

**MALAYSIAN SUSTAINABLE PALM OIL
- SURVEILLANCE ASSESSMENT 2 (ASA2)
Public Summary Report**

FGV Holdings Berhad
Client company Address: Wisma FGV, Level 20 West Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd (Lepar Hilir Palm Oil Mill) and FGV Plantations (Malaysia) Sdn Bhd (FGVPM Lepar Hilir 05 Estate, FGVPM Lepar Hilir 06 Estate and FGVPM Lepar Hilir 08 Estate) Location of Certification Unit: 26300 Gambang, Kuantan, Pahang, Malaysia

Report prepared by:
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Report Number: 3091768

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	FGV Holdings Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	FGVPISB Lepar Hilir POM: 500205504000	31/03/2021	
	FGVPMSB Lepar Hilir 5 Estate: 559601002000	31/03/2021	
	FGVPMSB Lepar Hilir 6 Estate: 559043002000	31/01/2021	
	FGVPMSB Lepar Hilir 8 Estate: 558970002000	28/02/2021	
Address	FGV Holdings Berhad, Wisma FGV, Level 20 West, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia		
Certification Unit	Komplek Lepar Hilir		
Contact Person Name	Ameer Izyanif Bin Hamzah		
Website	http://www.feldaglobal.com/sustainability	E-mail	ameer.h@fgvholdings.com
Telephone	03-27890497	Facsimile	03-27890440

1.2 Certification Information			
Certificate Number	Estate: MSPO 701755 Mill: MSPO 701754		
Issue Date	24/3/2019	Expiry date	23/3/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	<ol style="list-style-type: none"> 1. MS 2530-1:2013 (General Principle) 2. For Palm Oil Mill: MS 2530-4:2013 Part 4: General principles for palm oil mills 3. For Estate: MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders 		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	19/12/2018 - 21/12/2018		
Continuous Assessment Visit Date (CAV) 1	21/10/2019 - 23/10/2019		
Continuous Assessment Visit Date (CAV) 2	21/10/2020 - 23/10/2020		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date

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RSPO 666408	RSPO P&C 2013 & SCCS	BSI Services Malaysia Sdn. Bhd.	1/2/2023
MSPO SCCS – TCI -034-2020	MSPO SCC	Trans Certification International Sdn. Bhd.	26/3/2021

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
FGVPISB Lepar Hilir Palm Oil Mill	26300 Gambang, Kuantan, Pahang, Malaysia	103.01189	3.64383
FGVPM Lepar Hilir 5	Felda Lepar Hilir 05, Mukim Lepar, 26300 Kuantan, Pahang, Malaysia	103.07896	3.65303
FGVPM Lepar Hilir 6	Felda Lepar Hilir 06, Mukim Lepar, 26300 Kuantan, Pahang, Malaysia	103.01149	3.60105
FGVPM Lepar Hilir 8	Felda Lepar Hilir 08, Mukim Lepar, 26300 Kuantan, Pahang, Malaysia	103.07863	3.65273

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Lepar Hilir 5	2607.61	-	281.93	2889.54	90 %
FGVPM Lepar Hilir 6	2624.78	-	340.82	2965.60	89%
FGVPM Lepar Hilir 8	3074.71	-	333.76	3408.47	90%
TOTAL	8307.10	-	956.51	9263.61	

Note: Lepar Hilir 8 have slightly change due to the re-demarcation program by GIS and also land accusation by government for ECRL project with total 15.37 Ha.

1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
FGVPM Lepar Hilir 5	567.13	1084.84	-	-	955.64	2040.48	567.13
FGVPM Lepar Hilir 6		1973.92	-	346.42	304.44	2624.78	-
FGVPM Lepar Hilir 8	471.82	2422.16	-	34.49	146.24	2602.89	471.82
Total (ha)	1,038.95	5480.92	-	380.91	1,406.32	7,268.15	1,038.95

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1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 20 - Dec 20)	Actual (Oct 19 - Sep 20)	Forecast (Jan 21 - Dec 21)
FGVPM Lepar Hilir 5	31,490	28,325.72	25,907
FGVPM Lepar Hilir 6	43,892	38,015.81	43,393
FGVPM Lepar Hilir 8	34,072	44,900.35	49,011
Total	109,454	111,241.88	118,311

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 20 - Dec 20)	Actual (Oct 19 - Sep 20)	Forecast (Jan 21 - Dec 21)
Smallholders	120,500	118,198.95	121,500
Total	120,500	118,198.95	121,500

1.8 Certified Tonnage			
	Estimated (Jan 20 - Dec 20)	Actual (Oct 19 - Sep 20)	Forecast (Jan 21 - Dec 21)
	Mill Capacity: 54 MT/hr	FFB	FFB
	109,454	111,241.88	118,311
SCC Model: SG/MB	CPO (OER: 20.31 %)	CPO (OER: 20.24%)	CPO (OER: 20.33 %)
	22,230	22,515.36	24,053
	PK (KER:4.97 %)	PK (KER: 4.01%)	PK (KER: 4.62%)
	5,440	4,460.79	5,466

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
CPO (MT)	-	-	164.67	22,350.69	22,515.36

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1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
PK (MT)	-	-	3,059.13	1,401.66	4,460.79

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 21-23/10/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the FGV Lepar Hilir POM and Supply Base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, 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 and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Lepar Hilir Palm Oil Mill	√	√	√	√	√
FGVPM Lepar Hilir 5	√	-	√	√	-
FGVPM Lepar Hilir 6	√	√	-	√	√
FGVPM Lepar Hilir 8	-	√	√	-	√

Tentative Date of Next Visit: October 5, 2020 - October 9, 2020

Total No. of Mandays: 6 Manday

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Muhamad Naquiuddin Mazeli	Team Leader	He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation. He is fluent in Bahasa Malaysia and English languages.
Valence Shem	Team Member	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of Legal, social aspects, employees welfare and stakeholders consultations & communications and

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		the supply chain element. Able to communicate in Bahasa Malaysia and English.
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2.2 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	MNM	VS
Tuesday 20/10/2020		Travel from office to Kuantan	√	√
Wednesday 21/10/2020	0800-0830 0830-0900	Opening Meeting MSPO & RSPO: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan.	√	√
	0900-1230	Lepar Hilir Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	1230-1330	Lunch	√	√
	1330-1700	Document Review (MS:2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices	√	√
	1700-1730	Interim Closing meeting	√	√
Thursday 22/10/2020	0800-1230	FGVPM Lepar Hilir 8 Estate 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.	√	√
	1000-1100	Meeting with stakeholders (Government, villagers, smallholders, Union Leader, contractor etc.)		√

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Date	Time	Subjects	MNM	VS
	1230-1330	Lunch / Break	√	√
	1330-1700	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	1700-1730	Interim Closing Meeting	√	√
Friday 23/10/2020	0800-1230	FGVPM Lepar Hilir 6 Estate 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.	√	√
	1000-1100	Meeting with stakeholders (Government, villagers, smallholders, Union Leader, contractor etc.)	√	√
	1230-1330	Lunch / Break	√	√
	1330-1600	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	1600-1700	Preparation for Closing meeting	√	√
	1700-1730	Closing Meeting	√	√

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & two (2) Minor nonconformities raised. The FGV Lepar Hilir POM and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Non-conformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref: 1975783-202010-M1	Area/Process: Lepar Hilir POM	Clause: 4.5.1.1 (Part 4)
	Issue Date: 23/10/2020	Due Date: 22/01/2021
Requirements:	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	
Statement of Nonconformity:	Found Environmental policy and management plan not effectively communicated and implemented	
Objective Evidence:	a) Found some of EFB leachate in monsoon drain and not properly channel to ETP system accordingly. b) Found contaminated PPE was not disposed accordingly. c) Found oil spillage in monsoon drainage near lubricant store. d) The scheduled waste was found not dispose more than 180 days.	
Corrections:	1) Designed the dedicated EFB dumping site so that leachate water flow systematically. 2) Make cleaning work in the area around the scheduled waste store and monsoon drain area. 3) Dispose of scheduled waste immediately.	
Root cause analysis:	1) Dumping site of EFB located all over the mill making the leachate water flow system is ineffective. 2) There is no monitoring system in the Scheduled Waste Store Area and monsoon drain. 3) No monitoring is done to ensure that Scheduled Waste are not stored for more than 180 days.	

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Corrective Actions:	<ol style="list-style-type: none"> 1) Move the existing leachate water flow system to the bigger SUMP so that it can collect all the leachate. 2) Appoint staff and prepare a check paper to conduct monitoring in the Scheduled Waste Store area and Monsoon drain area. 3) Prepare inspection check paper on Scheduled Waste rules.
Assessment Conclusion:	<p>According to evidence as per below:-</p> <ol style="list-style-type: none"> a) Appointment letter referred letter Bil: (02)RSPO/MSPO dated 22/10/2020, management appoint Khosaimi bin Abu Bakar as SW store attendance and Monsoon drainage inspector to monitor and ensure followed as per regulation requirement. b) Consignment note for all scheduled waste disposal dated 26/10/2020 c) As per audit team visit on leachate implementation verification on 18/12/2020 <p>Audit team have reviewed the evidence submitted on 27/12/2020 and the major NC is satisfactorily closed on 27/12/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p>

Minor Nonconformities:		
Ref: 1975783-202010-N1	Area/Process: Lepar Hilir 08 Estate	Clause: 4.5.5.1 (Part 3)
	Issue Date: 23/10/2020	Due Date: 22/1/2021
Requirements:	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ol style="list-style-type: none"> a. Assessment of water usage and sources of supply. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). 	
Statement of Nonconformity:	The coverage of the water management plan was inadequate.	
Objective Evidence:	At Lepar Hilir 08 Estate, during the site visit at the workers' hostel (Asrama Kubur and Asrama 17X) it was found that several taps at the bathrooms were left opened and unattended. This had caused the loss of water through overflow from the tubs to the drains.	
Corrections:	<ol style="list-style-type: none"> 1. Give regular warnings to hostel workers related to closing the water tap 2. Appoint a gardener in the dormitory to check the water tap 3. Update the water management plan 	
Root cause analysis:	The issues waste of water at worker's hostel never been discussed seriously at estate management after several reminder were told during morning rollcall.	
Corrective Actions:	<ol style="list-style-type: none"> 1. Install water saving signage in the employee dormitory area 2. Make an application to replace the tap to the type of buoy 	
Assessment Conclusion:	Audit team have reviewed and accept the Corrective Action Plan (CAP) submitted and the minor NC CAP implementation will be further verified in the next assessment visit.	

Minor Nonconformities:		
Ref: 1975783-202010-N2	Area/Process: Lepar Hilir 08 Estate and Lepar Hilir 06 Estate	Clause: 4.4.4.2 (Part 3)
	Issue Date: 23/10/2020	Due Date: 22/1/2021

Requirements:	The occupational safety and health plan shall cover the following: i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.
Statement of Nonconformity:	Sighted First aid kit was not equipped with approved contents and not handle by trained employee.
Objective Evidence:	a) The management (Lepar Hilir 8 estate) trained in First Aid dated 27/1/2020 to all field operations however found En Khairi Saad did not attend the first aid training. A First Aid Kit equipped with approved contents available at each worksite however sighted (Lotion/iodin) was expired on May 2020. b) The management (Lepar Hilir 6 estate) trained in First Aid dated 20/7/2020 to all field operations however found Mandore (En Mohd Rosli) did not attend the first aid training.
Corrections:	Conduct the First aid training to all first aid kit holder
Root cause analysis:	The management has conducted the First Aid Training on July 2020, however not all the first Kit Holder attend the training.
Corrective Actions:	Conduct training evaluation /training assessment to make sure all first aid kit holder are well trained.
Assessment Conclusion:	Audit team have reviewed and accept the Corrective Action Plan (CAP) submitted and the minor NC CAP implementation will be further verified in the next assessment visit.

Noteworthy Positive Comments

1	Good cooperation among the team.
2	Good comment from stakeholder and have a good relation with stakeholder

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1841172-201906-M1	Area/Process: FGV Lepar Hilir POM	Clause: 4.3.1.1 (Part 4)
	Issue Date: 23/10/2019	Close Date: 17/01/2020
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Compliance to the legal requirements was not effectively implemented.	
Objective Evidence:	<ol style="list-style-type: none"> As per the DOE compliance schedule (No. 7) Any overflow or leakage from the effluent disposal area is not permitted. Sighted overflow or leakage during site visit. As per the DOE compliance schedule (No.23) CCTV records for the monitoring of black smoke emission from the boiler chimney to be kept for 6 months. Verified that records are kept only for 3 months. No record of JKKP 7 submitted for the 13 hearing impairment. Sighted from the audiometric test report dated 7 March 2019 by Dr. Siow Shin Yee (HQ/13/DOC/00/330) of Specialist Mobile Safety Supplies Sdn Bhd. From total 43 workers the result, found that 13 workers with hearing impairment and 17 workers with STS. 04 out of 04 selected workers from various department sighted worked more than 12 hours / day not in accordance to the Employment Act 1955, Section 60A. Hours of Work. 	

