Mengkarak-01 Estate and 6 boundary stones in Mengkarak-02 Estate identified.

2.2.3; 2.2.4; 2.2.5 & 2.2.6

Consultation results with stakeholders (smallholder and contractor) is known that there was no dispute / conflict of land between management unit and communities. Field visit and document review also shows that there was no dispute / land conflict in operation area of Kilang Sawit Kemasul and supply base. FGVP (M) has had procedure for conflict solution which stated that the resolution involve the stakeholder.

2.2.2. Status: Nonconformity No. 2017.2 with minor category

2.3

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

2.3.1; 2.3.2; 2.3.3 & 2.3.4

There was no occurred the compensation regarding the land ownership and/or customer rights issues, but the company (FGVP(M)) has procedure for compensation calculating (ML-1A/L2-PR12 (0) Issued March 2012. In the procedure mentioned that the resolution will be processed with the involved parties regarding the issues raised and based the negotiation the compensation will be given in accordance with the calculating of compensation and all of negotiation will be involved the government agency such as *Pejabat Tanah dan Jabatan Kemajuan Orang Asli* (or the land government agency and the origin communities government agency). All land in Kemasul Complex are leased from state government. No record of other user customer right have 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. Form A: Register of Holdings with serial no 140201 & 140001 provided.

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

Kemasul Mill and its supply base has made long term work plan for 2018 – 2022. It consist estimation data of FFB projection, prices per ton, revenue, operating cost, total cost and profit. The document also equipped with 10 years production backward, hectare statement, yield, OER/KER and CPO/PK projection.

Based on interview with estate manager known there is no land expansion plan so far or mill capacity extension.

3.1.2

Based on interview with Estate Manager Mengkarak 1 and 2, known that the oldest palm in Mangkarak - 01 are planting year 1989. While the oldest palm in Mengkarak – 02 are planting year 1990. Therefore, replanting activities will begin on 2020. Replanting schedule has planned as above.

Unit	Year (Ha)					Total
	2020	2021	2022	2023	2024	
Mengkarak 1	348.67	736.64	698.80	426.48	299.21	2,509.80
Mengkarak 2	329.47	232.02	232.00	262.61	-	1,056.10

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

Mill and estate has had operational procedure that well-documented in each site. The document as follows:

• **Estate → MANUAL LADANG SAWIT LESTARI**

1. Nursery MLSL (Ed.1) – Sec.1 (1.0) until MLSL (Ed.2) – Sec.1 (20.0) explain about:
 - Nursery
 - Planting seed
 - Pest and disease control
2. Replanting MLSL (Ed.2) – Sec.2 (1.0) until MLSL (Ed.2) – Sec.2 (20.0) explain about:
 - *Ganoderma* treatment.
 - Planting legume cover crop.
3. Immature MLSL (Ed.2) – Sec.3 (1.0) until MLSL (Ed.2) – Sec.3 (11.0) explain about:
 - Ablation
 - Pruning
 - Harvesting
 - Planting beneficial plant
4. Mature MLSL (Ed.2) – Sec.4 (1.0) until MLSL (Ed.2) – Sec.4 (12.0) explain about:
 - Weeding
 - Circle racking
 - Thinning Out
 - FFB transport etc.
5. Manuring MLSL (Ed.2) – Sec.5 (1.0) until MLSL (Ed.2) – Sec.5 (8.0) explain about:
 - Mechanical manuring using spreader
 - Organic fertilizer
6. Quality control
7. *Prosedur Kerja Selamat* (FPI-PK-001 until FPI-PK-074) dated 14/07/2010. This procedure has covering all safe working practice in the mill.

Based on interview, the procedure has been socialized for all employee. Especially for their own job/duty. For example, herbicide applicator can described well regarding to pesticide application especially in safe working procedure, PPE usage etc.

The company also implemented Reserve and Buffer zone guidelines, such as: prohibition to chemical application, and buffer zone sign by white paint on the oil palm (± 50 m). Therefore based on field observation to several activity in estate and mill, that known all workers was known about job description and responsible.

Mill

1. Mill operational manual (FPI Kemasul QOHSE 01 – 03).
2. Laboratory Manual (FPI Kemasul QOHSE 04 – 05)
3. Safety Work Procedure (FPI Kemasul 06)
4. OHSE Procedure (FPI Kemasul 07).

Whole procedure circulated since January 2nd 2001. Last revised on August 4th 2017.

The mill also had supply chain procedure that described of about management functions and job descriptions, mass balance reporting of certified CPO/PK, supply chain verification including CPO/PK Delivery Mill to Customer and record keeping. Those document also attached with FFB receiving procedure, FFB delivery note, e-trace procedure and attendance list of SCCS training on July 7th 2017.

4.1.2 and 4.1.3

The company has had internal audit activity which is conducted regularly (every semester) in each unit of mill and estates. For example:

Mill

They had showed the last report of internal audit named plantation advisory which is conducted on 14 – 15 February

2017. One of the finding was regarding to FFB quality that ripeness under 90% in 2016. Based on observation, some loads observed with rat eaten and long stalked bunches. Action that taken by mill manager was organize the FFB harvest campaign with the stakeholder on March, 17th 2017.

Estate:

- **Mengkarak 1:** the company has 2 internal audit that conducted by Felda Agriculture Services Sdn Bhd (FASSB), Plantation Advisory (PA) and Regional Compliance Unit (RCU) Zone 1 Temerloh which is held twice a year.
 1. The latest report of FASSB on June, 8th 2017 which issued finding regarding manuring program that left in 2016 and will carry over in 2017. Action plan was took by estate manager and submitted to the internal auditor.
 2. The last PA was conducted on 9 – 13 October 2017 (based on last report) which finding was
 3. Regional Compliance Unit (RCU) Zone 1 last report which is finding is listed 25 workers, but no passport kept in office.
- **Mengkarak 2:**
 1. The latest report of FASSB on June, 9th 2017 (Ahmad Ramadhan bin Mohd. Nasir and Mohd. Hadi Akbar Bin Basri) which issued finding regarding yellow symptom of leaf in Block 8, 13, 30 and 32. Action plan was took by estate manager with EFB application and requested NPKMg+B Cpd on the next year (2018). It corrective action has been submitted to the internal auditor.
 2. The last PA was conducted on 22 – 23 February 2016 (based on last report) which no negative finding.
 3. Internal audit from FGVP(M) Temerloh area that held on December, 12th 2016 findings is amount of worker from Indonesia was not updated on electronic *Rangkaian Maklumat Ladang* (eRML). It has been adjusted by estate manager.
 4. Internal audit RSPO (Mohd. Yusof Salbani and Azwan bin Mohamad) that has been held on February, 12th 2017 and October.

4.1.4

Kemasul Mil has had SOP for third-party FFB sourcing that documented in Purchasing of FFB Procedure (No. Document: FGV/FGVPM/III/QOHSE/15/012.1) that circulated since April 1st 2016 (last revised on May, 31st 2017). It SOP described that mill shall ensure the FFB supplier by:

1. Hectare area.
2. Location.
3. Yield
4. Year of planting.
5. Planting material.
6. Projection of FFB and OER.
7. Managing agent.
8. Land owner.
9. Current buyer.

After those verification, mill will send memo to all supplier regarding to prices information. If supplier agreed the prices, they will sell their FFB to the mill.

Based on document verification, Kemasul Mill has had FFB supplier as follows:

No.	FFB Supplier	Code	Status
1.	Mengkarak 1	5471	Certified
2.	Mengkarak 2	5472	Certified
3.	Felda Chemomoi	4076	Non certified
4.	Felda Kemasul	4158	Non certified
5.	Felda Chemomoi	9076	Non certified

6.	Felda Kemasul	9158	Non certified
7.	Felda Techno Plant Sdn Bhd	3076	Non certified
8.	Felda Techno Plant Sdn Bhd	3158	Non certified
9.	Felda Techno Plant Sdn Bhd	6076	Non certified
10.	Koperasi Serbaguna F. Kemasul	8075	Non certified
11.	Koperasi Felda Chemomoi Bentung	8533	Non certified
12.	Risda Plantation Sdn Berhad	7951	Non certified
13.	PPK Pelangai	8480	Non certified
14.	Kim Ma Oil Palm	8668	Non certified
15.	BKF Sdn Bhd	8824	Non certified
16.	Bakti Mas Bina Sdn Bhd	8877	Non certified
17.	Mashome Trading	91471	Non certified
18.	Nya Kimbong Binti Wahab	490712045106	Non certified
19.	Fathol Arif Bin Haji M. Kasim	540615065247	Non certified
20.	Rahani Binti Kamsi	550409045084	Non certified
21.	Zulkifli Bin Din	720409025795	Non certified
22.	Noor Iddzah Binti Nurul	920807145860	Non certified
23.	Abd Rauf Binti Yaakub,	721102045251	Non certified
24.	Rohana Binti Abu Bakar	750409086536	Non certified
25.	Norlelawati Binti Yaakub	810621045266	Non certified

Based on data above known that 25 supplier which is 22 of it known as noncertified supplier.

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 and 4.2.2

There are SOPs for GAP in managing soil fertility:

Field Manual on Sustainable Palm Edition II in 2012,

- LSL (D.2) - Sec. 5 (1.0) Management of fertilizer supply (preparation before receiving fertilizer, the process of receiving and inspection of fertilizers, manure storage process in the store, the Fertilize production process, the process of recording)
- LSL (D.2) - Sec.5 (2.0) Quality Control Fertilizer (Standard Fertilize Mixed, materials and equipment, the rules of sampling Fertilize, alloy Fertilize sampling instance, the example of a single Fertilize sampling and granular).
- LSL (D.2) - Sec.5 (3.0) Tempering oil prematurity (\leq 36 months after planting); explains the productivity guidelines, conventional fertilization, fertilizing principle in pre packing, environmental, and safety
- LSL (D.2) - Sec.5 (4.0) Fertilization palms (\geq 37 months after planting) method, the quality, suitability implementation, environmental, safety, and references.

- LSL (D.2) - Sec.5 (5.0) Pre-cut palm Fertilization (fertilizing activities in accordance implemented in January to September, when the rains do not conduct tempering 3 consecutive days above 25 mm / day; floods and prolonged droughts / for more than 45 days).
- LSL (D.2) - Sec.5 (6.0) Fertilization through the spreader (\geq 5 years old trees, fine fertilizer, fertilizer through the spreader calibration must)
- LSL (D.2) - Sec.5 (7.0) Fertilization through the subsoil
- LSL (D.2) - Sec.5 (8.0) Monitoring the quality of Fertilization

SOPs implementation has monitored in Monthly Estate Manager Report.

During the audit, there is no manuring activity. However, there is a record of manuring in document “*Laporan Penerimaan dan Taburan Baja Dwi Mingguan (M/TAN)*” as follows:

- Mengkarak 1: January – 15 October 2017 → NK Mixture 10.5/30 (AS) 1,551.45 MT and NK Mixture 11.6/27 (AS) 131.75 MT. Moreover, on 2016 has reported NPK Mixture 12.6/24.0 is 255.10 MT, NK Mixture 11.6/27 (AS) is 1,774.45 MT and MPK MAG Granular 6.8/13/5+05B is 23.95 MT.
- Mengkarak 2:
 1. January – 30 September 2017 → has applied (NK MIX 11.6/27 AS 161.60 MT), (NK MIX 11.6/27 AS 166.45 MT), (NK MIX 10.5/27 AS 935.45 MT) and (Kieserite 68.70 MT). Total 1.332.20 MT (0.61 MT/Ha).
 2. January – December 2016 → has applied (NK MIX 12.6/24 AS 105.60 MT), (NK MIX 11.6/27 AS 1,455.90 MT) and (NK MIX 11.6/27 AS 252 MT). Total 1.813.50 MT (0.83 MT/Ha).

4.2.3

SOP leaf and soil nutrient levels/sampling written in document LSL (D.2) - Sec.5 (4.0) Fertilization palms (\geq 37 months after planting) method, the quality, suitability implementation, environmental, safety, and references.

Based on document verification and interview with operational staff known that soil sampling and periodic tissue has been held annually. The latest soil sampling and periodic tissue test informed as follows:

- **Mengkarak 1:**
 1. Fertilizer recommendation data 1 – foliar oil palm reported date March 17th 2017. Sampling was held on 9 – 13 March 2017. Analyze by FASSB.
 2. Fertilizer recommendation data 1 – soil oil palm reported date March 17th 2017. Sampling was held on 9 – 13 March 2017. Analyze by FASSB.
- **Mengkarak 2:** the latest SSU and LSU has been conducted by FASSB on 14 – 17 March 2017.

4.2.4

In order to maintain soil fertility and increasing crops, Mengkarak-1 and Mengkarak-2 only using EFB. Based on procedure, it dosage was 40 ton EFB/Ha/year which is applied regularly.



EFB Application in Block 5 Mengkarak - 1



EFB Application in Block 9 Mengkarak - 2

Amount of EFB applied recorded in EFB received document. Based on the document, Mengkarak – 1 Estate has been applied 6,898 ton EFB since January – September 2017. Meanwhile, Mengkarak – 2 Estate has been applied 5,360 ton EFB during the same period.

Status: Comply

4.3 Practices minimize and control erosion and degradation of soils.

4.3.1 and 4.3.2

Map of soil type in Mengkarak-1 and Mengkarak-2 sighted by the operational staff with prior scale. Those map conclude there is no peat soil in whole operational area. Moreover, based on topography map, there is three type of slope area as follows:

- Flat: $\leq 4^\circ$
- Undulating: $5^\circ - 12^\circ$
- Hilly: $> 12^\circ - 20^\circ$

Based on field observation, there is several strategies for slope area such as cover management, terracing and EFB application.

4.3.3

Road maintenance program is written in document of estate work program year 2017. For example: there is greed and roll road 9,000 meter on September in Mengkarak 2 (PM98D). According to field observation to several location in Mengkarak -1 and Mengkarak – 2, whole main –road, collection road and bridges are in good conditions.

4.3.3, 4.3.5 and 4.3.6

According to soil maps verification and field observation to several location in Mengkarak -1 and Mengkarak – 2, there are no peat area in both estates.

Status: Comply

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

4.4.1

The company had setup the water management plan at the estate and mill including the flowchart of water treatment plant. Sample of water quality has been taken with the following details for Mengkarak 1:

Sighted the record of water sampling on 9 October 2017 – sighted the water sampling taken from S01 - upstream (Block 4) and S02 - downstream (Block 3) of which comprise :

- Total coliform (S01 – 3mg/l)
- COD (S01 – 9mg/l)
- BOD (S01 - <2mg/l)
- Ammonia (S01 - <0.05mg/l ; S02 - <0.05mg/l)

- Nitrogen (S01 – 0.77mg/l ; S02 – 0.61mg/l)
- Heavy metals

Sighted the record of water sampling on 29 September 2016 for Mengkarak 2 –water sample taken from 3 stations Air Rumah Terakhir, Treated Water from Plant, Raw Water from Sg. Triang which comprise :

- pH (7.0 @ 22.6C ; 6.8 @ 22.4C ; 7.0 @ 23.8C)
- Turbidity (NTU) 0.42 ; 26.1 ; 132.0)
- Colour (ADMI) (9.6 ; 7.0 ; 27.8)
- E. Coli Count (MPN/100ml) (<1 ; <1 ; 135.4)
- Free Chlorine (mg/l) (<0.02 ; 12.3 ; <0.02)

4.4.2

During the field observation sighted the river has been marked by buffer zone. Water courses has been protected by the buffer along the river

- Document ML-1A/L2-PR5(0) – 3.6 *Prosedur Pengenalpastian Kawasan Curam dan Rezab Sungai*
- *Polisi Perlindungan Tanah Curam Dan Rezab Sungai*
- Letter – Prohibiting “*Meracun dan Membaja di Sepanjang Kawasan Buffer Zone*” dated 6th March 2017 and signed by the Manager

4.4.3

Based on document verification the mill has effluent discharge license number 003217 dated 1 July 2017 till 30 June 2018. The mill had sent a sample result on 27/9/2017 to Felda Palm Industries Sdn Bhd (subsidiary company of FGV Holdings Berhad – Makmal Analisa Bukit Goh, Kuantan).

- Results of final discharge of mill effluent dated : 04/10/17 result :

PH – 8.87
 BOD – 60 mg/l
 COD – 347 mg/l
 Total Solids – 2760 mg/l
 Total Suspended solids (TSS) – 146 mg/l
 Oil and grease -6
 Ammoniacal Nitrogen – 37 mg/l
 Total Nitrogen – 63

4.4.4

There are monitoring of rainfall for proper water management in each estates. Rainfall from January till October 2017 in Mengkarak 01 is 1,833 mm and Mengkarak 02 is 2,456 mm. The company had setup a water management plan and water is extracted to the mill from PAIP.

- Record of water usage per month available : from month of January 2017 – September 2017
- BTS process : 4550, 6350, 15900, 23700, 20500, 18360, 23750, 22100 and 21000
- Water usage in m3 : 6830, 6110, 17090, 26620, 28110, 11410, 31680, 26950, 26800
- Water usage per ton FFB : 1.50, 0.96, 1.07, 1.12, 1.37, 0.62, 1.33, 1.22, 1.28

Status: Comply

4.5

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

4.5.1

The company has had IPM plans on document “Pengurusan MakhluK Perosak Bersepadu” (No.Document ML-1A/L2-Pr3 (0) circulated since 1 June 2006). Based on document verification and interview with operational staff, there is no pest outbreak for the last 3 years before. All pest attack were under controlled.

Estate has been using biological treatment in order to control pest attack. For example:

1. Planting beneficial plant such as *Turnera subulata* and *Antigonon leptosus*. Based on field visit, *Turnera subulata* has been planted in each main or collection road.
2. Using *Tyto Alba* to control rat attack. There is 45 Barn Owl Box in Mengkarak – 01 and 116 in Mengkarak – 02 with less than 90% occupancy.



Barn Owl Box No. 88 in Block 23 Mengkarak – 2 Estate

Based on field observation, the company using several species to control pest and disease. For example, beneficial plant (*Turnera subulata*, *Antigonon leptosus*) to control caterpillar or bag worm and Owl (*Tyto alba*) to control rat attack.

Record of IPM:

- Mengkarak 1: based on BOB occupancy monitoring data on September 2017 there is 45 BOB (2 broken) and 38 is active.
- Mengkarak 2: based on BOB occupancy monitoring data on September 2017 there is 116 BOB where 98 is active.

Rat attack also recorded by mill through grading report document, for example:

Months	Amount of Bunches		Rate attack			
	Mengkarak 1	Mengkarak 2	Mengkarak 1	%	Mengkarak 2	%
July	222,875	194,849	3,906	1.49	2,400	1.23
August	214,504	194,984	3,212	1.50	2,775	1.42
September	190,486	158,459	1,538	0.81	1,637	1.03

4.5.2

The company has conducted IPM training in each estate as follow:

- **Mengkarak 1:** pest and disease control training that held on 19 – 20 January in Felda Krau – 4 meeting room.
- **Mengkarak 2:** they has been conducted training of IPM and pest and disease dated (Ganoderma Sp and Owl census) on 5th January 2017 in Mengkarak 2 office (conducted by Mohd. Ishanuddin Bin Ali). It attended by 10 attendance.

According to observation and interview with IPM officer in Block 7 (Mengkarak 01) and Block 23 (Mengkarak 02). They were understood regarding IPM. Such as: early warning system for nettles and rat attacks.

Status: Comply

4.6

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

4.6.1

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.

Furthermore, chemical justification sighted on Document Manual Lestari 1A No.ML-1A/L3-GP 1(0), circulated on 1st June 2017 regarding to guidelines and dosage of chemical weeding and it active ingredient. Another document of formal justification for agro chemical use and this is documented within the IPM (ML-1A/L3-GP1 (0), March 2012, which attempts to ensure that the most effective and least harmful chemicals are always first choice.

According to Malaysian regulation, each estate has passed the regularly Chemical Health Risk Assessment (CHRA). The CHRA assessment as follows:

1. Mengkarak – 1: CHRA has held on 10th April 2013 by registered assessor under Occumed Consultancy & Services Sdn. Bhd Dr. Yasriza Bin Yahaya MD. Pg DOH (DOSH Reg. Number JKPP IH 127/171-2(08)).
2. Mengkarak – 2: CHRA has held on 20th August 2014 by registered assessor En. Ihsan Sharif (DOSH Reg. Number: JKPP HIE 127/171-2(85)).

Based on regulation, all the pesticide usage should assessed. During the field visit to the block and chemical storage known that all pesticide usage has in accordance with CHRA assessment report. According to document verification and field observation to chemical store in Mengkarak 01 and Mengkarak 02. The FGVP(M) are not using highly toxic pesticides.

4.6.2

The company has had procedure of pesticide safety procedure in document “Procedure Pengendalian dan Kawalan Racun” No. Document ML-1A/L2-Pr9(0) effective since 1st June 2017. LD50 has recorded in trends of 7 years pesticide usage document. For example: LD 50 for isopropyl amine glyphosate per ton FFB year 2017 in Mengkarak - 1 is 0.0097 while at Mengkarak – 2 was 0.0336. according to field observation to chemical store in Mengkarak 01 & Mengkarak 02 Estates. All store was locked and well entilated enclosure. The PIC who save the key is head of store.

4.6.3

The company has shown the IPM Plan on document namely “Pelan Pengurusan Kawasan Serangan Mahluk Perosak Tanaman Bersepadu” that consist at least 10 IPM plan. Entire plan has been implemented regularly, For example:

1. Mengkarak – 1: rat attack census document (CDD-RSPO L1/K 4.5/4.5.2) in Block PM98A on 6th March 2017 showed that has 26 attack in 100 trees sample.
2. Mengkarak – 2: rat baiting progress record on April 2017 in Block PM98B. It also equipped with progress map.

Based on document verification, the company has implemented pesticide reduction. For example, the company has no longer using since 2012.

4.6.4

The company has sighted a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticides. **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.

Based on field visit in chemical storage, there was no herbicide with active ingredient paraquat. The same information also gathered by interview with herbicide applicator and spraying supervisor known that Mengkarak 1 and Mengkarak 2

no longer using Paraquat since 2015.

4.6.5

Hazardous chemical handling procedure observed in Safety, Health and Environmental Manual section 19. The following training regarding to pesticide handling sighted in document of each estate as follows.

- Mengkarak 1: Latest training of Pesticide application was held on 14 March 2017.
- Mengkarak 2:
 1. Training of monitoring and maintenance of Samurai herbicide sprayer on 31 July 2017 in FGV Mengkarak 2 office. It attending by 9 personel (manager and supervisor).
 2. Training of chemical handling on March 24th 2017 in Mengkarak 2 that attended by 45 attendance from Mengkarak 1 and 2.

Based on field visit and interview with herbicide applicator in Block 8 Mengkarak – 1 and Block 4 Mengkarak – 2 known that all applicator has passed the pesticide handling training. They also can demonstrated the safety work procedure and using appropriate PPE such as rubber boots, apron, hand glove, respiratory masker and safety helmet. All PPE provided by the company which is appropriate with MSDS. If any PPE damaged will replace with the new one. Applicator that did not using appropriate PPE are prohibited to work. There are also signboard which informed about treated area and each of foreman was equipped with First Aid Kit.

During the application, there is no pesticides mixing activity in the field. The material for pesticide application has been prepared in chemical storage before applied.

4.6.6

According to field observations to chemical storage in Mengkarak 1 and 2. Each of management unit has implement of SOP according to national regulations; such as: there are symbol and label on each chemical types. All ex pesticide containers return to chemical storage and placed in scheduled waste storage and prohibited to reuse especially for domestic use.

4.6.7

According to interview with pesticide applicator in Block 8 Mengkarak – 1 and Block 4 Mengkarak – 2. All of PPE's (helmet, safety glasses, respirator mask, rubber gloves and apron) was provided by the company. They were understood about hazards and risk related chemical used. There also can demonstrate the pesticide handling from mixing area till spraying activity. All spraying equipment including PPE are cleaned before stored in chemical warehouses.

