

Malaysian Sustainable Palm Oil Certification
MSPO – PART 3 (GENERAL PRINCIPAL FOR OIL PALM PLANTATIONS AND ORGANISED SMALLHOLDERS)

Stage-1 Stage-2 Surveillance Re-Certification

Plantation Management/Owner : FELDA LAND DEVELOPMENT AUTHORITY (FELDA)

Plantation Name : FELDA Gugusan Serting Hilir (Zone 2)

Location : 72120, BANDAR SERI JEMPOL, NEGERI SEMBILAN

Certificate Code : **MUTU-MSPO/xxx**

Date of certificate issue : **Date Month Year**

Date of expiry of certificate : **Date Month Year**

Assessment	Assessment Date	Mutuagung Lestari Malaysia Auditor	Review by	Approve by
Main/ST-2	11 th - 13 th November 2017	Mohd Hairimi (Lead Auditor), Yap Chin Hung, Mohd Amarullah, Steve Mualim		

Assessment	Approved by MUTUAGUNG LESTARI MALAYSIA SDN BHD on:
Main/ST-2	Date month year



MUTUAGUNG LESTARI MALAYSIA SDN BHD

MSPO ASSESSMENT REPORT – PART 3

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FIGURE

MSPO PART 3 Report (1.0)

Prepared by Mutuagung Lestari for FELDA Gugusan Seriting Hilir (Zone 2)

Figure 1. Location Map of FELDA Gugusan Serting Hilir (Zone 2)



Source from Google

Figure 2. Operational Map of FELDA Gugusan Serting Hilir (Zone 2) - FELDA Serting Hilir 01

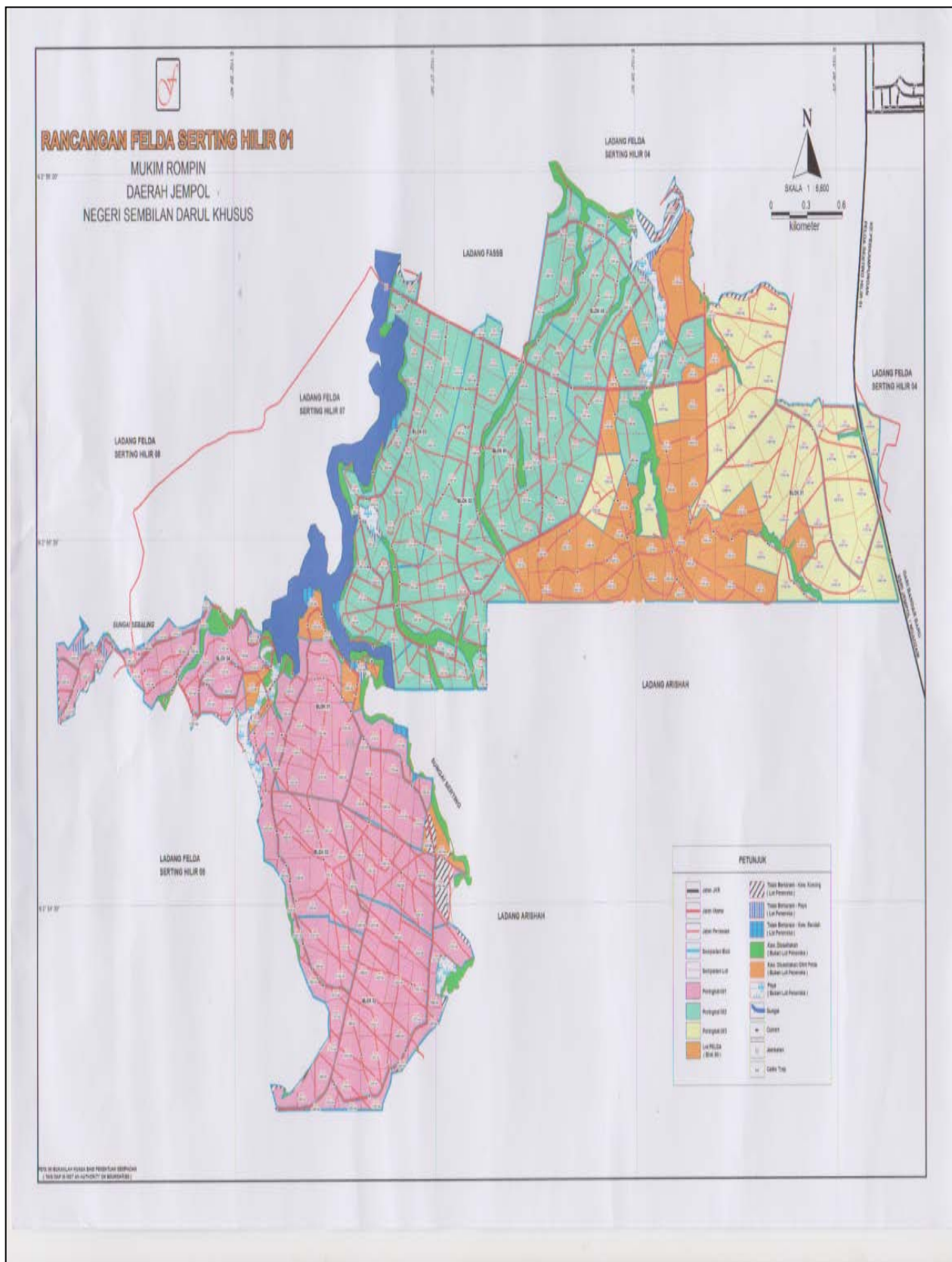


Figure 3. Operational Map of FELDA Gugusan Serting Hilir (Zone 2) - FELDA Serting Hilir 02/03

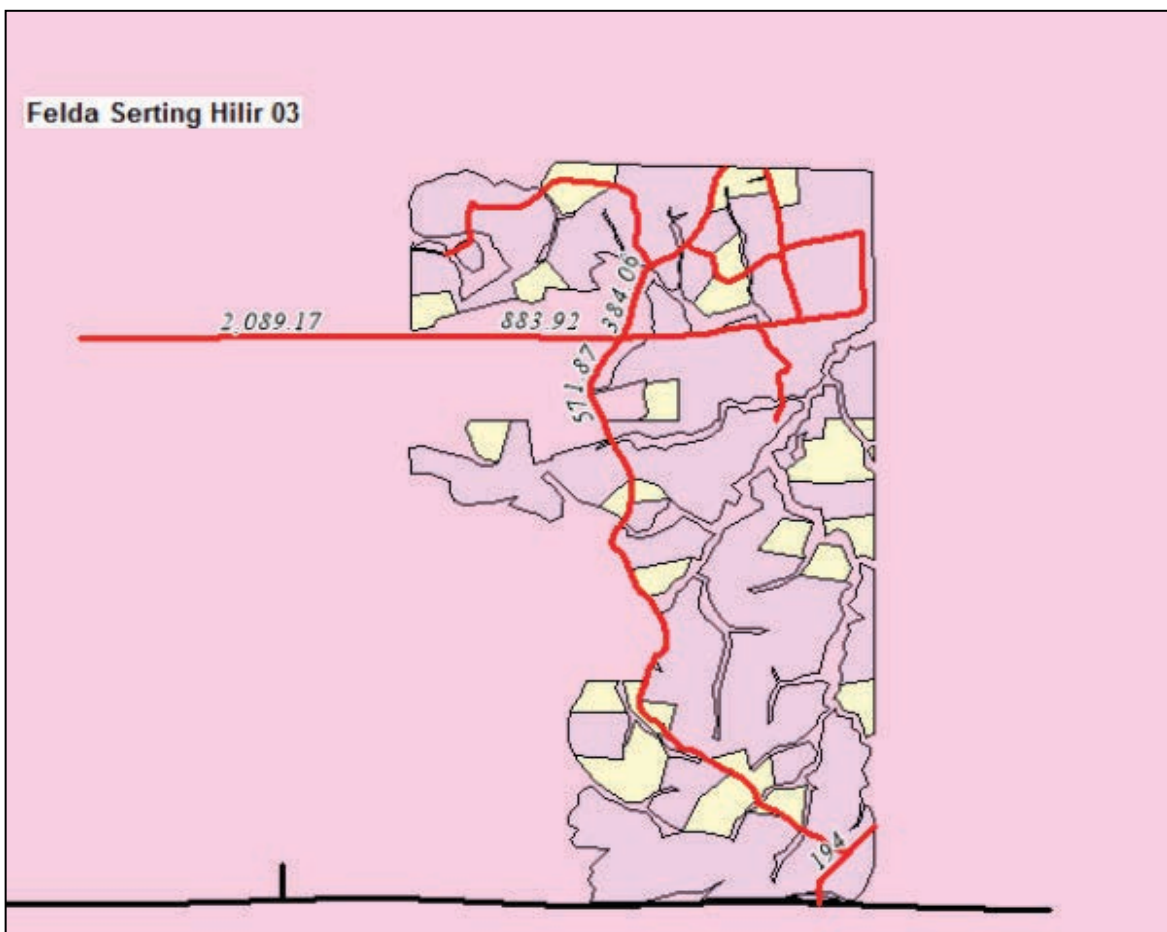
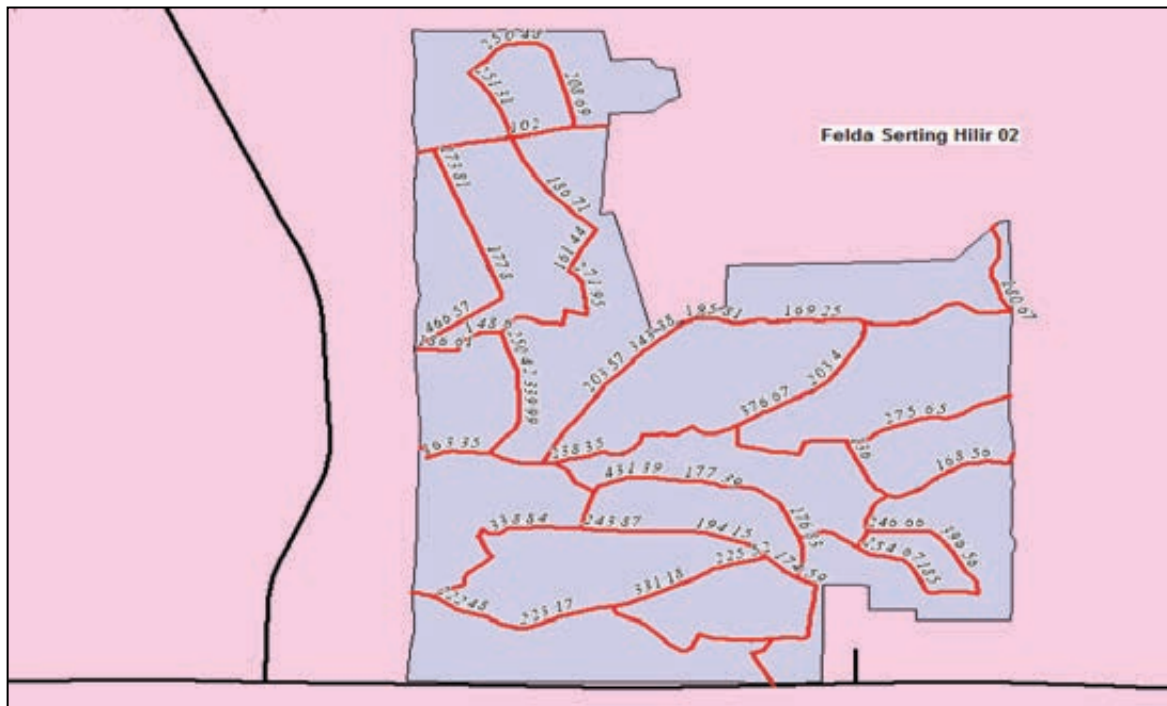
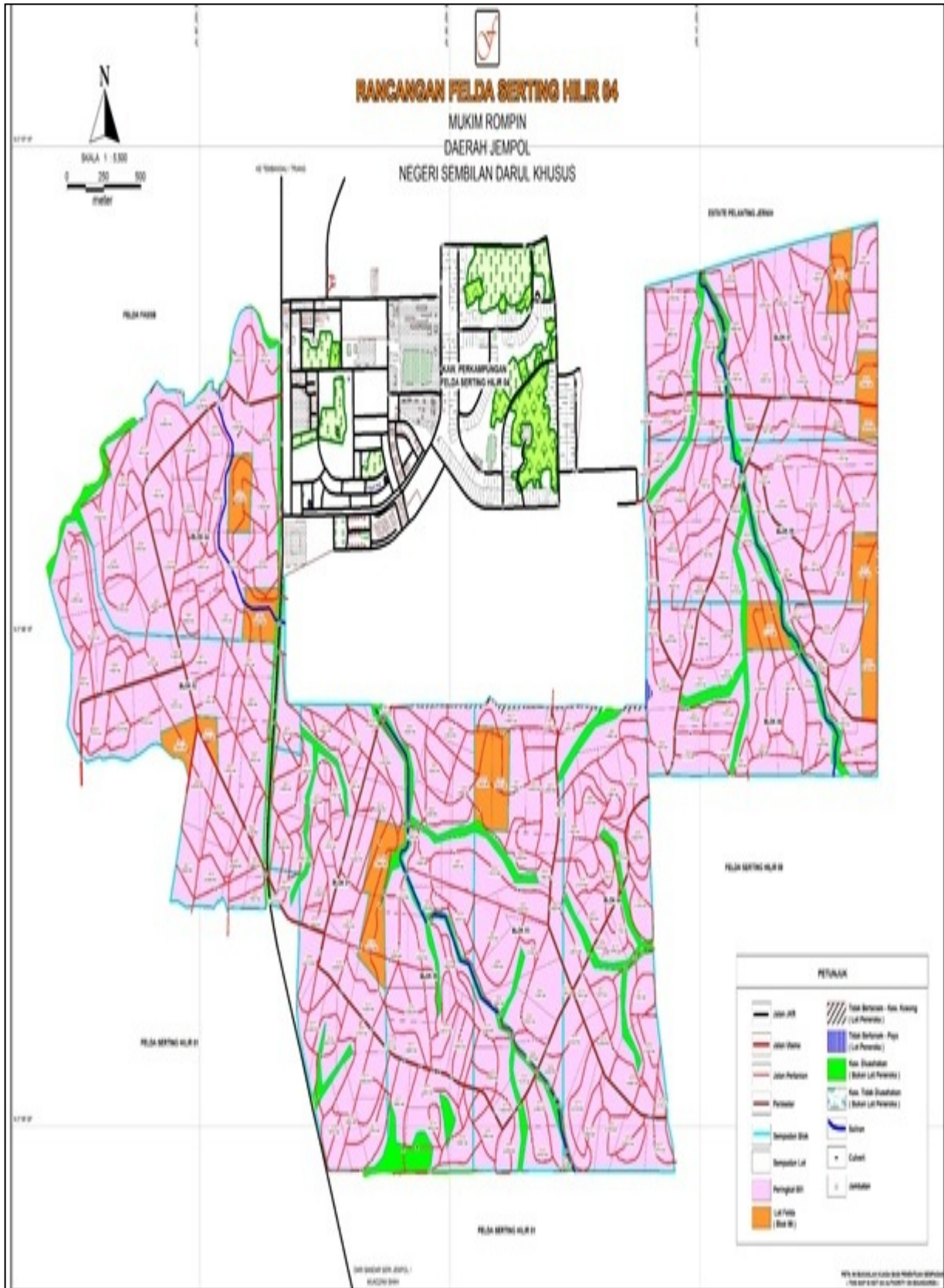


Figure 4. Operational Map of FELDA Gugusan Serting Hilir (Zone 2) - FELDA Serting Hilir 04