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	<p>Emp: 1211194 – 02.08.2019 worked from 0740~0601 (22 hours) 03.04.2019 worked from 1540~0814 (16 hours) 04.04.2019 worked from 1538~0701 (15 hours) 09.07.2019 worked from 1607~0636 (14.5 hours) 24.07.2019 worked from 1540~0804 (16 hours) 11~16.07.2019 worked from 1800~0800 (14 hours) 25~29.07.2019 worked from 1800~0800 (14 hours) Emp: 1206461 – 25.04.2019 worked from 2000~1000 (14 hours) 09, 11~13, 15, 18~21.07.2019 worked from 1800~0800 (14 hours) 14.07.2019 worked from 1351~0502 (15 hours) Emp: 1203717 – 06.04.2019 worked from 1517~0820 (16 hours) 27.07.2019 worked from 1648~0724 (14.5 hours) 29.07.2019 worked from 1635~0817 (15.5 hours) 08.07.2019 worked from 1556~0739 (15.5 hours) 06.07.2019 worked from 1739~0813 (14 hours) 08~09.07.2019 worked from 1800~0800 (14 hours) 18.07.2019 worked from 1800~0800 (14 hours) 20~21.07.2019 worked from 1800~0800 (14 hours) Emp: 1202895 – 06.04.2019 worked from 1400~0642 (16.5 hours) 07.04.2019 worked from 1800~0800 (14 hours) 09.04.2019 worked from 1600~0630 (14.5 hours) 18~21.07.2019 worked from 1800~0800 (14 hours)</p> <p>5. 4 selected sorting contractor's worker's payslip (Abra Tech Enterprise – Shanmugam, Saravanan, Mohd Shanrul Nizam, Helmi Bin Ramli) for the month of August 2019 indicates:</p> <ul style="list-style-type: none"> - no contribution made for EIS / SIP from both; employer and employee. - Contribution for SOCSO sighted not accordance with the PERKESO Second Schedule : <p>Contribution Rate. 04 Payslip evidenced that total contribution made by both, the employer and employee is MYR19.10 consistently disregards of the wages earned for the month.</p> <ul style="list-style-type: none"> - Contribution for EPF sighted not accordance with EPF Jadual Ketiga – Kadar Caruman Bulanan. 04 payslip evidenced that total contribution made by both employer and employees is at MYR216 consistently disregards of the wages earned for the month.
<p>Corrections:</p>	<p>1 & 2)</p> <ol style="list-style-type: none"> a. Appoint person in charge (PIC) for management to ensure leachate flowing to POME system as well as DOE's Compliance. b. Regional Officer (EKAS) to conduct training on requirement from DOE. c. Evidences on saving CCTV data in external storage. <p>3)</p> <ol style="list-style-type: none"> a. Regional SHO to give awareness on JKPP 7 Report process. b. Reporting JKPP7 for accident occurred. <p>4) Appoint person in charge for management to ensure all worker's overtime is correct and contractors will deduct the EPF, SOCSO and EIS deduction in contractor workers' pay slip and will obtain the copy for record by regular monitoring every 6 months by Person in charge.</p> <p>5) Awareness to contractor on EPF, SOCSO and EIS deduction.</p>

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<p>Root cause analysis:</p>	<p>1 & 2. No monitoring on DOE’s compliance schedule (Jadual Pematuhan) due to change on new mill management.</p> <p>3. Mill did not report on hearing impairment for JKPP 7 due to change on person in charged.</p> <p>4. No monitoring from management on workers overtime due to change on person in charged.</p> <p>5. No monitoring from management regarding on EPF, SOCSO and EIS deduction in contractor workers’ pay slip due to change on person in charged.</p>
<p>Corrective Actions:</p>	<p>1 & 2) a. Continuous training to new PIC regarding DOE's Compliance.</p> <p>3) Continuous training to new PIC regarding JKPP 7 Report process.</p> <p>4) Management to ensure all workers in comply with employment act by regular monitoring every 6 months by Person In charge.</p> <p>5) Continuous training to new contractors regarding on EPF, SOCSO and EIS deduction.</p>
<p>Assessment Conclusion:</p>	<p>Audit team have reviewed the evidence submitted on 17/01/2020 and the major NC is satisfactorily closed on 17/01/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> 1. Letter of appointment for person in charge for leachate dated 01/11/2019 to Wan Mohd Syahrin bin Wan Yadri (Mill Engineer). 2. Tender for leachate construction (Ref no: LH-274/2019, visa number: VS11/19/20 dated 20/11/2019). 3. Training attendance, material and assessment titled: Kursus Pengoperasian Keperluan Perundangan Alam Sekitar on 06/12/2019 by Ahmad Fuhairrah Bin Mohd Pauzi (EKKAS FPISB Wilayah Kuantan). 4. CCTV records and external hard disk receipt (RM 230) on 05/11/2019. 5. JKPP7–Laporan Mengenai Keracunan Pekerjaan/Penyakit Pekerjaan Peraturan-Peraturan KEselamatan & Kesihatan Pekerjaan (Pemberitahuan Mengenai Kemalangan, Kejadian Berbahaya, Keracunan Pekerjaan Dan Penyakit Pekerjaan) 2004 dated 02/11/2019 Bil: (05)840/4045/LH/PentadbiranAm. 6. Awareness training to contractors (Abra Tech Enterprise, Awra Universe Enterprise, Mt. Yusof Bin Hamid, Kamal Baharin bin Kasa, Shz Abra Enterprise and Fes L Two Enterprise) on SOCSO & SIP Training on 08/11/2019. 7. Training plan for employee/contractor for MSPO/RSPO awareness (planned on Sept 2020), leachate training (planned March 2020), EPF, SOCSO & EIS awareness (planned on Dec 2020), safety training on shredded machine (Nov 2020) and scheduled waste management training (planned on Aug 2020).
<p>Verification Statement</p>	<p>Based on sampled workers [ID: 1206168, 1202895, 1210386,1210420, 1206551], none of them works more than 12 hours/day.</p>

	Based on the sampled pay slips of the employees of a contractor (Lara Seven), the employer's contributions for SOCSO and EPF were delivered accordingly. There was no recurrence of issue and therefore the NCR remains closed.
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Major Nonconformities:		
Ref: 1841172-201906-M2	Area/Process: FGV Lepar Hilir POM	Clause: 4.4.4.2 (Part 4)
	Issue Date: 23/10/2019	Close Date: 17/01/2020
Requirements:	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 	
Statement of Nonconformity:	Review of HIRARC and safety meetings was inadequate.	
Objective Evidence:	<ol style="list-style-type: none"> 1. HIRARC for mill was reviewed on August 2019 however found that for the action from all hazard was only declared briefing as action plan and not specific. 2. The frequency of the safety meetings was inadequate. Safety meetings was scheduled for 3 monthly having a total of 4 meetings in a year. However, only 2 meeting was conducted for year 2019. 	
Corrections:	<ol style="list-style-type: none"> 1) Training on Identification of HIRARC by regional SHO. 2) Management to conduct periodic on safety meeting monitoring by regional SHO 	
Root cause analysis:	<p>No monitoring on identification of HIRARC due to change of new person in charged. No monitoring on conducting safety meeting by management due to change new person in charged.</p>	

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Corrective Actions:	1) Management appoint a person in charge to monitor safety meeting and HIRARC as well as conduct in periodic time.
Assessment Conclusion:	Audit team have reviewed the evidence submitted on 17/01/2020 and the major NC is satisfactorily closed on 17/01/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Evidence reviewed: 1. Minit Mesyuarat Keselamatan Kesehatan Pekerjaan dan Alam Sekitar (Bil: 04/2019) dated 05/11/2019 attended by 21 attendees. 2. Letter: Perlantikan Sebagai Pegawai Bertanggungjawab bagi pemantauan Mesyuarat JKPP & HIRARC, Bil: (02)4045/840/minit mesyuarat keselamatan dated 01/11/2019 to Tajuddin bin Mustappa (Executive Assistant). 3. Annual plan for safety meeting in 2020 (quarterly) dated 23/12/2019.
Verification Statement	From the verification the HIRADC sighted was Security Post, Office, Continuous Sterilizer and water treatment. The HIRADC have been all reviewed on 06.01.2020. Hiradc was also developed for Covid 19 on 01.09.2020 to address all the risk associated to the pandemic. The detail was satisfactory to close the NC, thus Major NC remain closed.

Major Nonconformities:		
Ref: 1841172-201906-M3	Area/Process: FGV Lepar Hilir POM	Clause: 4.3.1.1 (Part 3)
	Issue Date: 23/10/2019	Close Date: 17/01/2020
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Compliance to the legal requirements was not effectively implemented.	
Objective Evidence:	Sighted line-site inspection is carried out for Lepar Hilir housing on periodically basis and documented in Jadual Pemeriksaan Kawasan Perumahan. However, line-site is carried out ineffectively as required by Housing and Amenities Act 1990 as below: - Sighted there are several defective condition of workers housing at Lepar Hilir 08 Estate; e.g. Pisifera – 3 shower doors are missing, Antigonon - broken drainage, 1 shower door missing, Cassia –2 shower door are missing, vertical line crack sighted on toilet wall, Anggerik – toilet structure / edge wooden pillar found broken causing the roof of the toil partially not being supported. However, inspection report does not indicate such defects during the inspection.	
Corrections:	1) Appoint person in charge on linesite inspection. 2) Evidence on progress work on repairing worker house.	
Root cause analysis:	No supervision on inspection monitoring at linesite due to no person in charge appointed.	
Corrective Actions:	1) Management to conduct weekly basis on linesite inspection and inspection report need indicate such defects during the inspection. 2) Management to conduct continuous management meeting to discuss the linesite issues.	

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Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted on 17/01/2020 and the major NC is satisfactorily closed on 17/01/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> 1. Pemeriksaan Harian Kawasan Asrama/Rumah Pekerja Asing for Lepar Hilir 8 Estate for December 2019 for block Cassia, Eutophia, Pisifera, Tenera, Anggerik, Tangki Air: (Durian, Cempedak, Belimbing, Anggur Epal), Antigonon, Dura, Lestari and Anaqi. 2. Appointment letter for domestic waste management at linesite Bil: (08) RSPO & MSPO/Lantikan dated 01/11/2019 to Edy Ezuan (Staff). 3. Evidence of domestic waste segregation and drainage clearance at housing. 4. Minute of meeting titled "Minit Mesyuarat Pelan Tindakan Pemantatuan Dan Pembaikan Perumahan Petugas Dan Asrama Pekerja" Bil (1) FGVP/Projek 3613/01 dated 07/11/2019. 5. "Pelan Tindakan Pembaikan Rumah 2 Tahun Ke Hadapan"
Verification Statement	Based on site visit, the hostel facilities were observed to be in good conditions and weekly inspection reports were consistently implemented. No recurrence of issue and NCR remains closed.

Minor Nonconformities:

Ref: 1841172-201906-N1	Area/Process: FGV Lepar Hilir POM	Clause: 4.5.3.5 (Part 3)
	Issue Date: 23/10/2019	Close Date: 23/10/2020
Requirements:	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	
Statement of Nonconformity:	Disposal of domestic waste was not effectively implemented.	
Objective Evidence:	<p>Sighted the following at Lepar Hilir 8 Estate located in field no PM91L:</p> <ol style="list-style-type: none"> 1. Landfill for domestic wastes were not properly managed. 2. No signage for closed landfills. 3. No segregation of recyclable waste. <p>Refer to the Pengurusan Sisa Pepejal (Isi Rumah) Doc no: FGV/FGVPM/II/IMS/15/011B dated 02/02/2019,</p> <p>(6.1.12) Pihak ladang perlu membuat pembersihan di tapak pelupusan sekiranya sampah berselerak di luar kawasan pelupusan.</p> <p>(6.1.14) Tapak pelupusan yang telah dikambus perlu ditandakan bagi mengelakkan penggalian semula tapak pelupusan.</p> <p>(6.2.3) Penghuni perlu mengasingkan sendiri sampah yang boleh dikitar semula seperti dikategorikan dan tidak dibuang di dalam tapak pelupusan.</p>	
Corrections:	1) Management to conduct awareness on domestic waste management, 3R as well as zero burning to workers.	

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	2) Evidences on implementation of management solid/ domestic waste. 3) The Management to appoint an officer to monitor the issue of disposal of solid / domestic wastes
Root cause analysis:	No monitoring on domestic waste management, awareness on zero burning by workers due to no person in charge appointed.
Corrective Actions:	1) The management to monitor and discuss domestic waste management, 3R as well as zero burning in a monthly management meeting. 2) Continuous training to new PIC regarding domestic waste management, 3R as well as zero burning
Assessment Conclusion:	As per verification in land field in estate sampling, the signage was available at site during assessment and sighted evidence on segregation been done at workers housing, thus minor NC was close accordingly.

Minor Nonconformities:		
Ref: 1841172-201906-N2	Area/Process: FGV Lepar Hilir POM	Clause: 4.4.1.1 (Part 3)
	Issue Date: 23/10/2019	Close Date: 23/10/2020
Requirements:	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	
Statement of Nonconformity:	Social impacts identified in a participatory way, and plans to mitigate the negative impacts not documented in SIA report.	
Objective Evidence:	<p>Social issues presence related to extended foreign workers work permit renewal process and risk of having workers without valid work permit was not identified in the SIA assessment (refer "Laporan Penilaian Impak Social FGVP M Lepar Hilir 05" dated 01.01.2019 & "Pelan Pengurusan (Management Plan) Bagi Impak Social Di Ladang Lepar Hilir 5", dated 15.01.2019):</p> <p>Lepar Hilir 08 Estate: Sighted 19 foreign workers passports with expired work permit; whereby: - 05 out of 19 found to be in 'Senarai Syak / List of Suspects' in Malaysia Immigration's system, resulting in delay of work permit renewal. Their work permit found expired averagely from 09 to 18 months. - 05 out of 19 work permit expired averagely from 02 to 11 months; however, sighted work permit is newly obtained from immigration office as at time of audit. - 09 out of 19 work permit expired averagely from 02 to 05 months; however, renewal of work permit is still in progress based on the records of submission to the FGV head office.</p> <p>No further evidence sighted that progress of following up with immigration for the passport renewal is done progressively. Management interview and documentation review confirmed that all passport and work permit renewal is carried out 3 months in advance, however, process may be delayed if the foreign workers are found to be in suspected list.</p> <p>Lepar Hilir 05 Estate: Sighted 01 foreign workers passport with expired work permit since 11.05.2019. Communication with immigration confirmed that the foreign worker is found to be in the 'Senarai Syak / List of Suspects' in Malaysia Immigration System. As at current facility is awaiting for further immigration office to process and investigate further.</p>	

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Corrections:	Conducting SIA assessment on end of November 2019 and include on foreign workers passports with expired work permit in SIA report.
Root cause analysis:	No capturing on foreign workers passports with expired work permit in SIA report due to no monitoring from management.
Corrective Actions:	Prepare on action plan regarding this issue by sustainability officer end on November 2019.
Assessment Conclusion:	The issue about foreign workers work permit had been included in SIA conducted in November 2019 which action plan was also included. A checklist to monitor the expiry of foreign workers' permit had been established and implemented to ensure renewal is done on timely manner. There was no more workers with invalid permit found based on samples. Based on the verified evidence, the corrective action was found to be effectively implemented. Thus, the minor NCR is closed.

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1723882-201812-M1	Major – 4.4.4.2 (Part 3&4)	21/12/2018	Closed on 17/01/2019
1723882-201812-M2	Major – 4.5.3.3 (Part 3)	21/12/2018	Closed on 17/01/2019
1723882-201812-N1	Major – 4.4.6.3 (Part 4)	21/12/2018	Closed on 23/10/2019
1841172-201906-M1	Major – 4.3.1.1 (Part 4)	23/10/2019	Closed on 17/01/2020
1841172-201906-M2	Major – 4.4.4.2 (Part 4)	23/10/2019	Closed on 17/01/2020
1841172-201906-M3	Major – 4.3.1.1 (Part 3)	23/10/2019	Closed on 17/01/2020
1841172-201906-N1	Minor – 4.5.3.5 (Part 3)	23/10/2019	Closed on 23/10/2020
1841172-201906-N2	Minor – 4.4.1.1 (Part 3)	23/10/2019	Closed on 23/10/2020
1975783-202010-M1	Major – 4.5.1.1 (Part 4)	23/10/2020	Closed on 27/12/2020
1975783-202010-N1	Minor – 4.5.5.1 (Part 3)	23/10/2020	Open
1975783-202010-N2	Minor – 4.4.4.2 (Part 3)	23/10/2020	Open

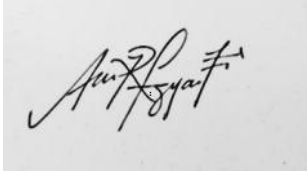

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues:</p> <p>IOI –Detas Estate</p> <p>The representative from IOI shared that their field is just adjacent to Lepar Hilir 5 and 6 Estate. Both has a good cooperation with IOI management and they also attended the previous stakeholder meeting by FGV and shared the output.</p> <p>Management Responses:</p>

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	Noted on the information.
	Audit Team Findings:
	No other issue.
2	<p>Issues:</p> <p>Sk Lepar Hilir</p> <p>FGVPM Lepar Hilir has a very good rapport with the Sk Lepar hilir. Al ways received contribution in any event by school.</p>
	Management Responses:
	Noted on the information.
	Audit Team Findings:
	No other issue.
3	<p>Issues:</p> <p>Gender Committee</p> <p>No sexual harassment case reported and the gender committee team were actively implemented.</p>
	Management Responses:
	Noted on the information.
	Audit Team Findings:
	No other issue.

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Lepar Hilir Palm Oil Mill and Supply base Certification Unit complies with the MS 2530-3:2013 & MS 2530-4:2013. It is recommended that the certification of Lepar Hilir Palm Oil Mill and Supply base Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Ameer Izyanif Hamzah	Name: Muhamad Naquiuddin Mazeli
Company name: FGV Holdings Berhad	Company name: BSI Services (M) Sdn Bhd
Title: Head of Sustainability Compliance & Certification Department	Title: Client Manager
Signature: 	Signature: 
Date: 15/1/2021	Date: 5/1/2021

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The estates do not have a separate policy established for MSPO, nevertheless they have implemented a Group Sustainability Policy (Policy Number: FGV/SED/POL/001), implemented on 29 th May 2019 undersigned by the Chairman of Board of Directors, YBhg Datuk Wira Azhar Abdul Hamid.FGV has established its Group Sustainability Policy (GSP). It is also available on website: https://www.fgvholdings.com/sustainability/policies-guidelines/	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The Sustainability Policy dated 29 th May 2019 demonstrates its commitments towards continual improvement with objectives such as below: <ul style="list-style-type: none"> • FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood. • FGV group is committed to ensure its employees and workers receive adequate training and development to achieve their full potential in performing assigned tasks efficiently. • FGV strives to use resources efficiently in order to improve productivity in its operation. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms. 	
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Audit plan for 2020 was planned and conducted on 10–11/09/2019 for Lepar Hilir 08 Estate and supply bases (Plan internal audit PSD RSP0 & MSPO 2019/2020).	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal Audit procedure FGV/ML-1A/L2-Pr11(1) rev 1 and effective date 13/02/19 was established. The audit was conducted on 10–11/08/2020 (Lepar Hilir 08 Estate) and 6-7/08/2020 (Lepar Hilir 05 Estate). The audit summary report sighted. There was 16 NCs (Lepar Hilir 08 Estate) and 7 NCs (Lepar Hilir 05 Estate) raised during internal audit and all NCs were closed effectively.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Management Review 01/2020 was conducted on 24/9/2020 (Lepar Hilir 08 Estate) and 8/09/2020 (Lepar Hilir 05 Estate). The meeting was chaired by Estate Manager. The discussion for Lepar Hilir 08 Estate management review is as follow: - Result of internal audit: 16 NCs (Lepar Hilir 08 Estate) and 7 NCs (Lepar Hilir 05 Estate). - customer satisfaction: No complaint was received. - product conformance: all delivery notes & weighbridge ticket was kept and recorded. - environment compliance: As per Aspect-Impact plan.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		- social impact: As per SIA plan.	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Management Review 01/2020 was conducted on 24/9/2020 (Lepar Hilir 08 Estate) and 8/09/2020 (Lepar Hilir 05 Estate). The meeting was chaired by Estate Manager.</p> <p>The discussion for Lepar Hilir 08 Estate management review is as follow:</p> <ul style="list-style-type: none"> - Result of internal audit: 16 NCs (Lepar Hilir 08 Estate) and 7 NCs (Lepar Hilir 05 Estate). - customer satisfaction: No complaint was received. - product conformance: all delivery notes & weighbridge ticket was kept and recorded. - environment compliance: As per Aspect-Impact plan. - social impact: As per SIA plan. 	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Continual improvement plan was established. Action plans available to include the issues from social, environmental impact, safety and health and quality.</p> <p>The sampled plans as follow:</p> <p>Lepar Hilir 8 estate</p> <p>As per Management review report;-</p> <ul style="list-style-type: none"> a) To increase production FFB b) To reduce pesticide usage in estate c) To give awareness and no open burning allowed in linesite 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		d) Quarterly conduct Social meeting for workers welfare.	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Any new information is updated to employees through morning briefings, memo, meetings, station training. The management already implement new practices on safety (NMSO) Near Miss Safety Observation. Training is also used as form of sharing information.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Action plan mostly involved training of workers for the implementation of mechanization techniques within estate field operation established for FGVPM estates.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Procedure Communication, Involvement and Consultation FGV/ML-1A/L2-Pr12 issue 1 version 0 dated 1/6/2016 and has been communicated in Malay language (national language) through letters to external stakeholders. Also, external stakeholders’ consultation was held with slides to explain on MSPO requirements on 24/08/17. Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/I2-Pr21 issue 1 re 2 dated Mach 2019. Policies are also displayed in POM and office mainly for internal stakeholders.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social	Both sampled estates hold copies of each of the management documents that are required to be publicly available. Apart from that, all the information such as annual report, sustainability news and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>outcomes.</p> <p>- Major compliance -</p>	<p>policies were found available in the company's website: www.fgvholdings.com</p> <p>Records of inspections and visits by the authorities such as KPDNK-HEP were well maintained.</p>	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>FGV has developed "Komunikasi, Penglibatan dan Rundingan" procedure (Doc. No. FGV/ML-1A/L2-Pr12 issue 1, rev. 0 dated 1/6/2016) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects. FGV has conducted a combined stakeholder meeting on 24/8/2017 for Kuantan Region. During the meeting, the management has explained the requirements of sustainable palm oil certification to all the stakeholders. Apart from that, briefing of policies and management procedures of sustainability was also given.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>Lepar Hilir 08 management had nominated the Supervisor (Mr. Muhammad Danial Bin Ahmad Sehanin) for communication and social person in charge. Appointment letter from the Estate Manager dated 10/3/2018 was available for verification. Whereas for Lepar Hilir 06 the appointed person was an Assistant Manager (Mr. Abdul Azim B. Abd Rahman) based on letter dated 10/6/2019 from the Estate Manager.</p>	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>The stakeholder list was last updated in September 2020 where internal and external stakeholders have been included in the list.</p> <p>Stakeholder meeting was last conducted on 24/8/2017 with the participation of internal and external stakeholders such as government authorities, contractors and local communities. Requests or enquiries</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>raised during the meeting was responded by the management and recorded in the minutes.</p> <p>Apart from that, Housing Defect Report was also implemented to record any complaints reported by the workers related to housing facility.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>Lepar Hilir Palm Oil Mill and Estate implemented the supply chain program based on SOP MSPO SCCS (Mass Balance) (MSPO SCCS, Issue No: 1, Dated: 22/10/2018) and MLSL(Ed.3)-Sec.4(8.0) dated 1 September 2017. The procedure was prepared by to cover the implementation of all supply chain requirements for both POM and estate.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly. The SOP sighted as follow:</p> <ul style="list-style-type: none"> a) Manual Ladang Sawit Lestari / Manual Operasi Kilang b) Manual Keselamatan c) Manual Sustainability <p>Sampling on regular inspection from management, the internal audit conducted on 10– 11/08/2020 with total 16 NC.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the Letter of Appointment for Lepar Hilir 8 estate (02)RSPO/P5 dated 7 August 2020 for Muhammad Danial, Shairul Abu Bakar, Muhammad Khahiran.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The records related to the transportation of FFB was available at estate. Sampled dispatch ticket as follow: FGVPM Lepar Hilir 08 Despatch Note: 01396366 Weighbridge Ticket: A00019428 Date: 20/6/2020 Tonnage: 01.57 mt Transporter: WXD2744 FGVPM Lepar Hilir 05 Despatch Note: 0015281 Weighbridge Ticket: A00037275 Date: 21/10/2019 Tonnage: 06.62 mt Transporter: CEB8157	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			

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4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in Manual Lestari established from the Head Office level.</p> <p>a) The Legal Department will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.</p> <p>b) Thereafter the estates and mill where applicable will be notified via email on the changes/update of LORR for implementation. Licenses/permit viewed as compiled by the estates for the legislative requirement among others viewed were as follows.</p> <p>Lepar Hilir 8 Estate 1. MPOB License: 558970002000 validity 01/03/2020 – 29/02/2021.</p> <p>Lepar Hilir 5 Estate 1. MPOB License: 559601002000 validity 01/04/2020 – 31/03/2021 (estate). 2. MPOB License: 569156011000 validity 01/02/2020 – 31/01/2021 (nursery) 3. Permit Water Consumption (Ground Water): 0358 validity 01/01/2020 - 31/12/2020. 4. Labour Law permit: Reference number: (22)dIm BHG. PU/9/129 Jld 23 dated 26/04/2016 for all FGV Plantations for water & electricity bill and medical cost.</p>	Complied
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folders.</p> <p>a) Documented procedure has been established and implemented refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p>	Complied

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		<p>b) The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base.</p> <p>The sample of Act and Legal:</p> <p>a) Diesel 10,000 license from KPDNKK (PHG/PD/K/19/2018) valid from 12/10/2020 until 11/10/2021</p>	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Estate established and implemented the procedure of <i>Sistem Semakan Perubahan Undang-undang</i>; Doc. Type: Guideline; Date: 23/6/2016; Rev. 4 for updating of any new amendments or new regulations coming into force.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Estate manager was assigned as the overall responsible person to monitor compliance with assistance by assistant managers and officers to track and update changes in regulatory requirements.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>There was no evidence that the oil palm cultivation activities are diminishing the land use rights of other users.</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p>	<p>The estates (which is under FGV Holding Berhad) is able to demonstrate its right to use the land through an agreement entitled "Second Supplement Agreement", dated 2/9/2020 between FELDA and</p>	Complied

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	- Major compliance -	FGV Plantations Sdn Bhd. The agreement is to supplement the Tenancy Agreement (Principal Agreement) dated 7/2/2018.	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	A legal boundary was clearly demarcated. Lepar Hilir 8 Estate Site visit to boundary at field PR13QM with smallholder was maintained. Colored pegs and boundary trenches was maintained by both the estates.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Procedure documented on 'Identification and Negotiation of Land Dispute' [doc. No.: FGV/ML-1A/L2-Pr10 dated 01/06/2016] had been established. There is no dispute at this certification unit so far.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The land is legally owned by FELDA and leased to FGV. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The land is legally owned by FELDA and leased to FGV. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The land is legally owned by FELDA and leased to FGV. The existing land is not encumbered by any customary land rights.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SIA was conducted on 28/11/2019 for Lepar Hilir 08 and 26/11/2019 for Lepar Hilir 06 by Sustainability Compliance & Certification Department (SCCD). The main objective of the assessment is to mitigate the negative social impacts and promote the positive ones. Internal stakeholders which is mainly estate’s workers and external stakeholders such as FFB transporters, surrounding estates, schools, surrounding communities, etc. were included in the assessment. Interview through meetings, phone calls and distribution of questionnaire were among the methods used in the assessment. Both identified positive and negative impacts have been recorded in the SIA Management Plan.</p> <p>In general, among the negative impacts identified were:</p> <ul style="list-style-type: none"> - unclear on recruitment fees for foreign workers - poor understanding of RSPO MSPO requirements among the workers contractors - time-consuming of work permit renewal for foreign workers which giving the risk to the workers being workers without permit <p>Whereas, among the positive impacts were job opportunities to surrounding communities and contract award through open tender.</p>	<p>Complied</p>
Criterion 4.4.2: Complaints and grievances			

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4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	FGV has developed procedure of "Menangani Aduan dan Rungutan" (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	The sampled estates are having a log book to record complaints or requests from the stakeholders. Most of the complaints were about defects of housing facilities and unclear about the details of wages. Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint record books were available in the office, where the stakeholders can easily access in order to lodge their complaint. There was no complaint lodged from any external stakeholders since the last assessment.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interview with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The records of complaint for the past 24 months (since October 2018) were available in the complaint records book.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, occasionally there have been approved request from some neighbouring schools for van for schools' activities and monetary contribution for surau.</p>	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The Occupational safety and health policy and plan was available at site. The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p> <p>Included in the Policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. Verified as per interviewed with management and workers at site.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied 	<p>a) Policy established as Dasar Kualiti, Keselamatan, Kesihatan Pekerjaan dan Alam Sekitar (Quality, Occupational Safety and Health and Environment Policy); Signed by: CEO FPISB; Rev. 10; Date: 20/11/2017; First issue: 10/8/1999. Sighted sample records of policy communication conducted on 1/1/2020</p> <p>b) For risk assessment on chemical in Lepar Hilir 8 estate, CHRA (HQ/17/ASS/00/00015-2019/22) prepared by Intensive Energy Sdn Bhd. For every activity or work in estate was been assess in HIRARC dated Jan 2020.</p> <p>c) Awareness training programme was established and workers involved with chemical handling were trained. Chemicals were arranged and segregated accordingly in the chemical store. The</p>	Not Comply

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<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>CCDS/SDS for chemicals available at point of use. In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>d) The PPE is been given to workers referred record in ` Buku Penyerahan PPE kepada pekerja'. The estates provide PPE to the employees such as mask (SH2550, 3M N95, F710 C/V), gloves (cloth, latex) apron, safety helmets, safety shoes/rubber boots relevant to the work handled by the workers.</p> <p>e) The management had established Standard Operating Procedure for handling of chemicals, FGVP/L3/PK-16 to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management appoint (119)FGVPM/275/OSH/JKKP for Siti Mariah Binti Bain dated 11/3/2020 in Lepar Hilir 8 estate.</p> <p>g) Records showed that in 2020 OSH committee meetings were conducted on 21/9/2020 (03/2020), 11/6/2020(02/2020) and 11/3/2020(01/2019). These meetings were to conduct regular two-way communication with their employees.</p> <p>i) The management trained in First Aid dated 27/1/2020 to all field operations however found En Khairi Saad was not attend the first aid training. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Accident record (JKKP6) was available dated 10/9/2020. And all JKKP 8 was available for all estate dated Jan 2020. The record available at site for reviewed.</p>	

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		<p>However sighted :-</p> <p>a) The management (Lepar Hilir 8 estate) trained in First Aid dated 27/1/2020 to all field operations however found En Khairi Saad did not attend the first aid training. A First Aid Kit equipped with approved contents available at each worksite however sighted (Lotion/iodin) was expired on May 2020.</p> <p>b) The management (Lepar Hilir 6 estate) trained in First Aid dated 20/7/2020 to all field operations however found Mandore (En Mohd Rosli) did not attend the first aid training.</p> <p>Thus, Minor non conformity was raised during this audit.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3 Respect for human rights) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards at workers' hostel and training. Interview with workers showed that they have a good understanding on human rights.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.2 Responsible Employment) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid).</p>	Complied

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		The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. Interview with the workers showed that no discrimination is being practiced.	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>FGV has established an employment contract for its workers. Pay and conditions are documented in the contract and found to be in accordance to the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled of the pay slips for the months of Mar, Jun, and Sep 2020 confirmed that the workers were paid in accordance with Minimum Wage Order 2020. The sampled employees were:</p> <p><u>LH08</u></p> <p>Emp. No.: FW06131461, FW06131056, FW06131442, FW06131357, FW06131086, FW06131235, FW06131177, FW06131111, FW06131128, FW06131241, FW06131401, LW06130175, and LW06130053.</p> <p><u>LH08</u></p> <p>Emp. No.: FW06570910, FW02750273, FW02751289, FW02751347, FW02751184, FW02751096, FW02751193, FW02751125, FW02751106, FW02751265, FW02751143, FW02751372, LW02750097, and LW02750101.</p>	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	Management ensured the employees of contractors are paid based on legal or industry minimum standards according to the employment contract by obtaining and reviewing pay slips from the contractors. Verification of the payslips confirmed that the employees of contractors	Complied

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	- Minor compliance -	were paid in accordance to minimum standard including contribution of EPF and SOCSO.	
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers will be registered in the Human Resource Management System (HRMS) where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Offer letters were issued and acceptance of offer were acknowledged, and copies were kept by the workers. This has been verified through interview with workers. The terms and conditions such as salary, termination of employment, annual leave entitlement and probation period were clearly stated in the</p> <p>Sampled of offer letters were:</p> <p><u>LH08</u></p> <p>Emp. No.: FW06131461, FW06131056, FW06131442, FW06131357, FW06131086, FW06131235, FW06131177, FW06131111, FW06131128, FW06131241, FW06131401, LW06130175, and LW06130053.</p> <p><u>LH08</u></p>	Complied

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		Emp. No.: FW06570910, FW02750273, FW02751289, FW02751347, FW02751184, FW02751096, FW02751193, FW02751125, FW02751106, FW02751265, FW02751143, FW02751372, LW02750097, and LW02750101.	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>The working hours are recorded using "kad kong" where the attendance can be verified. Sampled of time card as follows:</p> <p><u>LH08</u></p> <p>Emp. No.: FW06131461, FW06131056, FW06131442, FW06131357, FW06131086, FW06131235, FW06131177, FW06131111, FW06131128, FW06131241, FW06131401, LW06130175, and LW06130053.</p> <p><u>LH08</u></p> <p>Emp. No.: FW06570910, FW02750273, FW02751289, FW02751347, FW02751184, FW02751096, FW02751193, FW02751125, FW02751106, FW02751265, FW02751143, FW02751372, LW02750097, and LW02750101.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Based on the records review of the "kad kong" of sampled workers it was found that the entry time and exit time which were clearly recorded. Although there is no trade union at the estates, there is a committee which main objectives are to have a platform in discussing the welfare of workers. The workers representatives were selected by the workers themselves. Each origin country has their own representative. The last meetings were conducted on 30/3/2020 (Lepar Hilir 8) and 7/7/2020 (Lepar Hilir 6).</p>	Complied

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4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "kad kong". Total hours of overtime and daily attendance were recorded in the "kad kong". The following payslips were sampled for the month of Mar, Jun, and Sep 2020:</p> <p><u>LH08</u></p> <p>Emp. No.: FW06131461, FW06131056, FW06131442, FW06131357, FW06131086, FW06131235, FW06131177, FW06131111, FW06131128, FW06131241, FW06131401, LW06130175, and LW06130053.</p> <p><u>LH08</u></p> <p>Emp. No.: FW06570910, FW02750273, FW02751289, FW02751347, FW02751184, FW02751096, FW02751193, FW02751125, FW02751106, FW02751265, FW02751143, FW02751372, LW02750097, and LW02750101.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The management has provided facilities such as mosque, recreational facilities such as futsal field, badminton court and volleyball court to the workers and dependents. Government clinic was available in the complex. The workers will be granted bonus once a year based on performance of the workers. Incentive and allowance were given to the workers as well.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p>	<p>Hostels were provided to workers with basic amenities. Water and electricity are supplied from public domain which subsidy is provided by the estates.</p>	Complied

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	- Major compliance -		
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sexual Harassment Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.6 Gender Equality and Preventing Sexual Harassment & Violence) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid)</p> <p>Besides, procedure "<i>Menangani Aduan Melalui Jawatankuasa Wanita</i>" (Doc. No.: FGV/ML-1A/L2-Pr14, rev. 0, dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. There was no issue regarding sexual harassment and violence reported.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Freedom of Expression Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3.4 of policy document) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid).</p> <p>The company allows the employees to join any legal association and get approval from the management. Workers' Committee was established to discuss issues among the workers.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p>	<p>Felda Global Ventures has developed Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old.</p>	Complied

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	- Major compliance -																				
Criterion 4.4.6: Training and competency																					
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Both estates have organised trainings for their employees. There were also sessions held with presence of contractors and vendors with business relationship with the organisation.</p> <p>a) Lepar Hilir 8 Estate held the following sessions.</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>PPE training</td> <td>18/8/2020</td> </tr> <tr> <td>Policy and sustainability awareness training</td> <td>5/8/2020</td> </tr> <tr> <td>Rat Baiting Training</td> <td>20/8/2020</td> </tr> <tr> <td>Environmental management and Policy</td> <td>8/6/2020</td> </tr> <tr> <td>Harvesting training</td> <td>22/4/2020</td> </tr> <tr> <td>Spraying training</td> <td>16/5/2020</td> </tr> <tr> <td>HCV and RSPO/MSPO training</td> <td>20/7/2020</td> </tr> <tr> <td>Chemical handling</td> <td>30/6/2020</td> </tr> </tbody> </table>	Training	Date	PPE training	18/8/2020	Policy and sustainability awareness training	5/8/2020	Rat Baiting Training	20/8/2020	Environmental management and Policy	8/6/2020	Harvesting training	22/4/2020	Spraying training	16/5/2020	HCV and RSPO/MSPO training	20/7/2020	Chemical handling	30/6/2020	Complied
Training	Date																				
PPE training	18/8/2020																				
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Chemical handling	30/6/2020																				

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		Fertiliser application training	30/1/2020	
		IPM Training	18/6/2020	
		First Aid Training	27/1/2020	
		b) Lepar Hilir 6		
		Training	Date	
		Covid Training	26/3/2020	
		Policy and sustainability awareness training	16/6/2020	
		Rat Baiting Training	26/6/2020	
		Harvesting training	10/9/2020	
		Spraying training	1/7/2020	
		HCV and RSPO/MSPO training	10/8/2020	
		Chemical handling	1/7/2020	
		Fertiliser application training	20/7/2020	
IPM Training	26/6/2020			

Criterion / Indicator		Assessment Findings		Compliance
		First Aid Training	20/7/2020	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Training needs of individual employees had been identified prior to the planning and implementation of the training programmes. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix for 2020 "Training Needs Analysis (TNA) 2020/2021" dated Jan 2020.</p>		Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>It was evident that from the training matrix for Lepar hilir estate 2020 and Refresher & Awareness Program 2020, the training records for 2020/2021 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.</p>		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>As above, Environmental policy established as Group Sustainability Policy; Policy # FGV/SED/POL/002; Rev. 0.3; Effective date: 29/5/2019. Policy briefing 8/6/2020 by the estate management to all workers.</p>		Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>The environment management plan dated 25/8/2020 has included all pertinent environmental receptors and in lined with company's policy and legal requirement as per EQA 1974.</p> <p>Sighted the Report of Environmental Aspect and Impact for operation in estate FGV/FGVPM/IV/IMS/15/1.6Pind 1 dated 25/8/2020.</p>		Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Environmental management plan for 2020 (Pollution & Emission) available. Significant environmental issues identified: <ol style="list-style-type: none"> 1. Buffer zone 2. Chemical handling 3. Domestic waste 4. Scheduled waste 5. Zero burning Assistant manager has been appointed to monitor the overall implementation of the management plan.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Programmed to promote positive impacts on environment was verified example such as Programme of HCV have been done and recorded dated 20/7/2020.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	A training program is available in Training Plan updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. This can refer to indicator 4.4.6.1.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Latest environmental meeting was done on 18/8/2020 at Estate Office. This meeting discuss regarding to their concerns about environmental quality. Including Scheduled waste, Solid waste, Buffer Zone and others.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall	The record of Diesel usage was available for Lepar Hilir estate. All electrical power at the visited estates are supplied through national electricity grid. Diesel at estates are consumed by farm tractors and	Complied

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Criterion / Indicator		Assessment Findings	Compliance													
	<p>be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>buy at petrol station in village. The tractor servicing period is monitored to ensure its operating efficiency, thus less consumption of diesel fuel. Similarly, planting of beneficial plants reduce the usage of fuel (and chemical) by motorize spray.</p>														
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Management of estates has maintained records of energy usage, which is compiled on monthly basis for monitoring. The use of the fossil fuel against the FFB production is being monitored. For example;</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Lepar Hilir 8</td> <td>2019</td> <td>1.64 litre/mt</td> </tr> <tr> <td>2020</td> <td>1.10 litre/mt</td> </tr> <tr> <td rowspan="2">Lepar Hilir 5</td> <td>2019</td> <td>1.40 litre/mt</td> </tr> <tr> <td>2020</td> <td>1.21 litre/mt</td> </tr> </tbody> </table>	Estate	Year	Diesel/ mt FFB	Lepar Hilir 8	2019	1.64 litre/mt	2020	1.10 litre/mt	Lepar Hilir 5	2019	1.40 litre/mt	2020	1.21 litre/mt	Complied
Estate	Year	Diesel/ mt FFB														
Lepar Hilir 8	2019	1.64 litre/mt														
	2020	1.10 litre/mt														
Lepar Hilir 5	2019	1.40 litre/mt														
	2020	1.21 litre/mt														
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>There was no opportunity to use renewable energy in both Estates at current technology. Mainly such practices are made in the mills whereby fibres and shell are used as fuel in the boiler for steam production thereafter for power generation.</p>	Complied													
Criterion 4.5.3: Waste management and disposal																
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The management establish the Landfill procedure SMP-GPB-12 Rev:01 dated 1 December 2014. In addition there are 'Pelan Pengurusan Domestik Dan Bahan Buangan Tahun 2020'. In this plan activities as</p>	Complied													

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Criterion / Indicator		Assessment Findings	Compliance
		<p>scheduled are monitored with the date/month recorded. This was sighted and verified.</p> <p>The landfill has signboard displayed and properly demarcated. The area is sufficiently distant from habitation and water contamination. The site disposal area (landfill area) is shown and marked in the estate map. The estates also maintained records of source identification source and type of scheduled waste.</p>	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>This is available under document titled Pelan Pengurusan Sisa Domestik Dan Bahan Buangan Tahun 2020. Type of waste material is identified as follows:</p> <p>a) Source from estate & mill operation i.e empty fertiliser bags, used tyres and scrap metal/used woods.</p> <p>b) Source from office & housing activities i.e. papers, plastic, glass, rags, aluminium, domestic food waste, kitchen waste, etc. EFB if utilised will only be for general uses e.g. mulching for the replant and for the recreational purposes / growth support for the ornamental plants.</p>	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQD and implemented in all estates and mills for all the applicable practices. The operational control procedures provide guidelines as follows ;</p> <p>a) Management of class 2 (and higher) chemical containers</p> <p>b) Management of fertilizer bags</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Latest disposal referred to Borang Permohonan Penghantaran BBT (FGVPM/L4/F(PAS-08)/1.1) dated 21/10/2020 for SW 409(Used PPE and empty container) to Bukit Sagu 4 (Central Store).	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	Empty pesticide container was been triple rinsing and dispose at Bukit Sagu 4 as centralize store. Latest record disposal dated 19/10/2020 with total 83 pieces have been dispose. For Bukit Sagu 4 will dispose all container at Greenverse Sdn Bhd. In Lepar Hilir 6 the disposal of PPE (SW 409) dated 21/10/2020 at Bukit Sagu 4.	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>As per previous audit 1 finding as per below been raised:- Sighted the following at Lepar Hilir 8 Estate located in field no PM91L:</p> <ol style="list-style-type: none"> 1. Landfill for domestic wastes were not properly managed. 2. No signage for closed landfills. 3. No segregation of recyclable waste. <p>Refer to the Pengurusan Sisa Pepejal (Isi Rumah) Doc no: FGV/FGVPM/II/IMS/15/011B dated 02/02/2019, (6.1.12) Pihak ladang perlu membuat pembersihan di tapak pelupusan sekiranya sampah berselerak di luar kawasan pelupusan. (6.1.14) Tapak pelupusan yang telah dikambus perlu ditandakan bagi mengelakkan penggalian semula tapak pelupusan. (6.2.3) Penghuni perlu mengasingkan sendiri sampah yang boleh dikitar semula seperti dikategorikan dan tidak dibuang di dalam tapak pelupusan.</p> <p>On this audit, the Lepar Hilir 8 estate already assign BUJ Technology Enterprise Sdn Bhd as Domestic waste management as per letter agreement (54)FGVPM/613/6-1-15 dated 14/2/2020. The payment</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																										
		been made every month for services, sampling record on August 2020 (CLP027420080037) dated 17/8/2020, and April 2020 (CLP061320040007) dated 14/4/2020 Thus this minor NC was close accordingly.																											
Criterion 4.5.4: Reduction of pollution and emission																													
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of GHG, scheduled waste and solid waste was available under aspect and impact assessment dated Jan 2020.</p> <p>The assessment of all polluting activities is defined in the Estate – Pollution & Emission Plan endorsed on 5 Sept 2019. Details as provided therein among others as given below:</p> <p>a) Estates</p> <table border="1"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Air pollution</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Operational hours</td> </tr> <tr> <td rowspan="2">4</td> <td rowspan="2">Waste water</td> <td>Oil trap/sump</td> <td>Scheduled inspection</td> </tr> <tr> <td>Septic tank spillage</td> <td>Weekly inspection</td> </tr> </tbody> </table>	No	Emission	Source	Frequency	1	Dark smoke	Running vehicles	Daily	2	Noise	Diesel engine	Operational hours	Running vehicles	Daily	3	Air pollution	Diesel engine	Operational hours	Running vehicles	Operational hours	4	Waste water	Oil trap/sump	Scheduled inspection	Septic tank spillage	Weekly inspection	Complied
No	Emission	Source	Frequency																										
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Criterion / Indicator		Assessment Findings	Compliance
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Both the estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective & targets and action to be taken. All available under aspect and impact environment from the estate activity.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the	The water management plan available for reviewed dated 10/3/2020 to maintain the quality and availability of natural water resources (surface and ground water). The water management plan include;- i. Two water source been declared from water government (PAIP) and water from collection pond. ii. The monitoring of outgoing water (Sg Lepar) flow through Lepar Hilir 8. In Lepar Hilir 6 there are a river (Sg Sema). As per monitoring of outgoing water (Sg Sema), management will conduct once a year dated 3/9/2020 batch 251/2020W. The result was comply to APHA Method 21 st Edition 2005. iii. To optimize the water and nutrient usage to reduce wastage, management to monitoring the pipe leakage in residential area, ensure no leakage of spraying pumps and educate the workers regarding to promotes water conservation. Sample implementation of water leakage as per linesite inspection (latest record 10/6/2020) done by weekly. iv. For protection of water courses, site visit at area PR13Q sighted no chemical activity trace in bufferzone area however sighted bufferzone was painted with green colour not followed as per SOP FGVPM/L2/PAS-03 (blue and white) dated 23/1/2020.	Not Comply

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Criterion / Indicator		Assessment Findings	Compliance
	<p>ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>v. No trace of natural vegetation in riparian areas has been removed. All in good condition.</p> <p>vi. No bore well is being use for water supply, Lepar hilir 8 using PAIP (Pengurusan Air Pahang) as water supply.</p> <p>However sighted At Lepar Hilir 08 Estate, during the site visit at the workers' hostel (Asrama Kubur and Asrama 17X) it was found that several taps at the bathrooms were left opened and unattended. This had caused the loss of water through overflow from the tubs to the drains. Thus, Minor non conformity was raised during this audit.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>There is no construction of bunds, weirs and dams across main rivers or waterways passing through sampling estate.</p>	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>Water harvesting practices was implemented. It was used for washing compound at estate office.</p>	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	<p>The HCV and biodiversity study for FGVPM Lepar Hilir 8 was made on 15/09/2016 and updated on 19/11/2018. Therein the report it was concluded that the estate maintained buffer zone of Sg Lepar & Sg Buloh with high vegetative conservation.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>Lepar Hilir 6 – dated 14/12/2016 been assess by PSD, from FGVHB 1/12/2018 (Kemaskini), Sungai Sema & boundary with Lepar Forest reserve.</p> <p>Relevant action plans had been established and implemented concerning protection of the riparian, such as identification on map and ground, restriction of no chemicals activities, awareness training to workers and patrolling by Auxiliary Police.</p>	
4.5.6.2	<p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>c) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>d) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>As per verification, there is no RTE species in the area as per assessment. The monitoring record available for review dated 10/4/2020. The signage discouraging any illegal or inappropriate hunting, fishing or collecting activities available verified during site visit.</p> <p>Relevant programme to workers pertaining awareness of HCV areas and RTE observed conducted. Interview with employees noted that awareness programme had been conducted. Employees were aware of:</p> <p>a) Not to capture, harm, kill any wildlife. b) Disciplinary measures shall be taken if found violating company rules. c) Not to chemicals in riparian buffer zone.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The Environment Improvement & Management plan dated 16/3/2020 on the protection of HCV areas is available. The CU observed implemented the established action plans, including monitoring (patrolling) of the conservation areas by Auxiliary Police. Record of monitoring (patrolling) observed maintained. Observed no monitoring outcomes that requires changed of practices or action plan</p>	Complied
Criterion 4.5.7: Zero burning practices			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	The Group policy of "Zero open burning" is enforced since 01/06/2014. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in both the estates. Both estates recorded replanting program for the forthcoming 5 years. Refer details in 4.6.2.2.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	Not applicable because no evidence of any open burning implementation on site.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	Not applicable because no evidence of any open burning implementation on site.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in Felda Agricultural Services/FGV. The organisation excluded stages relating to shredding, pulverized and ploughing in the land preparations.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	No Changes from previous report. The estates operations are guided by the following manual and procedures established for the Group Estates. The manuals and documents were introduced on the various	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>year i.e. manual lestari in June 2012. Thereafter being subject to review as changes are made with new work method and amendments in agricultural policies.</p> <ul style="list-style-type: none"> - Manual Ladang Sawit Lestari - Manual Keselamatan - Manual Sustainability - Manual Greding BTB – MPOB - Buku KUK 4 (Kadar Upah Kerja) Pekerja - Manual Perolehan (Procurement) - Pictorial Safety Standards - Security Guidelines. 	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>The estates construct terraces at slope area of more than 6 degrees. Planting of cover crop are made to retain the soil structure and conservation.</p> <ul style="list-style-type: none"> a) Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. b) Terraces are constructed inclined towards the terrace wall. 	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signages at the boundary/corners of every fields. This was observed during the field visit in both estates.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates had a similar format i.e. in the form of annual budget with a 5 year projection. (Budget year, PY2, PY3, PY4, PY5). This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Both estates established a replanting program spanned over a 5-year period till 2024. All programs were sighted. All replanting program and planning in all the Group Estates Assistance and audit are performed as and when required and necessary. Sampling on Lepar Hilir 8, replanting already in progress, almost replant with total 678.14 ha for PR 19 and PR 20.	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above. The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is sighted.	Complied
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	The estates performance is recorded in the monthly progress report. a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	b) The management also provides variance report on the performance and reviewed on a monthly basis. c) The supervisory personnel maintained a daily cost for the field operations. The meeting involving the Managers sits monthly with the Regional PA and Head for the performance review.	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Guided by “Polisi Perolehan Kumpulan (PPK)” of Felda Global Ventures Holdings Berhad which covers various subjects such as selection method of vendors, procurement methods, tender policy, contract award policy, quotation policy, etc.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors have acknowledged on a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements. e.g.: Letter dated 16/10/2020 [ref.: (13)26/2/07-05/4-AM/2020], subject: <i>Peringatan Pematuhan Undang-undang dan Syarat-syarat Kerja oleh Kontraktor Pengangkutan BTS</i> , signed by Ketua Pegawai Executive FGVP, Mohd Sarian Md Sahid.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Agreed contracts were done through Surat Perintah Kerja, e.g.: LH08 #5300006455-validity 1/7/2020 to 30/6/2021-Syarikat Hasdori Jaya #5300003777RC02-validity 1/1/2020 to 31/12/2020-Sejati Enterprise LH06 #5300003849RC02-validity 1/2/2020 to 31/1/2021-Syarikat Hasdori Jaya #5300004725-validity 1/12/2019 to 30/11/2020-Syabasku Jaya Enterprise	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	This requirement has been specified during a briefing by the estates to the contractors/suppliers. In addition, there was a letter to acknowledge acceptance on the MSPO guidelines and requirements.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	Prior to releasing payments to the contractors, the estates' management have done the performance evaluation which is reported through " <i>Laporan Untuk Melawat Kawasan Kerja Yang Telah Siap</i> "	Complied
4.7 Principle 7: Development of new planting (No New Planting)			

MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The estates do not have a separate policy established for MSPO, nevertheless they have implemented a Group Sustainability Policy (Policy Number: FGV/SED/POL/001), implemented on 29 th May 2019 undersigned by the Chairman of Board of Directors, YBhg Datuk Wira Azhar Abdul Hamid.FGV has established its Group Sustainability Policy (GSP). It is also available on website: https://www.fgvholdings.com/sustainability/policies-guidelines/	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The Sustainability Policy dated 29 th May 2019 demonstrates its commitments towards continual improvement with objectives such as below: <ul style="list-style-type: none"> • FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood. • FGV group is committed to ensure its employees and workers receive adequate training and development to achieve their full potential in performing assigned tasks efficiently. • FGV strives to use resources efficiently in order to improve productivity in its operation. • FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Audit plan 2020 planned on 29/8/2020 for Lepar Hilir POM and supply bases (Plan internal audit PSD RSPO & MSPO 2020/2021).	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal Audit procedure FGV/ML-1A/L2-Pr11(1) rev 1 and effective date 13/02/19 was established. The audit was conducted on 29/8/2020. The audit summary report sighted. There was 24 NCs raised during internal audit and all NCs were closed effectively.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Management Review (01/2020) conducted on 01/9/2020 was discuss on the internal audit findings and has been completed and reviewed in this meeting minutes and signed by Mill Manager.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Management Review 01/2020 was conducted on 01/9/2020 at Dewan Hiliran Utama. The meeting was chaired by Mill Engineer. The discussion as follow: <ul style="list-style-type: none"> - Result of internal audit: all NC for internal MSPO Audit. - customer satisfaction: No complaint was received - product conformance: all delivery notes & weighbridge ticket was kept and recorded. - environment compliance: no changes and no impact on environmental issue. - social impact: no newly impact. Previous plan remained. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		- continuous improvement plan: 7 plans included reducing the pesticides usage, recycle strategy, etc.	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Continual improvement plan was established. Action plans available to include the issues from social, environmental impact, safety and health and quality. The sampled plans as follow: 1. Maximizing recycling and reducing waste or generation of by-products (eq. Scrap iron, shell, shredded, scum, solid, contaminated soil) 2. Corporate Social Responsibility Programs 3. Zero accidents and occupational health illness 4. Improve on OER and KER	Complied
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Any new information is updated to employees through morning briefings, memo, meetings, station training. Training is also used as form of sharing information eg: awareness training on RSPO/MSPO was conducted on 21/7/2020.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Procedure Communication, Involvement and Consultation FGV/ML-1A/L2-Pr12 issue 1 version 0 dated 1/6/2016 and has been communicated in Malay language (national language) through letters to external stakeholders. Also, external stakeholders' consultation was held with slides to explain on MSPO requirements on 24/08/17.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/I2-Pr21 issue 1 re 2 dated Mach 2019. Policies are also displayed in POM and office mainly for internal stakeholders.	
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Lepar Hilir POM holds copies of each of the management documents that are required to be publicly available. Apart from that, all the information such as annual report, sustainability news and policies were found available in the company's website: www.fgvholdings.com Records of inspections and visits by the authorities were maintained such as inspection of electricity by competent engineer, DOE visits and DOSH visits.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	FGV has developed "Komunikasi, Penglibatan dan Rundingan" procedure (Doc. No. FGV/ML-1A/L2-Pr12 issue 1, rev. 0 dated 1/6/2016) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects. FGV has conducted a combined stakeholder meeting on 24/8/2017 for Kuantan Region. During the meeting, the management has explained the requirements of sustainable palm oil certification to all the stakeholders. Apart from that, briefing of policies and management procedures of sustainability was also given.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Management has nominated the Executive Assistant (Mr Tajudin bin Mustappa) for communication and social person in charge. The letter of appointment dated 28/07/19 signed by Mill Manager of Kilang Sawit Lepar Hilir.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>The stakeholder list was last updated on November 2020 where internal and external stakeholders have been included in the list.</p> <p>Stakeholder meeting was last conducted on 24/8/2017 with the participation of internal and external stakeholders such as government authorities, contractors and local communities. Requests or enquiries raised during the meeting was responded by the management and recorded in the minutes.</p> <p>Apart from that, Housing Defect Report was also implemented to record any complaints reported by the employees related to housing facility.</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Lepar Hilir Palm Oil Mill and Estate implemented the supply chain program based on SOP MSPO SCCS (Mass Balance) (MSPO SCCS, Issue No: 1, Dated: 22/10/2018). The procedure was prepared by to cover the implementation of all supply chain requirements for both POM and estate.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly. The SOP sighted as follow:</p> <p>a) Manual Ladang Sawit Lestari / Manual Operasi Kilang b) Manual Keselamatan</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		c) Manual Sustainability	
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the Letter of Appointment for assistant manager dated 28/7/2019 from Estate Manager.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of sales, delivery/transportation maintained as per following samples: Input: Sampled the weighbridge ticket as below: Weighbridge ticket: 01410552 Supplier: Felda Lepar Hilir 6 Transporter: CAC2575 Product: Fresh Fruit Bunch Contract: - Nett weight: 10,670 kg Date: 17/10/2020 Weighbridge ticket: 01394383 Supplier: Felda Lepar Hilir 8	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p> Transporter: CCE4985 Product: Fresh Fruit Bunch Contract: - Nett weight: 9,140 kg Date: 3/6/2020 External FFB input: Sampled the weighbridge ticket as below: Weighbridge ticket: 01410551 Supplier: Felda Lepar Hilir 4 (Non-certified) Transporter: CAV3943 Product: Fresh Fruit Bunch Contract: - Nett weight: 6,080 kg Date: 17/10/2020 Output: Weighbridge Ticket: 03015711 Product: CPO Customer: XXXX </p>	

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Criterion / Indicator		Assessment Findings	Compliance
		Vehicle No: WPD7814 Sale order no: SI/9G45/9GAB/0920/01 Nett weight: 3943kg Date: 15/09/2020 Weighbridge Ticket: 04003631 Product: PK Customer: XXXX Vehicle No: WYH7230 Contract No: RT004067 Nett weight: 43,590kg Date: 29/09/2020	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Lepar Hilir Palm Oil Mill continued to comply with legal Requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. The licenses and permits governed by the Local, State and Federal authorities among others as shown below;	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Energy Commission license serial no:32888; Capacity: not exceeding 3600 kW valid until 31/12/2020 2. KPDNHEP Diesel license serial no:C000038; Ref no: PHG/PD/K/34/2015; Approved quantity: 25,000 liter. Valid until July 2021. 3. MPOB license 500205504000 valid until 31/3/2021 and 618370015000 valid until 30/6/2021. 4. Pahang state water extract license serial no: 0272; License no: SWUL/LPSA/9/2019; valid until 31/12/2020 5. Audiometric test report done periodically, the record available for review. Conducted by Klinik Syed Badaruddin Sdn Bhd (HQ/08/DOC/00/7). The result recorded 69 abnormal audiogram and 1 Standard threshold. In Lepar Hilir POM, the Audiometric test conducted on 25/7/2020. 6. Baseline Noised Risk Assesement for Lepar Hilir mill was available conducted by Yellow Tulips Resources (HQ/08/PEB/00/87) dated 5 May 2020. 	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Applicable legal requirements listed as Register of Laws and List of Relevant Act, Laws and Regulations; as per sample sighted:</p> <p>- Legal Registry for Financial Year 2020 (Lepar Hilir POM); Date: 30/4/2020</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The Sustainability Department, based Head Office is responsible to track changes in the law and the information was disseminated to all of its plantations and mills. LORR was established to cover all</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>legal acts, regulations and other requirement related to POM and supply base.</p> <p>The applicable legal requirements for the mill and estate were registered in “Daftar Perundangan dan Lain-lain Keperluan” (Register of Legal and Other Requirements) (FPI/L4/QOSHE-2.1 Pind 0) which was last updated on 1st September 2020. The register has info about:</p> <ul style="list-style-type: none"> • Legal and Other Requirements • Enforcer Body • Main requirement • Enforcement standard • Penalty (RM) • Responsible Departments • Compliance status 	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Management assigned either Mill Engineers or Chief Clerks as person responsible to monitor compliance and tracking/updating changes in legal requirements. Refer to “Panduan: Sistem Pengesanan Perubahan Undang-undang” dated 23/6.2017, Version: 04. This correspondence was sighted via an email issued from Head Office for the operating units to update and comply where applicable.</p> <p>The Mill Manager is entirely responsible to monitor compliance in the mill.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p>	<p>The land titles were belonged to FELDA and leased to FGVPI Sdn Bhd. There was no evidence that the oil palm milling activities are diminishing the land use rights of other users.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Pahang State government leased the land to FELDA for development. As per agreement letter between FELDA and FELDA Mills Corporation dated 4/5/1994, FELDA agreed to grant part of the land for the purpose of palm oil mill and related purpose under Grant no H.S.(D) 17996, PT 1310, 51250 m2.00000	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	A legal boundary was clearly demarcated, and fences was maintained.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Procedure documented on 'Identification and Negotiation of Land Dispute' [doc. No.: FGV/ML-1A/L2-Pr10 dated 01/06/2016] had been established. There is no dispute at this certification unit so far.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<p>SIA was conducted on 25/11/2019 by Sustainability Compliance & Certification Department (SCCD) for Lepar Hilir POM. The main objective of the assessment is to mitigate the negative social impacts and promote the positive ones. Internal stakeholders such as workers, contractor, canteen operator, workers union representative and external stakeholders such as Felda Lepar Hilir 3, Felda Lepar Hilir 2, FTP Felda Lepar Hilir 01/04 & 2&3, FFB suppliers, contractors, CPO/PK transporters, were included in the assessment. Interview through meetings and phone calls were among the methods used in the assessment. Both identified positive and negative impacts have been recorded in the SIA Management Plan.</p> <p>In general, among the negative impacts identified were poor conditions of roads, environmental impact from EFB, degraded quality of FFB due to high pile, FFB supplied from settlers were far more than it can be produced in their planted area, etc. Whereas, among the positive impacts were job opportunities to surrounding communities and contract award through open tender.</p>	Complied
Criterion 4.4.2: Complaints and grievances			

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	FGV has developed procedure of “Menangani Aduan dan Rungutan” (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Lepar Hilir POM is having a log book to record complaints or requests from the stakeholders. Most of the complaints were about defects of housing facilities. Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint record book was available in the office and security post, where the stakeholders can easily access in order to lodge their complaint. There was no complaint lodged from any external stakeholders since the last assessment.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The records of complaint for the past 24 months (since October 2018) were available in the complaint records book.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, occasionally there have been approved request from some neighbouring schools for van for schools' activities.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Lepar Hilir Oil Mill has Group Occupational Safety & Health Management Policy had been established and implemented. There are 1 levels of the Policies Dasar Kesihatan, Keselamatan Dan Alam Sekitar signed on 8/5/2019 by The Presiden Kumpulan. In the policy stated the commitment to comply with the Occupational Safety and Health Act 1994 and Factory and Machinery Act 1967 towards achieving zero incidences. The mill has established the safety and health plan and documented in Safety and Health Program for the Year 2019: Mill. The program divided into General, workplace inspection, training program, safety, health and environment, emergency response plan, vehicle safety, OSH reporting/evaluation and OSH training/seminars/course. Already been communicated on 3/2/2020 by Management during morning master.	Complied
4.4.4.2	The occupational safety and health plan should cover the following:	Briefings to employees on safety policy are made through training and briefing forums. In addition there were also briefings at muster	Complied

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept 	<p>ground being as refresher program for the employees. Safety procedures adherence are emphasised to the employees as part of the work culture. Content includes among others to prioritise safety, execute work safely, and adhere all safety rules and regulations and to target zero accident. Safety policy and targets were available on display board printed in both English & Bahasa Malaysia.</p> <ul style="list-style-type: none"> a) Lepar Hilir Palm Oil Mill has established Dasar Keselamatan Dan Kesihatan Pekerjaan signed by CEO FGV Plantations (M) Sdn Bhd on 01/02/2017. The policy was communicated through tool box meeting, morning muster briefing and displayed at several designated notice board in the mill. Noted during interview with the workers shows the understanding on the Safety and Health Policy among the workers. b) CHRA was conducted on 04th September 2017 by registered assessor Ihsan Sharif Resources. (JKKP HIE 127/1712 (85)-2017/0016). The CHRA report was available for verification. HIRADC was available to cover all risk that had been identified in the mill. Among the HIRADC sighted was Security Post, Office, Continuous Sterilizer and water treatment. The HIRADC have been all reviewed on 06.01.2020. Hiradc was also developed for Covid 19 on 01.09.2020 to address all the risk associated to the pandemic. c) The awareness training program for employee exposed to chemicals has been included in the training program 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>established. The training programme was by individual base. Latest updated was on 6 Jan 2020.</p> <p>d) Lepar Hilir POM has provided all PPE to all the workers base on job type and designation following the HIRARC and the Occupational Safety and Health Manual for Plantation Workers. Sighted the boiler room with no window and door already been highlight by Mohd Firdaus Bin Mohd Desa dated 1/10/2020. The management already taken action issue SPK (Surat Perintah Kerja) 3301456507/20908923 for renew the door and window dated 20/10/2020.</p> <p>e) Lepar Hilir POM has established SOP for chemical handling and documented in and the Occupational Safety and Health Manual for Plantation Workers. Verified as per interview with workers on field.</p> <p>f) The management have appointed the Mill Manager Mr. Mohd. Hafid Bin Ismail as the Chairman of the JKPP for Lepar Hilir POM. Sighted the appointment letter dated 8th July 2019 undersigned by the Regional Controller.</p> <p>g) Regular meetings were conducted every 3 months to discuss Health and Safety Issues. Sighted JKPP Meeting Minutes dated 05.05.2020 (02/2020), 05.03.2020 (01/2020).</p> <p>h) Lepar Hilir POM has established Standard Operating Procedure for accident and emergency and documented in Emergency Response Plan (Pelan Tindakan Kecemasan); FPI-PK-035; rev 03;dated 29/6/2018. The training regarding ERP been conducted on 3/10/2020.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>i) The First aid training was conducted accordingly in Mill. Dated 1 Nov 2019. Last check on First aid at site was 5/9/2020. All first aider was attended the training and understand as per interview verification.</p> <p>j) There were 1 accident case and 6 hearing impairments reported for the year 2019 in the mill. The JKPP 8 form was sighted to have been submitted to JKPP accordingly. There were 1 accident case reported for the year 2020..</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3 Respect for human rights) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training. Interview with workers showed that they have a good understanding on human rights.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.2 Responsible Employment) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid).</p> <p>The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		other political opinions. Interview with the workers showed that no discrimination is being practiced.	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Pay and conditions are documented in Contract Agreement between FGV Palm Industries Sdn Bhd and Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung. The agreement validity period is from 1/1/2019 to 31/12/2021. The conditions were found to be in-line with the Minimum Wage Order 2020. Sampled of the pay slips for the months of Mar, Jun, and Sep 2020 confirmed that the mill employees were paid in accordance to Minimum Wage Order 2020.</p> <p>The sampled employees were: Emp. No.: 1206168, 1202895, 1210386, 1210420, 1206551 and XXXXXXXX (<i>new employee</i>).</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Management ensured the employees of contractors are paid based on legal or industry minimum standards according to the employment contract by obtaining and reviewing pay slips from the contractors. Verification of the payslips confirmed that the employees of contractors were paid in accordance to minimum standard including contribution of EPF and SOCSO.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers will be registered in the Human Resource Management System (HRMS) where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Offer letters were issued and acceptance of offer were acknowledged, and copies were kept by the workers. This has been verified through interview with workers. The terms and conditions such as salary, termination of employment, annual leave entitlement and probation period were clearly stated in the Contract Agreement between FGV Palm Industries Sdn Bhd and Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung. The agreement validity period is from 1/1/2019 to 31/12/2021.</p> <p>Sampled of offer letters were:</p> <p>Emp. No.: 1206168, 1202895, 1210386, 1210420, 1206551 and XXXXXXXX (<i>new employee</i>).</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The working hours are recorded using punch card system where the attendance can be verified through the punch card of individual workers. The time enter, break time and exit of work were also clearly stated in the punch card. Sampled of time card as follows:</p> <p>Emp. No.: 1206168, 1202895, 1210386, 1210420, 1206551 and XXXXXXXX (<i>new employee</i>).</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>Based on the records review of the Punch card of sampled workers it was found that the entry time and exit time which were clearly stated in the punch card, conformed to the terms and conditions stipulated in the collective agreement [ref.: <i>Perjanjian Bersama antara FGV Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung</i>, validity 1/1/2019 to 31/12/2021].</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p>	<p>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Punch Card". Total hours of overtime and daily attendance were</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	recorded in the time card. The following payslips were sampled for the month of Mar, Jun, and Sep 2020: Emp. No.: 1206168, 1202895, 1210386, 1210420, 1206551 and XXXXXXXX (<i>new employee</i>).	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	The management has provided facilities such as mosque, recreational facilities such as futsal field, badminton court and volleyball court to the workers and dependents. Government clinic was available in the complex. The workers will be granted bonus once a year based on performance of the workers. Incentive and allowance were given to the workers as well.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	Housing is provided to workers with basic amenities. Water and electricity are supplied from public domain which subsidy is provided by the mill.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sexual Harassment Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.6 Gender Equality and Preventing Sexual Harassment & Violence) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid) Besides, procedure "Menangani Aduan Melalui Jawatankuasa Wanita" (Doc. No.: FGV/ML-1A/L2-Pr14, rev. 0, dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. There was no issue regarding sexual harassment and violence reported.	Complied
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to	Freedom of Expression Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>5.1.3.4 of policy document) dated 29 May 2019 (FGV/SED/POL/001 Revision 3. Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). The company allows the employees to join any legal association and get approval from the management. Workers' Committee was established to discuss issues among the workers.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Felda Global Ventures has developed Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>A training programme has been developed and available in the Training Requirement for Operating Units (Mills & Estate). The trainings were sighted to have included Gender Specific Training and involves staffs and workers.</p> <p>Covid-19 training and briefings were sighted at the mill and estates. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p>	Complied
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all</p>	<p>Records of trainings were maintained by the Mill and all estates as below: -</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																
	employees based on their job description. - Major compliance -	FGV Lepar Hilir POM <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>3R Recycling Training</td> <td>23.10.2019</td> </tr> <tr> <td>Training Fire Drill, Fire hydrant and First Aid</td> <td>03.10.2020</td> </tr> <tr> <td>Safety Awareness and Accident Training</td> <td>19.09.2020</td> </tr> <tr> <td>Hearing Conservation Training</td> <td>01.04.2019</td> </tr> <tr> <td>Scheduled Waste Training</td> <td>20.08.2020</td> </tr> <tr> <td>Working at Height Training</td> <td>01.07.2020</td> </tr> <tr> <td>Continuous Steriliser Control Room Training</td> <td>06.06.2020</td> </tr> </tbody> </table>	Training	Date	3R Recycling Training	23.10.2019	Training Fire Drill, Fire hydrant and First Aid	03.10.2020	Safety Awareness and Accident Training	19.09.2020	Hearing Conservation Training	01.04.2019	Scheduled Waste Training	20.08.2020	Working at Height Training	01.07.2020	Continuous Steriliser Control Room Training	06.06.2020	
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4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition, it is subject for a review during the financial year should need arises. The understanding of MSPO certification among employees was effectively implemented.	Complied																
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services																			
Criterion 4.5.1: Environmental Management Plan																			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.	There is a Group Sustainability Policy (Environmental Stewardship) for the mill issued and endorsed in 29/05/2019 by the Chairman, FGV Holdings Berhad. Above this policy is another policy relating to	Not Comply																

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Criterion / Indicator		Assessment Findings	Compliance
	<p>- Major compliance -</p>	<p>environmental engaged by FGV Holdings. Verification on <i>Jadual Pematuhan</i> (003247) dated validity 1/7/2020 – 30/6/2021.</p> <p>However sighted as below:-</p> <p>a) Found some of EFB leachate in monsoon drain and not properly channel to ETP system accordingly. b) Found contaminated PPE was not disposed accordingly c) Found oil spillage in monsoon drainage near lubricant store. d) The scheduled waste was found not dispose more than 180 days Thus Major Non compliance was raised during this audit</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The mill has conducted the aspects and impacts analysis of all operations and documented in the Environmental Aspect Impact Assessment Guidance for Lepar Hilir Palm Oil Mill. The mill has established environmental management plan base on the aspect and impact analysis conducted. The management plan was reviewed on annually basis. Latest review was conducted on 1/02/2020. However not cover</p> <p>Sighted the implementation of the management plan as follows:</p> <ol style="list-style-type: none"> 1. POME analysis Reference: 3698/2020 dated sampling on 13/10/2020 to monitoring and prevent pollution of surface and groundwater. 2. Online environmental report (OER) AS:C31/152/000/052 was been done periodically report to DOE. Latest record was available for 1 July 2020 – 30 September 2020. The POME that release to the land application was according to DOE recommendation. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The mills visited has established the environmental plan based on the aspects and impacts analysis conducted and documented in the Environmental Aspect Impact Assessment for Estate. The management plan was established for the activity which give significant impact for the environment. The management plan were reviewed annually basis.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The mill has established environmental management plan base on the aspect and impact analysis conducted include the program to promote the positive impacts as follows: i. Mulching EFB within estate ii. Disposal of boiler ash and decanter solid within estate iii. Parameter of final discharge POME within limit iv. Provide transparent information about quality of environment to stakeholder v. Shell and fibre wastes are used as fuel for steam production	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The Mill has established the training program documented in the Safety and Health Program FY 2020 and Environmental Planner FY 2020. The training plan was reviewed on annually basis.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.	Environmental Performance Monitoring Committee (EPMC) meeting conducted on 26/6/2019. The meeting attended by management and workers representative to discuss about the environmental	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	quality. For Environmental Regulatory and compliance Monitoring Committee (ERCMC) meeting was done on 8 August 2019.	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	<p>The mills visited monitored the consumption of the non-renewable energy on monthly basis. The monitoring was done base on the type of the energy usage.</p> <p>The mills has established plan to assess the usage of non-renewable energy and documented in the Energy optimization Plan. The plan stated the issue, action plan, person responsible, timeline and status of the implementation.</p> <p>Sighted the sample monitoring records for diesel usage and turbine FY 2020 as follows:</p> <p>Lepar Hilir POM Diesel usage: 223,438 liter Electricity usage: 351,372 kWh</p> <p>The usage of electricity was reduce from the previous year around 24%. Previous record was 462,390 kWh.</p>	Complied
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This	The estimate for the direct usage of non renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	including all transport and machinery operations was available in the respective mill yearly budgets.	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	From the monitoring and interview with the management, the mill consume the shell and fiber as boiler fuel.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The mill has identified all waste and source of pollution and documented in the List of Waste Identified. The list was reviewed on annually basis. The latest review was done on 25 June 2020. The waste identified as follows: i. Industrial waste – Scrap Iron ii. Scheduled Waste – SW110, SW 305, SW409, SW410 iii. Domestic Waste – Wet waste, kitchen waste, garden waste, sanitary waste, dry waste iv. Solid waste – EFB, Shell, Boiler Ash, Decanter Solid	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance -	The mill has established and documented Landfill and Domestic waste management for Estate and Mill. Management plan was done base on the type of waste identified in the List of Waste Identified. The plan was reviewed on annually basis. Latest review was conducted on 25 June 2020. The plan stated the Issue identified, management action, period of monitoring and person responsible.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The mill monitored the generation of scheduled waste on monthly basis. The generation of scheduled waste recorded and submitted to DOE through E-SWISS. Sighted and verified the monitoring records for the month of December 2019. Sighted the sampled scheduled waste disposal records:</p> <p>i. 23/9/2019 for SW 305; C/N no: 100148-R02-0004</p> <p>All machinery/tractors maintenance services in the estates visited were done by appointed contractors, Sime Darby Industrial (SDI). Waste generated from maintenance activities such as used oil, used hydraulic, used battery and oil filter were collected and transport out by SDI based on DOE's written approval, ref:AS(BB) 91/110/619/161 Jilid 14(69) dated 6th September 2011.</p>	Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>The domestic waste were collected by the estate twice a week and dump at designated area before collected by the municipal collectors. Sighted the records of rubbish collection in Estate Vehicle Work Distribution.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact and any impact will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation.</p>	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>All efforts and action plan for the identified pollutants and emission produce by mill at current is adequate to comply with the requirement. All identified issues have significant impacts to the environment.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																																
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Online environmental report (OER) AS:C31/152/000/052 was been done periodically report to DOE. Latest record was available for 1 July 2020 – 30 September 2020. The POME that release to the land application was according to DOE recommendation.</p>	Complied																																
Criterion 4.5.5: Natural water resources																																			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The Water Management Plan for the mill has been established. It was last reviewed on 2/1/2020 for the 2020 plan.</p> <p>The mill capitalize the source of water from Sungai Lepar being the nearest to the complex for the processing usage.</p> <p>The domestic water for the residents are from the supply from State Government JBAP.</p> <ul style="list-style-type: none"> a) The consumption of water for 2019 is recorded and shown below; <table border="1"> <thead> <tr> <th>Month</th> <th>Water usage</th> <th>FFB Process</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1881</td> <td>8000</td> <td>1.41</td> </tr> <tr> <td>Feb</td> <td>2431</td> <td>12120</td> <td>1.20</td> </tr> <tr> <td>March</td> <td>3196</td> <td>17620</td> <td>1.09</td> </tr> <tr> <td>April</td> <td>113827</td> <td>59560</td> <td>1.08</td> </tr> <tr> <td>May</td> <td>150897</td> <td>79960</td> <td>1.09</td> </tr> <tr> <td>June</td> <td>177707</td> <td>94470</td> <td>1.11</td> </tr> <tr> <td>July</td> <td>678580</td> <td>24320</td> <td>1.03</td> </tr> </tbody> </table>	Month	Water usage	FFB Process	Ratio	Jan	1881	8000	1.41	Feb	2431	12120	1.20	March	3196	17620	1.09	April	113827	59560	1.08	May	150897	79960	1.09	June	177707	94470	1.11	July	678580	24320	1.03	Complied
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Criterion / Indicator		Assessment Findings				Compliance																	
		August	264487	143420	1.10																		
		September	307207	167880	1.05																		
<p>b) The mill monitors the water quality at the nearby Sg Lepar taken at 2 sampling points upstream and downstream on a monthly basis by FGV Palm Industries Sdn Bhd The results (sample taken dated 21/9/2020) (6)4045/LH/810/Makmal as sighted are shown below concluding no adverse impact has taken place as results of mill activities.</p> <table border="1"> <thead> <tr> <th></th> <th>pH</th> <th>BOD</th> <th>COD</th> <th>Oil & G</th> <th>AN</th> </tr> </thead> <tbody> <tr> <td>Upstream</td> <td>9.05</td> <td>13</td> <td>6</td> <td>1</td> <td>1</td> </tr> <tr> <td>Downstream</td> <td>8.67</td> <td>12</td> <td>5</td> <td>1</td> <td>1</td> </tr> </tbody> </table>								pH	BOD	COD	Oil & G	AN	Upstream	9.05	13	6	1	1	Downstream	8.67	12	5	1
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Upstream	9.05	13	6	1	1																		
Downstream	8.67	12	5	1	1																		
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	No discharge of POME to water course (Sg Lepar). The POME used land application with BOD 58 mg inline with DOE requirement.				Complied																	
4.6 Principle 6: Best Practices																							
Criterion 4.6.1: Mill Management																							

Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>The mill processing system is documented in the following documents;</p> <ul style="list-style-type: none"> a) Manual Operasi Kilang Sawit first introduced on 2/1/2001 & revised dated 23/10/17 b) Prosedur Kerja Selamat c) Manual Alam Sekitar EMS <p>These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc.</p> <ul style="list-style-type: none"> a) In addition, there are also manuals available within the industry and MPOB that are used as guidelines. 	Complied
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>The monitoring of the mill process is made through the shift supervision headed by an Assistant Engineer and the Mill Assistant. All process parameters are documented and summarized in a daily report.</p> <p>The external monitoring is made through visits by the CEO/General Manager and also technical personnel from the Head Office. DOSH performed the annual UPV machinery inspection.</p> <p>In addition, there are audits by Sustainable team and PA. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.</p>	Complied
<p>Criterion 4.6.2: Economic and financial viability plan</p>			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The mills visited have established 10 years business plan as guidance for the mill to conduct the daily operation and expenditure. The business plan was documented in 10 years production, expenditure and profit/loss projection 2019 – 2028.No changes during this audit. Items stated in the business plan as follows:</p> <ul style="list-style-type: none"> i. Hectare statement ii. FFB yield/ha and Total Production by age iii. FFB Production and FFB purchase (FFB, CPO, PK, OER, KER) iv. Production cost v. Cost/ha and Cost/tons vi. Dispatch (CPO and PK) <p>The capital expenditure was documented in Financial Year Proposed Capital Expenditure (CAPEX).</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Guided by “Polisi Perolehan Kumpulan (PPK)” of Felda Global Ventures Holdings Berhad which covers various subjects such as selection method of vendors, procurement methods, tender policy, contract award policy, quotation policy, etc.</p>	Complied
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors.</p>	Complied

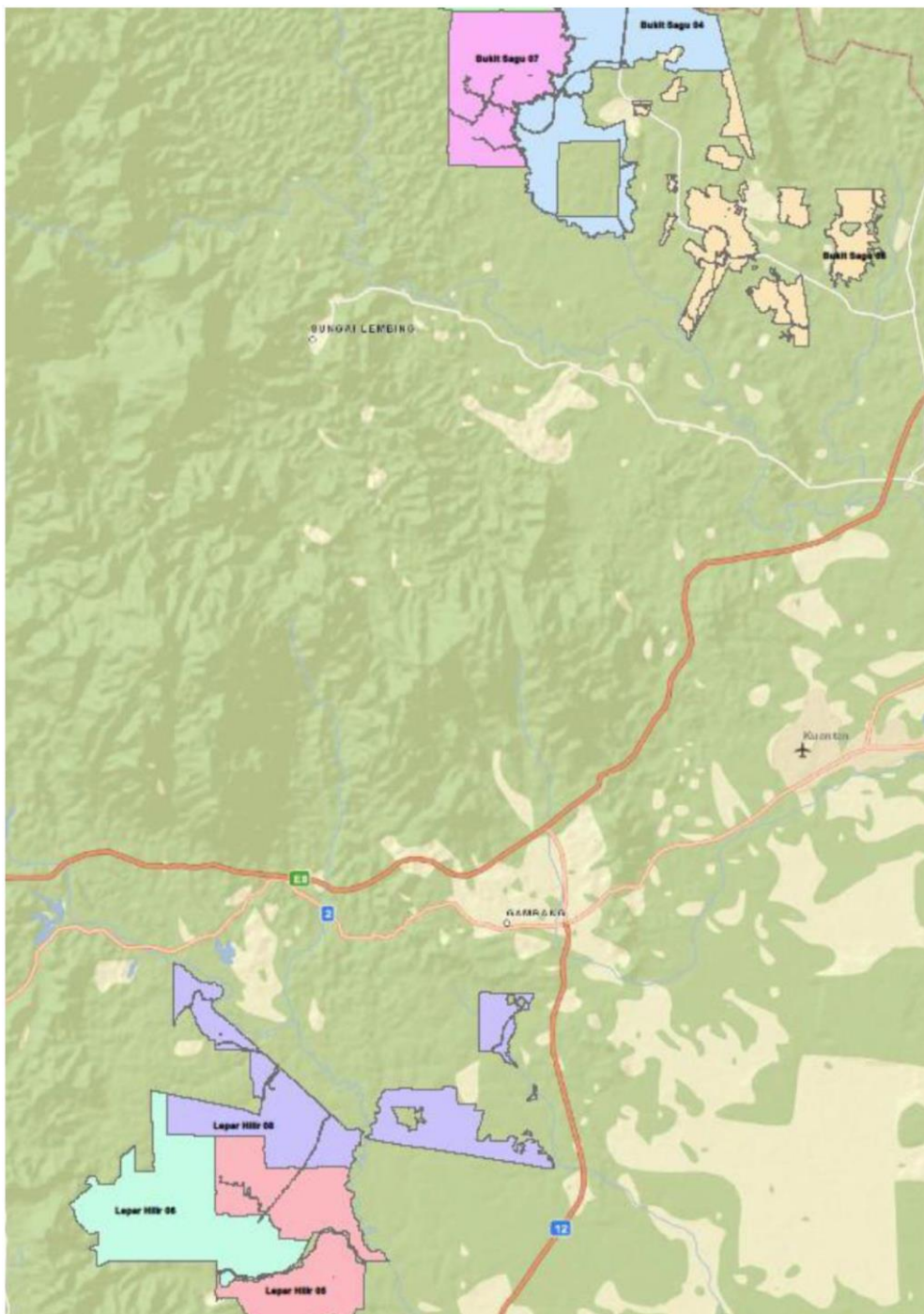
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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors have acknowledged on a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Agreed contracts were done through Surat Perintah Kerja, e.g.: SPK# 3301416150-validity 1/4/2020 to 31/3/2021-Lara Seven Trade and Resources.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	This requirement has been specified during a briefing by the mill to the contractors/suppliers on 3/12/2018. In addition, there was a letter dated the same day of the briefing to acknowledge acceptance on the MSPO guidelines and requirements.	Complied

Appendix B: List of Stakeholders Contacted

<p>Government Officer: Department Of Environment Tabika Lepar Hilir 02 SK Lepar Hilir</p>	<p>Community/neighbouring village: Detas estate Polis Bantuan Felda LH 02 Representative</p>
<p>Suppliers/Contractors/Vendors: Sejati Enterprise Syarikat Masdori Jaya Mahu Berjaya Enterprise</p>	<p>Worker’s Representative/Gender Committee: Foreign workers Gender committee representative</p>

Appendix D: Location and Field Map



Appendix E: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure