

**MALAYSIAN SUSTAINABLE PALM OIL
1st SURVEILLANCE ASSESSMENT
Public Summary Report**

FGV Holdings Berhad
Client company Address: Level 20 (W), Wisma FGV Jalan Raja Laut 50350 Wilayah Persekutuan Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd (Kerteh Palm Oil Mill) and FGV Plantations (Malaysia) Sdn Bhd (FGVPM Semaring 01 Estate and FGVAS Kerteh Estate)
Location of Certification Unit: Kilang Kelapa Sawit Kerteh Beg Berkunci No. 3 23309 Ketengah Jaya, Terengganu, Malaysia

Report prepared by:
Muhammad Fadzli b. Masran (Lead Auditor)

Report Number: 9673527

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	FGVPISB Kerteh POM: 618398003000 Mill FGVPM Semaring 1 Estate: 560381002000 FGVAS Kerteh Estate: 512671002000		
Company Name	FGV Holdings Berhad		
Address	Head Office: Level 20 West, Wisma FGV, Jalan Raja Laut, 50350 Wilayah Persekutuan Kuala Lumpur, Malaysia Certification unit: Kerteh Palm Oil Mill, Kilang Kelapa Sawit Kerteh, Beg Berkunci No. 3, 23309 Ketengah Jaya, Terengganu, Malaysia		
Group name if applicable:	FGV Kerteh Complex		
Subsidiary of (if applicable)	NA		
Contact Person Name	Ameer Izyanif b. Hamzah		
Website	http://www.fgvholdings.com	E-mail	ameer.h@fgvholdings.com
Telephone	09-8333110	Facsimile	03-28591630

1.2 Certification Information			
Certificate Number	Mill: MSPO 693211 Plantations: MSPO 693212		
Issue Date	29/04/2019	Expiry date	28/04/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	12 – 14/09/2018		
Stage 2 / Initial Assessment Visit Date (IAV)	08 – 10/01/2019		
Continuous Assessment Visit Date (CAV) 1	14 – 16/01/2020		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 693209	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2013; Malaysian National Interpretation: 2014; RSPO	BSI Service Malaysia Sdn Bhd	10/02/2024

	Supply Chain Certification June 2017 for CPO Mills (Module E : Mass Balance)		
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1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
FGVPISB Palm Oil Mill	Kilang Kelapa Sawit Kerteh, Beg Berkunci No. 3, 23309 Ketengah Jaya, Terengganu, Malaysia	103° 19' 55" E	4° 37' 33" N
FGVPM Semaring 01 Estate	Ladang Felde Semaring 01, P.O. Box No. 7, Pejabat Pos A.M.B.S, 23400 Dungun, Terengganu, Malaysia	103° 02' 25" E	4° 40' 20" N
FGVAS Kerteh Estate	Ladang FASSB Kerteh, Jalan Kelubi, Ketengah Jaya, 23300 Dungun, Terengganu, Malaysia	103° 19' 13" E	4° 34' 29" N

1.4 Plantings & Cycle

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
FGVPM Semaring 01 Estate	0.00	981.05	0.00	0.00	0.00
FASSB Kerteh Estate	0.00	0.00	106.42	0.00	0.00
Total	0.00	981.05	106.42	0.00	0.00

1.5 FFB Production (Actual) and Projected (tonnage)

Producer Group	Projected from last audit (Mar 19 – Feb 20)	Actual production (May 2019 – Dec 2019)	Projected production for next 12 months (May 2020 – Apr 2021)
FGVPM Semaring 01 Estate	12,790.00	8,702.64	14,000
FASSB Kerteh Estate	2,864.00	2,065.05	3,200
Total	15,654.00	10,767.69	17,200

1.6 Certified CPO / PK Tonnage

Mill	Estimated (Mar 19 – Feb 20)	Actual (May 2019 – Dec 2019)	Forecast (May 2020 – Apr 2021)
	CPO (OER: 20.50%)	CPO (OER: 21.00%)	CPO (OER: 21.00%)

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Mill Capacity: 60 MT/HR	3,209.07	2,261.21	3612
	PK (KER: 5.20%)	PK (KER: 5.02%)	PK (KER: 5.31% %)
	814.01	540.54	913.32

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Semaring 01 Estate	981.05	0.00	265.42	1,246.47	78.70
FASSB Kerteh Estate	106.42	0.00	4.14	110.56	96.26
Total	1,087.47	0.00	269.56	1,357.03	80.14

1.8 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the 1st Annual Surveillance Assessment Certification Assessment of FGVPIB - Kerteh Palm Oil Mill and supply base, located in Ketengah Jaya, Terengganu, Malaysia comprising 1 mill (FGVPIB Kerteh Palm Oil Mill) and 2 supplying estates (FGVPM Semaring 01 Estate and FASSB Kerteh Estate) and infrastructure.</p> <p>The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills.</p> <p>The onsite assessment was conducted on 14 – 16/01/2020.</p> <p>Based on the assessment result, FGVPIB - Kerteh Palm Oil Mill and supply base complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills and recommended for certification.</p>

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 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 14 – 16/01/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the FGVPIB - Kerteh Palm Oil Mill and supply base as a MSP0 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 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills 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 MSP0 Certification Requirement.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 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.

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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.

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
FGVPISB Palm Oil Mill	√	√	√	√	√
FGVPM Semaring 01 Estate	√	√	√	√	√
FGVAS Kerteh Estate	√	√	√	√	√

Tentative Date of Next Visit: January 11, 2021 - January 13, 2021

Total No. of Mandays: 6 mandays

BSI Assessment Team:

Muhammad Fadzli Masran – Lead Assessor

He holds Bachelor Degree in Forestry Science, graduated from University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers’ welfare, workers’ occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Ismadi bin Ismail – Team Member

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Able to speak Bahasa Malaysia and English. During this assessment, he assessed on the aspects of Mill best practices, Estate best practices, workers welfare, stakeholder consultation, social, long-term economic viability.

Accompanying Persons: NA

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & five (5) Minor nonconformities raised. The FGVPSB - Kerteh Palm Oil Mill and supply base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref	Area/Process	Clause
1871619-201908-M1	Palm Oil Mill	4.4.5.6 - Part 4
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:	Expired Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd.	
Objective Evidence:	All the mill workers are local and Contract of Agreement is based on Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd dated 1st January 2016 until 31st December 2018. No evidence, the new Collective Agreement dated 1st January 2019 until 31st December 2021 between Management and Staff & Workers is agreed by both parties	
Corrections:	The Collective Agreement has been approved with the certified number 031/2020 dated 31/01/2020 with letter dated 07/02/2020. The Collective Agreement has been distributed to the mill for their further reference on the 11/02/2020. These evidences will be presented.	
Root cause analysis:	The Collective Agreement had been signed but cannot be distributed to the mill due to waiting the necessary approval from the Industrial Court of Malaysia.	

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Corrective Actions:	In the future if there any delay on the Collective Agreement, the FGV Group Human Resource need to inform the mill according on which CA to be practice until further notice.
Assessment Conclusion:	<p>Evidence submitted:</p> <p>i. Letter of submission of the Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd to Industrial Court Malaysia dated 10/1/2020. Refer letter no. (04)/FGVH/HRBP01/08/E16/2019</p> <p>ii. Letter of recognition of the Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd from Industrial Court Malaysia dated 7/2/2020. Refer letter no. MPM.600-3/1/1949(47).</p> <p>iii. New Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd, valid from 1/1/2019 – 31/12/2021</p> <p>iv. Briefing of the New Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd to all workers in Kerterh POM dated 4/2/2020</p> <p>The evidences submitted found adequate and effectively implemented. Thus, theMajor NC was effectively closed on 2/3/2020.</p>

Minor Nonconformities:

Ref	Area/Process	Clause
1871619-201908-N1	Plantations	4.4.4.2 - Part 3
Requirements:	The occupational safety and health plan shall cover the following: 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).	
Statement of Nonconformity:	Safety Work Procedure established was not effectively communicated to the workers	
Objective Evidence:	Semaring 1 Estate Sighted during the interview, the workers were wearing short sleeves shirt and the pants were inside their boots during spraying this was against 'Prosedur kerja Selamat Pengendalian Bahan Kimia' dated 1/4/2014. Refer doc. no. FGVPM/L3/PK-04.	
Corrections:	-Meetings/ discussion are held with poisoned workers to obtain clarification on issues found. -Issue a stronger warning letter to employees aren't wearing PPE during working time.	
Root cause analysis:	Training and awareness related to using PPE has been made available to relative workers, but workers are still not wearing PPE as per procedure 'Prosedur kerja Selamat Pengendalian Bahan Kimia'. The effectiveness of the training wasn't implemented by management.	
Corrective Actions:	- Monitoring worker using PPE by the supervisor and certified by the manager 4 times a year before making health and safety meeting.	

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	- Include PPE training/awareness in annual training programs to ensure training and reminders are provided annually.
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment

Minor Nonconformities:		
Ref	Area/Process	Clause
1871619-201908-N2	Plantations	4.5.1.2 - Part 3
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	
Statement of Nonconformity:	The environmental management plan is not effectively implemented	
Objective Evidence:	Semaring 1 Estate Sighted during site visit at the workshop, there were evidence of used lubricant spillage after servicing or maintaining vehicle left on the workshop floor. This shows that the environmental management plan was not effectively implemented.	
Corrections:	Provides a new tray to be used during the lubricant oil spillage conversion process to avoid direct oil spills and to pollute the environment.	
Root cause analysis:	The existing tray oil spill was broken can't be used	
Corrective Actions:	Regular monitoring by environmentally responsible officials to ensures that no new spills occur and the tray is available and not damaged.	
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment	

Minor Nonconformities:		
Ref	Area/Process	Clause
1871619-201908-N3	Plantations	4.5.5.1 - Part 3
Requirements:	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: 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.	
Statement of Nonconformity:	The water management plan was not effectively implemented	
Objective Evidence:	Semaring 1 Estate Sighted the evidence of chemical spraying at riparian zone for Sg. Balu at PM 13. Noted during interview with the sprayers' shows their understanding on prohibition of chemical spraying at buffer zone is unsatisfactory.	

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Corrections:	-Meetings/ discussion are held with poisoned workers to obtain clarification on issues found. -Issue a stronger warning letter to employees involved with poisoning in the buffer zone.
Root cause analysis:	Training and awareness have been made available to relative workers, but workers are still spraying in some areas of the buffer zone. The effectiveness of the training wasn't implemented by management.
Corrective Actions:	- Regularly monitor the buffer zone area to ensure worker not spraying in that area. - Include spraying training/awareness in annual training programs to ensure training and reminders are provided annually.
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment

Minor Nonconformities:		
Ref	Area/Process	Clause
1871619-201908-N4	Palm Oil Mill	4.5.1.2 - Part 4
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	
Statement of Nonconformity:	The environmental management plan is not effectively implemented.	
Objective Evidence:	Sighted during site visit at schedule waste store, noted the old and new evidence used oil spillage at the store floor. This show that oil spillage were left unattended. Refer to the environmental management plan established, all oil spillage must be attended as per SOP for chemical spillage. Refer doc. no. FPI/L2/QOSHE-14.0.	
Corrections:	- Provides a new tray to place the lubricant oil container to avoid direct oil spills and to pollute the environment.	
Root cause analysis:	- The existing tray oil spill was broken can't be used.	
Corrective Actions:	Periodic monitoring by environmentally responsible officials and will be presented / discussed within minutes of the environment to ensure no new spills occur and to ensure trays are available and not damaged	
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment	

Minor Nonconformities:		
Ref	Area/Process	Clause
1871619-201908-N5	Plantations	4.4.5.4 - Part 3
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.	

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Statement of Nonconformity:	Non-compliance to Workers Contract Agreement.
Objective Evidence:	Seen, Contract Agreement between Sri Chakra Enterprise and his worker, namely: 1. Mr. K.Kumaran a/l Kerishnan; 841222 – 08 -6193 No evidence, contribution on EPF, SOCSO and SIP being made by the employer base on the pay-slip from January to December 2019.
Corrections:	-Issue a hard warning letter to the contractor, if it is still unable to complete the relevant document, the contractor will be terminated. (Mengeluarkan surat amaran keras kepada pihak kontraktor, jika masih tidak boleh melengkap dokumen berkaitan, pihak kontraktor akan di terminated). - Obtain a clear copy of the pay slip showing the EPF, SOCSO and EIS statements. (Mendapatkan salinan slip gaji yang jelas menunjukkan penyata EPF, SOCSO dan EIS). - Obtain evidence that contractors have approved EPF, SOCSO and EIS for their employees. (Mendapatkan bukti kontraktor telah merncarom EPF, SOCSO dan EIS bagi pekerja mereka).
Root cause analysis:	2 letters have been issued to the chakra enterprise sdn bhd contractors, but they still do not comply with the requirements of EPF, SOCSO and EIS
Corrective Actions:	Mill managers need to ensure that new and old workers under contractors contribute EPF, SOCSO and EIS
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment

Noteworthy Positive Comments

1.	Good commitment from the management
2.	Good relationship with all stakeholders

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref	Area/Process	Clause
1727954-201901-M1	Plantations (Semaring 1 Estate)	4.4.5.7 (Part 3)
Requirements:	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	
Statement of Nonconformity:	The monitoring system for time recording system was not effectively implemented.	
Objective Evidence:	Semaring 1 Estate: During document review, found that no monitoring was done for "kad kerja" by the management: 1. ID No: FW04880526	
Corrections:	The management should monitor the kad kerja for workers.	
Root cause analysis:	No supervision by management for monitoring kad kerja for the worker	

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Corrective Actions:	Monitoring by estate manager management through regular management meetings and periodic reviews by RSPO Internal Audit as well as by JTK HQ
Assessment Conclusion:	<p>1. Sighted the evidence of briefing dated 17/1/2019 for staff and mandore by the estate manager regarding monitoring for "kad kerja".</p> <p>2. Sighted the evidence of briefing dated 02/02/2019 for executives, staff and mandore by the senior manager JTK HQ regarding monitoring for "kad kerja".</p> <p>The evidences submitted found adequate and effectively implemented. Thus, the Major NC was effectively closed.</p>
ASA 1 Status:	<p>Seen, the kad kerja have been updated consistently by all the workers and being monitored regularly by the supervisor. Sample taken on: -</p> <ol style="list-style-type: none"> 1. FW 04880488 2. FW 06261242 3. FW 04880547 4. FW 04880589 5. FW 04880497 <p>Thus, the corrective action plan was effectively implemented and the non-conformity is effectively closed.</p>

3.4 Issues Raised by Stakeholders

IS #	Description
1	Issues:
	No issue raised by the stakeholders.
	Management Responses:
	N/A
1	Audit Team Findings:
	N/A

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1727954-201901-M1	Major	10/01/2019	Closed on 26/02/2019
1871619-201908-M1	Major	16/1/2020	Closed on 2/3/2020
1871619-201908-N1	Minor	16/1/2020	Open
1871619-201908-N2	Minor	16/1/2020	Open
1871619-201908-N3	Minor	16/1/2020	Open
1871619-201908-N4	Minor	16/1/2020	Open
1871619-201908-N5	Minor	16/1/2020	Open

3.6 Summary of the findings by Principles and Criteria

MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29 th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid. The purpose of the policy is to established the objectives and guidelines for FGV and its Group of Companies with regards to sustainability matters. The policy covering the following aspects: - <ol style="list-style-type: none"> 1. Social responsibility - responsible employment, respect for human rights, respect for community rights, health and safety, gender equality, preventing sexual harassment and violence. 2. Profitability and use of resources – Use of resources efficiently, efficiency improvement reduces wastage and leakage, and innovation and embrace of new technologies as for continues improvement in product and services. 3. Environmental Stewardship – Efficient use of natural resources, managing environmental impacts, no deforestation and planting on peat, high biodiversity value and high conservation value, use of agrochemical, no open burning/use of fire, water management, waste management, and addressing climate change. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>4. Value Chain – Traceability and supply chain and obligation of high value chain partners</p> <p>5. Transparency and reporting – transparent information on timely manner to stakeholder and grievance management.</p> <p>Under the policy of Profitability and Resources, it is clearly emphasized that FGV Group shall strives to use resources efficiently in order to improve productivity in its operation. FGV also shall adopt lean management for efficiency improvement, reduce wastage and leakages in its operation while inculcate productivity improvement culture by clear reward and recognition system.</p> <p>FGV Group believe in innovation and embrace new technologies as a means for continuous improvement in its products and services.</p>	
4.1.1.2	<p>The policy shall also emphasize commitment to continual improvement.</p> <p>- Major compliance -</p>	<p>Sighted under Group Sustainability Policy stated FGV Group is committed to continuously improve its products and services by adopting the best possible approaches to enhance productivity and profitability by optimising resources and operational efficiencies, while minimising negative impacts on people, social and environmental.</p>	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p>Internal audit was conducted on 16th -17th December 2019 at FGVP Semaring Estate. The audit conducted by two internal auditors, En.Yaslam bin Mohammad Salleh and En. Abd Rahman Awang.</p> <p>As for FGVAS Kerteh Estate, internal audit was conducted on 18th -19th December 2019. The audit conducted by two internal auditors, En.Yaslam bin Mohammad Salleh and En. Abd Rahman Awang.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>FGV have established an Internal Audit Procedure, Doc No: FGV/ML-1A/L2-Pr11, issue (0), version 0 dated 01.06.2016 as a reference for audit process.</p> <p>The audit findings were documented under Internal Audit Summary and total findings 16 at FGVP Semaring Estate and 21 findings at FGVAS Kerteh Estate.</p> <p>The response and action taken by Estate Manager for all the findings raised by the Internal Audit was on 7th January 2020 at FGVP Semaring Estate and 6th January 2020 at FGVAS Kerteh Estate within the deadline. All details are well documented by Estate Management.</p>	Complied
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by both estates' management within the timeframe stipulated in the Audit Procedure.</p>	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Management review was conducted on 22nd December 2019 at FGVP Semaring Estate and 24th December 2019 at FGVAS Kerteh. The meeting being chaired by the respective Estate Manager.</p> <p>Other than internal audit matter, 7 more agendas were discussed and as follows:</p> <ol style="list-style-type: none"> 1. Customer satisfactory 2. Production 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		3. Environment 4. Social 5. Replanting 6. Management Review 7. Continuous Improvement	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>FGV have established procedure on Continuous Improvement Doc No: FGV/ML-1A/L2-Pr7, issue 1, version 0 dated 01.06.2016 with an objective to provide action plan in implementing the Continuous Improvement Plan Covering Social, Best Practices and Environmental.</p> <p>The Continuous Improvement Plan for Semaring Estate are as follows:</p> <ul style="list-style-type: none"> - 1. Increase subsoil area 2. Control of landfill area 3. Disposal of Empty chemical containers. 4. Re-use of chemical containers 5. Reduce usage of diesel 6. Reduce usage of chemicals <p>As for Kerteh Estate, the Continuous Improvement Plan are as follows:</p> <ul style="list-style-type: none"> - 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Increase barn owl box for biological control on rat 2. Expand beneficial plant areas 3. Disposal of Empty chemical containers. 4. Re-use of chemical containers 5. No open burning campaign 6. Improve productivity on mechanisation 	
4.1.4.2	<p>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.</p> <p>- Major compliance -</p>	Any new information is updated to employees through morning briefings, memo, meetings, station training. So far, no new technology at FGVPM Semaring 1 Estate and FGVAS Kerteh Estate.	Complied
4.1.4.3	<p>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.</p> <p>- Major compliance -</p>	Any new information is updated to employees through morning briefings, memo, meetings, station training. So far, no new technology at FGVPM Semaring 1 Estate and FGVAS Kerteh Estate.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	<p>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.</p> <p>- Major compliance -</p>	<p>Communication sighted mostly in Bahasa Malaysia and English. This is specified in FGV/ML-1A/L2-Pr12 issue 0 date on 01.06.2016 title "Komunikasi, Penglibatan dan Rundingan".</p> <p>Request for information and response is handle based on procedure. The procedure covering the internal and external parties. As per clause 6.2.3 "Jangka masa Untuk Komunikasi Luar" (Timeline to Response) were divided into two: -</p> <ol style="list-style-type: none"> 1. Within 2 weeks from date received information which require response. 2. Within 1 week from completion of investigation. <p>Sighted at Estate notice board, Standard Operating Procedure is displayed in Bahasa Malaysia.</p>	Complied
4.2.1.2	<p>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.</p> <p>- Major compliance -</p>	<p>FGV/ML-1A/L2-Pr12 issue 0 date on 01.06.2016 title "Komunikasi, Penglibatan dan Rundingan" has specified the publicly available documents under 7.0 "Rekod Terlibat". Among the document listed as:</p> <ul style="list-style-type: none"> • Land Title • Safety and Health Plan • Environment and Social Management Plan. • HCV report. • Pollution Prevention Plan • Record of complaint and grievances. • Continuous Improvement Plan. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Human Rights Policy. • List of stakeholders • Communication procedure • OSH Minute Meetings • Monthly Management Minutes Meeting • Internal Memo and Circulars <p>The Estate has maintained a Request and Response Record Book to record any requests from the stakeholders.</p> <p>Sample taken on application by YDP PIBG, SMK Kuala Jengal on 31st March 2019 to provide van for transporting school children to SMART English Programme on 3rd April 2019.</p> <p>Requests for official documents through the estate office will have to go through the Manager/Assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.</p>	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Procedures for consultation and communication is based on FGV/ML-1A/L2-Pr12 issue 0 date on 01.06.2016 title "Komunikasi, Penglibatan dan Rundingan".</p> <p>This is including request and consultation with internal and external parties. The procedure stated:</p> <p>1.Internal communication</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> a. Management to employee: <ul style="list-style-type: none"> - morning muster - memo and surat pekeling dalaman - poster and notice board - continues campaign b. Employee to management <ul style="list-style-type: none"> - suggestion box - morning muster - through employee representative - site visit from manager <p>2.External communication</p> <ul style="list-style-type: none"> -policies being circulated with the stakeholders -report to the environmental department and DOSH 	
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>En Rusli bin Abu Yahya as the person in-charge of communication at FGVP M Semaring Estate dated 17th December 2019.</p> <p>En Mohd Hamizan Yahya as the person in-charge of traceability at FGVAS Kerteh Estate dated 1st August 2019</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>Sighted latest stakeholders list on 15th December 2019. The stakeholders list was updated by En. Amru bin Daut. The list covering Government, Neighbouring Community, Plantation Smallholders and Estate Community.</p> <p>The latest meeting with the stakeholders was held on 10TH July 2018 at Dewan Sivik FELDA Bukit Bading attended by 149 external stakeholders and conducted by Jawatankuasa Kerja Minyak Lestari Gabungan Kompleks Jerangau Baru, Kompleks Jerangau Barat & Kompleks Kerteh.</p> <p>Social Impact Assessment Procedure, FGV/ML-1A/L2-Pr21 issue 0, dated 1/6/2016 under 3.2.3 stated stakeholder consultation to be conducted once in 2 years.</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>FGV have established Standard Operating Procedures on traceability through Manual Ladang Sawit Lestari, 8.0 Mengangkut BTS ke Kilang [MLSL (Ed.3) – Sec.4 (8.0), 1st September 2017.</p> <p>The objective is to provide guideline on delivery of FFB to the mill within 24 hours. Among the documents & records to be adhere were:</p> <ol style="list-style-type: none"> 1. Nota Penghantaran BTS 2. Slip Akuan Penerimaan (weighbridge ticket) 3. Slip Grading 4. Sijil Mutu BTS 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		5. Label di lori mengangkut BTS ke kilang.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The Management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Regional Controller, Internal Audit and Agronomist visit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	En Mohd Anuar bin Mohd Nor as the person in-charge of traceability at FGVP M Semaring Estate dated 10th January 2018. En Mohd Hamizan Yahya as the person in-charge of traceability at FGVAS Kerteh Estate dated 1 st August 2019	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	FFB being sell to Kerteh POM and being monitored by Head Quarters @ Wilayah Office. Sighted records of sales, delivery, or transportation of FFB being maintained at the Estate.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	FGVPM has established SOP on track changes, monitoring, implementation and compliances of legal and other requirement. Refer doc. no ML-1A/L2-Pr6(0) dated 1/6/2016. Plantation and Sustainability Department and Manager, Asst. Manager and Supervisor/Clerk for respective operating units will undertake the	Complied

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		<p>responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.</p> <p>All legal requirement was documented in Register of Legal and Other Requirements (Ref doc no ML-1A/L5-AP1 pind 0) and List of compliance license/permit/legal requirement.</p> <p>Compliance to each applicable law and regulation is monitored by the operating units. Sighted the sampled evidence of compliancy to the regulation as follows:</p> <p>Semaring 1</p> <p>i. MPOB License. License no. 560381002000. Validity period from 1/5/2019 - 30/4/2020</p> <p>ii. Purchasing of diesel and Petrol. Ref. no. TR/DGN/92/07 (SKD) for 8500 litre of diesel and 300 liter of petrol. Validity period from 31/7/2019 – 30/7/2020</p> <p>iii. Weighbridge certificate – Ref no. MCM TKT .LP (195807). The test was conducted on 26/11/2019.</p> <p>FAS Kerteh</p> <p>i. MPOB License. License no. 502671002000. Validity period from 1/4/2019 - 31/3/2020</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The applicable laws identified were listed in Daftar Perundangan dan Lain-lain Keperluan (Register of Legal and Other Requirements, [ML-1A/L5-AP1 Pind 0])</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The Register of Legal and Other Requirements at Semaring Estate was last updated on 8/1/2019 and at Kerteh Estate on 2nd January 2019. Amongst the law listed as below:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act 	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The mechanism of tracking changes and update are guided by procedure on Pematuhan Undang – Undang dan Keperluan Lain, Doc No: FGV/ML-1A/L2-Pr6, issue 1, version 0 dated 01.06.2016.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>En Ahmad Aiman bin Aziz as the person in-charge of legal requirements at FGVP Semaring Estate dated 10th January 2018.</p> <p>En Mohd Nazri Yusof as the person in-charge of legal requirements at FGVAS Kerteh Estate dated 1st August 2019.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	FGVPM did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	FGVPM leased all the land directly from the government. There were no issues of land disputes recorded. All land title were kept in the office and available for review. Semaring 1 FGV has the approval to develop the land for Semaring 1 Estate from the State of Terengganu as per letter dated 18/4/2018 at total of 3968.19 acres. Refer letter no. PTG. TR. 00/42/1995/C/002/01-(44). FAS Kerteh FELDA has the approval to develop land for Kerteh area from state of Terengganu as per letter dated 18/4/2011. Refer letter no. PTG. TR. 00/42/1995/C/002/01-(44). FELDA have permitted FASSB to operate in the FELDA land as per letter dated 18/1/2018. Refer letter no. (06) JPLDG1151/02-30.	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal boundary for both estate were clearly demarcated and visibly maintained. Semaring 1 Legal boundary was demarcated with red and white color concrete pole. Sighted the boundary peg at PM 13A adjacent with Chemerong Forest Reserve and PM 11A adjacent with Kg. Jongok Batu.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		FAS Kerteh The estate legal boundary was demarcated with fences and concrete pole. Sighted the fencing at 'Peringkat 1' adjacent with FELDA settlers' farm.	
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Plantations (Malaysia) Sdn Bhd.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	FGV has established Procedure on Identification and Settlement of Land Disputes under ML-1A/l2-Pr10(0) Effective date 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 land price. There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Plantations (Malaysia) Sdn Bhd..	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Plantations (Malaysia) Sdn Bhd.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Plantations (Malaysia) Sdn Bhd.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was conducted by Plantation and Sustainability Department (PSD) as follow: <ol style="list-style-type: none"> Laporan Penilaian Impak Sosial FGVP M Semaring 01 was conducted by Plantation and Sustainability Department (PSD) on 23.05.2018. As for FGVAS Kerteh Estate, the Social Impact Assessment being conducted on 21.5.2018 <p>The assessment has involved the participation of stakeholders such as internal workers, teacher, surrounding communities and contractor.</p> <p>The negative impacts and positive impacts that raised during the assessment were incorporated into the management plan.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Social Impact Assessment Procedure, FGV/ML-1A/L2-Pr21 issue 1, Revision 2 dated March 2019 under 6.1.9.2 stated stakeholder consultation to be conducted once in 2 years.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Procedures for Complaints and Grievances is based on ML-1A/L2-Pr13 issue 0 date on 01.06.2016 title Menangani Aduan dan Rungutan. This procedure covers:</p> <ul style="list-style-type: none"> a. Problem with the management b. Housing and Workers Housing Problem c. Problem involving estate management d. Complaint & grievance facilities e. Complaint/grievance involving estate workers welfares f. Freedom of speech in welfare meeting <p>Policy of whistle-blower policy was established in the sustainability manual 1A dated 1.8.06. The issues emphasized in the policy were</p> <p>Whistleblowing e-form at www.fgvholdings.com if you wish to report or raise concerns related to abuse of power, fraud, bribery, sustainability issues and other misconducts.</p> <p>The policy will ensure identity will be protected. In additional the company has established a hotline number 1800-88-8717 and alert mail alert@feldaglobal.com. This information was sighted from whistleblowing email alert to all FGV intranet user</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The manual stated the process duration on delegating complaints which were derived in 5 phases:</p> <ul style="list-style-type: none"> a. Phase 1 – within 7 days duration to be addressed to the immediate superior. b. Phase 2 – After 7 days if the issue has no solutions, the matters need to be reported to the head of the department in writing and the issue is to be resolved within 14 working days. c. Phase 3 – the issue will be discussed between the company and the Union not later than 21 days after the reporting. The solution needs to be solved not later than 2 months from the discussion date. d. Phase 4 – If the issue is not to be resolved within the phase 3 duration, both parties need to refer the issue in writing the elected community respectively. e. Phase 5 – If the issue still could be resolved after 21 days the matter can be delegated to the Industrial Relation for the next step. 	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>There is procedure in place for handling complaint and grievance as per tabulated in FGV/(M)SB issue #1 date on 01.08.2018 title "Menangani Aduan dan Rungutan".</p> <p>As per clause 6.1.1 – The procedure has stated timeline for resolution of internal complaint and grievances in the 1st phase is within 7 days from the date of complaint.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sample taken at Kerteh Estate on complaint of leaking water pipe dated 14th August 2019 by En Zulhelmi. The issue being resolved on 15th August 2019.</p> <p>Sighted, 18 complaint and grievances recorded at Semaring Estate as at 2019 and nil as at to date 2020.</p> <p>In Kerteh Estate, 5 complaint and grievances being as at 2019 and nil as at to date 2020.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>Complaint and grievances were made through record book. The book is available in the office. Furthermore, complaint box is also available outside the office.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>The latest meeting with the stakeholders was held on 10TH July 2018 at Dewan Sivik FELDA Bukit Bading attended by 149 external stakeholders and conducted by Jawatankuasa Kerja Minyak Lestari Gabungan Kompleks Jerangau Baru, Kompleks Jerangau Barat & Kompleks Kerteh.</p> <p>Seen, Briefing on Group Sustainability Policies to 86 internal stakeholders dated 28th December 2019 the Estate.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Seen the Internal and External complaint & grievances form for 2019. There were no negative complaints made by either party in the last 24 months</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The Estate is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence, 1) External Application by Headmaster, SMK Kuala Jengal on 16 th October 2019 to provide van for transporting school children to Kem Rehlah SPM on 23 rd October 2019.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.1.5: Health and Safety. The Group Sustainability Policy was signed by the CEO on 29/5/2019. Refer doc. no FGV/SED/POL/001 rev. 3. FGV Holding Berhad has also established Safety and Health Policy signed by the CEO dated 8/5/2019. Refer document no FGV/GHR/HSEQ/POL/001 rev. 4. In the policy stated the commitment: i. to provide a healthy and safe working environment its operations for all its workers and employees and ii. Shall allocate appropriate resource in order to minimize and eliminate Health and Safety risks.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Both estate visited has established the Safety and health Plan FY 2020. The plan was reviewed on annually basis. Sighted the implementation of the management plan FY 2019 as follows:</p> <p>Semaring 1 Estate</p> <ul style="list-style-type: none"> i. Medical surveillance was conducted on 14/11/2019 by certified OSH Doctor with reg. no. HQ/09/DOC/00/103. 16 workers were send for surveillance and all were found fit to work as sprayers. ii. First Aid and CPR training was conducted on 22/8/2019. <p>FAS Kerteh</p> <ul style="list-style-type: none"> i. Latest medical surveillance for chemical handlers was conducted on 14/10/2019 by certified OSH Doctor with reg. no. HQ/15/DOC/00/390. 2 workers were sent for surveillance and found fit to work. ii. Workplace inspection was conducted one week before Safety and Health committee meeting. Sighted the inspection report dated 7/12/2019. 	
<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices 	<p>FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.1.5: Health and Safety. The Group Sustainability Policy was signed by the CEO on 29/5/2019. Refer doc. no FGV/SED/POL/001 rev. 3.</p> <p>FGV Holding Berhad has also established Safety and Health Policy signed by the CEO dated 8/5/2019. Refer document no FGV/GHR/HSEQ/POL/001 rev. 4.</p> <p>The policy was communicated through training, briefing and displayed on notice board at several placed in the estates.</p>	<p>Minor NC</p>

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 	<p>FGVPM has established procedure for identification of health and safety issue. It was documented in "Manual Prosedur Kualiti, Keselamatan Kesihatan Pekerja dan Alam Sekitar". Refer document no FGVPM/L2/PP-01.</p> <p>Health and safety issue assessment has been documented in hazard identification, risk assessment and risk control HIRARC. The assessment include all processing activities and support activities base on workstation. . All activities with significant risk has been listed and mitigation plan to improve the condition has been established and documented. The document was reviewed at minimum once a year or once accident occur.</p> <p>Semaring 1 Estate</p> <p>Latest HIRARC review was conducted on 19/10/2019 with additional activity on for workers housing area and harvesting and collecting FFB at flood area.</p> <p>Kerteh Estate</p> <p>Latest HIRARC review was conducted on 1/10/2019 with no changes made on the register.</p> <p>The pesticides handlers have been given appropriate training before handling pesticides including pesticides operators and chemical store keeper. Sighted the training records for pesticides handlers:</p> <p>Semaring 1</p> <ul style="list-style-type: none"> i. Safety work procedure for manuring dated 30/4/2019 ii. PPE Usage and spraying training dated 4/1/2019 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>iii. PPE Usage and spraying for new workers training dated 18/8/2019</p> <p>vi. Chemical premixing training dated 12/12/2019.</p> <p>FAS Kerteh</p> <p>i. PPE usage for Estate workers training dated 6/1/2019</p> <p>ii. Importance of PPE usage during work training dated 14/1/2020</p> <p>iii. Loading and fertilizer application training dated 20/7/2019</p> <p>iv. SOP for spraying training dated 19/6/2019</p> <p>Noted during interview with the sprayers at Estate, they have been provided with PPE such as glove, goggle, boots and apron. Sighted the PPE records for workers with employment no as follows:</p> <p>Semaring 1</p> <p>i. J8712170</p> <p>ii. BR0516284</p> <p>iii. EE0366963</p> <p>iv. BP0568047</p> <p>v. BR0826679</p> <p>FAS Kerteh</p> <p>i. 1812040017</p> <p>ii. 1805050049</p> <p>Sighted during the interview in Semaring 1 Estate, the workers were wearing short sleeves shirt and the pants were inside their boots</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>during spraying this was against 'Prosedur kerja Selamat Pengendalian Bahan Kimia' dated 1/4/2014. Refer doc. no. FGVPM/L3/PK-04.</p> <p>FGVPM has established SOP for Chemical Handling and documented in the Safety Operating Procedure, Chemical Handling. Refer doc no. FPI-PK-036, issue no. 3 dated 14/7/2018.</p> <p>Semaring Estate 1</p> <p>FGVPM has appointed the Estate Manager as responsible person and chairman for safety and health committee as per QOHSE Manual Procedure FPI/L2/QOSHE 4.0 and letter dated 28/1/2019 signed by Regional Controller Wilayah Terengganu. Refer letter no. (17)HSE/FGVPM/PWT/03. The Manager has appointed several staff and workers as OSH Committee.</p> <p>FAS Kerteh</p> <p>FAS has appointed Unit Leader as per letter dated 10/4/2019 signed by Cluster Head R&D and Agri Services. Refer letter no. (01)HSE/PPPTR/B/03.</p> <p>All safety, health and welfare issue been discussed during OSH committee meeting. The meeting was on quarterly basis. Sighted the minutes meeting for OSH committee for FY 2019 at both estate visited:</p> <p>Semaring 1</p> <p>i.1st quarter: 5/3/2019</p> <p>ii.2nd quarter: 23/5/2019</p> <p>iii.3rd quarter: 23/9/2019</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>iv.4th quarter: 27/11/2019 FAS Kerteh</p> <p>i.1st quarter: 27/3/2019 ii.2nd quarter: 27/6/2019 iii.3rd quarter: 16/9/2019 iv.4th quarter: 27/11/2019</p> <p>FGVPM has established in OSH Management Procedure – Emergency Preparedness and Response. Ref doc no. FGVPM/L2/PP-08.</p> <p>Semaring 1 Estate</p> <p>The estate has established emergency procedures for incident of fire, minor and major accident, animal attack and chemical spillage. The procedure is written in Bahasa Malaysia an available at the office and displayed at the OSH notice board for review. Interview with workers during site visit shows the understanding of the emergency procedures. Latest fire drill training was conducted on 17/12/2019.</p> <p>Estate visited has trained employee for first aid training and appointed the trained first aider to be present at all workstation. Noted during interview with mandore show the understating to conduct emergency treatment if accident occurs in the field.</p> <p>Semaring 1 Estate</p> <p>The mandores has been appointed as first aider in the estates. Noted during interview with mandore for spraying gang shows the</p>	

Criterion / Indicator	Assessment Findings	Compliance										
	<p>understanding on the basic first aid treatment. Latest first training was conducted on 28/8/2019.</p> <p>First aid monitoring was conducted once every two months. Sighted the monitoring records for first aid no 003 and 01.</p> <p>Kerteh Estate</p> <p>The estate has appointed and trained staff and mandore as first aider in the estate. Latest first aid training was conducted on 20/11/2019.</p> <p>First aid monitoring was conducted once every two months. Sighted the inspection records dated 23/10/2019 and 15/12/2019.</p> <p>Accident records are found to be updated. All records on Lost Time Accident (LTA) metrics are maintained.</p> <p>Samples of accident statistic as shown below :</p> <table border="1" data-bbox="1048 946 1715 1158"> <thead> <tr> <th>Year</th> <th>Semaring Estate</th> <th>1</th> <th>FAS Estate</th> <th>Kerteh Estate</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>0 (LTA 0)</td> <td></td> <td>0 (LTA 0)</td> <td></td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p> <p>Monthly accident report was send to the region SHE Department for compilation.</p>	Year	Semaring Estate	1	FAS Estate	Kerteh Estate	2019	0 (LTA 0)		0 (LTA 0)		
Year	Semaring Estate	1	FAS Estate	Kerteh Estate								
2019	0 (LTA 0)		0 (LTA 0)									
<p>Criterion 4.4.5: Employment conditions</p>												

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.1 The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid. The purpose of the policy is to establish the objectives and guidelines for FGV and its Group of Companies with regards to sustainability matters. The policy covering the following aspects: -</p> <ol style="list-style-type: none"> 1. Social Responsibility 2. Profitability and Use of Resources 3. Environmental Stewardship 4. Value Chain 5. Transparency and Reporting <p>Under 5.1.3 Respect for Human Right, states that: -</p> <ol style="list-style-type: none"> i. FGV Strives to uphold and respect internationally recognized human rights as enshrined in the Universal Declaration of Human Rights (UDHR), United Nations Convention on the Elimination of All Forms of Discrimination against Women, United Nations Convention on the Rights of the Child, other applicable United Nations core human rights treaties, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work as well as other relevant ILO conventions. ii. In fulfilling its responsibility to respect human rights, FGV Group is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs). FGV is committed to ensure that its operations are free from any form of exploitation and to 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>eliminate any form of forced and bonded labour, human trafficking and slavery and child labour in all its operations.</p> <p>iii. FGV is committed to ensure responsible recruitment of workers is in line with industry norms and through the process approved by sourcing and receiving countries.</p> <p>iv. FGV Group reiterates its commitment to respects employees and workers right to of association freedom of movement, fair working hours, freedom of association and right to decent living condition.</p> <p>v. FGV Group respects the rights of all its employee and workers to join and form associations, and to bargain collectively.</p> <p>vi. FGV Group shall ensure access to remedy for all employees and workers without fear of reprimand and dismissal.</p> <p>vii. FGV Group respect the rights of women as enshrined in Convention on the Elimination of All Forms of Discrimination against women (CEDAW)</p> <p>viii. FGV Group shall conduct due diligence from time to time to ensure no violations to the human rights commitment of this policy</p>	
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.2 Responsible Employment, states that: -	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	5.1.2.1 All employees and workers shall receive equal treatment based on their relevant merits and competency regardless of gender, race, nationality, religion, age, physical condition, and marital status, reproductive rights of women, union membership/affiliation / employment status, or political affiliation.	
4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Pay and conditions are documented in the workers’ Contract Agreement and wage payment records / pay slip.</p> <p>The salary is according to ‘Guidelines on the Implementation on the Minimum Wages’. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1100.00 as stated in the guidelines.</p> <p>Interview with both Estate staff and workers confirmed that they understand the terms and conditions of their employment.</p> <p>Sampled of pay-slip as below:</p> <ol style="list-style-type: none"> 1. Jitu Hansda – S 7811367 – FW 04880594 2. Mohammad KazaM Ali – BX 0654707 – FW 04880534 3. Islam Uddin – BN 0151801 – FW 04880469 4. Mohammad Arsad – R 3348408 – FW 04880574 5. Norisam bt Mohammad – 691007-11-5106 – LW 04880048 	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	The Estate is having 8 contractors in 2019. Sighted, the Contract Agreement between Sri Chakra Enterprise and FGV Plantations (Malaysia) Sdn Bhd dated 15 th June 2017 on Transportation of FFB at PM11C. The contract valid until 14 th June 2021.	Minor NC

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	Seen, Contract Agreement between Sri Chakra Enterprise and his workers, namely: - 1. Mr. K.Kumaran a/l Kerishnan; 841222 – 08 -6193 No evidence, the workers being contribute for EPF, SOCSO and SIP base on the pay-slip from January to December 2019.	
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	FGV Plantations (Malaysia) Sdn Bhd has established Labour Employment Report system for all the data of their workers. The report stated the Name, Worker ID, IC No / Passport No, Year Permit, Date of Birth, Citizenship, Gender, Vendor Name, Calling Visa No, Date Joined, Date Arrival, Status.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	Seen an Employment Contracts between FGV Plantations (Malaysia) and the worker. The Agreement wrote base on the workers local language and the terms and conditions were clearly stated in the employment contract such as salary, termination of employment and probation period. Sampled of employment contracts as below: 1. Jitu Hansda – S 7811367 – FW 04880594 2. Mohammad KazaM Ali – BX 0654707 – FW 04880534 3. Islam Uddin – BN 0151801 – FW 04880469 4. Mohammad Arsad – R 3348408 – FW 04880574 5. Norisam bt Mohammad – 691007-11-5106 – LW 04880048	Complied

Criterion / Indicator		Assessment Findings	Compliance
		6. Rafiqul Islam – BQ 0879770 – PB 001619003 7. Muridun – AU 443447 – PI 001219007 8. Ahyar Rosidi – AU 531051 – PI 001219004 9. Sahman – AU 253763 – PI 001219006 10. Murdani – AU 003604 – PI 001619007	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	Working hours is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law. Estate has used pocket check roll book as a working time recording 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. - Major compliance -	The working hours are recorded using Pocket Check - roll system. The pocket check -roll will be verified by supervisor daily. At the end of the business day, the worker requires to update the Kad Kerja and acknowledged by the supervisor.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made. Documented pay slip was distributed to individual workers on the day of payment. The payslip and the inputs were reviewed to confirm the	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>wages and overtime is in line with legal requirements of Employment Act 1955. Sampled of pay-slip at Semaring Estate as below:</p> <ol style="list-style-type: none"> 1. Jitu Hansda – S 7811367 – FW 04880594 2. Mohammad KazaM Ali – BX 0654707 – FW 04880534 3. Islam Uddin – BN 0151801 – FW 04880469 4. Mohammad Arsad – R 3348408 – FW 04880574 5. Norisam bt Mohammad – 691007-11-5106 – LW 04880048 <p>In FGVAS Kerteh Estate the sample are: -</p> <ol style="list-style-type: none"> 1. Rafiqul Islam – BQ 0879770 – PB 001619003 2. Muridun – AU 443447 – PI 001219007 3. Ahyar Rosidi – AU 531051 – PI 001219004 4. Sahman – AU 253763 – PI 001219006 5. Murdani – AU 003604 – PI 001619007 	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.</p> <p>For foreign workers covered under SOCSO upon expiring the Foreign Workers Compensation Scheme.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities</p>	<p>In Semaring Estate, 2 units of 1 x 10 doors dormitory and 2 units of 1 x 3 doors dormitories being provided to all workers. There are</p>	Complied

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	<p>in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>complete facilities such surau, bathroom and kitchen. Water supply and electricity will be borne by workers with subsidize rate.</p> <p>Repair to Workers Dormitory has been approved by FGV as sighted in SPK and Contract No 5600003219. Work expected to complete by January 2020.</p>	
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.3 Respect for Human Right, states that: -</p> <p>vii. FGV Group respect the rights of women as enshrined in Convention on the Elimination of All Forms of Discrimination against women (CEDAW)</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.3 Respect for Human Right, states that: -</p> <p>iv. FGV Group reiterates its commitment to respects employees and workers right to of association freedom of movement, fair working hours, freedom of association and right to decent living condition.</p> <p>v. FGV Group respects the rights of all its employee and workers to join and form associations, and to bargain collectively.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Minimum age of employment was above 18 years for Kerteh and Semaring Estate. Verified list of current employees as per January 2020 shows no employee below 18 years</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>The estate visited has established training program based on annual training need analysis conducted.</p> <p>Semaring 1 Estate</p> <p>FGVPM Wilayah Ajil has established training programme for employee and documented in Health and Safety Plan and Training Schedule for Employee. In the training programme covers training for Firefighting, PPE awareness, Store management, Pesticides application, and first aid and Safety work procedure.</p> <p>Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. Safety work procedure for manuring dated 30/4/2019 ii. PPE Usage and spraying training dated 4/1/2019 iii. PPE Usage and spraying for new workers training dated 18/8/2019 iv. First Aid training program dated 22/8/2019 v. Basic harvesting and ergonomic training dated 28/4/2019 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> vi. MSPO briefing for contractors and subcontractors dated vii. Environmental aspect and impact identification, risk assessment and risk control procedure training dated 30/12/2019 viii. Identification of steep area and river buffer zone training dated 24/12/2019 ix. HCV identification training dated 24/12/2019 x. Waste management training dated 24/12/2019 <p>FAS Kerteh</p> <p>Kerteh Estate has established training program and documented in Annual Training Program for Staff, Workers and Contractors. The training program covers training on company policy, Safety issue, SOP for operational activities, PPE awareness, chemical handling and emergency response plan.</p> <p>Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. PPE usage for Estate workers training dated 6/1/2019 ii. Importance of PPE usage during work training dated 14/1/2020 iii. Loading and fertilizer application training dated 8/1/2020 iv. Safety driving for Kubota training dated 28/11/2019 v. First aid box training dated 20/11/2019 vi. Anti-bribery training dated 25/9/2019 vii. Safety Harvesting training dated 23/9/2019 	

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Criterion / Indicator		Assessment Findings	Compliance
		viii. Loading and fertilizer application training dated 20/7/2019 ix. SOP for spraying training dated 19/6/2019	
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. - Major compliance -	Estates visited has conducted training need analysis and documented in 'Analisa Keperluan Latihan Petugas dan Pekerja'. Training Plan has been established based on the training need analysis conducted.	Complied
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	The estates visited has training program which updated annually based on training need analysis. The training identified were programmed throughout the year.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	FGVPM has established Environmental and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the CEO on 20/11/2017. The policy was communicated through training, briefing and displayed on notice board at several placed in the estate.	Complied

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		Noted during interview with sprayers and harvesters, the understanding of the environmental policy were adequate regarding prohibition of open burning and hunting of RTE in the estate.	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>Semaring Estate</p> <p>The estate has conducted aspects and impacts analysis and was reviewed on annually basis. Latest review was conducted on 17/12/2019. The estate has identified significant aspects and established environmental management plan to mitigate the impacts. Sighted the implementation of the management plan FY 2019 as follows:</p> <ul style="list-style-type: none"> i. Latest empty containers disposal was conducted on 8/1/2019, invoice no SLV048819010001 and 18/9/2019, invoice no SLV048819090002. ii. Latest empty fertilizer bags disposal was conducted on 13/1/2019, invoice no SLV048820010006. <p>Sighted during site visit at the workshop, there were evidence of used lubricant spillage after servicing or maintaining vehicle left on the workshop floor. Refer to the environmental management plan established, all oil spillage must be attended as per SOP for chemical spillage. Refer doc. no. FPI/L2/QOSHE-14.0. This shows the environmental management plan is not effectively implemented.</p> <p>FAS Kerteh</p> <p>The estate has conducted aspects and impacts analysis and was reviewed on annually basis. Latest review was conducted on 1/10/2019. The estate has identified significant aspects and</p>	Minor NC

Criterion / Indicator		Assessment Findings	Compliance
		<p>established environmental management plan to mitigate the impacts. Sighted the implementation of the management plan FY 2019 as follows:</p> <p>i. The empty pesticides container were triple rinse, puncture and stored at designated storage area before send to centralize collection center at PPTR.</p>	
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>- Major compliance -</p>	<p>Both estate visited has established environmental management plan base on the significant aspect identified in the aspect and impact assessment conducted. In the management plan stated the issue, mitigation plan, and person responsible and monitoring plan.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote activities with positive impacts was included in continual improvement plan.</p> <p>Sighted the implementation of the positive impacts as follows:</p> <p>Semaring 1 Estate</p> <p>i. Empty pesticides container were triple rinse and punctured and kept at designated store before disposed by Awie Metal Sdn. Bhd., license no 004067 and 004068.</p> <p>FAS Kerteh</p> <p>i. The estate has reduce the usage of diesel from targeted usage of 7000 L to 5505.75 L FY 2019</p> <p>ii. The estate has increase the number of beneficial plant planted in the estate from 22 point in FY 2018 to 43 point in 2019.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	<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>- Major compliance -</p>	<p>The estates management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p> <p>Sighted the training conducted to ensure the employee awareness as follows:</p> <ul style="list-style-type: none"> i. MSPO briefing for contractors and subcontractors dated ii. Environmental aspect and impact identification, risk assessment and risk control procedure training dated 30/12/2019 iii. Identification of steep area and river buffer zone training dated 24/12/2019 iv. HCV identification training dated 24/12/2019 v. Waste management training dated 24/12/2019 	Complied
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Semaring 1</p> <p>The estate discussed their concern about environmental issue with the workers representative during the Environmental Meeting. Sighted the latest minutes meeting dated 22/10/2019.</p> <p>FAS Kerteh</p> <p>The estate The estate discussed their concern about environmental issue with the workers representative during the Health, Safety and Environmental Committee Meeting. Sighted the minutes meeting dated 16/9/2019 and 13/12/2019.</p>	Complied
<p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p>			

Criterion / Indicator		Assessment Findings				Compliance																																																		
4.5.2.1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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. - Major compliance -	<p>The estate visited has established baseline for consumption of non-renewable energy monitored on monthly basis. Sighted the sampled records of Diesel consumption per FFB processed FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Semaring 1</th> <th colspan="2">FAS Kerteh</th> </tr> <tr> <th>Total</th> <th>Total</th> <th>L/FFB</th> <th>L/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>2342.55</td> <td>422.59</td> <td>1.81</td> <td>3.64</td> </tr> <tr> <td>Feb</td> <td>1715.84</td> <td>927.28</td> <td>4.52</td> <td>3.01</td> </tr> <tr> <td>Mar</td> <td>2187.13</td> <td>563.96</td> <td>2.36</td> <td>3.04</td> </tr> <tr> <td>Apr</td> <td>1819.98</td> <td>663.96</td> <td>2.97</td> <td>2.12</td> </tr> <tr> <td>May</td> <td>1531.76</td> <td>563.96</td> <td>2.96</td> <td>1.60</td> </tr> <tr> <td>Jun</td> <td>1535.24</td> <td>476.04</td> <td>2.78</td> <td>1.48</td> </tr> <tr> <td>Jul</td> <td>1979.58</td> <td>510.58</td> <td>2.15</td> <td>1.50</td> </tr> <tr> <td>Aug</td> <td>1688.43</td> <td>273.52</td> <td>1.04</td> <td>1.28</td> </tr> <tr> <td>Sept</td> <td>1586.61</td> <td>272.67</td> <td>1.22</td> <td>1.19</td> </tr> </tbody> </table>	Month	Semaring 1		FAS Kerteh		Total	Total	L/FFB	L/FFB	Jan	2342.55	422.59	1.81	3.64	Feb	1715.84	927.28	4.52	3.01	Mar	2187.13	563.96	2.36	3.04	Apr	1819.98	663.96	2.97	2.12	May	1531.76	563.96	2.96	1.60	Jun	1535.24	476.04	2.78	1.48	Jul	1979.58	510.58	2.15	1.50	Aug	1688.43	273.52	1.04	1.28	Sept	1586.61	272.67	1.22	1.19	Complied
			Month	Semaring 1		FAS Kerteh																																																		
		Total		Total	L/FFB	L/FFB																																																		
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		Sept	1586.61	272.67	1.22	1.19																																																		

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Criterion / Indicator		Assessment Findings					Compliance
		Oct	2319.70	389.29	1.36	1.98	
		Nov	2225.43	374.70	1.18	2.56	
		Dec	1402.21	345.19	0.92	2.02	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. Sighted the annual budget report for FY 2020.					Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate.					Complied
Criterion 4.5.3: Waste management and disposal							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The estates visited has identified all waste products and source of pollutions and documented in Identification of Source and Type of Waste. The waste identified as follows: i. Scheduled Waste - Estate Operation – Used PPE, Used lubricant and hydraulic oil - Office and housing – Lamp, Electronic device ii. Non-schedule waste					Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Estate operation – used tyre, scrap iron - office and housing – Paper, Plastic, domestic waste 	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>The estate has established waste management plan base on the identification and source of pollutions and documented in in Identification of Source and Type of Waste. Sighted the implementation of the waste management plan:</p> <p>Semaring 1 Estate</p> <p>Empty pesticides container were triple rinse and punctured and kept at designated store before disposed by Awie Metal Sdn. Bhd., license no 004067 and 004068.</p> <p>Latest empty containers disposal as follows:</p> <ul style="list-style-type: none"> i. Invoice no SLV048819010001 dated 8/1/2019 ii. Invoice no SLV048819090002 dated 8/9/2019 	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FGVPM/L3/PK-05 in order to comply with the Environmental Quality Regulations (Scheduled Waste) 2005.</p> <p>Semaring 1</p> <p>The estate conducted repairs and service of all the vehicle and machineries by outside contractors. All waste generated was disposed by the appointed contractors. Refer letter approval by DOE no. AS (BB) 91/110/619/161 dated 6/9/2011.</p> <p>FAS Kerteh</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		All empty container were send to central collection unit at PPTR as per approval letter by DOE dated 9/8/2016. Refer letter no. (BB) 91/110/619/161. Sighted the delivery note from FAS Kerteh to PPTR dated 27/9/2019 and copy of 5 th schedule send to PPTR. The waste was disposed from PPTR on 2/10/2019.	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Empty pesticides container were triple rinse and punctured and kept at designated store before disposed to licensed contractors.</p> <p>Semaring 1</p> <p>Empty pesticides container were triple rinse and punctured and kept at designated store before disposed by Awie Metal Sdn. Bhd., license no 004067 and 004068.</p> <p>Latest empty containers disposal as follows:</p> <ul style="list-style-type: none"> i. Invoice no SLV048819010001 dated 8/1/2019 ii. Invoice no SLV048819090002 dated 8/9/2019 <p>FAS Kerteh</p> <p>All empty container were send to central collection unit at PPTR as per approval letter by DOE dated 9/8/2016. Refer letter no. (BB) 91/110/619/161. Sighted the delivery note from FAS Kerteh to PPTR dated 27/9/2019 and copy of 5th schedule send to PPTR. The waste was disposed from PPTR on 2/10/2019.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	Domestic waste for both estate visited were collected 3 times a week by assigned tractor driver and disposed at designated landfill in the	Complied

Criterion / Indicator		Assessment Findings	Compliance																			
		estate. Sighted at the landfill for both estate visited, only domestic waste were disposed.																				
Criterion 4.5.4: Reduction of pollution and emission																						
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The estates visited has conducted assessment of all polluting activities and identified the significant aspects and impacts. Management plan has been established to reduce the pollution and emission.	Complied																			
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	<p>Management plan has been established to reduce the pollution and emission. The management plan reviewed on annually basis. The management plan stated the activities, impacts, mitigation plan, person responsible and monitoring plan.</p> <p>Sighted the implementation of the plan as follows:</p> <p>i. Both estate visited monitored the usage of diesel on monthly basis. Sighted the diesel usage as follows:</p> <table border="1" data-bbox="1048 1061 1816 1372"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Semaring 1</th> <th colspan="2">FAS Kerteh</th> </tr> <tr> <th>Total</th> <th>L/FFB</th> <th>Total</th> <th>L/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>2342.55</td> <td>3.64</td> <td>422.59</td> <td>1.81</td> </tr> <tr> <td>Feb</td> <td>1715.84</td> <td>3.01</td> <td>927.28</td> <td>4.52</td> </tr> </tbody> </table>	Month	Semaring 1		FAS Kerteh		Total	L/FFB	Total	L/FFB	Jan	2342.55	3.64	422.59	1.81	Feb	1715.84	3.01	927.28	4.52	Complied
Month	Semaring 1			FAS Kerteh																		
	Total	L/FFB	Total	L/FFB																		
Jan	2342.55	3.64	422.59	1.81																		
Feb	1715.84	3.01	927.28	4.52																		

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Criterion / Indicator		Assessment Findings					Compliance
		Mar	2187.13	3.04	563.96	2.36	
		Apr	1819.98	2.12	663.96	2.97	
		May	1531.76	1.60	563.96	2.96	
		Jun	1535.24	1.48	476.04	2.78	
		Jul	1979.58	1.50	510.58	2.15	
		Aug	1688.43	1.28	273.52	1.04	
		Sept	1586.61	1.19	272.67	1.22	
		Oct	2319.70	1.98	389.29	1.36	
		Nov	2225.43	2.56	374.70	1.18	
		Dec	1402.21	2.02	345.19	0.92	
		Semaring 1 ii. Sighted the buffer zone area were demarcated with white and blue color at the palm. Signboard on prohibition of chemical application were erected at the bufferzone area.					
Criterion 4.5.5: Natural water resources							

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>Semaring 1</p> <p>The estate has established the water management plan and reviewed on annually basis. Latest review was conducted on 5/1/2020. The management plan was focusing on mitigation plan to reduce water pollution and water shortage in the estate.</p> <p>The management has conducted water sampling for river flow crossing the estate. Sighted the latest waster sampling analysis were conducted on 2/1/2019 for Sg. Balu and Sg. Semaring. Refer certificate no 10/2019.</p> <p>The estate has established riparian zone for river flows across the estate. The last palm adjacent to the river were marked with blue and white paint.</p> <p>Sighted the evidence of chemical spraying at riparian zone for Sg. Balu at PM 13. Noted during interview with the sprayers’ shows their understanding on prohibition of chemical spraying at buffer zone is unsatisfactory.</p> <p>FAS Kerteh Estate</p> <p>The estate has established the water management plan and reviewed on annually basis. Latest review was conducted on 2/1/2020. The management plan was focusing on mitigation plan to maintain the soil moisture reduce water pollution and water shortage.</p> <p>Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> i. The estate monitor the rainfall on monthly basis. Sighted the rainfall records as follows: 	<p>Minor NC</p>

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Criterion / Indicator		Assessment Findings		Compliance
		Month	Total (mm)	
		Jan	145.60	
		Feb	42.30	
		Mar	19.20	
		Apr	38.90	
		May	226.10	
		Jun	94.80	
		Jul	327.10	
		Aug	317.30	
		Sept	265.50	
		Oct	284.60	
		Nov	708.10	
		Dec	598.90	

Criterion / Indicator		Assessment Findings	Compliance																										
		<p>ii. The estate monitor the water usage on monthly basis. Sighted the records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Total (L)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>21</td></tr> <tr><td>Feb</td><td>21</td></tr> <tr><td>Mar</td><td>24</td></tr> <tr><td>Apr</td><td>22</td></tr> <tr><td>May</td><td>23</td></tr> <tr><td>Jun</td><td>26</td></tr> <tr><td>Jul</td><td>25</td></tr> <tr><td>Aug</td><td>21</td></tr> <tr><td>Sept</td><td>23</td></tr> <tr><td>Oct</td><td>21</td></tr> <tr><td>Nov</td><td>10</td></tr> <tr><td>Dec</td><td>22</td></tr> </tbody> </table>	Month	Total (L)	Jan	21	Feb	21	Mar	24	Apr	22	May	23	Jun	26	Jul	25	Aug	21	Sept	23	Oct	21	Nov	10	Dec	22	
Month	Total (L)																												
Jan	21																												
Feb	21																												
Mar	24																												
Apr	22																												
May	23																												
Jun	26																												
Jul	25																												
Aug	21																												
Sept	23																												
Oct	21																												
Nov	10																												
Dec	22																												

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Sighted during site visit, there was no construction of bunds, weirs and dams across Sg. Balu and Sg, Semaring.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Estate visited has implemented water harvesting in the estate. Such as directing water from road side drain into the field. For planting at hilly area, the estate has constructed conservation terrace and plant cover crop to conserve water and prevent land erosion.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	Semaring 1 Estate The estate has conducted assessment on High Conservation Value and Biodiversity. The assessment was conducted by Plantation Sustainability Department on 24/5/2018 and the report was updated on 28/12/2018. No HCV on biodiversity were identified in the estate area. As the estate were adjacent with Chemerong Forest Reserve, the management has identified hotspot areas and documented in High Conservation Value and Biodiversity report. The management has established Biodiversity Management Plan 2018-2023 for the estate to conserve the hotspot areas identified. Sighted the implementation of the management plan as follows: i. No trespassing signboard were erected at the boundary with Chemerong Forest Reserve. Sighted during site visit, the signboard were erected at field PM13 adjacent with the forest reserve.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		ii. The estate conducted the wildlife monitoring on quarterly basis. Sighted the monitoring records dated 15/1/2019, 20/4/2019, and 23/9/2019.	
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>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>- Major compliance -</p>	<p>No HCV on biodiversity were identified in the estate. The estate have listed the all legal requirements relating to the protection of the species in the Legal Register.</p> <p>Estate visited has conducted awareness training on prohibition of illegal hunting, fishing, handling and collecting activities of wildlife in the estate area. Signboard on prohibition of illegal hunting in the estates area has been erected at several strategic area such as estate entrance and field adjacent with forest reserve i.e PM 13 at Semaring 1 estate.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>No HCV on biodiversity were identified in the estate area. As the estate were adjacent with Chemerong Forest Reserve, the management has identified hotspot areas and documented in High Conservation Value and Biodiversity report. The management has established Biodiversity Management Plan 2018-2023 for the estate to conserve the hotspot areas identified.</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>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.</p> <p>- Major compliance -</p>	<p>FGVPM has established Prohibition of Open Burning policy during replanting and documented in Group Sustainability Policy dated 24/8/2017. Ref doc no. FGV/SED/POL/001.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No open burning as per Group Sustainability Policy	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No open burning as per Group Sustainability Policy	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	The previous crop were felled or mowed down, chipped and shredded and windrowed as per 'Manual Ladang Sawit Lestari'. Ref doc. No MLSL (Ed.2) – Sec.2 (6.0) dated 1/6/2012.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Estate holds three SOP and documented in Plantation Sustainability and Quality Management, Sustainable Palm Oil Manual Procedure and Occupational Safety, Health and Environmental Manual Sighted the latest review in Sustainability Palm Oil Manual on procedure for competency, awareness and training dated 1/6/2016. The SOP for the estates and mill operations are available which is	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>prepared on Group basis. There are levels of the documentation identified as follows;</p> <ul style="list-style-type: none"> a) Manual Ladang Sawit LESTARI on reviewed 1/6/12 Sawit pra matang edisi II seksyen 3 b) Manual Ladang Sawit LESTARI reviewed on 1/6/12 Sawit matang edisi II seksyen 4 c) Manual Ladang Sawit LESTARI 1/6/12 Pembajaan sawit edisi II seksyen 5 d) Prosedur Kerja Selamat e) Manual Kelestarian (Sustainability) f) Work instruction g) Records. 	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>FGV has established policy regarding oil palm grown within permitted levels on sloping land and documented Conservation of Sloping Land and river reserve Policy Signed by the CEO on 20/11/2017.</p> <p>The estates construct terraces at slope area of more than 6 degrees. Planting of cover crop are made to retain the soil structure and conservation.</p> <ul style="list-style-type: none"> a) Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. b) Terraces are constructed inclined towards the terrace wall 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Field references were identified by year of planting. Signboard were erected and palms at the entrance of each field were painted with the field identification. Sighted the implementation at field PM 13 at Semaring 1 Estate and FAS Kerteh Estate.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 5 year projection. (Budget year, PY2, PY3, PY4, PY5) This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production. Component of operating expenditure includes a) Penjagaan & Penyeliaan - merumput - membaja - parit - jalan & jambatan - pemuliharaan tanah & air - mencantas - sanitasi pokok - sempadan & ukur	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - menyulam - penyeliaan am b) Pungutan - buruh - pengangkutan - penyeliaan - peralatan 	
4.6.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>There was no replanting at Semaring 1 Estate and Kerteh Estate for the next 5 years (2020 – 2024). The last replanting at Semaring 1 Estate was done in 2013.</p>	Complied
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment 	<p>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p> <p>The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is sighted.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates 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 variance report on the performance and reviewed on a monthly basis.</p> <p>c) The supervisory personnel maintained a daily cost for the field operations.</p> <p>d) The meeting involving the Managers sits monthly with the Regional PA and Head for the performance review.</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The mill received all crop by his own estates and the prices of FFB paid to the estate is in accordance with the prices set by the Malaysian Oil palm Board (MPOB) and subject to FFB Grading Report</p> <p>The pricing mechanism adopted for worker salary strictly adhere to Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1100.00</p> <p>As for contract work, the price determines by HQ. All contracts are kept in estate office. Sighted the Contract Agreement signed by Contractor and Estate.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Sighted, all contracts are fair, legal and transparent and agreed payments being made in timely manner as stipulated in the Contract Agreement Term and Conditions on Pesanan Belian (PB) / Perintah Kerja (PK) 1/2013 Clause 7 Harga and Bayaran, 7.2 payment will be made within 60 days from the date of receiving invoice.</p> <p>In Kerteh Estate, Loading and Transporting FFB from Ladang FGVAS Kerteh to FPISB, Kilang Kerteh being awarded to contractor En. Raja Ismail Raja Daud. The contract valid until 30th September 2020.</p> <p>Seen, invoice being submitted to FGVAS Kerteh Estate dated 1st December 2019 on 317.84 Mt FFB amounting RM 7,246.75</p> <p>The payment being made on 20th December 2019 and agreed by the contractor as evidence in the Slip Bayaran Kontrek.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>All the contractors aware that Estate is certified under MSPO. Therefore, the contractor has been instructed by Estate Management to follow the MSPO standard requirement.</p> <p>The policies were already communicated through the tender process and once contract sign by both parties. The CONTRACTOR shall be subjected to the management system audits by auditors assigned by the management as and when deemed necessary.</p> <p>Seen, the contractor also signed the Supplier Code of Conduct before executing work.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>The Estate is having 8 contractors in 2019. All the contractors are having agreed contracts with the Estate.</p> <p>Sample taken the Contract Agreement between Sri Chakra Enterprise and FGV Plantations (Malaysia) Sdn Bhd dated 15th June 2017 on Transportation of FFB at PM11C. The contract valid until 14th June 2021.</p> <p>In Kerteh Estate, Loading and Transporting FFB from Ladang FGVAS Kerteh to FPISB, Kilang Kerteh being awarded to contractor En. Raja Ismail Raja Daud. The contract valid until 30th September 2020.</p>	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p>	<p>Sighted all contract includes an agreement signed by contractor and Estate manager with term and condition which includes contractor must adhere to FELDA Palm Industries Sdn Bhd policies and MSPO compliances.</p>	Complied
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>- Major compliance -</p>	<p>Both Estates were agreed for BSI auditors to verify the assessment through a physical inspection if required</p>	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			

Criterion / Indicator		Assessment Findings	Compliance
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	No new planting observed in the estate	Complied
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	No new planting observed in the estate	Complied
Criterion 4.7.2: Peat Land			
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 -	No new planting observed in the estate	Complied
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	No new planting observed in the estate	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	No new planting observed in the estate	Complied
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 -	No new planting observed in the estate	Complied
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 and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	No new planting observed in the estate	Complied
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	No new planting observed in the estate	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	No new planting observed in the estate	Complied
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	No new planting observed in the estate	Complied
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	No new planting observed in the estate	Complied
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	No new planting observed in the estate	Complied
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent,	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied

Criterion / Indicator		Assessment Findings	Compliance
	dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied
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 -	There were no new plantings involving forest land or customary land. Thus, it is not applicable for all estates	Complied

MS 2530-4:2013 Part 4: General principles for palm oil mills

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	<p>Policy for the implementation of MSPO shall be established.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid. The purpose of the policy is to establish the objectives and guidelines for FGV and its Group of Companies with regards to sustainability matters. The policy covering the following aspects: -</p> <ul style="list-style-type: none"> 6. Social responsibility - responsible employment, respect for human rights, respect for community rights, health and safety, gender equality, preventing sexual harassment and violence. 7. Profitability and use of resources – Use of resources efficiently, efficiency improvement reduces wastage and leakage, and innovation and embrace of new technologies as for continues improvement in product and services. 8. Environmental Stewardship – Efficient use of natural resources, managing environmental impacts, no deforestation and planting on peat, high biodiversity value and high conservation value, use of agrochemical, no open burning/use of fire, water management, waste management, and addressing climate change. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>9. Value Chain – Traceability and supply chain and obligation of high value chain partners</p> <p>10. Transparency and reporting – transparent information on timely manner to stakeholder and grievance management.</p> <p>Under the policy of Profitability and Resources, it is clearly emphasized that FGV Group shall strives to use resources efficiently in order to improve productivity in its operation. FGV also shall adopt lean management for efficiency improvement, reduce wastage and leakages in its operation while inculcate productivity improvement culture by clear reward and recognition system.</p> <p>FGV Group believe in innovation and embrace new technologies as a means for continuous improvement in its products and services</p>	
4.1.1.2	<p>The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.</p> <p>- Major compliance -</p>	<p>Sighted under Group Sustainability Policy stated FGV Group is committed to continuously improve its products and services by adopting the best possible approaches to enhance productivity and profitability by optimising resources and operational efficiencies, while minimising negative impacts on people, social and environmental.</p>	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p>Internal audit was conducted on 23rd - 24th December 2019 at Kerteh POM. The audit conducted by two internal auditors, En.Yaslam bin Mohammad Salleh and En. Abd Rahman Awang.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>FGV have established an Internal Audit Procedure, Doc No: FGV/ML-1A/L2-Pr11, issue (0), version 0 dated 01.06.2016 as a reference for audit process.</p> <p>The audit findings were documented under Internal Audit Summary and total findings 21 at Mill.</p> <p>The response and action taken by Mill Manager for all the findings raised by the Internal Audit was on 9th January 2020 within the deadline. All details are well documented by Mill Management.</p>	Complied
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by Mill Management within the timeframe stipulated in the Audit Procedure.</p>	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Management review was conducted on 2nd January 2020 at FELDA Palam Industries, Kerteh Palm Oil Mill. The meeting being chaired by the respective Mill Manager.</p> <p>Other than internal audit matter, 7 more agendas were discussed and as follows:</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance																									
Criterion 4.1.4 – Continual Improvement																											
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Continual improvement plan for the mill being strategized under the following programme as sample belows:-</p> <table border="1" data-bbox="1086 655 1868 1246"> <thead> <tr> <th></th> <th>Programme</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Increase OER from 20.92% to 21.25%</td> <td>December 2020</td> </tr> <tr> <td>2</td> <td>Increase KER from 5.31% to 5.40%</td> <td>December 2020</td> </tr> <tr> <td>3</td> <td>Control Final Discharge BOD below 100ppm</td> <td>December 2020</td> </tr> <tr> <td>4</td> <td>Reduce diesel consumption below 0.40 liter / FFB</td> <td>December 2020</td> </tr> <tr> <td>5</td> <td>Zero occupational accident</td> <td>December 2020</td> </tr> <tr> <td>6</td> <td>Zero accident outside mill</td> <td>December 2020</td> </tr> <tr> <td>7</td> <td>Repairing the staff quarters</td> <td>December 2020</td> </tr> </tbody> </table>		Programme	Deadline	1	Increase OER from 20.92% to 21.25%	December 2020	2	Increase KER from 5.31% to 5.40%	December 2020	3	Control Final Discharge BOD below 100ppm	December 2020	4	Reduce diesel consumption below 0.40 liter / FFB	December 2020	5	Zero occupational accident	December 2020	6	Zero accident outside mill	December 2020	7	Repairing the staff quarters	December 2020	<p>Complied</p>
	Programme	Deadline																									
1	Increase OER from 20.92% to 21.25%	December 2020																									
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6	Zero accident outside mill	December 2020																									
7	Repairing the staff quarters	December 2020																									

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Any new technology and/or innovation equipment is subject to approval by HQ No new technology adopted by the Mill for Milling operation so far	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Communication sighted mostly in Bahasa Malaysia and English. This is specified in FGV/ML-1A/L2-Pr12 issue 0 date on 01.06.2016 title "Komunikasi, Penglibatan dan Rundingan". Request for information and response is handle based on procedure. The procedure covering the internal and external parties. As per clause 6.2.3 "Jangka masa Untuk Komunikasi Luar" (Timeline to Response) were divided into two: - 1. Within 2 weeks from date received information which require response. 2. Within 1 week from completion of investigation. Sighted at Mill notice board, Standard Operating Procedure is displayed in Bahasa Malaysia.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or	FGV/ML-1A/L2-Pr12 issue 0 date on 01.06.2016 title "Komunikasi, Penglibatan dan Rundingan" has specified the publicly available	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>social outcomes.</p> <p>- Major compliance -</p>	<p>documents under 7.0 "Rekod Terlibat". Among the document listed as:</p> <ul style="list-style-type: none"> • Land Title • Safety and Health Plan • Environment and Social Management Plan. • HCV report. • Pollution Prevention Plan • Record of complaint and grievances. • Continuous Improvement Plan. • Human Rights Policy. • List of stakeholders • Communication procedure • OSH Minute Meetings • Monthly Management Minutes Meeting • Internal Memo and Circulars <p>Requests for official documents through the Mill office will have to go through the Manager/Assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.</p>	
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>		

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Procedures for consultation and communication is based on FGV/ML-1A/L2-Pr12 issue 0 date on 01.06.2016 title "Komunikasi, Penglibatan dan Rundingan".</p> <p>This is including request and consultation with internal and external parties. The procedure stated:</p> <p>1.Internal communication</p> <p>a. Management to employee:</p> <ul style="list-style-type: none"> - morning muster - memo and surat pekeliling dalaman - poster and notice board - continues campaign <p>b. Employee to management</p> <ul style="list-style-type: none"> - suggestion box - morning muster - through employee representative - site visit from manager <p>2.External communication</p> <ul style="list-style-type: none"> -policies being circulated with the stakeholders -report to the environmental department and DOSH 	Complied

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4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	En Mohamad Nasir bin Daud as the person in-charge of communication at FGV Palm Industries Sdn Bhd dated 10 th November 2019	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Sighted latest stakeholders list on 5 th January 2020. The stakeholders list was updated by En. Mohamad Nasir bin Daud. The list covering Government, Neighbouring Community, Plantation Smallholders and Mill Community.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	FELDA Palm Industries Sdn Bhd has established Standard Operating Procedure: Manual Operasi, dated 23rd October 2017 and Prosedur, Sistem Pengurusan Kualiti, Keselamatan, Kesihatan Pekerjaan dan Alam Sekitar dated 8th June 2018.. The mill is receiving FFBs from own estates and outsourcing suppliers. The Manual Operasi and Prosedur, Sistem Pengurusan Kualiti, Keselamatan, Kesihatan Pekerjaan dan Alam Sekitar has outlined the traceability process flow as below: - <ul style="list-style-type: none"> a. Raw Material Reception: Security Guard House & Weighbridge Station b. Production & Storage: Production Unit and Storage Tanks c. Sales & Despatch: Products to Customer(s) 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The Management team holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Regional Controller, Internal Audit and Mill Advisor visit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	En Mohd Faizal bin Abd Ghani as the person in-charge of communication at FGV Palm Industries Sdn Bhd dated 10 th November 2019.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Purchases and sales will base on demand and has agreeable documentation with the supplier. As evidence, records of sales, delivery, or transportation of FFB being well maintained at the Mill.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	FGVPISB has established SOP on track changes, monitoring, implementation and compliances of legal and other requirement. Refer doc. no ML-1A/L2-Pr6 (0) dated 1/6/2016. Plantation and Sustainability Department and Manager and Asst. Manager for respective operating units will undertake the responsibility of identifying, managing, updating and tracking the	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>legal requirement as well as monitoring the status of legal compliance.</p> <p>All legal requirement was documented in Register of Legal and Other Requirements (Ref doc no ML-1A/L5-AP1 pind 0) and List of compliance license/permit/legal requirement.</p> <p>Compliance to each applicable law and regulation is monitored by the operating units. Sighted the sampled evidence of compliancy to the regulation as follows:</p> <ul style="list-style-type: none"> i. MPOB License. License no. 500178404000. For processing 259200 ton FFB. Validity period from 1/4/2019 -1 31/3/2020 ii. DOE’s ‘Jadual Pematuhan’. License no. 004053. Validity period from 1/7/2019 – 30/6/2020 iii. DOE’s Contradiction License no. 004075 Validity period from 5/6/2019 – 5/6/2020 iv. Purchasing of diesel. Ref. no. TR/DGN/12/08 SKD for 20000 liter. Validity period from 13/1/2019 – 12/1/2020 <p>Competence person license</p> <ul style="list-style-type: none"> i. Authorised Entrant and Standby Person for Confined Space, <ul style="list-style-type: none"> a. Serial no. NW-NCC-AE-R-1610-D, NW-NCC-AE-R-1610-D. Validity period till 22/5/2020. b. Serial no. NW-ECRO-AE-R-2658-R,. Validity period till 22/10/2021. ii. CePSWaM – Cert no. CePSWaM/00823 	

Criterion / Indicator		Assessment Findings	Compliance
		iii. Scaffolding operator – TG/11/PP/01/289. Validity period from 1/3/2018 – 29/2/2020	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	The applicable laws identified were listed in Daftar Perundangan dan Lain-lain Keperluan (Register of Legal and Other Requirements,– The sample of Act and Legal as listed herein: <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act The list was last updated on 15 th June 2019	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The mechanism of tracking changes and update are guided by procedure on Pematuhan Undang – Undang dan Keperluan Lain, Doc No: FGV/ML-1A/L2-Pr6, issue 1, version 0 dated 01.06.2016.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	En Mohd Asri bin Ibrahim as the person in-charge of communication at FGV Palm Industries Sdn Bhd dated 10 th November 2019	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	FGVPISB did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	FGVPISB leased all the land directly from the government. There were no issues of land disputes recorded. All land title were kept in the office and available for review. Sighted the Land Title as follows: No. : 8322 No. Lot: 4081 Area: 47370 m2	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	FGVPISB leased all the land directly from the government. There were no issues of land disputes recorded. All land title were kept in the office and available for review. Legal boundary along the mill were clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	FGV has established Procedure on Identification and Settlement of Land Disputes under ML-1A/I2-Pr10(0) Effective date 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	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>boundary stone was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market land price.</p> <p>There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Palm Industries, Kerteh POM.</p>	
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>FGV has established Procedure on Identification and Settlement of Land Disputes under ML-1A/I2-Pr10(0) Effective date 1/6/2016.</p> <p>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 land price.</p> <p>There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Palm Industries, Kerteh POM.</p>	Complied
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights shall be made available.</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Palm Industries, Kerteh POM.</p>	Complied
4.3.3.3	<p>Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.</p> <p>- Major compliance -</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit and verified the information through the lease agreement between FELDA and FGV Palm Industries, Kerteh POM.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SIA was conducted by Plantation and Sustainability Department (PSD) as follow:</p> <p>3. Laporan Penilaian Impak Sosial FGVP M Semaring 01 was conducted by Plantation and Sustainability Department (PSD) on 22.05.2018 with documented report.</p> <p>The assessment has involved the participation of stakeholders such as internal workers and contractor.</p> <p>The negative impacts and positive impacts that raised during the assessment were incorporated into the management plan.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Procedures for Complaints and Grievances is based on ML-1A/L2-Pr13 issue 0 date on 01.06.2016 title Menangani Aduan dan Rungutan. This procedure covers:</p> <ul style="list-style-type: none"> g. Problem with the management h. Housing and Workers Housing Problem i. Problem involving estate management j. Complaint & grievance facilities k. Complaint/grievance involving estate workers welfares 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>I. Freedom of speech in welfare meeting</p> <p>Policy of whistle-blower policy was established in the sustainability manual 1A dated 1.8.06. The issues emphasized in the policy were Whistleblowing e-form at www.fgvholdings.com if you wish to report or raise concerns related to abuse of power, fraud, bribery, sustainability issues and other misconducts.</p> <p>The policy will ensure identity will be protected. In addition the company has established a hotline number 1800-88-8717 and alert mail alert@feldaglobal.com. This information was sighted from whistleblowing email alert to all FGV intranet user</p> <p>The manual stated the process duration on delegating complaints which were derived in 5 phases:</p> <ul style="list-style-type: none"> f. Phase 1 – within 7 days duration to be addressed to the immediate superior. g. Phase 2 – After 7 days if the issue has no solutions, the matters need to be reported to the head of the department in writing and the issue is to be resolved within 14 working days. h. Phase 3 – the issue will be discussed between the company and the Union not later than 21 days after the reporting. The solution needs to be solved not later than 2 months from the discussion date. 	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> i. Phase 4 – If the issue is not to be resolved within the phase 3 duration, both parties need to refer the issue in writing the elected community respectively. j. Phase 5 – If the issue still could be resolved after 21 days the matter can be delegated to the Industrial Relation for the next step. 	
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>There is procedure in place for handling complaint and grievance as per tabulated in FGV/(M)SB issue #1 date on 01.08.2018 title "Menangani Aduan dan Rungutan".</p> <p>As per clause 6.1.1 – The procedure has stated timeline for resolution of internal complaint and grievances in the 1st stage is within 7 days from the date of complaint.</p> <p>Sample taken on complaint by En. Mohd Asri Ibrahim dated 7th August 2019 on fallen TNB Electricity cable.</p> <p>The issue being resolved in an effective, timely and appropriate manner that is accepted by all parties on 8th August 2019 by TNB</p> <p>4 complaint and grievances recorded as at 2019 and nil as at to date 2020.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>Complaint and grievances were made through record book. The book is available in the office. Furthermore, complaint box is also available outside the office.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>The latest meeting with the stakeholders was held on 10TH July 2018 at Dewan Sivik FELDA Bukit Bading attended by 149 external stakeholders and conducted by Jawatankuasa Kerja Minyak Lestari Gabungan Kompleks Jerangau Baru, Kompleks Jerangau Barat & Kompleks Kerteh.</p> <p>Briefing on Sustainability Policies being communicated through numerous numbers of days during morning muster. Sample taken on briefing of Group Sustainability Policy dated 24th December 2019 attended by 32 personnel.</p>	Complied
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Seen the Internal and External complaint & grievances form for 2019. There were no negative complaints made by either party in the last 24 months</p>	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
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>- Minor compliance -</p>	<p>The Mill is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence,</p> <p>1) External</p> <p>The Mill has contribute hampers to YD PIBG SK Kerteh 1 on 13th March 2019 for PIBG Meeting.</p>	Complied
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.1 An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>FGVPISB Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.1.5: Health and Safety. The Group Sustainability Policy was signed by the CEO on 29/5/2019. Refer doc. no FGVPISB/SED/POL/001 rev. 3.</p> <p>FGVPISB Holding Berhad has also established Safety and Health Policy signed by the CEO dated 8/5/2019. Refer document no FGVPISB/GHR/HSEQ/POL/001 rev. 4.</p> <p>In the policy stated the commitment:</p> <ul style="list-style-type: none"> i. to provide a healthy and safe working environment its operations for all its workers and employees and ii. Shall allocate appropriate resource in order to minimize and eliminate Health and Safety risks. <p>The mill has established the Safety and health Plan FY 2020. The plan was reviewed on annually basis. Sighted the sampled implementation of the management plan FY 2019 as follows:</p> <ul style="list-style-type: none"> i. Medical surveillance was conducted on annually basis as recommended in CHRA Report no. JKPP/HQ/16/ASS/00/18-2018(007). Latest surveillance was conducted on 12/11/2019 by OHD with reg. no JKPP/HQ/08/DOC/00/276. 29 workers were send for the surveillance and found fit to work as chemical handler. ii. Audiometric test was conducted from 6/3/2019 till 1/4/2019. 78 workers were send for the test. 18 workers were found with hearing impairment and 14 workers found with STS. 16 workers were required to attend retest and was send on 6/6/2019. 	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.2 The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust 	<p>FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.1.5: Health and Safety. The Group Sustainability Policy was signed by the CEO on 29/5/2019. Refer doc. no FGVPIB/SED/POL/001 rev. 3.</p> <p>FGV Holding Berhad has also established Safety and Health Policy signed by the CEO dated 8/5/2019. Refer document no FGVPIB/GHR/HSEQ/POL/001 rev. 4.</p> <p>The policy was communicated through training, briefing and displayed on notice board at several placed in the mill.</p> <p>The mill health and safety issue assessment has been documented in hazard identification, risk assessment and risk control HIRARC. The assessment include all processing activities and support activities base on workstation. . All activities with significant risk has been listed and mitigation plan to improve the condition has been established and documented. The document was reviewed at minimum of annually or during accident occur.</p> <p>Latest HIRARC review was conducted on 29/12/2019 due to accident happen at Kernel plant.</p> <p>The chemicals handlers have been given appropriate training including lab operators and chemical store keeper. Sighted the training records for chemicals handlers:</p> <ul style="list-style-type: none"> i. Chemical handling (USECHH & Class 2013) training dated 17/5/2019. <p>The mill management has provided all the workers with appropriate PPE as per HIRARC conducted and Safety Working Procedure</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues 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>- Major compliance -</p>	<p>established. 2 pair of shoes and 2 units of earplug was provided to all workers annually. Other PPE was provided if necessary according to job. Records of PPE issuance recorded by individual employee and documented in 'Kenyataan Barang/Serah terima'. Sighted the sampled PPE issue for workers with employee no. as follows:</p> <p>i. 1203195</p> <p>ii. 1203199</p> <p>iii. 1203202</p> <p>FGVPISB has established SOP for Chemical Handling and documented in the Safety Operating Procedure, Chemical Handling. Refer doc no. FPI-PK-036, issue no. 3 dated 14/7/2018.</p> <p>FGVPISB has appointed the Mill Manager as responsible person and chairman for safety and health committee as per QOHSE Manual Procedure FPI/L2/QOSHE 4.0. The Sr. Manager has appointed several staff and workers as OSH Committee.</p> <p>All safety, health and welfare issue been discussed during OSH committee meeting such as accident report from Kerteh Mill and other group mill. The meeting was on quarterly basis. Sighted the minutes meeting for OSH committee for FY 2019:</p> <p>i. 1st quarter: 26/2/2019</p> <p>ii. 2nd quarter: 24/5/2019</p> <p>iii. 3rd quarter: 10/9/2019</p> <p>iv. 4th quarter: 12/12/2019</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>v. Accident cases: 31/12/2019</p> <p>The meeting discussed issued regarding safety and health performance, workplace inspection reports, audit report, stakeholder request/complaint, laws and regulations compliancy, OSH training and program and any other matters.</p> <p>FGVPISBPISB has established emergency procedures and documented in Emergency Preparedness and Response in QOSHE Manual Procedure document no. FPI/L2/QOSHE-14.0. In the procedure stated emergency procedure on fire, minor and major accident and chemical spillage. The procedure is written in Bahasa Malaysia an available at the office for review. Latest fire drill training was conducted on 10/4/2019.</p> <p>The mill have competent First Aider. Sighted during site visit first aid was available in the supervisor room with item as per requirement. The person in charge and first aider information displayed on the first aid kit. Training for first aider was conducted on 10/4/2019. First aid monitoring was conducted on quarterly basis. Sighted the monitoring records dated 5/1/2020, 4/10/2019, 6/7/2019 and 10/4/2019.</p> <p>The mill monthly accident report was send to the region SHE Department for compilation.</p> <p>Accident report were reviewed at minimum of quarterly basis during Safety and Health committee meeting. Sighted the minutes meeting dated 31/12/2019, 12/12/2019, 10/9/2019, 24/5/2019 and 26/2/2019</p>	

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.3 Respect for Human Right, states that: -</p> <ul style="list-style-type: none"> ix. FGV Strives to uphold and respect internationally recognized human rights as enshrined in the Universal Declaration of Human Rights (UDHR), United Nations Convention on the Elimination of All Forms of Discrimination against Women, United Nations Convention on the Rights of the Child, other applicable United Nations core human rights treaties, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work as well as other relevant ILO conventions. x. In fulfilling its responsibility to respect human rights, FGV Group is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs). FGV is committed to ensure that its operations are free from any form of exploitation and to eliminate any form of forced and bonded labour, human trafficking and slavery and child labour in all its operations. xi. FGV is committed to ensure responsible recruitment of workers is in line with industry norms and through the process approved by sourcing and receiving countries. xii. FGV Group reiterates its commitment to respects employees and workers right to of association freedom of movement, fair 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>working hours, freedom of association and right to decent living condition.</p> <p>xiii. FGV Group respects the rights of all its employee and workers to join and form associations, and to bargain collectively.</p> <p>xiv. FGV Group shall ensure access to remedy for all employees and workers without fear of reprimand and dismissal.</p> <p>xv. FGV Group respect the rights of women as enshrined in Convention on the Elimination of All Forms of Discrimination against women (CEDAW)</p> <p>xvi. FGV Group shall conduct due diligence from time to time to ensure no violations to the human rights commitment of this policy</p>	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.2 Responsible Employment, states that: -</p> <p>5.1.2.1 All employees and workers shall receive equal treatment based on their relevant merits and competency regardless of gender, race, nationality, religion, age, physical condition, and marital status, reproductive rights of women, union membership/affiliation / employment status, or political affiliation.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements.</p>	<p>Pay and conditions are documented in the Collective Agreement between FGV Palm Industries and workers as well as wage payment records / pay slip.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1100.00 and salary scale based on the Collective Agreement.</p> <p>Interview with Mill staff and workers confirmed that they understand the terms and conditions of their employment. Sampled of pay-slip as below:</p> <ol style="list-style-type: none"> 1. 1205072 – Abdul Rahman bin Mohamad – 700905-03-5767 2. 1211089 - Mohd Sobri bin Mohd Nasir – 940520-11-5283 3. 1200594 – Azman Jusoh – 600428 – 11- 5212 4. 1403936 – Wan Amri Wan Yusoff – 870111-11-5273 5. 1203525 – Sahnul Ridzuan bin Samsuri – 780924-08-5789 	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There was no employee of contractor engaged at Kerteh POM</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>FGV Plantations (Malaysia) Sdn Bhd has established HRMS-ESS system for all the data of their workers.</p> <p>The report stated the Name, Worker ID, IC No, Date of Birth, Citizenship, Gender, Date Joined, Status.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>All the mill workers are local and contract of agreement is based on Perjanjian Bersama antara FELDA Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FELDA Palm Industries Sdn Bhd dated 1st January 2016 until 31st December 2018.</p> <p>The terms and conditions have been clearly specified in respective national languages, Bahasa Malaysia.</p> <p>No evidence, the new Collective Agreement dated 1st January 2019 until 31st December 2021 between Management and Staff & Workers is agreed by both parties.</p>	Major NC
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Working hours is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law. Mill has used punch card as a working time recording system</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>Overtime is agreed with employee and does not exceed 104 hours. Employees are clear with working hours. They also understand maximum overtime and overtime calculation.</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>- Major compliance -</p>	<p>Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>minimum wage and that they understand all the deductions being made.</p> <p>Documented pay slip was distributed to individual workers on the day of payment.</p> <p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955.</p>	
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>- Minor compliance -</p>	<p>All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.</p> <p>The employees also receiving increment and bonus based on the Company's discretion.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>In Kerteh POM, 3 units of Class C, 8 unit of Class SS, 20 unit of Class FA, 2 unit of Class G and 16 units of Block H being provided to all workers. There are complete facilities such surau, bathroom and kitchen. Water supply and electricity will be borne by workers with subsidize rate.</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.3 Respect for Human Right, states that: -</p> <p>vii. FGV Group respect the rights of women as enshrined in Convention on the Elimination of All Forms of Discrimination against women (CEDAW).</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>FGV have established the Group Sustainability Policy [FGV/SED/POL/001, rev. 3, dated 29th May 2019 signed by Chairman, Board of Directors YBHG Datuk Wira Azhar Abdul Hamid under 5.1.3 Respect for Human Right, states that: -</p> <p>'iv. FGV Group reiterates its commitment to respects employees and workers right to of association freedom of movement, fair working hours, freedom of association and right to decent living condition.</p> <p>'v. FGV Group respects the rights of all its employee and workers to join and form associations, and to bargain collectively.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Minimum age of employment was above 18 years for Kerteh POM. Verified list of current employees as per January 19 shows no employee below 18 years</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill has established training program for employee and documented in Health and Safety Plan and Training Schedule for Employee/Contractors. In the training program covers training for Firefighting, PPE awareness, Store management, and first aid and Safety work procedure.</p> <p>Sighted the training records as follows:</p> <p>i. Safety for contractor training dated 10/10/2019</p> <p>ii. Hearing conservation training dated 26/8/2019</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		iii. HIRARC training dated 26/2/2019 iv. Drilling, Lathe, powersaw and grinding machine training dated 9/1/2019 v. hearing conservation training dated 17/5/2019 vi. Basic ergonomic and safety training dated 17/5/2019 vii. SOP KPI-PK-110 ergonomic training dated 24/5/2019 viii. Safety work procedure for hydro cyclone machine training dated 2/1/2020	
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. - Major compliance -	The mill has established training program based on annual training need analysis conducted and documented in 'Training Need Analysis 2020' and document were available for review. The analysis was based on issue of concern, job designation and type of training needs and number of attendance for each training required.	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	The mill has training program which updated annually based on training need analysis. The training identified were programmed throughout the year.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	<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>- Major compliance -</p>	<p>FGVPISB has established Environmental and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the CEO on 20/11/2017.</p> <p>The policy was communicated through training, briefing and displayed on notice board at several placed in the estate.</p>	Complied
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>- Major compliance -</p>	<p>The mill has conducted assessment on aspects and impacts analysis and established the environmental management plan base on significant aspect identified. The assessment was reviewed at minimum once a year. The latest review was conducted on 15/10/2019.</p> <p>The management plan was documented in Significant Environmental Aspect and Impacts Registrar Form. Refer doc no. FPI/L4/QOSHE 1.8 Pind 0. Sighted the implementation of the management plan as follows:</p> <p>i. the mill monitor the Observed the stack emission monitoring as per DOE requirement:</p> <p>a. Report date: 27/4/2019</p> <p>Report no.: STK/Kerteh/19/001</p> <p>Result: Boiler 1 – 144.29 mg/m3</p> <p>Boiler 3 – 147.18 mg/m3</p> <p>Sighted during site visit at schedule waste store, noted the old and new evidence used oil spillage at the store floor. This show that oil spillage were left unattended. Refer to the environmental management plan established, all oil spillage must be attended as</p>	Minor NC

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Criterion / Indicator		Assessment Findings	Compliance						
		per SOP for chemical spillage. Refer doc. no. FPI/L2/QOSHE-14.0. This shows the environmental management plan is not effectively implemented.							
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The mill has established the environmental management plan base on activity with significant impact to the environment. The management plan was documented in Significant Environmental Aspect and Impacts Registrar Form. Refer doc no. FPI/L4/QOSHE 1.8 Pind 0. The management plan consist of significant aspect, mitigation plan, time frame and person responsible.	Complied						
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The program to promote positive impact are included in the Environmental Management Plan. Sighted the implementation of the plan as follows: i. Usage of shell and fiber as fuel for boiler to reduce the usage of diesel. Sighted the usage of fiber and shell usage as follows: <table border="1" data-bbox="1093 997 1742 1129"> <thead> <tr> <th>Month</th> <th>Fiber (MT)</th> <th>Shell (MT)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>35240.85</td> <td>5529.73</td> </tr> </tbody> </table>	Month	Fiber (MT)	Shell (MT)	2019	35240.85	5529.73	Complied
Month	Fiber (MT)	Shell (MT)							
2019	35240.85	5529.73							
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The mill has established training program for all the employee and documented in Training Schedule for Employee/Contractors. The training plan covers, Environmental Aspects and Impacts, Environmental control procedure and etc.	Complied						

Criterion / Indicator		Assessment Findings	Compliance														
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The mill has established Environmental Performance Monitoring Committee which consist representative from the management and employee to discuss concern about the environmental quality. The committee conduct meeting twice a year. In the meeting discuss about DOE visit, pollution report, compliance to law and regulations, and audit report.</p>	Complied														
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																	
4.5.2.1	<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>- Major compliance -</p>	<p>The mill has established baseline for consumption of non-renewable energy at 0.4 L/MT FFB processed monitored on monthly basis. Sighted the records of Diesel consumption per FFB processed FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.23</td> </tr> <tr> <td>Feb</td> <td>0.23</td> </tr> <tr> <td>Mar</td> <td>0.16</td> </tr> <tr> <td>Apr</td> <td>0.36</td> </tr> <tr> <td>May</td> <td>0.20</td> </tr> <tr> <td>Jun</td> <td>0.19</td> </tr> </tbody> </table>	Month	2019	Jan	0.23	Feb	0.23	Mar	0.16	Apr	0.36	May	0.20	Jun	0.19	Complied
Month	2019																
Jan	0.23																
Feb	0.23																
Mar	0.16																
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May	0.20																
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Criterion / Indicator		Assessment Findings			Compliance
		July	0.26		
		Aug	0.22		
		Sep	0.18		
		Oct	0.25		
		Nov	0.24		
		Dec	0.22		
		Plan to reduce the usage of the non-renewable energy has been established FY 2020.			
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. Sighted the annual budget report for FY 2020.			Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Usage of shell and fiber as fuel for boiler to reduce the usage of diesel. Sighted the usage of fiber and shell usage as follows:			Complied
		Month	Fiber (MT)	Shell (MT)	

Criterion / Indicator		Assessment Findings			Compliance
		2019	35240.85	5529.73	
Criterion 4.5.3: Waste management and disposal					
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The mill has identified all waste products and source of pollutions and documented in Identification of Source and Type of Waste. The waste identified as follows:</p> <ul style="list-style-type: none"> i. Scheduled Waste <ul style="list-style-type: none"> - Mill Operation – Used PPE, Used lubricant and hydraulic oil - Office and housing – Lamp, Electronic device ii. Non-schedule waste <ul style="list-style-type: none"> - mill operation – used tyre, scrap iron - office and housing – Paper, Plastic, domestic waste iii. mill byproduct <ul style="list-style-type: none"> - EFB, POME, Shell, Mesocarp fiber 			Complied
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<p>The mill has established waste management plan base on the identification and source of pollutions and documented in in Identification of Source and Type of Waste. Sighted the implementation of the waste management plan:</p> <ul style="list-style-type: none"> i. Scrap iron were disposed through appointed recycler. Sighted the records of scrap iron disposal FY 2019 at 132.77 tons. ii. The mill monitored the generation of scheduled waste on monthly basis. The generation of scheduled waste recorded and 			Complied

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Criterion / Indicator		Assessment Findings	Compliance
		submitted to DOE through E-SWISS. Sighted and verified the monitoring records for the month of December 2019.	
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FPI/L2/QOSHE-9.0 rev. 2 dated 3/11/2017 in order to comply with the Environmental Quality Regulations (Scheduled Waste) 2005.</p> <p>The mill have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>The mill monitored the generation of scheduled waste on monthly basis. The generation of scheduled waste recorded and submitted to DOE through E-SWISS. Sighted and verified the monitoring records for the month of December 2019.Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> i. 15/8/2019 for SW 305; C/N no: 2019081516OFQ0LH ii. 15/8/2019 for SW 322; C/N no: 2019081516SW703D iii. 15/8/2019 for SW 409; C/N no: 2019081516Y2F8W iv. 15/8/2019 for SW 410; C/N no: 2019081516YB62CQ 	Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	The domestic waste were handled by Ketengah Jaya Municipal and disposed at the municipal landfill.	Complied
Criterion 4.5.4: Reduction of pollution and emission			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of all polluting activities was conducted through environmental aspect and impact assessment which includes the greenhouse gas emissions, stack emission, scheduled wastes, solid wastes and effluent.</p> <p>Monitoring plan was established based on Environment Aspect and Impact assessment DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Observed the stack emission monitoring as per DOE requirement:</p> <p>i. Report date: 27/4/2019 Report no.: STK/Kerteh/19/001 Result: Boiler 1 – 144.29 mg/m3 Boiler 3 – 147.18 mg/m3</p> <p>ii. Report date: 20/11/20189 Report no.: STK/Kerteh/19/002 Result: Boiler 1 – 172.31 mg/m3 Boiler 3 – 173.25 mg/m3</p> <p>Result shown the stack emissions are within approval limit at 400 mg/m3 as per contradiction license no. 004075</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance																	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Management plan has been established based on the significant aspect and DOE license compliance schedule and documented in documented in the Diesel Reduction Management Plan.	Complied																	
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance -	<p>Mill effluent is treated through biological anaerobic treatment. Regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Quarterly Return Form to DOE as follows:</p> <p>4th quarter:</p> <table border="1" data-bbox="1211 831 1744 1294"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Oct</td> <td>BOD</td> <td rowspan="2">Desilting Pond</td> </tr> <tr> <td>pH</td> </tr> <tr> <td rowspan="2">Nov</td> <td>BOD</td> <td>60</td> </tr> <tr> <td>pH</td> <td>8.5</td> </tr> <tr> <td rowspan="2">Dec</td> <td>BOD</td> <td>60</td> </tr> <tr> <td>pH</td> <td>8.02</td> </tr> </tbody> </table>	Month	Parameter	Results	Oct	BOD	Desilting Pond	pH	Nov	BOD	60	pH	8.5	Dec	BOD	60	pH	8.02	Complied
Month	Parameter	Results																		
Oct	BOD	Desilting Pond																		
	pH																			
Nov	BOD	60																		
	pH	8.5																		
Dec	BOD	60																		
	pH	8.02																		

Criterion / Indicator		Assessment Findings	Compliance																	
		3 rd quarter: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Jul</td> <td>BOD</td> <td>9.76</td> </tr> <tr> <td>pH</td> <td>144</td> </tr> <tr> <td rowspan="2">Aug</td> <td>BOD</td> <td>8.07</td> </tr> <tr> <td>pH</td> <td>185</td> </tr> <tr> <td rowspan="2">Sep</td> <td>BOD</td> <td rowspan="2">Desilting Pond</td> </tr> <tr> <td>pH</td> </tr> </tbody> </table>	Month	Parameter	Results	Jul	BOD	9.76	pH	144	Aug	BOD	8.07	pH	185	Sep	BOD	Desilting Pond	pH	
Month	Parameter	Results																		
Jul	BOD	9.76																		
	pH	144																		
Aug	BOD	8.07																		
	pH	185																		
Sep	BOD	Desilting Pond																		
	pH																			
Criterion 4.5.5: Natural water resources																				
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources.</p>	<p>The mill has established the water management plan FY 2020. The management focusing on monitoring usage of water and optimize usage of water. Sighted the implementation of the management plan as follows:</p> <p>i. The mill monitor the water consumption on monthly basis. Sighted the water consumption monitoring records FY 2019 as follows:</p>	Complied																	

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Criterion / Indicator		Assessment Findings		Compliance
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance -	Month	Water Consumption		
	Jan 19	1.19		
	Feb 19	1.25		
	Mar 19	1.29		
	Apr 19	1.55		
	May 19	1.51		
	Jun 19	1.17		
	July 19	1.18		
	Aug 19	1.21		
	Sep 19	1.27		
	Oct 19	1.22		
	Nov 19	1.18		
	Dec 19	1.43		

Criterion / Indicator		Assessment Findings	Compliance
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>- Major compliance -</p>	<p>Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed under "Jadual Pematuhan".</p> <p>Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Mill holds three SOP and documentation available at the mill for review. Noted the Sustainable Palm Oil Manual Procedure, Safety working procedure and Quality, Occupational Health, Safety and Environmental Procedure.</p> <p>Sighted the latest review in Sustainability Palm Oil Manual on procedure for competency, awareness and training dated 1/6/2016.</p> <p>FGVPISB has established mechanism to monitor the implementation of their procedure by Mill/Plantation Advisor Visit, Agronomist Visit, Mill Quality Control Unit and Audit on compliance to SOP (P&D). The visit conducted on annually basis.</p> <p>The mill processing system is documented in the following documents;</p> <p>a) Manual Operasi Kilang Sawit first introduced on 2/1/2001 &</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>revised dated 23/10/17</p> <p>b) Prosedur Kerja Selamat</p> <p>c) Manual Alam Sekitar EMS</p> <p>These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilization, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, dispatches etc. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p>	
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>FGVPISB has established mechanism to monitor the implementation of their procedure by Mill Advisor Visit. The visit conducted on annually basis. The report covers on Product quality, Process and Maintenance cost, mill throughput, compliances to law and regulation, OSH and cleanliness.</p> <p>Records and monitoring has been established in Kerteh POM and the document are available for review.</p> <p>The monitoring of the mill process is made through the shift supervision headed by an Assistant Engineer and the Mill Assistant. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the General Manager and also technical personnel from the Head Office. DOSH performed the annual UPV machinery inspection. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available. The document is in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB processed, production of CPO, PK and processing cost. The Component of operating expenditure among others includes;</p> <ul style="list-style-type: none"> i. Process labor, ii. Maintenance external, maintenance parts, iii. Consumable, EVIT, iv. Admin cost, v. Labor overhead. <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others showing expenditure on replacement and purchase of machinery/equipment.</p> <p>The profit and loss statement were made available prepared by the Regional office.</p>	<p>Complied</p>
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The mill received all crop by his own estates and the prices of FFB paid to the estate is in accordance with the prices set by the Malaysian Oil palm Board (MPOB) and subject to FFB Grading Report</p>	<p>Complied</p>


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Criterion / Indicator		Assessment Findings	Compliance
		<p>The pricing mechanism adopted for worker salary strictly adhere to Collective Agreement between FGV Palm Industries and all the workers.</p> <p>As for contract work, the price determines by HQ. All contracts are kept in Mill office. Sighted the Contract Agreement signed by Contractor and Mill.</p>	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Sighted, all contracts are fair, legal and transparent and agreed payments being made in timely manner as stipulated in the Contract Agreement Term and Conditions on Pesanan Belian (PB) / Perintah Kerja (PK) 1/2013 Clause 7 Harga and Bayaran, 7.2 payment will be made within 60 days from the date of receiving invoice.</p> <p>Sample taken on Surat Perintah Kerja, 3301380140 between Aziz bin Jusoh and FELDA Palm Industries Sdn Bhd dated 23rd September 2019 on Fabricate Coupling Adaptor Gear Box.</p> <p>Invoice being raised on 5th October 2019 under No 1353 amounting RM 1,500.00</p> <p>Payment being made on 5th November 2019 through bank. Payment being made in timely manner.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.</p>	<p>All the contractors aware that Mill is certified under MSPO. Therefore, the contractor has been instructed by Mill Management to follow the MSPO standard requirement.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The policies were already communicated through the tender process and once contract sign by both parties. The CONTRACTOR shall be subjected to the management system audits by auditors assigned by the management as and when deemed necessary.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sighted all contract includes an agreement signed by contractor and Mill manager with term and condition which includes contractor must adhere to FELDA Palm Industries Sdn Bhd policies and MSPO compliances Sample taken on Surat Perintah Kerja, 3301380140 between Aziz bin Jusoh and FELDA Palm Industries Sdn Bhd dated 23 rd September 2019 on Fabricate Coupling Adaptor Gear Box.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	Kerteh POM agreed for BSI auditors to verify the assessment through a physical inspection if required	Complied

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
<p>Based on the findings during the assessment FGV PISB - Kerteh Palm Oil Mill and supply base Certification Unit complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills. It is recommended that the certification of FGV PISB - Kerteh Palm Oil Mill and supply base Certification Unit is approved and/or continued.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
<p>Name: Ahmad Shahrir Bin Ismail</p>	<p>Name: Muhammad Fadzli Masran</p>
<p>Company name: FGV Holdings Berhad</p>	<p>Company name: BSI Services Malaysia Sdn. Bhd.</p>
<p>Title: Senior Manager</p>	<p>Title: Client Manager</p>
<p>Signature: </p>	<p>Signature: </p>
<p>Date: 30/3/2020</p>	<p>Date: 27/3/2020</p>

Appendix A: Assessment Plan

Date	Time	Subjects	MFM	II
Monday 13/01/2020	PM	Audit Team Travelling	√	√
Tuesday 14/01/2020 Kerteh POM	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	√
	08.30 – 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	09.00 – 11.30	Stakeholder interviews		√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review (MSP0 part 4) P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P6 : Best practices	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 15/01/2020 FGVPM Semaring 01 Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	09.00 – 11.30	Stakeholder interviews		√
	12.30 – 13.30	Lunch	√	√

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	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Thursday 16/01/2020 FASSB Kerteh Estate	08.30 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	09.00 – 11.30	Stakeholder interviews	-	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 – 17.00	Preparation of audit report	√	√
	17.00 – 17.30	Closing Meeting	√	√

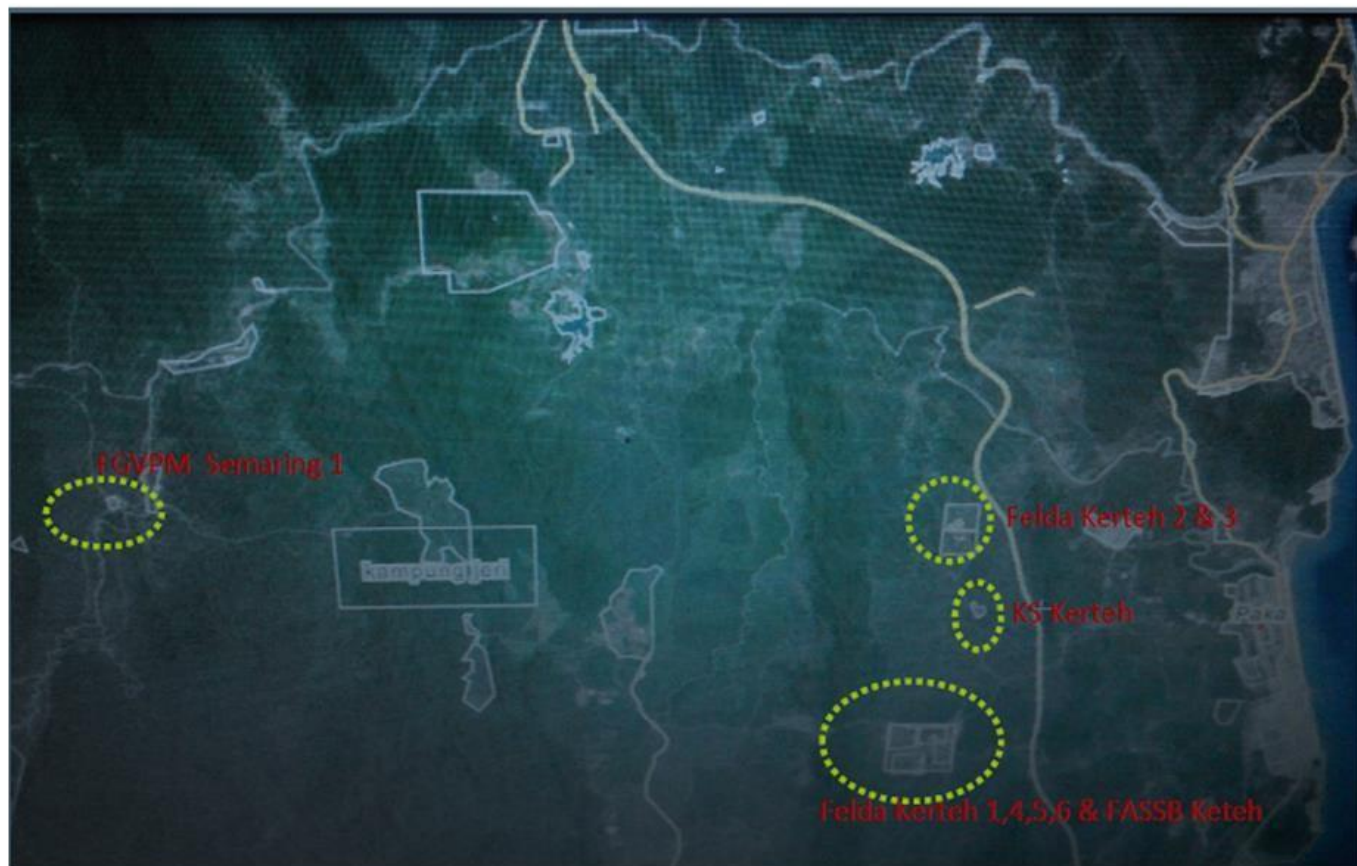
Appendix B: List of Stakeholders Contacted

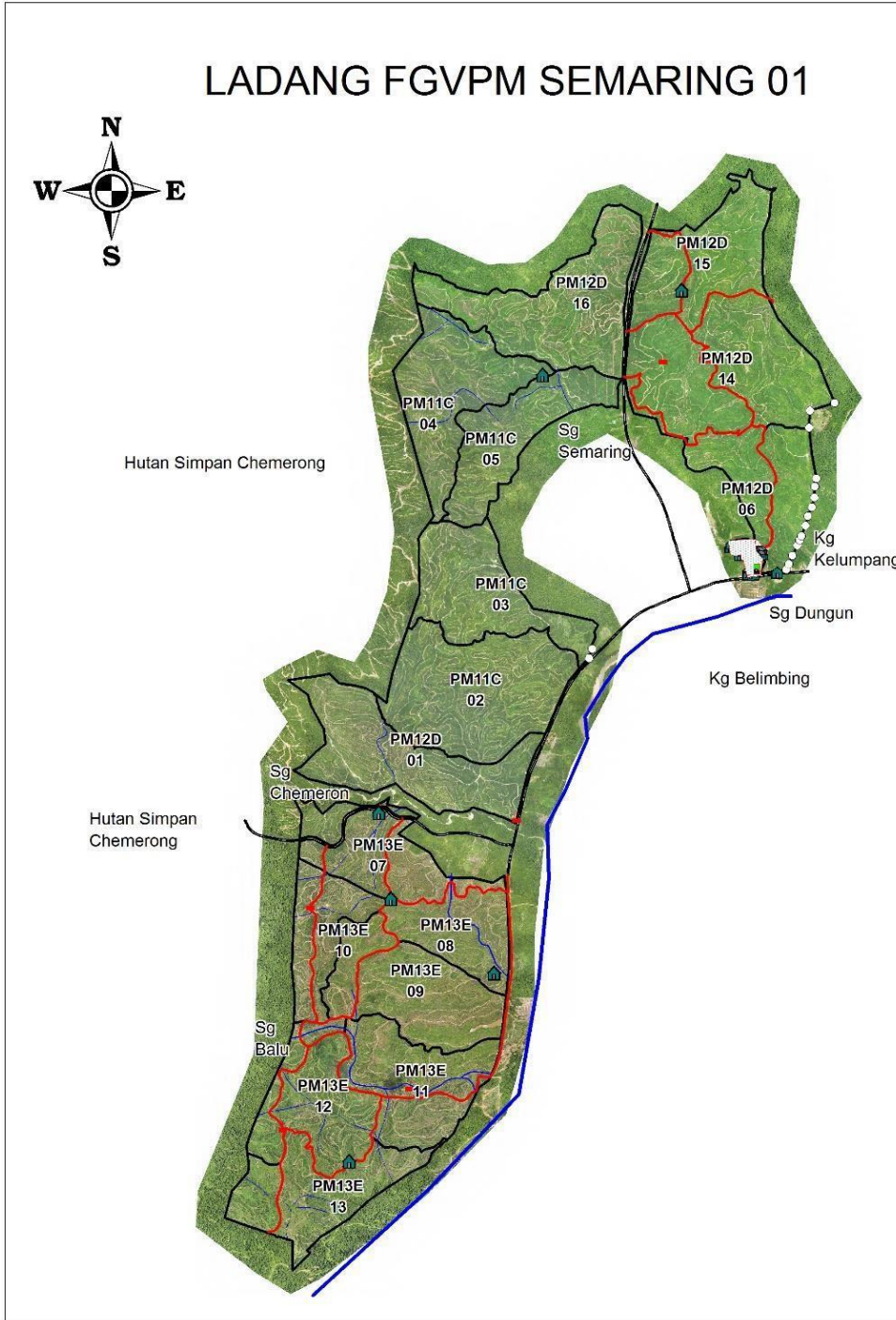
List of Stakeholders Contacted	
<p>Internal Stakeholders</p> <p>Estate managers Mill engineer Supervisors, Staff & Clerks Mill local & foreign workers (process, workshop, etc.) Estate local & foreign workers (harvesters, sprayers, etc.) Local workers representatives Foreign workers representatives Gender committee representative</p>	<p>Union/Contractors/Local Communities</p> <p>Kg. Jongok Batu Mahu Berjaya Enterprise Aziz Jusoh Mekanikal KLM Agro Manager, Felda Kerteh 5 Ketua Peneroka Felda Kerteh 6</p>
<p>Government Departments</p> <p>NA</p>	<p>NGO</p> <p>NA</p>

Appendix C: Smallholder Member Details

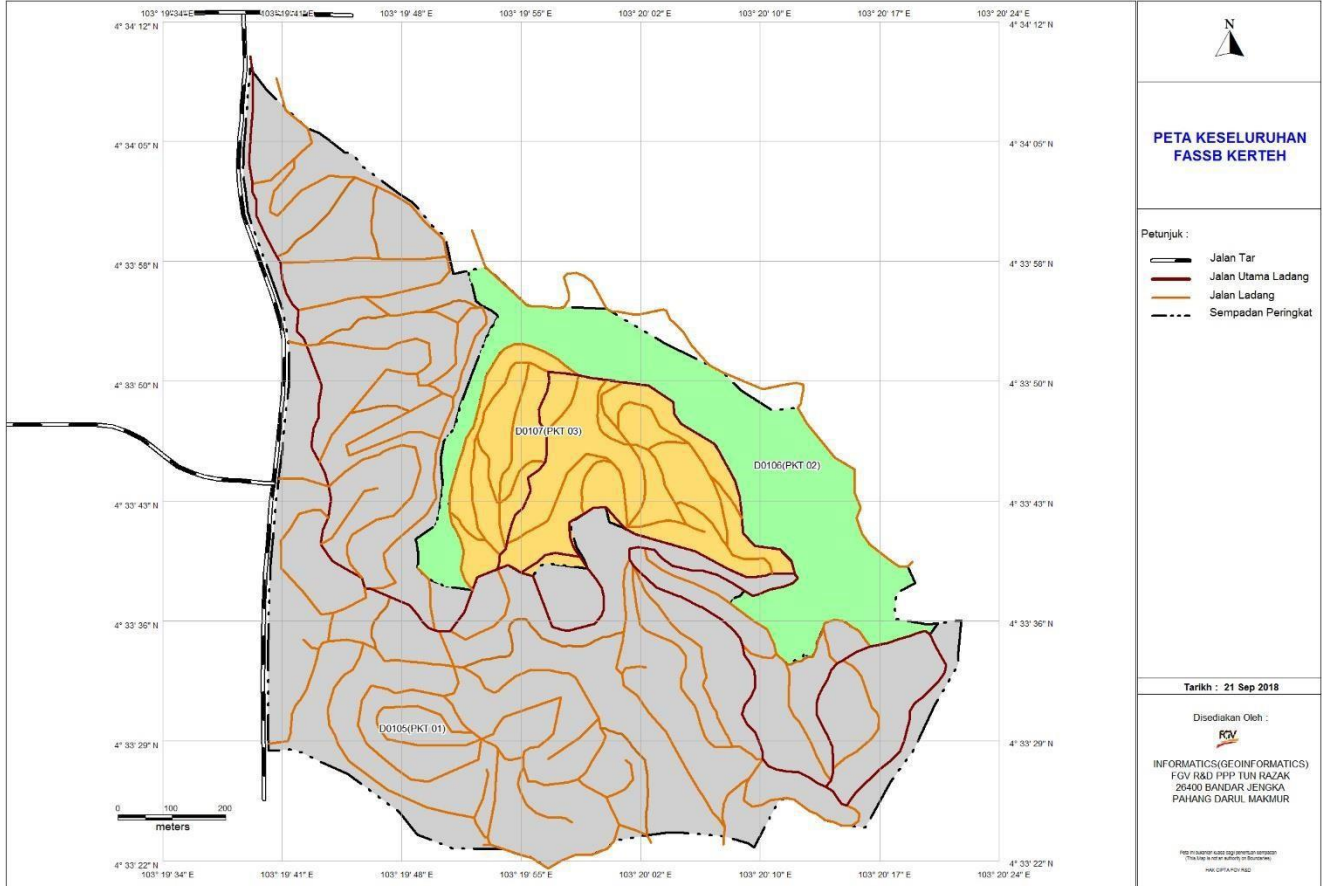
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

Appendix F: Location and Field Map





LADANG PENYELIDIKAN FASSB KERTEH



Appendix G: 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