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Figure 5. Operational Map of FELDA Gugusan Serting Hilir (Zone 2) - FELDA Serting Hilir 05

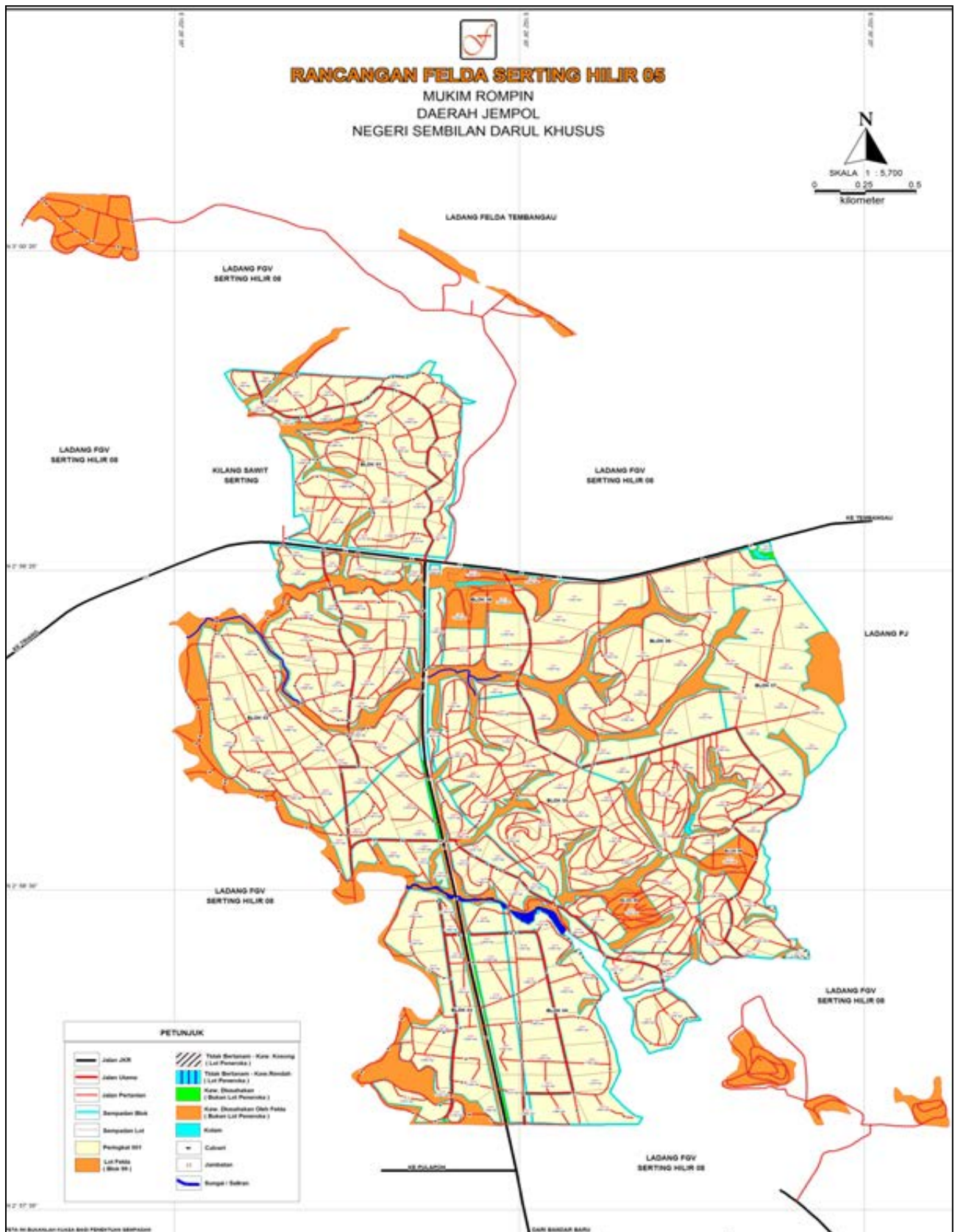
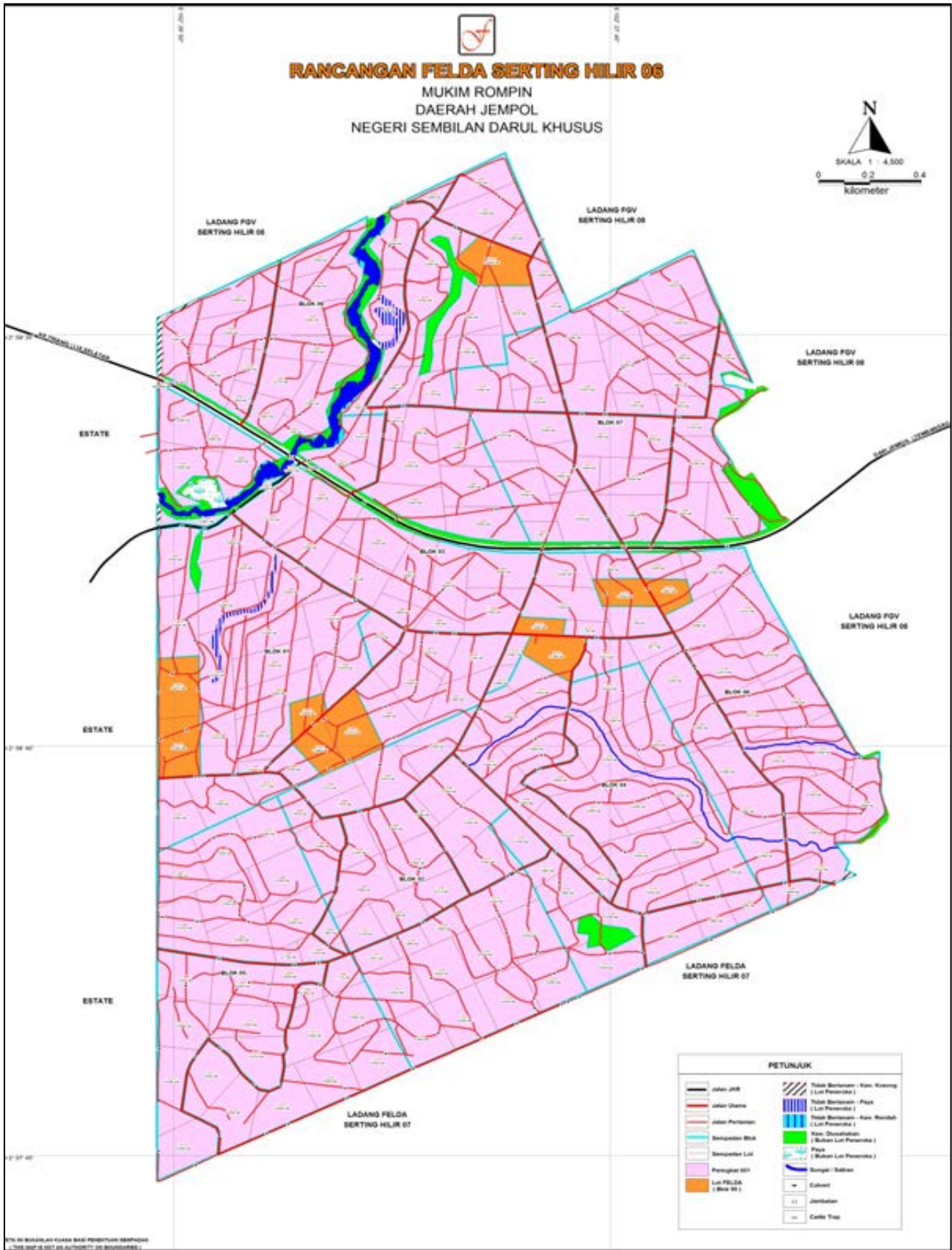


Figure 6. Operational Map of FELDA Gugusan Serting Hilir (Zone 2) - FELDA Serting Hilir 06



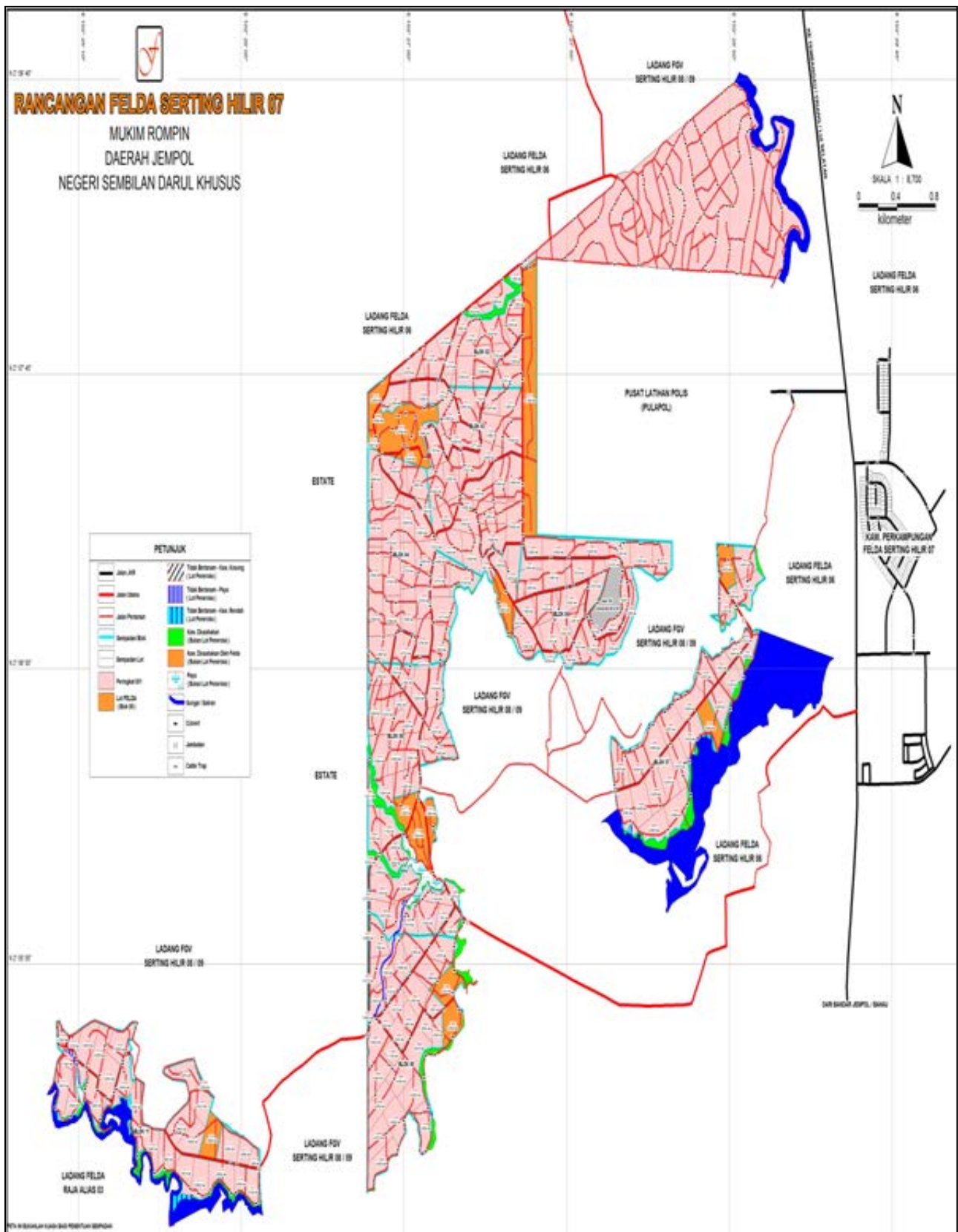
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MSPO PART 3 Report (1.0)
 Prepared by Mutuagung Lestari for FELDA Gugusan Serting Hilir (Zone 2)

Figure 7. Operational Map of FELDA Gugusan Seriting Hilir (Zone 2) - FELDA Seriting Hilir 07



1.0 SCOPE OF THE CERTIFICATION ASSESSMENT

MSPO PART 3 Report (1.0)

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1.1	Assessment Standard Used		Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders)	
1.2	Organization Information			
1.2.1	Company name		FELDA Land Development Authority (FELDA)	
1.2.2	Contact person		Ahmad Shahrir Bin Ismail (FELDA Sustainability Officer)	
1.2.3	Company address and site address		36th Floor, Jabatan Perladangan FELDA, Menara FELDA	
1.2.4	Telephone		03-2191 2129	
1.2.5	Fax		03-2191 2588	
1.2.6	E-mail		shahrir.i@feldaglobal.com	
1.2.7	Web page address		www.felda.net.my	
1.3	Supply Base(s) Information			
1.3.1	Location of Plantation's or Organized Smallholders Estates			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	FELDA SERTING HILIR 01	72120, BANDAR SERI JEMPOL, NEGERI SEMBILAN	2° 56' 57"N	101° 29' 54.0" E
	FELDA SERTING HILIR 02/03		2° 53' 54"N	102° 24' 03" E
	FELDA SERTING HILIR 04		2° 48' 01"N	102° 22' 04" E
	FELDA SERTING HILIR 05		2° 48' 01"N	102° 22' 04" E
	FELDASERTING HILIR 06/07		2° 48' 01"N	102° 22' 04" E
1.3.2	Description of Supply Base(s) Forecasted FFB by Estate(s)			
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	
	FELDA SERTING HILIR 01	875.39	848.96	
	FELDA SERTING HILIR 02/03	1312.07	884.17	
	FELDA SERTING HILIR 04	843.41	801.56	
	FELDA SERTING HILIR 05	816.45	769.43	
	FELDA SERTING HILIR 06/07	1674.86	1594.16	
	TOTAL	5522.18	4898.28	
	Projected Volume for the past year Aug 2016 to Sept 2017	Actual volumes Aug 2016 to Sept 2017	Projected volume Oct 2017 to Sept 2018	
	FFB	FFB	FFB	
	37,852	20,816.43	52,934	
	*Source 12 month Forecasted CPO/PK Production Data by the Company. Use either 12 months forecast from audit or company's next year's forecast.			

