

**MALAYSIAN SUSTAINABLE PALM OIL  
2<sup>nd</sup> ANNUAL SURVEILLANCE ASSESSMENT  
Public Summary Report**

<b>FGV Holdings Berhad</b>
Client company Address: Wisma FGV, Level 20 West Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
Certification Unit: Kulai Palm Oil Mill and Supply Base (FGVASSB Bukit Besar/Taib Andak Estate)  Location of Certification Unit: Kilang Kelapa Sawit Kulai, Felda Taib Andak 81000 Kulai, Johor, Malaysia

**Report prepared by:**  
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**Report Number: SMO 3091771**

**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	
	Kulai POM (500161-004000)	31/03/2021	
	Bukit Besar/Taib Andak Estate (502670-102000)	31/03/2021	
Address	FGV Holdings Berhad, Wisma FGV, Level 20 West, Jalan Raja Laut, 50350, Kuala Lumpur, Malaysia		
Certification Unit	FGV Palm Industries Sdn Bhd - Kulai Palm Oil Mill		
Contact Person Name	Ameer Izyanif Bin Hamzah		
Website	www.fgvholdings.com	E-mail	ameer.h@fgvholdings.com
Telephone	+603-27890497	Facsimile	+603-27890440

1.2 Certification Information			
Certificate Number	Estate: MSPO 693239 Mill: MSPO 693238		
Issue Date	12/06/2019	Expiry date	11/06/2024
Scope of Certification	Estates: Production of Sustainable Oil Palm Fruits Mill: Production of Sustainable Palm Oil and Palm Oil Products		
Standard	1) MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders 2) MS 2530-4:2013 Part 4: General principles for palm oil mills		
Stage 1 Date	19-20/09/2018		
Stage 2 / Initial Assessment Visit Date (IAV)	14-15/01/2019		
Continuous Assessment Visit Date (CAV) 1	06-07/11/2019		
Continuous Assessment Visit Date (CAV) 2	24-25/11/2020		
Continuous Assessment Visit Date (CAV) 3	NA		
Continuous Assessment Visit Date (CAV) 4	NA		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 693237	RSPO P&C MYNI 2019	BSI Services Malaysia Sdn. Bhd.	18/02/2024

1.3 Location of Certification Unit		
Name of the Certification Unit	Site Address	GPS Reference of the site office

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(Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)		Latitude	Longitude
FGVPISB Kulai Palm Oil Mill	Kilang Kelapa Sawit Kulai, Felda Taib Andak, 81000 Kulai, Johor, Malaysia	1° 44' 18.8" N	103° 38' 53.3" E
FGVASSB Bukit Besar/Taib Andak Estate	Stesen Penyelidikan Bukit Besar, 81450 Kulai, Johor, Malaysia	1° 44' 31" N	103° 38' 48" E

### 1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bukit Besar/Taib Andak Estate	52.60	-	3.31	<sup>1</sup> 55.91	94.08
<b>Total (Ha)</b>	52.60	-	3.31	55.91	94.08

Note: <sup>1</sup>Previously reported as 58.74 Ha. The variance of 2.83 Ha was due to a resurvey was done as part of renewal of land lease agreement (between FGVASSB and FELDA) process. The agreement takes effective on 2/9/2020.

### 1.5 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bukit Besar/Taib Andak Estate	0	52.60	0	0	0	52.60	-
<b>Total (Ha)</b>	0	52.60	0	0	0	52.60	-

### 1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jun 2020 - May 2021)	Actual (Nov 2019 - Oct 2020)	Forecast (Jun 2021 - May 2022)
Bukit Besar/Taib Andak Estate	1,200.00	1,052.08	1,350.00
<b>Total (Mt)</b>	1,200.00	1,052.08	1,350.00

Note:  
Nil

### 1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated	Actual	Forecast

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	(Jun 2020 - May 2021)	(Nov 2019 - Oct 2020)	(Jun 2021 - May 2022)
Felda Taib Andak	NA	32,965.55	NA
Felda Ulu Tebrau	NA	19,774.05	NA
Felda Bukit Batu	NA	16,951.80	NA
FTP Inas Selatan	NA	-	NA
Pineapple Cannary	NA	1,167.17	NA
<b>Total (Mt)</b>	NA	775.10	NA
Note: Nil			

<b>1.8 Certified Tonnage</b>			
	Estimated (Jun 2020 - May 2021)	Actual (Nov 2019 - Oct 2020)	Forecast (Jun 2021 - May 2022)
	FFB	FFB	FFB
<b>Mill Capacity: 30 MT/hr</b>	1,200.00	1,052.08	1,350.00
<b>SCC Model: MB</b>	<b>CPO (OER: 19.80%)</b>	<b>CPO (OER: 18.98%)</b>	<b>CPO (OER: 20.00%)</b>
	237.60	199.70	270.00
	<b>PK (KER: 5.75%)</b>	<b>PK (KER: 5.65%)</b>	<b>PK (KER: 5.93%)</b>
	69.00	59.44	80.00
Note: Nil			

<b>1.9 Actual CPO Sold Volume (mt) (Nov 2019 - Oct 2020)</b>					
Mills	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
Total	0	0	0	199.48	199.48
Note: Nil					

<b>1.10 Actual PK Sold Volume (mt) (Nov 2019 - Oct 2020)</b>					
Mills	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
Total	0	0	44.45	18.99	59.44
Note: Nil					

## 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 24-25/11/2020. The audit programme is included in Section 2.3. The approach to the audit was to treat FGV's Kulai POM and its supply bases i.e. Bukit Besar/Taib Andakn Estate as an 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 was 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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Kulai POM	✓	✓	✓	✓	✓
Bukit Besar/Taib Andak Estate	✓	✓	✓	✓	✓

**Tentative Date of Next Visit: November 15, 2021 - November 16, 2021**

**Total No. of Mandays: 4**

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**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Valence Shem (VSH)	Team Leader	He holds Bachelor’s 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 14001, 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. Able to communicate in Bahasa Malaysia and English.
Mohd Razin Bakal (MRB)	Team Member	Holding a degree in Accountancy from University Putra Malaysia, Serdang, Malaysia and possessing 17 years of working experience in numerous fields in Malaysia (West Malaysia, Sarawak, Sabah), Africa and Indonesia. Total of 3 years’ experience in finance & administrative sector and 14 years in the oil palm plantation sector. In plantation, I have been exposed and personally experience in managing all the oil palm process inaugurating from the initial and planning stage, land clearing from jungle to OP, replanting, planting of oil palm seedling, nursery, immature, mature, harvesting, and felling. Aside from estate operation, I also involved in MSPO and RSPO assessment since November 2018. Attended and certified the Lead Auditor Course MSPO 2530:2013 (P&C & SCCS), ISO 14001:2015, ISO 9001:2015 with SIRIM STS and RSPO 2018 (P&C & SCCS) with Checkmark training. Able to communicate in Bahasa Malaysia and English.

**2.2 Accompanying Persons**

<b>No.</b>	<b>Name</b>	<b>Role</b>
	Nil	



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### 2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	VSH	MRB
Tuesday 24/11/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> <li>Opening presentation by audit team leader</li> <li>Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation)</li> </ul>	✓	✓
	0900-1230	<b>Kulai POM</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1130-1630	<b>Kulai POM</b> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Wednesday 25/11/2020	0900-1230	<b>Bukit Besar/Taib Andak Estate</b> 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, Scheduled wastes management, workers housing, clinic, landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1600	<b>Bukit Besar/Taib Andak Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓
	1630-1700	Closing meeting	✓	✓
Thursday 26/11/2020	a.m.	Auditors travel back to KL	✓	✓

### 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 zero (0) Major, zero (0) Minor nonconformities and zero (0) opportunity for improvement (OFI) raised.

Noteworthy Positive Comments	
1	Good relationship being maintained with surrounding communities.
2	Mill continues to maximize the use of renewable energy by using fibre and shell which produced through internal process for boiler biofuel.
3	Good cooperation from the management team in facilitation the assessment.

#### 3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:	
<b>Ref:</b> 1847407-201906-M1	<b>Area/Process:</b> FGVASSB Bukit Besar/Taib Andak Estate
	<b>Clause:</b> 4.4.4.1 (MSPO Part-3)
	<b>Issue Date:</b> 07/11/2019
	<b>Due Date:</b> 05/02/2021
Requirements:	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.
Statement of Nonconformity:	The annual medical surveillance for the employees who are handling pesticides was not timely conducted.
Objective Evidence:	Based on the CHRA report, the medical surveillance to employees involve in chemical handling need to attend a medical surveillance once a year. The latest medical surveillance by Dr Halim Bin Ishak (JKKP HQ/08/DOC/00/387) was done last on 26/4/2018. However, there was no medical surveillance conducted for year 2019.
Corrections:	The estate management needs to carry out medical surveillance using the old CHRA, as the farm activities are the same as before.
Root cause analysis:	The management does not include Medical surveillance and CHRA in safety and health plans.
Corrective Actions:	Includes enforcement of CHRA and Medical Surveillance employee in safety and health plans.

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Assessment Conclusion:	The corrective action evidence was found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment. The NCR is closed on 13/01/2020.
Verification Statement	Based on the CHRA recommendation, the estate has sent its workers who are exposed to chemicals for annual medical surveillance for the year 2019. For the year 2020, the medical surveillance examination has been scheduled to carry out in December 2020. Thus, the non-conformity remains closed.

Major Nonconformities:		
<b>Ref:</b> 1847407-201906-M2	<b>Area/Process:</b> FGVASSB Bukit Besar/Taib Andak Estate	<b>Clause:</b> 4.4.2.2 (MSPO Part-3)
	<b>Issue Date:</b> 07/11/2019	<b>Due Date:</b> 05/02/2021
Requirements:	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	
Statement of Nonconformity:	The complaint did not resolve in timely manner as per the company's SOP.	
Objective Evidence:	Seen the Complaint Book for internal workers found that the complaint was not resolved in timely manner. The worker, Sultan has reported on the doorframe was rot on 29/7/2019. Inspection was carried out on 31/7/2019 and waiting for tendering the job to contractor. As to date, there was no tender sighted. The complaint was not resolved in 2 months as per the SOP above.	
Corrections:	Apply SPK application related to complaint.	
Root cause analysis:	Complaints have been investigated and are in the process of action, but require financial approval to make a comprehensive repair.	
Corrective Actions:	The estate management should periodically review, ensure that action is taken and recorded.	
Assessment Conclusion:	The corrective action evidence was found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment. The NCR is closed on 13/01/2020.	
Verification Statement	Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner. The action taken were also cross-checked on-site. Thus, the non-conformity remains closed.	

Major Nonconformities:		
<b>Ref:</b> 1847407-201906-M3	<b>Area/Process:</b> FGVASSB Bukit Besar/Taib Andak Estate	<b>Clause:</b> 4.4.5.9 (MSPO Part-3)
	<b>Issue Date:</b> 07/11/2019	<b>Due Date:</b> 05/02/2021
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	The wages of sampled worker did not achieve Minimum Wage Order 2018.	
Objective Evidence:	One of the worker (Employee No.: PB001919012) was found did not achieve Minimum Wage Order 2018 on January 2019 where he has worked 26 days. The	

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	wages he obtained was RM 1067.64 which short of RM 32.36. Verified with the Assistant confirmed that this was due to low crop on January 2019.
Corrections:	The estate management is reviewing the salary calculations and getting confirmation from the workers as evidence of a mistake in the calculation.  Wrong calculation: Working Normal Hours = RM 1,067.64 OT = RM 42.31  Correct calculation: Working Normal Hours = RM 1,109.95
Root cause analysis:	The estate management provided additional work to the worker within 8 working days, but misplaced in the system to the extent that the quantity of work was put into overtime and was not taken into account for the minimum wage rate.
Corrective Actions:	The estate management will ensure that the check roll is carefully reviewed before it is included in the workers' compensation system.
Assessment Conclusion:	The corrective action evidence was found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment. The NCR is closed on 13/01/2020.
Verification Statement	Based on the sampled workers' (ID: PB001919009, PB001919010, PB001919012, PB001919014 and PI001919031) payslips for the month of Feb 2020, Jun 2020 & Oct 2020, it was found that wages were paid in accordance to the Minimum Wage Order 2020. Thus, the non-conformity remains closed.

Major Nonconformities:		
<b>Ref:</b> 1847407-201906-M4	<b>Area/Process:</b> FGVASSB Bukit Besar/Taib Andak Estate	<b>Clause:</b> 4.4.5.5 (MSPO Part-3)
	<b>Issue Date:</b> 07/11/2019	<b>Due Date:</b> 05/02/2021
Requirements:	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.	
Statement of Nonconformity:	Contractor (Ahmad bin Hashim) has yet to provide the records of overview of employees to the management to maintain.	
Objective Evidence:	Contractor (Ahmad bin Hashim) has yet to provide the records of overview of employees to the management to maintain.	
Corrections:	Obtain information from the contractor and keep it in the office for factory / third party reference.	
Root cause analysis:	Any contractor worker related documents / information is not stored in the office for reference.	
Corrective Actions:	Require the contractor to provide employment information in the document by give them a letter.	
Assessment Conclusion:	The corrective action evidence was found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment. The NCR is closed on 13/01/2020.	

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Verification Statement	The workers information of the contractor (Ahmad Bin Hashim) was well maintained for verification. There is no newly appointed contractor since the last assessment. Thus, the non-conformity remains closed.
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<b>Major Nonconformities:</b>	
<b>Ref:</b> 1847407-201906-M5	<b>Area/Process:</b> Kulai POM
	<b>Clause:</b> 4.4.5.6 (MSPO Part-4)
	<b>Issue Date:</b> 07/11/2019
	<b>Due Date:</b> 05/02/2021
Requirements:	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.
Statement of Nonconformity:	Employment contract between the contractor (Ahmad bin Hashim) and his 5 workers were not available.
Objective Evidence:	Employment contract between the contractor (Ahmad bin Hashim) and his 5 workers were not available.
Corrections:	Instruct all contractors working with the mill to prepare contract for work.
Root cause analysis:	There is no enforcement by the factory regarding the requirement for contractors to provide employment contract.
Corrective Actions:	<ul style="list-style-type: none"> <li>- FGV T has issued directives to all relevant mill starting in 2020, FGV T will be responsible for all contractors carrying out the sorter activities.</li> <li>- Require contractor to provide copy to mill management for a copy.</li> <li>- Require contractors to provide copies of their employment contract to mill management for a copy.</li> </ul>
Assessment Conclusion:	The corrective action evidence was found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment. The NCR is closed on 13/01/2020.
Verification Statement	The employment contract between the contractor (Ahmad bin Hashim) and his workers were well maintained and remain valid. Thus, the non-conformity remains closed.

<b>Major Nonconformities:</b>							
<b>Ref:</b> 1847407-201906-M6	<b>Area/Process:</b> Kulai POM						
	<b>Clause:</b> 4.4.5.8 (MSPO Part-4)						
	<b>Issue Date:</b> 07/11/2019						
	<b>Due Date:</b> 05/02/2021						
Requirements:	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.						
Statement of Nonconformity:	The overtime of worker was not according to legal requirement.						
Objective Evidence:	<p>Reviewed the "<i>Borang Arahan/ Kebenaran Kerja Lebihmasa, Kerja Pada Hari Cuti Rehat dan Kerja Pada Hari Cuti Umum</i>" for Employee No.: 1203228 found that he has worked more than 12 hours in a day which is not in accordance to the Employment Act 1955 as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Date</th> <th style="width: 40%;">No. of Hours (overtime)</th> <th style="width: 40%;">Reason</th> </tr> </thead> <tbody> <tr> <td>12/5/2019</td> <td>7 hours from 10pm – 5am</td> <td>Process of FFB due to Boiler Charge man on leave</td> </tr> </tbody> </table>	Date	No. of Hours (overtime)	Reason	12/5/2019	7 hours from 10pm – 5am	Process of FFB due to Boiler Charge man on leave
Date	No. of Hours (overtime)	Reason					
12/5/2019	7 hours from 10pm – 5am	Process of FFB due to Boiler Charge man on leave					

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	26/5/2019	7 hours from 10pm – 5.12am	Process of FFB due to Boiler Charge man on leave
	29/5/2019	7 hours from 10pm – 5am	Process of FFB due to Boiler Charge man on leave
	6/1/2019	8 hours from 10pm – 6am	Process of FFB due to Boiler Charge man on leave
	9/1/2019	9 hours from 10pm – 7am	Process of FFB due to Boiler Charge man on leave
	20/1/2019	7 hours from 10pm – 5am	Process of FFB due to Boiler Charge man on leave
	21/1/2019	8 hours from 10pm – 6am	Overtime on Public Holiday – Thaipussam
	23/1/2019	7 hours from 10pm – 5am	Process of FFB due to Boiler Charge man on leave
Corrections:	<p>- The SCCS has been in contact with representatives of JTKSM En. Ban (03-88865192) and JTKWP representative Mrs. Fatin and Mrs. Haslinda, Assistant Director S41 (03-41414600). Referring to the reply by the assistant director of the JTK and the work act 1955 are as follows:-</p> <ul style="list-style-type: none"> <li>• Under the Employment Act 1955 (Act 265), section 60A (1a), if the management obtains permission from the JTK chief executive to work for up to 130 hours / month, then the employee is generally allowed to work more than 4 hours a day.</li> <li>• The factory management complies with the act 1955 (act 265), section 60A (1):-             <ol style="list-style-type: none"> <li>a) workers who work 5 hours in a row can rest for 30 minutes.</li> <li>b) Not more than 8 hours a day.</li> <li>c) Not more than 10 hours a day.</li> <li>d) Not more than twenty-eight hours a week.</li> </ol> </li> </ul>		
Root cause analysis:	<p>-Palm oil workers relied on approval by the JTK chief executive regarding the exceptional of working over 130 hours / month.          - Expertise of individual is limited and necessary.          - Lack of clear understanding between auditors and auditee regarding work permits over time by JTKSM.</p>		
Corrective Actions:	<p>- The mill will notify all work-related workers over the allowed time of day.          - The Executive Assistant of the mill will monitor continuously regarding OT of worker.</p>		
Assessment Conclusion:	<p>The corrective action evidence was found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment. The NCR is closed on 13/01/2020.</p>		
Verification Statement	<p>Based on sampled punch cards verification, the total working hours of workers were generally found to be in-line with legal requirements. Thus, the non-conformity remains closed.</p>		

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<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1847407-201906-N1	<b>Area/Process:</b> Kulai POM	<b>Clause:</b> 4.4.5.4 (MSPO Part-4)
	<b>Issue Date:</b> 07/11/2019	<b>Due Date:</b> 25/11/2020
Requirements:	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.	
Statement of Nonconformity:	Payslips for total 5 contractor's workers (Ahmad bin Hashim) were not maintained and available in the mill.	
Objective Evidence:	Payslips for total 5 contractor's workers (Ahmad bin Hashim) were not maintained and available in the mill.	
Corrections:	Instruct all contractors working with the mill to prepare contract for work.	
Root cause analysis:	There is no enforcement by the factory regarding the requirement for contractors to provide employment contract.	
Corrective Actions:	<ul style="list-style-type: none"> <li>- FGVT has issued directives to all relevant mill starting in 2020, FGVT will be responsible for all contractors carrying out the sorter activities.</li> <li>- Require contractor to provide copy to mill management for a copy.</li> <li>- Require contractors to provide copies of their employment contract to mill management for a copy by give them a letter.</li> </ul>	
Assessment Conclusion:	The correction and corrective action are accepted. The evidence of effective implementation shall be verified in the next assessment.	
Verification Statement	Verification of the payslips confirmed that the employees of the contractor (Ahmad Bin Hashim) were paid in accordance to minimum standard including the contribution of EPF and SOCSO. Thus, the minor non-conformity report is satisfactorily closed.	

<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1847407-201906-N2	<b>Area/Process:</b> FGVASSB Bukit Besar/Taib Andak Estate	<b>Clause:</b> 4.5.1.3 (MSPO Part-3)
	<b>Issue Date:</b> 07/11/2019	<b>Due Date:</b> 25/11/2020
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	
Statement of Nonconformity:	The development of environmental plan to mitigate the negative impacts was not clearly documented.	
Objective Evidence:	The mitigation measure should be addressed under " <i>Penentuan Kawalan</i> " column of the " <i>Borang daftar Aspek dan Impak Ketara Alam Sekitar</i> ". However, at Ladang Bukit Besar, the statements written in the column did not appear to be spelling out the mitigation measure but the persons in-charge instead.	
Corrections:	Update the " <i>Penentuan Kawalan</i> " for negative issues and get approval from the manager before being documented.	
Root cause analysis:	The management does not review the " <i>Penentuan Kawalan</i> " for negative issues that have occurred before being documented.	
Corrective Actions:	Managers will review the identification form and " <i>Penentuan Kawalan</i> " whenever there is an amendment or addition of new activities on the farm.	



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Assessment Conclusion:	The correction and corrective action are accepted. The evidence of effective implementation shall be verified in the next assessment.
Verification Statement	Estate Management has filled up the relevant information in the column ; 1. Penentuan kawalan 2. Pertimbangan objektif dan matlamat The Improvement plan to mitigate the negative impact has been monitor closely by the estate management from time to time. Thus, the minor non-conformity report is satisfactorily closed.

**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1729409-201901-M1	Major	15/01/2019	Closed on 13/02/2019
1729409-201901-M2	Major	15/01/2019	Closed on 13/02/2019
1847407-201906-M1	Major	07/11/2019	Closed on 13/01/2020
1847407-201906-M2	Major	07/11/2019	Closed on 13/01/2020
1847407-201906-M3	Major	07/11/2019	Closed on 13/01/2020
1847407-201906-M4	Major	07/11/2019	Closed on 13/01/2020
1847407-201906-M5	Major	07/11/2019	Closed on 13/01/2020
1847407-201906-M6	Major	07/11/2019	Closed on 13/01/2020
1847407-201906-N1	Minor	07/11/2019	Closed on 25/11/2020
1847407-201906-N2	Minor	07/11/2019	Closed on 25/11/2020



**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<b>Feedbacks:</b> Schools' Representatives – They informed that they have good relationship with the management. They attended the previous stakeholder meeting and are satisfied with the information provided.
	<b>Management Responses:</b> Management will continue to maintain good relationship with the stakeholders.
	<b>Audit Team Findings:</b> No further issue.
2	<b>Feedbacks:</b> Felda Taib Andak 1 FTP Manager – No issue among FGV estates and Felda settlers' unit operators. Both entities can cooperate very well in case of any issue arises.
	<b>Management Responses:</b>



	<p>Management will continue to maintain good relationship with the stakeholders.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
<b>3</b>	<p><b>Feedbacks:</b> Ketua Peneroka Felda Taib Andak 1 – FGV Management especially mill can communicate and cooperate very well with all settlers through the periodical session of meetings between settlers’ representatives, Felda Managers and FGV Managers. Any issues arise can be discussed and settled during the meeting itself.</p> <p><b>Management Responses:</b> FGV Management especially from mill give the utmost priority to all settlers as their main FFB suppliers. Any issues arise will be taken action immediately.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
<b>4</b>	<p><b>Feedbacks:</b> Felda Bukit Besar Managers (Unit Perladangan &amp; Unit Komuniti) – FGV management and staff fully supportive in Felda operational activities well which have the same objective to continuously improve productivity and quality of products as per Felda and FGV ultimate goals under the same group.</p> <p><b>Management Responses:</b> FGV management has responsibility towards Felda as part of leasing agreement between Felda and FGV.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
<b>5</b>	<p><b>Feedbacks:</b> Canteen/Sundry shop’s operator/owner – Have good relationship with the management. No issues with customers among FGV employees.</p> <p><b>Management Responses:</b> Management will continue to maintain good relationship with the stakeholders.</p> <p><b>Audit Team Findings:</b> No further issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment Kulai Palm Oil Mill and Supply Bases Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Kulai Palm Oil Mill and Supply Bases Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Ahmad Shahrir Bin Ismail	<b>Name:</b> Valence Shem
<b>Company name:</b> FGV Holdings Berhad	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b> Senior Manager	<b>Title:</b> Lead Auditor
<b>Signature:</b> <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>  	<b>Signature:</b>  
<b>Date:</b> 15 / 06 / 2021	<b>Date:</b> 17/05/2021

**Appendix A: Summary of the findings by Principles and Criteria**

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	Bukit Besar/Taib Andak Estate does 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 <sup>th</sup> May 2019 undersigned by the Chairman of Board of Directors, YBhg Datuk Wira Azhar Abdul Hamid.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. - <b>Major compliance</b> -	The Sustainability Policy dated 29 <sup>th</sup> May 2019 demonstrates its commitments towards continual improvement with objectives such as below: <ul style="list-style-type: none"> <li>• FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood.</li> <li>• 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.</li> <li>• FGV strives to use resources efficiently in order to improve productivity in its operation.</li> <li>• FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms.</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.  - Major compliance -	The Internal Audit for the estate was last conducted and documented on 20-21/7/2020 by the Internal Audit Team of FGVH, Headed by Mr. Azwan Muhammad. The Internal Audit had identified more than 30 non-conformities during their audit. The estate had come up with a “Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalaman Pensijilan Kelestarian 2020” which has the information about standards’ requirements, NC statements, root-cause, corrective action plans, time-frame and status of CAP.	Complied
<b>4.1.2.2</b>	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 -	The internal Audit Procedure is available in document ML-1A/L2-Pr11(0) effective date 01 June 2016 to ensure the MSPO standards are implemented in the mill operations in accordance to the policy and other matters standardised by the company and local legal bodies. The root-cause of the NCR has been identified and recorded in the “Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalaman Pensijilan Kelestarian 2020”.	Complied
<b>4.1.2.3</b>	Report shall be made available to the management for their review.  - Major compliance -	The Internal Report was available for the Management in the document entitled “Laporan Audit Dalaman RSPO/MSPO FGV” given by the Internal Audit Team. The report has the information about standards’ requirements, and findings.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	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.	The Management Review was conducted on 16/10/2020. The management review was chaired by the Manager, En. Din Ibrahim and attended by 11 other participants. Among the matters that were discussed in the management review were as follows:	Complied

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Criterion / Indicator		Assessment Findings	Compliance																
	- Major compliance -	1. Results of internal audit 2. Production 3. Environment 4. Social 5. Safety & Health 6. Training 7. Housing																	
Criterion 4.1.4 – Continual Improvement																			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.  - Major compliance -	The FASSB Bukit Besar Estate has established a continuous improvement plan for the year 2020 which highlights the following issues and its action plans;- <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>No</th> <th>Category</th> <th>Improvement Plan</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Environment</td> <td>Planting beneficial plant</td> <td>Planted 500 beneficial plant  Embroidery and supplement of beneficial plants</td> </tr> <tr> <td>2</td> <td>Social</td> <td>Sanitation day</td> <td>Awareness program to the local community</td> </tr> <tr> <td>3</td> <td>Economy</td> <td>Improvement and increase in</td> <td>Awareness of FFB quality</td> </tr> </tbody> </table>	No	Category	Improvement Plan	Action Plan	1	Environment	Planting beneficial plant	Planted 500 beneficial plant  Embroidery and supplement of beneficial plants	2	Social	Sanitation day	Awareness program to the local community	3	Economy	Improvement and increase in	Awareness of FFB quality	Complied
No	Category	Improvement Plan	Action Plan																
1	Environment	Planting beneficial plant	Planted 500 beneficial plant  Embroidery and supplement of beneficial plants																
2	Social	Sanitation day	Awareness program to the local community																
3	Economy	Improvement and increase in	Awareness of FFB quality																

Criterion / Indicator		Assessment Findings	Compliance
		company revenue	
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. <b>- Major compliance -</b>	There is no new application of new technology implemented during the certification period. The current practices continued and guide by Standard Operation Procedure (SOP)  The estate management will implement and monitor any new technologies being implemented and the training of other personnel.	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. <b>- Major compliance -</b>	No new technology is in place thus far. Currently, FASSB Bukit Besar Estate has carried out the training based on the estate's current practices.	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. <b>- Major compliance -</b>	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. External stakeholders' consultation was held with slides to explain on MSPO requirements on 31/10/2019.  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	The estate 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: <a href="http://www.fgvholdings.com">www.fgvholdings.com</a>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	outcomes. - <b>Major compliance</b> -	Records of inspections and visits by the authorities were maintained such as DOE visits.	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. - <b>Major compliance</b> -	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. The estate has conducted a stakeholder meeting on 31/10/2019. 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
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - <b>Minor compliance</b> -	The estate has nominated an executive (Mohd Nor Boyman) the Assistant Manager as official responsible person for communication and handling all social issues in the facility. Appointment letter dated 24/1/2020 [ref.: (11) 820630001-2020/01/01 was available for verification.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - <b>Major compliance</b> -	The stakeholder list was last updated on 31/10/2020 where internal and external stakeholders have been included in the list.  Stakeholder meeting was last conducted on 31/10/2019 with the participation of internal and external stakeholders such as FFB suppliers, government authorities, contractors and local communities. Requests or enquiries raised during the meeting was responded by the management and recorded in the minutes.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Apart from that, Housing Defect Report was also implemented to record any complaints reported by the workers related to housing facility.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	Manual Ladang Sawit Lestari, 8.0 Mengangkut BTS ke Kilang [MLSL (Ed.2) – Sec.4 (8.0), 1/6/2012] has been established to provide guideline on delivery of FFB to the mill. Among the documents & records found to be maintained were: <ul style="list-style-type: none"> <li>• Nota Penghantaran BTS</li> <li>• Slip Akuan Penerimaan (weighbridge ticket)</li> <li>• Slip Grading</li> <li>• Sijil Mutu BTS</li> </ul>	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Various means were available on how to monitor the traceability where among others the updating of FFB delivery records, through month end account closing and internal audit. Based on the records of FFB delivery, it was found that the procedure of traceability was well implemented.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The office clerks are assigned to implement and maintain the traceability system as verified through an appointment letter.	Complied
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Verification of the records and documents mentioned in 4.2.3.1 showed that the deliveries of FFB were well maintained. Crosschecking between the daily FFB delivery records and the transportation documents showed that the records were accurate and well maintained.	Complied



Criterion / Indicator	Assessment Findings	Compliance	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.  <b>- Major compliance -</b>	The unit of certification continues to comply with all relevant legal requirements. Among the permits verified during the assessment are: 1. KPDKK – Diesel – J 003668, Valid from 25.04.2020 – 25.03.2021 Reference No : – KPDKK.J.KTG/Permit Khas 0679 (PD) 2. Certification of calibration. Certification No: KAD 1314, Valid from 17.12.2019 – 16.12.2020 3. MPOB license; License Number: 502670 - 102000; License valid from 30.04.2020 till 31.03.2021. 4. COPN Certificate; Certificate Number: MPOB/COP/NN/0113-2; License valid till 04.09.2022. 5. “Lesen Persijilan Barangan” MS 157:2005 : PF 007303; License valid till 31.12.2020	Complied
<b>4.3.1.2</b>	The management shall list all laws applicable to their operations in a legal requirements register.  <b>- Major compliance -</b>	The applicable laws identified were listed in: <ul style="list-style-type: none"> <li>Daftar Perundangan dan Lain-lain Keperluan (Register of Legal and Other Requirements) [ML-1A/L5-AP1 Pind 0]</li> </ul> The lists were last updated on 20/5/2020	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.  <b>- Major compliance -</b>	The mechanism of tracking changes and update are guided by Sistem Semakan Perubahan Undang-undang, rev. 4, dated 23/6/2015. The guideline is presented in flow chart form.	Complied

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<b>4.3.1.4</b> The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. <b>- Minor compliance -</b>	FGV have centralised system for tracking any changes in the law as per " <i>Panduan: Sistem Pengesanan Perubahan Undang-undang</i> " dated 23/6.2017, Version:04. Any changes in the relevant regulations is through Plantation and Sustainability Department and the Manager, who are sole responsible.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>		
<b>4.3.2.1</b> The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	There was no evidence that the oil palm cultivation activities is diminishing the land use rights of other users	Complied
<b>4.3.2.2</b> The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	The estate (which is under FGV Holdings Berhad) is able to demonstrate its right to use the land (55.26 Ha) through an agreement entitled "Second Supplement Agreement", dated 2/9/2020 between FELDA and FGV Agri Services Sdn Bhd (FASSB). The agreement is to supplement the Tenancy Agreement (Principal Agreement) dated 7/2/2018.	Complied
<b>4.3.2.3</b> Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The estate boundary is well demarcated with boundary markers surrounding the land. Total 6 boundary stones at the estate where details are recorded in "Rekod Pemantauan Batu Sempadan". The boundary markers clearly state the GPS coordinate of that particular point. Maps clearly showing the estate boundary were also sighted during the audit.	Complied
<b>4.3.2.4</b> 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	FGV has developed procedure on " <i>Pengenalpastian dan penyelesaian pertikaian tanah</i> " with Doc. No. ML-1A/L1-Pr10(0) dated 1/6/2016. The objective of the procedure is to handle and monitor issue raised from local communities on customary or user rights. Procedure on the compensation to the people entitled and monitoring of boundary stone	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market land price. There is no land dispute in Bukit Besar/Taib Andak Estate at the time of audit. The surrounding land is owned by FELDA and the settlers. Interviewed with the stakeholders confirmed that no encroachment of land by the company.	
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	The land is legally owned by FELDA and leased to FASSB. The existing land is not encumbered by any customary land rights.	Complied
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	The land is legally owned by FELDA and leased to FASSB. The existing land is not encumbered by any customary land rights.	Complied
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	The land is legally owned by FELDA and leased to FASSB. The existing land is not encumbered by any customary land rights.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Social Impact Assessment was carried out by Plantations Sustainability Department (PSD), Sustainability & Environment Department for Bukit Besar/Taib Andak Estate on 7/8/2018. The assessment has involved the participation of relevant stakeholders such as local authorities, workers’ representatives, contractors, settlers and local communities.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Action Plan for Social Impact Assessment was developed and monitored by the mill management which abstracted from SIA assessment. The latest management plan was updated in 2019, for e.g.:</p> <ol style="list-style-type: none"> <li>1) Lack of understanding by the foreign workers on RSPO &amp; MSPO policies            Action plan: To explain the policies to the workers through briefing during muster call            Status: Briefing has been conducted 6/7/2019</li> <li>2) Emergency telephone numbers and officer in-charge were not displayed on the notice board workers housing            Action plan: To display the phone numbers            Status: cleaning is continuously done 6/7/2019</li> <li>3) The headmistress of SK LKTP Bukit Besar applied to have educational visit for UPSR students at the estate's R&amp;D            Status: the visit was cancelled due to conflict of schedule and the headmistress was informed on 2/10/2019</li> </ol> <p>The positive impacts such as job opportunities for surrounding communities were also identified and documented.</p>	

**Criterion 4.4.2: Complaints and grievances**

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	The estate is having a log book to record complaints or requests from the stakeholders. Most of the complaints were about defects of working tools, PPE and transport requisition for getting household supplies.  Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner. The action taken were also cross-checked on-site.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	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. <b>- Minor compliance -</b>	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.	The records of complaint for the past 24 months (since October 2018) were available in the complaint records book. The oldest record was on 16/5/2017.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	<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 surrounding communities with regards to religious activities such as providing refreshment (26/4/2020) and providing food supplies during MCO to its own workers (25/3/2020).</p>	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The policy is prepared under FGV Holdings Berhad entitled "Occupational Safety and Health Policy" which was signed by the Group CEO (Dato' Haris Fadzilah Hassan) dated 8<sup>th</sup> May 2019. The policy was communicated to the employees through various methods such as training, briefings, display on notice boards, on the job supervisions, etc.</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. This policy adheres to the implementation of OSH requirements within the company.</p> <p>Occupational safety and health policy has been briefed during muster ground briefing for employees and Internal stakeholder during morning muster as follows;</p> <p>8<sup>th</sup> September 2020 – Briefing on FGV Policies by Estate Management. The session was attended by 7 estate workers Venue: TKI Worker housing</p>	Complied

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	<p>17<sup>th</sup> September 2020 – Briefing about PPE usage for spraying work by Estate Management. The session was attended by 7 estate workers Venue: TKI Worker housing</p>	
<p><b>4.4.4.2</b> The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>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).</li> <li>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.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have</li> </ul>	<ul style="list-style-type: none"> <li>a) The policy is available, communicated and effectively implemented. The policy is prepared under FGV Holdings Berhad entitled "Occupational Safety and Health Policy" which was signed by the Group CEO (Dato' Haris Fadzilah Hassan) dated 8<sup>th</sup> May 2019. The policy was communicated to the employees through various methods such as training, briefings, display on noticeboards, on the job supervisions, etc.</li> <li>b) Risk assessment was conducted through "Pengenalpastian Hazard, Penilaian Risiko dan Kawalan Risiko" based on the severity and the likelihood. HIRARC is consist of hazard identification (the type of work activity, hazard &amp; effect), Risk analysis (Existing risk control, likelihood, severity &amp; risk) &amp; Risk Control (Recommended control measures &amp; PIC appointed are Staff or Executive).</li> </ul> <p>Identification of risk has been addressed in "Pengenalpastian Hazard, Penilaian Risiko dan Kawalan Risiko" sighted for the followings work operation:-</p> <ul style="list-style-type: none"> <li>i. Harvesting</li> <li>ii. Spraying</li> <li>iii. Manuring</li> <li>iv. Transport worker to the workplace</li> <li>v. Rat baiting</li> <li>vi. Construction of FFB Platform</li> <li>vii. FFB Grading</li> <li>viii. Transport FFB to Palm Oil Mill</li> </ul>	<p>Complied</p>

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<p>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><b>- Major compliance -</b></p>	<p>c) Awareness and training programs have been established. A comprehensive annual training plan for the Executive, Staffs and Workers was sighted in the training records file. The needs of training are variable and subject to the nature of work for a specific task. The list of training as below:-</p> <p>A. Environment</p> <ol style="list-style-type: none"> <li>1. Schedule waste and domestic waste training</li> <li>2. IPM Training</li> <li>3. Buffer zone conservation training</li> <li>4. Environment meeting</li> <li>5. High conservation Value conservation training</li> </ol> <p>B. Social</p> <ol style="list-style-type: none"> <li>1. Briefing about salary (KUK, Insurance, MC)</li> <li>2. Briefing about the sexual harassment</li> <li>3. Briefing about the internal and external complaint procedure</li> <li>4. Briefing about MSPO / RSPO to contractor and supplier</li> <li>5. Gender committee meeting</li> </ol> <p>C. Safety and Health</p> <ol style="list-style-type: none"> <li>1. JKKP meeting</li> <li>2. ERP training</li> <li>3. Road safety training</li> <li>4. Workplace safety training</li> <li>5. First aid training</li> <li>6. HIRACD training</li> <li>7. PPE Usage training</li> <li>8. Safety workplace training during harvesting activity/manuring/ tractor driving / spraying</li> </ol>	



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	<p>9. Schedule waste handling training</p> <p>D. Company policies and Sustainable Procedure</p> <ol style="list-style-type: none"> <li>1. Occupational Safety and Health Policy briefing.</li> <li>2. Anti-Corruption Policy briefing</li> <li>3. Group Sustainability Policy briefing</li> <li>4. Quality Management Policy briefing</li> </ol> <p>d) Guided by "Prosedur Kerja Selamat Penggunaan Peralatan Perlindungan Diri (PPE)" – type/model/brand/made/ is specified. SOPs coupled with a recommendation from the CHRA assessor. Based on the site visit, the usage of PPE was found to be appropriate. Records of PPE issued are maintained individually for all employees. Sighted the records of issuance made to employees on a selective basis. During the site visit, the staff/workers were noted to be equipped with their proper attire &amp; PPE.</p> <p>e) SOP of handling of chemicals is available. The objective of the guideline is to show the requirement &amp; selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals. Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000). The guidelines are adequate to address the requirement needed. The manual of the SOP is filed and functional.</p> <p>f) SOP of handling of chemicals is available. The objective of the guideline is to show the requirement &amp; selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals. Storage, handling and training of such is also stated in the procedure in accordance with OSH (USECHH</p>	

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	<p>2000). The guidelines are adequate to address the requirement needed. The manual of the SOP is filed and functional</p> <ul style="list-style-type: none"> <li>• Prosedur Kerja Selamat Pengendalian Bahan Kimia [FGVPM/L3/PK-04, 1/4/2014]</li> <li>• Prosedur Kerja Selamat Memunggah Baja di Stor [FGVPM/L3/PK-17, 1/4/2014]</li> <li>• Prosedur Kerja Selamat Kawalan Musuh dan Penyakit [FGVPM/L3/PK-18, 1/4/2014]</li> <li>• Prosedur Kerja Selamat Pengendalian Racun Kelas 1a [FGVPM/L3/PK-19a, 1/4/2014]</li> <li>• Prosedur Kerja Selamat Pengendalian Racun Kelas 1b [FGVPM/L3/PK-19b, 1/4/2014]</li> </ul> <p>Sighted chemical register updated 28<sup>th</sup> October 2020 by Store Clerk and approved by Estate Manager. A total of 63 chemicals has been registered thus far.</p> <p>Sighted latest CHRA assessment has been conducted for FASSB Bukit Besar Estate. Date of assessment on 4<sup>th</sup> November 2019 by Dr. Chan Ying Hou (JKKP HQ/17/ASS/00/0002). The CHRA report No. JKKP HQ/17/ASS/00/0002 – 2019/052/001). The CHRA covered the following station :</p> <ol style="list-style-type: none"> <li>1. Fertilizing (General Workers).</li> <li>2. Chemical Mixing and Spraying (General Workers)</li> <li>3. Tractor Drivers</li> </ol>	

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	<p>Based on the CHRA recommendation, the estate has sent its workers who are exposed to chemicals for annual medical surveillance for the year 2019, however for the year 2020 the medical surveillance examination has been scheduled to carry out in December 2020.</p> <p>g) There is a safety committee established to be responsible for workers' safety and health. The Estate Managers was appointed as the Chairman of the operating units ESH committee. Sighted the organization chart for the ERT Team which involving all the staff in the estate.</p> <p>h) The safety issue has been addressed through safety committee meetings which were conducted quarterly. The OSH committee meeting has been conducted as follows:-</p> <ul style="list-style-type: none"> <li>a. 1<sup>st</sup> June 2020</li> <li>b. 28<sup>th</sup> September 2020</li> </ul> <p>Due to COVID-19 Pandemic issue, the estate has delayed the OSH meeting. For the 3<sup>rd</sup> meeting, the estate management planned to carry out in December 2020.</p> <p>h) Sighted the emergency procedure in FASSB Bukit Besar Estate. Emergency response plan available in the local language (Malay and English). The ERP has been explained to all workers and staff during training. Emergency response plans include the emergency contact number, and also have Guidelines on Accidents, Emergency Procedures and Exit routes as well as assembly points in the file and pasted on the notice board.</p> <p>i) Training on first aid is included in the "Plan/program OSH FASSB</p>	

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		<p>Bukit Besar Estate 2020". The first aider in FASSB Bukit Besar Estate have been trained by a competent trainer from CERT Academy as sighted from training certificate issued dated 21<sup>st</sup> – 22<sup>nd</sup> February 2020. The renewal date is on 21<sup>st</sup> February 2022</p> <p>i) Sighted Records of JKPP 8 (1) / (IV) submitted accordingly before the dateline. Any accident that occurred in the estate is handled according to the national OSH department (JKPP) includes reporting any accident case, investigation and calculation of LTA.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></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
<b>4.4.5.2</b>	<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><b>- Major compliance -</b></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 other</p>	Complied

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		political opinions. Interview with the workers showed that no discrimination is being practiced.	
<b>4.4.5.3</b>	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.  - <b>Major compliance</b> -	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 offer letters. The sampled offer letters were of employees Emp. No.: PB001919009, PB001919010, PB001919012, PB001919014 and PI001919031.	Complied
<b>4.4.5.4</b>	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.  - <b>Minor compliance</b> -	There is only one contractor (Ahmad Bin Hashim) hired by the estate to transport FFB to the mill. The job is done through assistance from his son (Amirnudin Bin Ahmad). Pay slip is not necessary as the business is run on family basis.	Complied
<b>4.4.5.5</b>	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.  - <b>Major compliance</b> -	All the recruited workers will be registered in the Human Resource Management System (OPMS) 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. The contractor (Ahmad Bin Hashim) has also provided the details of his workers accordingly.	Complied
<b>4.4.5.6</b>	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.  - <b>Major compliance</b> -	Employment contract is provided for every worker which is signed by the employer and employee. Based on verification of the contract contents, the stipulated terms & conditions found to be fair.	Complied

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4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. <b>- Major compliance -</b>	The working hours are manually recorded during muster call and thereafter transferred to computerised wage payment system.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. <b>- Major compliance -</b>	Interview with workers and document reviewed on the Kad Kerja as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Documented payslips were given to the workers on the day of payment. Wages and overtime were paid according to the legal requirements and attendance records which have the information about total hours of overtime and daily attendance. The following payslip were sampled for Feb 2020, Jun 2020 and Oct 2020 as below: Emp. No.: PB001919009, PB001919010, PB001919012, PB001919014 and PI001919031.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. <b>- Minor compliance -</b>	All the workers are provided with medical facilities and SOCSO. The company is also providing free transportation to send the workers to town for daily goods purchased once a month. Other than that, subsidy of water RM 4 and electricity RM 6 was provided.	Complied

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<b>4.4.5.11</b>	<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><b>- Major compliance -</b></p>	<p>Hostels were provided to workers with basic amenities. Water and electricity are supplied from public domain which is subsidised by the employer.</p>	Complied
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></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 &amp; 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
<b>4.4.5.13</b>	<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><b>- Major compliance -</b></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

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<b>4.4.5.14</b>	<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><b>- Major compliance -</b></p>	<p>FGV 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
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<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><b>- Major compliance -</b></p>	<p>Training needs of individual estate employees are assessed by the management at beginning of the year. Based on the need analysis the Training program for 2020 was available at the estate during the audit assessment.</p> <p>Verification of the records showed that the implementation of the training program was on track. Training conducted were recorded in the various training record and completed with attendance records, training materials and photographs of the training.</p>	Complied
<b>4.4.6.2</b>	<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><b>- Major compliance -</b></p>	<p>The FASSB Bukit Besar Estate has conducted training need analysis and documented in 'Analisa Keperluan Latihan Petugas dan Pekerja'. A yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management which is based on their competencies and job description.</p> <p>The needs of training are variable and subject to the nature of work for a specific task. The list of training as below:- A. Environment</p>	Complied



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	<ul style="list-style-type: none"> <li>1. Schedule waste and domestic waste training</li> <li>2. IPM Training</li> <li>3. Buffer zone conservation training</li> <li>4. Environment meeting</li> <li>5. High conservation Value conservation training</li>   <li>B. Social               <ul style="list-style-type: none"> <li>1. Briefing about salary (KUK, Insurance, MC)</li> <li>2. Briefing about sexual harassment</li> <li>3. Briefing about internal and external complaint procedure</li> <li>4. Briefing about MSPO / RSPO to contractor and supplier</li> <li>5. Gender committee meeting</li> </ul> </li>   <li>C. Safety and Health               <ul style="list-style-type: none"> <li>1. JKKP meeting</li> <li>2. ERP training</li> <li>3. Road safety training</li> <li>4. Workplace safety training</li> <li>5. First aid training</li> <li>6. HIRACD training</li> <li>7. PPE Usage training</li> <li>8. Safety workplace training during harvesting activity/manuring / tractor driving / spraying</li> <li>9. Schedule waste handling training</li> </ul> </li>   <li>D. Company policies and Sustainable Procedure               <ul style="list-style-type: none"> <li>1. Occupational Safety and Health Policy briefing.</li> <li>2. Anti-Corruption Policy briefing</li> <li>3. Group Sustainability Policy briefing</li> <li>4. Quality Management Policy briefing</li> </ul> </li> </ul>	

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<p><b>4.4.6.3</b></p> <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><b>- Minor compliance -</b></p>	<p>All workers involved in the operations have been adequately trained in safe working practice. The FASSB Bukit Besar Estate has a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staff and workers. The training plan for 2020 was sighted.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Training</th> <th>Date Training</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ERP training</td> <td>07.08.2020</td> <td>Completed</td> </tr> <tr> <td>2</td> <td>Workplace safety training</td> <td>21.03.2020 02.09.2020</td> <td>Completed</td> </tr> <tr> <td>3</td> <td>HIRACD training</td> <td>21.04.2020</td> <td>Completed</td> </tr> <tr> <td>4</td> <td>PPE Usage training</td> <td>17.09.2020</td> <td>Completed</td> </tr> <tr> <td>5</td> <td>Safety workplace training during harvesting activity</td> <td>19.02.2020</td> <td>Completed</td> </tr> <tr> <td>6</td> <td>Safety workplace training during manuring activity</td> <td>03.02.2020</td> <td>Completed</td> </tr> <tr> <td>7</td> <td>Safety workplace training during spraying activity</td> <td>30.06.2020 06.07.2020</td> <td>Completed</td> </tr> <tr> <td>8</td> <td>Safety workplace training</td> <td>10.09.2020</td> <td>Completed</td> </tr> <tr> <td>9</td> <td>Schedule waste and domestic waste handling training</td> <td>02.07.2020</td> <td>Completed</td> </tr> <tr> <td>10</td> <td>IPM Training</td> <td>03.09.2020</td> <td>Completed</td> </tr> <tr> <td>11</td> <td>Buffer zone conservation training</td> <td>03.11.2020</td> <td>Completed</td> </tr> <tr> <td>12</td> <td>Briefing about salary (KUK, Insurance, MC)</td> <td>11.08.2020</td> <td>Completed</td> </tr> </tbody> </table>		No	Training	Date Training	Status	1	ERP training	07.08.2020	Completed	2	Workplace safety training	21.03.2020 02.09.2020	Completed	3	HIRACD training	21.04.2020	Completed	4	PPE Usage training	17.09.2020	Completed	5	Safety workplace training during harvesting activity	19.02.2020	Completed	6	Safety workplace training during manuring activity	03.02.2020	Completed	7	Safety workplace training during spraying activity	30.06.2020 06.07.2020	Completed	8	Safety workplace training	10.09.2020	Completed	9	Schedule waste and domestic waste handling training	02.07.2020	Completed	10	IPM Training	03.09.2020	Completed	11	Buffer zone conservation training	03.11.2020	Completed	12	Briefing about salary (KUK, Insurance, MC)	11.08.2020	Completed	<p>Complied</p>
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		13	Briefing about MSPO / RSPO to contractor and supplier	17.06.2020 01.09.2020	Completed	
		14	Gender committee meeting	10.01.2020 25.06.2020	Completed	
		15	Occupational Safety and Health Policy briefing.	17.04.2020 08.09.2020	Completed	
		16	Group Sustainability Policy briefing	11.02.2020	Completed	
		17	Group Sustainability Policy briefing	06.03.2020	Completed	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>						
<b>Criterion 4.5.1: Environmental Management Plan</b>						
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.  - <b>Major compliance</b> -	<p>The Environment Policy is prepared under FGV Berhad entitled "Occupational Safety and Health Policy" which was signed by the Group CEO (Dato' Haris Fadzilah Hassan) dated 18<sup>th</sup> March 2019.</p> <p>Based on the Environmental Policy, the Company is committed to the implementation of the following practices:</p> <ol style="list-style-type: none"> <li>1. Comply with all applicable environmental legislation, regulation and other requirements throughout our business operations.</li> <li>2. Ensure protection of the environment including through: <ul style="list-style-type: none"> <li>- Prevention of pollution by eliminating or minimizing any the potential adverse effect associated with our activities products and services.</li> <li>- Efficient use of natural resources by applying Good Agriculture Practices (GAP) and Good Manufacturing Practices (GMP)</li> </ul> </li> </ol>				Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- No deforestation, no new planting on peat and no development on areas of natural forest, high carbon stock (HCS) or high conservation (HCV)</li> <li>- Adoption of Best Management Practices (BMP)</li> <li>- Prohibition of the use of agrochemicals that are categories as World Health Class 1A or 1B or that are listed by Stockholm or Rotterdam Conventions and paraquat except in specific situations</li> <li>- Implementation of no open burning policy</li> <li>- Deployment of water management practices to ensure activities do not lead to any negative impact to natural water bodies or to water quality and availability.</li> <li>- Management of waste in accordance with applicable regulatory requirement and measure to reduce, reuse, recycle or dispose of waste in an environmentally responsible manner</li> <li>- Reduction of greenhouse gas (GHG) emissions and use of renewable energy where possible</li> </ul> <p>3. Encourage our business partners and third-party providers of goods and services to incorporate environmentally.</p> <p>The policy has been briefed during muster ground briefing for employees and Internal stakeholder during morning muster as follows;</p> <p>8<sup>th</sup> September 2020 – Briefing on FGV Policies by Estate Management. The session was attended by 7 estate workers  Venue: TKI Worker housing</p> <p>17<sup>th</sup> September 2020 – Briefing about PPE usage for spraying work by Estate Management. The session was attended by 7 estate workers</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		Venue: TKI Worker housing	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p><b>- Major compliance -</b></p>	<p>a) The EMP policy is available as specified in 4.5.1.1 above</p> <p>b) The FASSB Bukit Besar Estate management has conducted environmental aspect and impact assessment for all its' activities. The environmental impact assessment was guided by its Environmental Aspect and Impact Evaluation procedure. The identification of Environmental Aspects and Evaluation of Significance Form was used to identify and evaluate the environmental aspect and impact.</p> <p>The evaluation was divided by workstations such as;</p> <ol style="list-style-type: none"> <li>1. Operation fields (triple rinses, spraying, chemical premix, storage of fertilizer, transport of worker to the workplace, transport of FFB to Palm Oil Mill, Fertilizer application.</li> <li>2. Officials and Dormitories (the use of electronic equipment and Computer in the office).</li> </ol> <p>The evaluation of EAI was last updated on 3<sup>rd</sup> February 2018 – format of EAI includes</p> <ul style="list-style-type: none"> <li>• Dept./process</li> <li>• Aspect</li> <li>• Impact (type &amp; score)</li> <li>• Usage/discharge quantity (per month or day)</li> <li>• Impact mitigation method and comments</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Sighted the environmental management plan for the year 2020 developed to mitigate the negative impacts and to promote the positive one and effectively implemented and monitored which includes:</p> <p>Process: Triple rinse and collection of the empty pesticide container  Aspect: i. Empty pesticide container  Impact: Water and soil contamination  Impact mitigation method and comments: Triple rinse procedure</p> <p>Process: Spraying  Aspect: Spraying at the area nearest to water  Impact: i. Leaching causes soil pollution  ii. Effect the Aquatic ecosystem  Impact mitigation method and comments: Work safe procedure for Spraying</p> <p>Process: FFB Harvesting  Aspect: Uncollected loose fruit  Impact: Soil contamination  Impact mitigation method and comments: Work safe procedure for Harvesting</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p>	<p>The program to promote activities with positive impacts was included in the continual improvement plan.</p> <p>The reviewed Environmental Management Plan had considered the</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -	mitigation of negative impacts and the promotion of positive ones and translated into estate programs.	
<b>4.5.1.5</b>	<p>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.</p> <p>- <b>Major compliance</b> -</p>	<p>The estate management has established an annual training program which covers environmental awareness and compliance-related training to the executives, staff and workers. A sighted training program that included with environment training as below;</p> <p style="padding-left: 40px;">A. Environment</p> <ol style="list-style-type: none"> <li>1. Schedule waste and domestic waste training</li> <li>2. IPM Training</li> <li>3. Buffer zone conservation training</li> <li>4. Environment meeting</li> <li>5. High conservation Value conservation training</li> </ol> <p>The policy has been briefed during muster ground briefing for employees and Internal stakeholder during morning muster as follows;</p> <p>8<sup>th</sup> September 2020 – Briefing on FGV Policies by Estate Management. The session was attended by 7 estate workers Venue: TKI Worker housing</p> <p>3<sup>rd</sup> November 2020 – Briefing about HCV and buffer zone area by Estate Management. The session was attended by 7 estate workers Venue: TKI Worker housing</p>	Complied
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	The Environment issue has been addressed and discussed in the OSH Committee meeting. The meeting has been conducted quarterly. The OSH committee meeting has been conducted as follows:-	Complied

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Criterion / Indicator		Assessment Findings	Compliance																
	- Major compliance -	<p>c. 1<sup>st</sup> June 2020  d. 28<sup>th</sup> September 2020  Due to COVID-19 Pandemic issue, the estate has delayed the OSH meeting. For the 3<sup>rd</sup> meeting, the estate management planned to carry out in December 2020.</p> <p>The FASSB Bukit Besar Estate has discussed their concerns about the environmental issue with the workers representative every quarter.</p>																	
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																			
<b>4.5.2.1</b>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Sighted the non-renewable energy consumption for the operation of the estate. The audit team observed that the consumptions are monitored every month.</p> <table border="1"> <thead> <tr> <th>Description</th> <th>January – October 2020</th> </tr> </thead> <tbody> <tr> <td>FFB,mt</td> <td>913.31</td> </tr> <tr> <td>Diesel, liter (genset &amp; transportation)</td> <td>6,175.00</td> </tr> <tr> <td>Average Diesel, Liter/mt FFB</td> <td>6.76</td> </tr> <tr> <td>Electricity, kWH (Genset &amp; Turbine)</td> <td>29,950.00</td> </tr> <tr> <td>Average, kWH/mt FFB</td> <td>32.79</td> </tr> <tr> <td>Water, liter</td> <td>138,910.00</td> </tr> <tr> <td>Average Water, Liter/mt FFB</td> <td>152.00</td> </tr> </tbody> </table>	Description	January – October 2020	FFB,mt	913.31	Diesel, liter (genset & transportation)	6,175.00	Average Diesel, Liter/mt FFB	6.76	Electricity, kWH (Genset & Turbine)	29,950.00	Average, kWH/mt FFB	32.79	Water, liter	138,910.00	Average Water, Liter/mt FFB	152.00	Complied
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<b>4.5.2.2</b>	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	Estimation was based on the annual budget mentioned in 4.5.2.1 above.	Complied																



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	shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>		
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	At the moment, there is no usage of renewable energy been practices in estate.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	<p>Environmental Management Procedure refers to No Dokumen FGV /ML-1A/L2-Pr19 has been established effectively since 1<sup>st</sup> June 2019.</p> <p>Its objective is to identify all waste products and sources of pollution in the estate. A systematic inventory of scheduled wastes was properly maintained to record the movement of wastes in the estate.</p> <p>All waste products and sources of pollution are developed and implemented as per Environmental Aspect &amp; Impact Assessment (EAIA). Sighted Inventory of Scheduled Wastes, Fifth Schedule (Regulation 11) for FASSB Bukit Besar Estate as following;</p> <ol style="list-style-type: none"> <li>1. SW305 – spent engine oil</li> <li>2. SW306 – spent hydraulic oil</li> <li>3. SW409 – contaminated container &amp; equipment</li> <li>4. SW410 – Rags &amp; papers</li> <li>5. SW410 – Used filter</li> </ol>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.3.2</b> A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p>	<p>FGV Plantation (Malaysia) Sdn. Bhd. (FGVPMSB) has established SOP Waste Management, No Documents ML-1A/L2-Pr19(0) dated on 1<sup>st</sup> June 2019.</p> <p>The Waste Management Plan (WMP) has been incorporated in the Identification of all Waste Products and Operational Plan to Reduce Pollution to maximize recycling and minimize pollution, verified by POM Manager.</p> <p>Sample of Waste Management Plan (WMP) for Sungai Besar Estate as below;</p> <ul style="list-style-type: none"> <li>A. Source of waste: Estate Operation</li> <li>B. Type of schedule waste: Spend oil / Oil filter</li> <li>C. Impact: Contamination to water, air and soil</li> <li>D. Waste Management Plan (3R): Collect and dispose to authorize contractor</li> </ul> <ul style="list-style-type: none"> <li>A. Source of waste: Estate Operation</li> <li>B. Type of schedule waste: Empty chemical container</li> <li>C. Impact: Contamination to water, air and soil</li> <li>D. Waste Management Plan (3R) : <ul style="list-style-type: none"> <li>- Reuse</li> </ul> </li> </ul>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		- Recycle	
<b>4.5.3.3</b>	<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><b>- Major compliance -</b></p>	<p>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FGVPM/L3/PK-05 to comply with the Environmental Quality Regulations (Scheduled Waste) 2005.</p> <p>Handling of the used chemical produced in the estate is under control and strictly handle by a qualified person which has attended the safe handling, storage and disposal training. There is a clear procedure of disposal of waste material that includes management of waste disposal, notification of waste disposal, labeling of waste disposal, storage of waste disposal, inventory of waste disposal, collection and transportation of scheduled waste and recycling and disposal of scheduled waste.</p>	Complied
<b>4.5.3.4</b>	<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><b>- Major compliance -</b></p>	<p>Empty Chemical Containers were sold to recycle vendors – method of disposal stated in “Pengenalpastian Sumber &amp; Jenis Bahan Buangan” i.e. triple rinsed and sold to recycle vendor.</p> <p>During the site visit, it was seen that the chemical containers are been triple rinsed and punctured to prevent contamination of water source or to human health.</p> <p>For the year 2020, no empty pesticide container has been disposed of so far. However, based stock card 5 units empty pesticide container has been generated in Month July 2020 and 5 units in October 2020</p>	Complied
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>The domestic waste from the housing area is well managed and all domestic wastes are collected and disposed of at Block 5. It was observed that the rubbish pit is located far from the residential area and natural waterway.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance																
<b>Criterion 4.5.4:</b> Reduction of pollution and emission																		
<p><b>4.5.4.1</b></p>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>FGV Plantation (Malaysia) Sdn. Bhd. has established SOP Pelan Mengurangkan Pencemaran dan Pemantauan Kesan Perlepasan Gas Rumah Hijau (GHG), No Documents ML-1A/L4-F18(0) dated on 1<sup>st</sup> June 2019.</p> <p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. Land conversion, Emissions from Fertilizer, Emissions from peat, Fuel Consumption, and crop sequestration. Their usage has been recorded and documented at each of the operating units. Approved GHG calculator, Palm GHG was used for the calculation during the implementation period.</p> <p>Reduction Pollution Plan for FASSB Bukit Besar Estate for the year 2020 as below;</p> <table border="1" data-bbox="1099 954 1921 1362"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Diesel Consumption</td> <td>Monitoring, reducing and recording the use of diesel in factories and day-to-day operations of the FASSB Bukit Besar Estate  Conducting training to the person in charge</td> </tr> <tr> <td>2</td> <td>Electric consumption</td> <td>Monitoring of electric use based on monthly bills for workers' offices and dormitories</td> </tr> <tr> <td>3</td> <td>Water consumption</td> <td>Monitoring of water use based on monthly bills for workers' offices and dormitories</td> </tr> <tr> <td>4</td> <td>Chemical usage</td> <td>Monitor the chemical usage in daily estate activity</td> </tr> </tbody> </table>	No	Emission	Action Plan	1	Diesel Consumption	Monitoring, reducing and recording the use of diesel in factories and day-to-day operations of the FASSB Bukit Besar Estate  Conducting training to the person in charge	2	Electric consumption	Monitoring of electric use based on monthly bills for workers' offices and dormitories	3	Water consumption	Monitoring of water use based on monthly bills for workers' offices and dormitories	4	Chemical usage	Monitor the chemical usage in daily estate activity	<p>Complied</p>
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Criterion / Indicator		Assessment Findings		Compliance
		5	Fertilizer usage  Increasing the use of EFB materials as manuring  Monitoring of fertilizer usage – kg/palm/year	
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  <b>- Major compliance -</b>	<p>The action plan established for reducing GHG emission was through reduction of diesel usage through various programs such as regular maintenance of vehicles and machinery and education to drivers.</p> <p>The action plan has been established and implementation is ongoing. As evidence, sighted the environmental management plan for the year 2020 developed to prevent or minimize the pollution.</p>		Complied
<b>Criterion 4.5.5: Natural water resources</b>				
<b>4.5.5.1</b>	<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> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>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.).</p>	<p>The Estate has established the water management plan and reviewed it on an annual basis. The latest review was conducted in January 2020. The management plan was focusing on the identification of water sources, usage estimation, monitoring plan, impact to stakeholders, action plan and person in charge.</p> <p>The following sources have been identified;</p> <p>i) Rainwater ii) Raw/Treated Water from Syarikat Air Johor - SAJ</p> <p>Sighted Water Management Plan was updated in January 2020 by FASSB Bukit Besar Estate. The plan was prepared by the Assistant Manager and approved by the POM Manager. The management plan and implementation as below:</p>		Complied

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	<p>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.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p>Source of water: Rainwater</p> <p>Impact:</p> <p>i. Maintain soil moisture</p> <p>ii. Flood</p> <p>Root Cause:</p> <p>i. Less rain causes rivers/farm trenches to dry up.</p> <p>ii. Heavy rainfall</p> <p>iii. The drainage system is clogged.</p> <p>Action Plan:</p> <p>i. Application of EFB</p> <p>ii. Build pit silt for water reservoir</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through in FASSB Bukit Besar Estate.</p>	Complied
<b>4.5.5.3</b>	<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><b>- Minor compliance -</b></p>	<p>There were roadside drains constructed along the main roads to divert and conserve water at designated points.</p>	Complied
<b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value			
<b>4.5.6.1</b>	<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>Sighted In-House High Conservation Value (HCV) Assessment carried out for FASSB Bukit Besar Estate on 13<sup>th</sup> September 2018 by In-House HCV Assessor i.e. Mr. Amir Hamzah bin Dollah @ Abdullah (Leader) HCV 1 – 3, Mr. Barath Munasamy (Members) HCV 5 – and MR.</p>	Complied

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<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>b) Conservation status (<i>e.g.</i> 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><b>- Major compliance -</b></p>	<p>Muhammad Zulfadzli Sufian Suri (members) HCV 4. Based on the assessment report, there was no HCV identified in the estate.</p> <p>Kajian Identifikasi HCV Ladang Penyelidikan FASSB Bukit Besar. The study covers the HCV 1-6 alloted area of concerned and the mapping/ GIS specialist input.</p> <ol style="list-style-type: none"> <li>1. HCV 1 – There is no significant concentrations of HCV 1 species (RTE or endemic), or which contains habitat critical to the survival of these species in the area of interest.</li> <li>2. HCV 2 - The estate had developed with oil palm and there was no large landscape ecosystem (more than 50,000ha)</li> <li>3. HCV 3 – There is no RTE ecosystem and habitat in the estate.</li> <li>4. HCV 4 - There are no rivers in the estate or any area which serves as basic ecosystem services in critical situations.</li> <li>5. HCV 5 – There was no natural sites or resources in the estate that local communities are dependent on.</li> <li>6. HCV 6 – There are no custom ceremonies or rituals, which require a cultural, religious, or sacred site, being practiced by locals.</li> </ol>	
<p><b>4.5.6.2</b> If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>Although there is no HCV or RTE identified, the field staff and workers have been regularly briefed about the HCV &amp; RTE by the Estate Manager. Records were made available for verification. Signage about the prohibition of hunting and collecting were maintained in strategic places such as the estate entrance and office.</p> <p>There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate.</p>	<p>Complied</p>

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4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.  - <b>Major compliance</b> -	Monitoring records on animal sighting was implemented. The report has information about what animal, number of animals, location and observed by who. To date, there has been no sighting of wild animals.  There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. Thus, no management plan has been established by estate management.	Complied
<b>Criterion 4.5.7: Zero burning practices</b>			
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.  - <b>Major compliance</b> -	There was no use of fire observed for waste disposal and for preparing land for oil palm cultivation or replanting.  During the site visit, no evidence of open burning in the estate area either in the plantation or in linesite area. Sighted signage of zero burnings being erected at the strategic locations.	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.  - <b>Major compliance</b> -	No significant risk of diseased palm was reported in the estate. Open burning during new plantings and re-plantings is not allowed.	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.  - <b>Major compliance</b> -	No controlled burning being sought by the estate.  During the replanting process, the old palm to be felled, chipped and shredded and left in the field for self-decomposed.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	During the replanting process, the old palm to be felled, chipped and shredded and left in the field for self-decomposed.	Complied



Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Standard Operating Procedures (SOPs) for the estate are documented. Interview with staff and workers revealed that all working SOPs being consistently implemented among all employees and monitored by the management through daily muster briefing, training, etc. List sampled SOPs available during onsite assessment sighted as following:</p> <ul style="list-style-type: none"> <li>- Manual Ladang Sawit Lestari (Sustainable Oil Palm Manual) – Pengurusan Tapak Semaian Sawit (Oil Palm Nursery Management); Edisi II (Seksyen 1)</li> <li>- Manual Ladang Sawit Lestari (Sustainable Oil Palm Manual) – Pembangunan Semula Sawit (Oil Palm Replanting); Edisi II (Seksyen 2)</li> <li>- Manual Ladang Sawit Lestari (Sustainable Oil Palm Manual) – Sawit Pra Matang (Premature Oil Palm); Edisi II (Seksyen 3)</li> <li>- Manual Ladang Sawit Lestari (Sustainable Oil Palm Manual) – Sawit Matang (Mature Oil Palm); Edisi II (Seksyen 4)</li> <li>- Manual Ladang Sawit Lestari (Sustainable Oil Palm Manual) – Sawit Matang (Mature Oil Palm); Edisi II (Seksyen 1)</li> <li>- MSL (Ed. 2); Vol. 1; Sec. 1-5; Controlled # 0871; Effective date: 1<sup>st</sup> June 2012</li> <li>- Manual Lestari (Sustainable Manual)1A; ML-1A/L3-GP1(0); Rev. 0; Eff. Date: 1<sup>st</sup> June 2016 (Garis Panduan - Pensampelan Air) (Water Sampling Guideline)</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance									
		Good Agricultural Practices had been implemented and monitored via work programs, visits by General Managers, Plantation Advisors, Agronomist and Internal Audit Department.										
<b>4.6.1.2</b>	<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><b>- Major compliance -</b></p>	<p>FGV has established policy regarding oil palm grown within permitted levels on sloping land and documented Conservation of Sloping Land and river reserve Policy</p> <p>The estate construct terraces at a slope area of more than 6 degrees. Planting of the cover crop is made to retain the soil structure and conservation.</p> <p>a) Roadside pits are made to divert water at slope areas to prevent road erosion and surface damage.</p> <p>b) Terraces are constructed inclined towards the terrace wall</p> <p>The estate has to implement Good Agricultural Practices by planting legume cover crop as part of moisture conservation practices and at the same time, it acts as weed control.</p> <p>Based on the map produced by Geoinformatics, FGV R&amp;D PPP Tun Razak, 26400 Bandar Jengka, Pahang Darul Makmur dated 7<sup>th</sup> February 2020. The land physiographic conditions are varied as below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Degree</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0 – 6</td> <td>62.01 %</td> </tr> <tr> <td>2</td> <td>7 – 12</td> <td>37.87 %</td> </tr> </tbody> </table>	No	Degree	Percentage	1	0 – 6	62.01 %	2	7 – 12	37.87 %	Complied
No	Degree	Percentage										
1	0 – 6	62.01 %										
2	7 – 12	37.87 %										

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		3	13 – 24	0.12 %													
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field.  <b>- Major compliance -</b>	Field references were identified by the year of planting. A signboard was erected and palms at the corner of each field were stenciled with the field identification.			Complied												
<b>Criterion 4.6.2: Economic and financial viability plan</b>																	
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  <b>- Major compliance -</b>	FASSB Bukit Besar Estate has an annual budget for the financial year from 2020 till 2025. The budget includes the projected FFB production, general charges, upkeep & cultivation, collection and immature areas.			Complied												
<b>4.6.2.2</b>	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.  <b>- Major compliance -</b>	FASSB Bukit Besar Estate's age of planting is 5 years as of 2030 therefore a replanting program is not required for approximately another 15 years.			Complied												
<b>4.6.2.3</b>	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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 25%;">Plan</th> <th style="width: 70%;">Contents</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Budget</td> <td> <ul style="list-style-type: none"> <li>Expenses – Operations, administration, depreciation and tax.</li> <li>Profit &amp; Loss</li> </ul> </td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">Yield (FFB)</td> <td> <ul style="list-style-type: none"> <li>Monthly Yield,</li> <li>To-date Yield</li> <li>Budgeted Yield.</li> </ul> </td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">Yearly</td> <td> <ul style="list-style-type: none"> <li>Harvesting</li> </ul> </td> </tr> </tbody> </table>			No	Plan	Contents	1	Budget	<ul style="list-style-type: none"> <li>Expenses – Operations, administration, depreciation and tax.</li> <li>Profit &amp; Loss</li> </ul>	2	Yield (FFB)	<ul style="list-style-type: none"> <li>Monthly Yield,</li> <li>To-date Yield</li> <li>Budgeted Yield.</li> </ul>	3	Yearly	<ul style="list-style-type: none"> <li>Harvesting</li> </ul>	Complied
No	Plan	Contents															
1	Budget	<ul style="list-style-type: none"> <li>Expenses – Operations, administration, depreciation and tax.</li> <li>Profit &amp; Loss</li> </ul>															
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3	Yearly	<ul style="list-style-type: none"> <li>Harvesting</li> </ul>															

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	e) Financial indicators: cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>		Activities	<ul style="list-style-type: none"> <li>• Spraying</li> <li>• Manuring</li> <li>• Pruning</li> <li>• Census</li> <li>• Beneficial Plants</li> </ul>	
		4	Expenses Accounting	Detailed Operational Budget <ul style="list-style-type: none"> <li>• Labour Wages</li> <li>• Estate Tools</li> <li>• Fertilizer Cost</li> <li>• Chemical Cost</li> <li>• PPE</li> </ul>	
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	<p>The estate performance is recorded in the monthly progress report.</p> <p>a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.</p> <p>b) The management also provides a variance report on the performance and reviewed it every month.</p> <p>c) The supervisory personnel maintained a daily cost for the field operations.</p> <p>d) The meeting involving the manager meets monthly with the Regional PA and Head for the performance review.</p> <p>e) Safety, Health, and Environmental report</p> <p>The estate performance is monitor through the monthly progress report. Details on the actual vs budget i.e. FFB production, capital expenditure, production cost and revenue &amp; profit account are shown therein.</p>			Complied

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<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - <b>Major compliance</b> -	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
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	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. Based on contract agreement, the payment will be made once a month. Vouchers verified: #20201009 and 20201112.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - <b>Major compliance</b> -	Signed agreed contracts were available through Surat Perintah Kerja, e.g.: #820105001-19/820230501-12-191, dated 26/12/2019 – Ahmad Hashim	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - <b>Minor compliance</b> -	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

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4.6.4.4	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Prior to releasing payments to the contractor, the estate's management have done the performance evaluation which is reported through "<i>Laporan Jualan BTS ke Kilang Sawit Kula</i>"</p>	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
4.7.1.1	<p>Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.</p> <p><b>- Major compliance -</b></p>	NA. No development of new planting.	NA
4.7.1.2	<p>No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p><b>- Major compliance -</b></p>	NA. No development of new planting.	NA
<b>Criterion 4.7.2: Peat Land</b>			

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4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.  - Major compliance -	NA. No development of new planting.	NA
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.  - Major compliance -	NA. No development of new planting.	NA
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.  - Major compliance -	NA. No development of new planting.	NA
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.  - Major compliance -	NA. No development of new planting.	NA
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented	NA. No development of new planting.	NA

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	and a plan to manage the impacts developed, implemented, monitored and reviewed. <b>- Minor compliance -</b>		
<b>Criterion 4.7.4: Soil and topographic information</b>			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. <b>- Major compliance -</b>	NA. No development of new planting.	NA
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	NA. No development of new planting.	NA
<b>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</b>			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. <b>- Major compliance -</b>	NA. No development of new planting.	NA
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <b>- Major compliance -</b>	NA. No development of new planting.	NA



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<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - <b>Major compliance</b> -	NA. No development of new planting.	NA
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.  - <b>Major compliance</b> -	NA. No development of new planting.	NA
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.  - <b>Minor compliance</b> -	NA. No development of new planting.	NA
<b>4.7.6.3</b>	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.  - <b>Major compliance</b> -	NA. No development of new planting.	NA
<b>4.7.6.4</b>	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	NA. No development of new planting.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	NA. No development of new planting.	NA
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	NA. No development of new planting.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	NA. No development of new planting.	NA
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	NA. No development of new planting.	NA

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4 General Principles for Palm Oil Mills**

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	Kulai POM does 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 <sup>th</sup> May 2019 undersigned by the Chairman of Board of Directors, YBhg Datuk Wira Azhar Abdul Hamid.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	The Sustainability Policy dated 29 <sup>th</sup> May 2019 demonstrates its commitments towards continual improvement with objectives such as below: <ul style="list-style-type: none"> <li>• FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood.</li> <li>• 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.</li> <li>• FGV strives to use resources efficiently in order to improve productivity in its operation.</li> <li>• FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms.</li> </ul>	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			

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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 -	The Internal Audit for Kulai POM was last conducted and documented on 22-23/7/2020 by the Internal Audit Team of FGVH, Headed by Mr. Azwan Muhammad. The Internal Audit had identified more than 30 non-conformities during their audit. The mill had come up with a "Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalaman Pensijilan Kelestarian 2020" which has the information about standards' requirements, NC statements, corrective action plans, time-frame and status of CAP.	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 -	The internal Audit Procedure is available in document ML-1A/L2-Pr11(0) effective date 01 June 2016 to ensure the MSPO standards are implemented in the mill operations in accordance to the policy and other matters standardised by the company and local legal bodies. Based on interview with the internal auditor, the root-cause identification was done immediately after the audit was completed in a meeting with the management.	Complied
4.1.2.3	Reports shall be made available to the management for their review.  - Major compliance -	The Internal Report was available for the Management in the document entitled "Laporan Audit Dalaman RSPO/MSPO FGV" given by the Internal Audit Team. The report has the information about standards' requirements, and findings.	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 -	The Management Review was conducted on 18/8/2020. The management review was chaired by the Manager, En. Sadilah Othman and attended by 9 other participants. Among the matters that were discussed in the management review were as follows:  1. Review of Internal Audit Reports	Complied

Criterion / Indicator		Assessment Findings	Compliance									
		2. External audit review 3. Environment Issues 4. Social Issues 5. Safety & Health issues 6. Changes that may affect the organization 7. Continuous improvement										
Criterion 4.1.4 – Continual Improvement												
<b>4.1.4.1</b> The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. <b>- Major compliance -</b>	The Palm Oil Mill has established a continuous improvement plan for the year 2020 which highlights the following issues and its action plans;- <table border="1" data-bbox="1086 874 1870 1369"> <thead> <tr> <th>No</th> <th>Target</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Increase OER % from 18.92% to 20.00%.</td> <td>           1. Control the ripeness FFB standard &gt; 95%            2. Control the stim temperature &gt; 95 Celsius            3. Control the VCT temperature &gt; 95 Celsius            4. Control the oil losses at sterilizer &lt; 1%         </td> </tr> <tr> <td>2</td> <td>Increase KER % from 5.51% to 5.85%.</td> <td>           1. Double threshing            2. Consistency delivery of loose fruit         </td> </tr> </tbody> </table>		No	Target	Action Plan	1	Increase OER % from 18.92% to 20.00%.	1. Control the ripeness FFB standard > 95% 2. Control the stim temperature > 95 Celsius 3. Control the VCT temperature > 95 Celsius 4. Control the oil losses at sterilizer < 1%	2	Increase KER % from 5.51% to 5.85%.	1. Double threshing 2. Consistency delivery of loose fruit	Complied
No	Target	Action Plan										
1	Increase OER % from 18.92% to 20.00%.	1. Control the ripeness FFB standard > 95% 2. Control the stim temperature > 95 Celsius 3. Control the VCT temperature > 95 Celsius 4. Control the oil losses at sterilizer < 1%										
2	Increase KER % from 5.51% to 5.85%.	1. Double threshing 2. Consistency delivery of loose fruit										

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			<p>to Palm Oil Mill</p> <p>3. Carry out theoretical analysis every month.</p> <p>4. Recording of press hour every shift.</p>	
		3	<p>Ensuring the discharge of treated effluent wastewater complies with the parameters permitted by the Department of Environment which is &lt; 100ppm (SS) floating solids in 2020.</p> <p>1. Running a 1:1 charging job for an anaerobic tank</p> <p>2. Ensuring Bio Polishing plant operates consistently</p> <p>3. Weekly BOD monitoring</p> <p>4. Washing facultative pool B, 1 unit of algae B1, 1 unit of mixing pool and tangka digester No. 9</p>	
<b>4.1.4.2</b>	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p><b>- Major compliance -</b></p>	<p>Any new information is updated to employees through morning briefings, memos, meetings, station training.</p>		Complied
4.2 Principle 2: Transparency				
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements				
<b>4.2.1.1</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>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. External stakeholders’ consultation was held with slides to explain on MSPO requirements on 31/10/2019.</p>		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.	
<b>4.2.1.2</b>	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.  - <b>Major compliance</b> -	Kulai 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: <a href="http://www.fgvholdings.com">www.fgvholdings.com</a>  Records of inspections and visits by the authorities were maintained such as inspection of electricity by competent engineer, DOE visits and DOSH visits.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders.  - <b>Major compliance</b> -	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. Kulai POM has conducted a stakeholder meeting on 31/10/2019. 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
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> .  - <b>Minor compliance</b> -	FGV Kulai POM has nominated the Assistant Manager as official responsible person for communication and handling all social issues in the facility. Appointment letter dated 4/1/2019, Bil: (03)	Complied

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		4004/RSPO/P6 and (04) 4004/RSPO/P6 were available for verification.	
<b>4.2.2.3</b>	<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><b>- Major compliance -</b></p>	<p>The stakeholder list was last updated on 31/10/2020 where internal and external stakeholders have been included in the list.</p> <p>Stakeholder meeting was last conducted on 31/10/2019 with the participation of internal and external stakeholders such as FFB suppliers, 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 workers related to housing facility.</p>	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	<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><b>- Major compliance -</b></p>	Addressed in SOP Perkilangan untuk Pematuhan Sistem Pensijilan MSPO SCCS [MSPO SCCS, issue 1, rev. 3, dated 1/9/2019].	Complied
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	Various means were available on how to monitor the traceability where among others the updating of productivity report, dispatch of CPO and PK, through month end account closing and internal audit. Based on verification of records, it was found that the procedure of traceability was well implemented.	Complied
<b>4.2.3.3</b>	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p>	Addressed under management functions and job description, the procedure which describes overall responsibility is assigned to the Mill Manager. The responsible is to implement and monitor the Kulai	Complied



Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -	POM Supply Chain programme. Based on interview with the person in-charged, he was able to demonstrate awareness of the organization’s procedures for the implementation of this standard.	
<b>4.2.3.4</b>	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.  - <b>Major compliance</b> -	Among the records to be maintained according to the procedure include: <ul style="list-style-type: none"> <li>• FFB Receipt summary from MPR and SAP</li> <li>• Weighbridge ticket</li> <li>• Dispatch of CPO/PK – delivery instruction/sales order, weighbridge ticket, delivery order</li> <li>• Daily production report @ daily figure from MPR and SAP</li> </ul>	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.  - <b>Major compliance</b> -	The unit of certification continues to comply with all relevant legal requirements. Among the permits verified during the assessment are: <ol style="list-style-type: none"> <li>1. MPOB license (SPO, EFB); License Number: 500161004000; License valid from 01.04.2020 till 31.02.2021</li> <li>2. MPOB license (FFB): License Number: 618378015000. License valid from 01.07.2020 till 30.06.2021</li> <li>3. MPOB license (CPO, PK); License Number: 618306003000; License valid from 01.06.2020 till 31.05.2021</li> <li>4. Diesel Permit; Serial Number J003446; Reference Number :</li> </ol>	Complied

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		<p>KPDNKK.J-JB/26/5A/11/1101 (P/D) (P12); Storage Quantity: 21,840 litre; Valid from 14.05.2020 till 13.05.2021</p> <p>5. River water Abstraction and Diversion License; File Number : BAKAJ/334/300/05/02/08/04; License Number 09/A/KJ/091; Maximum water abstraction: 500m<sup>3</sup>/ day; Valid till 31.12.2020.</p> <p>6. DOE Compliance license; License Number: 005353; Valid from 01.07.2020 till 30.06.2021</p> <p>7. "Jadual Permatuhan" No. 004683 – AS(B) J31/152/000/065 Jld 16(04); Valid from 01.07.2020 – 30.06.2021</p> <p>8. Permit to deduct salary: a letter from JTK Putrajaya to Felda Holdings Bhd, ref.: (6) BHG PU/9/129, dated 10/4/2012</p>	
<b>4.3.1.2</b>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>The applicable laws identified were listed in:</p> <ul style="list-style-type: none"> <li>Daftar Perundangan dan Lain-lain Keperluan (Register of Legal and Other Requirements) [FPI/L4/QOSHE-2.1 Pind 0]</li> <li>"Daftar Perundangan dan Lain-lain Keperluan" (Register of Legal and other Requirements) [ML-1A/L5-AP Pind 0]</li> </ul> <p>The lists were last updated on 31/10/2020</p>	Complied
<b>4.3.1.3</b>	<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><b>- Major compliance -</b></p>	<p>The mechanism of tracking changes and update are guided by Manual Procedure, Evaluation of Compliance to Legal and Other Requirements [FPI/L2/QOSHE-17.0].</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.3.1.4</b> The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- <b>Minor compliance</b> -</p>	<p>FGV have centralised system for tracking any changes in the law as per "<i>Panduan: Sistem Pengesanan Perubahan Undang-undang</i>" dated 23/6.2017, Version:04. Any changes in the relevant regulations is through Plantation and Sustainability Department and the Manager, who are sole responsible.</p>	<p>Complied</p>
<p><b>Criterion 4.3.2 – Lands use rights</b></p>		
<p><b>4.3.2.1</b> The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- <b>Major compliance</b> -</p>	<p>There was no evidence that the oil palm milling activities is diminishing the land use rights of other users</p>	<p>Complied</p>
<p><b>4.3.2.2</b> The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- <b>Major compliance</b> -</p>	<p>The mill (which is under FGV Holdings Berhad) is able to demonstrate its right to use the land (13.09 Ha) through an agreement entitled "<i>Surat Perjanjian Antara Lembaga Kemajuan Tanah Persekutuan (FELDA) dan Felda Palm Industries Sdn Bhd Rancangan: Felda Taib Andak</i>" dated 25/11/1996 and "<i>Perjanjian Pajakan Tanah (LLA) dengan FELDA</i>" dated 1/11/2011.</p>	<p>Complied</p>
<p><b>4.3.2.3</b> Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- <b>Major compliance</b> -</p>	<p>The mill has its perimeter fencing which meant to demarcate its boundary.</p>	<p>Complied</p>
<p><b>4.3.2.4</b> 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).</p> <p>- <b>Minor compliance</b> -</p>	<p>FGV has developed procedure on "<i>Pengenalpastian dan penyelesaian pertikaian tanah</i>" with Doc. No. ML-1A/L1-Pr10(0) dated 1/6/2016. The objective of the procedure is to handle and monitor issue raised from local communities on customary or user rights. Procedure on the compensation to the people entitled and monitoring of boundary stone was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market</p>	<p>Complied</p>

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		land price. There is no land dispute in Kulai POM at the time of audit. The surrounding land is owned by FELDA and the settlers. Interviewed with the stakeholders confirmed that no encroachment of land by the company.	
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	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
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	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
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	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
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Social Impact Assessment was carried out by Plantations Sustainability Department (PSD), Sustainability & Environment Department for Kulai POM on 9/8/2018. The assessment has involved the participation of relevant stakeholders such as local authorities, workers’ representatives, contractors, settlers and local communities.	Complied

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		<p>Action Plan for Social Impact Assessment was developed and monitored by the mill management which abstracted from SIA assessment. The latest management plan was updated on 31/10/2020, for e.g.:</p> <p>4) Environmental impact from the mill’s smoke emission to surrounding communities</p> <p>Action plan: installation of VORSEP Multi-dust Cyclone and continuous monitoring records</p> <p>Status: the pollution prevention equipment is being utilised and monitoring records were available</p> <p>5) Road accident (motorcycle) experienced by nearby Felda 2<sup>nd</sup> generation (settlers) residents due to slippery road.</p> <p>Action plan: discussion between JPPK FELDA about purchasing water jet and periodically road cleaning &amp; erection of signage.</p> <p>Status: cleaning is continuously done</p> <p>Among the positive impact identified was surrounding residents were taking fertile soil from effluent treatment area.</p>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented.	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	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.	
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. - <b>Major compliance</b> -	Kulai 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. - <b>Minor compliance</b> -	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. - <b>Minor compliance</b> -	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. - <b>Major compliance</b> -	The records of complaint for the past 24 months (since November 2018) were available in the complaint records book.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			

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4.4.3.1	<p>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.</p> <p><b>- Minor compliance -</b></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 surrounding communities with regards to religious activities.</p>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
4.4.4.1	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The policy is prepared under FGV Holdings Berhad entitled "Occupational Safety and Health Policy" which was signed by the Group CEO (Dato' Haris Fadzilah Hassan) dated 8<sup>th</sup> May 2019. The policy was communicated to the employees through various methods such as training, briefing, display on notice boards, on the job supervisions, etc.</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. This policy adheres to the implementation of OSH requirements within the company.</p> <p>Occupational safety and health policy has been briefed during muster ground briefing for employees and Internal stakeholder during morning muster as follows;</p> <p>20<sup>th</sup> November 2020 – Briefing on Safety by Palm Oil Mill Management. The session was attended by 72 workers.            Venue: Muster call area.</p> <p>2<sup>nd</sup> November 2020 – Briefing on Safety / Accident / Insurance by</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Palm Oil Mill Management. The session was attended by 72 workers. Venue: Muster call area.	
<b>4.4.4.2</b>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>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"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>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).</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>a) The policy is available, communicated and effectively implemented. The policy is prepared under FGV Holdings Berhad entitled "Occupational Safety and Health Policy" which was signed by the Group CEO (Dato' Haris Fadzilah Hassan) dated 8<sup>th</sup> May 2019. The policy was communicated to the employees through various methods such as training, briefings, display on noticeboards, on the job supervisions, etc.</li> <li>b) Risk assessment was conducted through "Pengenalpastian Hazard, Penilaian Risiko dan Kawalan Risiko" based on the severity and the likelihood. HIRARC is consist of hazard identification (the type of work activity, hazard &amp; effect), Risk analysis (Existing risk control, likelihood, severity &amp; risk) &amp; Risk Control (Recommended control measures &amp; PIC appointed are Staff or Executive).             Identification of risk has been addressed in "Pengenalpastian Hazard, Penilaian Risiko dan Kawalan Risiko". Sighted HIRARC for the followings work operations:-               <ul style="list-style-type: none"> <li>i. Continues sterilizer No. 3</li> <li>ii. Loading ramp</li> <li>iii. Press station</li> <li>iv. Kernel</li> <li>v. Oil room</li> </ul> </li> <li>c) Awareness and training programs have been established. A</li> </ul>	Complied



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<p>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 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><b>- Major compliance -</b></p>	<p>comprehensive annual training plan for the Executive, Staffs and Workers was sighted in the training records file. The needs of training are variable and subject to the nature of work for a specific task. The list of training as below:-</p> <p>A. Environment</p> <ol style="list-style-type: none"> <li>1. Management of schedule waste.</li> <li>2. Management of High Conservation Value (HCV)</li> <li>3. Segregation of waste from operation, office and domestic</li> <li>4. Wild Life, RTE and CABI</li> <li>5. Preparation of Impact and aspect</li> <li>6. Spillage training</li> </ol> <p>B. Social</p> <ol style="list-style-type: none"> <li>1. Briefing about SIA</li> <li>2. RSPO and MSPO awareness</li> <li>3. Company policies</li> <li>4. Awareness about sexual harassment</li> </ol> <p>C. Safety and Health</p> <ol style="list-style-type: none"> <li>1. NADAPOD</li> <li>2. HIRADC</li> <li>3. Chemical handling</li> <li>4. HCP</li> <li>5. PKS</li> <li>6. Legislative (FMA, OSHA)</li> </ol> <p>D. Emergency Rescue Procedure</p> <ol style="list-style-type: none"> <li>1. Fire Drill</li> <li>2. Usage of fire extinguisher</li> <li>3. First aid training</li> </ol>	

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	<p>d) Guided by “Prosedur Kerja Selamat Penggunaan Peralatan Perlindungan Diri (PPE)”– type/model/brand made/ is specified. SOPs coupled with a recommendation from the CHRA assessor. Based on the site visit, the usage of PPE was found to be appropriate. Records of PPE issued are maintained individually for all employees. Sighted the records of issuance made to employees on a selective basis. During the site visit, the staff/workers were noted to be equipped with their proper attire &amp; PPE.</p> <p>e) SOP of handling of chemicals is available. The objective of the guideline is to show the requirement &amp; selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals. Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000). The guidelines are adequate to address the requirement needed. The manual of the SOP is filed and functional.</p> <p>Sighted latest CHRA assessment has been conducted for FGVPIB Kulai Palm Oil Mill. The report was prepared by OCCUMED Consultancy &amp; Services Sdn. Bhd. Date of assessment on 23rd October 2019 by Dr. Yasriza bin Yahaya (JKKP HQ/10/ASS/00/8). The CHRA report No. JKKP HIE 127/171/2(8) - 2019/170). The CHRA covered the following station :</p> <ol style="list-style-type: none"> <li>1. Lab Assistant</li> <li>2. Boilerman</li> </ol>	

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	<p>3. Water treatment operator</p> <p>4. Mechanic</p> <p>Sighted latest Annual and Baseline Audiometric test report assessment has been conducted for FGVPIB Kulai Palm Oil Mill. The report was prepared by Industrial Safety Management Services. Date of assessment on 6<sup>th</sup> June 2020 by Dr. Poon Tuck Choy (HQ/15/DOC/00416). Based on the test total of 54 employees had participated in the audiometric testing. The result from the report is;</p> <p>i. Hearing impairment: No</p> <p>ii. Standard Threshold shift: No</p> <p>Sighted latest Baseline Noise Risk Assessment test report assessment has been conducted for FGVPIB Kulai Palm Oil Mill, The report was prepared by Industrial Safety Management Services. Date of assessment on 9<sup>th</sup> March 2020 by Dr. Wong Tai Chen (HQ/14/PEB/00/38). The bulk of noises came from the Continuous Sterilizer, Press Sterilizer, Press Station, Kernel Plant, Oil Clarification, Boiler, Engine Room and Workshop generating the highest noise level at 100dB(A). The recommendation covered the element below :</p> <p>1. Re-identification of excessive noise</p> <p>2. Noise risk assessment</p> <p>3. Employee notification</p>	

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	<p>4. Information, instruction, training and supervision</p> <p>5. Engineering control</p> <p>6. Administrative control</p> <p>7. Hearing protection</p> <p>8. Hearing protection zone</p> <p>9. Audiometric testing</p> <p>10. Recordkeeping.</p> <p>Sighted the recommendation information, instruction, training and supervision which require all the affected employees must attend the training program instituted by the employer. The training must be repeated every year for all affected employees exposed to excessive noise.</p> <p>FGVPISB Kulai Palm Oil Mill has conducted "Latihan untuk petugas / contractor" dated 31<sup>st</sup> January 2020 for Hearing conservation. Sighted picture, training material and attendance list.</p> <p>f) The company has appointed the Palm Oil Mill Manager as a person in – charge of health and safety as sighted from the OSH Organization chart for the Palm Oil Mill, where he is the chairman.</p> <p>g) Palm Oil Mill’s safety committee meets every quarter. The OSH committee meeting has been conducted as follows:-</p>	

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	<p>e. 27<sup>th</sup> February 2020 f. 12<sup>th</sup> May 2020 g. 25<sup>th</sup> August 2020</p> <p>i) Sighted the emergency procedure in Palm Oil Mill. Emergency response plan available in the local language (Malay and English). The ERP procedure has been explained to all workers and staff during training. Emergency response plans include the emergency contact number, and also have Guidelines on Accidents, Emergency Procedures and Exit routes as well as assembly points in the file and pasted on the notice board.</p> <p>j) Training on first aid was conducted based on Wilayah as follows ;</p> <table border="1" data-bbox="1151 919 1856 1058"> <thead> <tr> <th>No</th> <th>Wilayah</th> <th>Date of Training</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Wilayah 4</td> <td>17<sup>th</sup> – 18<sup>th</sup> January 2020</td> </tr> <tr> <td>2</td> <td>Wilayah 5</td> <td>15<sup>th</sup> – 16<sup>th</sup> January 2020</td> </tr> <tr> <td>3</td> <td>Wilayah 6</td> <td>20<sup>th</sup> – 21<sup>st</sup> January 2020</td> </tr> </tbody> </table> <p>Sighted picture, training material and attendance list attended by 30 participants.</p> <p>k) Sighted Records of JKPP 8 (1) / (IV) submitted on 20<sup>th</sup> January 2020 by Mr. Sadilah bin Othman (Palm Oil Mill Manager) of all accidents are available and discussed quarterly during OSH Meeting. Any accident occurred in the Palm Oil Mill is handled according to the national OSH department (JKPP) includes reporting any accident case, investigation and calculation of</p>	No	Wilayah	Date of Training	1	Wilayah 4	17 <sup>th</sup> – 18 <sup>th</sup> January 2020	2	Wilayah 5	15 <sup>th</sup> – 16 <sup>th</sup> January 2020	3	Wilayah 6	20 <sup>th</sup> – 21 <sup>st</sup> January 2020	
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Criterion / Indicator		Assessment Findings	Compliance															
		<p>LTA.</p> <p>The accident record year 2019 in Palm Oil Mill as following;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name</th> <th>Date of Incident</th> <th>Work during the incident</th> <th>MC Day</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mohamad Sahril Ramadan bin Sukarman</td> <td>15.01.2019</td> <td>Replace bearings in shred stations</td> <td>81</td> </tr> <tr> <td>2</td> <td>Badrul Amin bin Abd Razak</td> <td>28.12.2019</td> <td>installing the motor westfalia</td> <td>30</td> </tr> </tbody> </table> <p>Sighted compensation benefit reimbursement for Mohamad Sahril Ramadan bin Sukarman for 81 MC days as follows :</p> <ol style="list-style-type: none"> <li>1. Sighted payslip for the month of February till July 2019.</li> <li>2. Sighted the Medical leave chit issued by KPJ Johor.</li> <li>3. Claimed letter from Etiqa Takaful</li> <li>4. Claim letter from SOCSO</li> </ol>	No	Name	Date of Incident	Work during the incident	MC Day	1	Mohamad Sahril Ramadan bin Sukarman	15.01.2019	Replace bearings in shred stations	81	2	Badrul Amin bin Abd Razak	28.12.2019	installing the motor westfalia	30	
No	Name	Date of Incident	Work during the incident	MC Day														
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2	Badrul Amin bin Abd Razak	28.12.2019	installing the motor westfalia	30														
<b>Criterion 4.4.5: Employment conditions</b>																		
<b>4.4.5.1</b>	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy	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	Complied															

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	<p>shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>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>	
<b>4.4.5.2</b>	<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><b>- Major compliance -</b></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 other political opinions. Interview with the workers showed that no discrimination is being practiced.</p>	Complied
<b>4.4.5.3</b>	<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><b>- Major compliance -</b></p>	<p>The latest collective agreement (CA) [COG. NO: 031/2020] entitled “Perjanjian Bersama Antara FGV Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung”, dated 31/1/2020. The agreement is effective from 1/1/2019 to 31/12/2021. Basic wage was spelt out under Article 18.1 of the agreement which is in compliance with the current Minimum Wage Order, 2020.</p> <p>Sampled pay slips for the months of Feb, May and Oct 2020 confirmed that the workers were paid in accordance to the Minimum Wage Order 2020. The sampled employees were Emp. No.: 1211777, 2400503, 1201595, 1211151, 1205997 and 1211778.</p>	Complied

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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><b>- Minor compliance -</b></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 the contractor (e.g. Ahmad Bin Hashim) were paid in accordance to minimum standard including the 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><b>- Major compliance -</b></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 shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></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 Emp. No.: 1211777, 2400503, 1201595, 1211151, 1205997 and 1211778.</p> <p>Besides, the employment contract between the contractor (Ahmad bin Hashim) and his workers were well maintained.</p>	Complied



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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><b>- Major compliance -</b></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.: 1211777, 2400503, 1201595, 1211151, 1205997 and 1211778.</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><b>- Major compliance -</b></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]. Based on sampled punch cards verification, the total working hours of workers were generally found to be in-line with legal requirements.</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><b>- Major compliance -</b></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 recorded in the time card. The following payslip were sampled for Feb, May and Oct 2020 as below:</p> <p>Emp. No.: 1211777, 2400503, 1201595, 1211151, 1205997 and 1211778.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p>	<p>Among other benefits offered to the employees according to the CA are housing allowance, hardship allowance, responsibility allowance, shift allowance, head of department allowance, laundry allowance, motorcycle allowance and regional allowance.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -		
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.  - <b>Major compliance</b> -	Housing is provided to workers with basic amenities. Water and electricity are supplied by public domain. Water bill is subsidized up to maximum RM15/month whereas electricity bill is fully borne by the employees (occupants) according to Article 41.2 and 41.3 of the collective agreement.	Complied
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.  - <b>Major compliance</b> -	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 " <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 report with regards to sexual harassment since the last assessment.	Complied
<b>4.4.5.13</b>	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.  - <b>Major compliance</b> -	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). 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.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. <b>- Major compliance -</b>	FGV 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.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. <b>- Major compliance -</b>	<p>Training needs of individual Palm Oil Mill employees are assessed by the management at beginning of the year. Based on the training need analysis the Training program for 2020 was available at the Palm Oil Mill during the audit assessment.</p> <p>Verification of the records showed that the implementation of the training program was on track. Training conducted were recorded in the various training record and completed with attendance records, training materials and photographs of the training.</p>	Complied
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. <b>- Major compliance -</b>	<p>The Palm Oil Mill has conducted training need analysis and documented in 'Analisa Keperluan Latihan Petugas dan Pekerja'. A yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management which is based on their competencies and job description.</p> <p>The needs of training is variable and subject to the nature of work for a specific task. The list of training as below:-</p> <ol style="list-style-type: none"> <li>A. Environment               <ol style="list-style-type: none"> <li>1. Management of schedule waste.</li> <li>2. Management of High Conservation Value (HCV)</li> <li>3. Segregation of waste from operation, office and domestic</li> <li>4. Wild Life, RTE and CABI</li> <li>5. Preparation of Impact and aspect</li> </ol> </li> </ol>	Complied

Criterion / Indicator		Assessment Findings	Compliance																
		<p>6. Spillage training</p> <p>B. Social</p> <ol style="list-style-type: none"> <li>Briefing about SIA</li> <li>RSPO and MSPO awareness</li> <li>Company policies</li> <li>Awareness about sexual harassment</li> </ol> <p>C. Safety and Health</p> <ol style="list-style-type: none"> <li>NADAPOD</li> <li>HIRADC</li> <li>Chemical handling</li> <li>HCP</li> <li>PKS</li> <li>Legislative (FMA, OSHA)</li> </ol> <p>D. Emergency Rescue Procedure</p> <ol style="list-style-type: none"> <li>Fire Drill</li> <li>Usage of fire extinguisher</li> <li>First aid training</li> </ol>																	
<b>4.4.6.3</b>	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>All workers involved in the operations have been adequately trained in safe working practice. The Palm Oil Mill has a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staff and workers. The training plan for 2020 was sighted.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Training</th> <th>Date Training</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Safety campaign</td> <td>-</td> <td>Not yet</td> </tr> <tr> <td>2</td> <td>Company Policies</td> <td>-</td> <td>Not yet</td> </tr> <tr> <td>3</td> <td>Chemical handling</td> <td>19.11.2020</td> <td>Completed</td> </tr> </tbody> </table>	No	Training	Date Training	Status	1	Safety campaign	-	Not yet	2	Company Policies	-	Not yet	3	Chemical handling	19.11.2020	Completed	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		4	Fire training	-	Not yet	
		5	Hearing Conservation	31.01.2020	Completed	
		6	Briefing about work at height	01.06.2020	Completed	
		7	Fire Fighting user training	12.03.2020	Completed	
		8	Briefing about SOP	12.01.2020	Completed	
		9	SCCS training	22.07.2020	Completed	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>						
<b>Criterion 4.5.1: Environmental Management Plan</b>						
<b>4.5.1.1</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The Environment Policy is prepared under FGV Berhad entitled "Occupational Safety and Health Policy" which was signed by the Group CEO (Dato' Haris Fadzilah Hassan) dated 18<sup>th</sup> March 2019.</p> <p>Based on the Environmental Policy, the Company is committed to the implementation of the following practices:</p> <ol style="list-style-type: none"> <li>1. Comply with all applicable environmental legislation, regulation and other requirements throughout our business operations.</li> <li>2. Ensure protection of the environment including through : <ul style="list-style-type: none"> <li>- Prevention of pollution by eliminating or minimizing any the potential adverse effect associated with our activities products and services.</li> <li>- Efficient use of natural resources by applying Good</li> </ul> </li> </ol>				Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Agriculture Practices (GAP) and Good Manufacturing Practices (GMP)</p> <ul style="list-style-type: none"> <li>- No deforestation, no new planting on peat and no development on areas of natural forest, high carbon stock (HCS) or high conservation (HCV)</li> <li>- Adoption of Best Management Practices (BMP)</li> <li>- Prohibition of the use of agrochemicals that are categories as World Health Class 1A or 1B or that are listed by Stockholm or Rotterdam Conventions and paraquat except in specific situations</li> <li>- Implementation of no open burning policy</li> <li>- Deployment of water management practices to ensure activities do not lead to any negative impact to natural water bodies or to water quality and availability.</li> <li>- Management of waste in accordance with applicable regulatory requirement and measure to reduce, reuse, recycle or dispose of waste in an environmentally responsible manner</li> <li>- Reduction of greenhouse gas (GHG) emissions and use of renewable energy where possible</li> </ul> <p>3. Encourage our business partners and third-party providers of goods and services to incorporate environmentally.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>The policy has been briefed during muster ground briefing for Palm Oil Mill workers during morning muster as follows;</p> <p>20<sup>th</sup> November 2020 – Briefing on Safety by Palm Oil Mill Management. The session was attended by 72 Palm Oil Mill workers            Venue: Muster call area.</p> <p>2<sup>nd</sup> November 2020 – Briefing on Safety / Accident / Insurance by Palm Oil Mill Management. The session was attended by 72 Palm Oil Mill workers            Venue: Muster call area.</p>	
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p><b>- Major compliance -</b></p>	<p>a) The EMP policy is available as specified in 4.5.1.1 above</p> <p>b) The Palm Oil Mill management has conducted environmental aspect and impact assessment for all its' activities. The environmental impact assessment was guided by its Environmental Aspect and Impact Evaluation procedure. The identification of Environmental Aspects and Evaluation of Significance Form was used to identify and evaluate the environmental aspect and impact.</p> <p>The evaluation was divided by workstations such as loading ramp, sterilizer, trashing &amp; press, incinerator, oil room, bulk storage tank, raw water treatment plant, boiler, ETP, laboratory, diesel tank, workshop, SW store, EFB stockpile to name a few. Significant Environmental Aspect and Impacts Register Form were used to register the mitigation method which links to the Manual Operation procedures.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>The evaluation of EAI was last updated on 3<sup>rd</sup> February 2018 – format of EAI includes</p> <ul style="list-style-type: none"> <li>• Dept./process</li> <li>• Aspect</li> <li>• Impact (type &amp; score)</li> <li>• Usage/discharge quantity (per month or day)</li> <li>• Impact mitigation method and comments</li> </ul>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Sighted the environmental management plan for the year 2020 developed to mitigate the negative impacts and to promote the positive one and effectively implemented and monitored which includes:</p> <p>Process : Effluent treatment plant  Aspect : Desludging at final discharge  Impact (Type / Score) : 5 / 26  Usage/discharge quantity (per month or day) : 14mt/day  Impact mitigation method and comments: Implementation of Standard Operations Procedure and Compliance toward Environment act 1974</p> <p>Process: Lab  Aspect : Solution test for " cerakinan air dandang "  Impact (Type / Score) : 7 / 15  Usage/discharge quantity (per month or day) : 0.025 l/day</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		<p>Impact mitigation method and comments : Comply with USECHH 2000 regulations</p> <p>Process : Store</p> <p>Aspect : Issurance chemical from store</p> <p>Impact (Type / Score) : 7 / 21</p> <p>Usage/discharge quantity (per month or day) : 0.1 l/day</p> <p>Impact mitigation method and comments: Comply with USECHH 2000 regulations</p>	
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>The program to promote activities with positive impacts was included in the continual improvement plan.</p> <p>The reviewed Environmental Management Plan had considered the mitigation of negative impacts and promotion of positive ones and translated into Palm Oil Mill programs.</p>	Complied
<b>4.5.1.5</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The Palm Oil Mill management has established an annual training program which covers environmental awareness and compliance-related training to the executives, staff and workers. The list of training as follows;</p> <ul style="list-style-type: none"> <li>A. Environment               <ol style="list-style-type: none"> <li>1. Management of schedule waste.</li> <li>2. Management of High Conservation Value (HCV)</li> <li>3. Segregation of waste from operation, office and domestic</li> <li>4. Wild Life, RTE and CABI</li> <li>5. Preparation of Impact and aspect</li> <li>6. Spillage training</li> </ol> </li> </ul>	Complied

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<b>4.5.1.6</b>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>Sighted the Minute Meeting of Environment Performance Monitoring Committee (EPMC) – Bil 01/2020 conducted on 15<sup>th</sup> March 2020 at FGVPISB Kulai Palm Oil Mill meeting room which was attended by 7 committee members.</p> <p>The Palm Oil Mill has discussed their concerns about the environmental issue with the workers representative on a quarterly basis.</p>	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	<p>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</p>	<p>The Palm Oil Mill consistently monitored their non-renewable energy consumption and kept records to get information about efficient consumption. Among the management plans to improve efficiency were to ensure Palm Oil Mill operation is running smoothly without interruption, therefore maximize the usage of the turbine and eventually minimize the usage of generator set; to practice maintenance of machinery (such as tractors, vehicles and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																
	- Major compliance -	<p>shovel) on schedule and continuous education to operators who handle the machinery so that the unnecessary running hours can be minimized. Baseline value was estimated through historical past year’s consumption which was eventually put in the annual budget.</p> <p>Sighted the monitoring usage of Diesel and Electricity consumption for the operation of the Palm Oil Mill. The audit team observed that the consumptions are monitored every month.</p> <table border="1"> <thead> <tr> <th>Description</th> <th>January – October 2020</th> </tr> </thead> <tbody> <tr> <td>FFB,mt</td> <td>121,890.00</td> </tr> <tr> <td>Diesel, litre (genset &amp; transportation)</td> <td>87,061.00</td> </tr> <tr> <td>Average Diesel, Liter/mt FFB</td> <td>0.71</td> </tr> <tr> <td>Electricity, kWH (Genset &amp; Turbine)</td> <td>41,176.00</td> </tr> <tr> <td>Average, kWH/mt FFB</td> <td>0.34</td> </tr> <tr> <td>Water, litre</td> <td>6,470.00</td> </tr> <tr> <td>Average Water, Litre/mt FFB</td> <td>0.05</td> </tr> </tbody> </table>	Description	January – October 2020	FFB,mt	121,890.00	Diesel, litre (genset & transportation)	87,061.00	Average Diesel, Liter/mt FFB	0.71	Electricity, kWH (Genset & Turbine)	41,176.00	Average, kWH/mt FFB	0.34	Water, litre	6,470.00	Average Water, Litre/mt FFB	0.05	
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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>Estimation was based on the annual budget mentioned in 4.5.2.1 above.</p>	Complied																

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Criterion / Indicator		Assessment Findings	Compliance
4.5.2.3	The use of renewable energy should be applied where possible. - <b>Minor compliance</b> -	The Palm Oil Mill is used by the product of FFB production as a renewable energy source where 100% of fiber and shell are extracted from FFB production.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - <b>Major compliance</b> -	<p>Environmental Management Procedure refers to No Dokumen FGV/ML-1A/L2-Pr19 has been established effectively since 1<sup>st</sup> June 2019.</p> <p>Its objective is to identify all waste products and sources of pollution in the Palm Oil Mill. A systematic inventory of scheduled wastes was properly maintained to record the movement of wastes in the Palm Oil Mill.</p> <p>All waste products and sources of pollution are developed and implemented as per Environmental Aspect &amp; Impact Assessment (EAIA). Sighted Inventory of Scheduled Wastes, Fifth Schedule (Regulation 11) for Palm Oil Mill as following;</p> <ol style="list-style-type: none"> <li>1. SW305 – spent engine oil</li> <li>2. SW306 – spent hydraulic oil</li> <li>3. SW409 – contaminated container &amp; equipment</li> <li>4. SW410 – Rags &amp; papers</li> <li>5. SW410 – Used filter</li> </ol>	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.	FGV Palm Industries Sdn. Bhd (FGVPISB) has established SOP Waste Management, No Documents ML-1A/L2-Pr19(0) dated on 1 <sup>st</sup> June 2019	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p>	<p>The Waste Management Plan (WMP) has been incorporated in the identification of all Waste Products and Operational Plan to Reduce Pollution to maximize recycling and minimize pollution, verified by Palm Oil Mill Manager.</p> <p>Sample of Waste Management Plan (WMP) for FGVPISB Kulai Palm Oil Mill as below;</p> <p>A. Source of waste: Palm Oil Mill Operation            B. Type of schedule waste: Spent oil / Oil filter            C. Impact: Contamination to water, air and soil            D. Waste Management Plan (3R): Collect and dispose to authorize contractor</p> <p>A. Source of waste: Palm Oil Mill Operation            B. Type of schedule waste: Empty chemical container            C. Impact: Contamination to water, air and soil            D. Waste Management Plan (3R) :</p> <ul style="list-style-type: none"> <li>- Reuse</li> <li>- Recycle</li> </ul>	
<b>4.5.3.3</b>	<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,</p>	<p>Handling of used chemicals produced in the Palm Oil Mill is under control and strictly handle by the qualified person which has attended the safe handling, storage and disposal training. There</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>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><b>- Major compliance -</b></p>	<p>is a clear procedure of disposal of waste material that includes management of waste disposal, notification of waste disposal, labeling of waste disposal, storage of waste disposal, inventory of waste disposal, collection and transportation of scheduled waste and recycling and disposal of scheduled waste.</p> <p>At the Palm Oil Mill, most chemicals used were for boiler water treatment and laboratory. The empty containers were normally disposed of as scheduled wastes through an authorized vendor. The scheduled wastes were also found to be appropriately handled through the method outlined by the Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005.</p>	
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic wastes from the labor quarter were disposed of through the management MPKu – Majlis Perbandaran Kulai</p>	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	<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><b>- Major compliance -</b></p>	<p>FGV Palm Industries Sdn. Bhd (FGVPISB) has established SOP “Pelan Mengurangkan Pencemaran dan Pemantauan Kesan Perlepasan Gas Rumah Hijau (GHG)” , No Documents ML-1A/L4-F18(0) dated on 1<sup>st</sup> June 2019</p> <p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. Land conversion, Emissions from Fertilizer, Emissions from peat, Fuel Consumption, and crop sequestration. Their usage has been recorded and documented at each of the operating units. Approved GHG calculator, Palm GHG was used for the calculation during the implementation period.</p>	Complied

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		Reduction Pollution Plan for FGVPISB Kulai Palm Oil Mill for the year 2020 as below; <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 45%;">Emission</th> <th style="width: 50%;">Action Plan</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Diesel Consumption</td> <td>                     Monitoring, reducing and recording the use of diesel in factories and day-to-day operations of the Palm Oil Mill                       Conducting training to the person in charge                 </td> </tr> <tr> <td style="text-align: center;">2</td> <td>Release of the effluent</td> <td>                     Sending water samples weekly to an approved lab to monitor emission levels                       Ensuring the daily process does not exceed the required limit and effluent discharge (outlet) does not exceed the limit.                 </td> </tr> </tbody> </table>			No	Emission	Action Plan	1	Diesel Consumption	Monitoring, reducing and recording the use of diesel in factories and day-to-day operations of the Palm Oil Mill  Conducting training to the person in charge	2	Release of the effluent	Sending water samples weekly to an approved lab to monitor emission levels  Ensuring the daily process does not exceed the required limit and effluent discharge (outlet) does not exceed the limit.	
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1	Diesel Consumption	Monitoring, reducing and recording the use of diesel in factories and day-to-day operations of the Palm Oil Mill  Conducting training to the person in charge												
2	Release of the effluent	Sending water samples weekly to an approved lab to monitor emission levels  Ensuring the daily process does not exceed the required limit and effluent discharge (outlet) does not exceed the limit.												
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  <b>- Major compliance -</b>	The action plan established for reducing GHG emission was through reduction of diesel usage through various programs such as regular maintenance of vehicles and machinery and education to drivers.  The action plan has been established and implementation is ongoing. As evidence, sighted the environmental management plan for the year 2020 developed to prevent or minimize the pollution.  Significant pollutants were identified through evaluation of aspect and impact. Emission of GHG was identified and the main sources			Complied									

Criterion / Indicator		Assessment Findings	Compliance																											
		<p>were generated of Palm Oil Mill effluent and consumption of diesel. Based on the mill's "Pelan Mengurangkan Pencemaran Udara tahun" the plans as follow;</p> <ul style="list-style-type: none"> <li>- To reduce the diesel consumption by carrying out regular maintenance of diesel-powered machinery</li> <li>- To monitor the efficiency of FFB processing through stack sampling &amp; CEMS system</li> <li>- To encourage the uptake of EFB by the estate for mulching</li> </ul>																												
<b>4.5.4.3</b>	<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><b>- Major compliance -</b></p>	<p>The Palm Oil Mill applied the biological system with anaerobic lagoon and tertiary plant (membrane plant) in series for its treatment of effluent. The quality of discharged effluent was analyzed every month and the parameters are T, pH, BOD, COD, TS, SS, O&amp;G, AN and TN. Sighted the latest final discharge record as follows;</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Parameter</th> <th>Results</th> <th>DOE Limits</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.6 @ 25.0°C</td> <td>5-9</td> </tr> <tr> <td>COD (mg/l)</td> <td>455</td> <td>N/A</td> </tr> <tr> <td>BOD (mg/l)</td> <td>40</td> <td>20 max</td> </tr> <tr> <td>Total Nitrogen (mg/l)</td> <td>14</td> <td>200 max</td> </tr> <tr> <td>Ammoniacal Nitrogen (mg/l)</td> <td>&lt; 5</td> <td>20 max</td> </tr> <tr> <td>Total Solid (mg/l)</td> <td>4964</td> <td>N/A</td> </tr> <tr> <td>Suspended Solid (mg/l)</td> <td>86</td> <td>200 max</td> </tr> <tr> <td>Oil&amp; Grease (mg/l)</td> <td>8</td> <td>5 max</td> </tr> </tbody> </table>	Parameter	Results	DOE Limits	pH	8.6 @ 25.0°C	5-9	COD (mg/l)	455	N/A	BOD (mg/l)	40	20 max	Total Nitrogen (mg/l)	14	200 max	Ammoniacal Nitrogen (mg/l)	< 5	20 max	Total Solid (mg/l)	4964	N/A	Suspended Solid (mg/l)	86	200 max	Oil& Grease (mg/l)	8	5 max	Complied
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Criterion / Indicator	Assessment Findings	Compliance	
	<p>Based on the quarterly report to the DOE, the noncompliance is on the BOD and O&amp;G reading. Sighted the "Permohonan lanjutan tempoh masa bagi mematuhi pematuahan takat pelepasan akhir effluent bagi Kilang Kelapa Sawit Kulai". The letter was addressed to the Department of Environment, Johor dated 6<sup>th</sup> July 2020. Reference letter (27) 840/400/KL/7.</p>		
<p><b>Criterion 4.5.5: Natural water resources</b></p>			
<p><b>4.5.5.1</b></p>	<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"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>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.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>The Palm Oil Mill has established the water management plan and reviewed it on an annual basis. The latest review was conducted on 10<sup>th</sup> October 2020. The management plan was focusing on the identification of water source, usage estimation, monitoring plan, impact to stakeholders, action plan and person in charge.</p> <p>Water for Palm Oil Mill processes is derived from the nearby river – Semangar river and pumped to holding tank sited. The water will then be used as follow;</p> <ul style="list-style-type: none"> <li>i) Not treated water will be used for FFB processing</li> </ul> <p>The following sources have been identified;</p> <ul style="list-style-type: none"> <li>i) River water and wetlands</li> <li>ii) Rainwater</li> <li>iii) Raw/Treated Water from Syarikat Air Johor - SAJ</li> </ul> <p>Water Management Plan has been updated in October 2020. The plan was prepared by the Assistant Manager and approved by Palm Oil Mill Manager. The management plan and implementation as below;</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Source of water: Semangar River ( located 3KM away from Palm Oil Mill ) – Inlet</p> <p>Impact: i. Flood            ii. Lack of water in the dry season</p> <p>Root Cause: i. Shallow River            ii. Sediment accumulates into the river            iii. The monsoon season heavy rains drowned the water pump house.            iv. Damaged water pump/ burst pipe</p> <p>Action Plan: i. Ensure river reserves do not encroach.            ii. Deepen the inlet area            iii. Monitoring pump houses during the rainy season            iv. Service according to the schedule by the trained personnel            v. Using 2 rotational pump engines</p> <p>Source of water: Final discharge from effluent flow to Semangar river which located 3km away from Palm Oil Mill – Outlet</p> <p>Impact: i. River water pollution</p> <p>Root Cause: i. High FFB processing            ii. Delay in the maintenance of an effluent pond</p> <p>Action Plan: i. Water sampling monitoring            ii. Maintenance schedule for effluent pond</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sighted water sample carry out from effluent final discharge to</p> <ul style="list-style-type: none"> <li>i. Hulu and Hilir Sungai</li> <li>ii. Alur Air</li> <li>iii. Final Discharge</li> </ul> <p>Based on the quarterly report to the DOE, the noncompliance is on the BOD and O&amp;G reading. Sighted the "Permohonan lanjutan tempoh masa bagi mematuhi pematuahan takat pelepasan akhir effluent bagi Kilang Kelapa Sawit Kulai". The letter was addressed to the Department of Environment, Johor dated 6<sup>th</sup> July 2020. Reference letter: (27) 840/400/KL/7.</p>	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p>	<p>The POME is discharging to Semangar river. The report of POME analysis was submitted to DOE every quarter using OER (online environmental report).</p> <p>Based on the quarterly report to the DOE, the noncompliance is on the BOD and O&amp;G reading. Sighted the "Permohonan lanjutan tempoh masa bagi mematuhi pematuahan takat pelepasan akhir effluent bagi Kilang Kelapa Sawit Kulai". The letter was addressed to the Department of Environment, Johor dated 6<sup>th</sup> July 2020. Reference letter: (27) 840/400/KL/7.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p>	<p>Standard Operating Procedures (SOPs) for FGVPISB Kulai Palm Oil Mill is documented. Interview with staff and workers revealed that all working SOPs being consistently implemented among all</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	<p>employees and monitored by the management through daily muster briefing, training, etc. List sampled SOPs available during onsite assessment sighted as following:</p> <ul style="list-style-type: none"> <li>- Quality Occupational Health Safety and Environmental Management Manual; FPI/L1/QOHSE-1.0; Rev. 2; Date: 30<sup>th</sup> August 2017</li> <li>- Quality Occupational Health Safety and Environmental Management Procedure; Rev. 14; Date: 31<sup>st</sup> May 2017; Ref.: FPI/L2/QOHSE-1.0 - FPI/L2/QOHSE-25.0</li> <li>- Safe Work Procedure, issue:26, rev: 3 dated 26th December 2016</li> <li>- Procedure Manual "Pensijilan Minyak Sawit Mampan"</li> <li>- Mass Balance - SOP for Palm Oil Mill RSPO SCCS; Doc. No.: FGVP- RSPO SCC, issue:3 rev:2 dated 1<sup>st</sup> December 2017 Title: "SOP Perkilangan untuk pematuhan Sistem Pensijilan RSPO SCCS" (Mass Balance), where it is also used for MSPO</li> </ul>	
<b>4.6.1.2</b>	<p>All palm oil mills shall implement best practices.</p> <p>- <b>Major compliance</b> -</p>	<p>The practices are consistently monitored by Palm Oil Mill advisors and recommendations for improvements are given to maintain sustainable practices. Palm Oil Mill advisor, Operation Technical Officer, Regional General Manager visits the operating units to ensure implementations of procedures are consistent.</p>	Complied
<b>Criterion 4.6.2:</b> Economic and financial viability plan			
<b>4.6.2.1</b>	<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>- <b>Major compliance</b> -</p>	<p>FGVPISB Kulai Palm Oil Mill has an annual budget for the financial year 2020 till 2023. The Palm Oil Mill budget includes the projected FFB to be processed and CPO and PK production. It is also incorporated items such as general charges, Palm Oil Mill maintenance, process shift labor, general services, processing cost, fixed assets, etc.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - <b>Major compliance</b> -	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
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	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. Based on contract agreement, the payment will be made within 30 days.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - <b>Major compliance</b> -	Signed agreed contracts were available through Surat Perintah Kerja, e.g.: #3301400722, dated 31/12/2019 – Ajis Sinar Ent #3301400751, dated 31/12/2019 – Ahmad Hashim	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - <b>Minor compliance</b> -	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><b>Government Officer:</b>          Badan Kawalsedia Air Johor (BAKAJ)          SK LKTP Bukit Besar (School)</p>	<p><b>Community/neighbouring village:</b>          Ketua Peneroka FELDA Taib Andak 1</p>
<p><b>Suppliers/Contractors/Vendors:</b>          FELDA Taib Andak 1 FTP (Manager)          Polis Bantuan FELDA          FELDA Inas Utara (Manager)</p>	<p><b>Worker’s Representative/Gender Committee:</b>          Field &amp; Mill Workers          NUPW Representative          Gender Committee Representatives</p>

**Appendix C: Smallholder Member Details**

Not applicable.

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	Not applicable					

**Appendix D: Location and Field Map**

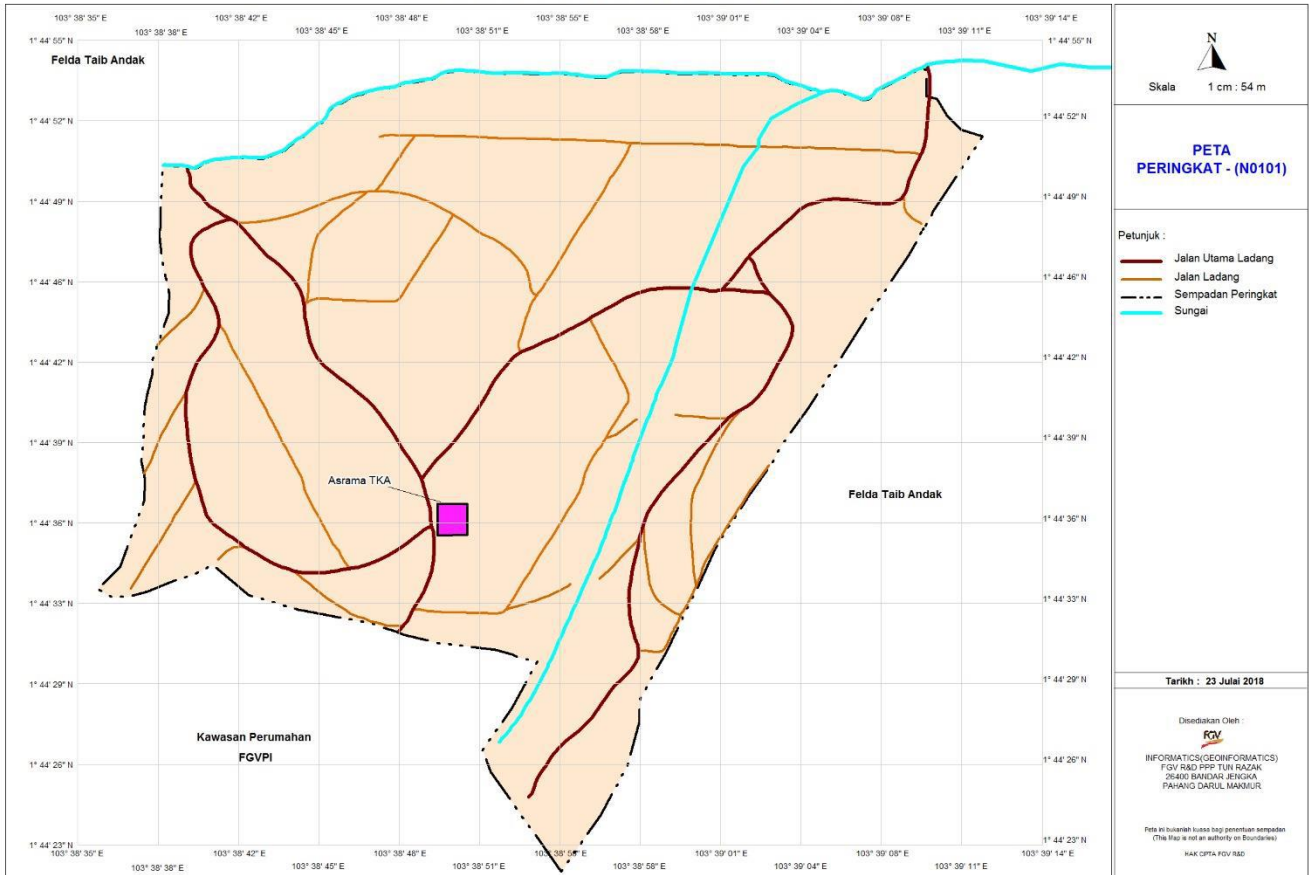
**Kulai POM**





**Bukit Besar/Taib Andak Estate**

**LADANG PENYELIDIKAN FASSB TAIB ANDAK**



**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