4.6.8

According to interview with assistant manager of Mengkarak 1 and Mengkarak 2. And also interview with stakeholders. There is no aerial spraying at FGVP(M) Mengkarak complex

4.6.9

All employees has been well-trained in order to pesticide handling and chemical risk. Based on field visit and interview with herbicide applicator in Block 8 Mengkarak – 1 and Block 4 Mengkarak – 2 known that the chemical weeding supervisor always socialized pesticide handling procedure. Moreover, it also sighted training of monitoring and maintenance of Samurai herbicide sprayer on 31 July 2017 in FGVP(M) Mengkarak 2 office that attending by 9 personel (staff and supervisor).

4.6.10

Kemasul mill

SOP for disposal waste material has been developed and the training refer the Document number ML- 1A / L2- PR4 effective on 1st June 2016 that refer to *Perlaksanaan Kitar Semula* – waste disposal material including

responsibility, definition of waste disposal, procedure of mill and pengurusan sisa pepejal (domestic waste) referring to the act 672 pengurusan sisa pepejal. (ML – 1A/ L2 – Pr 19)

Waste disposal has been managed by the management unit including EKAS.

Scheduled waste is collected by *Kualiti Alam*.

Mengkarak 1

Sighted the document of scheduled waste source identification and waste type Mengkarak 1 Estate year of 2017 covering sources, types and action plans

Domestic waste has been disposed at the landfill (Block 5) and needs to have proper monitoring and management.

Mengkarak 2

SOP for Domestic waste disposal – Document no - FGV/ML-1A/L2- Pr19(0)

The waste has been disposed of at the landfill (peringkat 98A Block 4) and the waste has been disposed of properly – excavated and covered.

Evidence of implementation proper ways of waste disposal – sighted the SOP – *pengurusan sisa pepejal* (procedur) effective dated 1st June 2016. Sighted the procedure of *kitar semula bekas racun perosak*, triple rinsed and the way to rinse the container - punctured, and precaution action.

SOP for disposal waste material has been developed and the training refer the Document number ML- 1A / L2- PR4 effective on 1st June 2016 that refer to *Perlaksanaan Kitar Semula – waste disposal material* including responsibility, definition of waste disposal, procedure of mill and *pengurusan sisa pepejal* (domestic waste) referring to the act 672 pengurusan sisa pepejal. (ML – 1A/ L2 – Pr 19).

Waste disposal has been managed by the management unit including EKAS. Scheduled waste is collected by *Kualiti Alam*.

4.6.11

Sighted Medical Surveillance Report Programme 2016 Record Book – Felda Palm Industries Sdn Bhd, Kilang Sawit Kemasul, 28300 Triang, Pahang for Kemasul mill and Mengkarak 1 and Mengkarak 2 has for the year 2017. Surveillance for Mengkarak 1 has been conducted on 14th April 2017 on 27 personnel by Clinic Syed Badarudin Sdn Bhd while Surveillance for Mengkarak 2 has been conducted on 26th and 27th April 2017 on 24 personnel by Clinic Sulaiman who involved in chemical, based on summary known that there is no indication of chemical exposure and fit to work with a few workers advised to be monitored due to some health issues.

4.6.12

Provided letter from EM concerning the prohibition of agrochemical management by female workers who are pregnant and lactating to all female employees in Mengkarak 1 and Mengkarak 2. Based on the list and field observation known that there is no female workers handling pesticides.

	Status:	
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4.7

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

4.7.1

Commitment and policy regarding to OHS are set out in the document of “*Dasar Kualiti, Keselamatan Kesihatan Pekerjaan dan Alam Sekitar*”, date of revision 1 February 2017, signed by Chief Executive Officer of Felda Palm Industries Sdn Bhd.

In addition sighted HEALTH, SAFETY and ENVIRONMENT POLICY approved on 1 April 2016 by Group President CEO, both document are written in Bahasa. OHS plans and programs have been developed and its implementation has been regularly monitored by SHO HQ. Both OHS policy and plans have been communicated to employees through roll-call and displayed on notice boards in estates and mill (offices, warehouses and housing). The company are considered to evaluate the monitoring of OSH plan implementation. Based on field observation to processing activity in Kemasul Mill. There are several warning signs, for example: high noise level in sterilizer, pressing, boiler station, and engine room.

The result of noise level had been done using noise logging Dosimeter shows average of 88.5 db of Dosimeter 1(boiler House) and 88.2 db at Dosimeter 2(sterilizer) conducted by Mr Pauzer Ahmad DOSH Approval no. – Noise JKPP HIE 12/5/3 1(NO 67). Audiometry test has been conducted on 19 May 2017 to 13 workers (operator, clerk and assistant manager engineering) by Specialist Mobile Safety Supplies Sdn, Bhd. According to audiometry test result known there are no workers who indicated experiencing hearing loss. Based on interview result with sterilizer operator and boiler operator. There are audiometry test every year, they were explain no indication of decreased of hearing levels. The management unit also has socialized about hearing conservation (noise exposure) in Kilang Sawit Kemasul dated 1 May 2017.

4.7.2

- **KEMASUL POM** → higher level more than 10 feet, workshop, store, laboratory, boiler, nut & kernel plant, confined space, office, main gate, workshop. HIRARC no document FPI/L4/QOHSE-1.6 Pind 1, oleh FPI, 26/6/2016.

Inform: activity, hazard, risk, keadaan (normal/routine, abnormal/not routine), risk control (PPE, training, procedure), risk assessment (severity, frequency dan score) risk level, risk control (action suggestion, significant/non significant).

Estates **HIRARC (Pengenal Pastian Hazad, Penilaian Risiko dan Penentuan Kawalan)**

Assessment covered poison handling, boundary stones, trunk cutting, EFB handling, FFB harvesting, grading, FFB transport, road maintenance, chemical management, administration, gensets and diesel handling, rotor slasher, nursery and water treatment plant.

One incident occurred in Kemasul mill in the last 12 months.

4.7.3

All employees have received safe job training and other related ones such as:

- **Kemasul**
Yes,
HIRARC / LOTO / HEARING CONSERVATION – 1/5/17
- Oil spillage training 6 May 2017
- ERP training 1/4/2017
- Awareness training QOHSE/RSPO 15/9/17
- Hearing Conservation was conducted on 1/5/2017

- **Mengkarak 1**
- Training First Aid & CPR, 16 & 17 October 2017
OHS Training 2017

- **Mengkarak 2**
- First Aid Training, 16/10/2017 ; 31 participants
- Scheduled waste training, 9/10/2017 ; 14 participants

- SOP Training, 26/8/2017 ; 18 participants
- OHS Campaign, 7/9/2017
- Health and Safety Plan 2017

According to field observations, workers have used the appropriate PPE, for example helmet, life vest, safety shoes and gloves; boiler charge man use helmet, safety shoes, gloves, ear-plug, mask and live-vest.

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*". The unit managers or assistant manager act as the chairman. Regular meetings are held every 3 months. The last meeting in Kilang Sawit Kemasul was on October 19, 2017, Mengkarak 1 on September 25, 2017 and Mengkarak 2 on September 26 2017. The meeting discussed on work accident report, on-site inspection work reports, trainings and other emerging OHS issues.

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 and procedure of "*pengurusan KKP*" document no: FGVPM/L2/PP-11, the SOPs completed with the chart.

First aid kit is not well monitored. **It was raised as nonconformity No. 2017.3.**

The company has provided the first aid kits and supplied to the plantation area. However, during the site visit to Mengkarak-01, Block 8 (spraying); Mengkarak-02 Estate, Block 4 (spraying) and Mengkarak-02, Block 8 (harvesting); the contents of first aid kits were not complete, and items used is not recorded.

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) valid for one year (extension done by the company before the expiry date). Medical history for every employee was recorded based on the medical check up. Only 1 incident occurred in Kilang Sawit Kemasul in 2017.

There was one accident occurred for the past 12 months at Kilang Sawit Kemasul and the victim was sent to the hospital for further treatment.

- **Kilang Sawit Kemasul** → Sighted in the file Workers have been covered in Socso/perkeso insurance (insurance provided by the government).
- **Mengkarak 1** → Foreign workers insurance - covered in ETIQA Takaful Berhad, valid for 1 year. For example : Pahmi (Indo), no SPPA : JTK3460063 valid until 8 January 2019; Taufik (Indo), No SPPA : JKT3460063, valid until 8 January 2019.
- **Mengkarak 2** → Foreign workers insurance - covered in ETIQA Takaful Berhad, valid for 1 year. For instance : Biswas Nagimuddin (India), no SPPA : JTK3412942 valid until 15 August 2018; Murilah (Indo), No SPPA : JKT3340306, valid until 16 December 2018;

There are Lost Time Incident Matrix was record by management unit:

- Total Work Hours: 265,200
- Total Accident: 1
- LTI: 9 days
- Fatality: 0
- Rate of incident: 11.76
- Frequency Rate: 3.77
- Severity Rate: 33.94

4.7.5	Status: Nonconformity No. 2017.3 with minor category	
4.8 All staff, workers, smallholders and contractors are appropriately trained.		
<p>4.8.1, 4.8.2</p> <ul style="list-style-type: none"> • Training for workers : Kilang Sawit Kemasul • Sighted a training list and personnel attended the training : • Chemical handling for parties involved and attended by 16 personnel dated on 13/10/2017 – time 10.00 am. • Contractor training program 2017 – timetable for the program sighted from January until December 2017 at Kilang sawit Kemasul. <p>Mengkarak 1</p> <ul style="list-style-type: none"> - Training program year of 2017 Ladang Mengkarak 1` - Schedule waste training, 9/10/17 ; 13 orang - Fire Drill, 24/3/17 ; 61 participants - Chemical handling, 24/3/2017 ; 45 participants - Road Safety Program, 20/10/2017 ; 51 participants <p>Mengkarak 2</p> <ul style="list-style-type: none"> - Training program year of 2017 Ladang Mengkarak 2` - Chemical spraying training 26/10/17 ; 9 participants - Safety riding training, 20/10/17 ; 51 participants - First Aid Training, 16/10/2017 ; 31 participants - Scheduled waste training, 9/10/2017 ; 14 participants - SOP Training, 26/8/2017 ; 18 participants - OHS Campaign, 7/9/2017 		
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.		
<p>5.1.1</p> <p>The mill has set an EIA (Aspect impact environment and impact assessment) and has developed a form related to the impact of operation and evaluation process. Its include the operation at the mill especially no borang FPI /I4 /QOHSE – 1.7 :</p> <ul style="list-style-type: none"> • Main station • Weighbridge • BTS grading • Sterilizer • Loading ramp crane, threshing and press • Incinerator (Not used) • Palm content 		

- Oil room
- Storage oil tank
- Raw water treatment plant
- Water pump intake
- Boiler
- Effluent treatment plant
- Engine room
- Laboratory
- Diesel tank storage
- Store
- Canteen
- Stor abu tandan
- Monsoon drain
- Schedule waste storage area
- Oil trap
- Air compressor
- Office

All the list down operation will lead into impact of depletion of natural resources, land contamination, water pollution, unpleasant working environment, noise pollution. All the impacts has been evaluated and the result has been recorded In total score as per table :

- Activity
- Type of operation
- Input
- Volume
- Output to land
- Volume
- Impact- including past and potential incidence
- Legal
- Scale
- Severity
- Probability
- Change
- Damage
- Interested parties
- Public
- Total score and significance level

Mengkarak 1

Sighted a form of Pengenalpastian aspek dan penilaian impak (FGV/FGVPM/IV/IMS/15/1.6 Pind. 1) for estate Mengkarak 1 dated 17/4/2017 and prepared by Mohd Noor Aiman Bin Abidin. The aspect and impact of estate activities cover all areas and activities in the estate.

Mengkarak 2

Sighted a form of aspect impact identification (FGV/FGVPM/IV/IMS/15/1.6 Pind. 1) for estate Mengkarak 2 dated 12/7/2017 and prepared by Tengku Ariff Putra Bin Tengku Hasbullah and revised by Manager, Mohd Fuad Bin Salleh. The aspect and impact of estate activities cover all areas and activities in the estate.

Form 5.1/5.6 aspect impact identification (1/2/2017)

5.1.2

Kemasul Mill

There is evidence of form significant environmental aspect and impacts registrat form : refer FPI/ L4 / QOHSE – 1.8 pind 0 that has management plant related to the aspect and impacts for all the process related to the mill activity. Sighted all the operation of the mill has been listed in environmental management plan. The responsible person for the mill is Mr Muhamad Nazrin Bin Ramli (assistant manager) and been approved by Mr Nuril Azwa. Sighted also the measures to mitigate negative impacts as per documented including the SOP and action plan by the related person (e.g : juruanalaisa makmal, foreman, store keeper ,operator and kerani)

Mengkarak 1

Sighted a form of aspect impact identification (FGV/FGVPM/IV/IMS/15/1.6 Pind. 1) for estate Mengkarak 1 dated 17/4/2017 and prepared by Mohd Noor Aiman Bin Abidin. The aspect and impact of estate activities cover all areas and activities in the estate.

Mengkarak 2

Action plan to reduce environment impacts and pollution control

5.1.3

Kemasul Mill

- MONITORING Protocol has been developed by the mill: including the implementation of aspect impact identification at mill.
- Yes : the monitoring protocol included in Pengenalan Aspek dan Impak : no borang FPI/L4/QOHSE – 1.7 Pindaan 0
- Sighted also document of aspect impact report date 4/1/2016

Mengkarak 1 -

Sighted a form of Pengenalpastian aspek dan penilaian impak (FGV/FGVPM/IV/IMS/15/1.6 Pind. 1) for estate Mengkarak 1 dated 17/4/2017 and prepared by Mohd Noor Aiman Bin Abidin. The aspect and impact of estate activities cover all areas and activities in the estate.

Mengkarak 2

Sighted a form of Pengenalpastian aspek dan penilaian impak (FGV/FGVPM/IV/IMS/15/1.6 Pind. 1) for estate Mengkarak 2 dated 12/7/2017 and prepared by Tengku Ariff Putra Bin Tengku Hasbullah and revised by Manager, Mohd Fuad Bin Salleh. The aspect and impact of estate activities cover all areas and activities in the estate.

Status: Comply

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 conducted by internal competence personnel from Certificate and Due Diligence unit (CDD) Amir Hamzah Abdullah, Mohd Azlin Bin Robert sun and Nurul Hayati Yaakob dated 24th November 2016 unit for FGVPM Mengkarak 1 and Mengkarak 2 estate. Summary of HCV Area (based on summary executive HCV assessment report) stated that no HCV was found in Mengkarak 1 and 2 area. Sighted also few hotspot identified in the area as a concern of biodiversity activities in the estate and all the hotspot concern has been settled and verified during the audit. HCV assessment with consultation with relevant stakeholder, considering biological record, all planted areas, etc.

5.2.2, 5.2.3,

Based on documents verifications it's known if there is No HCVs and RTEs identified in the biodiversity report. Based on field observations and interview with stakeholder no evidence of HCVs and RTEs observed. Ongoing monitoring record for wild life and sensitive area observed for year 2017. Based on the document verification, the company had ongoing monitoring periodically and training has been conducted by the estate. Sighted the training record in FGVPM Mengkarak 2 dated 21 January 2017 attended by 9 person including assistant manager, keypuncher, field assistant, workers, clerk and workers representative clerk. There is biodiversity action plan in FGVPM Mengkarak 2 that include :

- Person in charge related to biodiversity found in the estate
- Role assistant manager related to biodiversity
- Action taken by management unit : divide into categories :- instant, middle action and long-term.
- Management plan for biodiversity in Mengkarak Estate.

Based on the interview and stakeholder consultation result with local people, contractors, and gender committee, sighted the result of none of the animal that categorized as endangered species being harm and collected at the estate Mengkarak 1 and Mengkarak 2. There is also signboard displayed at the Estate office of Mengkarak 2 to inform the local people and wokers the species that being categorized as endangered species according to national standard.

5.2.4, 5.2.5

Based on the report sighted, there is no HCV in the area. The company had produced a biodiversity management plan for year 2017. Sighted also the description of hotspot found in the company :

- i) Mentuang River – has been made the marking buffer zone , marked inlet and outlet.
- ii) Planted area of FGVPM- send to FGVPM measuring land Unit for monitoring
- iii) Kemasul forest reserve – marking the boundaries has been made
- iv) Water treatment plant FGVPM – water sources from sungai triang – build up oil sump for generator set.

There is no HCV and RTE in FGVPM Mengkarak 1 and 2 identified. Biodiversity report has been prepared by the competent person internally done by CDD unit pf FGVPM

Status: Comply

5.3

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

5.3.1

Kemasul Mill

The company had produced list of registry including :

- Lead Acid Battery – 0 Kg
- Electric waste – 0 kg
- Engine oil – 160 kg

- Hydraulic Oil – 0
- Paint Container – 0
- Gloves & used filters – 0

Sighted inventory to DOE dated April 2017

Registry of pollution list : as per aspect impact document

Mengkarak 1

Pollution and waste has been identified as per documented :

- PPE used
- Chemical container and pesticides
- Paint container
- Fuel lubricant and oil filter
- Lamp
- Electronic waste
- Battery
- Fertilizer rags
- Tires
- Steel used
- Paper and plastic
- Domestic waste

Vacant Chemical containers and pesticides are recorded in the record book throughout 2017 until 27th September 2017.

Other wastes

- Frond
- Chipping batang sawit
- EFB
- POME/Effluent
- Shell
- Fibre

Based on field observation to housing complex in Mengkarak 1 and Mengkarak 2 Estate, there are trash can on each houses. Therefore according to field observation to Block 5 (Mengkarak 1 Estate) and Block 4 (Mengkarak 2 Estate), there are landfill. Domestic waste was transported from the housing every weeks. There are internally trained officers (Assistant Manager or supplier clerk), to ensure landfill capacity and domestic waste dispose schedule was conducted.

5.3.2

The mill has provided an inventory to Department of Invermental Malaysia every month regarding the inventory of scheduled waste (dated 5th October 2017). There is a consignment note from Kualiti Alam dated 6th October 2017 that dispatch the schedule waste code SW 305 and SW 410

Mengkarak 1

No scheduled wastes stored in the store except for used chemical containers which have been rinsed 3 times. If necessary, 2 contractors have been identified such as Amberin Industry Sdn. Bhd. and Hiap Huat Chemicals Sdn. Bhd.

Mengkarak 2

No scheduled wastes stored in the store except for used chemical containers which have been rinsed 3 times. If necessary, 2 contractors have been identified such as Amberin Industry Sdn. Bhd. and Hiap Huat Chemicals Sdn. Bhd.

5.3.3

Kemasul mill

The waste and management plan to avoid pollution for 2017 - include the :

3R

- Activity
- Impact to the environment
- Action plan to reduce impact
- Perkara yg harus dilakukan
- Notes

Trasaporting FFB form estate to mill → smoke emission → smoke inspection at puspakom regularly → monitor to ensure all the lorries following puspakom

2) Effluent Pond → river pollution → physical visit on the pond after being cleaned by attendant → regular monitoring of document

3) Domestic waste disposal → air pollution → waste segregation → monitoring → no open burning and chemical disposed at disposal area.

Inventory of used chemical containers until 27th September 2017 in Mengkarak 1 and Inventory of used chemical containers until 28th September 2017.

5.3.3.	Status: nonconformity No. 2017.4 with minor category	
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5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

Sighted in Kemasul Mill, there is few ways of reducing carbon foot print and diesel usage which already implemented by Estate and Mill are monitoring of fuel consumption, utilizing by-products (shell and fiber) as source of energy for the mill. Records of several strategy mentioned in the former is presented as follows, for example:

- Diesel consumption in Mengkarak 1, Mengkarak 2 and Kemasul Mill in September 2017 were 2.66,1.1.2 and 0.83 liter/ton FFB, respectively, or totaling about 1.537/ton CPO produced.

Sighted the fuel on site usage of machinery and operations, diesel usage of 2017 Kemasul mill from month January 2017 that include all machineries :

- Engine room (6400, 6930, 8800, 10,910, 14,700, 10,000, 17,200, 17,800, 7,400)
- Prime mover (738, 1191, 2086, 3248, 2951, 2453, 3755, 3346, 2630)
- Shovel (1128, 1171,2461, 4037, 3793,3171, 4263, 3511, 3031)
- Water pump (700,700, 2060, 2100, 2800, 2100, 3500, 2100, 2100)

Total liters usage of diesel from January to September 2017 is 191,678.00 Liters. Energy efficiency has been taken into account during upgrading operation such as change of Rolex machine (nut cracker) for better efficiency of diesel usage and production.

Status:		
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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.

During the initial assessment, there is no land preparation or replanting activity. Therefore, there is fire usage in operational area.

Status: Comply

5.6

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

5.6.1 and 5.6.2

FGV Kemasul Mill, FGVPM Mengkarak 1 and 2 Estate has able to shows several measurement data related to pollutions towards operational activities. For example, latest testing in 2017 is presented as follows:

- Pollution form water and land contamination from housing area.
- Pollution land from tire produce at the mill.
- Emission recorded using CEMS system of department environmental Malaysia that record the quality of dust and smoke emission
- Recorded water quality from Palm Oil Mill effluent, result water collected quarterly
- Nutrient form decanter cake and empty fruit bunch
- Pesticides usage in the estate including: supresate, blazer 250, Monex HC, Kenchis, Basta 15 and Ecomax.
- List of pollution in the estate including release smoke from lorry, diesel usage, pesticide usage, pollution from fertilizer bags, pollution from PPE used.

Estate and Mill management unit has identified GHG emission sources, as well as its mitigation plan which issued by Manager, presented as follows:

- Estate Sources: Diesel consumption, uses of agrochemicals, uses of chemical fertilizer, organic domestic and others;
Mitigation Plan: monitoring, recording and analysis of diesel consumption for FFB transportation, reduction of pesticide uses (liter/ha) through biological control, reduction of fertilizer uses through by-products application, domestic waste management monthly bases, and no burning in waste management, reuse, recycled, reused (3R) method and training to the respective worker.
- Mill Sources: Boiler, uses of electricity, uses of Diesel, uses of Lubricant, final discharge, effluent treatment plant, empty fruit bunches produced, fibre produced
Mitigation: Monitoring and control of emission through maintenance, reduction of electricity consumption, reduction of diesel consumption, reduction of lubricant consumption, land application and EFB mulching, usage of fibre in boilers

The monitoring of noise level had been done at FGV Kemasul Mill. Sighted the noise mapping at the mill displayed in front of the office mill that include threshing station , pressing station, nut and kernel plant, clarification , engine room and boiler station. The result of noise level had been done using noise logging Dosimeter shows average of 88.5 db of Dosimeter 1(boiler House) and 88.2 db at Dosimeter 2(sterilizer) codunte by Mr Pauzer Ahmad DOSH Approval no. – Noise JKPP HIE 12/5/3 1(NO 67). Sighted also from the report and displayed at the mill the decibel sign displayed: Boiler number. 3 range from 83.2- 94 db and boiler number 1: 96 db. Sighted also the decible signed displayed at the sterilizer 88-90 db.

5.6.3

Calculation of GHG emission and its monitoring has conducted by Department of Sustainability & Environment (SED), unit of Certification Due Diligent (CDD). GHG emission has calculated through the RSPO PalmGHG Calculator Version 3.0.1, with summaries are presented as follows:

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	0.37	OER	19.81	FFB Processed	154,930.00
PK	0.37	KER	9.91	CPO Produced	30,690.31

FGVPM Ladang Mengkarak 1

Land Use	ha
OP planted area	2,457.89

OP Planted on peat	0.00
Conservation (forested)	153.08
Conservation (non-forested)	0.00

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	0	0	-	-	-	-	0	0
*CO ₂ emissions from fertilizer	1,826.44	0.74	-	-	-	-	1,826.44	0.74
**N ₂ O emissions	1,519.64	0.62	-	-	-	-	1,519.64	0.62
Fuel consumption	65.19	0.03	-	-	-	-	65.19	0.03
Peat Oxidation	0	0	-	-	-	-	0	0
Sinks								
Crop sequestration	0	0	-	-	-	-	0	0
Conservation Sequestration	0	0	-	-	-	-	0	0
Total	3,411.27	1.39					3,411.27	1.39

FGVPM Ladang Mengkarak 2

Land Use	ha
OP planted area	2,181.92
OP Planted on peat	0.00
Conservation (forested)	0.00
Conservation (non-forested)	0.00

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	513.58	0.11	-	-	-	-	513.58	0.11
*CO ₂ emissions from fertilizer	1,828.02	0.72	-	-	-	-	1,828.02	0.72
**N ₂ O emissions	1,933.97	0.46	-	-	-	-	1,933.97	0.46
Fuel consumption	102.91	0.02	-	-	-	-	102.91	0.02
Peat Oxidation	0	0	-	-	-	-	0	0
Sinks								
Crop sequestration	-486.81	-0.1	-	-	-	-	-486.81	-0.1
Conservation Sequestration	-1403.74	-0.3	-	-	-	-	-1403.74	-0.3
Total	2,487.93	1.72					2,487.93	1.72

FPISB Kilang Sawit Kemasul

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	12,063.22	0.20
Fuel consumption	563.35	0.01
Grid Electricity Utilisation	14,081.89	0.23
Credits		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-18,979.4	-0.31
Sales of EFB	0.00	0.00
Total	7,729.07	0.13

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

Status: Comply

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; 6.1.2 & 6.1.3

CDD conduct Social Impact Assessment for Kemasul Complex on 2016 by participation of stakeholder such as foreign workers, local workers, contractor, supplier, teacher, community/indigenous people, felsco/security and government agency. These report is described of positive and negative impact by plantation and mill operational, plan for monitoring and manage those impacts. The components that will be managed and monitored are:

- Air pollution, OER and grading standard, easy acces to school in Kilang Sawit Kemasul
- The late driver to take workers in the field
- The workers don't understand work agreement and entitlements workers.
- There is no grocery stroe to buy the basic needs.
- There are no complaint channels for domestic violence.
- Sport facilities are not well maintained.

6.1.4

There were questioners as a tools that the company used for gathering information from stakeholder and available of attendant list in each estate. The management of Kilang Sawit Kemasul and supply bases has have of monitoring and management plan Social Impact Assessment 2016/2017 based on input from stakeholder (workers and community/smallholder member). The evaluation of social impact management plan conducted every two year, the last evaluation was October 2016, next review will be held on October 2018.

6.1.5

The certification scope is not include the smallholder. Scheme smallholders not involved due to FGVP(M) management estate, while the peneroka is still under FELDA management.

Status: Comply

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; 6.2.2

FGVP(M) has a Communication Procedure (ML-1A/L2-Pr12, 1 June 2016) which explain a system of communication with internal and external parties related to the environment around the area, hazards and risks in the workplace. In the policy also stated about the responsibilities of Manager and the responsibilities communicating with the head office and any other government bodies. The management also has appoint one person in charge of communication from each estates and mill office. The PIC for each unit was assistant manager and clerk.

6.2.3

Management unit maintains and documented a list of stakeholders which consist of internal and external stakeholder. Based on the latest stakeholder list that update on 2017 there are 27 internal stakeholders, 56 traders, 9 Clinic, MPOB, Polis, Local Government in Seri Bera, Fire Fighting and Rescue in Triang.

Management uni also conduct stakeholder meeting once a year. The stakeholder meeting has been done at Dewan Felda Trolak dated 17 October 2017 attended by management of Felda Global Ventures Plantations, workers representative, staff and related stakeholders including villagers, 56 traders, 9 Clinic, MPOB, Polis, Local Government in Seri Bera, Fire Fighting and Rescue in Triang.

Status: Comply

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 & 6.3.2

The management unit of Kilang Sawit Kemasul and supply bases has have Procedures of Complaint and Grumbling 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.

Based on verification of Record Complaint Book it found no complaints from the surrounding community or external stakeholder. By the results of external stakeholder consultations around of plantation area has showed there is no complaints and dispute between the company and the other parties. But, for internal stakeholder there were complaint related to housing and each management unit has resolve the complaint.

According to interview with foreign workers from Indonesia, Bangladesh and India. They have a group head from their respective countries. If any complaints and grievance. They will be submitted to each group head, and then a groups head will forwad to the foreman or assistant manager. During last year, all of complaint related to housing condition, and it has been responded by management unit.

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

FGVP(M) has Procedure for Knowing Legislation and Land Conflict Resolution (Number: ML1A/L2/Pr10, 1 June 2016). These procedures as a guide to resolve problems of land boundaries among company and local communities related to legal or customary rights.

Based on documents verification, information from staff of plantation and stakeholder consultation was known that there is no compensation processes in areas managed by the FGVP(M) in Kemasul Complex. All lands are managed today is a land that has been set by the Kingdom of Malaysian since early period of company operates.

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 (Clause 7: pay and conditions provided in labour laws, union agreements or direct contracts of employment comply with the decent living wage as provided. According to the Work Act 1955) and

wage-define letter from HRM. There is 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).

Based on interview with employe in mill, estate, representative workers from India, Bangladesh, Indonesia and Local, Gender Committee known that company has paid the employees wage in accordance with applicable regulation, payment of wages has been held in accordance with the mechanism mentioned in employment contracts and company regulations. Moreover, interview with contractor also revealed that they received salary no less than government regulation's amount. Based on overtime record. The calculation of overtime has been met the applicable regulation, procedure and Company regulations.

Sighted the deductions wages for the local workers that include :

- Employees providing fund
- Workers Union
- Deducton for Hajj (optional)
- Deduction for Zakat (optional)
- Yuran Corperation Felda
- Deduction for electricity (after rebate)

The FGVP(M) has approval from the Labor Department for deduction of wages under Act 1955 Section number (22) dlm BHG. PU/9/129 Jld 23 dated 26 April 2016. Based on the payslip sighted the evidence of 8 local workers and foreign works in the estate and mill for 26 days according to the local regulation (labour law) and being paid minimum wages for peninsular Malaysia.

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.

As for foreign workers, there are a signed agreement/contract for each employee for period of 2 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 employment contract is in a language under stable, written in Bahasa for Indonesian works, written in Hindi for Indian Workers and Written in Bengali for Bangladesh Workers. Based on interviews its known if the copies are available for both parties, (the workers and company). Based on the interview with employees is known that the employee has had a copy of the work agreement and has understood the agreement

6.5.3, 6.5.4

During the field visit to employee's housing complex at Mengkarak 1, Mengkarak 2 and Kilang Sawit Kemasul , it was observed that the housing complexes is up to the standard. Sighted 12 person in a hostel and the bathroom outside. There is also a kitchen in every hostel. Everybody has their own bed and locker. Housing area complete with electricity and clean water supply. Proper disposal of domestic waste sighted at the hostel area, including the black bin. There is also surau and worship area in the hostel First aid kit provided at each hostel including fire extinguisher. water supplies by government water, electricity provided by government and place for worship (mosque and surau). For medical facility there is a clinic (Klinik Kesihatan Chemomoi) at Felda Chemomoi and 1 doctor working in the clinic including the nurses.

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 to Triang town. The company also provide a daily van transportation to the school (primary and secondary school) at Mengkarak 1 and 1 daily. The 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.

Sighted also the payslip for month septmeber 2017 that include total working days, total Mandays, total of work on Sunday, leave, total hadir cuti umum, annual leave, leave without wages. Deduction made on electric bill, socso (local workers) and advance made by the workers if available.

Status: Comply

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 workers meeting including the migrant and transmigrate workers. However based on the observation and interview with the company representative and workers, there is no migrant workers 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 1st 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"

6.6.2

There is a meeting held with the mill union workers Sighted a document number FPISB Union Workers dated 23th April 2017 time 0900-1300 at KKD housing area that include all the members of union workers Kemasul mill , Pahang for session 2016 – 2019. 55 peoples attended the meeting and 17 persons are not attending for Kemasul Mill. The minutes meeting discussing related to :

- Minute meeting that has been approved
- Spending budget for 2016 – 2019 that has been approved
- Attends suggest that the allowance given to the workers that installing the tent
- Sighted the speech by General Manager of Temerloh Region, related to the workers welfare,

- Sighted also during the meeting there is 7 workers had been promoted
- There is a speech by Union Leader peninsular and speech by headquarters representative

Sighted the minutes meeting between the company and workers representative. The outcome from the meeting dated 18th August 2017 – 8 workers attended, foreigner workers from India/new workers had been explained related to the contract and translator has been appointed.

Status: Comply

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

6.7.1

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. Based on document verification (86 workers in Kemasul Mill, 86 workers in Mengkarak 1, and 14 local workers) found that no workers who is under the age of 18 (the minimum working age under Malaysian Labour Laws Act A 1238) being hired by the company. Based on field observations in Kilang Sawit Kemasul; Mengkarak 1 and Mengkarak 2 sighted no employees under 18 years old. Interview with workers verified that they are aware regarding the minimum age for employees to be hired above 18 years old. Cross check document of third party contractors also verified that the workers are above 18 years old and they are aware regarding that during contract signing.

Status: Comply

**6.8
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

6.8.1

An equal opportunities policy in *Bahasa Melayu* stated in the document of “*Polisi Kesetaraan Peluang*” 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. . 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* whose responsible for the tasks related to women’s matters. There is a specific grievance mechanism on the document of “*mekanisme aduan gender*” document number : FGV/ML-1A/L2-Pr14, no issue 1, effective date 1 June 2016.

6.8.2, 6.8.3

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 4 workers in Mengkarak 1 and 3 migrant workers in Mengkarak 2 interviewed in during the audit period. Based on the interview and question asked, they feel grateful working in the company.

Status: Comply

**6.9
There is no harassment or abuse in the work place, and reproductive rights are protected.**

6.9.1 and 6.9.2

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.

6.9.3

Based on minute of meeting and interview with female workers (staff of Mengkarak 1 and Mengkarak 2) confirmed that there is no issues and report regarding to sexual harrasment, productivity rights and other issues related. 3 representative had been interviewed from both estate and the cooperation between management and gender committee is very positive. 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. Based on interview with gender committee, confirmed that there is no issues and report regarding to sexual harrasment, productivity rights and other issues related. Sighted the meeting records between the management and gender committee dated 23th October 2017 attended by the gender committee represantative and CDD unit to discuss issues related RSPO policy, gender issues, social policy of the company and gender policy of FGVPM. Interview with female workers and committee gender obtained information that female workers given specific break times to enable effective breastfeeding for their baby.

Status: Comply

6.10

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

6.10.1 & 6.10.2

Pricing mechanism in Kemasul Mill 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.

Sighted the pricing of FFB been displayed at the mill reception weighbridge and the pricing of FFB from MPOB dated 1st October 2017 for until 24th October 2017 including region per % :

- i) North 31.00 / B : 30.20
- ii) South 31.50 / B : 30.20
- iii) Central 31.00 / B : 31.00
- iv) East 31.00 / B : 30.20
- v) Sabah 27.50 / B : 26.30
- vi) Sarawak 26.70 / B : 26.70

Evidence date : 25 October 2017 (in RM) : sighted the evidence of price:

- Rm 31.50 for internal FBB – FTP /Settlers / A grade and
- RM 30.50 for B grade – FGV / Dealer / external supplier

6.10.3

Management unit of mill and estates has been showed of Work Agreement between FGVP (M) with the local contractor, such as 2017 between Mengkarak 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:

- evidence of receipt has been received by the growers, sighted the receipt of FGVPM acceptance record of Fresh fruit Bunch (ACCOUNT number – A00027080 to smallholders, include the price RM 579.43 / tonne and total RM 3047.80)
- Sighted the receipt of : to Felda Chemomoi dated 21/10/2017 to smallholders, net weight 4.41 ton price / tan = 593.65

The payment will be done through cheque and collected at office in the Bentong region. The payment made every week and all the payment done by Headquarters of FGVPM to the regional office.

6.10.4

There is the evidence of payment to smallholders/grower: dated 7th September 2017 to account number Maybank Bera, amounted RM 3047.80. Sighted also the dated of payment from FGV from 3 September 2017 until 5th September 2017 that include details of :

- i) No Pass
- ii) No lorry
- iii) Grade average
- iv) FFB price
- v) Gross value
- vi) Premium
- vii) Young frond
- viii) Value buy

The payment had been verified by Manager of FPISB Kilang Sawit Kemasul. Payment has been made by cheque and sighted the cheque number recorded and payment paid every week to the smallholders or supplier.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

There is contributions given by the management to the community lived around the Kemasul Complex. 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. For example, Mengkarak 01 Estate has provided food for events in Ramadhan on 26 May 2017. There are also give scholarship for kids of worker dated 6 February 2017 in Mengkarak 02 Estate.

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 at Nilai, Negeri Sembilan, giving induction and 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 and 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 foreign workers at FGV Mengkarak 1 and Mengkarak 2. The company had kept a safekeeping passport in a respective office and the workers are allowed to take the passport in the event of going back to their country. Based on the interview,

there is no contract substitution occurred and the workers are only sign the agreement once they reached at the respected estate only.

6.12.3

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 (Disiplin Tata Laku) that explained prohibition to bring the family member and forbidden to the migrant workers married in Malaysia with local people or other foreigner. There has an evidence Policy of Foreign Worker Requirement (approved by President & CEO FGV, dated 01 June 2014) and has been socialized to the workers. The procedure 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. The company also have a SOP of *Prosedur Kemasukan Pekerja Asing ke Ladang*, No. ML-1A/L5-AP10(0), dated 1 June 2016 which stated that workers will be send to One Stop Center at Nilai Negeri Sembilan for 3 days for course induction and briefing , including FOMEMA inspection for 3 days. Once they had been brief related to their works, they will be transferred to respected estate and start signing the agreement and assigned the facilities over there.

Based on the interview with the workers on Mengkarak 1 and Mengkarak 2, sighted no indication of force labour sighted at both estae and also mill. FGV Kemasul Mill only employed local workers. During the interviews, the workers are aware regarding the contract and the consent of the workers to signed the safekeeping passport procedure. They are also well aware of the contract content and able to explain when askin regarding that. Total 6 migrant workers had been interviewed accros the audit including Indonesian and bangladeshii workers.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

There has 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. FGV has have Policy of Human Right (approved by President & CEO FGV, dated 01 June 2014). These document as FGV commitment to consent for support and protect of human right as a corporate responsibility. The manager and assistant manager have the task to communicate to all the workers and external party in each of their unit management. FGVPM will also involve with the effort of supporting the human rights amongst their own staff and workers are also take part in various activities to support corporate social responsibilities to respect human rights. Sighted the human right policy had been displayed a muster roll call, office and at the Hostel area. The workers are concern regarding the policy available at the estate and mill.

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.

The oldest oil palm was planted year of 1989. There is no new development in Mengkarak – 1 and Mengkarak – 2 area.

	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.	
	The oldest oil palm was planted year of 1989. There is no new development in Mengkarak – 1 and Mengkarak – 2 area.	
	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 Kemasul complex. Replanting had been commenced in a part of managed area. Social and environmental assessment is undertaken by internal prior to replanting. Identification and Management Plan of HCV and Biodiversity have been made by Plantation Sustainability and Quality Management (PSQM) FELDA on January 2017. 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.	
	The oldest oil palm was planted year of 1989. There is no new development in Mengkarak – 1 and Mengkarak – 2 area.	
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
	The oldest oil palm was planted year of 1989. There is no new development in Mengkarak – 1 and Mengkarak – 2 area.	
	Status: Comply	
7.6	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.	
	The oldest oil palm was planted year of 1989. There is no new development in Mengkarak – 1 and Mengkarak – 2 area.	
	Status: Comply	
7.7	Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
	During the initial assessment, there is no land preparation or replanting activity. Therefore, there is fire usage in operational area.	
	Status: Comply	
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.	
	The oldest oil palm was planted year of 1989. There is no new development in Mengkarak – 1 and Mengkarak – 2 area.	
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1	Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	

8.1.1

The management unit has continuous improvement program and records, such as:

- Paraquat usage reducing program.
- Barn owl boxes added on each estates
- Beneficial plant on each estates
- Add up areas for subsoil manuring
- Smart weeding technique
- Build concrete fencing
- 3R Program
- Continuous Social Responsibility
- Optimum production

The management unit has continuous improvement program and records, such as:

- Paraquat usage reducing program.
- Barn owl boxes added on each estates
- Area for cows' feed
- Beneficial plant on each estates
- Use of Grass Cutting Machine in Harvesting line
- Collect & kill "kumbang badak"

Status: Comply	
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3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements													
E.1	Definition													
<p>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.</p>														
<p>Kemasul Mill received FFB from it is certification scope (own estate) and outside scope certification. Based on that fact, Kemasul Mill has been declared to using Mass Balance Module.</p>														
<p>Status: Comply</p>														
E.2	Explanation													
<p>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.</p>														
<p>The company has been shown their FFB production that comes from scope of certification (certified area) as follows:</p>														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Item</th> <th style="width: 40%;">Actual from October 2016 – September 2017 (ton)</th> <th style="width: 40%;">Production estimated during October 2017 – September 2018 (ton)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td style="text-align: center;">82,955.19</td> <td style="text-align: center;">87,892.00</td> </tr> <tr> <td>CPO</td> <td style="text-align: center;">15,761.48</td> <td style="text-align: center;">17,402.00</td> </tr> <tr> <td>PK</td> <td style="text-align: center;">4,313.66</td> <td style="text-align: center;">4,658.00</td> </tr> </tbody> </table>			Item	Actual from October 2016 – September 2017 (ton)	Production estimated during October 2017 – September 2018 (ton)	FFB	82,955.19	87,892.00	CPO	15,761.48	17,402.00	PK	4,313.66	4,658.00
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CPO	15,761.48	17,402.00												
PK	4,313.66	4,658.00												
<p>Status: Comply</p>														
<p>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).</p>														
<p>Kemasul Mill has been registered in IT platform palmtrace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member name: Kilang Sawit Kemasul • Account UID: RSPO_AC1000000849 • Core product: Palm oil • Member ID: RSPO_PO1000000820 • Member category: oil mill 														



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.

Kemasul Mill has documented procedure regarding to supply chain through the document of Mill Procedure for RSPO Supply Chain Certification/Mass Balance (No. Document: FGVPM-RSPO SCCS) circulated since March 1st 2015. Those document described about management functions and job descriptions, mass balance reporting of certified CPO/PK, supply chain verification including CPO/PK Delivery Mill to Customer and record keeping. Those document also attached with FFB receiving procedure, FFB delivery note, e-trace procedure and attendance list of SCCS training on July 7th 2017.

Based on that document, there is also showed RSPO SCCS personal in charge who takes responsibility of supply chain implementation. Mill manager has took responsibility and authority as supply chain procedure and implementation.

Status: Comply

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Kemasul Mill has coding their FFB supplier from certified and noncertified area which is:

No.	FFB Supplier	Code	Status
1.	Mengkarak 1	5471	Certified
2.	Mengkarak 2	5472	Certified
3.	Felda Chemomoi	4076	Non certified
4.	Felda Kemasul	4158	Non certified
5.	Felda Chemomoi	9076	Non certified

6.	Felda Kemasul	9158	Non certified
7.	Felda Techno Plant Sdn Bhd	3076	Non certified
8.	Felda Techno Plant Sdn Bhd	3158	Non certified
9.	Felda Techno Plant Sdn Bhd	6076	Non certified
10.	Koperasi Serbaguna F. Kemasul	8075	Non certified
11.	Koperasi Felda Chemomoi Bentung	8533	Non certified
12.	Risda Plantation Sdn Berhad	7951	Non certified
13.	PPK Pelangai	8480	Non certified
14.	Kim Ma Oil Palm	8668	Non certified
15.	BKF Sdn Bhd	8824	Non certified
16.	Bakti Mas Bina Sdn Bhd	8877	Non certified
17.	Mashome Trading	91471	Non certified
18.	Nya Kimbong Binti Wahab	490712045106	Non certified
19.	Fathol Arif Bin Haji M. Kasim	540615065247	Non certified
20.	Rahani Binti Kamsi	550409045084	Non certified
21.	Zulkifli Bin Din	720409025795	Non certified
22.	Noor Iddzah Binti Nurul	920807145860	Non certified
23.	Abd Rauf Binti Yaakub,	721102045251	Non certified
24.	Rohana Binti Abu Bakar	750409086536	Non certified
25.	Norlelawati Binti Yaakub	810621045266	Non certified

Based on data above known that 25 supplier which is 22 of it known as noncertified supplier.

All FFBs sent to the mill must be completed with the following documents:

1. FFB delivery notes (filled by estate clerk).
2. Gate pass (filled by FFB acceptance officer in security gate).
3. Grading receipt (filled by grader in loading ramp)
4. Weight bridge receipt (filled by weight bridge operator).

Furthermore, they also had procedure “*Kawalan Keluar dan Masuk BTS Alihantar*” that instructed the clerk to stamp certified or noncertified FFB and weight bridges operator to stamp certified or noncertified CPO/PK.



Status: Comply

E.4 Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

Kemasul Mill has shown their demonstrated of separation data between product from certified or noncertified area during October 2016 – September 2017 as follows:

Month	FFB (ton)		
	RSPO Certified	Non Certified	Total
October 2016	3,325	4,015	7,340
November 2016	3,110	4,136	7,246
December 2016	2,011	3,483	5,494
January 2017	2,020	2,813	4,832
February 2017	2,841	3,319	6,160
March 2017	5,528	10,408	15,936
April 2017	7,523	14,378	21,901
May 2017	7,320	12,461	19,781
June 2017	8,070	10,991	19,061
July 2017	11,400	11,149	22,549
August 2017	11,003	11,068	22,072
September 2017	9,380	10,877	20,257
Total	73,530	66,003	172,628

Status: Comply

E.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

Kemasul Mill has not certified yet. Therefore, there is no projected overproduction of certified tonnage. This will be further verified when Kemasul Mill has obtained the certificate.

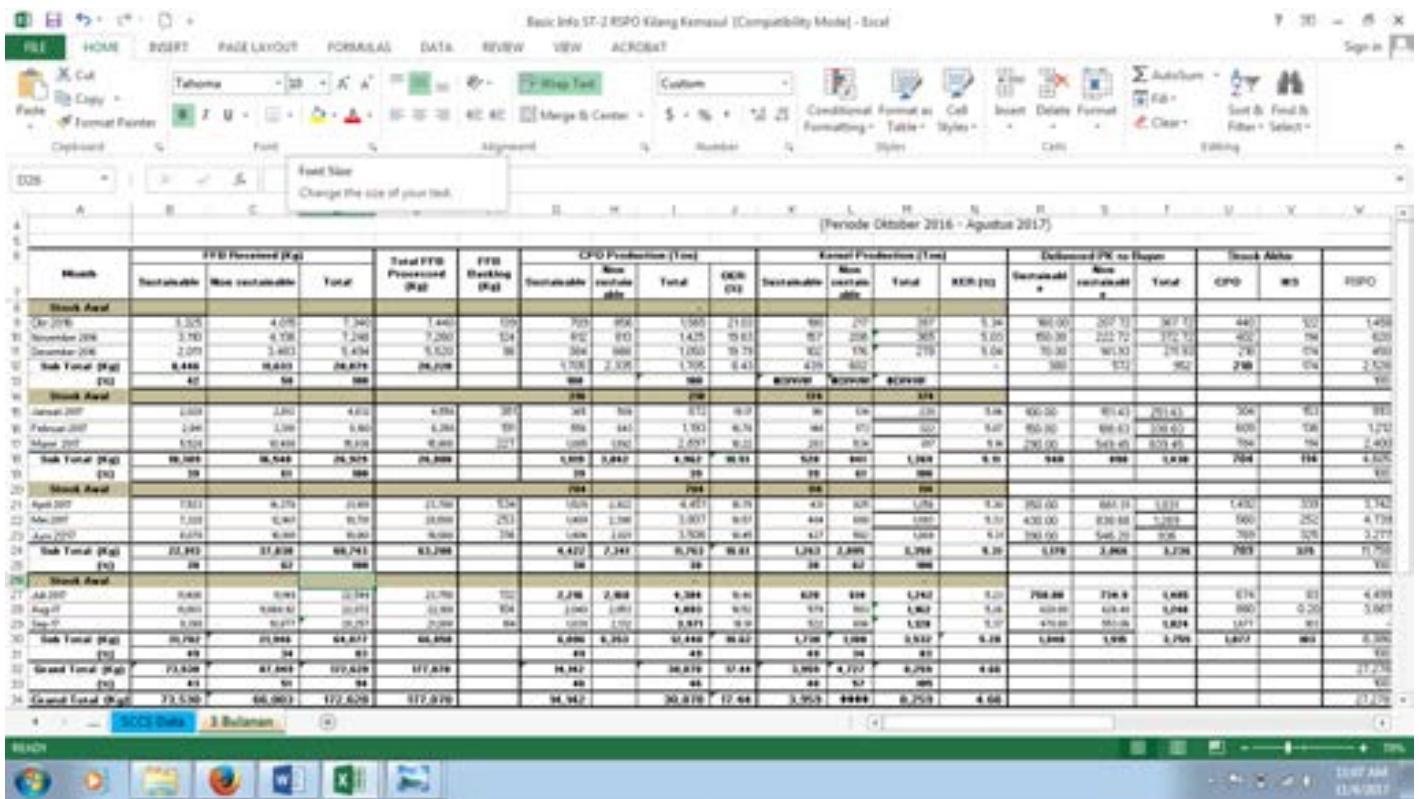
Status: Comply

E.5 Record keeping

E.5.1

- 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. (i.e product can be sold before it is in stock.)

Kemasul Mill has demonstrated how FFB's received system works and demonstrates the ways to separate FFB, CPO and PK are certified or uncertified.



Month	FFB Received (kg)			Total FFB Processed (kg)	FFB Stocking (kg)	CPO Production (Tons)			KCR (CPO)	Kernel Production (Tons)			Delivered PK to Buyer			Stocks Above			
	Sustainable	Non sustainable	Total			Sustainable	Non sustainable	Total		Sustainable	Non sustainable	Total	Sustainable	Non sustainable	Total	CPO	PK	RSPO	
Oct 2016	3,325	4,076	7,401	7,401	109	725	956	1,681	21.03	89	277	367	1.34	80.00	207.33	307.33	440	53	1,458
November 2016	3,783	4,738	8,521	8,521	124	842	813	1,655	19.83	87	258	345	1.25	80.00	222.72	312.72	452	78	1,520
December 2016	2,079	2,462	4,541	4,541	88	368	366	734	19.79	82	176	258	1.24	70.00	181.83	251.83	243	124	699
Sub Total (Q4)	9,187	11,276	20,463	20,463	321	1,935	2,535	4,470	60.65	258	707	950	5.83	230.00	611.88	871.88	1,135	255	3,677
Jan 2017	4,029	3,281	7,310	7,310	307	343	519	862	19.07	86	126	192	1.24	400.00	491.43	691.43	504	83	913
February 2017	2,346	3,309	5,655	5,655	79	86	141	1,007	16.76	84	87	171	1.27	400.00	498.43	669.43	405	126	1,212
March 2017	5,524	6,438	11,962	11,962	221	1,085	1,592	2,677	19.22	201	324	425	1.97	500.00	543.45	1,043.45	754	154	2,403
Sub Total (Q1)	12,899	16,558	29,457	29,457	628	5,424	7,842	12,156	65.12	558	541	1,018	6.31	1,300.00	1,636.71	2,404.71	1,663	374	4,526
Apr 2017	7,313	8,276	15,589	15,589	324	1,019	1,422	2,437	19.79	43	127	170	1.26	350.00	461.33	631.33	1,430	333	3,742
May 2017	7,109	8,367	15,476	15,476	251	1,049	1,399	2,447	19.81	404	169	573	1.31	400.00	436.88	909.88	560	252	4,718
June 2017	6,274	6,699	12,973	12,973	274	1,049	1,429	2,478	19.49	427	161	588	1.29	300.00	546.20	846.20	789	329	3,277
Sub Total (Q2)	27,075	31,839	58,914	58,914	1,122	4,127	5,752	10,712	68.61	1,284	457	1,741	6.25	1,450.00	1,986.21	3,278.21	2,803	378	11,705
July 2017	6,820	6,791	13,611	13,611	372	2,276	2,928	5,204	19.45	629	318	947	1.31	300.00	376.8	1,323.8	874	83	4,439
Aug 2017	6,961	9,894	16,855	16,855	324	2,093	2,986	5,079	19.95	548	162	710	1.44	300.00	424.44	1,134.44	560	252	3,667
Sub Total (Q3)	13,781	16,685	30,466	30,466	696	4,369	5,914	10,283	39.40	1,177	480	1,657	2.75	600.00	801.24	2,458.24	1,434	136	8,106
Sub Total (H1)	49	94	143	143	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
Grand Total (H1)	73,528	87,863	161,391	161,391	14,942	36,819	51,444	93,999	4,222	6,759	4,689	17,732	4.68						117,732
Grand Total (H2)	372,530	466,063	838,593	838,593	34,942	130,819	165,761	319,519	12,644	4,689	17,732	67,464	16.88						217,464

The effectiveness of the system will be observed further by the time Miller has earned the RSPO certificate (subsequent assessment).

Status: Comply

E.5.2

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.

Kemasul Mill does not have agreement with Kernel Crushing Plant (KCP). All kernel product sell directly to the buyer.

Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ST-2	The company does not use RSPO trademark.	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ST-2	The company does not use RSPO trademark.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ST-2	The company does not use RSPO trademark.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ST-2	The company does not use RSPO trademark.	√

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.

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.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

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>Company Group/Holding Statement: Yes, there was an internal audit and has positive assurance statement.</p> <p>Auditor Verification: Yes, at the current status only 16 complexes already have internal audit in year 2016. Seen the internal audit done by Certification & 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"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement:</p> <p>Auditor Verification: 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 border="1"> <tr> <td colspan="4">HCV clearance Kalimantan reported by Chain Research Reaction</td> </tr> <tr> <th>ISSUE</th> <th>ACTION PLAN</th> <th>PROGRESS</th> <th>DATE OF COMPLETION</th> </tr> <tr> <td>HCV clearance at PT CNP and PT TAA</td> <td>Engaged independent consultant for ground investigation</td> <td></td> <td>20 April - 4th May 2016</td> </tr> <tr> <td></td> <td>Investigation finding presentation to FGV management</td> <td></td> <td>9th May 2016</td> </tr> <tr> <td></td> <td>Brief presentation to RSPO on the investigation findings</td> <td></td> <td>10 May 2016</td> </tr> <tr> <td></td> <td>Letter to stop all operation in HCV area</td> <td></td> <td>10 May 2016</td> </tr> <tr> <td></td> <td>1st Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td></td> <td>22nd May</td> </tr> <tr> <td></td> <td>Discussion on Conservation and remediation plan with RSPO technical Director</td> <td></td> <td>23 May 2016</td> </tr> <tr> <td></td> <td>2nd Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td></td> <td>25 May 2016</td> </tr> <tr> <td></td> <td>Sent a letter to RSPO on action plan for PT CNP and PT TAA</td> <td></td> <td>27th May 2016</td> </tr> <tr> <td></td> <td>3rd Public statement on HCV clearance at PT CNP and PT TAA on FGV website</td> <td></td> <td>15 June 2016</td> </tr> <tr> <td></td> <td>Develop the Conservation and Remediation plan and relevant SOP</td> <td></td> <td>1st July 2016</td> </tr> </table>	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 th May 2016		Investigation finding presentation to FGV management		9 th 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 nd 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 th 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 st July 2016
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		Appointment letter to engage independent external social mediator to handle negotiation with affected communities	1 st July 2016
		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 our complaints on HCV updates in WSJ complaint update	25 Nov 2016
			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/Aid environment 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 Aid environment 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	16 Dec 2016

		engagement with ELC/AIDH and Aidenvironment																															
		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 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: There is new planting after 1 Jan 2010.</p> <p>Auditor Verification: NPP audit has been carried out for all FGVPM Estate and is currently under review. Data as per below</p> <table border="1"> <thead> <tr> <th>ESTATE</th> <th>HECTARAGE INVOLVES IN NPP</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>FGVPM Chegar Perah 1</td> <td>59.32</td> <td rowspan="4">Still on going. Waiting consultant (Aksenta) to present the final report for HCV, SIA, LUCA & HCS sssessment.</td> </tr> <tr> <td>FGVPM Bukit Sagu 8</td> <td>61.54</td> </tr> <tr> <td>FGVPM Tembangau 5</td> <td>86.58</td> </tr> <tr> <td>FGVPM Selendang 3</td> <td>97.59</td> </tr> <tr> <td>FGVPM Krau 2</td> <td>170.78</td> <td rowspan="7">Waiting consultant (Aksenta) to start NPP assessment in February 2017.</td> </tr> <tr> <td>FGVPM Krau 4</td> <td>80.28</td> </tr> <tr> <td>FGVPM Bukit Sagu 6</td> <td>72.87</td> </tr> <tr> <td>FGVPM Lepar Hilir 5</td> <td>253.62</td> </tr> <tr> <td>FGVPM Tembangau 6</td> <td>495.53</td> </tr> <tr> <td>FGVPM Aring 10</td> <td>518.52</td> </tr> <tr> <td>FGVPM Setiu 01</td> <td>130.72</td> </tr> <tr> <td>Total</td> <td>1,722.32</td> <td></td> </tr> </tbody> </table>		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	
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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.	<p>Company Group/Holding Statement:</p> <p>Auditor Verification: There is issue on land conflict although it was captured on Felda Membership, but FGV also indirectly involved</p>																															

		<p>as part of the claim involve FGVPM Sahabat 55 The issue still in progress. Data as per below:</p> <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 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 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>
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		<p>4 June 2015 – FELDA met with Robin Balud again and agreed to do a joint mapping of the land.</p> <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 (Desa 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>
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<p>2.2.5</p>	<p>Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>Company Group/Holding Statement:</p> <p>Auditor Verification: There is 1 issue happen in FGVPM Palong Timur 04 (Now FGVPM Palong Timur 05) and the details is elaborated below: 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>
<p>2.2.6</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Company Group/Holding Statement:</p> <p>Auditor Verification: 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

NCR No.	: 2017.1	Issued by	: Trismadi N
Date Issued	: 3 November 2017	Time Limit	: 2 November 2018
NC Grade	: Major	Date of Closing	: 27 November 2017
Standard Ref. & Requirement	: 2.1.1. Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on document verification at Mengkarak-01 Estate sighted record of SPAN license renewal progress. However during observation at Mengkarak-02 Estate, the management unit cannot show the evidence application of SPAN license renewal.			
Root Cause Analysis (filled by organization audited): The SPAN certificate has expired and is in the process of renewal of SPAN license. During the Audit, Mengkarak-02 Estate Management cannot provide a record of application and feedback from the SPAN regarding the status of renewal of license application.			
Correction (filled by organization audited): Estate Management FGVP(M) Mengkarak-02 will provide a record of application and feedback from the technical services of the cave region and also feedback from SPAN on the status of application renewal of SPAN license.			
Corrective Action (filled by organization audited): 1. <i>Jabatan Teknik</i> FGVP(M) headquarters will be in charged regarding the SPAN License with the authority starting from 2018. 2. Procedure of 3 Month before renewal the license will be implemented. Procedure that applied on every project is a law enforcement mechanism. (Refer attachment). PIC that will monitor expire date of license on every project is Assistant manager and supply Clerk that had been appointed.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 27 November 2017 The management unit was shown evidences: 1. SPAN License Registration form on behalf Mohd Fuad Bin Salleh from FGVP(M) Mengkarak-02 dated 21 November 2017 to <i>Suruhanjaya Perkhidmatan Air Negara</i> (SPAN). 2. Acceptance Letter of acceptance from SPAN (Mohd. Hafidzi bin Mohd Yusof) dated 22 November 2017. 3. Water quality test report from <i>Pejabat Kesihatan Daerah Bera</i> . Location of water sampling are intake Triang River, Water Treatment, and Staff Housing complex. All of water sample parameter, such as: <i>E. Coli</i> and Total Coliform were comply with regulations.			
Auditor conclusions: According to root cause, correction and corrective action. This nonconformance was closed.			
Verified by	: Trismadi N		

NCR No.	: 2017.2	Issued by	: Trismadi N
Date Issued	: 3 November 2017	Time Limit	: ASA-1
NC Grade	: minor	Date of Closing	:
Standard Ref. & Requirement	2.2.2. There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.		
Non-Conformance Description & Evidence observed (filled by auditor): There are no evidence that physical markers are located and visibly maintained along the boundaries particularly adjacent to state land. Based on the document verification the company had record 24 boundary stones at Mengkarak-01 Estate and 45 boundary stones at Mengkarak-02 Estate. However based on sites verification and monitoring records there are only 2 boundary stones in Mengkarak-01 Estate and 6 boundary stones in Mengkarak-02 Estate identified.			
Root Cause Analysis (filled by organization audited): During site visit conducted at FGVP M Mengkarak 01 & FGVP M Mengkarak 02, there are labeling in the boundary of the plantation area. But during the document examinations, the plantation management did not show all evidence that a total of 26 units of boundary stones at the FGVP M Mengkarak 01 estate and 45 units of boundary stones at Mengkarak 02 Estate were monitored.			
Correction (filled by organization audited): 1. Letter of Appointment Officer that responsible for monitoring the boundary stones. 2. Monitoring record for all border stones (Markers Painting and Boundary Stone Coordination)			
Corrective Action (filled by organization audited): 1) Estate Management FGVP M Mengkarak 01 & Mengkarak 02 will conduct monitoring at all the boundaries of the Estate boundary stone. 2) Labelling the boundary / boundary area and recorded (along with coordinates)			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2017.3	Issued by	: Mohd Aman Samsurey
Date Issued	: 3 November 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.		
Non-Conformance Description & Evidence observed (filled by auditor): First aid kit is not well monitored. The company has provided the first aid kits and supplied to the plantation area. However, during the site visit to			

<p>Mengkarak-01, Block 8 (spraying); Mengkarak-02 Estate, Block 4 (spraying) and Mengkarak-02, Block 8 (harvesting); the contents of first aid kits were not complete, and items used is not recorded.</p>	
<p>Root Cause Analysis <i>(filled by organization audited):</i> During Site visit at FGVPM Mengkarak 01, Block 8 (Weeding) and Mengkarak 02, Block 4 (Weeding), Block 8 (Harvesting) found the contents of the first aid kit incomplete as contained in the list of first aid kit and no record of the goods used.</p>	
<p>Correction <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> 1. Letter of appointment Officer that is responsible for the first aid kit 2. List of first aid box. 3. List of items in the first aid kit 4. Pictures of all first aid boxes 5. Records of the use of items in an emergency aid box 	
<p>Corrective Action <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> 1) Estate Management will provide a list of first aid boxes and responsible officers on the first aid kit 2) Prepare a list of items in the first aid kit 3) Implement and record the use of tools in an emergency aid box. 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p>	
Verified by	:

NCR No.	:	2017.4	Issued by	:	Mohd Aman Samsurey
Date Issued	:	3 November 2017	Time Limit	:	ASA-1
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>			
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor)::</i> A waste management and disposal plan to avoid or reduce pollution is not implemented. A generator set in operation near the coagulant tank in the mill was observed without secondary containment and a bit spillage was also seen on the ground.</p>					
<p>Root Cause Analysis <i>(filled by organization audited):</i> During Site visit at Kemasul Palm Oil Mill, there was a chemical spill at the Generator area located near the coagulant tank flowing to the surrounding area.</p>					
<p>Correction <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> 1. Letter of appointment officer responsible for the management of waste in factory area. 2. Records of waste management training provided by the Trained Officer from CESWAMP plant. 3. Waste management and disposal plans to reduce pollution 4. Barrier picture in generator area to avoid spillage of chemicals to the surrounding area. 					

Corrective Action (filled by organization audited):	
1) Palm Oil Mill Management will carry out management training on waste disposal methods. 2) Provide waste management and disposal plans to reduce pollution 3) Provide Barrier in generator area and Sump to avoid chemical waste spill to main drain.	
Assessor Evaluation and Conclusion (filled by auditor):	
Verified by	:

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	4.7.3.	Consideration to ensure all third parties contractor to comply with workers agreement especially on PPE's usage.(Observations) Consideration to ensure that all workers at Kemasul Mill was usage of PPE's
2	4.7.5.	Consideration to ensure that evacuation line in Kemasul Mill is clearly visible.
3	5.3.3.	Consideration to ensure there is no spillage at skid tank area.

3.5.4 Noteworthy Positive Components

No	Description
1	Good commitment from management to implement the sustainability in FGVP(M).
2	Well coordination between management unit and supporting staff.
3	The mill has been certified ISO 9001:2015 No. Certificate: QMS 030903 validity period 24 February 2017 – 11 August 2019.
4	Commitment from FGVP(M) to provide adequate facilities e.g. housing complex, clean water, and electricity.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Gender Committee of FGVP Mengkarak 1 and 2 (KKD)</p> <p>There is a feedback from gender committee chairman of Kelab Kebajikan Daya Budi for the women staff at both estate. Sighted the respondent are having a good response and feedback to the FGV management. There is a budget given for a year for the committee to run the activities in the estate. The Gender Committee in the estate had been actively involve in a lot of activities and such as morning aerobic, cleaning the estate compound, and cooking activity that involve women staff and the workers. There is also meeting among them to discuss the request, company policies of woman rights, and also to discuss any sexual harassment that happen in the company. The club also thanks the FGV management to keep on approving the budget for their activity throughout the years.</p>	<p>FGVP(M) will continue to follow the company policy and support the woman rights at FGVP(M) Kemasul Complexes</p>
<p>FGV Contractor (SNZ enterprise.)</p> <p>The respondent had thanked FGV for the opportunity given regarding the contract of transporting FFB to the mill. The contractor also had a contract related to transportation of EFB from the mill to the estate for land application. 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 contractor had no problem with the payment as FGV always made a payment on time before date of 6th every month.</p>	<p>The company will give a full cooperation to the contractors in FGVP(M) Mengkarak 1 and 2 and will adhere to company procedure and policy to external stakeholders.</p>
<p>Auxilliary Police (Felda Security)</p> <p>There are police that guarding the entrance in FGVP Mengkarak 1 and 2 Estate. Based on the interview with head police, there is no serious cases reported in the estate. The company FGVP always give a good cooperation with the FELSCO and provide the information related to any cases from time to time. So far, there is no criminal issues and</p>	<p>The company will continue to give cooperation to the police and security for the safety of staff, workers and management FGVP(M)</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
gender committee issues reported in the estate by the policeman. Sighted 3 shift for the policeman take turn to in charge the security of FGVP Mengkarak 1 and 2.	
<p>Foreign Workers representative (Bangladeshi and Indonesian)</p> <p>Two of the representative has been interviewed, Bangladeshi and Indonesian workers. The Bangladeshi representative has been 10 years working in FGV Mengkarak 2 and feel satisfied with the FGV Management. The company had paid them according to the procedure, PPE has been provided by the management including decent housing facilities (1 house with 2 bedroom). The representative from Indonesian has been 6 years working in the company and very grateful to have full cooperation from the manager of estate including all staff and executive. He has a role as 'Imam' for the surau and given a light work in the estate. Another interview had been made with one Indonesian workers that 11 years working in the estate. He is from Lombok, Indonesia and become the gardener at the hostel. Based on the interview, the workers feel satisfied and thankful to the management that treat them well in the estate.</p>	The company will continue to keep a good relation between the workers and all internal stakeholders.
There was no feed-back received from NGO and External Stakeholders	No issues raised

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>Company Name Management Representative</p>  <p><u>NORAZAM ABDUL HAMEED</u> Monday, 27 November 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Monday, 27 November 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Malaysian CropLife & Public Health Association (MCPA)	-	marie@mcpa.org.my	Questionnaire	25 October 2017		√
2	Women's Aid Organisation - Pertubuhan Pertolongan Wanita	-	womensaidorg@gmail.com	Questionnaire	25 October 2017		√
3	BCSDM - Business Council for Sustainable Development in Malaysia	-	communications@bcsrcmalaysia.org	Questionnaire	25 October 2017		√
4	Environmental Protection Society Malaysia (EPSM)	-	epsm@epsm.org.my	Questionnaire	25 October 2017		√
5	Amnesty International Malaysia	-	aimalaysia@aimalaysia.org	Questionnaire	25 October 2017		√
6	Wild Asia Sdn Bhd	-	info@wildasia.org	Questionnaire	25 October 2017		√
7	Gender Committee	-	-	Interview	1 November 2017	√	
8	SNZ Enterprise	-	-	Interview	1 November 2017	√	
9	Auxillary Police	-	-	Interview	1 November 2017	√	
10	Kilang Sawit Kemasul workers: - 3 local workers at loading ramp station - 1 local workers at Pressing station - 1 local workers at Boiler station - 3 fire fighting team at workshop - 1 welders at workshop - 1 ETP operator - 1 WTP operator	-	-	Interview	31 October 2017	√	
11	Mengkarak 01 Estate workers - 3 Indonesian, 1 Bangladeshi, 1 Indian at spraying activity - 1 mandore, 5 Indonesian at harvesting activity.	-	-	Interview	1 November 2017	√	
12	Mengkarak 02 Estate workers: - 1 mandore, 1 Bangladeshi, 3 Indian at Manuring activity 1 mandore, 3 Bangladeshi at Harvesting activity	-	-	Interview	2 November 2017	√	

Appendix 2. Assessment Program

DATE		30 October – 3 November 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Isnin/Monday, 30 October 2017			
09.55 – 13.00 13.00 - 15.00	09.55 – 13.00 13.00 - 15.00	JAKARTA → KUALA LUMPUR (GA 820) KUALA LUMPUR → KEMASUL	<ul style="list-style-type: none"> • TNB/APP • ALL TEAM
Selasa/ Tuesday, 31 October 2017			
08.00 - 08.30	08.00 - 08.30	Opening Meeting → KEMASUL Mill (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives, Transparency and Confidentiality Clarification and Audit Agenda Explanation)	<ul style="list-style-type: none"> • ALL TEAM
08.30 - 12.30	08.30 - 12.30	Document Audit and Field visit to KEMASUL PALM OIL MILL <ul style="list-style-type: none"> • Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Despatch CPO) • Occupational Health & Safety Aspect (Processing Activity, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Fighting Simulation, Effluent Treatment Plant & Land Application/Water Discharge) • Stakeholders Consultation with Worker's Union, Gender Committee, Local Contractor, All Local Communities. 	<ul style="list-style-type: none"> • APP • MAS/TNB • EHS
12.30 – 13.30	12.30 – 13.30	BREAK	<ul style="list-style-type: none"> • ALL TEAM
13.30 – 17.00	13.30 – 17.00	Document Review → KILANG SAWIT KEMASUL <ul style="list-style-type: none"> • Document Verification & Completion of Check List in Mill 	<ul style="list-style-type: none"> • ALL TEAM
Rabu/Wednesday, 1 November 2017			
08.00 - 13.00	08.00 - 13.00	Document Audit and Field Visit to FGVP Mengkarak 01 <ul style="list-style-type: none"> • Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Peat Area (Water management, etc); Environmental, Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare. • Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave), Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Landfill) • Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Fighting) 	<ul style="list-style-type: none"> • TNB/APP • TNB/APP • EHS/MAS

DATE		30 October – 3 November 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
13.00 – 14.00	13.00 – 14.00	BREAK	
14.00 – 17.00	14.00 – 17.00	Document Review → FGVP Mengkarak 01 • Document Verification & Completion of Check List in Mill	• ALL TEAM
Khamis / Thursday, 2 November 2017			
08.00 - 13.00	08.00 - 13.00	Document Audit and Field Visit to FGVP Mengkarak 02 • Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Peat Area (Water management, etc); Environmental, Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare. • Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave), Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Landfill) • Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Fighting)	• TNB/APP • TNB/APP • EHS/MAS
13.00 – 14.00	13.00 – 14.00	BREAK	• ALL TEAM
14.00 – 17.00	14.00 – 17.00	Document Review → FGVP Mengkarak 02 • Document Verification & Completion of Check List in Mill	• ALL TEAM
Jumaat/Friday, 3 November 2017			
08.30 - 10.30 11.00 – 14.00 19.00 -21.00	08.30 - 10.30 11.00 – 14.00 19.00 -21.00	CLOSING MEETING KILANG SAWIT KEMASUL → KUALA LUMPUR KUALA LUMPUR → JAKARTA (GA 817)	• ALL TEAM • ALL TEAM • TNB/APP