1.4	Other Certifications	
	ISO 9001:2008	-
	ISO 14001: 2004	-
	OHSAS 18001:2007	-
	ISCC	-
	Others	-

2.0 ASSESSMENT PROCESS

2.1	Certification Body
	<p>Mutuagung Lestari Malaysia Sdn Bhd. B-0926 Empire Soho, Empire Shopping Gallery, Jalan SS 16/1 Subang Jaya, 47500 Petaling Jaya, Selangor, Malaysia Website: www.mutucertification.com Email: hari@mutucertification.com</p>
2.2	Assessment Team
Main / ST-2	<p>Mohd Hairimi Mohd Ali (Lead Auditor) Malaysian citizen (Fluent in Local Language) Graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honors (Geography). Has Attended several training such as Lead Auditor MSPO on December 2018, ISO 14001:2004 Lead Assessor Training. Has conducted RSPO audit since 2014. Registered as assistant consultant on Social Impact Assessment with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 7 years in environment auditing and in Social and Environmental Impact Assessment Report (EIA and SIA). During this audit he has been assigned to verify the Social aspect & Worker Welfare.</p> <p>Mohamad Amarullah (Auditor) Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Have experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has conducted several ISPO and RSPO audit scheme as an Auditor since 2014 in Legal, BMP, environment, conservation and OHS aspect. Fluent in Bahasa, Malay and English. At the time of audit, has appointed to verify OSH, training, management plan and open burning.</p> <p>Steve Muallim (Auditor) Steve Muallim. Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in bahasa and chinese mandarin. At this time of audit, verified aspects of environmental management.</p> <p>Yap Ching Hung (Auditor). Graduated from University of Malaya with a Bachelor of Engineering (Honours) Degree in Manufacturing Engineering. He is a member of the Institute of Engineers, Malaysia. He had consulted and trained clients from various industries such as chemical, metal fabrication, engineering, electronics, manufacturing, fabrications, plastics, construction and trading in setting up and implementing the Management Systems based on ISO 9001, ISO 14001, ISO 13485, ISO 2200, HACCP, GMP, FSC and OHSAS 18001. Along his service as ISO consultant, he has assist more than 100 companies to obtain the ISO certification from various Certification Body. Yap is also the associate auditor for QE Certification, UK helping in carrying out 3rd party certification audit for ISO 9001, ISO 14001, and ISO 22000 & OHSAS 18001. At the time of audit, has appointed to verify Legality, social aspect, and land dispute.</p>
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
Main/ST-2	<p>Number of auditors: 4 auditor Number of days for Main/Stage-2 at site: 1 day Number of working days for Main/Stage-2 at site: 3 Working days</p>

2.3.2	Detail process of assessment
Main / ST-2	<p>Mutuagung Lestari Malaysia Sdn. Bhd. [thereafter known as MUTU] has conducted on-site Certification Assessment for Felda Gugusan Seriting Hilir (Zone 2) from 11th - 13th November 2017 by 4 auditors as to assess the compliance of the certification unit against the Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders). Stage 1 audit has been conducted on 20th – 21st Nov 2017.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase. All information obtained was recorded in Check List of MUTU. It was witnessed, the estate was having full operation during the scheduled time of visit. This allows the audit team start from the planning and then walk through the field operation process which eliminates the risk of missing certain key aspects.</p>

DATE		11 th to 13 th December 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Ahad / Sunday, 10th December 2017			
0800 - 1200		Auditor travelling from Kuala Lumpur → Bahau	All auditors
Isnin / Monday, 11th December 2017			
08.30 - 09.30		Opening Meeting → Serting Hilir 01 Estate Office (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives, Transparency and Confidentiality Clarification and Audit Agenda Explanation)	All management Serting Hilir Complex All auditors
09.30 - 13.00		Document Verification and Field Visit → Serting Hilir 01 Estate <ul style="list-style-type: none"> External Stakeholder Consultation – client to advise location Collect Basic Information Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management OSH document verification and implementation, License and Legal POME Pond and Land Application, Schedule waste store Worker's Facilities Aspect (Housing, Day-care, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) Interview with Worker's Union, Gender Committee, Local Contractor, sample Local Communities 	HAI YCH AMR STM
13.00 – 14.00		Break	
14.00 – 17.00		Continue of Document Review → Serting Hilir 01 Estate <ul style="list-style-type: none"> Document Verification & Completion of Check List 	All auditors
Selasa /Tuesday, 12th December 2017			
08.30 - 13.00		Document Review and Field Visit → Serting Hilir 02/03 Estate <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 Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area); Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave) Worker's Facilities Aspect (Housing, Day-care, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) 	AMR YCH STM HAI
13.00 – 14.00		Break	
14.00 – 17.00		Continue of Document Review → Serting Hilir 02/03 Estate <ul style="list-style-type: none"> Document Verification & Completion of Check List 	All Auditors
Rabu /Wednesday, 13th December 2017			
08.30 - 13.00		Document Review and Field Visit → Serting Hilir 04 Estate <ul style="list-style-type: none"> Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Peat Area (Water management, etc); 	AMR YCH

2.3.3	Locations of Assessment
MAIN / ST-2	FELDA Gugusan Serting Hilir (Zone 2) (Serting Hilir 01, Serting Hilir 02 & 03, Serting Hilir 04, Serting Hilir 05, Serting Hilir 06 & 07) Audit Sample: Serting Hilir 01, Serting Hilir 04, Serting Hilir 05
2.4	Stakeholder Consultation
2.4.1	
MAIN / ST-2	Consultation of stakeholders for Federal Land Development Authority [Felda], Serting Hilir Complex held by: <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 10th November 2017. 2. Consultation meeting and interview with locals of the nearby village, FFB supplier and contractor on 12/12/2017. 3. Consultation meeting and interview with union and gender committee on 12/12/2017. <p>Numbers of input from stakeholders were clarified by Serting Hilir Complex.</p>
2.5	Determining Next Assessment
	The next visit of ASA 1 will be determined one year after this Main / ST-2.

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the MSPO Certification

MUTU has conducted the main / ST-2 assessment of FELDA Gugusan Serting Hilir (Zone 2) - Federal Land Development Authority [Felda], operation consisting of three (3) estates. During this assessment, one (1) Minor Nonconformity and four (4) opportunities for improvement were identified against MS 2530-3:2013. Further explanations of the non-conformities raised are provided in section 3.5. MUTU found that FELDA Gugusan Serting Hilir (Zone 2) - Federal Land Development Authority [Felda], complied with the requirements of Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders. Since the audit objectives as mentioned in the audit plan have been achieved and assessment that was resulted with no major non-conformity, therefore the lead auditor recommends FELDA Gugusan Serting Hilir (Zone 2) for compliance with the Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
4.1 PRINCIPLE 1 MANAGEMENT COMMITMENT AND RESPONSIBILITY		
4.1.1 Malaysian sustainable palm oil (MSPO) policy		
4.1.1.1		
Indicator 1: A policy for the implementation of MSPO shall be established.		
<p>Polisi Pengeluaran Minyak Sawit Lestari Dalam Kumpulan FELDA dated 1/11/2017 are observed. This policy signed by Pengarah Besar Felda, Dato' Ab Ghani Mohd Ali.</p> <p>Sufficient information and commitment observed in total 16 policies that applicable to relevant area. All relevant MSPO policies have been distributed to all employees performed thru memo dated 28/11/2017 observed.</p> <p>List of policy observed :</p> <ul style="list-style-type: none"> a) Polisi Pengeluaran Minyak Sawit Lestari Dalam Kumpulan Felda b) Polisi Kesetaraan Peluang c) Polisi Communication d) Polisi Perlindungan Tanah Curam and Rezab Sungai e) Polisi Larangan Buruh Kanak-Kanak f) Polisi Tanam Semula g) Polisi Penggunaan Racun Paraquat h) Polisi Pengurusan pekerja asing i) Polisi protection and maintenance of environmental <p><u>Serting Hilir 01,04 & 05 Estates</u> JKRR Meeting dated 27/11/2017 observed with communication of new policies observed. Interviewed Mr Sham and found he is well informed with the new policies. Time bound plan for MSPO certification observed for year 2017, 2018 & 2019.</p>		
	Status:	Comply
4.1.1.2		
Indicator 2: The policy shall also emphasize commitment to continual improvement.		
Yes, the policy emphasize on continual improvement and palm oil sustainability.		
	Status:	Comply
4.1.2 Criterion 2: Internal audit:		
4.1.2.1		
Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.		
<p>Manual Kelestarian, Effective date on January 2017 Paragraph 3 Internal audit stated annual internal audit planned and audit shall be performed using standard checklist.</p> <p><u>Serting Hilir 01 Estate</u> Last internal audit performed on 13/11/2017 by Mr Muhammad Zamree and Mr Fahmi using checklist Internal Audit (Sustainability Felda). Competency of internal auditor review with audit notes. Found competence and well verse with MSPO.</p> <p><u>Serting Hilir 04 Estate</u> Last internal audit performed on 28/11/2017 by Mr Muhammad Zamree using checklist Internal Audit (Sustainability Felda). Competency of internal auditor review with audit notes. Found competence and well verse with MSPO.</p> <p><u>Serting Hilir 05 Estate</u> Last internal audit performed on 7/12/2017 by Mr Fahmi using checklist Internal Audit (Sustainability Felda). Competency of internal auditor review with audit notes. Found competence and well verse with MSPO. Relevant evidence recorded into internal audit checklist.</p>		
	Status:	Comply

4.1.2.2		
Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.		
Internal audit procedure, ML-1A/L1 ,Eff date Sept 2014 observed with relevant processes defined and documented.		
<u>Serting Hilir 01 Estate</u> Internal audit report dated 13/11/2017 observed and found relevant NCR raised. Summary of NCR observed with action plan available.		
<u>Serting Hilir 4 Estate</u> Internal audit report dated 28/11/2017 observed with relevant NCR identified. Follow up on closure of NCR observed.		
<u>Serting Hilir 5 Estate</u> Internal audit report dated 7/12/2017 observed with relevant NCR identified. Follow up on closure of NCR observed.		
Special meeting held for NCR closing discussion cover whole complex. NCR summary report observed with sufficient root cause and corrective action plan. Relevant completion time frame assigned. There is an evidence of meeting minutes dated 4/12/2017 observed.		
	Status:	Comply
4.1.2.3		
Indicator 3: Report shall be made available to the management for their review.		
<u>Serting Hilir 01, 04 & 05 Estates</u> Internal audit report including closure of NCR was presented during management review meeting dated 28/11/2017. NCR summary presented and corrective action plan also presented.		
	Status:	Comply
4.1.3 Criterion 3: Management review		
4.1.3.1		
Indicator 1: The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.		
<u>Serting Hilir 01, 04 & 05 Estates</u> Management review meeting conducted together with Jawatankuasa Pemuafakatan, Productiviti and Kualiti (JPPK). Internal audit report and findings presented and some MSPO issue discussed during the meeting. Consideration to set the specific duration for management review meeting and improve the coverage of discussion for the review of continuous suitability, adequacy and effectiveness implementation of MSPO (Observation).		
	Status:	#OFI 4.1.3.1
4.1.4 Criterion 4: Continual improvement		
4.1.4.1		
Indicator 1: The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.		
<u>Serting Hilir 01, 04 & 05 Estates</u> Action plan for social and environmental aspect and impact observed: a) Reduction on use of pesticide b) Recycle program and waste reduction program c) GHG reduction program d) Social improvement program e) Pollution decreasing program Relevant programs planned for year 2017 & 2018.		
	Status:	Comply
4.1.4.2		
Indicator 2: The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.		
<u>Serting Hilir 01, 04 & 05 Estates</u>		

Innovative & Creative Team event organized on yearly basis for technology improvement. Innovative and Creative Team report for year 2016 observed. Study on reduction of rat attack observed.		
Status:		Comply
4.1.4.3		
Indicator 3: An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.		
<u>Serting Hilir 01, 04 & 05 Estates</u> Action plan for social and environmental aspect and impact observed: a) Reduction on use of pesticide b) Recycle program and waste reduction program c) GHG reduction program d) Social improvement program Relevant programs planned for year 2017 & 2018. Relevant requirements such as training, new technology improvement, etc observed.		
Status:		Comply
4.2 PRINCIPAL 2: TRANSPARENCY		
4.2.1 Criterion 1: Transparency of information and documents relevant to MSPO requirements:		
4.2.1.1		
Indicator 1: The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.		
<u>Serting Hilir 01 Estate</u> Application and feedback record used to capture requirement and communication from interested parties. 26 communication from interested parties observed from receiving until feedback to relevant parties. All request and communication observed with status of follow up and found all responded.		
<u>Serting Hilir 04 Estate</u> Record incoming correspondence, outgoing correspondence, and record of communication to headquarter observed and status defined.		
<u>Serting Hilir 05 Estate</u> Record complaint and feedback observed for year 2016 & 2017. 2 feed back is recorded for year 2017. Relevant actions with status of response recorded.		
Status:		Comply
4.2.1.2		
Indicator 2: Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
<u>Serting Hilir 01, 04 & 05 Estates</u> Communication Procedure, SOP/JPLDG/PK/1 observed and identify the methodology of communication including internal and external communication. Relevant documents that made available publicly identified: a) Memo b) Management review meeting minutes c) Complaint investigation report d) Pollution prevention plan e) HCV report f) OHS plan g) Land title h) Human right policy Stake holder meeting held and relevant information communicated observed during stake holder meeting. Relevant records observed during the audit: a) Land title ref no. 12534 (Serting Hilir 01), 12999 (Serting Hilir 05) b) Boundary stone monitoring record		

c) JCC meeting minutes		
	Status:	Comply
4.2.2 Criterion 2: Transparent method of communication and consultation		
4.2.2.1		
Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.		
Communication Procedure, SOP/JPLDG/PK/1 observed and identifies the methodology of communication including internal and external communication. Procedure established including internal and external stakeholders and including FPIC process. Details consultation and communication procedure observed with staff, management, employee representative, HQ, authority, etc.		
	Status:	Comply
4.2.2.2		
Indicator 2: A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.		
<u>Serting Hilir 01 Estate</u> Appointment letter for Mr Mohd Nazim Bin Zahid as communication and consultation official observed dated 1/11/2017.		
<u>Serting Hilir 04 Estate</u> Appointment letter for Mr Ahmad Rifaie Bin Naiman as communication and consultation official observed dated 2/10/2017.		
<u>Serting Hilir 05 Estate</u> Appointment letter to Mr Najib Bin Abdul Kadir as communication and consultation official observed dated 1/5/2017.		
	Status:	Comply
4.2.2.3		
Indicator 3: List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.		
<u>Serting Hilir 01, 04 & 05 Estates</u> List of stakeholders observed for internal, external and neighbor to estate dated 6/12/2017. Stakeholder consultation meeting held on 5/10/2017 at Dewan Palong, Stakeholder meeting minutes observed with relevant records available and stakeholder feedback recorded.		
	Status:	Comply
4.2.3 Criterion 3: Traceability		
4.2.3.1		
Indicator 1: The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).		
Sighted procedure "Manual Procedure Kerja dan Fail Meja" which consist of traceability of plantation activities and FFB transportation. This document also able to link with Manual Operasi Ladang Sawit Lestari – Bahagian 3, clause 4.0.		
	Status:	Comply
4.2.3.2		
Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.		
In procedure "Manual Procedure Kerja dan Fail Meja ", transportation of FFB stated in the SOPs. Daily inspection performed by Mandor before sent to factory. Site observation performed for Serting Hilir Blok 1 during loading and transportation process. Interviewed with Mandor, Mr Nasir Ali on the transportation process. Record book observed and kept by Mr Nasir Ali. Record observed from 5/12 to 13/12.		
	Status:	Comply
4.2.3.3		
Indicator 3: The management should identify and assign suitable employees to implement and maintain the traceability system.		
<u>Serting Hilir 01, 04 & 05 Estates</u> Appointment of supervisor observed on the "Manual Procedure Kerja Fail Meja". Responsibility and roles well defined.		

Status:	Comply
4.2.3.4	
Indicator 4: Records of sales, delivery or transportation of FFB shall be maintained.	
<p><u>Serting Hilir 01 Estate</u> Record of sales and delivery FFB to POM Serting for Nov 2017 observed. The traceability and identification is according to blok and peringkat.</p> <p><u>Serting Hilir 04 Estate</u> Daily transportation of FFB record to POM Serting dated 17/11/2017 observed for 74.94 tonne. Transportation recorded updated on daily basis.</p> <p><u>Serting Hilir 05 Estate</u> Daily transportation of FFB record to POM Serting dated 10/12/2017 observed for 1180 tandan.</p>	
Status:	Comply
4.3 PRINCIPLE 3: COMPLIANCE TO LEGAL REQUIREMENTS	
4.3.1 Criterion 1: Regulatory requirements	
4.3.1.1	
Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
<p><u>Serting Hilir 01, 04 & 05 Estates</u></p> <p>There is a matrix chart available to track the renewal of permits and licenses. Those involve on social aspect – Felda [MPOB License and payment deduction permit. As for FTP concern are renewal of passport, work permit, insurance, basic amenities.</p> <p>Relevant evidence observed for legal compliance:</p> <p>a) MPOB license ref no. 500928902000 for serting hilir 1 valid until 31/3/18.</p> <p>b) MPOB license ref no. 500931902000 for serting hilir 5 valid until 31/3/18.</p> <p>b) Permit for potongan gaji dated 9/10/2015 observed.</p>	
Status:	Comply
4.3.1.2	
Indicator 2: The management shall list all laws applicable to their operations in a legal requirements register.	
<p>Legal and other requirement register observed for relevant regulation:</p> <p>a) OSH (NADOPOD) Reg 2004</p> <p>b) Akti Bekalan Elektrik 1990</p> <p>c) FM (Notification, Competence and Inspection) 1970</p> <p>d) FM (Fencing and Machinery) 1970</p> <p>e) Akta Pengangkutan Jalan Raya 1987</p> <p>f) Federal Constitution</p> <p>g) Akta Perkhimatan BOMBA 1986</p> <p>h) Akta Tanah (Kawasan Penempatan Berkelompok) 1960</p> <p>i) Employment Act 1955</p> <p>j) Akta Kerja Kanak-kanak and Orang Muda</p> <p>k) Akta KWSP 1991</p> <p>l) Akta Pampasan Kerja 1952</p> <p>m) Akta Pengurusan Sisa Pepejal dan Pembersihan Awam 2007</p> <p>n) Akta Standard Minimum Perumahan nad Kemudahan Pekerja</p> <p>o) OHS (Safety & Health Committee) 1996</p> <p>p) Akta Kerajaan Tempatan 1976</p> <p>q) Akta Maklumat Pekerjaan 1953</p>	

r) OSH (CLASS) 2013 s) OSH (USECH) 2000 t) EQA 1974	Status:	Comply
4.3.1.3		
Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.		
Sistem semakan undang-undang establish for tracing new and updated regulations. The updating of regulations shall be initiated from HQ. At the moment, the identification of updated legal requirement is updated.		
	Status:	Comply
4.3.1.4		
Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.		
<u>Serting Hilir 01 Estate</u> Letter appointment to Mr Mohd Nazim Bin Zahid dated 2/10/2017 observed as legal compliance official.		
<u>Serting Hilir 04 Estate</u> Letter appointment to Mr Ahmad Rifaie Bin Naiman dated 2/10/2017 observed as legal compliance official.		
<u>Serting Hilir 05 Estate</u> Letter appointment to Mr Qamarul Hazimin Bin Othman dated 1/5/2017 observed as legal compliance official.		
	Status:	Comply
4.3.2 Criterion 2: Land use rights		
4.3.2.1		
Indicator 1: The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.		
<u>Serting Hilir 01 Estate</u> Land title ref no 12732 for Hamzah Bin Harun observed for Lot 7934. Individual land title distributed for specific smallholder. The land title stated that use for palm oil industry.		
<u>Serting Hilir 04 Estate</u> Register of Holdings for Serting Hilir 04 observed which cover all smallholders. Agreement between FelDA and smallholder observed. Land use for palm cultivation.		
<u>Serting Hilir 05 Estate</u> Land title ref no. 12999 for Khaidzir Bin Omar observed for lot 7970. The use of land is for cultivation of palm.		
	Status:	Comply
4.3.2.2		
Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.		
<u>Serting Hilir 01 Estate</u> Land title ref no 12732 for Hamzah Bin Harun observed for Lot 7934. Individual land title distributed for specific smallholder. The land title stated that use for palm oil industry.		
<u>Serting Hilir 04 Estate</u> Register of Holdings for Serting Hilir 4 observed which cover all smallholders. Agreement between FelDA and smallholder observed. Land use for palm cultivation.		
<u>Serting Hilir 05 Estate</u> Land title ref no. 12999 for Khaidzir Bin Omar observed for lot 7970. The use of land is for cultivation of palm		
	Status:	Comply

4.3.2.3		
Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.		
Serting Hilir 01, 02, 05 and 06 estates have been issued the land titles. That means, there is no legal land disputes and every lot has been surveyed and reinstalled with boundary stones prior to issuance of land title. The other schemes will be awarded the land title before Jan 2018.		
<u>Serting Hilir 01, 04 & 05 Estate</u>		
On site assessment performed for identification of legal boundary markers.		
Clear boundary maker observed and visibility enhanced by erecting pole nearby the legal boundary.		
Serting Hilir 01 > Blok 4		
Serting Hilir 04 > Blok 2		
Serting Hilir 05 > Blok 2		
	Status:	Comply
4.3.2.4		
Indicator 4: Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).		
<u>Serting Hilir 01, 04 & 05 Estate</u>		
No land dispute reported at the moment.		
	Status:	Comply
4.3.3 Criterion 3: Customary rights		
4.3.3.1		
Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.		
<u>Serting Hilir 01, 04 & 05 Estate</u>		
No land dispute reported at the moment.		
	Status:	Comply
4.3.3.2		
Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.		
<u>Serting Hilir 01, 04 & 05 Estate</u>		
No land dispute reported at the moment.		
	Status:	Comply
4.3.3.3		
Indicator 3: Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.		
<u>Serting Hilir 01, 04 & 05 Estate</u>		
No land dispute reported at the moment.		
	Status:	Comply
4.4 PRINCIPLE 4: SOCIAL RESPONSIBILITY, HEALTH, SAFETY AND EMPLOYMENT CONDITION		
4.4.1 Criterion 1: Social impact assessment (SIA)		
4.4.1.1		
Indicator 1: Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones..		
There is an evidence sighted document of Social Impact Assessment (SIA) report for Serting Hilir 01 Estate. Date of assessment on 28 August 2017 assessment by Certification & Due Diligence, Sustainability & Environment Department. SIA been reviewed in every year.		
SIA analysis has identified the significant relationship between management and internal / external stakeholders. List of issues raised by the stakeholder in all operating unit :-		

- i. Social background of employees
- ii. Background of Local Community
- iii. Education
- iv. Safety and Health
- v. Living Condition
- vi. Infrastructure and amenities

There is a management plan (Pelan Pengurusan bagi impak sosial di Serting Hilir 01, 04 and 05 Estates) Sighted the management plan for Social Impact Assessment that include :

- Impact and issues
- Action plan
- Responsible person
- Timetable and timeline

SIA for Serting Hilir 01 Estate on 28 August 2017, Serting Hilir 04 on 05 Estates September 2017, and Serting Hilir 05 Estate on 6 September 2017. Action taken is response from the recommendation of the assessment report & feedback from local community based on the latest stakeholder meeting.

Status:

Comply

4.4.2 Criterion 2: Complaints and grievances

4.4.2.1

Indicator 1: A system for dealing with complaints and grievances shall be established and documented.

There is a procedure for dealing with complaints and grievances made by the Felda Jabatatan Perladangan – Procedure Komunikasi No Document: SOP /JPLDG/PK/1 - No Pindaan 1, Date of Commenced 1st November 2017. Sighted the objective form the procedure of Felda That include scope of communication regarding complain, (communication). Responsibility of estate manager – response to the external stakeholder regarding aspect impact. Assess the suggestion that being received through the complaint box, suggestion box.

There is a specific complaint forms (Borang Aduan Pelanggan BAP), after receive the BAP form Regional General Manager (RGM) will assess the validity of the complaint and will be proceeding to the Complaint Management System (CMS) FELDA 1 Contact Centre (F1CC). Beside that complaint also can be made through webpage, phone call, letter/faxes and email, Electronic Media, 1 Malaysia Call Centre (1MOCC) and Complaint Biro (Biro Pengaduan Awam BPA). Internal and external communication sighted in the estate – Communication management to the staff and workers, contractors, head office, media communication, information to external stakeholders.

Status:

Comply

4.4.2.2 Indicator 2: The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.

The matter shall be brought forward to the respective top management; initial negotiation process shall be carried out. After 3 working days management will response to the complaint there is a flow chart (Carta Aliran Prosedur Pengendalian Aduan) to handling all the complaint and grievances.

Status:

Comply

4.4.2.3 Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.

There is an evidence of complaint book for internal stakeholder Serting Hilir 01 Estate (Buku Aduan Pekerja Ladang FTPSB Serting Hilir 01/02/03) and for external stakeholder (Aduan Peneroka dan Pelawat) Sighted the complaint book – format complain through book that being compile together. For Serting Hilir 04 estate, there is a daily visit to the settlers by (Social Development Officer SDA – Azizah bt Ibrahim). All issues and complaint will be recorded in the form (Lawatan Harian Kawasan Kampung). Serting Hilir 05 estate there is complaint book (Rekod Aduan Peneroka FELDA Serting Hilir 05) latest compliant on 20 March 2017.

The stakeholders will share their views, complain and grievance through the book and made into form : Borang Aduan Felda : Laporan Aduan diterima oleh Rancangan (peneroka) divided into subsection :

- Maklumat pengadu
- Kategori Aduan
- Keterangan Aduan
- Wilayah Rancangan
- Status Aduan

And also there is a stakeholder meeting held in every year to gather an information and complaint from the external stakeholder. An evidence of Stakeholder Meeting for Palong Timur Complex, Moakil Complex, and Raja Alias and Seriting Hilir Complex on 5 October 2017 at Felda Palong 01 Community Hall. 3 workers (Seriting Hilir 01 estate) (Indonesian) were interview during the audit, 5 workers (2 Indonesian 2 Bangladesh 1 Local) for Seriting Hilir 04 Estate. 3 workers (Seriting Hilir 05 estate) 1 Local and 2 Indonesian.

Status:

Comply

4.4.2.4 Indicator 4: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

The appointed person in charge to handle the social issues is Mr Ashraf bin Mohd Nor (Seriting Hilir 01 Estate), appointed date on 1 November 2017 for FTPSB Seriting Hilir 01, 02, 03. For Seriting Hilir 04 Estate is Azizah bt Ibrahim appointed date on 19 September 2011. And for Seriting Hilir 05 Estate is Mohd Najib bin Abdul Kadir appointed date on 1 May 2017. There is a specific complaint form (Borang Aduan Pelanggan BAP), after receive the BAP form Regional General Manager (RGM) will assess the validity of the complaint and will be proceed to the Complaint Management System (CMS) FELDA 1 Contact Centre (F1CC). Beside that complaint also can be made through webpage, phone call, letter/faxes and email, Electronic Media, 1 Malaysia Call Centre (1MOCC) and Complaint Biro (Biro Pengaduan Awam BPA).

Status:

Comply

4.4.2.5 Indicator 5: Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.

An evidence of Stakeholder Complaint Book for external and Buku Aduan Kerosakan for internal stakeholder. Latest complaint have been resolved and documented. External complaint arise during the Stakeholder Meeting has been documented and action has been taken by the management. Beside that there is complaint boxes in front of estate main office open to all workers to write a complaint.

Latest complaint for Internal Stakeholder (Buku Aduan Pekerja Ladang FTPSB Seriting Hilir 01/02/03) on 10 November 2017 and for External Stakeholder (Aduan Peneroka & Pelawat) on 16 November 2017. For Seriting Hilir 04 Estate latest on September 2017. Seriting Hilir 05 Estate there is complaint book (Rekod Aduan Peneroka FELDA Seriting Hilir 05) latest compliant on 20 March 2017.

Status:

Comply

4.4.3 Criterion 3: Commitment to contribute to local sustainable development

4.4.3.1 Indicator 1: Growers should contribute to local development in consultation with the local communities.

For Seriting Hilir 01, 04, & 05 Estates Sighted the contribution the Settlers (Skim insentif Anak Peneroka SIAP), (Bantuan Pendidikan Tinggi Anak-Anak Peneroka) for education, Special Incentive RM 5000. Tabung Pembesaran Rumah Peneroka dated 15th September 2017 – approval 18 Permohonan Sighted the request from Guru Penolong Kanan Pendidikan Khas SK. Seriting Hilir Kompleks- memohon sumbangan sempena majlis jamuan akhir tahun murid pendidikan khas.

For Seriting Hilir 01, 04 and 05 Estates, contribution for Hari Raya Festival RM 500 for each settlers. Also sighted special incentive RM 5000 to all settlers (Bantuan Khas Peneroka Fasa 3)

Status:

Comply

4.4.4 Criterion 4: Employees safety and health

4.4.4.1 Indicator 1: An occupational safety and health policy and plan shall be documented, effectively communicated, and implemented.

An occupational safety and health (OSH) policy for Felda Gugusan Seriting Hilir (Zone 2) has issued by "Ketua Pegawai Eksekutif" Felda Technoplant Sdn. Bhd. (FTSB) on January 4th 2016 (Revision 5). The policy declared seven points which mentioned that the Felda has committed to comply with all relevant safety, health and environment laws and regulations (OSHA Act 1994). In order to achieve safe working environment, estate management has providing training and socialization which aims to maintain good competency. This policy is available in Bahasa Melayu.

OSH management plan is presented in document "Program Kesehatan dan Keselamatan" dan "Program Latihan tahun 2017". The program has consist of 19 main program, for example medical surveillance, safe working practices training and uses of personal protective equipment (PPE), socialization on sustainability policy, fire fighting training, etc. Those program has delivered to smallholders, contractors and workers. To verify OSH implementation on the field, estate management has conducting daily inspection and safety briefing during muster call which conducted by Assistant. Furthermore, monthly inspection has also conducted by Seriting Hilir Complex Region Officer to the field. Report of visit was presented in document "Pemeriksaan Keselamatan dan Kesihatan Pekerjaan", prepared by Jabatan Keselamatan dan Kesihatan Pekerjaan (DOSH).

During field observation dated December 12th 2017, estate management informed that there was no pesticide and pesticide application. However, based on observation to PPE store located in Seriting Hilir 02/03 Office, it was found that PPE for pesticide and fertilizer applicator team such as used google, apron, rubber gloves and respirator were not placed properly, but on PPE Store in Seriting Hilir 04/05, it seems stored properly (apron hanger, locker, etc.). Management unit has an opportunity to standardize facility of PPE storage. **Observation.**

Status: Comply

OFI 4.4.4.1

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

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

OSH policy and implementation were communicated to the employees through socialization which conducted on several events, such as: morning (roll) call to workers (held on October 21st 2017), socialization to staff and workers (held on October 26th 2017), socialization to smallholders (held on October 26th 2017), socialization to stakeholder and contractors (held on August 24th 2017) and socialization of MSPO form MPOB (held on July 18th 2017). Socialization of OSH was confirmed during observation and interview with Harvesters in Peringkat 2 Block 1 Seriting Hilir 01 Estate.

Estate management has Hazard Identification, Risk Assessment and Risk Control (HIRARC) or "Pengenalpastian Hazad, Penilaian Risiko dan Penentuan Kawalan" document which presented in Form No. 4.7.1 Ladang Felda. The document has describes and explains type of activity, step of activity, hazard analysis, risk control, risk assessment (frequency, severity and scoring), risk level. Furthermore, description of PPE types and specs were refers to PPE Matrix 2015 Revision 1. Socialization of HIRARC has given through training. For example, training of PPE for agrochemical applicators in Seriting

Hilir 01/02/03 Estates had delivered in February 23rd 2017 and May 17th 2017 in Meeting Room of Felde Techno Plant (FTP) Ladang Seriting Hilir, while in Seriting Hilir 04/05 had delivered in November 30th 2017. Furthermore, socialization has also delivered to employee's representative during OSH quarter meeting, which already conducted on April 21st, July 28th and October 20th 2017, respectively. Based on document review, it could be concluded that all estate working activities had covered on the HIRARC. Based on observation to chemical warehouse worker in Seriting Hilir 02/03 Estates Office and in Seriting Hilir 04 Estate office, it could be concluded that precautions method for potential accident on chemicals application has refers to Chemical Health Risk Assessment (CHRA) and Safety Data Sheet (SDS) of products. Both documents were available onsite. The worker has also able to explain and demonstrate steps of precaution on incidence. Furthermore, based on observation and interview with pesticide Applicators in Peringkat 4 Block 2 Seriting Hilir 04 Estate, it could be concluded that the worker was able to explain and demonstrate a safe working practices such as use PPE during application, considering wind direction during spraying, pesticide mixing and storage, etc.

Based on observation to Pesticide Application activity in Peringkat 4 Block 2 Seriting Hilir 04 Estate and Peringkat 1A Block 1 Seriting Hilir 05 Estate, as well as fertilizer application in Peringkat 5 Block 3 Seriting Hilir 05 Estate, it was found that all PPE provided by estate management, such as mask respirator, safety helmet, safety glass (goggle), rubber gloves, light duty apron and boots are in accordance with CHRA and SDS. The worker mentioned that all PPE's were provided and could be replaced by the Estate Management when broken or improperly used. This is also conformed through review on PPE delivery records.

Procedures of chemical handling is presented in document "*Manual Keselamatan, Kesihatan dan Alam Sekitar, Seksyen 19 – Peraturan Keselamatan Pengurusan dan Pengendalian Bahan Kimia Berbahaya*" dated July 1st 2009. Based on observation to Agrochemical Warehouse in Seriting Hilir 02/03 Estate Office, it was found that all chemicals (pesticides) were stored properly and adopting first in first out (FIFO) system. Risk hazard symbols, Chemical Safety Data Sheet (CSDS) of all chemicals stored, fire extinguisher and important telephone number were available. Seriting Hilir Estate management has appointed OSHA Committee of Seriting Hilir 01/02/03 Estate for 2017 which consist of Chairman, Secretary, two representatives from Employer, two representatives from contractor and four representatives from Employees (one from Indonesia, one India and two locals Malaysia). Meanwhile, there were three employee's representatives in Seriting Hilir 04 Estate, i.e. one from Indonesia, one from India and one from Pakistan (include Bangladesh). Furthermore, there were two Employee's representative in Seriting Hilir 05 Estate, i.e. one from Indonesia and one from Pakistan (include India and Bangladesh). The OSH Secretary was in coordination with "*Bahagian Keselamatan dan Kesihatan Pekerjaan dan Alam Sekitar*" and "*Ketua Pengarah Executive FTSPB*" of Felde Head Quarter in Kuala Lumpur, for any update national regulations and collective agreements.

Accident of emergency procedure is presented in document of "*Emergency Response Plan (ERP) Jabatan Perladangan Felde*" dated January 1st 2017. Procedure has covers agrochemical, gasoline and lubricants spills, and fire incident. Based on observation to Chemical Store in Seriting Hilir 02/03 Estate Office, it was found that the warehouse were equipped with fire extinguisher, important contact number, flowchart of emergency, eyewash, shower and hazardous risk symbols. Furthermore, based on interview with respective worker, it could be concluded that the worker was able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting. Seriting Hilir 01/02/03 Estates has one occupational first aid officer, certified by First Response Services, namely Asyrafah Rejab Bin Mohd Noor (Series No. (1) 8612, valid until August 23rd 2020). In order to deliver first aid knowledge to estate worker, training on emergency simulation and first aid has conducted by OSH Committee in May 24th 2017. Furthermore, Seriting Hilir 4 and 5 Estate has one first aid officer namely Alif Akmar Bin Ahmad (Series No. (1) 8606, valid until August 23rd 2020).

For field works, all Foremen were equipped with portable first aid kit box which consist of 11 items. Monitoring record of first aid equipment items was available. Based on observation to Pesticide Application activity in Peringkat 4 Block 2 Seriting Hilir 04 and Peringkat 1A Block 1 Seriting Hilir 05 Estate, as well as fertilizer application in Peringkat 5 Block 03 Seriting Hilir 05 Estate, it was found that the Foreman was equipped with first aid box. All 11 items of first aid equipment were and their monitoring records of items used were available.

OSH Committee has records any accident happen and evaluates it on the OSH quarter meeting. During 2017, it was informed that there is no accident (zero accident) in Seriting Hilir 01/02/03. Furthermore, JKPP 8 for Seriting Hilir 1/2/3 dated January 3rd 2017 and JKPP-8 for Seriting Hilir 4 and 5 Estate dated October 31st 2017 informed that is no accident has happen during 2016 and 2017.

Status:	Comply
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4.4.5.2	<p>Indicator 2: The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin, or any other distinguishing characteristics.</p> <p>There is an Equal Opportunities (Polisi Kesetaraan Peluang) Policies signed by Dato' Ab Ghani Mohd Ali 1 November 2017, all employees should be treated fairly in terms of recruitment, progression, terms and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. All foreign workers get the benefits of the terms of conditions of Service is comply accordance the Minimum Wages Order 2016 (J. (A) 116/29 April 2016). There is gender committee meeting QSH meeting as a mechanism to implement the policies and procedures. Based on the interview with the foreign and local workers, there is no issues regarding to the discriminatory and social issues at the estate operation. They are happy with the way the management treat them.</p> <p>The Human Right Policy has incorporated the company's standing on policy to support the human right and FELDA will take into the consideration on human right in the preparation of manual, procedure and other policy. The policy is displayed at the workers quarters and estate office.</p>	Comply
4.4.5.3	<p>Indicator 3: Management shall ensure that employees' pay, and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>There is a clear statement on the contract (Perjanjian kontrak pekerjaan di antara Lembaga Kemajuan Tanah Persekutuan FELDA) dan FELDA Technoplant Sdn Bhd FTPSB dengan Tenaga Kerja Asing) that been signed by the workers according to hours of works, overtime, public holiday, work on a paid holiday, annual leave, maternity leave, compassionate leave, sick leave, hospitalization, occupational safety and health, accommodation, absenteeism and dismissal. The contract is made in Malaysian, Indonesian, Indian, Bangladesh version and based on the interview workers are understand the contract and aware about the contract conditions.</p> <p>Serting Hilir 01 Estate, evidence of contract document of Suhaedi (Indonesian) latest wages is RM 1,583.83, Masrullah RM 1,582.91, Ahmad Sapii RM 1,583.32, and Efendy bin Mohd Rahim RM 1,424.91. Serting Hilir 04 Estate, evidence of contract Matubbar (Bangladesh) latest wages is RM 1,025.07, Ghosh Manik (India) RM 1,908.34, Nasrudin (Indonesian) RM 1,778.06, Irun RM 1,412.33 and Hasan bin Mohd Nor (Local) RM 1,471.60. Serting Hilir 05 Estate, evidence of contract Mursip Abadi (Indonesia) latest wages RM 2,086.28, Muridin (Indonesian) RM 1,382.38, and Chandrakesh Nishad RM 1,066.38.</p>	Comply
4.4.5.4	<p>Indicator 4: Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>Evidence of the employee's contractor payslip and agreement:</p> <p>Agreement : sighted contract agreement between FELDA and Koperasi Peneroka Felda Serting Hilir 1 Berhad (vendor Number 6020189) - Sighted the tender contract RM 96,128.70 – menyediakan kerja mencuci dan merumput 60 hari/pusingan – 271.55 ha 59.00</p> <p>Sighted the payslip to Mr. Romalei Pegon – dated 27th July 2017 amount RM 21114.20. Pay slip to Mr. Rahim Baba – dated 7th August 2017. To Norizan bin Mohd dated 1st august 2017 (RM 3315.06). Based on the payslip – sighted that the company had paid to the contractors based on Malaysian minimum wages. Sighted agreement surat lantikan bagi menjalankan kerja mencuci merumput peringkat 2 Serting Hilir 1 Estate – dated 1st February 2017 and to 3 people assigned by pengerusi Koperasi Peneroka Felda Serting Hilir 01 Berhad.</p> <p>For Serting Hilir 04 Estate, evidence of contract document between FELDA Technoplant Sdn Bhd and Koperasi Peneroka FELDA Serting Hilir Empat Negeri Sembilan Berhad (2000155017 – Tuai dan Angkut BTS) contract value RM 199,920.00.</p> <p>For Serting Hilir 05 Estate, evidence of contract document between FELDA Technoplant Sdn Bhd and Koperasi FELDA Serting Hilir 5 Berhad (2000154306 – Angkut & Menuai BTB PKT 1A) contract value RM 36, 313.55</p>	Comply
4.4.5.5	<p>Indicator 5: The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>There is a list of employees for Serting Hilir 01 Estate (Maklumat Pekerja FTPSB Serting Hilir 01)</p> <ul style="list-style-type: none"> • 3 Malaysian workers • 8 foreign workers 	

For Serting Hilir 04 Estate, (Database Pekerja Asing : FTP Serting Hilir Hilir 04) latest on 12/12/2017

- 9 Indonesian workers
- 4 Bangladesh workers
- 6 India workers
- 1 Pakistan workers

For Serting Hilir 05 Estate, (Senarai Maklumat Asas Pekerja Ladang Serting Hilir 05) latest on 12/10/2017

- 7 Indonesian workers
- 8 India workers
- 2 Malaysian workers

Include the name, date of birth, age, and passport number, date of employment, agent supplier, FELDA Agent, passport validity, working permit and passport status. Based on the interview and ground verification, there is no underage workers and the workers are aware about the company policies regarding the social policies, no forced labour, no issues regarding the equality and non-discrimination

Status:

Comply

4.4.5.6 Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.

An evidence of employment contracts :

- for Malaysian Worker (Syarat Perkhidmatan operator Operasi Ladang – Pelatih OPAL – Oil Palm for Life) dated 1st August 2016
- Perjanjian Kontrak pekerjaan antara Lembaga Kemajuan Tanah Persekutuan (FELDA) dan Felda Techno plant Sdn Bhd dengan tenaga kerja asing (Languages – in Indian language and Malaysian language)

All workers are provided with the copy of the agreement and the original is kept in the personal file by Admin Clerk in the Estate Office. Contract document for local has been verified and foreign workers at estate operation

Status:

Comply

4.4.5.7 Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

All workers are been paid based on piece rated rate based on Kadar Upah Kerja Pekerja Ladang and no overtime are paid for the employees. All data of date of working, type of work, amount of works are documented in the Felda Technoplant Sdn Bhd Checrol Pocket. There is an evidence of working hours is displayed at the front door at the management office.

Status:

Comply

4.4.5.8 Indicator 8: The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.

There is an evidence of pay slip of workers (samples pay slip workers – June 2017). That include –

- Workers number ,
- Workers name
- Group
- Identification number
- Date of pay slip
- Total pays lip
- Activities – merumput, membaja, menuai BTB, menorah getah, lain-lain kerja, insentif, kerja lebih masa, cuti berbayar, cuti tahunan,
- Jumlah pendapatan
- Gaji bersih,
- Potongan – KWSP, Socso, Potongan Bekalan Electric, Potongan gaji, KWSP, Potongan Bekalan Air. (total deduction sighted)

<p>The company also record on the payslip ;</p> <ul style="list-style-type: none"> • Bilangan hari hadir • Bilangan hari tidak hadir • Kerja lebih masa • Bilangan cuti tahunan • Bilangan cuti am • Bilangan cuti sakit 		
	Status:	Comply
<p>4.4.5.9 Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p>		
<p>An evidence of pay slip for Serting Hilir 01 Estate Suhaedi (Indonesian) latest wages is RM 1,583.83, Masrullah RM 1,582.91, Ahmad Sapii RM 1,583.32, and Efendy bin Mohd Rahim RM 1,424.91.</p> <p>Serting Hilir 04 Estate, evidence of contract Matubbar (Bangladesh) latest wages is RM 1,025.07, Ghosh Manik (India) RM 1,908.34, Nasrudin (Indonesian) RM 1,778.06, Irun RM 1,412.33 and Hasan bin Mohd Nor (Local) RM 1,471.60.</p> <p>Serting Hilir 05 Estate, evidence of contract Mursip Abadi (Indonesia) latest wages RM 2,086.28, Muridin (Indonesian) RM 1,382.38, and Chandrakesh Nishad RM 1,066.38.</p> <p>Pay slip of sampled workers have been verified and there is an evidence of normal days and holiday pay. All workers are been paid based on piece rated rate based on Kadar Upah Kerja Pekerja Ladang and no overtime are paid for the employees</p>		
	Status:	Comply
<p>4.4.5.10 Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p>		
<p>Foreign workers status for social benefit :</p> <ul style="list-style-type: none"> • Kemudahan perumahan tempat tinggal – Akta standard minimum perumahan dan Kemudahan Pekerja 1990. • Menyediakan Bekalan electric dan Bekalan air utilities – subsidi utilities (RM 6.00 for electricity and water subsidy RM4.00 • Pengangkutan percuma untuk hantar pekerja pergi dan balik lokasi Kerja. Pemeriksaan Kesihatan dan Perubatan – kos Rawatan pesakit luar RM 200.00 - Rawatan Perubatan Kemalangan di tempat kerja • Peralatan pekerjaan percuma • Pemberian peralatan peribadi – bantal, tilam dan katil, dapur, tong gas , peralatan memasak untuk 4 orang • Insuran pekerja – menginsurankan pekerja asing skim SPPA (Skim Pampasan pekerja Asing) – Insuran Indonesia will be tanggung by workers • Pekerja meninggal dunia – dihantar percuma, tanggung majikan – RM 1000.00 for wang khairat kematian RM 1000.00 • Cuti pekerja seminggu sehari • FOMEMA inspection yearly – by majikan • PPE provided by the employer 		
	Status:	Comply
<p>4.4.5.11 Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p>		
<p>Based on field visit and interview with workers known that the adequate housing, clean water supplies, medical, mosque, electricity and access to adequate, sufficient and affordable food has been provided. There is no complain and grievance related to housing standard.</p> <p>The company provides adequate housing, water and electricity (from Tenaga Nasional Berhad, TNB) for its workers, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Foreign workers are housed according to their ethnicity and religious beliefs and have adequate beds, clean running water from taps, kitchen and toilet facility. Workers are also provided with basic facilities such as bedsheet, pillows, pillowcases etc. for their living convenience. Site visit by the audit team to the workers housing (Asrama Pekerja Serting Hilir Kompleks) for</p>		

confirmed that the housing is generally well-maintained. Interviews with workers at the linesite also reveal that the housing facility is adequate and that communal clean-ups are conducted periodically. There is regular solid waste disposal system and routine maintenance for the upkeep of the linesite/housing.	
There is a workers housing checklist book (Buku Lawatan Asrama FTPSB Serting Hilir 01/02/03) to record the inspection from the management. Latest on 7 December 2017 by Nor Ezzrin bin Suhaimi Project Manager FTPSB Serting Hilir 01, 02, 03. At Serting Hilir 04 and 05 Estates evidence of inspection book (Rekod Semakan Asrama FTPSB Serting Hilir 04/05 2017)	
Status:	Comply
4.4.5.12 Indicator 12: The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	
There is a policy to prevent the sexual harassment and violence stated in the (Polisi Gangguan Seksual, Keganasan serta hak Kebebasan Reproduksi) stated that FELDA committed to give an attention to sexual harassment occur at the workplace. A procedure is established (Prosedur Menangani Aduan Melalui Aduan Melalui Jawatankuasa Wanita SOP/JPLDG/PMAMJW/1 pindaan 1, 1 November 2017). There is a flow chart to resolve the complaint and grievance regarding the sexual harassment.	
A gender committee has been established for the Serting Hilir 01, 04 and 05 Estates. There is an evidence latest of gender committee meeting for all estate. The company has a manual on implementation of the gender policy that provides guidelines to the specific components which includes understanding and recognition of rights and background of an issue, details and specific complaints and grievance procedure to address issues within gender and guidelines on the roles and responsibilities of management in supporting the initiatives and activities of the gender committee.	
Status:	Comply
4.4.5.13 Indicator 13: The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	
There is a policy to give a freedom to join a trade union relevant to the industry or to organize them for collective bargaining (Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan 01 November 2017). An evidence of Workers Welfare Committee for 2017 for Foreign workers represented by Local Workers, Foreign Workers and OPAL workers. Latest meeting on 14 April 2017 (Serting Hilir 01 Estate) discussing on social and OSH. For Serting Hilir 04 Estate latest meeting is 22/9/2017. For Serting Hilir 05, latest meeting on 22 September 2017. For FELDA workers, there is workers union (Kesatuan Pekerja-Pekerja FELDA Cawangan Negeri Sembilan Timur KPPF).	
Status:	Comply
4.4.5.14 Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	
There is a child labour policy (Polisi Larangan Buruh Kanak-Kanak) to prevent individual under 18 years old working at the premise based on the Malaysian Law. However children are allowed to helping their parent at the estate as long not affected their education. Serting Hilir 04 Estate (Senarai Maklumat Asas Ladang FTP Serting Hilir 04) 22 workers. For Serting Hilir 05 Estate (Database Pekerja FTP Serting Hilir 05) 17 workers.	
There is documented evidence that minimum age requirement is met. Random checks of staff, local and foreign workers' employment contracts and personal details as well as passports of foreign workers at the estate demonstrate compliance to the minimum age requirement of Malaysia, i.e. 18 years.	
Status:	Comply

4.4.6 Criterion 6: Training and competency

4.4.6.1 Indicator 1: All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

FELDA Gugusan Seriting Hilir (Zone 2) has annual training program which presented in document "Program Latihan Felda and PTPSB Seriting Hilir 01/02/03" for period 2017. Several training budgeted in 2017 are safety policy socialization, safe working practices, CHRA, first aid, fire fighter, medical surveillance, agrochemicals handling, technical training, etc. Evidence of training is presented as follows:

- Training of safe working practices for harvesters, agrochemical applicators and integrated pest management in Seriting Hilir 01 had conducted in October 2017.
- Socialization on safety policy in Seriting Hilir 01 had delivered to workers, smallholders and contractors in October 21st 2017, October 26th 2017 and August 24th 2017, respectively.
- Training of first aid and firefighting to workers, smallholders and contractor had conducted in May 16th 2017, delivered by Jabatan Bomba, Police and Kesihatan.

For training examples mentioned above, evidence such as invitation letter, attendance list, picture documentation, training presentation slide were available. Based on observation to Pesticide Application activity in Peringkat 4 Block 2 Seriting Hilir 04 Estate and Peringkat 1A Block 1 Seriting Hilir 05 Estate, as well as fertilizer application in Peringkat 5 Block 3 Seriting Hilir 05 Estate

Based on field observation and interview with Harvesters in Peringkat 2 Block 1 Seriting Hilir 01 Estate, with pesticide applicators in Peringkat 4 Block 2 Seriting Hilir 04 Estate and Peringkat 1A Block 1 Seriting Hilir 05 Estate, as well as fertilizer applicators in Peringkat 5 Block 3 Seriting Hilir 05 Estate, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as standard of ripeness, PPE to be used, considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed or manure (for example conservation area and riparian zone which marked by signboard).

Status:

Comply

4.4.6.2 Indicator 2: Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description

Identification needs analysis of specific skills and competency for individual employees was prepared by Assistant and Project manager, which presented in document "Penilaian Keperluan Latihan Rancangan Felda Seriting Hilir" for period 2017. For example, training required by Manager, Foreman and Contractor are MSPO/RSPO awareness, OSH management, laws/regulations fulfillment, manual operation (harvest, pesticide and fertilizer application, general works), chemical handling, hazardous waste handling and management, environment impact and emergency response procedure. Realization of trainings had all completed in October 2017.

Status:

Comply

4.4.6.3 Indicator 3: A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. Licensed to RSPO.

The company has a training program which updated annually. For example, Seriting Hilir training programme for financial Year 2017 were consist of 14 main programs and 4 operational programs. Training was conducted by Felda and FTSB. For example, training on chemical safety management was consisting of CHRA assessment, chemical register review, chemical management and medical surveillance had conducted in April 4th 2017, attended by 8 agrochemical applicators

Status:

Comply

4.5 PRINCIPLE 5: ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY AND ECOSYSTEM SERVICES

4.5.1 Criterion 1: Environmental management plan

4.5.1.1 Indicator 1: An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.

Management unit established policy Environment management and environment protection on November 1 2017 approved by Pengarah besar Felda, this procedure explain some aspect for examples :

- Comply with all relevant legal aspect
- best management practices implementation based on FELDA procedure

- Design, assess, and execute appropriate action to reduce environment impact
- Avoid contamination/pollution and enhance environment management quality
- Expressed this policy to all related stakeholder

Management unit established "policy riparian and steep slope area management" on November 1 2017, this policy stated that company are not conduct any plantings on areas with >40% slope, and companies will provides buffer zone for riparian, and this buffer zone will not be contaminated with any agrochemicals input.

Zero burnig policy on november 2017 stated that FELDA have commitment not to conduct any burning activities for new planting, replanting, and domestic waste management activities. Recycle policy on november 2017, explained that FELDA has implemented recycle program for waste reduction (plastics, paper, and etc) and reducing environmental impact.

- Serting Hilir 01 Estate has the Environmental Impact identification (EIA) no document 1/2017 dated 02/10/2017, prepared according to estate activities. Action plan 2017/2018 was prepared to mitigate the negative impact registered.
- Serting Hilir 04 Estate has the environmental impact identification (EIA) no document 1/2017 dated 16 october 2017, prepared according to estate activities. Action plan 2017/2018 was prepared to mitigate negative impact.
- Serting Hilir 05 Estate has the EIA no document 1/2012 dated 06/07/2017, prepared according to estate activities. Action plan 2017/2018 was prepared to mitigate the negative impact registered.

Based on EIA identification concluded that from estate activities, chemist activity give the largest impact for environment quality, for examples :

- Soil and water contamination from chemicals containers washing and pesticides application,
- Soil and water contamination from chemical when conduct wood upkeep.
- Soil and water contamination from chemical usages when conduct palm circle spraying,
- Soil and water contamination from chemical when conducts chemical mixing activities.

Company also shown environmental management plan to reduce impact listed on EIA document i.e :

Impact	Source	Mitigation plan
Soil contamination	Ex agrochemicals containers	<ul style="list-style-type: none"> • Collect all ex agrochemical containers, 3x rinse method, and monitored regularly • Reused agrochemical containers • All ex agrochemicals containers will be used to the same purpose • Training for workers / peneroka (Setters) related to agrochemicals containers handling

Status:

Comply

4.5.1.2 Indicator 2: The environmental management plan shall cover the following:

- An environmental policy and objectives
- The aspects and impacts analysis of all operations.

The estate has an Environment Management Plan and Impact/aspect Identification of its activities covered on EIA 2017. The output of environmental management plan is to reduce the negative impact of operation and Aspect and Impacts evaluation plan are reviewed on yearly basis. These monitoring is aiming to mitigate negative impacts. This plan and the implementation was referring to related regulation requirements, for example: Regulation 11, Environment Quality Act 1974.

Status:

Comply

4.5.1.3 Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.

Serting hilir 01, 04, and 05 Estates has the document of Environment Management Plan, available on year of 2017. The impact registered was evaluated, suitable mitigation measures implemented with time frame included. Based on interview with personnel in charge related to implementation this plan was showed that the plan has been implemented and evaluated for examples :

MSPO PART 3 Report (1.0)

Prepared by Mutuagung Lestari for FELDA Gugusan Serting Hilir (Zone 2)

Source	Action	PIC	Monitoring
Ex agrochemicals containers	Ex chemical containers Reused	Assiten manager	Regular monitoring for chemical acitivities
Chemicals applicaiton on estate	Buffer zone socialization Reguler training to related workers	Supervisor	
Premix tank leakage	Change to other containers	Kerani stor racun	
Agrochemical usage	Procedures pesticides handling and application	Assiten manager	
Chemicals spill	Procedures pesticides handling and application	Assten manager	
Status:			Comply

4.5.1.4 Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.

The Environment Impact Assessment action plan is prepared to monitor and evaluate effectiveness. Management unit has been implemented several continual improvements as a part to promote the positive impacts for environment. For examples as a part of reused acitivities, company have planned and implemented tripple rinse for agrochemicals container and then reused it for the same purposes, company also have planned monitoring for domestic waste management regularly, riparian buffer areas monitoring, and monitoring for wildlife / species on estates for next follwing years.

Status:	Comply
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4.5.1.5 Indicator 5: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.

Training programme listed on Serting Hilir 01,02,03 Estates traning 2017 , for examples :

- Socialization for environmental impact and waste management plan (on 3october 2017 for workers, and to smallholders / peneroka conducted on 26 october 2017)
- Socialization for sustainability policy (realization for workers on 3 October 2017, realization for smallholders on 26 October 2017, and realization for contractors on 24 august 2017 by stakeholder consultation)

Program training listed on Serting hilir 04 dan 05 Estates

- Socialization for environmental impact and waste management plan (realization 3 october 2017 for workers, and to smallholders / peneroka on 18 July 2017)

Socialization for sustainability policy (realization for workers on october 3 2017, realization for smallholders on 26 October 2017, and realization for contractors on 24 August 2017 by stakeholder consultation)

Status:	Comply
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4.5.1.6 Indicator 6: Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.

There was showed the Environment and OSH meeting the employee on 04 December 2017 musster ground listed on buku taklimat roll call pekerja serting hilir 01/02/03. The auditor also was observed the document assignment of responsible staff for Environmental/Quality Management. Assistant Manager serting hilir 1 signed this document.

Evidence for Regular meetings with employees discussing environmental quality are listed on buku taklimat cek roll pekerja Serting Hilir 04/05. For examples meeting held on 23 october 2017 discussing about PPE, waste management, and environment management (riparian management).

Status:	Comply
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4.5.2 Criterion 2: Efficiency of energy use and use of renewable energy

4.5.2.1 Indicator 1: Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.

Serting Hilir 01 Estate has management program for efficiency use of diesel observed for year 2017. The management plan implemented and monitored. Monitoring of diesel usage per ton FFB performed in estate. On-going analysis performed, and monitoring result observed. The latest diesel usage on October 2017 is 531.92 litre and FFB process 99.62 tonne and efficiency are 5.34 liter/MT FFB.

Serting Hilir 04 Estate has management program for efficiency use of diesel observed for year 2017. The management plan implemented and monitored. Monitoring of diesel usage per ton FFB performed in estate. On-going analysis performed, and monitoring result observed. The latest diesel usage on November 2017 is 405.09 litres and FFB produced 304.54 tonne and efficiency are 1.33 liter/MT FFB.

Serting Hilir 05 Estate has management program for efficiency use of diesel observed for year 2017. The management plan implemented and monitored. Monitoring of diesel usage per ton FFB performed in estate. On-going analysis performed, and monitoring result observed. The latest diesel usage on November 2017 is 280 litres and FFB produced 81.42 tonne and efficiency are 3.44 liter/MT FFB.

Status:

Comply

4.5.2.2 Indicator 2: The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

Serting hilir 01 Estate shown the monitoring for of non-renewable energy used per ton FFB for their operations. The data is describing in table below:

Month	Diesel used by office (l)	Diesel used by contractor (l)
January	126.07	134
Feb	178.45	212
March	123.17	231
Apr	240.53	224
May	196.53	221
June	239.57	212
July	180.75	223
August	284.6	225
Sept	186.4	253
October	299.92	232

Record for electricity and water usage are listed on Rekod penggunaan air dan elektrik documents, for examples on october 2017 total electricity usages are 685 kWh and total water usage oon october 2017 are 14 m3.

Serting hilir 4 shown the monitoring for of non-renewable energy used per ton FFB for their operations. The data is describing in table below:

Month	Electricity used by office (l)	Diesel used by contractor (l)
January	869..15	351.22
Feb	769.25	403.16
March	793.15	448.26
Apr	907.95	369.64
May	1148.75	445.41
June	997.25	374.03
July	978.12	420.18
August	770	453.35

Sept	1010.05	330.59
October	10.28	434.28
November	956	405.09

Record for electricity and water usage are listed on Rekod penggunaan air dan elektrik documents, for examples on November 2017 total electricity usages are 956 kWH and total water usage on october 2017 are 765 m3.

Serting hilir 05 Estate shown the monitoring for of non-renewable energy used per ton FFB for their operations. The data is describing in table below:

Month	Electricity used by office (l)	Diesel used by contractor (l)
July	1406	30
August	1722	350
Sept	1399	370
October	1473	300
November	1386	280

Record for electricity and water usage are listed on Rekod penggunaan air dan elektrik documents, for examples on November 2017 total electricity usages are 1386 kWH and total water usage on november 2017 are 44 m3.

Status:

Comply

4.5.2.3 Indicator 3: The use of renewable energy should be applied where possible.

Not applicable. Serting Hilir estate 01,04,05 Estates not utilized any renewable energy

Status:

Comply

4.5.3 Criterion 3: Waste management and disposal

4.5.3.1 Indicator 1: All waste products and sources of pollution shall be identified and documented.

The entire products of waste and its sources have been identified and documented in the document of "Pengenalpastian sumber dan jenis bahan buangan 2017" with pollution source coming from estates operation, housing, chemical application and etc.

Mitigation measures been taken such as appropriate waste management system, awareness, daily monitoring, containment via bunds and spillage kits as well. The action plan also describes about responsible person, management and disposal plan to reduce pollution, such as :

- chemical container by cleanly washed for 3 times, and then re used again with the same purposes.
- Diesel fuel usage by monitored every month
- Fertilizer application by reduce the usage of chemical fertilizer and EFB application

Domestic waste by landfill and implement zero burning activities

Status:

Comply

4.5.3.2 Indicator 2: A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:

- Identifying and monitoring sources of waste and pollution.
- Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.

Company established procedure SOP/JPLDG/PPKS/1 on November 1 2017 related to recycle/reused implementation. This procedure explained that company will conduct waste recycle/reused as a part of waste management plan, and this procedure also stated all of chemical containers (which has triple rinse) are not allowed to use for other purposes except for chemical activities

Company shown waste management plan for 2017/2018, this waste management plan have explain a plan to reduce pollution, pollution source, and improving for resource utilization for examples : Waste source / pollution source : fertilizer application (water and soil contamination), and plan to reduce it are fertilizer application based on recommendation and EFB application to reduce fertilizer usage. As a part of waste reduction plan, company has conducted EFB application as a plan to reduce chemical fertilizer usages. EFB application on July 2016 for examples 310.98 tonne for serting hilir 04 estate (standard EFB application 40 tonne/ha). Meanwhile EFB application on february

2016 for examples 229.46 tonne for serting hilir 05 estate (standard EFB application 40 tonne/ha).		
Status:		Minor
4.5.3.3 Indicator 3: The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.		
<p>All empty chemicals containers waste on serting hilir 01, serting hilir 04, and serting hilir 05 are not categorized as scheduled waste because company has reused the empty chemical containers (after triple rinse) for mixing purposes. Standard operational procedure for handling of used chemical are listed on manual keselamatan, kesihatan, dan alam sekitar tanggal 1 juli 2009 section 15. These procedures are guidelines for company operation activities related to pesticides start from pesticides receiving, transport, storage, removal, transport to estates, technical spraying steps, emergency measures, agrochemical waste disposal (triple rinse method), hazardous material classification, and etc.</p>		
Status:		Comply
4.5.3.4 Indicator 4: Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.		
<p>Standard operation procedure for handling of used chemical are listed on manual keselamatan, kesihatan, dan alam sekitar 1 July 2009 section 15 stated that pesticides containers are rinse used triple rinse method and then reused again with the same purposes. Contaminated containers were triple rinse and reused for chemical premix.</p> <p><u>Serting Hilir 01 Estate</u> Record of inventory is available and latest update on 23/11/17, for examples used of chemical containers 15 pcs and containers stored on storehouse are 15 pcs.</p> <p><u>Serting Hilir 04 & 05 Estates</u> Record for chemical inventory are listed on bin card monitoring container 2017 and buku bilasan tong racun 2017. Until december 2017, containers stored on storehouse are 40 pcs.</p> <p>All of empty pesticides containers have been monitored regularly by company and recorded (daily basis) on "hasil monitorn harian penggunaan tong racun". However unit management is encourage to monitor used pesticide containers for reuse purpose Observation</p>		
Status:		#OFI 4.5.3.4
4.5.3.5 Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.		
<p>Field observation shown that all of domestic waste are managed on FELDA Gugusan Serting Hilir (Zone 2) areas landfill, and during field visit found there is no indications that waste are dispose using open fire. Unit management has established procedures SOP/JPLDG/PPSD/1 on 1 November 2017. This procedures explained that all of domestic waste are collected and filled up on central complex landfill areas.</p> <p>Waste including domestic waste management plan are provided and listed on "Dokumen plan pengurusan sisa domestik dan bahan buangan 2017". This document describes domestic waste source such as food waste, paper waste, and etc and waste management plan are also incorporated in this document, i.e. chemical container were kept in storehouse s and domestic waste is disposing to landfill.</p>		
Status:		Comply
4.5.4 Criterion 4: Reduction of pollution and emission		
4.5.4.1 Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.		

Serting Hilir 01, 04, and 05 Estates not produced any scheduled waste. Empty agrochemical container are reused after tripple rinse. Identification for polluting activities/ GHG emission for serting hilir complex for examples are listed on table below :

Sources	Pollutin/emission	Implementation	PIC
Diesel fuel usage	Air emission	Diesel fuel by regular monitoring	Estate manager and estate supervisor
Chemical usage	Soil and water contamination	Chemical usage monitoring	
Fertilizer usage	Soil and water contamination	Fertilizer usage monitoring Susbsitution with EFB application as organic fertilizer	
Domestic waste	Water contamination	Monitoring for domestic waste collecting Landfill areas monitoring	

Status:

Comply

4.5.4.2 Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.

Company shown document plan for reducing and monitoring pollutants / emissions (GHG) 2017.

Emission / pollution sources	Mitigation implementation / realization	PIC
Diesel fuel usage	Diesel fuel by regular monitoring (see 4.5.2.2)	Estate supervisor and estate manager
Chemical usage	Chemical usage monitoring (for Serting Hilir 01 total chemical usage for 2017 are 1948 litre)	
Fertilizer usage	Fertilizer usage monitoring Susbsitution with EFB application as organic fertilizer (total EFB applicatio on 2017 for Serting Hilir 01 are 645 tonne)	
Domestic waste	Monitoring for domestic waste collecting Landfill areas monitoring	

Status:

Comply

4.5.5 Criterion 5: Natural water resources

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

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

Management unit shown water management Serting Hilir 2017, this document discribes water surce idntetfication, water usage efficiency, impact to water course and stakeholders, and mitigation plan, PIC, and etc. Management unit established "policy riparian and steep slope area management" on November 1 2017, this policy stated that company

are not conduct any plantings on areas with >40% slope, and companies will provides buffer zone for riparian, and this buffer zone will not be contaminated with any agrochemicals input.

Company also have steep slope and riparian identification procedures no document SOP/JPLDG/PPKCDRS/1 on 1 November 2017, this procedures describes riparian determination i.e :

River width (m)	Riparian width (m)
>40	50
>20-40	40
>10-20	20
>5-10	10
1-5	5

Serting hilir shown "surat lawatan untuk persampelan kualiti air sungai bagi kompleks Serting Hilir 01,04,05 on 6 December 2017 from FGVHB to pengurus serting hilir 01,04,05". Water quality testing for river in FELDA Gugusan Serting Hilir (Zone 2) are conducted on 7 December 2017.

Based on observation and interview with fertilizer applicators and estate representative in Serting Hilir 05 Estate, it was noted that : **NCR No 2017.01 with Minor category**

- There is no riparian marking boundary in Serting River as seen in peringkat 1a block 3 (not comply with manual pengurusan rancangan FELDA 2010)

Manuring activities was still applied on riparian areas. (Not comply with FELDA sustainable policy 2011)

Status:

**NCR MINOR
2017.01**

4.5.5.2 Indicator 2: No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

Serting Hilir 01 Estate

Based on field visit to several of plantation area, for example at Serting river block 3 peringkat 2 found there is not bunds and dams across main rivers or waterways passing through an estate.

Serting Hilir 04 Estate

Based on field visit to several of plantation area, for example at Jernih river block 2 peringkat 1 found there is no bunds and dams across main rivers or waterways passing through an estate.

Serting Hilir 05 Estate

Based on field visit to several plantation area, for example at Serting river block 3 peringkat 1 found there is no bunds and dams across main rivers or waterways passing through an estate.

Status: **Comply**

4.5.5.3 Indicator 3: Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

Based on field observation and biodiversity document review shown that Serting Hilir 01, 04, & 05 Estates are passed by some river such as Serting River and Jernih River. Company have programmed water harvesting realization an listed on budget document 2018 for examples by silt pit, and planned to be realized on 2018 for examples :

- Serting hilir 04 estate : sungkupan ladang(including silt pit) covered 219.41 ha
- Serting Hilir 05 estate : sungkupan ladang including (silt pit) covered 79.98 ha for peringkat 1B, and covered 92.29 ha for peringkat 1A

Status: **Comply**

4.5.6 Criterion 6: Status of rare, threatened, or endangered species and high biodiversity value area

4.5.6.1 Indicator 1: Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:

- a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
- b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Serting Hilir 01 Estate

Company have biodiversity identification prepared by FGV certification & due diligence unit, listed on biodiversity assessment on 1 August 2017. Based on this identification acquired information that there are serting river stream on estates and there is no RTE species presence..

Serting Hilir 04 Estate

Company have biodiversity identification prepared by FGV certification & due diligence unit, listed on biodiversity assessment on 3 august 2017. Based on this identification acquired information that there are nibong and jernih river stream on estates and there is no RTE species presence

Serting Hilir 05 Estate

Company have biodiversity identification prepared by FGV certification & due diligence unit, listed on biodiversity assessment on 7 August 2017. Based on this identification acquired information that there are no river stream pass through estates and there is RTE species presence i.e manis javanica.

Based on interview with workers during audit indicates there is nohuman-wildlife conflicts are present on estates area.

Status: Comply

4.5.6.2 Indicator 2: If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:

- a) Ensuring that any legal requirements relating to the protection of the species are met.
- b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

Based on interview with workers during audit indicates there is no human-wildlife conflicts are present on estates area. Field observation during audit for examples on Block 1 Serting Hilir 04 Estate shown company has provides signboard related to hunting ban and based on interview with worker for examples on Serting Hilir 01&04 Estates indicates there is no RTE species presence in all FELDA Gugusan Serting Hilir (Zone 2).

Serting Hilir 01 Estate

Identification shwon there are 6 mamalia species, 12 aves species , and 3 reptil species presence. (No threatened or endangered animal species were identified)

Scientific name	Status IUCN
Sus scrofa	LC
Macaca fascicularis	LC
Trachypithecus obscurus	NT
Macaca nemestrina	VU
Muntiacus muntjak	LC
Prionailurus planiceps	VU
Salvator varanus	LC
Naja kaouthia	LC
Elanus caerulus	LC
Amaurornis phoenicurus	LC

Serting Hilir 02 Estate

Identification shwon there are 12 mamalia species, 13 aves species , and 5 reptil species presence. (No threatened or endangered animal species were identified)

Scientific name	Status IUCN
Aonyx cinerea	VU
Macaca nemestrina	LC
Nycticebus coucang	LC
Macaca fascicularis	LC
Sus scrofa	LC
Tupaia glis	LC
Rattus tiomanicus	LC
Varanus salvator	LC
Naja	LC
Python reticulatus	LC
Columba domestica	LC
Hlycon smyrnensis	LC
Copsychus malabaricus	LC
Corvus splendens	LC
Ictinaetus malayensis	LC

Field observation on block 1 Seriting Hilir 04 Estates shown company provides adequate information related to hunting ban in estates areas by provides signboard.

Seriting Hilir 05 Estate

Identification shown there are 9 mamalia species, 12 aves species, and 5 reptil species were identified.

Scientific name	Status IUCN
Manis javanica	EN
Aonyx cinerea	VU
Macaca nemestrina	LC
Nycticebus coucang	LC
Macaca fascicularis	LC
Sus scrofa	LC
Tupaia glis	LC
Rattus tiomanicus	LC
Varanus salvator	LC
Naja	LC
Python reticulatus	LC
Columba domestica	LC
Halycon smyrnensis	LC
Copsychus malabaricus	LC
Corvus splendens	LC
Ictinaetus malayensis	LC

Field observation on block 1 A Seriting Hilir 05 Estates shown company provides adequate information related to hunting ban in estates areas by provides signboard.

Status: Comply

4.5.6.3 Indicator 3: A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.

Management unit has established 2017/18 management plan related to RTE species protection and environment protection, listed on biodiversity management plan for Seriting Hilir 01, Seriting Hilir 04, and Seriting Hilir 05 Estates for examples :

Aspek	Ancaman	Management	Action
Riparian buffer zone	Buffer zone destruction Buffer zone contamination	Prohibition for chemical application (pesticides and	Buffer zone marking on riparian

	from estate activities	fertilizer) on buffer zone	Training/socialization related buffer zone management
Natural ecosystem (if any)	Ecosystem disturbance form human activities	Socialization to related stakeholders regarding environment protection	Socialization related to RTE species (if any) Regular monitoring for willife species.
Unit management is encouraged to monitor the existence of wildlife, in accordance with biodiversity management plan. (Observation)			
	Status:		#OFI 4.5.6.3
4.5.7 Criterion 7: Zero burning practices			
4.5.7.1 Indicator 1: Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.			
Procedure of land preparation and related works for palm oil replanting is presented in document No. MLSL (Ed.2) – Sec.2 about “Manual Ladang Sawit Lestari Edisi II” issued by Senior Vice President in February 2017. The procedure has covers replanting policy which mentioned that land shall be cleared through zero burning method. According to estate record, it was informed that last replanting had carried out in 2014.			
Based on observation to immature areas in FELDA Gugusan Serting Hilir (Zone 2), it was found that there is no marks of burning activities. Moreover, there are no complaints or issues from external stakeholders related to replanting Gugusan Serting Hilir (Zone 2), Replanting has conducted through mechanical zero burning method.			
	Status:		Comply
4.5.7.2 Indicator 2: A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.			
As mentioned in Indicator 4.5.7.1, it could be concluded that there were no burning activities in Gugusan Serting Hilir (Zone 2) operational areas.			
	Status:		Comply
4.5.7.3 Indicator 3: Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.			
As mentioned in Indicator 4.5.7.1, it could be concluded that there were no burning activities in Gugusan Serting Hilir (Zone 2) operational areas.			
	Status:		Comply
4.5.7.4 Indicator 4: Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.			
As mentioned in Indicator 4.5.7.1, it could be concluded that there were no burning activities in Gugusan Serting Hilir (Zone 2) operational areas.			
	Status:		Comply
4.6 PRINCIPLE 6 : BEST PRACTICES			
4.6.1 Criterion 1: Site management			
4.6.1.1 Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.			
Procedures (SOP) of oil palm Agronomy was presented in Sustainable Estate Manual or Manual Ladang Sawit Lestari (MLSL), issued in June 1 st 2012 by Senior Vice President R&D, General Manager R&D (Plant and Health), Editor and Coordinator. The SOP used were similar with procedure used by FGV and divided into five documents as follows:			
<ul style="list-style-type: none"> • No. MLSL (Ed. 2) Vol. I – Sec. 1 (1.0 – 20.0) about management on nursery. • No. MLSL (Ed. 2) Vol. I – Sec. 2 (1.0 – 20.0) about replanting. • No. MLSL (Ed. 2) Vol. I – Sec. 3 (1.0 – 11.0) about immature palm management. • No. MLSL (Ed. 2) Vol. I – Sec. 4 (1.0 – 12.0) about mature palm management. • No. MLSL (Ed. 2) Vol. I – Sec.5 (1.0 – 8.0) about oil palm manuring. 			
The SOP has covers all agronomy aspects such as land preparation, nursery, planting, field upkeep, weeds control,			

integrated pest management, harvesting management, soil fertility enhancement (manuring, by-products application). Based on field observation and interview with Harvesters in Peringkat 2 Block 1 Serting Hilir 01 Estate, with pesticide applicators in Peringkat 4 Block 2 Serting Hilir 04 Estate and with fertilizer applicators in Peringkat 4 Block 2 Serting Hilir 04 and Peringkat 1A Block 1 Serting Hilir 05, as well as fertilizer applicators in Peringkat 5 Block 3 Serting Hilir 05 Estate, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as standard of ripeness, PPE to be used, considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed or manured (for example conservation area and riparian zone which marked by signboard).

In order to monitor SOP consistency implementation, several mechanism has been conducted by Estate Management, for example shows in the following documents:

- Agronomy Advisory visit report for Serting Hilir 1 Estate dated August 4th 2016, No. FGV/KNA/ADV-REPORT/2016 (FELDA). Date of visit was in July 21st 2016. Overall Agronomy grade during this period was C.
- Agronomy Advisory visit report for Serting Hilir 4 Estate dated June 19th 2017, No. FGV/KNA/ADV-REPORT/2017 (FTPSB). Date of visit was in June 6th 2017. Overall Agronomy grade during this period was C+.
- Agronomy Advisory visit report for Serting Hilir 05 Estate. Date of visit was in June 7th 2017. Overall Agronomy grade during this period was B-.

	Status:	
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4.6.1.2 Indicator 2: Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

Serting Hilir 01, 04 and 05 Estates management is not being able to shows topography and soil map. Information of topography is presented in Bahau map, with contour interval 100 m and scale 1:50,000. However, that information has are presented in document "Maklumat Asas Ladang Felda technoplant Sdn. Bhd. Serting Hilir and Annual Budget Ladang Part "Kaedah Penentuan Hasil Tahunan Mengikut Muka Bumi dan Jenis Tanah".

Currently estate management shows Manager Letter No. (04) 3296/MSPO dated December 5th 2017 about soil series request for Serting Hilir Estate, delivered to "Jabatan Pertanian, K/U Unit Pengurusan dan Pemulihan Sumber Tanah". However, based on observation to Serting Hilir Estate complex, it could be concluded that in general the estate landscapes has dominated by flat to undulating slope, following by rolling to hilly slope which totaling less than 10 %. There is no presence of hilly to steep slope areas. Certain part nearby riparian zone were low lying which prone to flood, as confirm during field observation to Peringkat 2 Block 3 Serting Hilir 01 Estate (Serting River), Peringkat 1 Block 2 Serting Hilir 04 Estate (Jernih River) and Peringkat 1A Block 3 Serting Hilir 05 Estate (Serting River). Regarding this matter, installations of soil pit and field drain were adopted for soil and water conservation purposes.

	Status:	
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4.6.1.3 Indicator 3: A visual identification or reference system shall be established for each field

Based on observation to Serting Hilir 01, 04 and 05 Estates which planted in 2012 to 2014 (replanting) areas, it was found that ground cover by legumes were seems satisfactory. Blocking was clear and road design was consider satisfactory. Pruned fronds were stacks properly on the inter row and inter palm, which aims to minimize surface run-off and fertilizer nutrient leaching. Furthermore, in order to enhance organic matters and supporting nutrient K, it was found that the estate has implementing empty fruit bunces (EFB) mulching on palm circle.

	Status :	
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4.6.2 Criterion 2: Economic and financial viability plan

4.6.2.1 Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

Business management plan was issued by Project Manager of FTPSB Serting Hilir for period 2016 to 2022. Presented in document "Anggaran Kos dan Hasil Ladang". For example, management plan with parameter FFB, OER and production cost for period 2017 to 2020 is presented as follows:

Serting Hilir 01 Estate (408.88 ha; 101 Smallholders or "Peneroka")

Estate Parameter	Projection

		2017	2018	2019	2020
	FFB (ton/ha/year)	5.00	7.00	10.00	12.00
	OER (%)	14.50	15.00	15.25	15.50
	Cost (RM/ton/year)	3,951.85	4,077.75	4,666.48	4,724.44
Serting Hilir 04 Estate (839.32 ha; 180 Smallholders)					
	Estate Parameter	Projection			
		2017	2018	2019	2020
	FFB (ton/year)	4,388.28	5,865.67	8,045.18	10,606.01
	OER (%)	14.50	18.00	19.00	21.00
	Cost (RM/ton/year)	120.00	80.00	75.00	48.00
Serting Hilir 05 Estate (769.43 ha; 143 smallholders)					
	Estate Parameter	Projection			
		2017	2018	2019	2020
	FFB (ton/year)	5.00	5.50	5.78	6.06
	OER (%)	14.50	14.50	18.00	20.00
	Cost (RM/ton/year)	120.00	126.00	132.30	138.92
	Status:				
4.6.2.2 Indicator 2: Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.					
Based on list of year of planted, it was informed that palm in FELDA Gugusan Serting Hilir (Zone 2) were planted within 2012 to 2014 (first cycle or second generation). Hence, there is no replanting plan in the near future. Procedure mentioned that one cycle for oil palm cultivation was about 25 years. Therefore, next replanting is expected to be conducted in 2037.					
	Status:				
4.6.2.3 Indicator 3: The business or management plan may contain: a) Attention to quality of planting materials and FFB. b) Crop projection: site yield potential, age profile, FFB yield trends. c) Cost of production: cost per tonne of FFB. d) Price forecast. e) Financial indicators: cost benefit, discounted cash flow, return on investment					
Estate management unit informed that all material planted in Serting Hilir Complex was DxP Yangambi, produced by Felda Agriculture Service Sdn. Bhd. (FASSB). Currently, existing oil palm were first cycle which planted in between 2012 to 2014. Information towards crop projection, forecast and site yield potential were presented in Agronomy report. Assessment of site yield potential (SYP) has used by agronomist for fertilizer recommendation calculation purposes. Several factor counted in SYP are planting material, slope, planting pattern, planting density, soil properties, nutrient efficiency, previous and current leaf and soil analysis results, rainfall trends and limiting factors. Detail information towards SYP parameter has also presented in document Annual Budget Ladang Part "Kaedah Penentuan Hasil Tahunan Mengikut Muka Bumi dan Jenis Tanah".					
FELDA Gugusan Serting Hilir (Zone 2) are able to shows annual budget for 2018 which divided into several section of works, i.e. manuring, harvesting, field upkeep (weeding), etc. example of of business management plan is presented in Indicator 4.6.2.1.					
	Status:				
4.6.2.4 Indicator 4: The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.					
Budget achievement assessment and evaluation were presented in several document, as follows:					

- Annual Agronomy Advisory visit report.
- Annual Chief Operational Officer Visit report.
- Annual Internal audit

All documents mentioned above were available on Estate Office.

Status:

4.6.3 Criterion 3: Transparent and fair price dealing

4.6.3.1 Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.

There was available the document of FFB Pricing standard from MPOB per December 2017. These standard as directive for POM in related to FFB pricing mechanism for FFB from smallholder, for examples on December 11th 2017 FFB prices are RM 396/tonne FFB.

Status:

4.6.3.2 Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner

Has been verified some contracts related to management unit, for examples FFB transport contract between company and koperasi peneroka. Procedures 1015/1 year 2005 Felda Technoplant SDN BHD stated that "payment for any FFB contract will be conduct once a month based on FFB tonnage verification by POM".

Serting Hilir 01 Estate

Company shown contracts for examples SPK 3100141301/100081020 borang kontrak 57, related to FFB transport between FELDA Serting Hilir 01 and koperasi peneroka FELDA Serting Hilir 01, valid from 01/03/2017 until 28/02/2018. There was also observed payment record to contractor, such as invoice, contract form and payment advice (payment receipt), for example voucher payment 21008799 for november 2017 FFB transport. Payment has been made timely on December 11th 2017 for koperasi peneroka Serting Hilir 01.

Serting Hilir 04 Estate

Company shown contracts for examples perjanjian kontrak 2000155017 related to FFB transport between FELDA TECHNOPLANT SDN BHD and koperasi peneroka felda serting hilir 04 for FFB transport. Valid form 27/08/17 until 31 July 2017. There was also observed payment record to contractor, such as invoice, contract form and payment advice (payment receipt), for example voucher payment 3782663421 for november 2017 FFB transport. Payment has been made timely on November 21th 2017 for koperasi peneroka Serting Hilir 04 for 493.05 tonne FFB.

Serting Hilir 05 Estate

Company shown contracts for examples perjanjian kontrak 2000154306 related to FFB transport between FELDA TECHNOPLANT SDN BHD and koperasi peneroka FELDA Serting Hilir 05 for FFB transport. Valid from 01/07/2017 until 31/12/2017. There were also observed payment record to contractor, such as invoice, contract form/ payment receipt, for example for example voucher payment 350796821 for october 2017 FFB transport payment. Payment has been made timely on 16 November 2017 for koperasi peneroka Serting Hilir 05 for 99.03 tonne FFB

Status

4.6.4 Criterion 4: Contractor

4.6.4.1 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Serting Hilir 01,04,05 Estates established policy on November 1 2017 regarding policy on same opportunity to workers, policy regarding child labor, policy regarding human rights, policy regarding ethics and integrity, and policy issued by ketua pegawai eksekutif FELDA TECHNOPLANT on January 4th 2016 (revision 5) regarding OHS.

Contract document reivew for examples FFB transport contract No 2000155017 between FELDA TECHNOPLANT SDN BHD and Koperasi Peneroka FELDA Serting Hilir 04. Valid form 27/08/17 until 31 July 2017. On section SK13, stated that contractors should comply and implemented all FELDA Technoplant policy and regulation related to OHS, legal, environment

Evidence for stakeholder consultation to related contractor regarding MSPO requirements are available, for examples

on October 5th 2017 to all related contractors (attendance list, official letter) are verified by auditors.		
Status:		
4.6.4.2 Indicator 2: The management shall provide evidence of agreed contracts with the contractor.		
Based on interview the contractor that knows they are has been read the draft of contract before signing the contract document and after signed the document, both of party filed 1 one of document each other.		
Status:		
4.6.4.3 Indicator 3: The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.		
The estate was audited by MUTU MSPO auditors with full cooperation from the management units. Sighted audit plan which have been accepted by company. As agreed, the respective operating units will accept the MUTU MSPO Auditors to verify through a physical inspection if required for audit purposed		
Status:		
4.6.4.4 Indicator 4: The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.		
Mechanism of contractor pursuance towards PPE, has carried out through daily field checking and inspection which conducted by Foreman listed on document "Recod pemantauan PPE 2017". For examples on Serting Hilir 04 on 26 may 2017 : type workers (FFB transportation), block 1, type of PPEs wear are helmet and safety shoes.		
Status:		
4.7 PRINCIPLE 7 : DEVELOPMENT OF NEW PLANTINGS		
4.7.1 Criterion 1: High biodiversity value		
4.7.1.1 Indicator 1: Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
Status:		N/A
4.7.1.2 Indicator 2: No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
Status:		N/A
4.7.2 Criterion 2: Peat land		
4.7.2.1 Indicator 1: New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
Status:		N/A
4.7.3 Criterion 3: Social and Environmental Impact Assessment (SEIA)		
4.7.3.1 Indicator 1: A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.		

No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.3.2 Indicator 2: SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.3.3 Indicator 3: The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.3.4 Indicator 4: Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.4 Criterion 4: Soil and topographic information		
4.7.4.1 Indicator 1: Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.4.2 Indicator 2: Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.5 Criterion 5: Planting on steep terrain, marginal and fragile soils		
4.7.5.1 Indicator 1: Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.5.2 Indicator 2: Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.		
No new planting sighted for this FELDA Gugusan Serting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.5.3 Indicator 3: Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.		

No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6 Criterion 6: Customary land		
4.7.6.1 Indicator 1: No new plantings are established on recognised customary land without the owners' 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.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6.2 Indicator 2: Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6.3 Indicator 3: Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6.4 Indicator 4: The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6.5 Indicator 5: Identification and assessment of legal and recognised customary rights shall be documented.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6.6 Indicator 6: A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	N/A
4.7.6.7 Indicator 7: The process and outcome of any compensation claims shall be documented and made publicly available.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status:	
4.7.6.8 Indicator 8: Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.		
No new planting sighted for this FELDA Gugusan Seriting Hilir (Zone 2) operating unit.		
	Status :	N/A

3.2 Noteworthy Positive Components at Stage-2

No	Description
1	Preparedness of Serting Hilir Complex towards the certification of MSPO
2	Well prepared document and implementation of MSPO
3	Good internal team-work and also cooperation amongst the entities managed
4	Having personnel with the competence and skills in accordance with their roles and responsibilities.
5	Good implementation of OSH at Serting Hilir Complex by achieving a Zero accidents during 2016-2017

3.3 Identification of Non-conformity at Stage-2

NCR No.	: 2017.01	Issued by	: Steve Mualim
Date Issued	: 13/12/2017	Time Limit	: Before next ASA
NC Grade	: Minor	Date of Closing	:
Standard Ref.	4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water) d) Protection of water courses and wetlands.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on observation and interview with fertilizer applicators and estate representative in Serting Hilir 5 estates, it was noted that : <ul style="list-style-type: none"> • There is no riparian marking boundary (as required in manual pengurusan rancangan FELDA 2010) in serting river as seen in peringkat 1a block 3 • Manuring activities was still applied on riparian areas as required in FELDA Sustainability Policy 2017. 			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

3.4 Opportunity for Improvement (OFI)

No	Ref. Std.	Description
1	4.1.3.1	Consideration to set the specific duration for management review meeting and improve the coverage of discussion for the review of continuous suitability, adequacy and effectiveness implementation of MSPO.
2	4.4.4.1	Management unit are encourage to standardize facility on PPE storage
3	4.5.3.4	Unit management are encourage to monitor used pesticides containers for reuse purpose
4	4.5.6.3	Unit management are encourage to monitor the existance of wildlife, in accordance with biodiversity management plan.







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

Public Issues (Institution/ NGO/Community)	Management Responses
<p>Pejabat Pendidikan Daerah (PPD)</p> <ul style="list-style-type: none"> Lot of contribution have been made by FELDA to the school for education funds such as (Skim Kecemerlangan Peneroka Felda SKPF) to the excellent student in exam. He also concern about the skip school (Ponteng Sekolah) among students in both primary and secondary school is increasing and affected the KPI indexes set by the education ministry. He hopes that FELDA management will help the school management to settle this issues. 	<ol style="list-style-type: none"> FELDA takes initiatives by putting some budget in 'Skim Kecemerlangan Pendidikan Felda (SKPF)' to tackles the problems related to student disciplines in FELDA's schools. Amongst the programs designs under the schemes are motivational and awareness camp. The objectives of the schemes are to gives awareness and assist in excellence of students in FELDA's schools. Therefore, FELDA has taken into account by has organizing the program of 'Program Kecemerlangan Pelajar' and 'Program Jelajah Iktiraf di Serting Hilir Kompleks' to the students in FELDA's schools as to fulfill the objectives.
<p>Head of Serting Hilir 4 Settlers (Ketua Peneroka)</p> <ul style="list-style-type: none"> He raised issues regarding the internal road within the FELDA and also flash flood caused by the drainage system. 	<ol style="list-style-type: none"> Roads within the FELDA area are maintained by the state government and FELDA. In Serting Hilir Complex, the road facilities provided are among the best and have improved this year. The management is aware of the drainage issues that caused flash floods that hit the FELDA area and they have raised this issue to the state and parliament. Moreover, the existing drainage systems are now unable to accommodate the available water velocity especially during heavy downpour. However, this problem did not result in severe floods but only resulted in uncontrolled water flow to the houses in low land areas. Action will be taken to repair the drainage system that in line with the approval of budget.
<p>Head of Serting Hilir 7 Settlers (Ketua Peneroka)</p> <ul style="list-style-type: none"> He has raised an issues shortage if workers that caused problem to harvesting and loading the FFB. Health Clinic (Klinik Kesehatan Desa) at FELDA Serting Hilir 7 are relatively small and cannot cater increasing number of patient, he suggested to upgrading the 	<ol style="list-style-type: none"> The needs for foreign labours are approximately 60 people with a ratio of 1: 14. The current numbers of worker are 23 people and are lacking of about 37 people. However, the management tried to overcome the issue of labour shortage by gradually introduce the

Public Issues (Institution/ NGO/Community)	Management Responses
existing health clinic.	foreign workers. In 2017, the project side has received a total of 12 labours from India. 2) The rural health clinic is not under FELDA authority but under the state health department. However, FELDA has assisted the problem to the responsible party.
Koperasi Peneroka Felda Serting Hilir 7 (Contractor) <ul style="list-style-type: none"> • Payment are been made on time but a few cases some payment a little bit late. • He also raises an issues regarding the reclaim process for retaining fees (Wang Amanah) take times to settle. 	1) FELDA has to prepare the payment certificate before 7th every month. The delays of payment certification is because of the contractor do not complete the works in schedules. Therefore, a fine will be issued to the contractor on the delays of work performed. 2) FELDA has to prepare the closing payment certificate after all works are completed. All works between years 2013 to 2016 has been forwarded to the Region (Wilayah) for further action.

3.6 Summary of findings and Recommendation

MAJOR	MINOR	O F I
0	1	4
Recommendation of Certification: Due to No Major Non- Conformity finding, FELDA Gugusan Serting Hilir (Zone 2) is RECOMMENDED for MSPO Part 3 certification.		

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> <table border="0" style="width: 100%;"><tr><td style="text-align: center; vertical-align: top;"><p>Company Name Management Representative</p><p><u>Ahmad Shahrir bin Ismail</u> Friday, 22/12/2017</p></td><td style="text-align: center; vertical-align: top;"><p>Mutuagung Lestari Lead Auditor</p><p><u>Mohd Hairimi Mohd Ali</u> Friday, 22/12/2017</p></td></tr></table>	<p>Company Name Management Representative</p>  <p><u>Ahmad Shahrir bin Ismail</u> Friday, 22/12/2017</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Mohd Hairimi Mohd Ali</u> Friday, 22/12/2017</p>
<p>Company Name Management Representative</p>  <p><u>Ahmad Shahrir bin Ismail</u> Friday, 22/12/2017</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Mohd Hairimi Mohd Ali</u> Friday, 22/12/2017</p>		



MUTUAGUNG LESTARI MALAYSIA SDN BHD

MSPO ASSESSMENT REPORT – PART 3

Appendix 1. Glossary

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

MSPO PART 3 Report (1.0)

Prepared by Mutuagung Lestari for FELDA Gugusan Seriting Hilir (Zone 2)

PK	:	Palm Kernel
PPE	:	Personal Protective Equipment
POME	:	Palm Oil Mill Effluent
POM	:	Palm Oil Mill
PSQM	:	Plantation Services Quality Management
RSPO	:	RoundTable on Sustainable on Palm Oil
RTE	:	Rare, Threatened, or Endangered
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SOM	:	Standard Operation Manual
SOCSO	:	Social Security Organization
SW	:	Schedule Waste