

RSP0 – 1st ANNUAL SURVEILLANCE ASSESSMENT

FELDA
Head Office: Felda Global Venture Plantation Sdn Bhd, Tingkat 8, Balai Felda, Jalan Gurney 1, 54000 Kuala Lumpur, Malaysia.
Certification Unit: Lepar Hilir Palm Oil Mill 26300 Gambang, Pahang, Malaysia.

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Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
RSPO Membership Number	1-0013-04-000-00	Date	Member since 17/10/2004
Company Name	FELDA		
Head Office Address	Felda Global Venture Sdn Bhd., PSQM Department, Tingkat 8, Balai Felda, Jalan Gurney 1, 54000 Kuala Lumpur, Malaysia.		
Mill Address	KKS Lepar Hilir, Beg Berkunci No.3, 26300 Gambang, Pahang, Malaysia.		
Subsidiary of (if applicable)	N/A		
Contact Name	Head Office: Mr. Anthonius P. Sani and Mill: Mr. Mohd Taib Bin Tokichor (Mill Manager)		
Website	www.feldaglobal.com	E-mail	anthonius.s@feldaglobal.com k.leparhilir@feldaglobal.com
Telephone	609-5460062	Facsimile	609-5460063
2. RSPO Certification Information			
Certificate Number	SPO 593395	Date	14 April 2014
Certification Unit	Lepar Hilir Palm Oil Mill		
Scope of Certification	Mill: Lepar Hilir Palm Oil Mill and Supply Base: Lepar Hilir 1/4, Lepar Hilir 2, Lepar Hilir 3, Lepar Hilir 5, Lepar Hilir 6/7, Lepar Hilir 8.		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
AR 3702	ISO 9001:2008 (Quality Management System)	SIRIM	14 July 2017
ER 0341	ISO 14001:2004 (Environmental Management System)	SIRIM	14 July 2017
SR 0202	ISO 18001:2007 (Occupational Health And Safety Management System)	SIRIM	14 July 2017
ISCC EU	International Sustainability And Carbon Certification	ASG Cert	19 March 2016

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Lepar Hilir Palm Oil Mill	Pejabat FPI Wilayah Kuantan, 26300 Gambang, Pahang.	103°00'46"E	3°38'43"N
Felda Lepar Hilir 1/4	Pejabat Felda Wilayah Kuantan, 26300 Gambang, Pahang.	103°05'18"E	3°39'18"N
Felda Lepar Hilir 2	Pejabat Felda Wilayah Kuantan, 26300 Gambang, Pahang.	103°01'52"E	3°40'24"N
Felda Lepar Hilir 3	Pejabat Felda Wilayah Kuantan, 26300 Gambang, Pahang.	102°59'15"E	3°39'37"N
FGVPM Lepar Hilir 5	Pejabat FGV, Wilayah Kuantan, 26300 Gambang, Pahang.	103°00'41"E	3°35'58"N
FGVPM Lepar Hilir 6/7	Pejabat FGV, Wilayah Kuantan, 26300 Gambang, Pahang.	103°00'41"E	3°35'58"N
FGVPM Lepar Hilir 8	Pejabat FGV, Wilayah Kuantan, 26300 Gambang, Pahang.	103°05'18"E	3°39'18"N

4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & Other (ha)	Total Hectareage	% of Planted
Felda Lepar Hilir 1/4	2,125.76	446.32	2,572.08	216.20	2,788.28	92.25
Felda Lepar Hilir 2	1,029.00	525.00	1,554.00	155.83	1,709.83	90.89
Felda Lepar Hilir 3	1,102.00	506.00	1,608.00	161.65	1,769.65	90.87
FGVPM Lepar Hilir 5	1,570.52	800.04	2,370.56	518.98	2,889.54	82.04
FGVPM Lepar Hilir 6/7	1,064.91	1,575.70	2,640.61	419.23	3,059.84	86.30
FGVPM Lepar Hilir 8	1,396.82	1,788.95	3,185.77	452.23	3,638.00	87.57
Total	8,289.01	5,642.01	13,931.02	1,924.12	15,855.14	87.86

5. Plantings & Cycle								
Estate	Age (Years) & Ha.					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Previous Year 2014)	Actual (This Year 2014)	Forecast (Next Year 2015)
Felda Lepar Hilir 1/4	446.32	2,125.76	0	0	-	43,636	45,994	37,531
Felda Lepar Hilir 2	525.00	1,029.00	0	0	-	18,530	21,700	18,162
Felda Lepar Hilir 3	506.00	1,102.00	0	0	-	4,942	9,647	10,150
FGVPM Lepar Hilir 5	800.04	0	1,570.52	0	-	49,636	37,805	30,453
FGVPM Lepar Hilir 6/7	1,575.70	0	1064.91	0	-	46,577	31,977	25,759
FGVPM Lepar Hilir 8	1,788.95	496.82	0	900.00	-	48,795	31,853	25,658
Total	5,642.01	4,753.58	2,635.43	900.00	-	212,116	178,976	147,713

6. Certified Tonnage									
Mill	Estimated (Year 2014)			Actual (Year 2014)			Forecast (Year 2015)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Lepar Hilir Palm Oil Mill (Capacity 55 mt/hr)	212,116	42,572	12,069	178,976	35,580	9,557	147,713	29,542	8,420

Section 2 Assessment Process

Certification Body:

PT BSI Group Indonesia
 (Accreditation Certificate No. RSPO- ACC- 019)
 Menara Bidakara 2,
 17th Floor, Unit 5,
 Jalan Jend. Gatot, Subroto Kav 71-73,
 Komplek Bidakara, Pancoran,
 Jakarta Selatan 12870, Indonesia.
 Tel +62 83793174; Fax +62 83793287
 Email: Senniah.appalamy@bsigroup.com; www.bsigroup.com

Assessment Methodology, Programme and Site Visits

The ASA1 was conducted from 10 - 13 February 2015. The audit programme is included as Appendix C. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Lepar Hilir 3 and Lepar Hilir 8). A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities. The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C 2013 was used as Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The minor Nonconformities that were assigned during the first annual surveillance audit which was closed during the last assessment were followed up to ensure it is remaining closed. Previous nonconformities remains closed except for nonconformity against indicator 5.3.3 which has been upgraded to Major nonconformity during this assessment and closed prior to finalizing this summary report. The assessment findings are detailed in Section 3.3.

This summary report is structured to provide detail of the assessment. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This summary report was reviewed by BSI internal certification reviewer prior to certification decision.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Lepar Hilir Mill	√	√	√	√	√
Lepar Hilir 1/4			√		
Lepar Hilir 2	√			√	
Lepar Hilir 3		√			√
Lepar Hilir 5			√		
Lepar Hilir 6/7	√				
Lepar Hilir 8		√		√	√

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Revision 1 (Sept/2014)****Tentative Date of Next Visit:** January 18, 2016**Total No. of Mandays:** 13.5**BSI Assessment Team:****Senniah Appalasamy - Lead Assessor**

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member. He was the team leader during this assessment. He assessed Mill and Estate best practices, supply chain, OSH, Legal, Environment, Social issues, stakeholder interview etc. He is able to speak and understand Bahasa Malaysia, English, Tamil, Telugu dialect and Bahasa Indonesia.

Muhammad Haris B. Abdullah – Team member

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master's Degree in Business Administration from the University Utara Malaysia in January 2014. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

Ragu Erulappan – Team member

Ragu Erulappan is a fulltime employee with BSI Services Malaysia. He graduated from University Technology Malaysia. He attended internal RSPO training in 22 December 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training, ISO 14001 and ISO 18001 Lead Auditor Training. Currently he is an ISO 9001:2008, ISO 14001 and ISO 18001 Lead Auditor within BSI Group. He has involved in audits since August 2010 covering Environment, Safety and Health aspects.

Accompanying Persons: - Nil -

Section 3 Assessment Findings

3.1 Details of audit results are provided in the following Appendix (RSPO P&C 2013)

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Commitment to Transparency		
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	Complied
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1	Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance -	Complied
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.		

Criterion / Indicator		Assessment Findings	Compliance
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Felda plantation has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation. Policy displayed on the notice board and communicated to employees. Interview with employees reveal that they are aware of the policy.	Complied
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1:			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	List of document that comply to legal requirement were available. Sampled following: <u>Mill</u> a) OSH (USECHH) Regulation 2000 requirements e.g CHRA done on 14/9/12-28/9/12. b) Factory and Machinery (Notification, Certificate of Fitness and Inspections) Regulations, 1970, Regulations 10(2) i.e. PMT sampled PMT 45298 valid until 11/8/15 & PMA 1070 valid until 11/8/15. c) FMA 1967 (Peraturan- Peraturan (Perakuan Kebolehan-Peperiksaan) Kilang dan Jentera, 1970, Perakuan Kebolehan Peraturan 5(2) i.e Bolierman Grade 2 certificate available e.g. for Registration No. H/ED/41/04. d) Seksyen 49 (A), EQA 1974, Certified Environmental Professional in Schedule Waste Management – Competent Person for Schedule Waste Management available and certificate No. CSWM/00566 valid until 8/6/15. e) Poison Ordinance, 1952- Permit to Purchase, Store and Use of Sodium Hydroxide available for Sodium Hydroxide and valid until 31/12/15. f) Authorised Entrant & Standby Person for confined space (No: FPISB-AESP-00029 [JKKP-HIE 127/17-7(P37)] valid till 13/05/16) g) DOE license: 000899 Expiry 30/6/2015 h) GST Registration: L1519386624 i) Lesen Penggunaan Sumber Air: SWUL/LPSA/10/2015 Expiry: 31/12/2015 from Sg. Lepar j)ST License: PKN(P) 014/99 Expiry: 31/12/2015 k) MPOB: 500205504000 Expiry: 31/3/2015 <u>Supply Base:</u> a) OSH (USECHH) Regulation 2000 requirements e.g CHRA done on 20/6/14-21/6/14. Covered on personnel in the fertilizer storage, chemical storage, mixing, manuring and weeding workplaces. b) MPOB license No: 558970002000 which valid till 29/02/16	Complied

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Criterion / Indicator		Assessment Findings	Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units have written information on legal requirement and this information updated by the head office. The register of legal and other requirement (Senarai Undang- Undang & Keperluan yang berkaitan RSPO) is made available at operating units. <u>Mill</u> Legal & Other Requirements, Doc. No. FPI/L2/QOHSE-2.0 available. <u>Supply Base</u> Legal & Other Requirements, Section 14-19, HSE Manual available.	Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of compliance done on quarterly basis. Sampled record dated 2/2/15. Noted action plan has been established & implemented accordingly for any noncompliance found during the period of evaluation of compliance conducted.	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking of changes in the relevant laws are communicated and received from HQ. Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure ML-1A/L2-PR2 (0) dated March 2012. Latest update of laws and regulations in the Legal Register carried out on October 2014.	Complied
Criterion 2.2:			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Copies of the land titles of the mill and estates were maintained and found to be in proper order. Records are available to show that the land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC). The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for cultivation of oil palm and agricultural use. FELDA and FTP have provided evidence of legal ownership of the designated plots of smallholders land. For example, mill holds land title No.: HSD17996 covering 5.125ha.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Inspection of a sample of the boundary stones at Lepar Hilir 3 and Lepar Hilir 8 confirmed that steel pipes have been installed beside the concrete boundary stones and were continuously maintained visibly.	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	<p>This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	Not Applicable
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>-Minor compliance</p>	<p>This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	Not Applicable
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>-Major compliance</p>	<p>This clause is not applicable as Felda did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	Not Applicable
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1:			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			

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Criterion / Indicator		Assessment Findings	Compliance
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	FELDA has continued its commitment to long term sustainability and improvements through a capital expenditure programme. . Lepar Hilir Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year.	Complied
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	The Estates have long range replanting programme from 2011 – 2016. At Lepar Hilir 8, there were 328.18ha will be replanted in 2015. This was decided during the review of replanting program in November 2014.	Complied
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			

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Criterion / Indicator	Assessment Findings	Compliance
4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p> <p>Mill has the following SOPs:</p> <ol style="list-style-type: none"> 1. Palm Oil Mill Operation Manual (08/04/2010 and amendments) covering every station from the security gate for reception of FFB until the delivery of processed oil and POME management. 2. Laboratory Operation Manual (28/04/2011 and amendments). 3. Quality, Environmental and Occupational Health & Safety Manual and Procedures of Palm Oil Mill (24/02/210 and amendments). The SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. 4. Procedure for Safe Work and Management of Safety and Health for Workers (14/07/2010 and amendments). The SOP for safe working practices in the POM includes hazards identification, risk assessment and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training and "permit to work system" for the mill. Records of 'Permit to Work' including Authorised Gas Tester and Entry Standby person permits issued by NIOSH to the competent personnel at the Mill was verified to be maintained and found in order. i.e: Serial No.: NW-HQ-AGT-R-0241-L valid till 9/5/15. 5. Supply Chain Procedure Doc No. FGVPM-RSPO SCCS Issue 1.0 Rev 2.0 (Effective 1 Dec 2012) SOP for Mill RSPO Supply Chain Certification System using the Mass Balance (MB) module. The estates have the following SOPs: <ol style="list-style-type: none"> 1. Sustainable Oil Palm Estate Operation Manual issued by FELDA Agricultural Services Sdn Bhd (FASSB) on 01/06/2012. The manual describes operational procedure of nursery practices, land preparation, planting practices, ground cover maintenance, roads, immature stage, harvesting, collection of bunches, manuring, pesticide application, pests & diseases control. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators. 2. SOP for riparian zone management with specified buffer zones. Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Evacuation Training was not carried out at least once a year as per Section 11 – Evacuation Procedure in HSE Manual. Noted the last Evacuation Training was conducted on 6/12/12. <i>Thus, Minor non conformity was raised.</i>	Minor Non compliance
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Records of monitoring and any actions taken on the proposed action for work units where risks are found to be significant and not adequately controlled or conclusion of C3 (significant) from the CHRA report (conducted on 20/6/14-21/6/14 by Ihsan Sharif Resources) was not available. <i>Thus, Minor non conformity was raised.</i>	Minor Non compliance
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Lepar Hilir mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received.	Complied
Criterion 4.2:			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Estate field standards are documented for all stages and management is by SOP's (Manual available are, "Manual Ladang Sawit Lestari, 2007" and "Manual Pengurusan Rancangan, 2010") revised on June 2012 which are readily available in all areas. The implementation of SOPs is checked during daily inspection by staff as well as by internal audits.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizer application records are maintained in the daily record book. Field 11N was applied with NK 11.6/27 at the rate of 1.90kg/palm as per recommendation in the month of September 2014.	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	The FELDA R&D Department located at "Tun Razak Agriculture research Centre" (PPPTR) has maintained an active interest in the management of soil fertility and optimisation of FFB yields and it also monitors the changes in nutrient status through periodic soil and leaf sampling. At Lepar Hilir 3, Soil sampling carried out on 21-22/1/2014 to develop the fertilizer recommendation for 2015 by FELDA Agricultural Services.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	POME application was carried out at the Lepar Hilir 8 estate which is nearest to the POM. EFB mulching had also been carried out in mature area along the inter-row and around the circle in the immature palms at the estates assessed. Records of monitoring done were verified to be maintained.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	Based on the soil maps, there was no fragile/marginal soil on the estates. Soils in the estates are mainly bungor and colluviums series. Changes in soil nutrient status monitored on an annual basis through foliar and soil sampling and analysis. The Agronomist determines the annual fertilizer recommendations and there is evidence of implementation.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Landscapes of both estates visited are mostly flat and undulating. However, FELDA has a policy on slope planting and this will be implemented during replanting.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estate has implemented annual road maintenance programme. Example of programme checked at Lepar Hilir 8 estate shows the map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	FELDA sustainable manual (Manual Lestari) Procedure No. 3.7: Water Sampling ML-1A/L2-PR6 (0) Section 1.0 (b) requires the monitoring of river water quality need to be done once a year. However, there was no any monitoring report for 2014. The last report was on 8/8/2012 Report number: 759/2012 and 21/10/2012 Report number: 988/2012 (Sg. Lepar). <i>Thus, Minor non conformity was raised.</i>	Minor Non compliance
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones. There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.	Complied
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	The water at the final discharge point of the palm oil mill effluent pond was analysed at monthly intervals for parameter of pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammonical Nitrogen and Total Nitrogen. Analysis results were within the DOE requirements. The BOD levels over the past 12 month period from Jan 2014 to Dec 2014 were between 120 and 55 ppm. The results were below 500 ppm as permitted by the DOE.	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Water usage in the mill averaged at 1.05 m ³ /tonne FFB. It is verified that the level of water usage is within the industry norm.	Complied
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as <i>Turnera subulata</i> are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available.</p> <p>Records of rat baiting and barn owl census are available. No reported infestation by other pests (bagworms and rhinoceros beetle).</p>	Complied
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>IPM training was conducted on 10/4/2014 during the Agronomist visit to the operating unit. Staff interviewed confirms understanding on IPM practices such as planting of beneficial plants and barn owl biological control.</p>	Complied
<p>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment</p>			
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>Manual Lestari 1A – Doc. No. ML-1A/L3-GP 1 (0) dated Mar 2012 Guidance Procedure for written justification in the use of agrochemicals was reviewed and found acceptable. The operating units have an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows:</p> <p>(1) Glyphosate isopropyl amine (41% a.i.) - Ecomax</p> <p>(2) Metsulfuron methyl (20% a.i.) – Juru 20F</p> <p>(3) Paraquat dichloride (13% a.i.) - Paraquat</p> <p>(4) Triclopyr butoxy ethyl ester (32.1% a.i.) - Garlon</p> <p>(5) Glufosinate ammonium (13.5% a.i.) – Basta 15</p>	Complied
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by FTP for the FTP Smallholders for a minimum of 5 years (2009 to 2014).</p>	Complied
4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>It is the policy to minimize the use of pesticides in accordance with IPM plan. No prophylactic use of pesticides had been carried out at the estates for the period concerned. The pesticide reduction program is monitored on usage per hectare basis. Overall, it has shown a slight decline.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>No pesticide class 1a or 1b. Rat bait class IV used to control rats. Paraquat is still being used in the operating units. However, it is the policy of the FELDA Group to reduce the use of paraquat gradually and achieve zero usage. The usage was limited to young palm fields. Records on the usage of paraquat over 5 years were examined and it was found that there has been a decline in the amount used.</p>	Complied
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>All pesticide operators (including the contractor's workers and smallholders) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. The appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) had been provided and used by the pesticides operators. All precautions attached to the pesticides (MSDS) had been observed, applied and understood by the workers. The training programme and records had been verified to be satisfactory. The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. The operating units have adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	Complied
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>Visit to the chemical store at Lepar Hilir 3 on 10/2/2015 found the agrochemicals and pesticides were not stored in accordance to the OSH Act 1994 as below:</p> <ol style="list-style-type: none"> 1.) Rat bait and Class 1b agrochemical was stored together with other agrochemicals. 2.) No MSDS for all the chemicals stored inside the store. 3.) Chemicals were stored together with old files and furniture's. 4.) No spill kit or containment for spillage. 5.) Ventilation fan was not available. <p><i>Thus, Major non conformity was raised.</i></p>	Major Non compliance
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.8	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>It is the policy of the company not to carry out any aerial application of pesticides. This policy has been followed by the operating units.</p>	Complied
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (including the contractor's workers and smallholders) attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Complied
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor.</p> <p>Records of scheduled waste collection at the mill verified to be satisfactory. Empty pesticide containers are triple rinsed and pierced for disposal as scheduled waste.</p>	Complied
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p><u>Mill</u></p> <p>Annual Occupational Medical Surveillance program has been conducted accordingly. Last medical surveillance done on 28/4/14. Result of the Medical Examinations found to be Normal in acceptable limits.</p> <p><u>Supply Base</u></p> <p>Annual Occupational Medical Surveillance program has been conducted accordingly for pesticide operators. Last medical surveillance done on 21/2/14. Result of the Medical Examinations found to be Normal in acceptable limits. Next Annual Occupational Medical Surveillance program for year 2015 planned to be done by end Feb-15.</p>	Complied
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Pesticide handlers and sprayers in the estates were noted to be men only. It was verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p>	Complied
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>			

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4.7.1	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p><u>Mill</u> HSE policy in place and last revised on 1/12/14, Rev. 8. Health and safety plan covering all activities been documented and implemented, and effectively monitored. Noted the HSE Policy were well communicated among employees and been displayed at relevant departmental notice boards.</p> <p><u>Lepar Hilir 8</u> HSE policy in place and last revised on 2/2/08. Health and safety plan covering all activities been documented and implemented, and effectively monitored. Noted the HSE Policy were well communicated among employees and been displayed at relevant departmental notice boards</p>	Complied
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Risk assessment had been carried out on all operations where health and safety is an issue. Significant hazards were determined and documented in the HIRARDC analysis which included noise exposure, chemical and pesticides exposure, accident and fire outbreak. Procedures and control measures were implemented to mitigate the risks. Assessment of noise levels in the POM was conducted by DOSH on 20 December 2014 which had identified the work areas with high noise levels i.e. boiler station, engine room and sterilization units were above 85 dB. Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers. Annual audiometric tests/ reports conducted for all mill staff and workers were available and maintained. The workers checked did not suffer from significant hearing disabilities. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise levels. The workers are also aware of the complaints process and mechanism available. "Permit to work" system was applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entry and stand-by involving work in confined space. It was verified that the mill and estates have provided the appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, ear plugs, ear mufflers) and the associated training to address safety and health issues. The audit for determining compliance with the minimum standards had been annually conducted on all types of PPE used by the Safety and Health Officer and team for the operating units.</p>	Complied

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4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p><u>Mill</u></p> <p>All workers involved in the operation has been adequately trained in safe working practices and PPE issuance been adequately provided for the workers. Sampled for workers at workshop and store. Found that the PPE issuance record was available for the sampled workers. E.g. dated 12/1/15 & 2/2/15.</p> <p><u>Supply Base</u></p> <p>All workers involved in the operation has been adequately trained in safe working practices and PPE issuance been adequately provided for the workers. Sampled for workers involved in pesticide operations. Found that the PPE issuance record was available for the sampled workers. E.g. dated 3/2/15.</p>	Complied
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p><u>Mill</u></p> <p>Members of OSH committee been clearly identified from employer and employee representatives. Periodical OSH committee meeting been conducted on quarterly basis. Sampled minutes OSH Committee meeting dated 13/11/14 & 24/9/14.</p> <p><u>Supply Base</u></p> <p>Members of OSH committee been clearly identified from employer and employee representatives. Periodical OSH committee meeting been conducted on quarterly basis. Sampled minutes OSH Committee meeting dated 16/1/15.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p><u>Mill</u></p> <p>Emergency Preparedness and Response procedure available, Doc. No. FPI/L2/QOHSE-14.0 been clearly established and communicated to all workers in appropriate language of the workforce i.e. Bahasa Malaysia.</p> <p>Fire drill been conducted on yearly basis. Last done on 2/4/14. Drill report available and overall result of the drill was successful.</p> <p>ERP organization chart, assembly area and location of fire extinguishers and contact numbers available and displayed at relevant locations. First aiders competency certificate available e.g. for charge man.</p> <p>Periodic inspection done for first aid box on monthly basis. E.g. sampled inspection record dated 12/1/15.</p> <p>Accident investigation procedure available, Doc. No. FPI/L2/QOHSE-22.0</p> <p>So far no incident occurred as to date. JKPP 8 for year end 2014 has been submitted to DOSH Putrajaya on 5/1/15.</p> <p><u>Supply Base</u></p> <p>Accident investigation procedure available, Section 6 of HSE Manual.</p> <p>So far no incident occurred as to date. JKPP 8 for year end 2014 has been submitted to DOSH Putrajaya on 21/1/15.</p> <p>Emergency Preparedness and Response procedure available in Section 23, HSE Manual & been clearly established and communicated to all workers in appropriate language of the workforce i.e. Bahasa Malaysia.</p> <p>ERP organization chart, assembly area and location of fire extinguishers and contact numbers available and displayed at relevant locations. First aiders competency certificate available e.g. supervisor dated 5-6/2/14.</p>	<p>Complied</p>
<p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with RHB Insurance.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<u>Mill</u> So far no LTI occurred. Total man-hours without LTI are 536 hours at 10/2/15. <u>Supply Base</u> So far no occupational injuries have occurred. No Lost Time Injury.	Complied
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal Training Plan 2015 documented and implemented. This annual training plan was established based upon the training needs identified for various categories of staff and workers and their work functions. Trainings conducted include a formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System. The various trainings conducted and the training records maintained to be acceptable.	Complied
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for each employee are available in Mill and estates. Some of the samples checked; 1. First Aid Training dated 5/2/14 2. Chemical Handling Training dated 11/2/14 3. PPE training dated 12/5/14 4. Manuring training dated 6/1/15 5. FFB Grading training dated 27/10/2014	Complied
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			

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5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	The Environmental Aspect and Impacts Assessment were conducted and well documented. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as maintenance of effluent ponds and landfills, together with other conservation activities applicable to the operating units. The assessment has also included the participation from the smallholders under the FELDA Settlers schemes.	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	There were no major changes to the identified impacts since the establishment of the documents above. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Lepar Hilir Mill. HCV and other environmentally sensitive areas were documented and inspected on site. Signage on buffer and signage on the prohibited activities along all the buffer zones were found to be sufficiently placed for the operating units estates visited i.e. Lepar Hilir 3 and Lepar Hilir 8.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	The monitoring of the documented environmental improvement plans is ongoing. Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis scheduled at the 1st quarter of the following year. The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams.	Complied
<p>Criterion 5.2:</p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			

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Criterion / Indicator		Assessment Findings	Compliance
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>HCV assessment was conducted by the Felda Sustainability Department HQ and documented in a report dated August 2014. The assessment was done in collaboration and meetings with other agencies such as Jabatan Perhutanan, Jabatan Perhilitan, Jabatan Alam Sekitar, Felda Officer, Peneroka and also the local communities. There was no HCV area identified in these operating units, i.e. Lepar Hilir 3 and Lepar Hili 8. The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented. Based on the review, there was no HCV area inside these operating units. Visits to site confirmed that Lepar Hilir 3 and Lepar Hilir 8 estates are surrounded by palm oil estates. Although no HCVs identified, conservation areas/environmentally sensitive areas outside plantation i.e. buffer zones along the stretches of Sungai Lepar which passes bordering through the Lepar Hilir 8 estate had been identified and being monitored.</p>	Complied
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p> <p>Signage that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited (i.e. lepar Hilir 3 and Lepar Hilir 8) found to have been satisfactorily maintained.</p>	Complied
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>The program to regularly educate the workforce and community about the status of these RTE species are also established with ongoing consultation with the relevant authorities at the Kuantan region. There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers. There are no HCV or reported RTE at the Lepar Hilir 3 and Lepar Hilir 8 estates, as reported in the PSQM HQ Report. Verification were also made during on-site assessment and found to be satisfactory. The overall management plan on the status of HCV/RTE of the Lepar Hilir complex is collated reviewed and monitored by the HQ sustainability team and is ongoing.</p>	Complied
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited i.e. Lepar Hilir 3 and Lepar Hilir 8. Thus negotiated agreement of such nature is not applicable.</p>	Complied
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Visits made to Mill together with Lepar Hilir 3 and Lepar Hilir 8 estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters SW 410 and used batteries (SW 102). Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor e.g. Hip Huat Chemicals Sdn Bhd and Pentas Flora Sdn Bhd.	Complied
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	During field visit in Lepar Hilir 3, it is noted that the domestic waste dumping site is identified as a source of pollutant, however the plan to reduce or recycle was not fully implemented. The site is poorly managed and waste is scattered everywhere. Chemical containers such as lubricant and agrochemical are disposed at the landfill. This issue was raised as Minor nonconformity during the last assessment and not fully addressed. <i>The minor nonconformity was upgraded to Major nonconformity during this ASA1 as per RSPO Annual Surveillance Assessment Procedure.</i>	Major Non compliance
Criterion 5.4:			
Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fiber and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available. At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the Operating units for better control and comparison of trends.	Complied
Criterion 5.5:			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			

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Criterion / Indicator		Assessment Findings	Compliance
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	The Group policy of 'Zero open burning' is enforced since July 2011. The operating units had adhered the policy of 'Zero open burning' for any replanting, if any, at the estates. Field inspections made at Lepar Hilir 3 and Lepar Hilir 8 estates showed no evidence of open burning.	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	The operating units have adhered to the 'zero burning' policy for replanting at the estates. During the audit, there were no replanting activities carried out in the Lepar Hilir complex. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.	Complied
Criterion 5.6:			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The operating units had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. At Mill, monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringlemann Smoke monitoring Chart. POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations i.e BOD below 500mg/l.	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at each of the operating units. The plan to reduce or minimise the GHG emission is in progress. This will be followed up during the next surveillance assessment.	Complied

Criterion / Indicator		Assessment Findings	Compliance
5.6.3	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points. The water samples were sent to Felda Analytical Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Monthly reporting to DOE was also done and record documented. For example, mill stack emission monitoring had been done by Triple A EHS Solution on 8/12/14 and the result shows the particles concentration were within the allowable limit which is below 0.4g/Nm³ CO₂.</p>	Complied
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</p>			
<p>Criterion 6.1:</p> <p>Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p>	<p>Social Impact Assessment (SIA) was conducted on September 2014 attended representatives from local government agencies, local communities, service providers, neighbouring estates, outside crop producers. The review mechanism had appropriately involved stakeholders such as the sustainability team. Following that each estate sampled conducted a stakeholder meeting with settlers, workers, staff, and government departments. For example, Lepar Hilir 3 had conducted meeting on 19/12/2014 attended by 33 people. Based on the meeting feedback each estate prepared their specific Mitigation Plan with dates and person in-charges clearly stated.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The participation of both internal and external stakeholders (including local from Governmental organizations) which was evident with the list of participants recorded. Minutes of meetings as appended to the SIA Report were maintained as records. List of stakeholders were verified and included government bodies, group associated stakeholders, neighbouring estates and small holders, management staff and workers including representative of migrant workers such as Indonesians, Contractors/suppliers and government clinic staff.	Complied
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	The participation of both internal and external stakeholders (including local from Governmental organizations) which was evident with the list of participants recorded. Minutes of meetings as appended to the SIA Report were maintained as records. List of stakeholders were verified and included Felda settlers, Orang Asli communities, school teachers, auxiliary police, government bodies, neighbouring estates and small holders, management staff and workers (incl. representative of migrant workers i.e. Indonesians), contractors/suppliers and health clinic staff. Sighted records of appointed teams headed by estate managers assisted by assistant managers. The roles and responsibilities of these appointed officials were defined.	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Lepar Hilir operating units have planned to review the SIA plans every year for follow-up and updating to current practices. The social documents had plans for avoidance or mitigation of negative impacts, such as continue monitoring the level of smoke release from the mill, lack of suitable work opportunities for Felda second generation, etc. The plans also promoting the positive ones such as targeting higher education achievement of school children. The management of estate and mill has monitored the impacts identified, developed in consultation with the affected parties, especially communities within the complex, e.g. Felda settlers, government managed institutions such as schools and clinics.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	Positive impacts such as increased work opportunities, increased income and improved living standards are identified.	Complied

Criterion 6.2:
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Criterion / Indicator		Assessment Findings	Compliance
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Policy on industrial relations "Polisi Komunikasi" dated 1 June 2014 signed by Director of FELDA for internal and external communication and consultation is available. In all estates audited, where are actually the Felda Scheme Smallholders, at least three different meetings conducted between the Felda management office and the Scheme Smallholders conducted every month. Among available channels of communications between the management and affected or interested parties are, the Joint Consultative Committee [JCC], gathering with Felda Scheme Smallholders, "Jawatankuasa Kemajuan Rancangan (JKKR)", Gerakan Persatuan Wanita (GPW), etc. All of these meetings are conducted monthly. Other than meetings and gatherings, affected parties also have access to workplace inspections, suggestion boxes, housing maintenance request forms to raise their concerns.</p>	Complied
6.2.2	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>Estate managers are the nominated persons responsible for communication with the stakeholders. The organization has a list of stakeholders including local authorities, government departments, suppliers and contractors.</p>	Complied
6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>List of stakeholders are available in file "C.1.1 Maklumat Kepada Stakeholders" in Lepar Hilir 8 estate. Internal stakeholders may raise their concerns through different communication channels as mentioned above. External Stakeholders may specifically raise their concerns through suggestion boxes, letters or personal meetings with any of the managers. For example, at Lepar Hilir 3, Last JKKR meeting was done on 19/12/2014 attended by 33 members.</p>	Complied
<p>Criterion 6.3:</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			
6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle-blowers, where requested.</p> <p>- Major compliance -</p>	<p>FELDA has an established and documented system for dealing with complaints and grievances and it was implemented through manual "Manual Lestari 1A [ML-1A/L2-PR4 (0)]". Record shows that 'Complaints and Grievances Book' in all estates visited are still active in recording complaints/requests made by employees and Scheme Smallholders. Over the past 12 months, entries made were mainly on minor repairs needed to the housing facilities and access road which were verified to be attended to in a timely manner.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Complaints and grievances are handled by respective responsible persons. Outcomes from the actions taken are recorded in different manners, e.g. meeting minutes and payment vouchers to contractors after completion the jobs. Mechanisms are appropriately established and implemented. Records of meeting and any resolutions or outcomes are maintained through Minutes or in Complaints Log.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	No cases requiring any negotiation or compensation pertaining to these criteria. There have been no changes in this status as at the period of verification on site.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of trans migrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	The FELDA Scheme Smallholders and plantation operations are based on approval from federal government. Therefore, no cases requiring any negotiation or compensation pertaining to these criteria.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No cases requiring any negotiation or compensation pertaining to these criteria. There have been no changes in this status as at the period of verification on site.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

Criterion / Indicator		Assessment Findings	Compliance
6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>Only local workers are hired at the POM and in all the estates offices. However, FTP Lepar Hilir 3 and other contractors providing agricultural services to the Scheme Smallholders hired both local and foreign workers. Documentation and conditions of pay for foreign workers at the FTP and for local workers at the estates offices are available for verification. Employment agreement with foreign workers, who are mostly from Indonesia, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules.</p> <p>The payment slips for foreign workers at the FTP sighted and Lepar Hilir 8 estate are easy to understand and this fact was further verified with migrant workers. Payments are made latest by 7th of each month and consistent with Minimum Wage Order 2012 as well as MAPA-NUPW collective agreement. Holidays entitlements as required by the laws are satisfactorily fulfilled, e.g. annual leaves, public holidays, and maternity leave.</p>	Complied
6.5.2	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Offer letters and signed "Pengakuan Penerimaan Syarat – Syarat Perkhidmatan Petugas Syarikat Kumpulan Felda & Kod Etika dan Tatalaku Petugas Syarikat Kumpulan Felda yang berkuatkuasa Mulai 1 Januari 2010" for local workers are sighted. Sample employment contract, i.e. "Surat Perjanjian Pekerjaan diantara Felda Global Ventures Plantations (M) Sdn. Bhd. dengan Pekerja Asing Indonesia" for foreign workers hired by FTP were sighted during the audit. The document covers all issue such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, and reasons for dismissal, period of notice made available in Bahasa Malaysia which is understood by the workers. Signed copies of this employment contract are kept by Felda Head office.</p>	Complied
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Housing is provided for free to the workers. Free medical treatment for workers are available at government Clinic and company panel clinics which is located in Bandar Gambang. Mill provides dedicated van for transport to clinic. Government schools are within close proximity of the Estate and Mill. Electricity and water are available from government supply.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Food for the Felda staff, Scheme Smallholder and FTP foreign workers provided through sundry shops at the vicinity of the operating units. Most of the sundry shops are operated by the Scheme Smallholders through JKRR.</p>	Complied
<p>Criterion 6.6:</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>The published statements of policy "Polisi Hak Kebebasan Bersuara and Menganggotai Kesatuan", dated 1 June 2014 signed Director of FELDA recognises the employee's freedom of association, was found to be available and widely displayed in all notice boards of the operating units. This policy is available in Bahasa Malaysia which can be understood by majority of the workers. All non-executive Felda staff is members of Kesatuan Pekerja-Pekerja Felda Palm Industries Sdn. Bhd. and all executives' staff are members of Persatuan Kakitangan Kanan Felda (PKKF). For example, Mill had conducted meeting between workers representative with the management on 10/1/15. Issues raises during the meeting were verified some are already completed and some are pending budget approval.</p>	Complied
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>	<p>Both unions mentioned above meet annually. For example, last record of "Kesatuan Pekerja-Pekerja Felda Cawangan Pahang" meeting was on 14/7/2014.</p>	Complied
<p>Criterion 6.7:</p> <p>Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p>	<p>FELDA has a policy of not employing child labour i.e. persons below 18 years old in accordance with Employment Act 265 as evidenced in "Polisi Pekerja Kanak-Kanak", dated 1 June 2014 signed by Director of FELDA. This policy is displayed at strategic public places.</p> <p>Employees and workers profile were sighted during the audit. No underage workers found. This fact was further verified through interviews with staff and workers in the visited units.</p>	Complied
<p>Criterion 6.8:</p> <p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	FELDA has a publicly displayed documented policy on equal opportunities, i.e. "Polisi Kesetaraan Peluang", dated 1 June 2014 signed by Director of FELDA. The policy stressed on non-discrimination based on race, caste, nationality, religion, gender, sexual orientation, disability/handicap, and union/political affiliations. However, positive discrimination for the benefit of certain society groups may be allowed after consultation.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Felda adopted the "Polisi Pengambilan Pekerja Asing", dated 1 June 2014 signed by Director of FELDA. The employment of foreign workers was implemented without affecting the opportunities for local communities. Interviews with FTP foreign workers revealed satisfaction with the estates for job opportunities and they enjoy all common welfare amenities like free housing, free water and electricity supplies and medical care. They are aware that their grievances can be raised through various channels, especially the regular roll call meetings they are attending every morning.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Depending on the nature of work positions, The operating unit management takes into considerations the needs for technical qualifications/experience and related skills in recruitment selection, hiring and promotion exercises. It was verified that the promotions to higher position at the estates and Mill were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees.	Complied
Criterion 6.9:			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	A documented policy to prevent sexual harassment and violence "Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi" dated 1 June 2014 signed by Director of FELDA. Gender committees or equivalent are formed, i.e. Kelab Keluarga Dayabudi (KKD) in the POM and Gerakan Persatuan Wanita (GPW) in the estates. All these committees are aware of the policy and its complaints procedures and planned has been developed to explain sexual harassment to the communities within the operating units.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	A documented policy to prevent sexual harassment and violence "Polisi Gangguan Seksual dan Keganasan" is available and publicly displayed, i.e. Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi" dated 1 June 2014 signed by Director of FELDA. All committees mentioned above, i.e. KKD and GPW are aware of the policy and its complaints procedures. This policy and procedures have been communicated to all level workforce and the settlers through various activities as mentioned above.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Complaint and grievance procedures "Polisi Pemberian Maklumat (whistle blowing)" dated 1 August 2006 [Bil. (10)FH/02/20] signed by Human Resource Director of FELDA are available to manage grievances and complaints from internal and external stakeholders. Management and gender committee representatives confirmed that there has been no report of sexual harassment in the operating units so far. For example, Lepar Hilir 3 had conducted the latest gender committee meeting on 22/12/2014 attended by 20 members. The meeting minutes found no complaints were raised.	Complied
Criterion 6.10:			
Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Onsite audit verified that the current and past prices paid for FFB pricing were displayed at the Mill and Estate offices.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	Pricing mechanism for FFB is fair and transparent. Price of FFB was set based on MPOB approved price. FFB was also graded by licensed graders based on MPOB specification.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Stakeholder interviews conducted during this assessment with suppliers, contractors, and relevant parties including local and foreign workers confirmed that understand the contractual agreements (such as terms and payment) they enter into with the operating units. They also consider the business transactions as fair and transparent.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Agreed payments are made promptly within the 30-day of the following month. Through interviews made, there is no evidence to suggest of any unfair business practices with the local businesses.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	All operating units contribute to local development through consultation and communication with the localised head of village called “Ketua JKRR”.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	The Technoplant Manager and Scheme Manager ensure that there are sufficient resources allocated to improve smallholder productivity through on-the-field supervision, training and monthly meeting.	Complied
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour in the operating units. All employees have employment contract and paid the agreed national minimum wages.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	There was no evidence of contract substitution and this was confirmed from interviews with workers and relevant stakeholders.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	The special policy on recruitment of foreign workers “Polisi Pengambilan Pekerja Asing” and equal opportunities “Polisi Kestaraan Peluang” are established and the implementations are verified to be satisfactory. Review on employment contracts of foreign workers also confirmed that the policies, including minimum wages have also been duly implemented.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The policy to respect human rights dated 1/6/2014 is displayed on the notice board. Interview with workers and staff reveal that they have been briefed and communicated about the policy.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Principle 7: Responsible development of new plantings			
FELDA Lepar Hilir operating unit has a procedure for this development but has not carried any new plantings after November 2005. Therefore Principle 7 is not applicable during this assessment.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>FELDA Lepar Hilir operating units have identified and implemented the following Continual Improvement Plans in the mill and estates for the period 2013 to 2015 as required:</p> <p>The plans include:</p> <ul style="list-style-type: none"> • Reduce the usage of pesticides • Increase planting of beneficial plants (Turnera subulata, Cassia cobanensis and Antigonon leptopus) along the roads including those passing through scheme smallholders' plots. • Arrange fronds in L-shape on flat land including scheme smallholders' plots. • Reuse fertilizer bags; Return pesticide containers to suppliers; Sell off obsolete papers, steel. • Repair and repainting of workers' houses/quarters. • Maintaining of zero accident rate. • Allocation for educational budget to schools in the vicinity of the operating units as incentives for high achievers. • Building badminton courts for employees. • Reduce the delivery time of FFB to Mill. • Increase FFB quality and yield. 	<p>Complied</p>

3.2 Progress against Time Bound Plan

FELDA Time Bound Plan (TBP) is included as Appendix A. Felde is operating 72 palm oil mills and has a time bound Plan to certify all the palm oil mills and supply base by 2015/2016. 27 mills already certified. FELDA is implementing a programme to achieve RSPO Certified Sustainable Palm Oil for all of its operation in Malaysia. FELDA is a RSPO member (Membership number: 1-0013- 04-000-00) since October 2004. On the basis of information provided by FELDA and that collected at the time of the audit, the Audit Team has concluded that there are no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labour disputes that are not being resolved through an agreed process and no evidence of noncompliance with the law at any of the noncertified holdings. There was no any dispute was highlighted during

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the stakeholder consultation conducted during this assessment. Furthermore, FELDA has undertaken self-assessment to assess the requirement and compliance to the partial certification.

There is no lapse in implementing the time bound plan. There were positive changes made to the time bound plan to complete the certification by 2015/2016 compare with the original plan of 2017 which is still maintained. This proactive measure is to ensure 100% certification by 2017 for their own mills. This is a proactive approach from Felda to show the commitment towards RSPO certification.

BSI has continued involvement with assessments of FELDA Management Units during the 2015 period. BSI is also communicating with other Certification Bodies that auditing FELDA's other operating units to identify any noncompliance with rules of partial certification as per requirement in RSPO Certification System. There are two new planting carried out at Indonesia and complied with the RSPO NPP process. FELDA consistently has kept BSI informed of any emerging issues and claims made against it. At the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
 - b. Any replacement of primary forest or loss of HCVs;
 - c. Any labour disputes that are not being resolved through an agreed process;
 - d. Any evidence of noncompliance with any law at any of the landholdings.
- BSI considers that FELDA complies with the RSPO requirements for Partial Certification rules.

Details of the status of the Time Bound Plan as submitted by FELDA are in Appendix A.

3.3 Details of findings

The nonconformities are listed below.

During this first annual surveillance assessment, there were two (2) Major nonconformities and three (3) Minor nonconformities raised. Lepar Hilir Palm Oil Mill and Supply Base have submitted Corrective Action Plans for the nonconformities. Corrective action plans with respect to the nonconformities were reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformities will be followed up during the next surveillance assessment. The major nonconformities were closed within the 60 days as per RSPO ASA requirements.

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1155449M1	Requirements: 4.6.6: Storage of all pesticides shall be according to recognized best practices.	Major
	Evidence of Nonconformity: Lepar Hilir 3: Visit to the chemical store on 10/2/2015 found the agrochemicals and pesticides were not stored in accordance to the OSH Act 1994 as below: 1.) Rat bait and Class 1b agrochemical was stored together with other agrochemicals. 2.) No MSDS for all the chemicals stored inside the store. 3.) Chemicals were stored together with old files and furniture's. 4.) No spill kit or containment for spillage. 5.) Ventilation fan was not available.	
	Statement of Nonconformity: Storage of pesticides was not in accordance to recognized best practices.	

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	<p>Close out Evidence: The management has immediately taken necessary action to rectify the issue. The actions taken are as follows:</p> <ol style="list-style-type: none"> 1.) All the old files and furniture's were removed from the chemical store. 2.) Rat bait and class 1b agrochemical were separated with additional security compartment. 3.) MSDS were placed at the chemical storage area. 4.) Spill kit and containments were placed at the chemical store for emergency situation. 5.) New unit of ventilation fan has been installed at the chemical store. <p>Photo evidences were submitted to the audit team. The audit team have reviewed and accepted the evidences to close out the nonconformity.</p>	
Status	The Major NC was closed on 11/04/2015.	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1155449M2	<p>Requirements: 5.3.3: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	Major
	<p>Evidence of Nonconformity: Lepar Hilir 3: During field visit, it is noted that the domestic waste dumping site has been identified as a source of pollutant; however the plan to reduce or recycle was not fully implemented. The site is poorly managed and waste is scattered everywhere. Chemical containers such as lubricant and agrochemical are disposed at the landfill. <i>This issue was raised as Minor nonconformity during the last assessment and not fully addressed. Therefore, it has been upgraded as Major non-conformity as per RSPO Annual Surveillance Assessment Procedure.</i></p> <p>Statement of Nonconformity: Waste management and disposal plan to avoid or reduce pollution was not effectively implemented.</p> <p>Close out Evidence: The management have cleared and closed the existing landfill area. The landfill has been moved to more manageable location as the current location was accessible by outsiders. Empty chemical containers were moved to schedule waste store accordingly. Photo evidences were submitted to the audit team. The audit team have reviewed and accepted the evidences to close out the nonconformity.</p>	
Status	The Major NC was closed on 11/04/2015.	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1155449N1	<p>Requirements: 4.1.2: A mechanism to check consistent implementation of procedures shall be in place.</p>	Minor

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	<p>Evidence of Nonconformity: Lepar Hilir 8: Evacuation Training was not carried out at least once a year as per Section 11 – Evacuation Procedure in HSE Manual. Noted the last Evacuation Training was conducted on 6/12/12.</p>	
	<p>Statement of Nonconformity: Implementation of procedures was inconsistent. Implementation of CAP will be followed up during next surveillance for effectiveness.</p>	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1155449N2	<p>Requirements: 4.1.3: Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>Evidence of Nonconformity: Lepar Hilir 8: Records of monitoring and any actions taken on the proposed action for work units where risks are found to be significant and not adequately controlled or conclusion of C3 (significant) from the CHRA report (conducted on 20/6/14-21/6/14 by Ihsan Sharif Resources) was not available.</p> <p>Statement of Nonconformity: Records of monitoring and any actions taken were not available. Implementation of CAP will be followed up during next surveillance for effectiveness.</p>	Minor

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1155449N2	<p>Requirements: 4.4.1: An implemented water management plan shall be in place.</p> <p>Evidence of Nonconformity: All operating Units: FELDA sustainable manual (Manual Lestari) Procedure No. 3.7: Water Sampling ML-1A/L2-PR6 (0) Section 1.0 (b) requires the monitoring of river water quality need to be done once a year. However, there was no any monitoring report for 2014. The last report was on 8/8/2012 Report number: 759/2012 and 21/10/2012 Report number: 988/2012 (Sg. Lepar).</p> <p>Statement of Nonconformity: Monitoring of river water quality was inconsistent. Implementation of CAP will be followed up during next surveillance for effectiveness.</p>	Minor

Positive Findings	
PF #	Description
1	The Lepar Hilir management unit has maintained a very good relationship with the local community and other stakeholders.
2	The palm oil mill has maximized the use of renewable energy by consuming shell and fibre produced internally.

Issues raised by Stakeholders	
IS #	Description
1	Issues Contractors: Contractors confirm payment is prompt as per agreed contract.
	Management Responses Payment is made as per the agreed terms.
	Audit Team Findings No other issues.
2	Issues Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.
	Management Responses The management treat all employees equally and no discrimination.
	Audit Team Findings No disputes were highlighted by foreign workers interviewed during field visit.
3	Issues Settlers: It was confirmed that the management always give assistance and maintained good relationship. No other issues.
	Management Responses Management assists wherever possible.
	Audit Team Findings No other issues.
4	Issues Local workers representatives: No any unresolved disputes were highlighted. Or found during audit.
	Management Responses Management assists wherever possible.
	Audit Team Findings No other issues.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major/Minor)
A819765/1	Requirements: 2.2.3.1: Evidence that boundary stones along the perimeter adjacent to state land other reserves are being located and visibly maintained.	Minor
	Evidence of Nonconformity: LH6E, during the field visit to the estate boundary adjacent to the state forest, it was noted that there is no boundary stones visibly maintained.	
	Statement of Nonconformity: Boundary stone not visibly maintained.	
	Action Taken: Boundary stone and markers are clearly and visibly maintained. During the field visit to the plantation it was noted that there is no any issues of boundary disputes. Boundary at the road reserve around field PR14S was checked and found to be compliance. Boundary map is available at the sites. The nonconformity is closed on 10/2/2015.	

	<p>Status: Closed.</p>	
A819765/2	<p>Requirements: 5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution.</p> <p>Evidence of Nonconformity: During field visit in Lepar Hilir 2, it is noted that the domestic waste dumping site is identified as a source of pollutant, however the plan to reduce or recycle not fully implemented. The site is poorly managed and waste is scattered everywhere. At Lepar Hilir 6, chemical containers (lubricant, agrochemical), tyres and florescent lamps are disposed at the landfill.</p> <p>Statement of Nonconformity: Waste management was poorly carried out.</p> <p>Action Taken: The waste management at Lepar Hilir 2 nad Lepar Hilir 6 are well managed. However, during this assessment at Lepar Hilir 3, it was found that the waste management was not improved. The nonconformity was upgraded to major under indicator 5.3.3 RSPO P&C 2013. Refer to nonconformity reference number 1155449M2</p> <p>Status: As per RSPO certification system, the minor NC is upgraded to Major NC during this visit. (Refer to NC No.: 1155449M2 above in section 3.3)</p>	Minor
A819765/3	<p>Requirements: 5.5.3: No evidence of burning of waste (including domestic waste).</p> <p>Evidence of Nonconformity: LH 6 and 2 Estates, during site visit to worker’s housing and nursery site at FELDA Lepar Hilir 6, found evidence that there is use of fire for burning domestic waste and operational waste at the nursery. This was confirmed by the workers residing at the housing site and the worker working at the nursery site.</p> <p>Statement of Nonconformity: Burning open domestic waste was noted.</p> <p>Action Taken: During the housing site visit, there are no burning of domestic waste was noted. Awareness campaign has been conducted in December 2014. Signage has been fixed to create awareness and educate employees. The nonconformity is closed on 10/2/2015.</p> <p>Status: Closed.</p>	Minor
A819765/4	<p>Requirements: 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit.</p> <p>Evidence of Nonconformity: Workers Contract for foreign workers at Felda Lepar Hilir 2 and Lepar Hilir 6 Estates was not found during the assessment. At Lepar Hilir 6, only sample of two workers contacts were available for Indonesia and Bangladesh workers. There were no details on Nepal and Myanmar workers contracts.</p>	Minor

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	<p>Statement of Nonconformity: Copy of the employment contract not available at the site.</p> <p>Action Taken: Workers contract are available at the sites. Documents from Lepar Hilir 2 and 6 were checked and verified. Further verification at Lepar Hilir 3, 6 and mill confirmed that contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers and explained carefully to them by a plantation management official in the operating unit. The nonconformity is closed on 10/2/2015.</p> <p>Status: Closed.</p>	
A819765/5	<p>Requirements: 6.10.3: Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Evidence of Nonconformity: LH6, there is evidence that all parties understand the contractual agreements SPK section 4 (b) and 5. However it is noted that the FFB Transport contractor is not comply to the contractual agreement because there are lorry drivers who are not in possession of driving license and lorry was not insured.</p> <p>Statement of Nonconformity: Lorry driver transporting FFB to mill did not obtained license.</p> <p>Action Taken: Interview with contractors reveal that all parties understand the contractual agreements SPK. The FFB Transport contractor has obtained licensed drivers. During this assessment there were no other issues. The nonconformity is closed on 10/2/2015.</p> <p>Status: Closed.</p>	Minor



Observation	
OBS #	Description
1	<p>Indicator 4.7.1: HIRAC and Environmental Aspect and Impact dated 5/11/2012 are available. The assessment can be improved by indicating the impact by referring to the matrix table to indicate significant (Ketara) when it's ranking is 12 and above.</p> <p>Action: The latest HIRARC dated 1 February 2015 have referred to the matrix table when the ranking is 12 and above. This is indicated as significant (Ketara).</p>
2	<p>Indicator 4.7.1: The operating units should give safety briefing to visitor prior to the visit for each operating units in order for the visitors to be aware on the emergency evacuation procedures.</p> <p>Action: All the operating units start the opening briefing with safety briefing to visitor prior to the visit for each operating units in order for the visitors to be aware on the emergency evacuation procedures.</p>
3	<p>Indicator 4.7.1: Emergency Response procedure dated 1/7/2009 is available complete with the personnel, responsibility, contact details and details of emergency assembly points. Testing this procedure will be helpful.</p> <p>Action: The operating units have tested the emergency response procedure through evacuation drill.</p>

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
A819765/1 – 2.2.1	Major	9/1/2013	Closed out on 16/4/2013
A819765/2 – 4.6.3	Major	9/1/2013	Closed out on 16/4/2013
A819765/3 – 4.6.5	Major	9/1/2013	Closed out on 16/4/2013
A819765/4 – 4.8.1	Major	9/1/2013	Closed out on 16/4/2013
A819765/5 - 5.5.1	Major	9/1/2013	Closed out on 16/4/2013
A819765/1 – 2.2.3.1	Minor	9/1/2013	Closed out on 10/2/2015
A819765/2 – 5.3.2	Minor	9/1/2013	Upgraded to Major NC on 13/2/15 Refer NC #: 1155449M2
A819765/3 - 5.5.3	Minor	9/1/2013	Closed out on 10/2/2015
A819765/4 – 6.5.2	Minor	9/1/2013	Closed out on 10/2/2015
A819765/5 – 6.10.3	Minor	9/1/2013	Closed out on 10/2/2015
1155449M1 – 4.6.6	Major	13/2/15	Closed out on 11/4/15
1155449M2 – 5.3.3	Major	13/2/15	Closed out on 11/4/15
1155449N1 – 4.1.2	Minor	13/2/15	“Open”
1155449N2 – 4.1.3	Minor	13/2/15	“Open”
1155449N3 – 4.4.1	Minor	13/2/15	“Open”

Assessment Conclusion and Recommendation:

Based on the findings during the assessment of Lepar Hilir Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013, Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Lepar Hilir Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
Name: Anthonius P. Sani	Name: A. Senniah
Company name: Felda Global Ventures	Company name: BSI Services (M) Sdn. Bhd
Title: Sustainability Manager	Title: RSPO Lead Auditor
Signature:  12/4/2015	Signature:  11/4/2015

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Appendix A: FELDA - Felda Global Ventures Plantation Sdn. Bhd. Time Bound Plan

Palm Oil Mill and Supply Base Schedule							
No. and Year	2009	2010	2011	2012	2013	2014	2015
1	Kota Gelanggi 1	Jengka 21	Adela	Belitong	Palong Timur	Neram	Krau
2	Lepar Utara 6	Jengka 3	Lok Heng	Bukit Besar	Serting Hilir	Pancing	Tersang
3		Jengka 8	Semencu	Kahang	Maokil	Besout	Serting
4		Lepar Utara 4	Waha	Kulai	Tenggaroh	Trolak	Pasoh
5		Seroja (J 18)	B. Kepayang	Nitar	T.Timur	Keratong 2	Cini 2
6		Padang Piol	Bukit Mendi	Penggeli	Kechau A	Keratong 3	Cini 3
7		Felda Segamat (Group Scheme)	Kemasul	Lepar Hilir	Kechau B	Sg. Tenggi	Kemahang
8			Tementi	Bukit sagu	Fajar Harapan	Keratong 9	Chalok
9			Triang		Baiduri Ayu	Mempaga	Aring A
10						Embara Budi	Aring B
11						Lancang.Kemudi	Kertih
12						Kalabakan	Selendang
13						Umas	Ciku
14						Kemudi Sakti	Sampadi
15						Mercu Puspita	Pontian
16						Nilam Permata	Asia Plantation
17						Hamparan Badai	
18						Jerangan Barat	
19						Jerangan Baru	
20						Selancar 2A	
21						Selancar 2B	
Total	2	7	9	8	9	21	16
Grand Total							72

Appendix B: FELDA – Lepar Hilir Palm Oil Mill Certification Unit RSPO Certificate Details

FELDA,
Felda Global Venture Plantation (M) Sdn. Bhd.
Lepar Hilir Palm Oil Mill
Pejabat Felda Lepar Hilir palm Oil Mill,
Gambang, Pahang,
Malaysia.
www.feldaglobal.com
FELDA RSPO Membership No: 1-0013-04-000-00

BSI RSPO Certificate No: SPO 593395
Certificate Issued Date: 14 April 2014
Date of Expiry: 13 April 2019
Applicable Standards: RSPO P&C 2013; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; RSPO Supply Chain Certification System and Standard November 2014 CPO Mills - Module – E: Mass Balance.

Lepar Hilir Palm Oil Mill and Supply Base					
Location Address	Pejabat Felda Lepar Hilir palm Oil Mill, Gambang, Pahang, Malaysia.				
Mill Capacity	55Mt/hr				
GPS Location	103° 00' 46" E & 3° 38' 43" N				
CPO Tonnage Total	29,542				
PK Tonnage Total	8,420				
CPO Claimed for Certification	29,542				
PK Claimed for Certification	8,420				
Own estates FFB Tonnage	81,870				
Scheme Smallholder FFB Tonnage	65,843				
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)	-				
Estate	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Felda Lepar Hilir 1/4	2,125.76	446.32	216.20	2,788.28	37,531
Felda Lepar Hilir 2	1,029.00	525.00	155.83	1,709.83	18,162
Felda Lepar Hilir 3	1,102.00	506.00	161.65	1,769.65	10,150
FGVPM Lepar Hilir 5	1,570.52	800.04	518.98	2,889.54	30,453
FGVPM Lepar Hilir 6/7	1,064.91	1,575.70	419.23	3,059.84	25,759
FGVPM Lepar Hilir 8	1,396.82	1,788.95	452.23	3,638.00	25,658
TOTAL	8,289.01	5,642.01	1,924.12	15,855.14	147,713

Appendix C: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Senniah	Ragu	Muhd Haris
Monday 9/02/2015	AM	Audit Team travelling to the site.	√	-	√
Tuesday 10/02/2015	08.30 – 09.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	-	√
	09.00 – 12.00	Lepar Hilir 3 Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	-	-
	09.00 – 10.00	OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	-	-	√
	10.00 – 12.00	Meeting with internal stakeholders (Village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	-	√
	13.00 – 16.30	Lepar Hilir 3 Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	-	√
	16.30-17.00	Interim Closing briefing.	√	-	√
Wednesday 11/02/2015	08.30 – 12.00	Lepar Hilir Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	-
	08.30 – 12.00	Visit to Lepar Hilir 2 and 6 to verify the previous nonconformities corrective actions implementation.	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Lepar Hilir Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30-17.00	Interim Closing Briefing	√	√	√
Thursday 12/02/2015	8.30 – 12.00	Lepar Hilir 8 Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Lepar Hilir 8 Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Meeting	√	√	√
Friday 13/02/2015	8.30 – 11.00	Document Review continues for any outstanding issues.	√	√	√
	11.00 – 12.00	Closing Meeting	√	√	√

Appendix D: Stakeholders Contacted

<p><u>Internal Stakeholders</u></p> <p>Managers and Assistants Male Mill Staff/Workers Female Mill Staff/Workers Foreign Worker Male and Female Estate workers Joint Consultative Committee Gender Committee Secretary</p>	<p><u>External Stakeholders</u></p> <p>Head of the Village Mosque Committee Settlers committee</p>
<p><u>Government Departments</u></p> <p>School Labour Department Department of Occupational Safety and Health Clinic</p>	<p>Electrical Contractor General Supplier</p>

Appendix E: Lepar Hilir Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

Requirements	Compliance
E.1 Definition	
E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	Lepar Hilir Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.
E.2 Explanation	
E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.
E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).
E.3 Documented procedures	
E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Lepar Hilir Mill has procedures for the incoming FFB, processing and outgoing Crude Palm Oil and Palm Kernel for the traceability with Mass Balance model covering certified and non-certified FFB received. The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.
E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Lepar Hilir Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
E.4 Purchasing and goods in	
E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
E.4.2 The site shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
E.5 Record keeping	
E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Computerized system in place. Records verified by internal and external audit. Computerized system in place with the delivery deducted accordingly. The Mill aware that only positive stock can be delivered. No short selling.

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stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	
E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement	No outsourcing activities.

Actual Certified Palm Production - 01 January 2014 - 31 December 2014

MILL	CAPACITY	CPO	PK
Lepar Hilir Palm Oil Mill	55 mt/hr	35,580	9,557

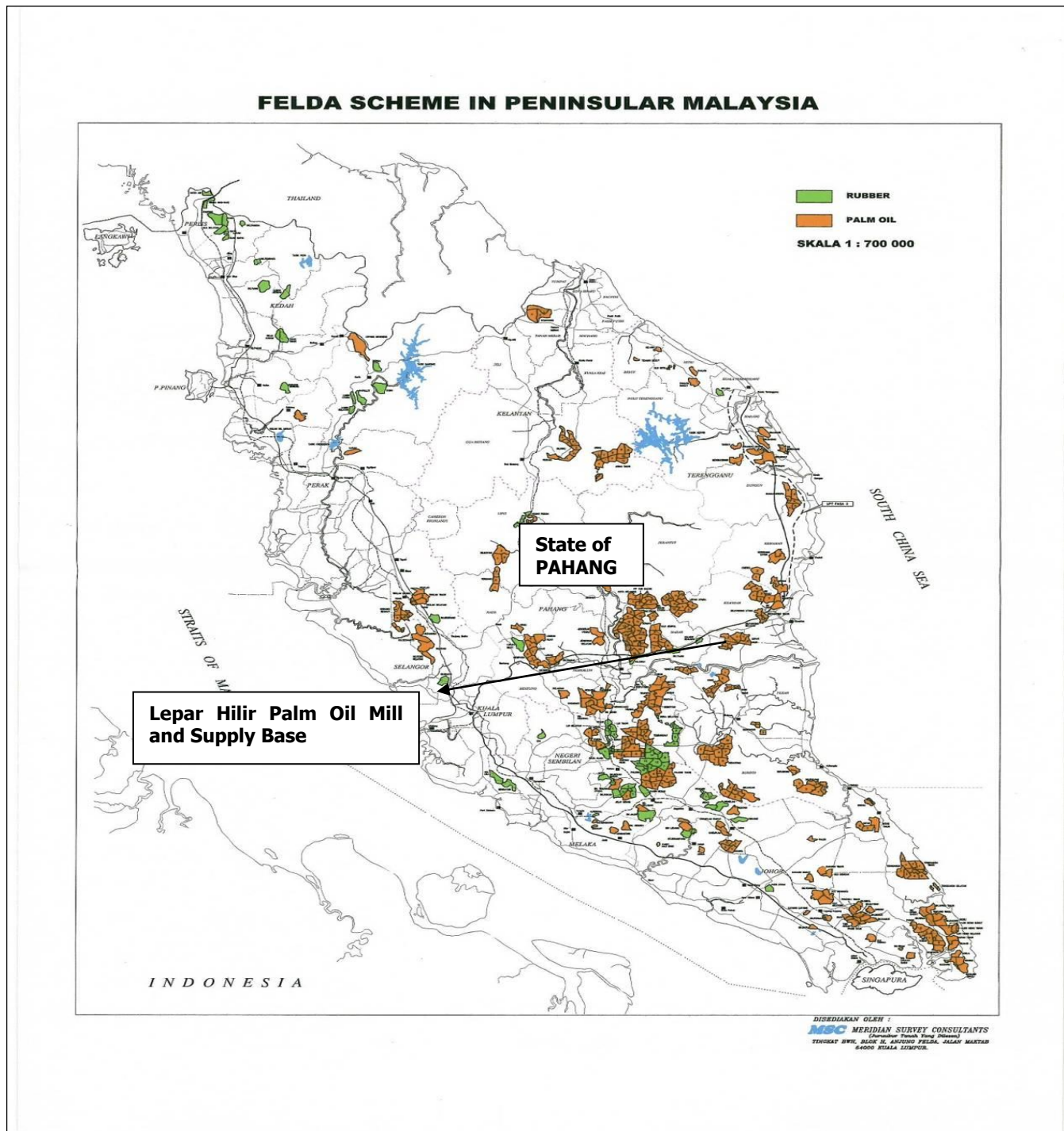
Actual Sales of Certified Palm Products - 01 January 2014 - 31 December 2014

MILL	Certified CPO Sales	Certified PK Sales	Remarks
Lepar Hilir Palm Oil Mill	2,141.53mt (Confirmed sales through eTrace)	NIL	Sales of certified palm products in eTrace were noted.

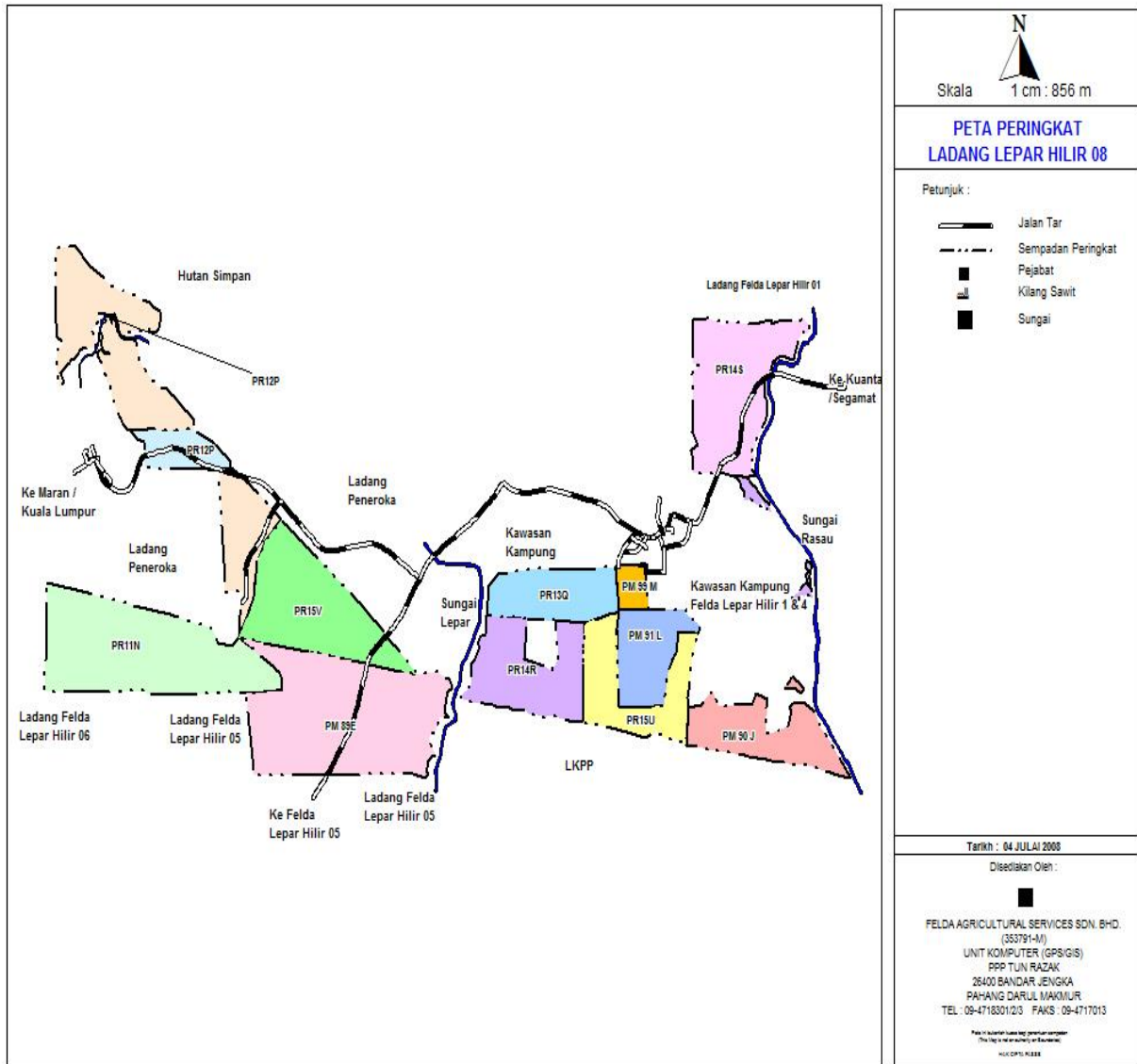
Actual Certified FFB Received Monthly - 01 January 2014 - 31 December 2014

Records of Certified FFB Received (Tonnage) on Monthly Basis							
Month	Supply Base						Total FFB/Month
	LH 1/4	LH 2	LH 3	LH 5	LH 6/7	LH 8	
January 2014	2,150	1,165	446	3,306	3,430	2,699	13,196
February 2014	1,958	849	441	2,619	2,617	2,240	10,724
March 2014	2,543	1,162	857	3,041	3,112	3,077	13,792
April 2014	3,190	1,503	991	3,642	3,260	3,148	15,734
May 2014	4,040	1,699	1,058	3,107	3,131	2,854	15,889
June 2014	4,719	1,940	924	2,890	2,314	2,538	15,325
July 2014	5,691	2,302	1,022	2,970	2,607	2,620	17,212
August 2014	6,847	3,232	1,089	3,548	2,814	3,003	20,533
September 2014	5,068	2,150	898	3,302	2,322	2,759	16,499
October 2014	4,107	2,036	1,020	3,310	2,383	2,553	15,409
November 2014	3,470	2,265	619	3,570	2,305	2,648	14,877
December 2014	2,211	1,397	282	2,500	1,682	1,714	9,786
TOTAL	45,994	21,700	9,647	37,805	31,977	31,853	178,976

Appendix F: Location Map of FELDA Lepar Hilir Palm Oil Mill and Supply Base in Pahang, Peninsular Malaysia



Appendix G: Map of the FELDA Lepar Hilir



Appendix H: List of Abbreviations Used

ASA1	Annual Surveillance Assessment 1
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
LH 3	Lepar Hilir 03
LH 8	Lepar Hilir 08
ISCC	International Sustainable Carbon Certification
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure