

Malaysian Sustainable Palm Oil Certification

MSPO – PART 4 (GENERAL PRINCIPLE FOR PALM OIL MILL)

Stage-1 Stage-2 Surveillance Re-Certification

Plantation Management/Owner : Felda Global Ventures Plantation (Malaysia) Sdn Bhd subsidiary of Felda Global Ventures Holdings Bhd.

Mill Name : Tenggaroh Palm Oil Mill

Location : Felda Palm Industries Sdn Bhd, Kilang Sawit Tenggaroh, Peti Surat 67, 81907 Kota Tinggi Johor. Malaysia.

Certificate Code : **MUTU-MSPO/017**

Date of certificate issue : 05/11/2018

Date of expiry of certificate : 04/11/2023

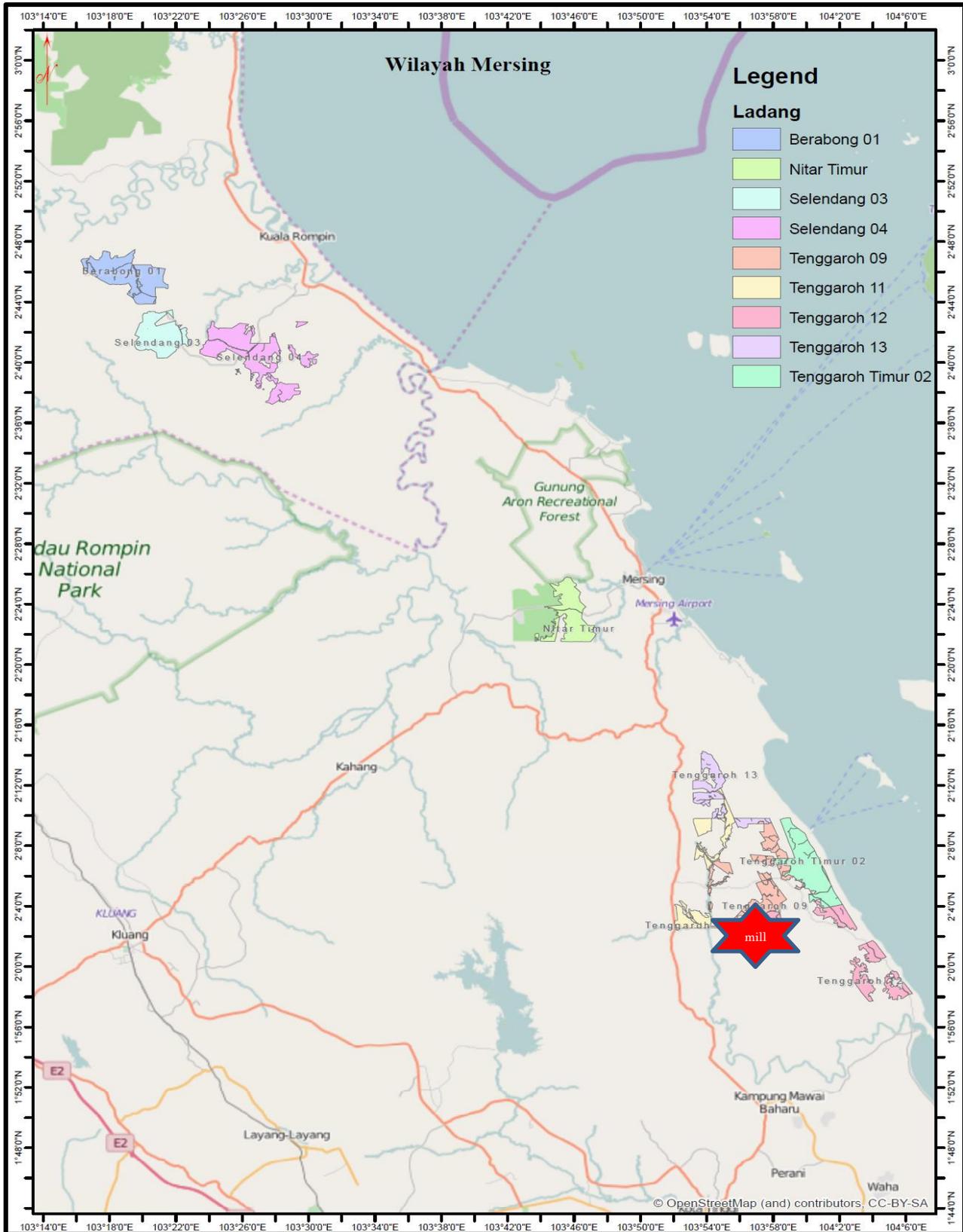
Assessment	Assessment Date	Mutuagung Lestari Malaysia Auditor	Review by	Approve by
Main/ST-2	06 th Aug 2018	Mahaswaran Maliyapan [Lead Auditor], Ebnu Holdoon Shawal [Auditor], Mohd. Hairimi Mohd. Ali [Auditor]	Ganapathy Ramasamy / Peter	Hari Naveen Christopher

Assessment	Approved by MUTUAGUNG LESTARI MALAYSIA SDN BHD on:
Main/ST-2	05/11/2018

Mutuagung Lestari Malaysia Sdn Bhd
 • B-09-26 Empire Soho • Subang Jaya • Petaling Jaya 47500 • Selangor • Malaysia
 Telephone (03) 50367280 • Fax (03) 50367290
 Email: hari@mutucertification.com • www.mutucertification.com

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Figure 1. Location Map of Tenggaroh Palm Oil Mill in Mersing Complex



1.1	Assessment Standard Used		Malaysian Sustainable Palm Oil (MSPO)- MS 2530-4:2013: Part 4: General principles for Palm Oil Mills						
1.2	Organization Information								
1.2.1	Company name		Felda Palm Industries Sdn Bhd - subsidiary of 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						
1.3	Mill Information								
1.3.1	Location of Mill								
	Name of Mill		Location			Coordinate			
						Latitude	Longitude		
	Kilang Sawit Tenggaroh		Peti Surat 67, 81907 Kota Tinggi, Johor. Malaysia.			2° 3' 20" N	103° 55' 53" E		
1.3.2	Forecasted and actual volume of FFB, CPO and PK								
	Projected Volume - past year Sept 2016 to Oct 2017			Actual volumes Aug 2017 to July 2018			Projected volume Aug 2018 to July 2019		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
	-	-	-	200,920	42,687	10,551	65,456	13,746	3,109
	<i>*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.</i>								
1.4	Other Certifications								
	ISO 9001:2008		ISO 9001: 2015 Certificate No. QMS 03093 issued on 24 February 2017 - 11 August 2019						
	ISO 14001: 2004		ISO 14001:2004 Certificate No. EMS 00769 issued on 24 February 2017 - 14 September 2019						
	OHSAS 18001:2007		OHASA 18001:2007 Certificate No. OHS 00691 issued on 24 February 2017-23 February 2020						
	ISCC		-						
	Others		-						

2.0 ASSESSMENT PROCESS

2.1	Certification Body
	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
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>Mohd. Hairimi Mohd. Ali. Graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honours (Geography). Registered as assistant consultant on Social Impact Assessment with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 5 years in environment auditing and in Social and Environmental Impact Assessment Report (EIA and SIA).</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>
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: 1 day Number of working days for Main/Stage-2 at site: 3 Working days</p>
2.3.2	Detail process of assessment
Main / ST-2	<p>Mutuagung Lestari Malaysia Sdn. Bhd. [<i>thereafter known as MUTU</i>] has conducted on-site Certification Assessment for Tenggaroh Palm Oil Mill on 06th Aug 2018 by 3 auditors as to assess the compliance of the certification unit against the MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills. The Stage 1 audit which to confirm Tenggaroh POM's readiness for the Stage 2 audit was done on 04/05/17 by Trismadi Nurbayuto (Lead Auditor) and Andi Prathama Pasaribu (Auditor) resulted with 9 findings. The client has responded with appropriate corrective actions prior to stage 2 audit.</p> <p>This stage 2 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 Palm Oil Mill was having full production as they were receiving enough crop to start the process during the scheduled time of for the POM visit. This allows the audit team start from the input receiving and then walk through the production process which eliminates the risk of missing certain key aspects.</p>
2.3.3	Locations of Assessment
MAIN /	Felda Palm Industries Sdn Bhd, Kilang Sawit Tenggaroh Peti Surat 67, 81907 Kota Tinggi, Johor. Malaysia.

ST-2	
2.4	Stakeholder Consultation
2.4.1	Summary of stakeholder consultation process.
MAIN / ST-2	<p>Consultation of stakeholders for KKS Tenggaroh, FPISB held by:</p> <ol style="list-style-type: none"> Public announcement at PT Mutuagung Lestari Website www.mutucertification.com (http://mutucertification.com/notification-on-rspo-initial-assessment-of-kilang-sawit-tenggaroh-felda-palm-industries-sdn-bhd-subsiary-of-felda-global-ventures-holdings-bhd-rspo-membership-11-0225-16-00/) Public announcement at RSPO Website (www.rspo.org) (https://www.rspo.org/uploads/default/pnc/Notification_of_RSPO_Initial_Assesment_TENGGAROH_POM_-_FELDA_(ENG).pdf) Consultation meeting and interview with Internal and external; Stakeholder (labour union, contractor, orang asli and gender committee) on 09 August 2018 Consultation with NGO (Majlis Kebajikan dan Pembangunan Masyarakat Kebangsaan Malaysia, Pesticide Action Network Asia & Pacific, Environmental Protection Society) via email on 07 August 2018 <p>Numbers of input from stakeholders were clarified by Kilang Kelapa Sawit Tenggaroh FPISB.</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 FINDINGS

3.1. Summary of Assessment Report of the MSPO Certification

MUTU has conducted the main / ST-2 assessment of Tenggaroh Palm Oil Mill - Felda Palm Industries Sdn Bhd operation consisting of one (1) mill. During this assessment, **two (2) major** and **(3) minor** non-conformities and **(5) opportunities** for improvement were identified against MS 2530-4:2013. Further explanation of the non-conformities raised are provided in section 3.5. MUTU found that Tenggaroh Palm Oil Mill – Felda Palm Industries Sdn Bhd complied with the requirements of MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills. Since the audit objectives as mentioned in the audit plan have been achieved and assessment that was resulted with **2 major** non-conformities addressed with adequate corrective actions, therefore the lead auditor **recommends** Tenggaroh Palm Oil Mill for compliance with the MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mills.

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.		
Sighted the “Polisi Kelestarian Kumpulan” dated on 01/09/16 as for purpose to establish objectives and guidelines to understand and enforce various sustainability policies. Seen in page 8 of 14, bullet 6.4 quoting the management’s commitment towards the implementation of MSPO scheme. There is specific policy on MSPO, however the elements of MSPO seen 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.		
There were many briefing sessions conducted such as on 26/5/18 [OHS briefing to contractors], 01/6/18 [SOP – Cake Breaker], 20/5/18 [environmental mainstreaming tool], etc. However, insufficient training records found to demonstrate the mill workers, staff, contractors and external stakeholders are being regularly briefed and communicated on Group Sustainability Policies as part of MSPO implementation process.		
	Status:	Minor
4.1.1.2 Indicator 2: The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.		
Group Sustainability Policies sampled for legal compliance requirements that cross verified with objective, target plan and CIP such as to achieve OER, KER, zero accident, reduction of diesel usage and etc. This can also relates to 4.1.4.1.		
	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.		
There is annual “Integrated Sustainability” Internal Audit by the PSD [Plantation Sustainability Department] and latest audit was done on 04/07/18. The assessment was conducted by Muhd Shafiq and Barath which resulted with 38 non-conformities [High Risk – 8, Medium -19 and Low Risk – 11]. Seen the assessment covers requirements needed by the sustainability scheme and mill best practices. Among the lapses found were major lapses in maintaining training records, No records of line site inspection, the formation of gender committee not effective, the terms and condition in contractor’s agreement not detail and etc.		
	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.		
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. Seen the mill’s management team has developed “Pelan Tindakan Untuk NCR Internal Audit” which identifies the non-conformities addressed with action taken within 2 weeks to 1 month.		
	Status:	Ok
4.1.2.3 Indicator 3: Report shall be made available to the management for their review.		
The findings from internal audit was responded by the mill management from time to time to the PSD. Sighted there are outstanding issues [legal related] that needed longer time [more than 15 days from closing meeting of internal audit] or issues needed commitment from HQ level. Since the management review for 2018 is planning to be in 3 rd quarter, therefore evidence on whether the findings from internal audit were discuss was not available. It will be review by auditor in next assessment. The internal audit findings seen effectively addressed of the root causes with corrective actions plan in the NCR finding matrix.		
	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 was done in Feb 2018 for review period Jan- Dec 2017, attended by operation & office staff which mill manager chaired the meeting. However, sighted the management review meeting minutes not effectively minuted on the discussed agenda. The review on environmental aspect & impacts, social aspects, the decision on any changes, modification, continuous improvement plan and timeline for the MSPO implementation to be address effectively.	
Status:	Minor
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.	
The CIP was last updated on Jan 2017 with input of OER and KER. The CIP to be given consideration on social impacts that resulted from SIA and improvement focusing on the non-conformance resulted from internal audit.	
Status:	Minor
4.1.4.2 Indicator 2: The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.	
During mill visit seen the mill has no introduction of new technology. However, the mill continuously improving existing operation system for productivity improvement.	
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 adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.	
The centralize stakeholder meeting for Mersing Complex was done on 04/10/18, sighted the attendance record [total 116 attended] attached with the minutes of meeting. Various issues were discussed and communicated, such as dialogue session between Tenggaroh representative [part of the Mersing Complex] and stakeholders, information and briefing on sustainability policies, commitments towards sustainability certifications and questionnaire sessions. A log book established for tracking of internal and/or external complaint. Workers seen complaints on house maintenance and requesting to seek medical attention on day to day plantation activities.	
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 such as land title, OHS plan, sustainable policies and CIP seen specifically addressed in page 8 of FGV Sustainability Certification Handbook. The information also been communicated to external stakeholder during annual centralize stakeholder 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. Besides, the mill also provides a log book to enable internal / external stakeholders to register their complaints and grievances. As at 06/08/18, there was no comment registered by external party but several request from internal stakeholder [workers] on staff quarters maintenance.	
Status:	Ok

4.2.2.2 Indicator 2: The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).		
Mr. Samad Othman, Asst. Manager appointed [letter dated on 21/04/18 - approved by mill manager] as the responsible for communication and consultation with the local communities and other interested parties. The appointment letter also clearly indicates the roles and responsibility of the person.		
	Status:	Ok
4.2.2.3 Indicator 3: A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.		
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 [centralize stakeholder] are effectively documented. The complaint and feedbacks during centralize stakeholder meeting was responded by estate management as the actor on behalf of Complex Mersing.		
	Status:	Ok
4.2.3 Criterion 3: Traceability		
4.2.3.1 Indicator 1: The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.		
The mill has implemented SOP for Traceability FGVPM-RSPO SCC-3.0, dated 01/12/17 and to provide guideline to establish sustainable supply chain and traceability for FFB, CPO and PK. Sampled weighbridge tickets internal and external FFB suppliers that were cross verified against the computed figures and approved vendor list, no discrepancies found. Traceability from estate to mill is the “Nota Hantaran BTS” that consist of running number, date, weight, and transport details. In the weighbridge station, the MPR system [Mill Performance Report] installed to captured incoming of FFB and outgoing of CPO and PK.		
	Status:	Ok
4.2.3.2 Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.		
Internal audit by the sustainability team found includes the traceability processes that covering the 4 indicators in the criterion 3. The assessment is conducted on annual basis. During mill visit, sighted the weighbridge operator able to demonstrate on how the system tracks the FFB input and how does the supply bases register in the “Approved Sustainable Supplier List”.		
	Status:	Ok
4.2.3.3 Indicator 3: The management shall identify and assign suitable employees to implement and maintain the traceability system.		
The person in-charge is the assistant manager Mr. Samad Othman, verified “Job Scope” that stated his role on implement and maintain traceability system. The records for traceability [ISCC & SCC training dated 13/07/18] to the respective supporting personnel seen maintained.		
	Status:	Ok
4.2.3.4 Indicator 4: Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.		
Sampled weighbridge tickets [Jan – Jun’18] were cross-checked for the delivery of non-certified CPO against the shipping instruction from logistic department. The daily production record [throughput] were reviewed to cross-check against the daily ullage measurement taken every morning. The amount of FFB processed was cross-checked against the amount received. Example, weighbridge tickets include contract number. CPO delivery order weighbridge tickets include contract number.		
	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>Below permits and licenses were verified for compliance:</p> <ul style="list-style-type: none"> Sighted the License for Menjual dan Mengalih – FFB, PK, CPO, SPO; Membeli dan Mengalih FFB, PK, CPO; Menyimpan PK, CPO, SPO; and Mengilang FFB expires on 31/03/18, (license number 500167904000). Sighted license Jadual Pematuhan Kilang Sawit Tenggara No. 004644 for the period of 01/07/18 – 30/06/19 with Capacity Maximum: 54 MT/Hours. (AS(B)J31/152/000/038). Kelulusan Bertulis – 9AS(B)J 31/152/000 – AKPU/2014/001 dated on 27/01/14 as required by Reg. 38, EQA Clean air 1978. Installation of 2 units of Fume Cupboard. The Tenggara mill has not obtained the fire certificate. However, the management has presented a management plan for the fire system installation that applicable all the mills which under the administration of FPISB. Based on the plan (As-Built Drawing, Architect Drawing, Allied Engineering – JBPM/JH/BKK:700-3/1/7/1066 dated 13/03/17) the mill scheduled for an inspection after the installation of Fire Fighting System that to be completed by end 2018. [Obs] Permit for water extraction [BAKAJ] from Ulu Sungai Bukit Payung for mill processing consumption. The certificate not yet issue by BAKAJ, however the mill able to show the payment slip dated 10/07/18 [366-810/4038/2017]. Mohd. Haizul Radzi has attended the Certified Environmental Professional in Waste Management (CePSWaM) on 13-17/11/17 and has a timeline until Oct 2018 to submit his FTR [Field Training Report]. The progress will be verifying in next assessment since this is a requirement by Environmental Quality Act 1974 (Act 127), Article 49A. (1) An owner or occupier of a premise shall employ a person who has been certified by the Director General as a competent person to conduct all or any of the following activities (b) the management of schedule wastes. [Obs] Certified Environmental Professional in the Operation of Palm Oil Mill Effluent Treatment System – Pond Processes (CePPOMETS) seen not available as at audit date. [Minor] CEMS monitoring was seen stable at boiler room [graph appears well on the screen while the mill in operation]. Aside, the CCTV for stack emission monitoring was seen well managed. Verified the data acceptance by DOE thru portal. Quarterly Return Form as per First Schedule of the EQ (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 – report to DOE sighted for 2nd Q 2018 [ref. AS(J)B 31/152/000/038 – license 004644]. Total CPO produced 8113.20 MT / total FFB processed 36500 MT and total water consumed 1.78 cubic meter(m³). Authorized Gas Tester and – Mohd. Haizul NW-NCC-AGT-0406-C was attended the course on 29/07/17. Authorized Entrance and Standby Person (AESP) – NW-NCC-AE-3417-C Firdaus Engine Driver – Gred 2 - Abd. Majid Samad 030719 Steam Engine License Grade 2 - #156/2007 Md. Aseri Bin Mohamad dated 24/04/09. Charge Man - #PJ 1134571 dated 15/01/16 Mohd Firdaus bin Januari Machinery Guard No. 030407 dated 31/03/99 Abd. Rahim Bin Ab. Aziz. The Latest of Additional Noise Exposure Monitoring Under Regulation 12 by MZ Enviro Testing & Consulting on October 2017. Result of monitoring Point A: 59.8 dB (day) & 50.1 (night); Point B: 61.5 dB (day) & 52.4 dB (night); Point C: 63.4 dB (day) & 53.8 dB (night); Point D: 63.0 dB (day) & 52.1 dB (night); Point E: 60.8 dB (day) & 50.9 dB (night); Point F: 61.0 dB (day) & 51.4 dB (night). Sighted the annual & baseline audiometric re-testing results for hearing impairment / STS which was done on 14/02/18. As required by Second Schedule, Regulation 13 of EQA (Clean Air 2014) Stack Emission monitoring for boiler 3 was 12.06 mg/m³ against 50 mg/m³ [EQA Std. Limit] Permit for Deduction of Workers Salary from Jabatan Tenaga Kerja Semenanjung Malaysia No. PP 3/34/1385 dated 28 January 2009. Weighbridge calibration - No. B1218672 dated 1 March 2018 Permit for diesel – # J027813 for 30,000 Liters [valid till 29/01/19] 	
Status:	Major / Obs

4.3.1.2 Indicator 2: The management shall list all relevant laws related to their operations in a legal requirement register.		
There is a “Legal & Requirements Register” established by the PSD [Plantation Sustainable Department] which verified for compliance by the Mill’s Asst. Manager & Manager. Seen a compliance checklist established for monitoring of environment, safety, and health, etc. Sighted the list of compliance updated and circulated to mill by the sustainability team from HQ.		
	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.		
The latest LORR was updated on 11/07/18 which resulted from the annual RSPO Internal Consultative Assessment by the PSD. Seen the assessment covers requirements such as Fire Services (Fire Certificate) Regulations 2001, Occupational Safety and health Act 1994, Environmental Quality Act 1974, Factories, and Machinery (Safety, Health, and Welfare), Factories and Machinery (Noise Exposure) Regulations 1989, etc.		
	Status:	Ok
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 directs to Chief Clerk, Mr. Haizul Radzi [appointment letter dated 15/05/18]. 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.		
	Status:	Ok
4.3.2 Criterion 2: Land use rights		
4.3.2.1 Indicator 1: The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.		
The mill was built on 1983 with capacity of 54MT/Hr. Sighted the “Surat Perjanjian Antara Felda dan Kerajaan Negeri Johor Berkenaan Rancangan Kemajuan Tanah Tenggara” dated on 19/12/1974. There are “Map of Rancangan Felda Tenggara” with area 37,094 acre (15,011.409 Hectare) including Tenggara Timur 02, Tenggara 13, Tenggara 12, Tenggara 11, and Tenggara 09.		
	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 legal use of the land.		
Seen also the “Surat Perjanjian Antara Felda dan FPISB Rancangan Tenggara” dated 25/11/1996, that the agreement defines as “Felda agreed to grant a license to occupy a portion of land situated within an area identified as Tenggara scheme measuring approximately 20.36 hectares whereon a building has been built for the purpose of oil palm mill and such other related purposes on terms and conditions set out therein. The license granted to the Corporation is for a period of thirty (30) years Commencing on the 1 st of January 1994 and shall expire on the 31 st of December 2023. The KKS Tenggara was stand on FGVP M Tenggara 09 land title.		
	Status:	Ok
4.3.2.3 Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.		
The mill perimeter found fenced from illegal entrance by outsiders. The mill has no plan of extension of operational area.		
	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).		
There are no communities nor individual has any implications for the legal status of their land.		
	Status:	Ok

4.3.3 Criterion 3: Customary land 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.		
There are no communities nor individual has any implications for the legal status of their land.		
	Status:	NA
4.3.3.2 Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.		
There was no traces of communities nor individual implications for the legal status of their land or have been disputes.		
	Status:	NA
4.3.3.3 Indicator 3: Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.		
No negotiation process involved.		
	Status:	NA
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.		
<p>Procedure FGV/ML-1A/L2-Pr21 - In- House Social Impact Assessment (SIA) dated 05/07/18. The purpose of this study is to measure and to understand both positive and negative social impacts resulting from the mill operation or activities. Management had developed management plan to promote positive impacts and mitigate negative impacts resulting from the feedbacks received. The SIA is plan to be review annually as per required in the SOP. The negative impact categorized as emergency [to be respond within 6 months], short term [to be respond within 1 year], midterm [to be respond within 6 months – 1 year] and long term [to be respond within 2 years].</p> <p>Sighted the recent internal SIA was conducted by the Barath and Muid Shafiq Ariffin from PSD through formal interview with sampled 10 mill's staff and workers, a NGO, 2 from nearby smallholder, 1 canteen operator, 3 contractors, 2 suppliers and 3 government agencies. Based on the report, among the negative comments received were road accidents at main road towards mill, lighting to be installed at dark areas to prevent theft cases, OER tracking information to smallholders to be improve and etc. Sighted the management plan (RSPO 2018 – Kriteria 6.1) list of positive and negative impacts that were analysed.</p>		
	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.		
<p>The mill 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. There are evidences available that the SOP been communicated through training programs. Seen the Stakeholders Log Book for mill and at during verification time, no negative complaints made by internal/external stakeholders. Its more to request and response from workers, such as request to repair the roofing - leaking.</p>		
	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.		
<p>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.</p>		
	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 complaints		
Seen there is a complaint box affixed at entrance to the office. There are empty forms attached to the box. The admin staff will collect any filled forms on daily basis. As at audit date, there was no written form found as an evidence of stakeholder feedbacks, request or complaints. Verified the visiting logbook of DOSH which their last visit dated on 08/04/18 with no major findings. As for DOE, the last visit dated on 23/05/18 with comments on signages to further improve.		
	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.		
It was confirmed during the interview with workers and stakeholders that they have been aware and understand to the complaint and grievance mechanism, including the personal in charge to handle the complaint and timeframe for responding. During the external stakeholder meeting on 07/08/18, sufficient briefing on complaint flow made. This was verified during stakeholder consultation, whereby all the attended stakeholders agree 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 solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.		
Seen the internal and external stakeholders log book for 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. Interview with mill workers revealed, the management has always responded timely on their request.		
	Status:	Ok
4.4.3 Criterion 3: Commitment to contribute to local sustainable development		
4.4.3.1 Indicator 1: Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.		
There was no significant contribution either monetary 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. However, sighted the mill management has contributed financial assistance to their workers during festive seasons.		
	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 which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated and implemented.		
An occupational safety and health (OSH) policy for KKS Tenggaroh has issued by "Ketua Pegawai Eksekutif" Felda Palm Industries Sdn Bhd Mohd Saodi Husin (Pindaan (10) 20 November 2017. The policy declared nine points which mentioned that the FGV has committed to comply with all relevant safety, health and environment laws and regulations (OSHA Act 1994). OSH management plan for KKS Tenggaroh observed for year 2018.		
Relevant activities planned in order to increase performance of OSH such as ERP Training (chemical spillage), fire drill, First Aid and chemical handling. During field observation, it was found that PPE for workers such as used safety shoes, rubber gloves, ear plug were are in good condition for each workers.		
	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 chemicals used at the palm oil mill:
 - i) all employees involved are adequately trained on safe working practices; and
 - ii) all precautions attached to products should 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 shall 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 that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically a t quarterly intervals.

An occupational safety and health (OSH) policy for KKS Tenggaroh has issued by "Ketua Pegawai Eksekutif" Felda Palm Industries Sdn Bhd Mohd Saodi Husin (Pindaan (10) 20 November 2017. The policy declared nine points which mentioned that the FGV has committed to comply with all relevant safety, health and environment laws and regulations (OSHA Act 1994). Communication of policy observed by displaying on notice board. HIRADC performed for all factory processes and documented.

HIRADC been prepared by Osh Committee on 31 May 2018 and verified by SHO on 3 June 2018 observed. Such as vacuum dryer activities, pre cleaner, sludge operator and sludge pit. An evidence of awareness and training programme latest on 2018 such as fire drill on 01/08/18, First Aid training on 04/08/18, training by BOMBA on 04/08/18 and training in regards to PPE usage dated on 01/03/18. An evidence of attendance and photos are attached.

There is a list of chemical register (Kilang Sawit Tenggaroh Senarai Bahan Kimia yang Digunakan Tahun 2018) and MSDS is attached. Latest Safety Audit done by Mr Shuhairy Said on 5 February 2018 4 issues has been raised. An evidence of PPE issuance record for each workers sighted latest on 2018. Procedure for Chemical handling, FPI-PK-036 dated 14/7/2010 observed. Several requirement and rules set for safe handling of chemical.

Accident of emergency procedure is presented in document of "Emergency Preparedness and Response" Document no FPI/L2/QSHSE-14.0 manual procedure Felda Palm Industries Sdn Bhd (FPI SB) Pindaan 23.09.2016. An ERT team has been established at KKS Tenggaroh for year 2017 – 2018. Procedure has covers chemical spill, fire, accident and effluent spillage.

Based on observation to Chemical Store, it was found that the warehouse was equipped with fire extinguisher, important contact number, flowchart of emergency, eyewash, shower and hazardous risk symbols. Furthermore, based on interview with respective worker, it could be concluded that the worker was able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.

KKS Tenggaroh has occupational first aid officer, certified by Malaysian Red Crescent Mohamad Haizul bin Mat Radzi valid until 8 November 2020 and Mohd Firdaus bin Adam valid until 19 December 2020. Mr. Abd Rahman Ab Aziz appointed as responsible person for worker's safety and health. Thru interview, the appointed person verse with the legal requirement. Based on the interview with foremen and boiler man there are aware with the safety and all emergency response plan. Safety and health committee meeting conducted on quarter yearly basis. Active two way communication observed from worker and employee representative. Latest OSH meeting on 8 February 2018. Emergency preparedness and response procedure observed with emergency response team established.

Routine monitoring performed for fire extinguisher, firefighting system, and first aid box observed on monthly basis. Fire drill performed on yearly basis to improve awareness on emergency handling. Latest first aid training on 4 August 2018 and total 2 certified first aider. There is a 6 nos of first aid kits and a checklist (Carta Semak Peti Pertolongan Cemas) are available latest on 2 July 2018 check by Abd Rahim Ab Aziz. No accident reported in year 2018 until July. For 2017 as per reported to JKPP total accident cases 3 days, lost days working 70 days and total man-hours for 2017 212160.00.

Mill management was able to shows medical surveillance record which conducted by Occupational Health Doctor (DOSH Reg. No. JKPP HQ/08/DOC/00(72)) from Clinic Dhillon Kota Tinggi on July 23rd 2018. Furthermore for special health monitoring like Audiometric or hearing test, it was conducted on October 2nd 2017 by Doctor (DOSH Reg. No. HQ/16/DOC/00/502) from Hospital Sultan Ismail in Johor Bahru. Audiometric test shows that there were 12 operators has detected with hearing impairment. JKPP 7 Report for those operators were available. As response, mill management has conducting evaluation on OSH committee meeting, daily monitoring on earplug/earmuff usage and Hearing Conservation Program which had conducted on March 1st 2018, attended by 40 operators. The following hearing test to the respective operators had conducted on March 26th 2018. However, the results were not informed to the mill management yet.

Observation

Based on interview with Boiler Man, it was stated that hearing test (Audiometric) has conducted annually. For operator works in area more than 85 dB, mill management has provided earplug or earmuff as PPE. As at audit date the result from 3rd party laboratory pending and it will be follow up on this matters will be observed in the next audit.

	Status:	Obs
4.4.5 Criterion 5: Employment conditions		
4.4.5.1 Indicator 1: The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.		
A Human Right Policy (Polisi Hak Asasi Manusia) established and displayed at the office and worker's quarters. Signed by Mohamed Emir Mavani Abdullah CEO FGV on 01 June 2014. Policy briefing conducted on 20/1/2018 for all workers. The policy is displayed at the worker's quarters and office. 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. The policy is communicated to worker by placing it on the Police Sustainability notice board.		
	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.		
There is an Equal Opportunities (Polisi Kesetaraan Peluang) Policies signed by Mohamed Emir Mavani Abdullah CEO FGV 1 June 2014, all employees should be treated fairly in terms of recruitment, progression, terms, and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion, and age. All foreign workers get the benefits of the terms of conditions of Service is comply accordance the Minimum Wages Order 2016 P.U. (A) 116 29 April 2016. There is gender committee meeting, OSH meeting as a mechanism to implement the policies and procedures. Based on the interview with the workers, there is no issues regarding to the discriminatory and social issues at the mill operation. They are happy with the way the management treat them.		
	Status:	Ok

<p>4.4.5.3 Indicator 3: Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage</p>		
<p>There is a clear statement on the offer letter (Tawaran Jawatan Pekerja AM Felda Global Ventures Plantation (M) Sdn Bhd) that been signed by the workers according to hours of works, overtime, public holiday, work on a paid holiday, annual leave, maternity leave, compassionate leave, sick leave, hospitalization, occupational safety and health, accommodation, absenteeism, and dismissal. The contract is made in Malaysian, based on the interview workers are understand the contract and aware about the contract conditions. KKS Tenggaroh - an evidence of pay slip for FELDA Palm Industries Sdn Bhd KS Tenggaroh, Haswan bin Hashim RM 1,607.53 observed.</p>		
	Status:	Ok
<p>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.</p>		
<p>There was available the sample of document Agreement (Surat Perintah Kerja SPK), SPK no 3301247113 (KS Tenggaroh, Pekerjaan Menyediakan bahan, tenaga kerja peralatan kerja / Keselamatan dan kerja-kerja Major Servis 1 unit Komatsu WA 180-3A di Kilang Sawit Tenggaroh) and evidence of payment voucher latest payment (GR No 5004630647), Payslip of Norazlee Md Ali RM 3,830.00 and Ahmad Ansar Gendung RM 3,981.50 observed.</p>		
	Status:	Ok
<p>4.4.5.5 Indicator 5: The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>		
<p>There is a list of employees for KKS Tenggaroh (Senarai Nama & Status Petugas Kilang Sawit Tenggaroh) - 90 Local Workers, include the workers name, worker’s ID, citizenship, passport number, passport validity, and arrival date. Based on the interview and ground verification, there is no underage workers and the workers are aware about the company policies regarding the social policies, no forced labour, no issues regarding the equality and non-discrimination.</p>		
	Status:	Ok
<p>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 shall be made available for each and every employee indicated in the employment records.</p>		
<p>An evidence of employment contracts: Tawaran Jawatan Pekerja Am Felda Global Ventures Plantations (M) Sdn Bhd. All workers are provided with the copy of the agreement ant the original is kept in the personal file by Admin Clerk in the Mill Office. Contract document for local workers has been verified at mill operation.</p>		
	Status:	Ok
<p>4.4.5.7 Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p>		
<p>“Punch card” system used for working hour and overtime recording. Pay slip of sampled workers have been verified and there is an evidence of normal days’ overtime and holiday pay. And also there is (Borang Tuntutan Bayaran Kerja dan Kerja Lebih Masa Bekerja Pada Hari Biasa, Cuti Rehat dan Cuti Kelepasan Am to record overtime. Based on the pay slip there is an evidence of time recording system that working hours and overtime (Sampled payslip for Ahmad Ansar Gendong overtime for 14 hours) Pay slip of sampled workers have been verified and there is an evidence of normal days overtime and holiday pay.</p>		
	Status:	Ok
<p>4.4.5.8 Indicator 8: The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.</p>		
<p>There is an evidence of pay slip of workers (samples pay slip workers – May 2018).</p>		
	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.	
<p>KKS Tenggaroh - an evidence of pay slip for FELDA Palm Industries Sdn Bhd KKS Tenggaroh, Haswan bin Hashim RM 1,607.53, Norazlee Md Ali RM 3,830.00 and Ahmad Ansar Gendung RM 3,981.50 observed. Pay slip of sampled workers have been verified and comply with the minimum wages. The working hours and breaks for the workers in the mill arranged in the document of "Perjanjian Bersama Antara Felda Palm Industries Sdn. Bhd & Kesatuan Pekerja-Pekerja PFISB Semenanjung (01/01/ – 30/12/18)" which explains that working hours are 8 hours in 6 days/week.</p> <p>For overtime recording has been done on "Borang Arahan/Kebenaran Lebih Masa, Kerja pada Cuti Rehat dan Kerja Pada Hari Cuti Umum" which describes overtime hours and details of work. The document is made for each worker and signed by worker every day which works overtime. It is known that all overtime work is known and approved by the worker</p>	
Status:	Ok
4.4.5.10 Indicator 10: Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings	
<p>An evidence in the pay slip (Penyata Gaji Bulanan -July 2018) for social benefits such as, KWSP, Perkeso, project incentive, insurance, water bill, etc. Workers will be paid overtime based on applicable rates in the Employment Act 1995, free medical examination, assistant by a qualified hospital or medical appointed by the company or medical officer in any government hospital or panel clinic covered by AIA Insurance.</p>	
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.	
<p>Based on field visit and interview with workers known that the adequate housing, clean water supplies, medical, mosque, temple, electricity and access to adequate, sufficient and affordable food has been provided. There is no complain and grievance related to housing standard. The company provides adequate housing, water and electricity (from Tenaga Nasional Berhad, TNB) for its workers, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Foreign workers are housed according to their ethnicity and religious beliefs and have adequate beds, clean running water from taps, kitchen and toilet facility.</p> <p>Workers are also provided with basic facilities such as bedsheet, pillows, pillowcases etc. for their living convenience. Site visit by the audit team to the workers housing (Perumahan Pekerja Kilang Tenggaroh) for confirmed that the housing is generally well-maintained. Interviews with workers at the housing also reveal that the housing facility is adequate and that communal clean-ups are conducted periodically. There is regular solid waste disposal system and routine maintenance for the upkeep of the housing.</p>	
Status:	Ok
4.4.5.12 Indicator 12: The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	
<p>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.</p> <p>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.</p>	
Status:	Ok

<p>4.4.5.13 Indicator 13: The management shall respect the right of all employees to form and join trade union and allow workers own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or 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.</p>		
<p>There is a policy to give a freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining (Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan 01 June 2016). 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. Worker union meeting (Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd Cawangan KS Tenggaroh 01/08) minutes dated 17 March 2018 observed. Based on the interview with POM workers, no restriction given by the top management to participate in worker union activity.</p>		
	Status:	Ok
<p>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.</p>		
<p>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 for KKS Tenggaroh (Senarai Nama & Status Petugas Kilang Sawit Tenggaroh). 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.</p>		
	Status:	Ok
<p>4.4.6 Criterion 6: Training and competency</p>		
<p>4.4.6.1 Indicator 1: All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p>		
<p>FGV KKS Tenggaroh management unit has an annual training program for employees and contractor. For example, training subject program for Year 2018 are training on chemical handling, environment, and safety policy, first aid, fire drill, scheduled waste management, HIRADC and hearing conservation programme. Evidence of training program realization is presented as follows, for example safety training for Sterilizer & Oil Room on 05/02/18 attended by 9 participants and Hearing Conservation Program on 01/03/18 attended by 40 participants. For example, of trainings mentioned above, evidence such as attendance list, picture documentation. Furthermore, based on interview with general workers and harvester, it could be concluded that all operators were able to explain and demonstrate its technical work aspect such as operational of instruments, safety working implementation, PPE used, operator license requirement and maintenance.</p>		
	Status:	Ok
<p>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.</p>		
<p>Based on the audit, there is an evidence of sampled (Rekod Latihan Petugas / Kontraktor KKS Tenggaroh) for Muhammad Hazim bin Mustaffer attending Chemical Handling, Loto System, Power Hydraulic, Pneumatic & Electrical Control.</p> <p>Observation Based on the audit document verification, there is an evidence of sampled (Rekod Latihan Petugas / Kontraktor KKS Tenggaroh) for Muhammad Hazim bin Mustaffer attended Chemical Handling, Loto System, Power Hydraulic, Pneumatic & Electrical Control. The training need identification analysis for specific skills and competency for individual employees to be considered during planning of annual training programme.</p>		
	Status:	Obs
<p>4.4.6.3 Indicator 3: A continuous training programme shall 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</p>		
<p>The company has a training program which updated annually. There is annually training matrix available (Analisa keperluan Latihan).</p>		
	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 which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	
<p>KKS Tenggaroh had updated an Environmental Aspect and Impact Register for year 2018. Relevant processes covered in the aspect and impact assessment. Sighted the form in form of Aspect and Impact environment and impact assessment for, FPI/L4/QOHSE – 1.7 amendment no. 2 that comprise all the workstation such as shredder and bunch press, weighbridge, grading FFB, loading ramp, sterilizer, crane threshing and press and etc. The policy regarding environment had been made comprising the quality, safety and environment which listed the commitment of FGV Management towards environment.</p> <p>Sighted the policy that comprise of elements such as:</p> <ul style="list-style-type: none"> • Minimize the pollution towards environment such as air, water, soil contamination from product, servicing and mill activities through implementing environment pollution in all level of processing • To comply with regulation , standards and needs of environment • To comply with legal and complete the mills with competent persons for mills environment. • To implement and implementing every goods habit of environment that has been developed in palm oil industries • To manage the risk of environment and to channel the sources that is required for incidence and cases towards environment and pollution prevention • To increase and continue improvement and implantation to the system environment management to reach the sustainable in the environment. <p>Sighted the policy regarding environment had been signed and approved by Mr. Saodi Husin, CEO of FPI Sdn Bhd dated 20th November 2017. The policy explanation had been made awareness on 22nd July 2017 at the mill that include all policies explanation, sustainability policy, no open burning policy and recycling policy and implementing the solid waste management to protect the environment. The mill had developed a manual procedure regarding preparation of facing emergency (emergency preparedness and responses)-no document FPI / L2 QOHSE potential emergency classified into emergency potential , inspection manual, frequency and peoples in charge of the emergency situation.</p>	
Status:	Ok
4.5.1.2 Indicator 2: The environmental management plan shall cover the following:	
<p>a) An environmental policy and objectives</p> <p>b) The aspects and impacts analysis of all operations.</p>	
<p>The mill had done the environment management plan through the form objective quality, safety, health and environment form: FPI / L4 / QOHSE -3.1 Pind .0 for Tenggaroh Mill year 2018 that include the statement objective, target period by month of year, and quantitative indicator as applicable. for example, sighted the frequency and method of monitoring by EMR that include the mill objective e.g.: To control the BOD < 1000 PPM for the final discharge at monsoon drain no. 2. - targeted (achieving BOD below 50 PPM) → action Plan – Cleaning up sump every month → date of completion (December 18) → Budget → completion date start and end → actual date → notes.</p> <p>Sighted a document entitled as “RSPO 2017 criteria 5.1/5.3/5.6” dated 13/11/17 with a management plan to reduce the impact on environment through the mill activities. The aspect Impact Identification for KKS Tenggaroh had been made for year 2018 9FPI / L4/ QOHSE -1.7 – Pind .0, that has described the operations [activity / product / service, type of operation, input (including water energy, resources), output to land, water, and air) past and potential incidence) and criteria (legal, scale, severity, probability, change, damage, interested parties, public, total score].</p> <p>Example: soil pollution → empty chemical container → action to collect the empty container and record in the collection storage → triple rinse and recorded. Sighted on “Lampiran 4” the criteria aspect/impact that will monitor the frequency of incident, severity and risk assessment by the management unit. This has been categorized as frequency [daily, weekly, monthly], severity [early, intermediated, heavy], risk assessed [level 1 & level 2], severe [preparation of objective and management program] and non-severe [lessen on the pollution and determination of control].</p>	
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.		
<p>The company had made a procedure by FGV document number FGV/ML-1A/L2 – Pr. 1 issued number effective date on 1st June 2016 that include scope, definition, procedure of identification aspect and impact of environment, identification and assessment of aspect and impact environment, and registration of aspect impact environment. Sighted the procedure of identification environment aspect impact, monitoring of aspect impact and environment. Sighted the aspect impact identification had been made into the form that comprise on activity, product/ service → type of operation → input including water , energy resources, → volume discharge → output to land , water, and air → impact including past and potential incidence → evaluation criteria : legal, scale, severity, probability , change, damage, interested parties, public , total score , significance effect. Sighted the identification of Environmental Aspect and evaluation of Significance form no FPI/L4/QOHSE 1.7 amendment 1.</p>		
	Status:	Ok
4.5.1.4 Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.		
<p>Sighted the continual improvement plan on the form “Objektif Kualiti Keselamatan Kesihatan Pekerjaan dan Alam Sekitar”, number FPI L4/QOHSE – 3.1 Rev. 0 the include in objective statement, such as to achieve BOD below 500 mg/l dan suspended solids below 250 mg/l, water usage below 1.20 Mt / tan FFB and to increase awareness amongst the workers. The mill had developed a manual procedure regarding preparedness of facing emergency (emergency preparedness and responses)- document no. FPI / L2 QOHSE potential emergency classified into potential emergency, manual inspection, frequency and person in charge.</p> <p>Sampled of effluent discharge into water course ,bund pond leakage, and water pipe effluent leaked – daily inspection and monitoring of effluent pond → laboratory. Sighted the monitoring record on continual improvement plan that include several activities recorded such as zero accident in the mill → awareness regarding the safe working procedure on assembly every morning , to implemented the safety audit on every month by safety AJK. All mechanical staff should undergone safety inspection → to get the quotation for inspection, sending the workers after works approved. Zero emergency in the mill → awareness on working procedure from assembly every morning , safety audit on every month by safety agency</p>		
	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, objectives and management plans and are working towards achieving the objectives.		
<p>Sighted the meeting and training regarding FPISB Tenggaroh Mill that include course on preventive the oil spillage dated on 14th July 2018 at des at meeting room KKS Tenggaroh attended by assistant manager, foreman, store clerk, charge man electric, laboratory analyst, MQI and finance clerk. Sighted the action plan and issues had been clarified in the minutes meeting by person in charge such as license on Jadual Pematuhan (compliance schedule), action and recommendation, responsibility, and dated of completion. Sighted the training related concern on environment such as:</p> <ul style="list-style-type: none"> i) report on monitoring on Manual procedure ii) accidental report, accident rate and potential hazardous incidence. iii) Performance on environment compliance iv) Audit report on EMS 14001: 2004 – Environmental management system. <p>Based on the field visit audit, it was found that the workers are concern related to environment and the policy of environment are understood by the workers.</p>		
	Status:	Ok
4.5.1.6 Indicator 6: Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.		
<p>The mill had organize the minutes meeting on environment regulatory sighted several meeting had been done on month of July with the workers dated 17th July 2018 safety awareness) , MSPO Internal audit dated 6th August 2018 , and also the audit by Department of environmental (December 2017) The element regarding legal requirement, Jadual Pematuhan, Competent person on Scheduled waste and Palm Oil Mill Effluent, EFB Management , Effluent treatment, CEMS , sampling and analysis sampling are being communicated to all workers.</p>		
	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.		
<p>Meanwhile based on Tenggaroh palm oil mill record, found that average fuel usage and renewable energy usage to produced electricity during Jan - July 2018 are 83.55 KwH/mt CPO, otherwise efficiency by biogas plant operation (grid electricity) are 72.99 KwH/mt CPO. Non-renewable energy usage inside the mill especially fossil fuel such as diesel and lubricant had been recorded into month July 2018 KKS Tenggaroh that monitor the usage for:</p> <ul style="list-style-type: none"> i) Generator Set =3497.00 liters ii) Komatsu 1 (Composting plant) = 486 litres iii) Komatsu 2 (Grader) = 635 litres iv) Komatsu 3 (Boiler) = 282 litres v) Tractor = 64 litres <p>Sighted the total litres by the mill include 4964 litres of usage up to 22 July 2017. The mill had used the general service Komatsu no. 1 that include servicing:</p> <ul style="list-style-type: none"> i) Invoice No.93709974 – RM 4217.74 dated 21at July 2017 ii) General Service Komatsu no. 2 – invoice number S3709774 -RM 3,902.92 dated 18th July 2017 iii) General Service Komatsu No. 3 – invoice no. S3709994 – RM 3,902.92 dated 28th July 2017 <p>The general cost charged include labour charge, travel claim, GST, mileage, parts and expenses. Sighted the invoice had been approved by the manager of the estate.</p>		
	Status:	Ok
4.5.2.2 Indicator 2: Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.		
<p>Company showed implementation to reducing fossil fuel by renewable energy usage. Tenggaroh 9, Tenggaroh 11, Tenggaroh 13 estate and Tenggaroh POM has assess and estimated the direct energy use such as fuel usage by operational activities for 2018 periods. Fuel usage have been monitored per month for each estate and realization of fossil fuel usage during June'18 for examples on Tenggaroh 13 & 11 respectively are 1,964 litre and 3,162 litre.</p>		
	Status:	Ok
4.5.2.3 Indicator 3: The use of renewable energy should be applied where possible.		
<p>Based on the field verification at Tenggaroh Mill, sighted the implementation of Biogas Plant flow chart that started implementation of biogas on 2016. Sighted the process as sludge separator → sludge pit → cooling pond → mixing pond → reactor Biogas →scrubber → chiller → Air Blower → engine Gas MWM → Alternator (1.2 MW) →MSB Control room → 422V Transformer → grid TNB KKS Tenggaroh. Pre mixing → anaerobic Pond → facultative pond → algae pond → Bio Flow Plant → discharge to water course. Based on the verification, the mill had also utilized the usage of fiber into mill and boiler operation in order to utilize the usage of renewable energy. Sighted the methane produced form biogas operation had been used into the national grid with 0.397 RM Per KW/H produced.</p>		
	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		
<p>Sighted the inventory had been made by KKS Tenggaroh and had been updated into E-SWIS system, second schedule for waste code:</p> <ul style="list-style-type: none"> i) SW 409 – Mill Maintenance – Drums – 0.010 MT, ii) June 2018, spent chemical container 0.120 MT iii) SW 102 – spent Battery – 0.035 MT (august 2018), 0.70 MT (July 2018) iv) SW 305 – Spent Lubricant Oil – 0.070 MT v) SW 306 – spent hydraulic oil – 0.115 MT (august 2018) <p>Sighted also the summary report of inventory for month July 2018:</p> <ul style="list-style-type: none"> ● SW 102 = battery = 0.02 		

- SW 305 = lubrication Oil = 0.12 MT
- SW 306 = hydraulic Oil = 0.166 MT

Based on the waste management plan of KKS Tenggaraoh, it was observed that the mill had registered the scheduled waste into inventory system of ESWIS by DOE. **Not all waste products and sources of pollution had been identified and documented. Based on the document verification and observation at KKS Tenggaraoh, it was found that spent Isopropanol Alcohol and Hexane from the laboratory being disposed into cooling pond which is against the requirement of Environmental Quality Act Scheduled Waste Regulation 2005.**

Status:

Major

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

- Identifying and monitoring sources of waste and pollution.
- Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Waste management plan for the mill had been made by Environmental quality officer for Tenggaraoh Mill. Sighted the waste management had been made for year 2018. Waste management program observed with disposal of scheduled waste to licensed collector and proper scheduled waste store had been made in waste management plan of mill. Sighted the source of pollution from mill activities: dark smoke → pome → waste oil → paper → electronic waste → domestic waste → action plan. Waste management of domestic waste and disposal for year 2018 that include mill operation → tires, gloves and scrap iron → recording the gloves / training on domestic waste and scheduled waste to staff and workers → provide the cleaning program → collected and sold to the registered collector (scheduled waste) and recycler collector → management plan on domestic waste and non-scheduled waste from January to December 2018 → responsible person and action plan

Based on the waste management plan for 2018, sighted the source of waste, type of waste, and activity that has been plane for domestic waste and waste production, plan on waste management (from January 2018 until December 2018) responsible person and noted. Sighted the waste management plan had been divided into mill and estate operation and office and line site.

Observations

Consideration for the mill to improve the lubricant store and scheduled waste area for bund installation.

Consideration to improve the management of monsoon drain at the mill.

Status:

Obs

4.5.3.3 Indicator 3: The palm oil mill 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. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.

Sighted the mill's SOP for the schedule waste "Procedure Pengendalian Bahan Buangan Terjadual" reference FPI / L2 / QOHSE – 9.0 -dated 15th September 2014 FPISB that include objective, scope of procedure, responsibility, reference, procedure, handling and disposal of scheduled waste (empty drums), handling of scheduled waste using pump and the storage area of scheduled waste as per Director General requirement. Sighted the manual procedure include details procedure such as "identification and separation of waste material", "recycling of waste material and reused" and etc. Sighted the disposal of waste material 2 pallet of 55 gal drum for the mill dated 25th July 2017 with quantity of 0.45 MT to Kualiti Alam Sdn Bhd

Status:

Ok

4.5.3.4 Indicator 4: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.

Sighted on the memo from FGV to all the housing area of FGV KKS Tenggaraoh for the collection of domestic waste from July 2018, that the collection will be done on Monday and Thursday. Collection regarding domestic waste had been made available at the mill and collection been made by registered contractor Sinar Estacon Sdn Bhd tax invoice number – KST04/001/18 dated 4th June 2018 amounted RM 3840.00 for 8 months , domestic waste collection at Mill .

Status:

Ok

4.5.4 Criterion 4: Reduction of pollution and emission including greenhouse gas		
4.5.4.1 Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.		
<p>Mill management unit has identified GHG emission sources, as well as its mitigation plan which issued by manager, presented as mitigation plan that requires monitoring, recording and analysis of diesel consumption for FFB transportation, reduction of chemical uses (liter), domestic waste management on 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.</p> <p>Sighted the Stack emission and monitoring periodic report for FPISB KKS Tenggaroh on Boiler no. 3 prepared by Maju Perkasa Sdn Bhd that will monitor the report on chimney under Environmental Quality Air regulation 2014 for FPISB. based on the report it was sighted that the mill had received 2 samples on filter paper: B3(a) = 0.0011 g/spl, and B3(b) = 0.0006 g/spl. sighted the results form gases monitoring leading from Boiler 3 (b) – B3 (b): [Static pressure = 12.00 mmH2) / Absolute pressure = 760 mm hg / Average flue gas velocity = 16.19 m/s / Average concentration of N2 in flue gas = 78.99 % / Molecular weight of dry of flue gas = 28.8 g/g mole / Concentration of particulate matter at 12% CO2 = 6.589 mg/m3 = EQA Std. Limit, 50].</p> <p>Summary of results: B3 Concentration particulate matter mg/m3 at 12% CO 2 (B3 9.3288) Dark Smoke = 0.20%. The monitoring was conducted successfully under normal operation condition. Based on the monitoring assessment, the above results showed that emission level of tested parameters of the stack complied with standard limits of the Environmental Quality Clean air Regulations 2014.</p>		
	Status:	Ok
4.5.4.2 Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.		
<p>Sighted the action plan for environmental risk assessment and mitigation measures to reduce identified significant pollutants that been made including risk and opportunities identification such as:</p> <ul style="list-style-type: none"> i) Black Smoke / Compound by DOE → mitigation : Empire Water Tube Boiler (40 Mt / hr) used in 2008 , Run Boiler with Optimum capacity, Less Fibre burn in Boiler ii) Issues : not Comply with Jadual Pematuhan / Not enough competence person / PIC not Competent → request to attend the course and waiting for interviews result from EIMAS iii) Issues : Non Compliance breaches of environmental related legislation → penalties paid to the regulator → internal / external audit training / legal register. <p>Based on the field visit verification, sighted the mill had installed 2 units of fume cupboard for FPISB Tenggaroh by Hitec IESH Holding M Sdn Bhd dated 6th January 2014. Based on the audit field verification, sighted the “Kelulusan Bertulis di bawah Peraturan-peraturan Kualiti Alam Sekeliling”- registered number AKPU / 2014 /001 as per details plan: IESH /KB / KST04 / FH / 1213. based on the document observed the mill had to follow several aspect regarding the incinerator and operation such as the chimney system should be maintained efficiently and perfectly with each operation.</p> <p>Any process activities shall be immediately ceased in the event of damage to the chimney system and shall only operate after having been fully functioning. Other dust, ash or other solid coke concentrations are released from the chimney if any are not encroached exceeding the standard C: 0.4 gm / Nm3 and any discharge of the released gas metal shall always comply with the standard C as prescribed under regulations 26 and 27 of the natural regulations Clean Air Circle 1978.</p>		
	Status:	Ok
4.5.4.3 Indicator 3: Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.		
<p>Observed the license of effluent from jabatan alam sekitar along with jadual pematuhan, document no.: 004644 valid from 1 July 2018 up to 30 June 2019. The surface water analysis is done monthly if there are discharge, for 2018 the record discharge of effluent to water courses made available. There is a SOP for effluent treatment plant document no.: FPI/L2/QOHSE-10.0 which describes among others : operation of anaerobic tank and monitoring of effluent treatment plant. POME test are done monthly by accredited laboratory (standar malaysia – Makmal analisa bukit Besar , Kota Tinggi Johor) for parameters of pH, BOD, COD, TS, SS, oil & G, ammonical and total nitrogen, reporting DOE are done in three monthly basis of POME quality test observed for e.g for Jan – June 2018:</p>		

Parameters	Limit	Jan	Feb	March	April	May	June
pH	5-9	7.90	8.03	8.10	8.30	8.00	8.35
BOD	<100	40	36	23	40	39	42
COD		274	388	410	424	404	372
Total Solids		1375	1889	2291	1736	1548	1346
SS	400	64	188	131	163	177	131
Oil and Grease		4	6	4	4	4	3
Ammoniacal		3	1	2	17	0	0
Total nitrogen	200	20	15	21	28	15	14

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:

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

POM → monsoon drain quality test and water surface quality test (Landar river), conducted in monthly if there was discharge of effluent. Besides, to conserve the water, mill has been done the piping damage monitoring and repairing, monitoring of water usage for boiler and process, as well as set the water usage budget for monthly by 1.30 m³/ton FFB. Sighted the plan had been verified by assistant manager of the mill.

Sighted also the management plan for Tenggaroh Mill that outlined the problem : No water resources at the housing mill area → action plan contacting the water state management to get the lorries for water supply → sighted water concession state numbers available at the information area (SATU – Syarikat Air Terengganu).

Based on the water result analysis and monitoring at monsoon drain no. 1 as followed:

Sample details	PH	BOD 3 days	COD	Total Solids	Suspended Solids	Oil and Grease	Ammoniacal Nitrogen	Total Nitrogen
27/12/17 Monsoon Drain no. 1	8.06	24	329	453	99	-	8	3
10/07/18 Monsoon drain no. 2	7.1	132	266	723	239	-	<5	10

Based on the result of the monsoon drain available, sighted the mill had consistently protected the ground water surface by taken monthly analysis of water results as per available records. Sighted the monitoring record for the mill regarding river water as per details (Hulu Sungai Bukit Payung) [PH = 8.0, BOD 3 days = 2, COD = 24, Total Solid = 73, Suspended solids = 4 and etc.].

Status:

Ok

4.5.5.2 Indicator 2: Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.		
<p>The mill had implemented conventional pond system comprising several process. The effluent are managed well in a series pond consist of : mixing pond 1 and mixing pond 2 → Mixing pond 3 → anaerobic digester (4 tank @1800 MT) → mixing pond no.4 → composting, from anaerobic digester → facultative pond 1 and facultative pond 2 → algae pond 1 and algae pond 2 → final discharge on mill. Sighted the flowchart of Bioflow Effluent process which the treated the effluent as per process such as effluent form algae B1 → Bio flow tank 1 → Sludge conditioning Tank 1 → Bio flow Tank 2 → Sludge Conditioning Tank 2 → Mixing Chamber 1 → Mixing Chamber 2 → Clarifier → Examination Tank → final discharge to open water course BOD < 20 Mg /L.</p> <p>Sighted also the process form clarifier , sludge conditioning tank 2 and sludge conditioning tank 1 in sludge drying beds → into filtrate Sump. Based on the final discharge water analysis result, it was found that the level of discharge is way below the required BOD by license (Jadual Pematuhan by DOE) which is 20 mg/ L BOD reading.</p>		
	Status:	Ok
4.6 PRINCIPLE 6 : BEST PRACTICES		
4.6.1 Criterion 1: Mill management		
4.6.1.1 Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.		
<p>Sighted the master copy of manual operation of KKS Tenggaroh dated 02/01/01 that include al the operation based on document FPI /L3 / 1-01 until FPI L3/16-01 that comprise form weighbridge, security, CCTV, grading FFB in Mill, Operational mill [sterilizing, threshing, FFB into Cage, tipper operation, transfer carriage, FFB Conveyor handling, releasing fruits from bunch,] and all the operation include in direct mill and details out of it. Sighted 141 list of the operation in total. Based on the field visit in the mill, storage area, weighbridge and mill operation, the SOP are adequately implemented throughout the process.</p>		
	Status:	Ok
4.6.1.2 Indicator 2: All palm oil mills shall implement best practices.		
<p>The mill seen appropriately implementing the best practices throughout the operation based on the standard operating procedure of the mill. The mill procedures and manual for operating the mill in form of Manual Operasi Kilang Sawit which implement from 02/01/01 (revised on 19/02/16) in documents clear number identified for example operation from FFB receipt until CPO sell. Manual Operasi Makmal for laboratory since January 2001:</p> <ul style="list-style-type: none"> a) Sample tacking - 14 activities in documents number from FPI/L3/14-01-01 until FPI/L3/14-01-14 b) laboratory use tools - in documents number from FPI/L3/14-02-01 until FPI/L3/14-02-15 c) Chemical material provision - in documents number from FPI/L3/14-03-01 until FPI/L3/14-03-17 <p>Calibration - in documents number from FPI/L3/14-04-01 until FPI/L3/14-04-15</p>		
	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.		
<p>Sighted the budget for year 2018 by Tenggaroh Mill that all the mill operation including the FFB Processing, OER, CPO, KER, PK and others. The budget had been made for year 2018 form January until December that contain main product and by product of the mill such as Empty bunch ash, Sludge Oil, Kernel Shell, Empty Fruit Bunch and etc. Sighted the budget also including servicing income, sales of tender, hospital treatment, maternity leave and fees, payment for hospital, normal treatment, external fees, overtime works, travelling and logistic, local fees, transfer payment, travelling request and lodging. Based on all operation in mill and etc. the budget had been made into year 2018 projection as per financial year 2017. Sighted also the productivity summary for Tenggaroh Mill that also include the revenue such as Total BTS Process, OER , CPO, KER, PK , Abu Tandan, Sludge Oil, EFB, Mesocarp Fiber, Decanter cake, Black Soil , Scrap Iron and Kernel Shell had been budgeted from year 2019 until 2023</p>		
	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.		
FFB pricing mechanism are based on "Manual Penggredan buah kelapa sawit" issued by Malaysian palm oil board. This document explained the FFB price forecast i.e FFB price for 1 % Based OER = (CPOp-C-TC-AC)(BOER) + (PKPp-AC)(BKER)-(PC) / Based OER, FFB consignment price = FFB price for 1 % BOER x GOER x FFB tonnage (tonne), CPOp = CPO price based on areas and etc. Document of FFB Pricing standard from MPOB are available, per July 2018. These standard as directive for POM considered OER, plant year, and etc in related to FFB pricing mechanism for FFB from supplier.		
	Status:	Ok
4.6.3.2 Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.		
For FFB The KKS Tenggaroh pay the FFB from the outsider crop based on Malaysian Palm Oil Board (MPOB) standard. There was available the document of FFB Pricing standard from MPOB per July 2018. These standard as directive for POM in related to FFB pricing mechanism for FFB from smallholder or growers and evidence of Buku Harian BTS to record the FFB price per days. Also, there was available the sample of document Agreement (Surat Perintah Kerja SPK), SPK no 3301247113 (KS Tenggaroh, Pekerjaan Menyediakan bahan, tenaga kerja peralatan kerja/Keselamatan dan kerja-kerja Major Servis 1 unit Komatsu WA 180-3A di Kilang Sawit Tenggaroh).		
	Status:	Ok
4.6.4 Criterion 4: Contractor		
4.6.4.1 Indicator 1: In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.		
Sighted agreement letter on Misdan Ambia Enteprise and Aneka Gear & Engineering Supplies Sdn Bhd. This agreement letter are signed by both side (company and contractor) and stated that all contractors shall be comply with all relevant regulation. An evidence of discussing about MSPO implementation to contractor and MSPO agreement letter signed by contractor mention that contractor has been informed about MSPO certification, understanding the needs of MSPO certification and always obey with the MSPO requirement.		
	Status:	Ok
4.6.4.2 Indicator 2: The management shall provide evidence of agreed contracts with the contractor.		
There was available the sample of document Agreement (Surat Perintah Kerja SPK), SPK no 3301247113 (KS Tenggaroh, Pekerjaan Menyediakan bahan, tenaga kerja peralatan kerja/Keselamatan dan kerja-kerja Major Servis 1 unit Komatsu WA 180-3A di Kilang Sawit Tenggaroh) and evidence of payment voucher latest payment (GR No 5004630647)		
	Status:	Ok
4.6.4.3 Indicator 3: The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.		
The mill was 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

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

4.2.1 Noteworthy Positive Components at Stage-2

No	Description
1	The mill is maintaining good milling practices and good occupational safety awareness through frequent trainings.
2	The sampled workers and management staff has demonstrated good awareness on MSPO requirements.
3	The mill has started implemented the biogas plant and supply to national grid
4	The mill has implemented bio flow tank for maintaining result at final discharge

4.2.2 Identification of Non-conformity at Stage-2 – two (2) major, three (3) minor non-conformities were raised.

NCR No.	: MSPO/Tenggaroh -01/18-P4	Issued by	: Ebnu Holdoon Shawal
Date Issued	: 09/08/2018	Time Limit	: 90 days
NC Grade	: Major	Date of Closing	: Before certification decision
Standard Ref. & Requirement	: 4.5.3.1 Indicator 1 - All waste products and sources of pollution shall be identified and documented		
Non-Conformance Description & Evidence observed: Not all waste products and sources of pollution had been identified and documented. Based on the document verification and observation at KKS Tenggaroh, it was found that spent Isopropanol Alcohol and Hexane from the laboratory being disposed into cooling pond which is against the requirement of Environmental Quality Act Scheduled Waste Regulation 2005.			
Root Cause Analysis:			
Corrective Action:			
Preventive Action:			
Assessor Evaluation and Conclusion:			
Verified by	:		

NCR No.	: MSPO/Tenggaroh -02/18-P4	Issued by	: Mahaswaran Maliyapan
Date Issued	: 09/08/2018	Time Limit	: 90 days
NC Grade	: Major	Date of Closing	: Before certification decision
Standard Ref. & Requirement	4.3.1.1 Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
Non-Conformance Description & Evidence observed: Certified Environmental Professional in the Operation of Palm Oil Mill Effluent Treatment System – Pond Processes (CePPOMETS) seen not available as at audit date.			
Root Cause Analysis:			
Corrective Action:			
Preventive Action:			
Assessor Evaluation and Conclusion:			
Verified by	:		

NCR No.	: MSPO/Tenggaroh -03/18-P4	Issued by	: Mahaswaran Maliyapan
Date Issued	: 09/08/2018	Time Limit	: 1 year
NC Grade	: Minor	Date of Closing	: Before next surveillance
Standard Ref. & Requirement	4.1.1.1 Indicator 1: A policy for the implementation of MSPO shall be established.		
Non-Conformance Description & Evidence observed: There were many briefing sessions conducted such as on 26/5/18 [OHS briefing to contractors], 01/6/18 [SOP – Cake Breaker], 20/5/18 [environmental mainstreaming tool], etc. However, insufficient training records found to demonstrate the mill workers, staff, contractors and external stakeholders are being regularly briefed and communicated on Group Sustainability Policies as part of MSPO implementation process.			
Root Cause Analysis:			
Corrective Action:			
Preventive Action:			
Assessor Evaluation and Conclusion:			
Verified by	: <i>WILL BE VERIFIED ON THE NEXT ASSESSMENT</i>		

NCR No.	: MSPO/Tenggaroh -04/18-P4	Issued by	: Mahaswaran Maliyapan
Date Issued	: 09/08/2018	Time Limit	: 1 year
NC Grade	: Minor	Date of Closing	: Before next surveillance
Standard Ref. & Requirement	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.		
Non-Conformance Description & Evidence observed: Management review meeting was done in Feb 2018 for review period Jan- Dec 2017, attended by operation & office staff which mill manager chaired the meeting. However, sighted the management review meeting minutes not effectively minuted on the discussed agenda. The review on environmental aspect & impacts, social aspects, the decision on any changes, modification, continuous improvement plan and timeline for the MSPO implementation to be address effectively.			
Root Cause Analysis:			
Corrective Action:			
Preventive Action:			
Assessor Evaluation and Conclusion:			
Verified by	: <i>WILL BE VERIFIED ON THE NEXT ASSESSMENT</i>		

NCR No.	: MSPO/Tenggaroh -05/18-P4	Issued by	: Mahaswaran Maliyapan
Date Issued	: 09/08/2018	Time Limit	: 1 year
NC Grade	: Minor	Date of Closing	: Before next surveillance
Standard Ref. & Requirement	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.		
Non-Conformance Description & Evidence observed: The CIP was last updated on Jan 2017 with input of OER and KER. The CIP to be given consideration on social impacts that resulted from SIA and improvement focusing on the non-conformance resulted from internal audit.			
Root Cause Analysis:			
Corrective Action:			
Preventive Action:			
Assessor Evaluation and Conclusion:			
Verified by	: <i>WILL BE VERIFIED ON THE NEXT ASSESSMENT</i>		

4.2.3 Opportunity for Improvement (OFI)

No	Ref Std.	Descriptions
1	4.3.1.1	The Tenggaroh mill has not obtained the fire certificate. However, the management has presented a management plan for the fire system installation that applicable all the mills which under the administration of FPISB. Based on the plan (As-Built Drawing, Architect Drawing, Allied Engineering – JBPM/JH/BKK:700-3/1/7/1066 dated 13/03/17) the mill scheduled for an inspection after the installation of Fire Fighting System that to be completed by end 2018.
2	4.3.1.1	Mohd. Haizul Radzi has attended the Certified Environmental Professional in Waste Management (CePSWaM) on 13-17/11/17 and has a timeline until Oct 2018 to submit his FTR [Field Training Report]. The progress will be verifying in next assessment since this is a requirement by Environmental Quality Act 1974 (Act 127), Article 49A. (1) An owner or occupier of a premise shall employ a person who has been certified by the Director General as a competent person to conduct all or any of the following activities (b) the management of schedule wastes.
3	4.4.4.2	Based on interview with Boiler Man, it was stated that hearing test (Audiometric) has conducted annually. For operator works in area more than 85 dB, mill management has provided earplug or earmuff as PPE. As at audit date the result from 3 rd party laboratory pending and it will be follow up on this matters will be observed in the next audit.
4	4.4.6.2	Based on the audit document verification, there is an evidence of sampled (Rekod Latihan Petugas / Kontraktor KKS Tenggaroh) for Muhammad Hazim bin Mustaffer attended Chemical Handling, Loto System, Power Hydraulic, Pneumatic & Electrical Control. The training need identification analysis for specific skills and competency for individual employees to be considered during planning of annual training programme.
5	4.5.3.2	<ul style="list-style-type: none"> • Consideration for the mill to improve the lubricant store and scheduled waste area for bund installation. • Consideration to improve the management of monsoon drain at the mill.

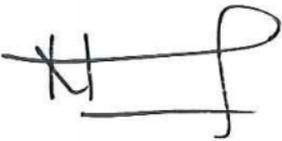
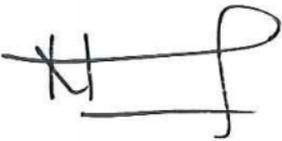
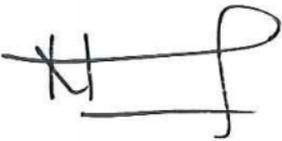
1.4 Summary of Arising Issues from Public, Management, and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Contractors of FFB Transport FGV Tenggaroh</p> <p>A local contractor had been interviewed during the audit. He had been in contract with the FGV Tenggaroh 09 for ten years and as far from the interview, the payment method, contracting and worker’s welfare had been a priority concern of FGV management. The method of payment will be done by online banking and payment been made on monthly basis based on the contract available and invoice issuance.</p> <p>Sighted no complain has been logged in towards the FGV Management and the contractor are satisfied with FGV Management handling the contract. FGV 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. Every single policy and legal requirement are clearly stated in the contract and obeyed by the contractor.</p>	<p>The company will continue to keep a good relation between the contractors and FGV Tenggaroh 09 and also further engagement will be enhanced from time to time.</p>
<p>FGV Foreign Workers Representative (1 Bangladeshi, 1 Indian and 1 Indonesian)</p> <p>3 worker’s representative had been interviewed in FGV estate Tenggaroh 09. 1 Indian worker, 1 Indonesian workers and 1 Bangladeshi worker had been interviewed. The Bangladeshi worker had been working for 8 years, 2 years and 09 years respectively. They work as harvesters in the estate, spraying and also manuring. They express satisfaction working in the company. Workers representative are from mandore and worker and the mandore had been translator for the new workers into the estate.</p> <p>All of them had expressed a good feeling towards the management and satisfied the way how management treat them in the estate fairly between each other and the local workers. There are few issues related to the estate hostel and report on housing area however the issues had been put into SIA for the further action plan. Sighted also the nearby shop for groceries shopping and the basic amenities had been provided by FGV Management.</p>	<p>FGV Management will keep a good relation especially with the foreign workers representative of FGV Estate Tenggaroh 09 and Tenggaroh 11</p>
<p>Gender Committee from FGV Tenggaroh 09</p> <p>2 representatives from Kelab Kebajikan Daya Budi (KKD) of FGV estate that acted as gender committee. The club represented by female staff f FGV and wife of the male staff and managers of the estate. Based on the interview, the members and club had been allocated budget for each.</p> <p>The budget is approved based on the activity proposed by them. So far, there is no constraint and critical issues related to the genders in the estate. The company also had briefed them regarding the gender policy and human right of FGVPM.</p>	<p>FGV Management will keep a good relation with Gender Committee from the respected estate and help them in the related matters.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Local FFB Suppliers (ARAMI JAYA and Kawthar Business)</p> <p>2 local FFB Suppliers had been interviewed. Based on the interview with the local suppliers, they are understanding that the FGV had implemented several policy and they acknowledged the policy to be adhered. On the other hands, all the contract are signed in headquarters FGV in Kuala Lumpur and they are bound to contract up to 3 years before continue..</p>	<p>No issues raised. The local contractor are satisfied with FGV Tenggaroh handling the contract and payment of the FFB Suppliers.</p>
<p>Teacher from Tabika Kemas Tenggaroh 3</p> <p>One local teacher had been interviewed. Based on the interview, the management form FGV had proactively helping the kindergarten school by providing a manpower for beautification of the school, the grass cutting and also helps for other school activities. Good cooperation between FGV and school teachers as the children are from nearby settlers and staffs kids.</p>	<p>FGV management will continue a good cooperation and helps them in such related matters.</p>

3.4 Summary of findings and Recommendation

MAJOR	MINOR	O F I
2	3	5
<p>Recommendation of Certification:</p> <p>Since Major Non- Conformities were closed with objective evidences, therefore Tenggaroh Palm Oil Mill is <u>RECOMMENDED</u> for MSPO Part 4 certification.</p>		

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	<p>Formal Sign-off of Assessment Findings</p>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Company Name Management Representative</p>  <p><u>Norazam Abdul Hameed</u> 16/10/2018</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Mahaswaran Maliyapan</u> 16/10/2018</p> </td> </tr> </table>	<p>Company Name Management Representative</p>  <p><u>Norazam Abdul Hameed</u> 16/10/2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Mahaswaran Maliyapan</u> 16/10/2018</p>
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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
OHS A	:	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