

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 Global Ventures Plantation (Malaysia) Sdn Bhd subsidiary of Felda Global Ventures Holdings Bhd.

Plantation Name : Felda Global Venture Plantation Malaysia Sdn Bhd (Palong 17, Palong 18, Palong 21, Serling Hilir 8).

Location : As per in table 1.3.

Certificate Code : **MUTU-MSPO/013**

Date of certificate issue : 14/08/2018

Date of expiry of certificate : 13/08/2023

Assessment	Assessment Date	Mutuagung Lestari Malaysia Auditor	Review by	Approve by
Main/ST-2	23 rd – 25 th May 2018	Mahaswaran (Lead Auditor), Ebnu Holdoon Shawal [Auditor] Khairul Anuar [Auditor]	Hari Naveen Christopher	Hari Naveen Christopher

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

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Figure 1. Serting Complex Geographical Map.

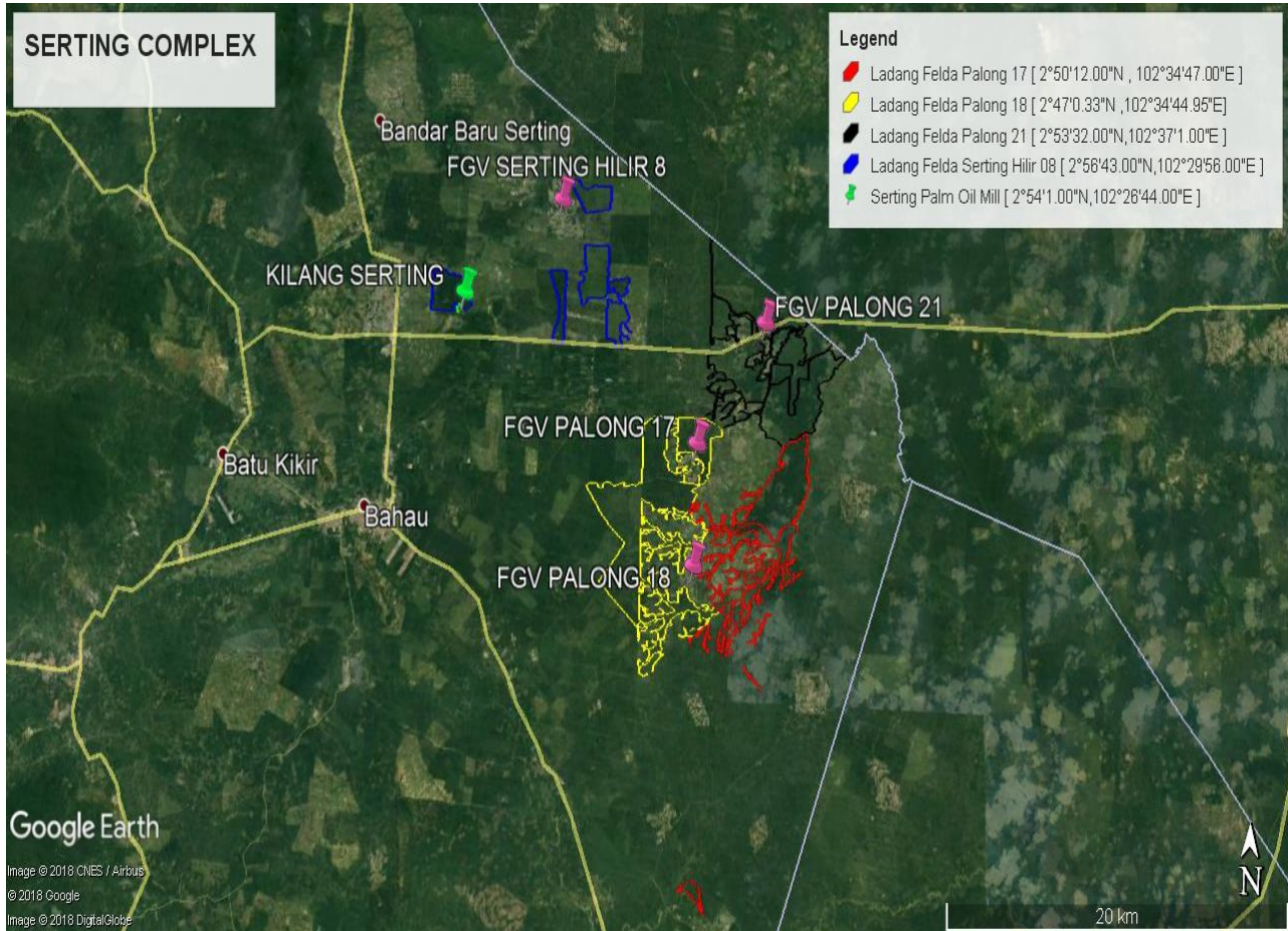


Figure 2. Operational Map of Palong 17 Estate.

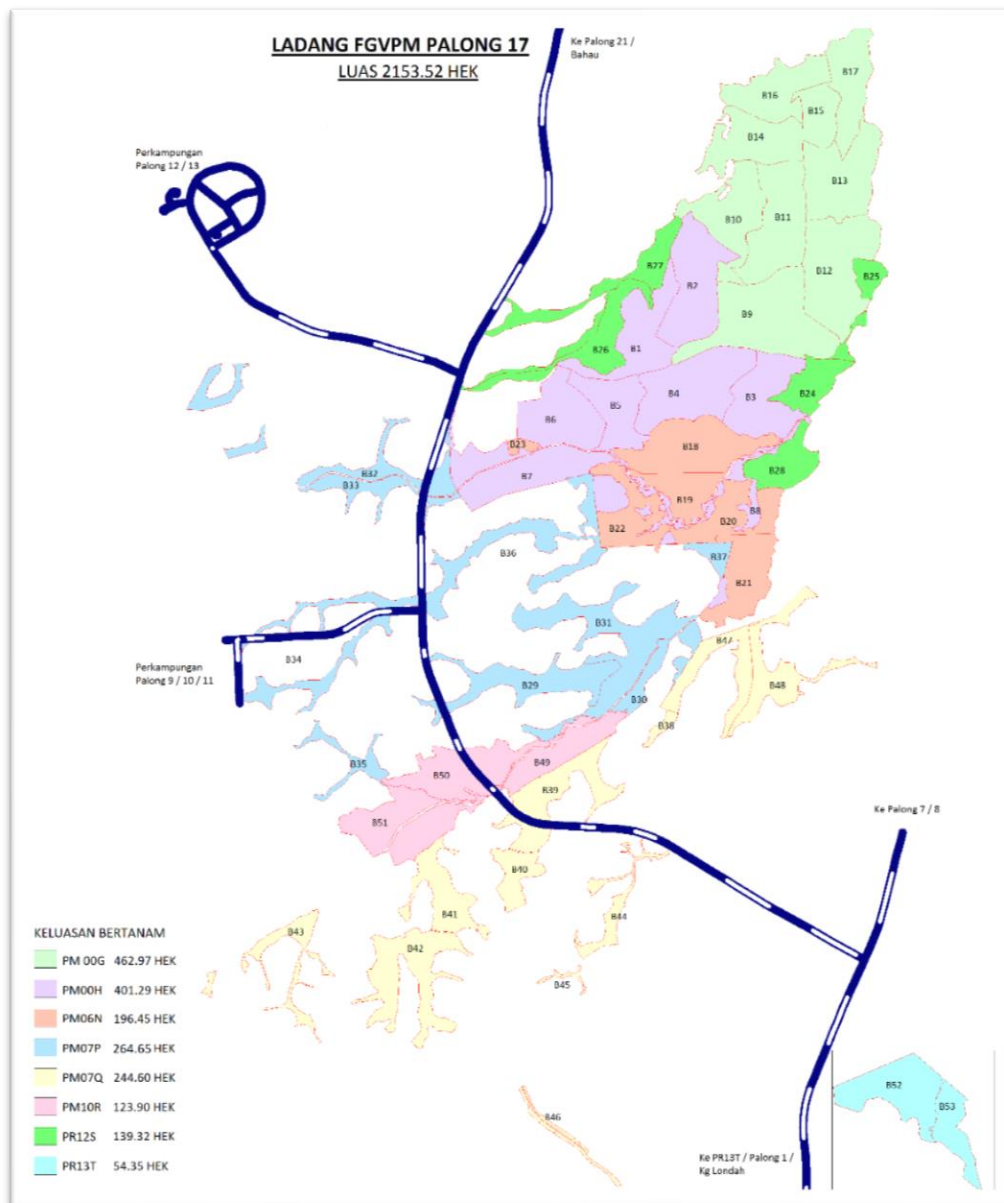
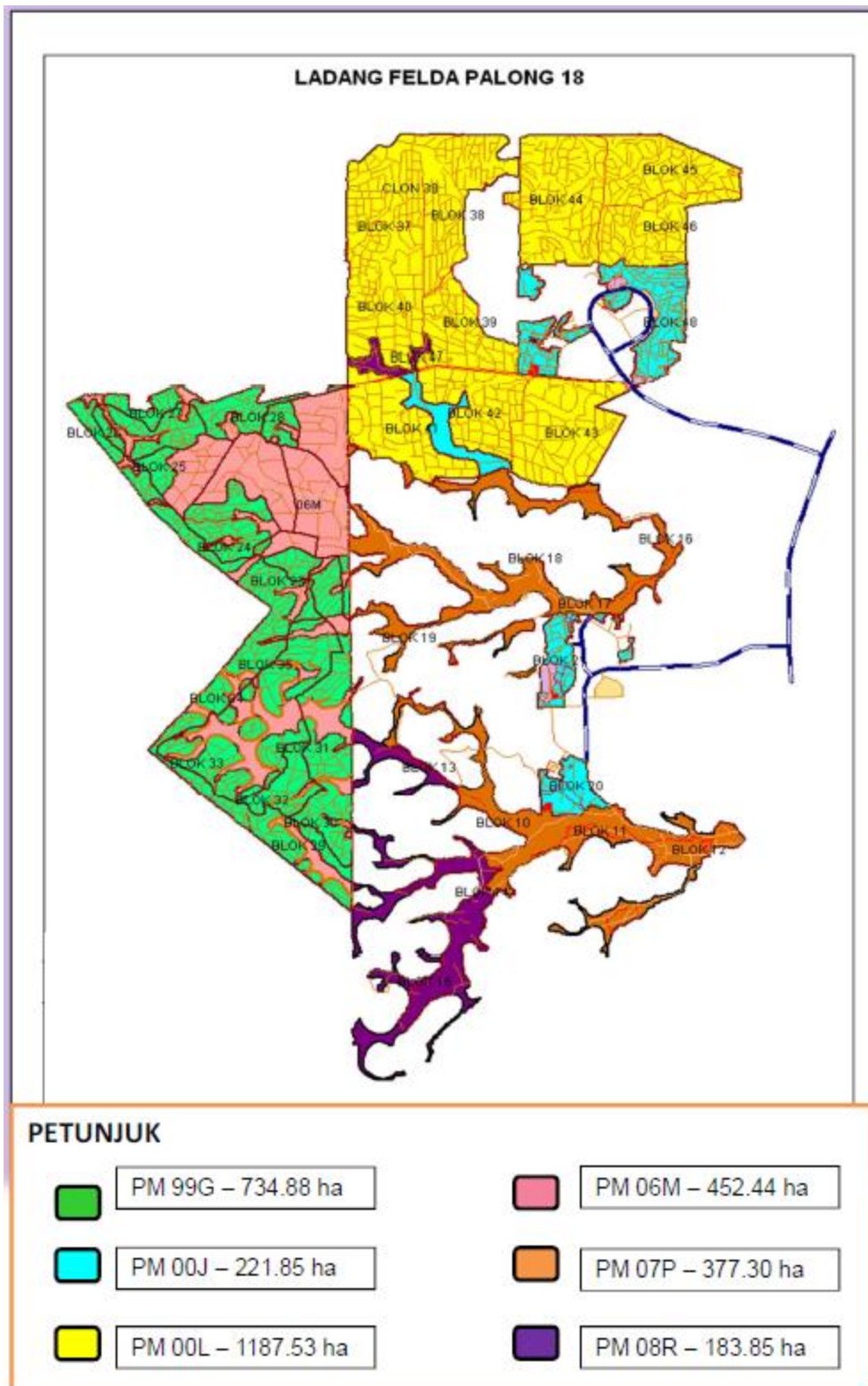


Figure 3. Operational Map of Palong 18 Estate.



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT																																																								
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1.2	Organization Information																																																								
1.2.1	Company name		Felda Global Ventures Holdings Bhd																																																						
1.2.2	Contact person		Mr. Norazam Abdul Hameed																																																						
1.2.3	Company address and site address		RSPO Registered Company: Felda Global Ventures (HQ) Level 45, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.																																																						
1.2.4	Telephone		(+ 603) – 26005349																																																						
1.2.5	Fax		(+ 603) – 26987816																																																						
1.2.6	E-mail		norazam.ah@feldaglobal.com																																																						
1.2.7	Web page address		http://www.feldaglobal.com																																																						
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1.3.1	Location of Plantation's or Organized Smallholders Estates																																																								
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*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	RSPO Certified

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>Mahaswaran Maliyapan (Lead Auditor) Malaysian. Executive Master in Entrepreneurship Enhancement [Supply Chain Management], Professional Diploma in International Management Practices, Graduate Diploma in Business Administration and Diploma in Mechanical Engineering. Has vast exposure and experience in engineering, quality, 2nd & 3rd party auditing in various industries and owns proven track records of auditing various multinational companies both locally and internationally. Certified Lead Auditor for ISO 9001, 14001, OHSAS 18001, RSPO P&C, RSPO SCCS, RSPO Next and MSPO. Since 2012 trained in agriculture certification programs such as RSPO, MSPO and SCCS and holds role as lead auditor or auditor with several local and overseas certification bodies. He too in Quality Environmental Management System as well the Occupational, Health and Safety auditing.</p> <p>Ebnu Holdoon Shawal (Auditor) Malaysian. Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001: 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He has gone for various RSPO audit including Felda POM and United Plantation as trainee auditor and have total 42-man days following the auditing activities. During this audit he has been assigned to verify the Transparencies and Environmental aspect.</p> <p>Khairul Anuar bin Abdul Hamid (Auditor), Khairul Anuar is a graduate from University of Alabama at Birmingham with Bachelor of Science in Civil Engineering (environmental) and holds a degree of Associate in Applied Science from the University of New York at Buffalo. A registered Environmental Auditor (EA0079) with the Department of Environment Malaysia. A Certified Erosion Sediment and Storm Water Inspector (CESSWI3309) and also the first batch holder for competency in Environmental Compliance Audit Training from the Natural Resources and Environment Board (NREB) Sarawak. He is also trained in ISO14001 EMS Lead Auditor. 24 years of working experience in various industries and disciplines including a 5 years Lead Estimator role at Honeywell (A Fortune 100 company).</p>
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
Main/ST-2	<p>Number of auditors: 3 auditors Number of days for Main/Stage-2 at site: 3 days Number of working days for Main/Stage-2 at site: 9 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 Seriting Hilir [Estates] from 23rd – 25th May 2018 by 3 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). The Stage 1 audit which to confirm Seriting Hilir Complex's readiness for the Stage 2 audit was done on 02-05/05/18 by Trismadi Nurbayuto (Lead Auditor) and Andi Prathama Pasaribu (Auditor) resulted with 3 findings. The client has responded with appropriate corrective actions prior to stage 2 audit.</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. – the audit plan attached to this report as an appendix.</p>
2.3.3	Locations of Assessment
MAIN / ST-2	<p>Total 4 estates and audit sample was 2 estates [Palong 17 Estate and Palong 18 Estate].</p> <ul style="list-style-type: none"> to maintain soil fertility especially in less fertile area.
2.4	Stakeholder Consultation
2.4.1	Summary of stakeholder consultation process.
MAIN / ST-2	<p>Consultation of stakeholders for Seriting POM, FGVP(M) held by:</p> <ol style="list-style-type: none"> Public announcement at web www.mutucertification.com and www.rspo.org on April 16th, 2018. Public consultation by interview with Policeman from Balai Polis Ladang Geddes on May 24th, 2018. Consultation meeting and interview with Internal Stakeholder (Gender committee, FFB Contractor, & FGV Foreign Workers Representative) on May 24th, 2018. Consultation with NGO (Suhakam-National Human Rights Society, NUPW –National Union of Plantation Worker, Traffic - the wildlife trade monitoring network, & Malaysian Environmental NGOs – MENGO) via email on May 14th, 2018. <p>Numbers of input from stakeholders were clarified by Seriting POM, FGVP (M).</p>
2.5	Determining Next Assessment
	The next visit of ASA 1 will be determined one year after this Main / ST-2.

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the MSPO Certification

MUTU has conducted the main / ST-2 assessment of Seriting Hilir Complex [Estates] – FGVP(M) operation consisting of four (4) estates. During this assessment, two (3) Minor Nonconformity and two (2) opportunities for improvement were identified against MS 2530-3:2013. Further explanation of the non-conformities raised are provided in section 3.5. MUTU found that Seriting Hilir [Estates] – FGVP(M) 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** Seriting Hilir [Estates] 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>A corporate MSPO Policy seen dated on 02/05/2018 was approved Dato' Zakaria Arshad, the Group President/CEO of FGV Holding Berhad. This policy is linked to various Group Sustainability Policies such as commitment towards No Child Labour, No Deforestation, No Forced Labour & Contract Substitution, Meeting the Minimum Wages Standard, etc. The estate workers and staff are being regularly briefed on Group Sustainability Policies during daily morning muster call and weekly meeting, sampled for 02/02/18 and 09/02/18.</p> <p>In FGVPM Palong 17, Sighted training records for 5 contractors [sampled Perniagaan Urusan Jay and Jeevendran Ent] dated on 16/05/18. Verified the training records for field workers dated on 03/05/18 on 1st phase awareness on sustainability policies that attended by 17 workers. In FGVPM Palong 18, interview with estate asst. manager, who mentioned the sustainability policies are normally brief during morning muster call.</p> <p>Minor Non-conformity: The newly developed Group policy on MSPO should be communicated to internal and external stakeholders as part of implementation process prior to this audit as sighted no evidences the policy been circulated nor communicated to estate management. Aside, briefing the other sustainability policies to workers during muster call to be evidence with attachments of what are the policies been briefed and how does the presenter ensure the workers understand the content of policies.</p> <p>Currently there are 16 sustainability policies which were approved by Mr. Mohammed Emir Mavani Abdullah in 2014. It must be demonstrable on whether the current President & CEO of FGV has reviewed the adequacy of the policies as sampled policy for child labour "Polisi Pekerjaan Kanak-Kanak" which allows children to help in their family own farm, which contradict with audit findings that FGV only employs foreign or local workers whom above 18 years old for their estate operation.</p>		
	Status:	Minor
4.1.1.2		
Indicator 2: The policy shall also emphasize commitment to continual improvement.		
<p>In sampled estates, seen among the policies which linked to the continual improvements are, such as "Policy on Replanting" linkage to environmental monitoring plan, "Policy for Riparian" link to training and buffer zones. Generally, the policies regard to OSH were given high priority by having various improvement plans.</p>		
	Status:	Ok
4.1.2 Criterion 2: Internal audit:		
4.1.2.1		
Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.		
<p>In FGVPM Palong 17, seen the internal audit dated on 10/01/18 covers requirements needed by the MSPO scheme and estate best practices. There were few weak points found such as no OHS safety committee meeting minutes, HCV monitoring records, records of non-renewable energy consumption, etc. There were 21 major and 16 Minor non-conformities raised by 3 auditors [Barath, Wani, Azwan]. In FGVPM Palong 18, the internal audit was done 11/01/18 by team from PSD [Shafiq, Hayati, Rahman]. There was 16 major and 13 minor non-conformities issued. Major lapses found on implementation of OSH and environment and improvement needed on record keeping.</p>		
	Status:	Ok

4.1.2.2		
Indicator 2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.		
In sampled estates, the internal audit procedure [FGV/ML-1A/L2-Pr11] dated on 01/06/16 is currently being revised by the PSD team for the clarity of requirements of various sustainability programs. The process flow of the annual exercise is from establishing audit schedule → audit team selection → prepare audit plan → conduct audit – reporting of findings.		
	Status:	Ok
4.1.2.3		
Indicator 3: Report shall be made available to the management for their review.		
In FGVP M Palong 17, the findings from internal audit was responded by the estate management during the Management Review Meeting dated on 30/05/17 for the period Jan-Dec 2016. Since the MSPO kick started in 2017, therefore the findings resulted from internal audit was not captured. In FGVP M Palong 18, the findings were uploaded in the Compliance Monitoring System as part of communication and review. The progress of the corrective actions was also discussed in the management review dated on 20/03/18.		
	Status:	Ok
4.1.3 Criterion 3: Management review		
4.1.3.1		
Indicator 1: The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.		
Management review meeting for FGVP M Palong 17 was done on 17/02/18 at estate's office chaired by estate manager. The minutes seen included of review on OHS, process performance, external audit performance, the decision on any changes, improvement, etc. As for FGVP M Palong 18, the management review was done on 20/03/18. Various issues were discussed such as internal/external audit, customer satisfaction, FFB production, environmental issues, social, replanting, decision on any changes, improvement on documentation and gender committee related issues.		
	Status:	Ok
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.		
In FGVP M Palong 17, the estate established CIP for 2017/2018, among that are on pesticide reduction [Paraquat], improve and/or adding barn owl, water catchment plan during drought season, fencing of estate border with concrete pole, recycling of fertilizer bags and domestic waste management. In FGVP M Palong 18, the CIP divided into 3 categories, such as social [worker's quarters maintenance], pollution prevention [landfill management, widening of buffer area], pesticide reduction [reduce or eliminate Paraquat, beneficial plants], increase yield [grading technique, harvesting cycle optimization] and recycling program [disposal of used pesticide containers and re-use of fertilizer bags].		
	Status:	Ok
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.		
Interview with estate managers, reveals there was no new information and techniques, or new industry standards and technology being introduced. The estate management improves their yield trend by education workers in accordance to Manual Ladang Sawit Lestari.		
	Status:	Ok

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.		
There is annual training calendar established in sampled estates as part of continuous improvement for OHS, environment and social. Sighted training records for estate workers on various topics that enhance continuous improvement of estate plantation performance. As mentioned in the 4.4.6.		
	Status:	Ok
4.2 PRINCIPAL 2: TRANSPARENCY		
4.2.1 Criterion 1: Transparency of information and documents relevant to MSPO requirements:		
4.2.1.1		
Indicator 1: The management shall communicate 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.		
The centralize stakeholder meeting for Seriting Complex was done on 05/10/17, sighted the attendance record [total 189 attended] attached with the minutes of meeting. various issues were discussed and communicated, domestic waste management, the purpose of sustainability policies, payment to contractors and PPE awareness. A log book established for tracking of internal and/or external complaint. However, the records seen more on internal stakeholder's housekeeping and maintenance issues.		
	Status:	Ok
4.2.1.2		
Indicator 2: Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
The information on the publicly available documents seen specifically addressed in page 8 of FGV Sustainability Certification Handbook. This information also been communicated to external stakeholder during annual meeting.		
	Status:	Ok
4.2.2 Criterion 2: Transparent method of communication and consultation		
4.2.2.1		
Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.		
There is a procedure [FGV/ML-1A/L2-Pr12] dated 01/06/16 available for communicating and reporting of EMS, OHS and social issues with relevant stakeholders.		
	Status:	Ok
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.		
FGVPM Palong 17 has appointed Muhammad Ruzaidi as window person to communicate and follow up with regards to stakeholder's issues. Sighted the letter [49/631/11-1-1] was approved by estate manager on 14/06/17. For FGVPM Palong 18, sighted appointment letter dated on 05/01/18 for Mr. Khairulakwa Hamzah the Asst Manager nominated to handle social related issues resulted from internal / external stakeholders.		
	Status:	Ok

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.		
In sampled estates, seen there are 2 types of stakeholder lists, 1 st on the complex level that covers broader scale and 2 nd for immediate stakeholder for respective sites. The latest reviewed of immediate stakeholder list consists of government agencies, JKKK and other interested parties. The meeting minutes with stakeholder are effectively documented. The complaint and feedbacks during centralize stakeholder meeting was responded by estate management in the minutes dated 30/05/17.		
	Status:	Ok
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).		
The sampled estates have implemented SOP for Traceability [Manual Ladang Sawit Lestari] Doc No: MLSL(Ed)-Sec.4(8.0), dated 01/06/12 and SOP on Sustainable Supply Chain and Traceability FGV/ML-1B/L2-Pr1 dated 01/08/16 as to provide guideline to establish sustainable supply chain and traceability for FFB. Data capturing [bunch counting / grading] is done using conventional way of manual recording by using "Grading Chit". Sampled verified of chits from Mar-Apr 2018 with no negative findings.		
	Status:	Ok
4.2.3.2		
Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.		
In both sampled estates, seen the harvesting field supervisor holds the responsibility on regular inspection, whereby the effectiveness of monitoring seen captured in the internal audit by PSD. Aside there is also field routine visit by the manager and annually visit by the agronomies and sustainability team members.		
	Status:	Ok
4.2.3.3		
Indicator 3: The management should identify and assign suitable employees to implement and maintain the traceability system.		
Based on the Manual Ladang Sawit Lestari] Doc No: MLSL(Ed)-Sec.4(8.0), dated 01/06/12, page 3 of 9 (point xx), it is the responsibility of respective field Mandor to maintain the traceability processes.		
	Status:	Ok
4.2.3.4		
Indicator 4: Records of sales, delivery or transportation of FFB shall be maintained.		
Interview weighbridge operator respectively at both sampled estates to understand the traceability of FFB from estate and delivery to mill. Verified the record of FFB recording for harvesting work [Chit Grading BTS] and Nota Hantaran BTS. Sampled tickets for Mar-May 2018 and cross checked with weighbridge result produced by the mill for the same period. Witnessed the weighbridge operation of FFB prior to transport to Seriting Palm Oil Mill.		
	Status:	Ok

4.3 PRINCIPLE 3: COMPLIANCE TO LEGAL REQUIREMENTS		
4.3.1 Criterion 1: Regulatory requirements		
4.3.1.1		
Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
<p>A mechanism to ensure compliance to legal and other requirements has been documented in FGV/ML-1A/L2-Pr6 dated 01/06/16. Interview with estate manager, chief clerk and sustainability PIC revealed, they are aware on the applicable legal compliances and how does the revisions and updates in the regulations being communicated.</p> <p><u>FGVPM Palong 17</u></p> <ul style="list-style-type: none"> • MPOB License – 559437002000, expires on 31/03/19 • Permit for purchase and store diesel – N011080 for 10,000L – expires on 06/06/18 • Letter dated 26/04/16 for “Pay Deduction for Water – RM 4. As for Electricity – RM 6 in accordance to Sek 24, Act 1955. <p><u>FGVPM Palong 18</u></p> <ul style="list-style-type: none"> • MPOB License – 559442002000, expires on 31/03/19 • Permit for purchase and store diesel – N011286 for 10,000L – expires on 21/11/18 • License for tractor driver – Mahazet Abu Hassan 710912025793 [B2 & D 7 F] • Weighbridge calibration – s/n 4341157 was inspected on 04/06/17 		
	Status:	Ok
4.3.1.2		
Indicator 2: The management shall list all laws applicable to their operations in a legal requirements register.		
<p>Both estates seen with a compliance checklist established for monitoring of schedule waste disposal, quarterly return form, final discharge, etc. Among the listed regulations are OSH Act 1994 – Act 514, FMM 1967 Act 139, MPOB 1998 Act 582, Socso 1969 Act 4, Trade Union 1959 Act 262, Children & Young Persons Employment 1966 Act 350, etc. Sighted the list of compliance updated and circulated to mill and estates by the sustainability team from HQ on 02/01/2018.</p>		
	Status:	Ok
4.3.1.3		
Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.		
<p>There is a Standard Operating Manual that guides the operating units on how to monitor the progress of applicable laws and regulations. The Plantation Sustainability Department [PSD] will update the estates if there are any changes in the legal requirements. In FGVPM Palong 17, the Legal Compliance Checklist dated 29/03/18 which list out all the Permits/Licenses and verified by Nora Ashikin. In FGVPM Palong 18, the LORR last updated on various dates in 2017 and 2018.</p> <p><u>Observation:</u></p> <p>There was an update on Electrical Supply Act 1990 (Amendment 2015). The communication from PSD to estates needs further enhancement as sighted the LORR not reflecting the amendments accordingly. Aside the operating unit to be made known on the changes and what are the potential impact to respective operating units. Both estates, to re-check on the LORR as the revision level maintenance not properly managed.</p>		
	Status:	Obs

4.3.1.4

Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

The identification of changes is the responsibility of PSD in HQ whom shall notify in written to the estate representatives of the changes which normally the assistant manager. It then the PIC to delegate the information within the related estate staff. As for the issues concerning to environment and OHS, it is the responsibility of EHS unit [under the arm of PSD] to update and implement the changes. For the issues related to foreign workers, the Worker Management Unit will liaise with respective sites. The HR team co-ordinates on wages concern issues with all operating units. For FGVPM Palong 17, sighted the appointment letter for Jupery Parjan [Asst Manager] dated on 09/01/18 and in FGVPM Palong 18, the letter of appointment sighted for Mr. Khairul Affendi Muhamad [Field Supervisor] seen issued on 05/01/18.

Status:
Ok
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.

Based on the FGV Prospectus Report, Part 05 – page 812, clause 11.2 the land area that leased by Felda to FGV, the terms described clearly on the land use. In FGVPM Palong 17, the title area is 2,153.52 Ha; Planted: 1,891.4 Ha; there are discrepancy of land area that leased by Felda amounting 129.7317 Ha which still not having of land title by Felda, but the area is able to correspond with “Warta Tanah”. As at audit date, there are 48 land titles available from Felda. In FGVPM Palong 18, the total area is 3,542.56Ha - Planted area is 3,172.84Ha and the discrepancy of land area of 277.548 not available of land title but it plotted in “Warta Tanah”.

Pursuant to the terms of the Land Lease Agreement, FELDA has agreed to lease to FGV Plantations Malaysia a total of 66,438.60 hectares of existing lands vested with FELDA by the state authorities for development in respect of which individual titles have not been issued to FELDA. Pending the issuance of land titles to FELDA, both parties have entered into Tenancy Agreements dated 6 January 2012 to implement the intention of the parties under the Land Lease Agreement.

contractual or legal requirements for any state consent to be obtained by FELDA prior to the creation of the tenancy. In the event any of the state governments do not issue the land titles to FELDA, the land will remain as land without title and FGV Plantations Malaysia will not be able to register the lease. However, FGV Plantations Malaysia will continue to occupy and benefit from the commercial agricultural activities undertaken on the land under the Tenancy Agreement dated 6 January 2012.

Status:
Ok
4.3.2.2

Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.

For FGVPM Palong 17, since the land is leased by Felda to FGV, therefore FGV maintaining payment slips “Bayaran Pajakan”. As for FGVPM Palong 18, the land title allows for agricultural crops “Kategori Penggunaan Tanah – Pertanian”.

Status:
Ok
4.3.2.3

Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

During field visit at FGVPM Palong 17, sighted the estate land area are adjoining to FGV and/or Felda managing properties [rubber / palm oil]. There are government reserved land nor original boundary stone visually seen during field visit, trenches along settler's land serves as boundary marker. Besides, there are also iron poles [red & white] indicating the boundaries with Felda settlers who also planted with oil palm. Field visit to Block PM10R and PM07P seen the boundary markers are well maintained. GPS co-ordination of every boundary well input in the boundary map.

During field visit at FGVPM Palong 18 to Block 17 [bordering to Palong 17], Block 45 [bordering to Risda Palong], Block 2 [bordering to main road] and Block 16 [bordering to Sg. Palong]. Boundary markers were seen clearly and maintained well. Sighted the boundary stones census and the GPS coordination referencing to the identified locations. Cross verified 5 GPS co-ordination in the digital mapping against the points sampled from list of boundaries and found satisfactory.

Status:
Ok

4.3.2.4		
Indicator 4: Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).		
In sampled estates, seen there is no evidence collected during this audit period for any legal, customary or user rights since this estate located surrounded by other FGV/Felda schemes.		
	Status:	Ok
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.		
“Pengenalpastian dan Penyelesaian Pertikain Tanah FGV/ML-1A/L2-Pr10 is applicable if any arising issues from the local communities neighboring the estate or stakeholders or during land surveying process by authorized agencies.		
	Status:	Ok
4.3.3.2		
Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.		
There are no communities nor individual has any implications for the legal status of their land sampled estates.		
	Status:	Ok
4.3.3.3		
Indicator 3: Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.		
There are no communities nor individual has any implications for the legal status of their land sampled estates.		
	Status:	Ok
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.		
In Palong 17, the Social Impact Assessment for was held on 09/01/18 by Certification & Due Diligence team from HQ. The assessment done by field interviews (group interviews and one-on-one interviews, consultation with the unit management, site observation and documentation review. The assessment was aimed on livelihoods, social wellbeing of the wider community and physical impacts of human populations on social changes. In Palong 18, sighted the Social Impact Assessment was conducted on 09/01/18 by Pn. Norfara Adila and En. Amir from CDD team.		
Based on the profile mapping, there are government clinic, community hall, post office, mosque, police station, football field, sundry shops, recreational area and cemetery. For the internal stakeholders/workers the negative impacts found were low awareness on MSPO requirements and lack of understanding on OSH practices. There are plans available for immediate and short term with monitoring activities. There was no negative impact received nor recorded during the assessment. It was noted with 10 positive feedbacks from external stakeholder at which the management also developed programs to further enhance their commitments.		
	Status:	Ok

4.4.2 Criterion 2: Complaints and grievances		
4.4.2.1		
Indicator 1: A system for dealing with complaints and grievances shall be established and documented.		
In Palong 17, the estate is maintaining a SOP No. FGV/ML-1A/L2-Pr12 for Communication/Engagement/Negotiation as the consultation and communication procedures to relevant stakeholders. The SOP has outlined the context of request & response, consultation & communication, and complaint & grievance. In Palong 18, the estate manager handled all the complaints and grievances. A complaint and grievances logbook are kept in the office. In Feb'18 there was 1, in Mar'18 there was no issue, in Apr'18 there were 2 and in May'18 there were 4 complaints made pertaining to household maintenance.		
	Status:	Ok
4.4.2.2		
Indicator 2: The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.		
The procedure also indicates the time line for responding in FGV/ML-1A/L2-Pr12 [point 6.2.3] where the process of receiving and executing actions for complaint & grievances received consist in preliminary, stage 1 and stage 2. Complaints forms seen are responded within 1 -2 working day for all house repair matters.		
	Status:	Ok
4.4.2.3		
Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.		
In Palong 17, the estate provides specific form for housing repair request "laporan Kerosakan Rumah" which has been available to the workers. External and internal parties can record their complaint on the log book, complaint may have submitted and write directly in the logbook and also may submitted by phone. In Palong 18, seen a book named "Rekod Peti Aduan" used for all complaints, consultation and request either internal or external stakeholders. This book is clearly explained during Sustainability Briefing for both internal employee (from time to time) and external stakeholders (during Stakeholder Consultation Meeting). All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form at Office Drop Box.		
	Status:	Ok
4.4.2.4		
Indicator 4: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.		
In Palong 17, it was confirmed during the interview with workers and stakeholders (contractor and school teacher) that they have been aware and understand regarding to the complaint and grievance mechanism, including the personal in charge to handle the complaint and timeframe for responding. In Palong 18, as per interviewed with stakeholders for external communication, the management takes the effort to give training during annual stakeholder meetings [189 participants attended the recent meeting]. During the external stakeholder meeting, sufficient briefing on complaint flow made. This was verified during stakeholder consultation, whereby all the attended stakeholders [JAS, JPS, JKS, Village Head and Contractors] agrees the company provides information either through WhatsApp portal or during annual stakeholder meeting. Those attended acknowledged circulation of memo also received as part of communication in regards of MSPO.		
	Status:	Ok

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.

Seen the internal and external stakeholders log book for Palong 17 estate. At this moments, no negative complaints made by either party in the last 24 months. Its more to request and response from them for household maintenance which the estate management responded timely. In Palong 18, sighted all internal complaints filled and responded and records maintained from 2017. At this moments, no negative complaints made by either party in the last 24 months. Its more to request and response from them for household maintenance which the estate management responded timely.

Status:

Ok

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.

In the sampled estates, based on the external stakeholder log book and stakeholder meeting minutes, there was no evidence that local communities have requested either monitory nor logistics for their community development. There was no significant contribution either monitory nor infrastructure by the mill for the local's sustainable development. This is possibly due to the location of the mill which surrounded by FGV and/or Felda managing plantations. Generally, the local communities request for assistants through means of meeting, such as Friday prayers which normally not recorded by certificate holders.

Status:

Ok

4.4.4 Criterion 4: Employees safety and health
4.4.4.1

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

A commitment related to OSH stipulated in document of policy "Dasar Kualiti, Keselamatan Kesihatan Pekerjaan dan Alam Sekitar" date of revision 1 February 2017, signed by Ketua Pegawai Executive, Felda Palm Industries Sdn Bhd. The policy is written in Bahasa, which stated that FGV(P) committed to delivering value to our stakeholders by operating in a sustainable and environmentally manner.

This providing a committed to pursue compliances towards Legal and other related OSH requirements, providing adequate knowledge through training and experience which aims to maintain good competency for employees, preventing work accident, as well as providing a safe and healthy working environment. OSH plans are properly documented and implemented in all estates, effectively communicated through safety briefing, trainings, daily inspections, and morning musters. Also, through HIRARC and EAI implementations and continuous review and evaluations by the management. The organization of OSH committee that held regular meetings also perpetuate the policy among employer and employee alike.

Status:

Ok

4.4.4.2

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

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to 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

Records shall be kept of all accidents and be reviewed periodically at quarterly intervals

The OSH Policy is communicated through meetings, during morning musters and implemented through trainings requirements according to HIRARC which identifies major activities in mill and its supply bases. The Hazard Identification, Risk Assessment, and Risk Control (HIRARC) document is prepared by the appointed personnel and reviewed periodically. Training plan for each unit was identified and continuous training programme for each working activity is also identified and planned. OSHA Meeting Manual (No Doc: ML-1A/L3-3GP2(0) Dated March 2018.

In Palong 17 Estate HIRARC **File** – activities reviewed almost on monthly basis especially when there is a change in work activities.). From interviews during field visits, workers from Palong 17 (locations PM00H, PM07P and PM10R) that were doing pesticides spraying are well aware of the procedures for chemical handling dos and don'ts. When the Pesticides Sprayer (Jamaludin) was asked about SOP/procedures were able to explain thoroughly the correct practice. PPE used during work were sufficient.

The same can be confirmed with the harvesting and manuring team. During the interview with sprayer in sampled sites that there is facility to PPE washing and space to keep the PPE after work, which located in the storage complex. During visit to chemical / pesticide store, sighted the balance of remaining solution are kept under lock and the store key kept at office, this is compliance against to Regulation 9 of the Pesticides Act 1974 requiring. Since there is no Class 1a and 1b pesticides used, therefore Form II with regard to use of highly toxic pesticides and hours worked is not required. The auditor also sighted a first aid kit box, a fire extinguisher kept at outside of the store. During field visit, sighted with notice displayed in the area treated with pesticides.

The OSH committee for each estate were headed by the Manager with appointed secretary and committee members representing the employee and the employer from various relevant units. Palong 17. Lead by Chairman Abdul Rahim Abdul Rahman Appointment Letters (sample Bil 45) HSE/fgvpm/631/03 Dated 20/2/2017 Appointing En. Jupery bin Parjan as OSH Committee Member. Signed by the Manager En Abdul Rahim Abdul Rahman. Last Meeting was (Bil 49) HSE/FGVPM/631/03 DATED 9/10/2017 attended by all committee members. Also sighted the Attendance List OSHA Monthly meeting on 6/11/2017 FGV Palong 18.

Each estate also had Emergency Preparedness & Response team. ERP is available in the SOP (No. Dokumen FGVPM/L2/PP-08) that prepared by SHO Jabatan HSE-FGVPM, evaluated by SHO Zon Jabatan HSE-FGVPM Approved by Ketua Jabatan HSE-FGVPM. Estates were equipped with First Aid Training and First Aid kits. First Aid Kit

boxes are available at all locations. During field visit (locations PM00H, PM07P and PM10R) First Aid Kit sighted and inspected. Records of all accidents are kept. File C4.7 OSHA – 4.7.7 Rekod Kemalangan – Sighted Borang JKPP 6. 16/4/2017 accident date and 17/4/2017 Report date. Samsudin Mahmud, Indonesian Labour had accident while harvesting, all records are reviewed

Observation:

PPE provided to workers was not fully utilized during harvesting activities at PM00LB, Palong 18

Minor Non-conformity:

The company has established the type of first aid kit that should be available at the work site namely 16 items, however based on observation to fertilizer and agrochemical store in Palong 17, harvesting activity (Block 4 PM00H, Palong 17), and harvesting activity in PM00LB Palong 18 sighted that the first aid box provided is not complete, such as Sal Volatile according to the list. This is against the requirement of Factory & Machinery Act 1967, Regulation 38 of Safety, Health and Welfare – 4th Schedule.

Status:

Ok

4.4.5 Criterion 5: Employment conditions

4.4.5.1

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

An official statement on the document of policy of human rights, issued dated 01 June 2014, mentioned that the company committed to support of human rights. Under FGV's list of Sustainability Policies (Senarai Polisi Sustainability) No.12 – (Human Rights Policy). Signed by the President & CEO of FGV Mohammed Emir Mavani Abdullah Dated 1/6/2014. The policy highlights the company's commitment to support human rights. In order to the realization of the policy, FGV is committed to take into consideration the human rights requirements in structuring its manual, procedures, and other company's policies. In addition, FGV shall always continue to participate in various efforts to support and also participate in various activities to promote corporate responsibilities in order to honors human rights.

Status:

Ok

4.4.5.2

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

Under FGV's list of Sustainability Policies No.2 – (Equal Opportunity). Signed by the President & CEO of FGV Mohammed Emir Mavani Abdullah Dated 1/6/2014. FGV group will ensure that all workers and those applying for work shall, receive equal treatment and shall not participate or support any type of discrimination based on race, nationality, religion, disability, sex, age, sexual attraction, union members and political beliefs. Based on the interview with the foreign and local workers in the plantation, no issues found regarding to the discriminatory and social issues at the estate operation. They are satisfied with the way they are being treated by the management.

Status:

Ok

4.4.5.3

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.

Under FGV's list of Sustainability Policies No.12 – signed by the President & CEO of FGV Mohammed Emir Mavani Abdullah Dated 1/6/2014. Rate of wages for local and contract/foreign workers under FGVP(M) Sdn Bhd shall use the latest payment scheme under "Buku Panduan Kadar Upah Kerja Ladang Bil. 5/2017" Minimum wage of RM1,000 per month for Peninsular Malaysia. The wage setting was approved by FGVP CEO.

Status:

Ok

4.4.5.4 Indicator 4: Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.		
Doc: Panduan Kadar Upah Kerja pekerja pentadbiran dan Operasi Ladang Semenanjung Malaysia (KUK BIL 05 Mulai 01/01/17) – Described working hours, basic wages, incentives, replacement allowance, replacement incentives, wages through banking, wage deposit, /initial. Records and pay slip, estate field works harvester and FFB loader payment instructions, Separate Rate for “mengutip Buah Leraí”, rate for unloader, fertilizer application rate and wages, weeding, estate management, supervisor incentives (mandor), and instruction for minimum wage for general and management. Sighted the contractor’s employee’s payslip that evidenced they are being paid with the minimum standards as per regulation with National Minimum wage. Sighted the workers’ payslip from Syarikat Gerak Maju (000709995-M). The contract agreement between contractor and their workers sighted complied with requirement of Part X11 XII of the Employment Act.		
	Status:	Ok
4.4.5.5		
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.		
Rate of wages for local and contract/foreign workers under FGVP(M) Sdn Bhd shall use the latest payment scheme under “Buku Panduan Kadar Upah Kerja Ladang Bil 5/2017” Minimum wage of RM1,000 per month for Peninsular Malaysia. The wage setting was approved by FGVP CEO. The sampled estates seen maintaining the records of workers that includes of the estate name, worker’s race, religion, employees full name, date of birth workers, joined on dated, account bank number, EPF name, SOCSO number, sex/gender, identification number, and job designation for the workers.		
	Status:	Ok
4.4.5.6		
Indicator 6: All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.		
Evidence of contract agreement between Felda Global Ventures Plantations (M) dan Foreign Work Force and Kamarul Huda. This agreement is made on 26/11/16 with passport No. BJ 0557295. This agreement term shall be for a period three years from November 26th, 2016 and may be renewed from year to year not exceeding 10 years. The employee shall work 8 hours a day and 6 days per week. The Company will finance the cost of hiring new employee and current work permit. The company is responsible to provide insurance for each employee under the foreign worker’s compensation scheme (FWCS) as required the Ministry of Human Resources, Malaysia.		
For the insurance coverage required by the government of source country, the cost will be borne entirely by the employee. All employee’s passport shall be kept in the office for security reasons. Employees may obtain the passport from the company as a valid travel document, if necessary. This agreement has been signed by the company between the employee and the witnessed. The agreement is in Bangladesh language and both of party has the agreement.		
As for the local workers, interview with office and field staff, they have been provided with job confirmation letter at which the terms and conditions were briefed on the first day of appointment. A copy of payslip is being given timely and beneficial as stipulated in the appointment letter has no violation by the estate management.		
	Status:	Ok
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.		
An evidence of pay slip (Penyata Gaji Bulanan untuk April 2018), 3 persons were verified. Documented payment for Basic pay, shift allowance, normal days overtime, holiday pay, water reimbursement, defray expenses on accommodation and insurance reimbursement.		
	Status:	Ok

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.

Working hours related to all employees has been recorded in the pay slip of workers. Sighted also the overtime books and filing system that record all the workers name that involved in the estate in monthly basis. Based on the pay slip verified that the breakdown of each workers has been clearly shown. Based on the interview with the management representative, the overtime paid according to regulation [daily work x 1.5 weekend works x 2, holiday works x 3] as per agreement and understood by the workers.

Status:
Ok
4.4.5.9

Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

An evidence in the pay slip for both estates showing deduction for expenses on accommodation, employees SOCSO are sighted. Examples for Palong 17 was sighted (Foreign & Local):

- Abu Raihan Byapari (passport Z0731567 & worker ID FW06310016), Job- weeding. Total income RM 2,103.61, less TNB bill RM 19.94 and less Water bill RM 16.42. Total Net Pay RM 2,067.25. Total working days is 26.
- Nazrul Islam (passport W0595828 & worker ID FW06310474), Job- Harvester. Total income RM 2,336.96, less TNB bill RM 19.94 and less Water bill RM 16.42. Total Net Pay RM 2,300.60.

Nurdin Bin Samad (Local), (worker ID LW06310141), Job- Harvester. Total income RM 1,462.99. less KWSP RM 163, and less SOCSO RM 7.25 & RM 2.90 Total Net Pay RM 1,289.84.

Status:
Ok
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.

Evidence for a harvester with worker's ID FW06320374 Total income RM 2,657.31 (Inclusive of pay for Pruning – RM 60; Harvesting RM 718.61; Extra pay for working with taller trees RM 29.04; Extra Pay RM 53.24, deduction RM 29.87, Total net pay RM 2,627.44. Field interview provide evidence that workers welfare is taken care of. Medical care and health provisions.

Status:
Ok
4.4.5.11

Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

Field Visit – Interview – FGVP has provided public facilities such as workers housing, 28 units of Class F houses and 3 units' class C houses, 1 unit of Surau, 1 Clinic, 1 Hospital, and 1 canteen. Electrical supply from TNB and water supply that subsidized by the management (RM20).

Status:
Ok
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 FGV committed to give an attention to sexual harassment occur at the workplace according to section 22 (Kod Etika dan Tatalaku Petugas) A procedure is established (Prosedur Menangani Aduan dan Rungutan) FGV/ML-1A/L2-Pr13 effective date on 1 June 2016. 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 Complex.

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:	Ok
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 (Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan) Signed by Mohamed Emir Mavani CEO FGV 1 June 2014. Stated that FGV give a freedom to speak and not to prevent workers to join any union. Based on the interview with various filed workers, they are aware with the company policies, workers right and welfare, compliance with laws and regulations with regards to employment, and contract employment. There is no complain and grievance related to housing standard and amenities.		
	Status:	Ok
4.4.5.14		
Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. 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 signed by Mohamed Emir Mavani Abdullah CEO FGV 01 June 2014. There is a list of employees on Labour Register. 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:	Ok
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.		
The estate has a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2017 was sighted. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training. Sample of the training programme sustainability training, IPM training, domestic waste management and scheduled waste management. As evidence, seen the latest awareness training to workers sighted on 16/09/2017 Attended by 32 workers. Sample Training for FGV workers and contract worker – "Latihan Menuai" dated 27/2/18. Peringkat PM00H Blok 4, by Felda Palong 17. Conducted by AM Jupery b Parjan and Pn Nora Ashikin Bt Arbain. Workers from contractor Syarikat Gerak Maju (000709995-M) PT 10916, SPG Kerayong, KM 1, Jln Purun, 28200 Bera, Pahang DM. Another sample is for "Latihan Menuai" which dated 13/3/18. Peringkat PM00L (B), Ladang FGV PALONG 18 Workers from contractor RKP Enterprise – Nasir.		
	Status:	Ok
4.4.6.2		
Indicator 2: Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.		
All workers involved in the operations have been adequately trained in safe working practice. As evidence, sighted the training needs prepared by the Estate Sr Assistant Manager for each individual worker.		
	Status:	Ok

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.		
The sampled estates has a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2018 was sighted. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training. Sample of the training programme such as handling chemical, audiometric test, fire and usage of PPE.		
	Status:	Ok
4.5 PRINCIPLE 5 : ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY AND ECOSYSTEM SERVICES		
4.5.1 Criterion 1: Environmental management plan		
4.5.1.1		
Indicator 1: An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.		
The estates had developed the environmental policy of estates such as policy of scheduled waste management, waste management, river buffer zone, identification of HCV area and biodiversity policy, and group sustainability policy of FGV Holdings. The estates also maintaining the report regarding the aspect impact of environment through estate activities, schedules waste and pollution in document criteria 5.1/5.3/5.6 number document 1/2018 dated 26/02/18. Based on the interview, the action plan had been developed, communicated to the workers of estate (5 harvesters, 2 spraying and fertilizing activities, 2 persons 4 Bangladeshis, 3 Indonesian workers and 1 local workers). The estates had developed SOP's regarding the Environmental such as "Polisi Perlindungan Tanah Curam dan Rezab Sungai", "Polisi Perlindungan dan Penjagaan Alam Sekitar", "Polisi Larangan Pembakaran Terbuka" and "Polisi Kitar Semula" as the policies that related to concern of environment.		
	Status:	Ok
4.5.1.2		
Indicator 2: The environmental management plan shall cover the following:		
<ul style="list-style-type: none"> • An environmental policy and objectives • The aspects and impacts analysis of all operations. 		
Sighted the environmental management plan for the estate dated 26 th February 2018 that include action plan to reduce impact on polluting activities. The estates had also identified following details on impact assessment; source of pollution, action needed, responsible person, time line needed for 2018 (Jan – Mac, April to June and October – December) and monitoring (percentage of recycling, numbers used for premix usage). Sighted the impact from the environment related to non-waste and summarize verified the form the activities of estate, it was found that the spraying activities had contribute environmental pollutions.		
Based on the document verification, criteria aspect impact had been classified as per details on index frequency, severity number 4 for daily, severity index number 3 for weekly, severity number 32 for monthly bases and severity index no. 1 for yearly. Sighted the score and risk for two stages which is 1 st stage between 12 and 16 and stage 2 less than 12. Based on the analysis, the significant index will need to prepare the objective and management plan however less significant will reduce on pollution in and determination control.		
	Status:	Ok
4.5.1.3		
Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented, and monitored.		
The estates had developed environment improvement plan to mitigate negative impacts include in control of operation. Relevant management program developed for each identified significant aspect. Targeted completion date observed in the management program. Management program developed for yearly basis. Responsible person identified for each action plan. Thru the site observation, the operation control of significant aspects was well performed. Sighted the identification of Environmental Aspect and evaluation of Significance form no FPI/L4/QOHSE 1.7 Pindaan 1.		
	Status:	Ok

4.5.1.4		
Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.		
FGV had developed the summary regarding the identification and program to promote positive impacts towards environment which include activity identification, input and output aspect → identification impact towards environment → aspect quantification → identification the situation and environment → aspect analysis → manage according to the importance. Based on all the aspect procedure, the summary of the aspect environment is to promote positive impact on all estate activity and the management had allocated the person responsible including the Mandore, assistant manager, department head, assistant manager and recorded in the form of identification of aspect impact.		
	Status:	Ok
4.5.1.5		
Indicator 5: An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.		
The estates had developed a training related to policy and objectives that will be disseminated amongst the workers and briefly explain accordingly of engineman management and improvement plans. The estates had planned the OSH training program throughout the year 2018 that include Medical Surveillance, CHRA training, PPE training, fire & evacuation training, ERT training and first aid training. Sighted the training record for RSPO/MSPO awareness and coaching dated 08/01/18 at meeting room Ladang Felda Palong 17 attended by 12 persons [Assistant Manager, assistant RSPO/MSPO, Supplier clerk and etc.].		
	Status:	Ok
4.5.1.6		
Indicator 6: Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.		
Meeting regarding environmental had been done on 20/03/18 at Felda Palong 18 that discussed on the matters related to environment and awareness. Sighted 17 list of people attending the meeting and matters arising on environment had been discussed. Based on the minutes meeting, there is no changes in aspect impact and no significant effect towards the environment. Sighted the minutes meeting had been prepared by assistant manager and approved by estate manager of Palong 18.		
	Status:	Ok
4.5.2 Criterion 2: Efficiency of energy use and use of renewable energy		
4.5.2.1		
Indicator 1: Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.		
The sampled estates have management program for efficiency use of diesel observed for year 2017 & 2018. The management plan implemented and monitored. Monitoring of diesel usage per ton FFB performed in estate. Sampled check at Palong 17 for Jan – Dec 2017, the diesel used (liters): 42158, 35717, 115902, 139035, 102336, 77140, 166712, 190185, 126672, 131100, 122165, 55727 against the FFB Production (MT) 1488.26, 1345.75, 2134.17, 2639.41, 2268.78, 3633.81, 3200.5, 3230.66, 4561.53, 3759.42, 3308.78 respectively. The estates had record the fuel and lubricant usage for the estates: dated 19 th May 2018 – stock bin card.		
	Status:	Ok

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.

FGV estate Palong 17 and Palong had utilized the non-renewable energy from the mill to their estate operation such as utilization of EFB from the mill for application at the estate, mechanization by using Grabber for FFB evacuation from the estate - reducing the workers and mobile transportation and transportation of FFB from the estate using BIN System - reducing the numbers of lorries for FFB transportation to the mill. The estates have able to shows several measurement data related to pollutions towards operational activities.

For example, latest testing in 2017 is presented as estate sources -> diesel consumption, uses of agrochemicals, uses of chemical fertilizer, organic domestic and others. The mitigation plan is to monitor, recording and analysis of diesel consumption for FFB transportation, reduction of pesticide uses (liter/ha) through biological control, reduction of fertilizer uses through by-products application, domestic waste management monthly bases, waste separation (organic and non-organic) and no burning in waste management, paperless implementation (rim/month), recording on recycle (kg/month) and training to the respective worker.

Status:
Ok
4.5.2.3

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

Based on the audit and document verification at FGV Palong 17 and Palong 18, there is no usage of renewable energy, however the 3R program had been implemented at both premises. Based on the field verification at the estate, the estates had prepared the recycling bin and waste separation [3 pieces of plastic, glass, and papers].

Status:
Ok
4.5.3 Criterion 3: Waste management and disposal
4.5.3.1

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

The entire products of waste and it sources have been identified and documented in the document of "Waste Management Action Plan Financial Year 2017/2018" with pollution source coming from workshop, housing, chemical store and generator. 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 spent oil, chemical container is stored in schedule waste store. Domestic waste was collected via waste bin at line site and office complex.

Status:
Ok
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.

The documented waste management has been made available at the estate:

- Action plan to reduce the domestic waste and waste material FY 2018
- Monitoring on collection of domestic waste from residential area to disposal area
- Waste segregation on organic waste and disposal at proper disposal area e.g. bottles, iron, paper, etc.

The estate had also documented the sources of waste and pollution has been identified:

- Waste management
- Electricity usage
- FFB Transportation

Sighted the management had included the Reduce Reuse recycle program – plan for June 2018.

Status:
Ok

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.

Sighted the procedure for waste management in FGV Palong 17 and Palong 18 – “Prosedur Kerja Selamat Pengendalian Bahan Buangan Terjadual” – FGV-ML -1A/L2-Pr19 issued no.1 effective date on 1st June 2016. Based on the SOP of handling scheduled waste, there is a clear procedure of disposal waste material that include:

- i) Management of waste disposal
- ii) Notification of waste disposal
- iii) Labeling of waste disposal
- iv) Storage of waste disposal
- v) Inventory of waste disposal
- vi) Collection and transportation of scheduled waste

Recycling and disposal of scheduled waste.

Status:

Ok

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.

Based on the field verification at Palong 17 estate, the unit does not keep and store the scheduled waste however the chemical container been tripled rinsed and punctured before it sends to recycling center. There is also record of fertilizer bags being disposed as recycling item to S Raja Singam, 3rd Party collector of recycling item. In Palong 18, records of triple rinsed 3 times available and had been disposed to SS Setia Teknologi enterprise dated 17th May 2018-year period 2018 – amounted RM 23.64 at Palong 17. Some other samples were, spent herbicides container Ken Glyphosate – 17 units = 0.5 Rm – total RM 8.50 and spent pesticides container store 6 Unit – total RM 1.80.

Status:

Ok

4.5.3.5

Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.

Sighted the domestic waste collection scheduled for Ladang FGV Palong 17 on December 2017 which include the dates, total number of workers, numbers of housing involved and noted. Sighted the latest collection of waste dated 26th April 2018 involved total 160 housing areas for the workers. FGV Palong 17 had record the domestic waste disposal at the landfill [domestic waste pit at Block 7] and FGV Palong 18 [domestic waste pit at Block 18] sighted the record of collection dated:

- i) 2nd April 2018 – Office, housing area, Surau, line site workers
- ii) 4th April 2018 – office and hostel
- iii) 9th April 2018 – office, housing area and Surau
- iv) 15th April 2018 – office, workers house, Surau, hostel workers
- v) 17th April 2018 – office area

Status:

Ok

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.		
The estates had developed the assessment of polluting activities been recorded in identification of aspect and impact in form FGV/FGVPMN/VI/IMS/15/1.6 Pind 1 that include all the list of polluting activities such as:		
<ul style="list-style-type: none"> i) Tripled rinsed and collected the chemical container in spent chemical container ii) Spraying activities iii) Premix mixing chemical at chemical store iv) Chemical / pesticides storage area v) Storage of fertilizer in the store. vi) Usage of vehicle to transport FFB to the mill vii) Fertilizer manuring viii) Transporting premix container to the estate 		
Sighted the list of pollution that made an impact towards the environment on land, leaching on the land, water pollution, ground pollution and air pollution.		
	Status:	Ok
4.5.4.2		
Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.		
The estates had developed the action plan to reduce significant pollutant and emission towards the environment including source of pollution, action needed, person in charge, timeline for 2018 (Jan – Mac, April – June, July – Sept, Oct – Dec) and monitoring effectiveness of action plan. Sighted the example of the action plan related to reduce the impact towards environment e.g. : ground pollution → source from chemical container → action , to collect the spent chemical container and tripled rinsed, recycle the chemical container for workers premix → training on management on empty chemical container to contractors and related workers.		
	Status:	Ok
4.5.5 Criterion 5: Natural water resources		
4.5.5.1		
Indicator 1: The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).The water management plan may include:		
<ul style="list-style-type: none"> a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. 		
Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.		
Sighted the water management plan for year 2018 dated 22 February 2018 that includes criteria such as:		
<ul style="list-style-type: none"> i) Source of water ways ii) Identification of water sources iii) Rate of water usage iv) Renewable of water usage 		

- v) Impact on the water catchment and stakeholders
- vi) Source of problem
- vii) Action plan
- viii) Person in charge

e.g. ; Ladang → river → impact on Banjir Kilat [Flash Flood] di Ladang → pollution of Soil Erosion into the water → estate drainage clogged, blockage system, heavy rainfall → action plan on cleaning estate drainage , cleaning culvert estate, building up estate drainage → manager / SPK Region.

Minor Non-conformity:

The Estates has not conducted the surface water analysis. Based on document verification at FGV Palong 18 and Palong 17, it was sighted that the last water analysis was done on 25th December 2015. However, based on the water management plan for Palong 17 and Palong 18 estates, the estate shall conduct water analysis annually for:

- Chinau River
- Palong River
- Kelamah River
- Seriting River

Status:

Minor

4.5.5.2

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

Based on the field verification at Sungai Chinau (PM07P), Sungai Kelamah (PM13T0 and Sungai Palong (PM17T) waterways, sighted no construction of Bund, weirs, and dams across the Estate Palong 17. Based on the field observation sighted the signboard regarding buffer zone (marked in blue color) and the buffer zone as per FGV buffer zone requirement "to setup the buffer zone appropriately in the river banks accordingly to filter the waste runoff towards the river".

Status:

Ok

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).

Water harvesting practices, sighted the last drain on water harvesting and practices had been implemented on august 2017, that include dates, block, main road, second road, weather, notes and verification. The environmental management program also included water ways to be conserved by maintaining buffer zone.

Status:

Ok

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.

Sighted the "Rekod Pematuhan Hidupan Liar dan Kawasan Sensitive" On 21/03/18 @ 018 → PM 07P Blok 30 → Babi Hutan → Foot print found and recorded with photos. In 26/04/18 → PM 06N → same issue was found. Based on documents verifications it's known if there is No HCVs and RTEs identified in the biodiversity report. Based on field observations and interview with stakeholder no evidence of HCVs and RTEs observed. Ongoing monitoring record for wild life and sensitive area observed for year 2017.

Status:

Ok

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:

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

Based on re assessment of HCV on March 2017, there are no identified RTE species within sampled estates. However, the estates have taken action in putting up signage as “No Hunting” and “No Fishing” to ensure the awareness of the border part to all the workers. There is monitoring plan and continuing efforts for the conservation of the nature area, the monitoring program will be conducted annually and throughout the year, any sighting or identification on new RTE species will be recorded accordingly. Sighted due to the estate area is nearby the settler’s estate of Palong 12, Palong 13, Palong 9, 10 and 11.

Status:

Ok

4.5.6.3

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

Identification and Management Plan of HCV and Biodiversity have been conducted by internal competence personnel from CDD Unit. Summary of HCV Area (based on summary executive HCV assessment report) stated that no HCV was found in FGVP M Palong 17 (21st December 2017) and Palong 18 dated 18th December 2017 and based on the report sighted no RTE found in the estate and IUCN Status. HCV assessment performed with consultation with relevant stakeholder, considering biological record, all planted areas, etc. However, based on the report sighted several placed had been classified as conservation area including the buffer zone at Sungai Chinau, Sungai Palong, Sungai Seriting and Sungai Kelamah. Based on the observation at FGV Palong 17 the management Unit had conserved the swampy area with total area of 15.40 ha and including the swampy area at the PM 13T.

Status:

Ok

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.

Prohibition open burning policy observed for FGV with endorsement from President, Mr. Mohammed Emir Mavani dated 1/6/2014 which stated “Burning Polisi Larangan Pembakaran Terbuka – in line with the practice of mini-plantation system practices and to comply with section 29A, environmental quality act 1974, open burning prohibition, no officer or worker of the FGV or the contractor working on the FGV premises may permit or cause open combustion either during the recycling work, domestic garbage burning at garbage disposal sites, Office areas, Worker placement areas and workers of any open space on premises”. Sighted no replanting in the area of estate of Palong 17 in 2013 area PM13T (57.05 Ha) contractor.

Status:

Ok

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.

The estates have had IPM plans on document “Pengurusan Makhluk Perosak Bersepadu” (No. Document ML-1A/L2-Pr3 (0) circulated since 1 June 2006). Based on document verification and interview with operational staff, there is no pest outbreak for the last 2 years before. All pest attack was under controlled.

Status:

Ok

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.		
No traces of burning sighted for replanting as the last replanting on 2013 as per verification on field and documentation, and the last replanting at 2018 for PM 08 R at FGV Palong 18.		
	Status:	Ok
4.5.7.4		
Indicator 4: Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.		
The estates had developed an SOP of replanting and the details regarding the method of it are clearly explained in the SOP Manual of FGVPM. Based on the field verification, sighted the last replanting on 2013 are felled, mowed down, chipped, shredded, windrowed, pulverized, ploughed, and mulched.		
	Status:	Ok
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.		
Felda Global Ventures Plantations Berhad developed a list of safe working procedure (management of safety and health estate workers) in document number FGVPM/L3/PK-01 until FGVPM /L3 /PK -54 that comprise estates standards SOP such as machinery working safe procedure, procedure of palm oil nursery, procedure for working in the field of FFB harvesting, work procedure securely loading up FFB into Vehicle and etc. Based on the document observation , all the procedure had been made into "Manual Prosedur Kerja Selamat" of FGVPM Holdings and being distributed to all estates of FGV including sampling on Palong 17 and Palong 18.		
	Status:	Ok
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.		
Oil Palm grown with permitted levels, based on the map sighted, there is no planting on sloping land more than 25 degrees. Sighted the replanting area with terracing and cover crop for the area.		
	Status:	Ok
4.6.1.3		
Indicator 3: A visual identification or reference system shall be established for each field		
Based on field visit, it is known that the estates have applied fertilizer with type of NKC 1 with the dosage according to recommendation (1.5 Kg/tree). In the replanting area of Block PM 00G, it is known that the estates have applied organic fertilization using EFB and also planting land cover by using Muccuna bracteates. In the replanting area, it is known that the oil palm trunk is collected between the terraces with aimed that trunks can be decompose and become nutrient additions for soil , last replanting on 2014.		
	Status:	Ok

4.6.2 Criterion 2: Economic and financial viability plan		
4.6.2.1		
Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.		
The estates have made long term work plan for 2018 – 2022. It consists estimation data of FFB projection, prices per ton, revenue, operating cost, total cost and profit. The document also equipped with 10 years' production backward, hectare statement, yield, OER/KER and CPO/PK projection. Based on interview with estate manager known there is no land expansion plan or mill capacity extension so far.		
	Status:	Ok
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.		
Long term replanting program 2028 PM 00G and PM 00H. Management units have a replanting programmed projected for five years. Based on the programmed known that FGV Palong 17 Timur 4 estate has no replanting planned in five years ahead. While Replanting schedule has planned as below:		
Field	2028	2029
PM 00 G	215.23	-
The program has been reviewed annually such in January 2018. Based on field observation in Ladang FGV Palong 18 Estate field No. PM 01 it's known that unit management has conducted a replanting that has been planned.		
	Status:	Ok
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		
FGV Palong 17 and Palong 18 base has made long term work plan for five years (2018 – 2022). It consists estimation data of FFB projection, prices per ton, revenue, operating cost, total cost and profit. The document also equipped with 10 years' production backward, hectare statement, yield, OER/KER and CPO/PK projection. Based on interview with estate manager known there is no land expansion plan so. The Estate Manager Palong 17 and Palong 18 statement said there was no replanting plan for the next 5 years.		
	Status:	Ok
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.		
A monthly tracking record for monitoring of the actual against the budget and variance for all estates to be reporting at the monthly estate manager meetings. Annual review is done by way of presentation from Manager to GM which is done every year during budget preparation for next year. The estates can show proof of presentation conducted in January 2017 for the preparation of budget year 2017/18 to monitor the yield, quality, production cost and return of investment.		
	Status:	Ok
4.6.3 Criterion 3: Transparent and fair price dealing		
4.6.3.1		
Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.		
With regards to FFB pricing, there was available the document of FFB Pricing standard from MPOB. FFB transporters been informed and briefed on the mechanism.		
	Status:	Ok

4.6.3.2		
Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.		
Sampled a SPK for Laterite Road works is referred. Tender was advertised at the estate notice board, (3) three contractors tendered for the job. Rosli Asmary Ent., Samsuri Amat Ent. and Razali bin Saritman. Rosli Asmary was chosen by the tender committee for the best price quoted. And also record of accomplishment and experience. SPK – Kontraktor Rosli Asmary Enterprise, “Menyediakan Buruh Kendaraan, Peralatan dan Segala Keperluan Untuk Pekerjaan Mengangkut Laterite dan Menabur Laterite Di Jalan Pertanian Sepanjang 2000 Meter di Peringkat PM125, Palong 17” the contract number is C 6310062017 Peringkat PM125, Start work 01/08/17 to 03/12/17.		
	Status:	Ok
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.		
MSPO requirements in contracts is still in its early stages. As per audit no MSPO requirements included in the contract document. Nonetheless records showed that Palong 17 had taken steps to engage several contractors and explained to them about MSPO requirements.		
	Status:	Ok
4.6.4.2		
Indicator 2: The management shall provide evidence of agreed contracts with the contractor.		
Evidence available were declaration letters signed by the contractors showed that they understand the MSPO requirements.		
	Status:	Ok
4.6.4.3		
Indicator 3: The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.		
The estates were audited by MUTU MSPO auditors with full cooperation from the management units. Sighted audit plan which have been accepted by the Sustainability Manager. All the auditors are MSPO qualified auditors. As agreed, the respective operating units will accept the MUTU MSPO Auditors to verify through a physical inspection if required for audit purposed		
	Status:	Ok
4.6.4.4		
Indicator 4: The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.		
Observance of the control points was done by deciding upon commencement date and the completion date of certain contract. The tender committee shall monitor the progress of the contract and a penalty shall be imposed should the contractor exceeded the project period. Sample SPK for project/contracts.		
	Status:	Ok
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 operating unit.		
	Status:	NA

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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA

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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA
4.7.6.5		
Indicator 5: Identification and assessment of legal and recognised customary rights shall be documented.		
No new planting sighted for this operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA

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 operating unit.		
	Status:	NA
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 operating unit.		
	Status:	NA

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

3.2.1 Noteworthy Positive Components at Stage-2

No	Description
1	Sighted, the estate has built a resting placing that with a toilet for field workers.
2	Monitoring and maintenance of boundary stones against GPS co-ordination are well understood and record adequately maintained by person in-charge.
3	Good commitment and coordination by respective sites during the audit process

3.2.2 Identification of Non-conformity at Stage-2 - Four (3) minor non-conformities were raised.

NCR No.	:	MSPO/Serting-01/18-P3	Issued by	:	Mahas
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	4.1.1.1 Indicator 1: A policy for the implementation of MSPO shall be established.			
Non-Conformance Description& Evidence observed: <p>The newly developed Group policy on MSPO should be communicated to internal and external stakeholders as part of implementation process prior to this audit as sighted no evidences the policy been circulated nor communicated to estate management. Aside, briefing the other sustainability policies to workers during muster call to be evidence with attachments of what are the policies been briefed and how does the presenter ensure the workers understand the content of policies.</p> <p>Currently there are 16 sustainability policies which were approved by Mr. Mohammed Emir Mavani Abdullah in 2014. It must be demonstrable on whether the current President & CEO of FGV has reviewed the adequacy of the policies as sampled policy for child labour "Polisi Pekerjaan Kanak-Kanak" which allows children to help in their family own farm, which contradict with audit findings that FGV only employs foreign or local workers whom above 18 years old for their estate operation.</p>					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:	WILL BE VERIFIED ON THE NEXT ASSESSMENT			

NCR No.	:	MSPO/Serting-02/18-P3	Issued by	:	Khairul
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	4.4.4.2 Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. (i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.			
Non-Conformance Description& Evidence observed: <p>The company has established the type of first aid kit that should be available at the work site namely 16 items, however based on observation to fertilizer and agrochemical store in Palong 17, harvesting activity (Block 4 PM00H, Palong 17), and harvesting activity in PM00LB Palong 18 sighted that the first aid box provided is not complete, such as Sal Volatile according to the list. This is against the requirement of Factory & Machinery Act 1967, Regulation 38 of Safety, Health and Welfare – 4th Schedule.</p>					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:	WILL BE VERIFIED ON THE NEXT ASSESSMENT			

NCR No.	:	MSPO/Serting-03/18-P3	Issued by	:	Ebnu Holdoon
Date Issued	:	25/05/2018	Time Limit	:	1 year
NC Grade	:	Minor	Date of Closing	:	Before next ASA
Standard Ref. & Requirement	:	<p>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:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all-natural waterways within the estate. e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. <p>Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p>			
<p>Non-Conformance Description& Evidence observed:</p> <p>The Estates has not conducted the surface water analysis. Based on document verification at FGV Palong 18 and Palong 17, it was sighted that the last water analysis was done on 25th December 2015. However, based on the water management plan for Palong 17 and Palong 18 estates, the estate shall conduct water analysis annually for:</p> <ul style="list-style-type: none"> • Chinau River • Palong River • Kelamah River • Serting River 					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:	WILL BE VERIFIED ON THE NEXT ASSESSMENT			

3.2.3 Opportunity for Improvement (OFI)

No	Ref. Std.	Description
1	4.3.1.3	There was an update on Electrical Supply Act 1990 (Amendment 2015). The communication from PSD to estates needs further enhancement as sighted the LORR not reflecting the amendments accordingly. Aside the operating unit to be made known on the changes and what are the potential impact to respective operating units. Both estates, to re-check on the LORR as the revision level maintenance not properly managed.
2	4.4.4.2 (d)	PPE provided to workers was not fully utilized during harvesting activities at PM00LB, Palong 18

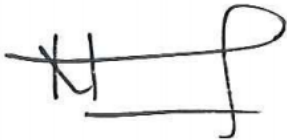

3.3 Summary of Arising Issues from Public, Management, and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Verification
Gender Committee of FGV Serting There is a feedback from gender committee chairman of FPISB Serting mill for the women staff at both estates. Sighted the respondent from Kelab Kebajikan Daya Budi are having a good response and feedback to the FGV Management. The relationship with the manager is good. There is a budget given for a year for the committee to run the activities in the mill. The Gender Committee in the estate had been involved in activities and such as cooking activity that involve women staff and the workers such as pudding made, and few sport activities. There is also meeting among them to discuss the request from women workers and staff, new amendment of company policies of woman rights, and also to discuss any sexual harassment that happen in the company. The committee also thanks the FGV management to keep on approving the budget for their activity throughout the years and concern about women.	FGV Palong 17 and Palong 18 will continue to follow the company policy and support the woman rights at their management unit.
Contractors of FFB Transportation 2 Local contractors had been interviewed during the audit. 1 is local contractor for the electricity and one for the FFB transportation to Serting Mill. The method of payment will be done by banking online and payment been made monthly basis based on the contract available and invoice.	The company will continue to keep a good relation between the contractors and FGV Palong 17 and 18. The Feedback already been explained to the workers and further engagement will be enhanced.

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

3.4 Summary of findings and Recommendation

MAJOR	MINOR	O F I
0	3	2
<p>Recommendation of Certification:</p> <p>Due to No Major Non- Conformity finding, Serting Hilir [estates] is RECOMMENDED for MSPO Part 3 certification.</p>		

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>Company Name Management Representative</p>  <p><u>Norazam Abdul Hameed</u> 06/06/2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Mahaswaran Maliyapan</u> 06/06/2018</p> </div> </div>

Appendix 1. Glossary

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

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