

**MALAYSIAN SUSTAINABLE PALM OIL  
– ANNUAL SURVEILLANCE ASSESSMENT 1  
Public Summary Report**

<b>FGV Holdings Berhad</b>
Head Office: Level 20 West, Wisma FGV Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd (Bukit Sagu Palm Oil Mill) and FGV Plantations (Malaysia) Sdn Bhd (Bukit Sagu 04, Bukit Sagu 06, Bukit Sagu 07 & Bukit Sagu 08 Estates)
Location of Certification Unit: Kilang Sawit Bukit Sagu 25700 Kuantan Pahang, Malaysia

**Report prepared by:**  
**Hafriazhar Mohd. Mokhtar** (Lead Auditor)

**Report Number: 9673521**

**Assessment Conducted by:**

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## Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	FGV Holdings Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
FGVPISB Bukit Sagu Palm Oil Mill	618367015000	30/06/2020	
FGVPM Bukit Sagu 04 Estate	558968002000	29/02/2021	
FGVPM Bukit Sagu 06 Estate	559597002000	31/03/2021	
FGVPM Bukit Sagu 07 Estate	559045002000	29/02/2021	
FGVPM Bukit Sagu 08 Estate	558969002000	31/03/2021	
Address	Level 20 West, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia		
Certification Unit	Kilang Sawit Bukit Sagu, 25700 Kuantan, Pahang, Malaysia		
Contact Person Name	Ameer Izyanif Bin Hamzah		
Website	<a href="http://www.fgvholdings.com/">http://www.fgvholdings.com/</a>	E-mail	ameer.h@fgvholdings.com
Telephone	+603 2859 1644	Facsimile	+603 2698 7816

1.2 Certification Information			
Certificate Number	MSPO 700744 (Mill); MSPO 700745 (Estates)		
Issue Date	24/03/2019	Expiry date	23/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 (MSPO Part 3) & MS 2530-4:2013 (MSPO Part 4)		
Stage 1 Date	N/A		
Stage 2 / Initial Assessment Visit Date (IAV)	28-30/11/2018		
Continuous Assessment Visit Date (CAV) 1	15-17/10/2019		
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

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RSPO 666409	RSPO P&C MY-NI 2019; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E: Mass Balance)	BSI Services Malaysia Sdn. Bhd.	28/12/2022
AR 3885	ISO 9001:2008	SIRIM QAS International Sdn. Bhd.	24/06/2021
ER 0336	ISO 14001:2004		
SR 0205	OHSAS 18001:2007		

### 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 Bukit Sagu Palm Oil Mill	Kilang Sawit Bukit Sagu, 25700 Kuantan, Pahang	103.14750	3.96694
FGVPM Bukit Sagu 04 Estate	Ladang Felda Bukit Sagu 4, 25470 Kuantan, Pahang	103.15472	4.01278
FGVPM Bukit Sagu 06 Estate	Ladang Felda Bukit Sagu 6, 25470 Kuantan, Pahang	103.11000	4.04611
FGVPM Bukit Sagu 07 Estate	Ladang Felda Bukit Sagu 7, 25470 Kuantan, Pahang	103.10028	3.99139
FGVPM Bukit Sagu 08 Estate	Ladang Felda Bukit Sagu 8, 26130 Kuantan, Pahang	103.18917	3.96083

### 1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Bukit Sagu 04 Estate	2,939.88	-	400.41	3,340.29	88.01
FGVPM Bukit Sagu 06 Estate	1,658.08	-	16.32	1,674.40	99.03
FGVPM Bukit Sagu 07 Estate	1,830.37	-	374.42	2,204.79	83.02
FGVPM Bukit Sagu 08 Estate	1,775.65	-	457.45	2,233.10	79.52
TOTAL	8,203.98	-	1,248.60	9,452.58	86.79

### 1.5 Plantings & Cycle

Estate	Age (Years)					Mature (ha)	Immature (ha)
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
FGVPM Bukit Sagu 04 Estate	762.38	1,870.91	37.30	-	269.29	2,177.50	762.38

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FGVPM Bukit Sagu 06 Estate	1,161.43	496.65	-	-	-	496.65	1,161.43
FGVPM Bukit Sagu 07 Estate	706.63	-	-	-	1,123.74	1,123.74	706.63
FGVPM Bukit Sagu 08 Estate	-	285.81	1,372.21	117.63	-	1,775.65	-
<b>Total (ha)</b>	<b>2,630.44</b>	<b>2,653.37</b>	<b>1,409.51</b>	<b>117.63</b>	<b>1,393.03</b>	<b>5,573.54</b>	<b>2,630.44</b>

### 1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan – Dec 2019)	Actual (Mar – Nov 2019)	Forecast (Jan – Dec 2020)
FGVPM Bukit Sagu 04 Estate	48,392.00	35,330.25	48,822.00
FGVPM Bukit Sagu 06 Estate	14,027.00	10,401.75	14,836.00
FGVPM Bukit Sagu 07 Estate	13,173.00	9,759.00	6,221.00
FGVPM Bukit Sagu 08 Estate	23,236.00	24,059.96	36,073.00
<b>Total</b>	<b>98,828.00</b>	<b>79,550.96</b>	<b>105,952.00</b>

### 1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan – Dec 2019)	Actual (Mar – Nov 2019)	Forecast (Jan – Dec 2020)
Felda & FTP	N/A	55,269.01	N/A
Smallholder & Supplier	N/A	40,935.03	N/A
<b>Total</b>	<b>N/A</b>	<b>96,204.04</b>	<b>N/A</b>

### 1.8 Certified Tonnage

Mill Capacity: 60 MT/hr	Estimated (Jan – Dec 2019)	Actual (Mar – Nov 2019)	Forecast (Jan – Dec 2020)
	FFB	FFB	FFB
	98,828.00	79,550.96	105,952.00
SCC Model: MB	CPO (OER: 20.67%)	CPO (OER: 20.46%)	CPO (OER: 20.50%)
	20,427.75	16,276.13	21,720.16
	PK (KER: 5.30%)	PK (KER: 4.83%)	PK (KER: 4.81%)

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	5,237.88	3,842.31	5,096.29
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<b>1.9 Actual Sold Volume (CPO)</b>					
CPO (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
16,276.13	-	-	-	15,500.25	15,500.25

<b>1.10 Actual Sold Volume (PK)</b>					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
3,842.31	-	-	2,685.12	740.75	3,425.87

## Section 2: Assessment Process

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

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 15-17/10/2019. The audit programme is included as Appendix A. The approach to the audit was to treat the FGVPIB Bukit Sagu Palm Oil Mill and its supply base FGVPM Bukit Sagu Estates as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 (MSPO Part 3) and MS 2530-4:2013 (MSPO Part 4) were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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

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

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

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

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
FGVPISB Bukit Sagu Palm Oil Mill	✓	✓	✓	✓	✓
FGVPM Bukit Sagu 4 Estate	-	✓	-	✓	-
FGVPM Bukit Sagu 6 Estate	-	✓	-	✓	-
FGVPM Bukit Sagu 7 Estate	✓	-	✓	-	✓
FGVPM Bukit Sagu 8 Estate	✓	-	✓	-	✓

**Tentative Date of Next Visit: October 12, 2020 - October 15, 2020**

**Total No. of Mandays: 6 mandays**



**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Hafriazhar Mohd. Mokhtar	Team Leader	Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 9001, ISO 14001, ISO 45001 and ISO 50001 and has accumulated more than 1000 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands, Gabon, Nigeria and Pakistan. He also completed his MSPO Lead Assessor course since since March 2018 and involved in various assessments covering MSPO Part 2, MSPO Part 3 and MSPO Part 4 as well as MSPO SCCS certifications audit. During assessment, he covered the estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.
Flora Anthonysamy	Team Member	She holds a Bachelor of Science majoring in Chemistry from the National University of Malaysia on 1990 and Masters in Business Administration with INSEAD Singapore. Twenty years of experience in quality assurance in various industries i.e. manufacturing and service. Tutor and Certified Lead Assessor for ISO 9001 and ISO 14001. Lectures on Quality Management Systems for Diploma/ Certificate and ASQ Certified Quality programmes. Member of CUC RSPO and MSPO Global Gateway Certifications audit team. Have conducted various audits in Malaysia & other countries for various Management Systems. During this assessment, she assessed on the aspects of land and legal issues, workers welfare, stakeholder consultation, social. She is fluent in Bahasa Malaysia and English languages.

**2.2 Accompanying Persons** *(Remove if not applicable)*

Nil

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### 2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment as following:

Date	Time	Subjects	HMM	FA
Sunday 13/10/2019	PM	Audit team travel to Kuantan & Check-in @ GDM Hotel	✓	-
Monday 14/10/2019	08:30 – 17:30	<b>Bukit Sagu Palm Oil Mill</b> RSPO Supply Chain	✓	-
	PM	Audit team travel to Kuantan & Check-in @ GDM Hotel	-	✓
Tuesday 15/10/2019	08:30 – 09:00	Opening Meeting (Bukit Sagu Palm Oil Mill) <ul style="list-style-type: none"> <li>• Presentation by FGV Bukit Sagu</li> <li>• Presentation by BSI Lead Auditor - introduction of team member and assessment agenda</li> <li>• Confirmation of assessment scope and finalizing audit scope</li> </ul>	✓	✓
	09:00 – 12:30	<b>Bukit Sagu Palm Oil Mill</b> Mill Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	✓	✓
	10:30 – 12:30	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Union Leader, contractor etc.)	-	✓
	12:30 – 13:30	Lunch break		
	13:30 – 16:30	<b>Bukit Sagu Palm Oil Mill</b> Document Review (MS2530 Part 4 & 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, P6 : Best practices	✓	✓
	16:30 – 17:00	Interim closing meeting	✓	✓
	Wednesday 16/10/2019	08:30-12:30	<b>Bukit Sagu 04 Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	✓
12:30 – 13:30		Lunch break	✓	✓
13:30 – 16:30		<b>Bukit Sagu 04 Estate</b> Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
16:30 – 17:00		Interim closing meeting	✓	✓

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Date	Time	Subjects	HMM	FA
Thursday 17/10/2019	08:30- 12:30	<b>Bukit Sagu 06 Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	✓	✓
	12:30 – 13:30	Lunch break	✓	✓
	13:30 – 16:30	<b>Bukit Sagu 06 Estate</b> Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
	16:30 – 17:00	Closing meeting	✓	✓
Friday 18/10/2019	AM	Audit team travel back to KL	✓	✓

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

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

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were four (4) Minor nonconformities raised. The FGV Bukit Sagu Palm Oil Mill & Estates 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. No Major Non-conformity has been raised.

Minor Nonconformities:		
<b>Ref:</b> 1838640-201906-N1	<b>Area/Process:</b> MS2530-3:2013 & MS2530-4:2013 FGV Bukit Sagu Palm Oil Mill & Supply Base	<b>Clause:</b> 4.4.5.9 - Part 3
	<b>Issue Date:</b> 17/10/2019	<b>Due Date:</b> 16/10/2020
<b>Requirements:</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
<b>Statement of Nonconformity:</b>	The salary slip of contractor's employee does not clearly state the calculation of wages for working on rest days as per Malaysia Employment Act 1955.	
<b>Objective Evidence:</b>	Bukit Sagu 06 Estate: Sighted Amaq Hardiana, employee of salary slip for September 2019 does not indicate working on rest day 6/09/2019 (Friday) but delivery to mill record shows on 6/9/2019 of 14.45 MT. The pay slip does not show that double payment for the rest day was calculated.	
<b>Corrections:</b>	Compile details of worker salary that reflected in the pay slip	
<b>Root cause analysis:</b>	No supervision by management in monitoring and obtaining contractor workers' payslip.	
<b>Corrective Actions:</b>	Appoint person in-charge for management to ensure all contractor put relevant detail on worker salary in their pay slip by regular monitoring every 6 months by person in-charge.	
<b>Assessment Conclusion:</b>	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.	

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Minor Nonconformities:		
<b>Ref:</b> 1838640-201906-N2	<b>Area/Process:</b> MS2530-3:2013 & MS2530-4:2013 FGV Bukit Sagu Palm Oil Mill & Supply Base	<b>Clause:</b> 4.6.4.1 - Part 3
	<b>Issue Date:</b> 17/10/2019	<b>Due Date:</b> 16/10/2020
Requirements:	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	No evidence of any records/documentation that newly engaged contractors are provided with any awareness on MSPO requirements.	
Objective Evidence:	Bukit Sagu 04 Estate: New contractor Vimida Enterprise (contract June till November 2019) engaged at Bukit Sagu Estate 04 for housing repairs and rewiring, has no records of MSPO explanation	
Corrections:	To conduct MSPO briefing explanation to engaged contractors	
Root cause analysis:	No supervision by management in monitoring contractors' MSPO requirements understanding	
Corrective Actions:	Appoint person in-charge for management to ensure all contractor being briefed and understand the MSPO requirements	
Assessment Conclusion:	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.	

Minor Nonconformities:		
<b>Ref:</b> 1838640-201906-N3	<b>Area/Process:</b> MS2530-3:2013 & MS2530-4:2013 FGV Bukit Sagu Palm Oil Mill & Supply Base	<b>Clause:</b> 4.6.4.1 - Part 4
	<b>Issue Date:</b> 17/10/2019	<b>Due Date:</b> 16/10/2020
Requirements:	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	No evidence of any records/documentation that newly engaged contractors are provided with any awareness on MSPO requirements.	
Objective Evidence:	Bukit Sagu Palm Oil Mill: New contractor Suria Pajar Enterprise (contract period April to December 2019) at Bukit Sagu Oil Mill has no evidence of being explained on MSPO or any distribution of MSPO documents to them.	
Corrections:	To conduct MSPO briefing explanation to engaged contractors	
Root cause analysis:	No supervision by management in monitoring contractors' MSPO requirements understanding	
Corrective Actions:	Appoint person in-charge for management to ensure all contractor being briefed and understand the MSPO requirements	
Assessment Conclusion:	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.	

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<b>Minor Nonconformities:</b>																																												
<b>Ref:</b> 1838640-201906-N4	<b>Area/Process:</b> MS2530-3:2013 & MS2530-4:2013 FGV Bukit Sagu Palm Oil Mill & Supply Base		<b>Clause:</b> 4.5.3.2 - Part 3																																									
	<b>Issue Date:</b> 17/10/2019		<b>Due Date:</b> 16/10/2020																																									
<b>Requirements:</b>	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: 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																																											
<b>Statement of Nonconformity:</b>	Implementation of waste management plan developed was not sufficient.																																											
<b>Objective Evidence:</b>	<p>Bukit Sagu 06 Estate:  Visit to Bukit Sagu 06 Estate landfill site located in Block 09 of Field PM13E found that there was PVC rubber mat, used rubber boots, plastic &amp; glass bottles and scooping basket being dumped in the waste pit landfill that was opened on 24/9/2019. Waste items dumped in landfill pit were not according to the documented action plan for identified waste category and waste type as following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Waste category</th> <th>Waste source</th> <th>Waste type</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Scheduled waste</td> <td rowspan="3">Estate operation</td> <td>Used PPE</td> <td>SW handling</td> </tr> <tr> <td>Contaminated empty container</td> <td>SW handling</td> </tr> <tr> <td>Spent lubricants &amp; filters</td> <td>SW handling</td> </tr> <tr> <td rowspan="5">Non-scheduled waste</td> <td rowspan="3">Estate operation</td> <td>Fertilizer bag</td> <td>Reuse or sold to vendor</td> </tr> <tr> <td>Used tyre</td> <td rowspan="2">Recycle for landscape or sold to vendor</td> </tr> <tr> <td>Scrap metal/woods</td> </tr> <tr> <td rowspan="2">Office &amp; housing</td> <td>Paper/plastic/glass/cloth/aluminum</td> <td>Segregation via 3R method and sent to vendor</td> </tr> <tr> <td>Domestic waste (food &amp; general waste)</td> <td>Landfill</td> </tr> <tr> <td rowspan="6">Biomass &amp; organic waste</td> <td rowspan="2">Estate operation</td> <td>Pruned palm fronds</td> <td>Stacking in fields</td> </tr> <tr> <td>Chipped palm trunks</td> <td>Lining for replanting</td> </tr> <tr> <td rowspan="4">Mill operation</td> <td>Empty fruit bunches</td> <td rowspan="2">Sponge pit in fields</td> </tr> <tr> <td>Mesocarp fibers</td> </tr> <tr> <td>Dry shell</td> <td rowspan="2">Boiler fuel or sold to vendor</td> </tr> <tr> <td>POME solid</td> </tr> <tr> <td></td> <td></td> <td>POME solid</td> <td>Application in fields</td> </tr> </tbody> </table>			Waste category	Waste source	Waste type	Action plan	Scheduled waste	Estate operation	Used PPE	SW handling	Contaminated empty container	SW handling	Spent lubricants & filters	SW handling	Non-scheduled waste	Estate operation	Fertilizer bag	Reuse or sold to vendor	Used tyre	Recycle for landscape or sold to vendor	Scrap metal/woods	Office & housing	Paper/plastic/glass/cloth/aluminum	Segregation via 3R method and sent to vendor	Domestic waste (food & general waste)	Landfill	Biomass & organic waste	Estate operation	Pruned palm fronds	Stacking in fields	Chipped palm trunks	Lining for replanting	Mill operation	Empty fruit bunches	Sponge pit in fields	Mesocarp fibers	Dry shell	Boiler fuel or sold to vendor	POME solid			POME solid	Application in fields
Waste category	Waste source	Waste type	Action plan																																									
Scheduled waste	Estate operation	Used PPE	SW handling																																									
		Contaminated empty container	SW handling																																									
		Spent lubricants & filters	SW handling																																									
Non-scheduled waste	Estate operation	Fertilizer bag	Reuse or sold to vendor																																									
		Used tyre	Recycle for landscape or sold to vendor																																									
		Scrap metal/woods																																										
	Office & housing	Paper/plastic/glass/cloth/aluminum	Segregation via 3R method and sent to vendor																																									
		Domestic waste (food & general waste)	Landfill																																									
Biomass & organic waste	Estate operation	Pruned palm fronds	Stacking in fields																																									
		Chipped palm trunks	Lining for replanting																																									
	Mill operation	Empty fruit bunches	Sponge pit in fields																																									
		Mesocarp fibers																																										
		Dry shell	Boiler fuel or sold to vendor																																									
		POME solid																																										
		POME solid	Application in fields																																									
<b>Corrections:</b>	To instruct contractor to handle all types of wastes based on waste management plan																																											

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Root cause analysis:	No supervision by management on the domestic waste handling by contractors
Corrective Actions:	Appoint person in-charge for monitoring of waste management by contractors
Assessment Conclusion:	CAP has been accepted and evidence of CAP effectiveness to be verified in the next assessment.

Opportunity For Improvement		
<b>Ref:</b> n/a	<b>Area/Process:</b> n/a	<b>Clause:</b> n/a
Objective Evidence:	n/a	

Noteworthy Positive Comments	
	n/a

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

Not applicable.

Major/Minor Nonconformities:		
<b>Ref:</b> 1714193-201809-M1	<b>Area/Process:</b> MS2530-3:2013 & MS2530-4:2013 FGV Bukit Sagu Palm Oil Mill & Supply Base	<b>Clause:</b> 4.3.1.1 (Part 4)
	<b>Issue Date:</b> 30/11/2018	<b>Due Date:</b> 30/1/2019
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The compliance of certain legal requirements was not adequately demonstrated.	
Objective Evidence:	Bukit Sagu POM: During the site visit, it was found that leachate generated from EFB stock pile was flowing to the environment through nearby monsoon drain. The leachate was not channelled to the effluent treatment pond for treatment as required by Clause 29 of DOE's Compliance Schedule License No. 004129.	
Corrections:	<ul style="list-style-type: none"> <li>- Minutes of meeting with FGVPM plantation management or external supplier for EFB for reuse to reduce EFB quantity at mill.</li> <li>- Memo notice of plantation to FGVPM plantation management or external supplier for EFB for reuse to reduce EFB quantity at mill.</li> <li>- Place the EFB to the appropriate storage area where the leachate can be discharged to the effluent treatment, POME</li> </ul>	
Root cause analysis:	Lack of EFB reuse by the plantation and by the outsource supplier which cause EFB stockyard full and leachate pollution.	

Corrective Actions:	Provide a specific and appropriate space for storing EFB which will not cause any pollution towards the environment, which are leachate and EFB disposal for plantation reuse or which is approved by the Department of Environment.
Assessment Conclusion:	<ul style="list-style-type: none"> <li>- The EFB was collected and sent to the estate. Sighted Surat Perintah Kerja for transportation of EFB dated 14/12/18</li> <li>- Surat Perintah Kerja for construction of bund and drainage (leachate of EFB) dated 25/1/19 was sighted.</li> </ul> <p>All the evidence found adequate, hence the Major NC was effectively closed on 16/1/2019.</p>
Verification Statement:	Site visit during ASA 1 found that EFB was properly kept and managed at appropriate area constructed as part of the CAP. Leachate generated from the EFB stored was collected in a collection sump and discharged into the effluent treatment system through pumping and piping system. Hence, it is confirmed that the corrective action was effective and no recurrence of issue. Thus, the Major NC remained close.

**Opportunity For Improvement**

<b>Ref:</b>	<b>Area/Process:</b>	<b>Clause:</b>
1714193-201809-I1	Plantations (FGVPM Bukit Sagu 8)	4.5.5.1 (Part 3)
Requirements:	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>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.).</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul>	
Objective Evidence:	The management need to improve on the analysis for the parameters from river water analysis report.	
Verification Statement:	<p>Site visit during ASA 1 found that river water sampling for analysis has been conducted as following as per analysis records as following:</p> <ul style="list-style-type: none"> <li>- FGV Agri Services Sdn. Bhd.; FGV Analytical Laboratory; PPTR Jengka; Test Report – Water Analysis; Batch # 406/2019W; Date received: 25/7/2019; Issue date: 2/8/2019; Cert. # 402/2019W; Sample Description: 01/406/2019W (Sg. Rengai</li> </ul>	



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	Inlet) & 02/406/2019W (Sg. Rengai Outlet). Parameters tested: pH@25°C; BOD (5 Days @ 20°C); COD; TSS; AN; DO. Also for Sg. Reman & Sg. Endau. Analysis result shown all tested parameters were in compliance with the requirements of relevant raw water quality standard.
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Opportunity For Improvement		
<b>Ref:</b> 1714193-201809-I2	<b>Area/Process:</b> Mill (Bukit Sagu POM)	<b>Clause:</b> 4.4.5.3 (Part 4)
<b>Requirements:</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	
<b>Objective Evidence:</b>	Need to improve on the system to ensure employees salary deduction is kept below 50% (as per Workers Act 1955 Section 24). (This was also a finding in Internal Audit 2018 and the corrective action taken is not comprehensive).	
<b>Verification Statement:</b>	Site visit during ASA 1 found that sampled salary slips of Shahrul Asraf and Mohd Nasrol for Aug and Sept 2019 does not exceed 50% deduction and in compliance with relevant legal requirements and collective agreement.	

Opportunity For Improvement		
<b>Ref:</b> 1714193-201809-I3	<b>Area/Process:</b> Plantations (FGVPM Bukit Sagu 7 and FGVPM Bukit Sagu 8)	<b>Clause:</b> 4.4.6.1 (Part 3)
<b>Requirements:</b>	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.	
<b>Objective Evidence:</b>	Lack of understanding among workers on MSPO.	
<b>Verification Statement:</b>	Site visit during ASA 1 found that MSPO awareness training record dated 3/10/19 for workers and contractor workers and attendance record plus photo log was available at Bukit Sagu 06 Estate. During stakeholder interview (16/10/19), it was noted that the internal and external stakeholders were clear with MSPO meaning and what needs to be done to upkeep MSPO.	



**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1714193-201809-M1	Major	30/11/2018	Closed on 16/1/2019
1838640-201906-N1	Minor	17/10/2019	Open
1838640-201906-N2	Minor	17/10/2019	Open
1838640-201906-N3	Minor	17/10/2019	Open
1838640-201906-N4	Minor	17/10/2019	Open

**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues:</b>            Head Master SK (LKTP) Bukit Sagu 1 – He informed that they have good relationship with the managements.</p> <p><b>Management Responses:</b>            The management will continue to ensure good relationship and compliance to the requirements.</p> <p><b>Audit Team Findings:</b>            No further issue.</p>
2	<p><b>Issues:</b>            Workers’ Representatives (Different Nationalities) – The workers have no issue with the management. Employees were happy with the facilities provided by the management.</p> <p><b>Management Responses:</b>            The management will continue to ensure good relationship with the workers.</p> <p><b>Audit Team Findings:</b>            No further issue.</p>
3	<p><b>Issues:</b>            Gender Representative - They informed that they have good relationship with the managements</p> <p><b>Management Responses:</b>            The management will continue to maintain good relationship with gender committee</p> <p><b>Audit Team Findings:</b>            No further issue.</p>
4	<p><b>Issues:</b>            Contractors/suppliers – They informed that they have good relationship with the managements. They have signed on the agreement prior to provide the services. Payment was made promptly.</p> <p><b>Management Responses:</b>            The management will ensure payment will be made promptly as per the agreement term.</p> <p><b>Audit Team Findings:</b>            Verified the payment records found the payment was made promptly.</p>
5	<p><b>Issues:</b>            Other stakeholders – They have no issue with the management</p> <p><b>Management Responses:</b>            The management will continue to maintain good relationship with the stakeholders.</p> <p><b>Audit Team Findings:</b>            No further issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment FGV Bukit Sagu Palm Oil Mill and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of FGV Bukit Sagu Palm Oil Mill and Supply Base Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Ahmad Shahrir Ismail	<b>Name:</b> Hafriazhar Mohd. Mokhtar
<b>Company name:</b> FGV Holdings Berhad	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> Senior Manager	<b>Title:</b> Lead Auditor
<b>Signature:</b> 	<b>Signature:</b> 
<b>Date:</b> 17/3/2020	<b>Date:</b> 6/3/2020

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

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	FGV Group Sustainability Policy covers MSPO commitment (clause 5.0) FGV/SED/POL/001(rev 3) dated 29/05/2019 and approved by Datuk Wira Azhar Abdul Wahid.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	Policy states commitment to economic improvement, environmental sustainability and social and improve milling productivity and profitability.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	A combined MSPO & RSPO internal audit for the mill was conducted on 23/9/2019 by personnel from Sustainability Compliance & Certification Department of FGV Group Sustainability Division. Internal audit program for whole Bukit Sagu Complex was took place on 23-27/9/2019.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to	As per Corrective Action Report on Non-Compliance Findings, a total of 34 findings have been highlighted by Internal Auditors. Corrective action plan for all NCs had been submitted by the mill and estates to	Complied

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	implement the necessary corrective action. <b>- Major compliance -</b>	internal auditors on 23/9/2019. Most of the corrective actions were still on-going with 5 non-compliances were closed.	
<b>4.1.2.3</b>	Report shall be made available to the management for their review. <b>- Major compliance -</b>	Reports of internal audit was made available for management review as per following: - <i>"Checklist Integrasi Audit Dalam Pensiilan Kelestarian 2019"</i> - <i>"Laporan Lawatan Lapangan Audit Dalam MSPO/RSPO 2019"</i> - <i>"Pelan Tindakan dan Kemajuan Penutupan NCR RSPO/MSPO 2019"</i> .	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	Latest management review meeting was conducted as per sighted minutes of meeting records as following: Bukit Sagu 04 Estate: - Minit Mesyuarat Pengurusan Bil 03/2019; Date: 7/10/2019 - Management Review Meeting No. 01/2019; Date: 3/10/2019 Bukit Sagu 06 Estate: - Management Review Meeting No. 01/2019; Date: 29/9/2019  The review included required adequacy and effectiveness of MSPO implementation for the result of internal audit, customer satisfaction, product conformance, environment compliance, safety and health, social impact, replanting and other matters.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<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><b>- Major compliance -</b></p>	<p>Continual improvement plan for social is a three (3) year plan. Of implementation sighted.</p> <p>Six (6) main improvements :</p> <ul style="list-style-type: none"> <li>a) infrastructure improvement,</li> <li>b) community events,</li> <li>c) education and youth development,</li> <li>d) community service,</li> <li>e) foreign workers management and</li> <li>f) increase economic livelihood source/income.</li> </ul> <p>(b to f) is ongoing events . For infrastructure, planning on badminton court , internet and night market plot is in progress for 2019.</p>	<p>Complied</p>
<b>4.1.4.2</b>	<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><b>- Major compliance -</b></p>	<p>Technique introduced in FGVPM estates as “Implement Tractor” which implementing the use of tractor with compatible machine such grader, back-pusher, rotor-slasher, spreader and tipper trailer. The estate also use Mini Tractor Grabber for flat area FFB evacuation.</p>	<p>Complied</p>
<b>4.1.4.3</b>	<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</p>	<p>Training for east region FGVPM estates were conducted in FGV Chador 01 on 13-14/3/2019 by Sime Kubota.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
	established. - Major compliance -		
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	MSPO requirements are communicated to contractors and evidence of receipt of documents and understanding is signed eg Mahu Berjaya and Syabas KuJaya Enterprise dated 26/9/19.  MSPO training was planned and conducted on 3/09/19 for all workers and contractors workers.	Complied
<b>4.2.1.2</b>	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Documents i.e. policy and work procedures are available and contractors knows that they can obtain it from the office. Workers are also aware on the documents i.e. sustainability policy and safe work procedures.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Procedure for communication and consultation ML-1A/L2-Pr 12(0) has been established for communication with internal and external stakeholders	Complied

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4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	Communication executive has been nominated via letter of appointment dated 10/06/19 to Mr. Mohd Zaidi bin Mokhtar. He is responsible on stakeholder consultation (internal and external), any complaint/grievances matter and SIA impacts follow-up.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	List of stakeholders has been updated on 01/08/19 including government agencies, NGOs, neighbours estate non FGV and other FGV estates, quarry, hospital, clinics, schools, kindergarden identified. Total of 63.  Previous consultation was conducted at district level on 24/08/17 and minutes/photolog and attendance record sighted.  During SIA consultation with 30 stakeholders conducted and report with relevant action plan is being followed up dated 17/09/19.  Meeting minutes are available for consultation with foreign workers as reported on 15/08/19 with the estate management team (Mr Hasbullah bin Hussain, Manager and Mohd Zaidi bin Mokhtar, Assistant Manager)	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	FGV has established SOP for traceability for all estate and documented in 'Manual Ladang Sawit Lestari – Mengangkut BTS ke Kilang'. Refer doc no. MLSL (Ed.3)-Sec.4 (8.0) issued on 1/9/2017.  The SOP used sets of form to be filled by the estate to trace the origin of the FFB.	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		i. Labelled for lorry – Lorry no., Estate Name, Mill Name ii. FFB quality certificated – Field/Blok, Total FFB, Average Bunch Weight, Estimate weigh, date. iii. FFB dispatch note	
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. - <b>Major compliance</b> -	FGV have established systems to monitor the implementation of the traceability systems in the mill thorough Internal Audit conducted by the Plantation Sustainability Department. Latest Internal audit was conducted on 23/9/2019.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. - <b>Minor compliance</b> -	Bukit Sagu 04 Estate: Appointment as Person In-Charge of Traceability; Name: Nur Hidayah binti Wahab; Letter ref. # (01) RSPO/P5; Date: 1/8/2017;  Bukit Sagu 06 Estate: Appointment as Person In-Charge of Traceability; Name: Mohd. Amirul bin Abdul; Letter ref. # (02) FGVPMSB/368/SO/L4/GREDING; Date: 16/10/2019	Complied
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. - <b>Major compliance</b> -	Records of production and delivery of FFB were well maintained as per following samples: - <i>Laporan Pengeluaran Hasil Dan Produktiviti Harian (Peringkat)</i> ; 0330 – Bukit Sagu 04; Ref. # 19; Date: 16/10/2019; Year/Period: 2019/10 - Mill FFB Received Acknowledgement ( <i>Akuan Penerimaan BTS</i> )/Weighbridge ticket # A00029961; DO # 0037773; Project Code: 5330; Block # 40; Field: 010; Net weight: 5.48mt; Lorry # WRW6594	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Mill FFB Received Acknowledgement (<i>Akuan Penerimaan BTS</i>)/Weighbridge ticket # A00030022; DO # 0037651; Project Code: 5330; Block # 2; Field: 012; Net weight: 6.91mt; Lorry # WTH5343</li> <li>- <i>Laporan Pengeluaran Hasil Dan Produktiviti Harian (Peringkat)</i>; 0368 – Bukit Sagu 06; Ref. # 19; Date: 17/10/2019; Year/Period: 2019/10</li> <li>- Mill FFB Received Acknowledgement (<i>Akuan Penerimaan BTS</i>)/Weighbridge ticket # A00029820; DO # 0513024; Project Code: 5368; Block # 8; Field: 005; Net weight: 7.43mt; Lorry # VCB4065</li> <li>- Mill FFB Received Acknowledgement (<i>Akuan Penerimaan BTS</i>)/Weighbridge ticket # A00029801; DO # 0513023; Project Code: 5368; Block # 9; Field: 005; Net weight: 6.70mt; Lorry # BMV3093</li> </ul>	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Evidence of compliance available as per sample documents sighted as following:</p> <p>Bukit Sagu 04 Estate:</p> <ul style="list-style-type: none"> <li>- Competency Certificate; Nik Razubi bin Nik Mustapa (Bukit Sagu 4 Estate Assistant Manager) as Competent Person Certified Environmental Professional In Scheduled Waste Management</li> </ul>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>(CePSWAM); Serial # CePSWAM/197981; Validity period: 30/9/2019 -29/9/2020</p> <ul style="list-style-type: none"> <li>- MPOB License # 558968002000; Validity period: 1/3/2019 – 29/2/2020; Area: 3,340.29ha</li> <li>- Schedule Control Goods Permit; Serial # C001345; Ref. # PHG/PD/K/54/2019; Goods Description: Diesel (Industrial); Quantity: 10,000liters; Validity period: 6/9/2019 – 5/9/2020</li> <li>- JTK permit ref. # (6)BHG.PU/9/129 dated 10/4/2012 &amp; ref. # (40)BHG.PU/9/129 JLD 2 dated 2/10/2012 for any regulated and workers’ own approval for salary deduction</li> </ul> <p>Bukit Sagu 06 Estate</p> <ul style="list-style-type: none"> <li>- MPOB License (FFB) # 559597002000; Validity period: 1/4/2019 – 31/3/2020; Area: 1,766.44ha</li> <li>- MPOB License (Nursery) # 571667011000; Validity period: 1/5/2019 – 30/4/2020</li> <li>- Schedule Control Goods Permit; Serial # C001830; Ref. # PHG/P/K/032/2019; Goods Description: Petrol RON 95; Quantity: 200liters; Validity period: 25/9/2019 – 24/3/2020</li> <li>- Schedule Control Goods Permit; Serial # C001315; Ref. # PHG/PD/K/9/87; Goods Description: Diesel (Industrial); Quantity: 10,000liters; Validity period: 8/8/2019 – 7/8/2020</li> <li>- Form 2 Certificate of Fitness Workers Minimum Housing And Amenities Standard Act 1990; Building Plan Ref. # JB.KTN.K-</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		11123-114; Building Plan Date: 10/12/1993; Approval # PHG.KTN.3/93(HQ/A/P/KP/4/92); Approved Date: 8/3/1994	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register.  - <b>Major compliance</b> -	The estates visited has established and documented all related legal requirement in Legal and other Requirement Register. Refer document no. ML-1A/L5-AP2 pind 0. Latest review was done on 29/9/2019 (BS4E), 5/5/2019 (BS6E), 1/10/2019 (BS7E) 29/9/2019 with addition on Occupational Safety and Health (Noise Exposure) Regulations 2019 and Employer’s Circular No. 3 Year 2018, Employees’ Social Security Act, 1969.	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.  - <b>Major compliance</b> -	The operating units visited monitor the validity period of the license through form ‘Mekanisma Pematuhan Lesen/Permit/Keperluan Undang-Undang’. Latest update of register was done on 29/9/2019.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.  - <b>Minor compliance</b> -	The estate has appointed person responsible for each operating unit to monitor the compliance to legal and other requirements. Sustainability Department, Regional Compliance Unit and Internal Audit Department conducted internal audit to check the compliancy to related legal and other requirement on annually basis.  FGV has established guidelines to track any changes in the law and documented in ‘Sistem semakan Perubahan Undang-Undang’ and ‘Sistem Pengesanan Perubahan Undang-Undang’ Pindaan 4 dated 1/2/2018.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>All land titles are leased to Felda HQ by state government for 99 years for plantation purposes.</p> <p>Land titles available as below :</p> <p>PT 1121 – 257.64 ha</p> <p>PT 1122 – 0.09 ha</p> <p>PT 1123 – 735 ha</p> <p>PT 1124 – 403.32 ha</p> <p>PT 1125 – 328.43 ha</p> <p>PT 1126 – 23.02 ha</p> <p>PT 1127 – 13.16 ha</p> <p>PT 1128 – 5.78 ha</p> <p>Total land – 1766.44 ha</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p><b>- Major compliance -</b></p>	<p>Lease ownership is based on land title under Felda HQ for plantation till 22 June 2097 e.g. PT 1128 – Grant no: 060402HSD00017994 (Pahang PTG state online status shows paid RM 203.00).</p>	Complied
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>Mapping shows the demarcation and photolog of peg sighted. Legal perimeter boundary markers was sighted by Lead Auditor during site visit.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).  <b>- Minor compliance -</b>	Land title documents and lease rental payment slips is available and sighted for all eight (8) titles.  Bukit Sagu 06 is surrounded by FGV estates – 04.05,07,08 and does not have any other small holders surrounding it.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.  <b>- Major compliance -</b>	The mapping shows that there is no customary land in this area. Land is leased by Felda HQ from state government from 1998. (99 years lease) Location of estate is between other Felda estates and no customary community or small holders around Bukit Sagu 06.	Complied
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.  <b>- Minor compliance -</b>	Maps are available identifying the demarcation of the land and no customary land around this area.	Complied
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.  <b>- Major compliance -</b>	Group Sustainability Policy dated 29/05/19 and procedure FPIC (ML-1A/L2-Pr10 (0) is available but no evidence of any claims.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Social Impact assessment was conducted on 17/09/19 by Mrs Nur Hazwani binti Norhata with procedure SIA FGV/ML-1A/L2-Pr21	Complied

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	- <b>Minor compliance</b> -	(issue/rev 1/2) dated March 2019. A total of 25 internal and 5 external stakeholders were consulted. 4 negative impacts and 16 positive impacts was recorded and short, mid and long term action being followed up.	
<b>Criterion 4.4.2:</b> Complaints and grievances			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented.  - <b>Major compliance</b> -	Procedure has been established and documented for Complaints and Grievances FGV/ML-1A/L2-Pr13 (issue/rev 1/0) dated 01/06/2016.	Complied
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.  - <b>Major compliance</b> -	Complaints are acted on as quickly for housing issues and follows the complaint procedure mechanism. External complaints follows the procedure methodology but no evidence of any complaints.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.  - <b>Minor compliance</b> -	Complaint record book sighted with mainly housing complaints. Eg house pipe broken complained by Afzal (House No: RP 14) on 27/7.19 and repair completed on 03/08/19. Other examples plug, lighting, tap issues complained and acted and completed within a week. Roof repair based on complaints at various house has been tendered and completed by contractor on 30/08/19.	Complied
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.  - <b>Minor compliance</b> -	During the meeting between workers and management 15/08/19, method of complaint and suggestion is explained clearly.  During stakeholder meeting 16/10/19, both internal and external stakeholders were well aware on the complaint mechanism.	Complied

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<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	Complaint record book is maintained from May 2012 and exceeds 24 months.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	Contribution is subject to approval from FGV district director. A request has been submitted for RM 1500 for spending during fasting month at mosque for local community and workers mainly. Approval was given and activity conducted. Contribution of RM 100 for primary students and RM 150 for secondary students from Bukit Sagu school was given out in end November 2018.	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the CEO on 20/11/2017.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented.	a) Records sighted shown that latest communication for OSH plan, Policy was conducted during safety briefing on 25/4/2019 for whole Bukit Sagu complex estates. b) Risks of all operations were assessed and documented in HIRARC register as per Borang Pengenalpastian Hazard, Penaksiran Risiko	Complied



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<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p>	<p>&amp; Penentuan Kawalan (HIRADC); Form # FGV/PUC-OSH/F 1.2 Pind. 0; Updated: 2/5/2019</p> <p>c) Awareness and training programs were conducted as following:</p> <ul style="list-style-type: none"> <li>- IPM training on rat bait application dated 3/9/2019</li> <li>- Harvesting training 2/9/2019</li> <li>- Chemical Handling training 2/9/2019</li> </ul> <p>Precautions were made including health surveillance as per records sighted Medical &amp; Health Surveillance Report CHRA Ref. # JKPP HQ/08/ASS/00/85 – 2019/007; Assessment date: 18/9/2019; Prepared by My Health Clinic, MH Wellness Group Sdn. Bhd., Occupational Health Department; Registered OHD: Dr. Mohd. Haminuddin Bin Hassan; Registration # JKPP HQ/19/DOC/00/00305. Total workers with normal result: 36; Total workers with abnormal results: Nil.</p> <p>d) PPE issuance records available for all workers based on their tasks. The risk assessment was done periodically recorded under HIRARC in E1.2.1 for all operation activity. The latest HIRARC sampling on FGVPM/L4/PP-1.4 Pind 0 dated reviewed on 3/6/2019.</p> <p>e) The operating unit comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining chemicals were kept in the store and securely locked and comply with regulation. Chemical assessments were done periodically as per records sighted CHRA Report Ref. # HQ/08/ASS/00/85-2019-0007 for Bukit Sagu 04 Estate by Ihsan Sharif Resources; Assessment Date: 19-20/6/2019.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>f) Responsible person available as per letter of appointment sighted i.e. Perlantikan Sebagai Setiausaha Jawatankuasa Keselamatan Dan Kesihatan Pekerjaan; Mr. Syed Syazwan Bin Syed Kamarulzaman; Letter Ref. # (30)HSE/FVGPM/PWT/03; Date: 28/1/2019 and Perlantikan Penterjemah Bahasa (Bangladesh); Md. Khalilur Rahman; Letter Ref. # (91)FGVPM/100/330/1-1-02; Date: 15/1/2019. Also for Nepal and India.</p> <p>g) Two-way communication were done via regular meeting as per minutes of meeting records sighted i.e. Minit Mesyuarat KKP; No. Borang: FGVPM/L4/PP 4.1 Pind. 0; Bil.: Sesi 03/2019; Tarikh: 29/8/2019; Venue Bilik Mesyuarat. Sesi 02/2019: 11/6/2019; Sesi 01/2019: 28/2/2019</p> <p>h) Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage and accident at work place. Sighted latest Emergency fire evacuation drill was conducted on 13/5/2019.</p> <p>i) Employees trained in First Aid were found present at all field operations equipped with designated First Aid Kit. Competent First Aid training was provided as per records of Kursus Basic Occupational First Aid &amp; CPR – Wilayah Kuantan; Letter Ref. # (87) 950110071/02/04/2019; Tarikh: 28/9/2019; Training date: 10/9/2019; Venue: Ladang Lepar Hilir 6; Konsultan: SAC Consultancy Sdn. Bhd. attended by:</p> <ul style="list-style-type: none"> <li>- Nik Razubi Bin Nik Mustapa (Assistant Manager)</li> <li>- Mohd. Rofian Bin Ramli (Supervisor)</li> <li>- Sudirman (Safety Committee – Indonesia)</li> <li>- Md. Khalilur Rahman (Safety Committee – Bangladesh)</li> </ul>	

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		j) Records of accidents were kept and reviewed as per sighted <i>Bukit Sagu 04 Estate Akuan Penerimaan Pendaftaran JKPP 8</i> (JKPP 8 Registration Acceptance Acknowledgement); Ref. # JKPP 8/8751/2018; date: 9/1/2019. NADOPOD Calendar Year: 2018; Industry Classification: 01117; Industry Size: B. Total man-hours 2018: 678,896.00; Average total workers 2018: 281; NADOPOD report date: 15/10/2019. JKPP 6 report for incident dated 24/11/2018	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	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.  <b>- Major compliance -</b>	Group Sustainability Policy - Respect for Human rights clause 5.1.3 clearly states on human rights, free from exploitation and bonded labour, human trafficking and child labour.  During internal stakeholders' discussion on 16/10/19, it was evident that the employees was able to demonstrate understanding on Sustainability Policy.	Complied
<b>4.4.5.2</b>	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.  <b>- Major compliance -</b>	Group Sustainability Policy – Responsible Employment clause 5.1.2 explains on equal treatment and no discrimination regardless of age, race, religion, nationality, social origin, color etc.  During internal stakeholders' discussion on 16/10/19, it was evident that the employees were clear with equal rights and discriminatory practices.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed	FGV salary agreement latest dated 01/01/2019 is being used. Sampled salary slips for Herman, Jasni binti Shafie , Ziad Md, Mondol Shofiqul,	Complied

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<p>Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>Md Badal Hossen and Tajibur Rahaman (Mar, June, Sept) shows minimum of RM 42.31 hourly and total exceeds RM 1,100/- .</p> <p>Salary slip clearly shows rest day, public holiday, working days, overtime, annual leave, sick leave etc.</p> <p>July 19 – Mondol Shofiqul (Harvester):</p> <p>Harvesting 3.751.00 palm x 0.22 x1 (normal work day) -RM 825.22</p> <p>Labour harvest 3.63mt x 41x1 – RM 148.83</p> <p>Additional wages 3.63 mt - RM 21.78</p> <p>Public holiday compensation – 2 x 43.92 – 87.84</p> <p>Incentive – RM 85.10</p> <p>Socso by employer – RM 14.40</p> <p>Subsidy for water and electricity – RM 10.00</p> <p>Total income – Rm 1,178.77</p> <p>Deduction water and electricity RM 8.66</p> <p>Nett pay RM 1,170.11</p>	
<p><b>4.4.5.4</b> Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>The contract of Nalar Gemilang with worker is not clear to indicate on all the basic requirements of employment eg minimum wages, working on rest day wages, overtime, annual leave entitlement, housing, contract tenure etc and contract is not dated. Contract however is signed by employee and contractor.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>Total workers – 165</p> <p>Workers breakdown :</p> <p>Indonesian – 29</p> <p>Nepal – 2</p> <p>India – 28</p> <p>Bangladesh - 77</p> <p>Local – 24</p> <p>Worker Name, worker ID, Passport No, Citizenship, Visa, date arrival and joined, date of birth, age, house unit no., job title/description and date joined is keyed into system and able to be monitored and updated clearly.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>Contract signed by employer and employee for Herman (Indonesia) dated 21/03/19 was available.</p> <p>Seen also contracts of Sarimah (21/03/19); Mondol Shofiqul (29/03/19) and Tanwir Alam (22/03/19) in Bangladesh.</p> <p>Contract includes duration of contract not exceeding 10 years, probation 1-3 months, extend probation 6 months, eight hours of work, one hour of rest, work permit paid by management , working hours, working days, salary minimum RM1,100, housing provided , water and electricity subsidy, free transport, medical, fittings in housing, work equipment borne by employer, permit renewal borne by employer, leave, death benefit and termination of contract.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>Recording sheet on the daily tonnage is clearly recorded and converted into calculation into pay slip. During stakeholder consultation, workers explained that the calculation is based on tonnage and that they have been shown the calculation method and agreed with it.</p> <p>Seen the calculation method for Jasni bin Shafie and Tajibur Rahaman (June to September 2019 salary slips)</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p><b>- Major compliance -</b></p>	<p>Contract states eight (8) working hours and one (1) break time and verified during stakeholder consultation and it is found to be in order.</p> <p>Overtime consent is signed by employee Rosman bin Adnan for working on two (2) public holidays in July as recorded on 10/07/19.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Sighted Amaq Hardiana (tractor driver of Nalar Enterprise) salary slip for September 19 does not indicate working on rest day 6/09/19 but delivery to mill shows on 6/9/19, total of 14.45 MT FFB delivered. The pay slip does not show that double payment for the rest day work conducted.</p> <p>Hence, a Minor NC has been raised.</p>	Minor noncompliance
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><b>- Minor compliance -</b></p>	<p>Water and electricity subsidy, group productivity incentive for the harvesters, school bus, safe box for passport with key, death benefit for deceased family members, health benefit at clinics.</p>	Complied

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<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.  <b>- Major compliance -</b>	Based stakeholder consultation 16/10/19, the workers were happy with the housing facility provided. Contractor workers were also given housing facility and had no complaints on it.	Complied
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.  <b>- Major compliance -</b>	Procedure on Sexual Harassment and Violence Complaints/Grievances through the Women Committee (ML-1A/L2-Pr14) was available.  A gender committee is in existence and led by Sabaayah bt Dollah and meet on 5/10/19. Sighted minutes of meeting and no harassment or violence reported. A list of activities has been tabled for 2019 by Women Club and in progress.	Complied
<b>4.4.5.13</b>	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.  <b>- Major compliance -</b>	Management does not restrict based on Group Sustainability Policy Clause 5.1.2 on free trade association.  In the meantime, each ethnicity has a selected employee to lead them with any negotiation on social and safety which is endorsed by management. Internal stakeholders meeting with management was conducted on 05/10/19 and minutes sighted.	Complied
<b>4.4.5.14</b>	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	Group Sustainability Policy clause 5.1.3.2 covers minimum age to follow the local legislation and no young person allowed to be	Complied

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	adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.  <b>- Major compliance -</b>	employed. Name list of employees was sighted and the youngest employed worker is 19 years old – Parlan FW 03680975 (Indonesia)  During stakeholders’ consultation of contractor and workers, they are clear that minimum age of work by law is 18 years old.	
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	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.  <b>- Major compliance -</b>	A training programme 2019 available identifying safety elements, aspect impact, sustainability policy, sexual discrimination and others has been documented. Records of training and photo log available for MSPO (3/10/19) for workers and contractor workers, tractor safety usage (09/10/19), motorcycle riding and safety (10/10/19) fire drill (11/10/19).	Complied
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.  <b>- Major compliance -</b>	Training needs identification based on skills and job competency is recorded in FAS-RSPO L1/K4.8/4.8.1 for relevant tasks for both employees and contractor employees.	Complied
<b>4.4.6.3</b>	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.  <b>- Minor compliance -</b>	Training Programme 2019 is planned based on the training needs as stated in the procedure. Training is planned and actual conducted is tabulated and followed up. Eg tractor safety usage dated 09/10/19.	Complied



Criterion / Indicator	Assessment Findings	Compliance	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>An environmental policy was available as part of FGV Holdings Berhad established Group Sustainability Policy; signed by the Chairman, Board of Directors; Datuk Wira Azhar Abdul Hamid; Approved date: 29/5/2019; Policy # FGV/SED/POL/001; Rev. 3; Effective date: 29/5/2019.</p>	Complied
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>a) As per Borang Program Pengurusan Kualiti, Alam Sekitar, Sosial, Keselamatan &amp; Kesihatan Pekerjaan; Form # FGV/FGVPM/F(IMS)/3.2 Pind 1; Date: 30/9/2019, the environmental plan covered the following objectives: <ul style="list-style-type: none"> <li>- Reduction of diesel GHG emission by 1% from 2018</li> <li>- Zero domestic waste contamination in workers housing and hostel area by 2019</li> <li>- Reduction of non-renewable resources consumption</li> <li>- 100% handling of used PPE as Scheduled Waste SW409</li> </ul> </li> <li>b) The aspects and impacts of all operations were assessed and documented as following: <ul style="list-style-type: none"> <li>- Laporan Aspek Impak Alam Sekitar Melalui Perladangan, Bahan Buangan Dan Pencemaran; Jenis Dokumen: RSPO 2010 (Kriteria 5.1/5.3/5.6); Projek: FGV Bukit Sagu 04; No. Dokumen: 1/2012; Tarikh: 7/10/2019</li> </ul> </li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Pengenalpastian Aspek Dan Penilaian Impek Operasi Ladang; No. Borang: FGVPM/IV/IMS/15/1.6 Pind 1; Date: 27/9/2019               <ul style="list-style-type: none"> <li>• Mengangkat BTS dari ladang ke kilang</li> <li>• Meracun rumpai di ladang</li> <li>• Membaja kimia di ladang</li> <li>• Pembuangan sisa sampah di tapak pelupusan sampah</li> </ul> </li> </ul>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Depends on the result of the environmental impact assessment, operational control was established as the management plan to mitigate the significant adverse impacts as well as to promote significant beneficial impacts. Estate has identified usage of agro-chemicals as its significant adverse impacts and the control established was the implementation of Integrated Pest Management (IPM) programs. Monitoring records of IPM implementation including fertilizer issuance records, Barn Owl Box census programs available as part of the management plan.</p>	Complied
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Beneficial impacts on the practice of 3R for empty chemical containers, waste segregation and zero burning were included in the continual improvement plan. There's also a Biodiversity Management Plan 2017 – 2022 documented in a Biodiversity Report. In the management plan stated the HCV area, person responsible and mitigation plan (short term, middle term and long term).</p>	Complied
<b>4.5.1.5</b>	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p>	<p>Awareness and training programs were regularly conducted by estate management to all employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing including no open burning was conducted on 27/8/2019</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	by the management which was attended by all estate staff and employees.	
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - <b>Major compliance</b> -	Regular meeting was conducted as per minutes of meeting records sighted i.e. Minit Mesyuarat KKP; No. Borang: FGVPM/L4/PP 4.1 Pind. 0; Bil.: Sesi 03/2019; Tarikh: 29/8/2019; Venue Bilik Mesyuarat. Sesi 02/2019: 11/6/2019; Sesi 01/2019: 28/2/2019.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	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. - <b>Major compliance</b> -	There was a plan established for improving efficiency of the use of fossil fuel by the estates. Sighted the estate vehicle and power diesel consumption to-date 2019 been monitored to compare the record for diesel consumption in 2018.	Complied
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - <b>Major compliance</b> -	The estate was established estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.	Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. - <b>Minor compliance</b> -	No possible renewable energy applied within estates in Bukit Sagu complex.	Complied

Criterion / Indicator		Assessment Findings	Compliance																
<b>Criterion 4.5.3: Waste management and disposal</b>																			
<b>4.5.3.1</b>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>The estates identified all waste products and source pollution as follows:</p> <ul style="list-style-type: none"> <li>- Estate Operations: Used PPE, Empty Pesticides Container, Spent oil, Used Filter, Empty fertilizer bags, used tyre, Scrap iron</li> <li>- Office and housing area: Recycle item, Domestic waste</li> <li>- Side Waste: Fronds, chipped trunk</li> </ul>	Complied																
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ol style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ol> <p><b>- Major compliance -</b></p>	<p>Visit to Bukit Sagu 06 Estate landfill site located in Block 09 of Field PM13E found that there was PVC rubber mat, used rubber boots, plastic &amp; glass bottles and scooping basket being dumped in the waste pit landfill that was opened on 24/9/2019. Waste items dumped in landfill pit were not according to the documented action plan for identified waste category and waste type as following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Waste category</th> <th>Waste source</th> <th>Waste type</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Scheduled waste</td> <td rowspan="3">Estate operation</td> <td>Used PPE</td> <td>SW handling</td> </tr> <tr> <td>Contaminated empty container</td> <td>SW handling</td> </tr> <tr> <td>Spent lubricants &amp; filters</td> <td>SW handling</td> </tr> <tr> <td></td> <td></td> <td>Fertilizer bag</td> <td>Reuse or sold to vendor</td> </tr> </tbody> </table>	Waste category	Waste source	Waste type	Action plan	Scheduled waste	Estate operation	Used PPE	SW handling	Contaminated empty container	SW handling	Spent lubricants & filters	SW handling			Fertilizer bag	Reuse or sold to vendor	Minor noncompliance
Waste category	Waste source	Waste type	Action plan																
Scheduled waste	Estate operation	Used PPE	SW handling																
		Contaminated empty container	SW handling																
		Spent lubricants & filters	SW handling																
		Fertilizer bag	Reuse or sold to vendor																

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Criterion / Indicator		Assessment Findings				Compliance	
		Non-scheduled waste	Estate operation	Used tyre	Recycle for landscape or sold to vendor		
				Scrap metal/woods			
			Office & housing	Paper/plastic/glass/cloth/aluminum	Segregation via 3R method and sent to vendor		
				Domestic waste (food & general waste)	Landfill		
			Biomass & organic waste	Estate operation	Pruned palm fronds		Stacking in fields
					Chipped palm trunks		Lining for replanting
			Mill operation	Empty fruit bunches	Sponge pit in fields		
				Mesocarp fibers	Boiler fuel or sold to vendor		
		Dry shell					
		POME solid		Application in fields			
		Hence, a Minor NC has been raised.					
<b>4.5.3.3</b>	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	Based on waste management plan, SOP was established based on relevant requirements to ensure proper and safe handling, storage and disposal of waste. Domestic waste was collected in the designated				Complied	

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	and safe handling, storage and disposal. <b>- Major compliance -</b>	landfill. Sighted the domestic waste collection records in 'Buku Harian Kenderaan Lorry WQQ 2997'.  Vehicle and machinery services was done by appointed contractors. The scheduled was generated such as spent oil and used filter was disposed by the appointed contractors who had written approval by DOE to conduct offsite disposal. Refer approval letter no. AS(BB)91/110/619/161 Jilid 14(69) dated 6/9/2011.	
<b>4.5.3.4</b>	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. <b>- Major compliance -</b>	Empty pesticides containers were triple rinsed, punctured and stored in designated store before being dispose by licensed contractors. The estate maintain the records of triple rinse empty container in 'Buku Rekod Bilasan 3 Kali'. Sighted the inventory records for the month January – September 2019. Latest disposal was done on 12/9/2019. Refer Consignment note no 65919 and weighbridge ticket no 011894 dated 12/9/2019 collected by Urban Environment Industries Sdn. Bhd.	Complied
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste was disposed in designated landfill located far from housing area and natural water source. Noted during site visit, no evidence of recycle waste and scheduled waste was disposed in the landfill. Sighted the records of domestic waste collected 3 time a week for the month of July, August and September 2019	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	Based on the assessment done by the estate of all polluting activities as of the Environment Aspect and Impact assessment, identified sources were fertilizer, diesel and pesticide chemicals.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  - Major compliance -	Action plan to reduce identified significant pollutants including IPM implementation, empty chemical container & empty fertilizer bags recycle.	Complied
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	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:  g. Assessment of water usage and sources of supply.  h. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.  i. 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.).  j. 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.	a) The estates visited has established water management plan FY 2019. Latest review of the management plan was conducted on 14/2/2019. In the management plan stated the water source, issue, impact to water catchment/stakeholder, mitigation plan and person responsible. The plan focusing on controlling flood in the field, soil erosion at buffer zone area, water shortage, river water quality and maintain soil moisture.  b) Estates in Bukit Sagu Complex conducted river water sampling on annually basis. Sighted the analysis certificate no 402/2019 for Sg. Rengoi, Sg. Bemban and Sg. Endau. The result conform to NWQS class IIC for river water quality. Other monitoring records sighted are FGV Agri Services Sdn. Bhd.; FGV Analytical Laboratory; PPTR Jengka; Test Report – Water Analysis; Batch # 406/2019W; Date received: 25/7/2019; Issue date: 2/8/2019; Cert. # 402/2019W; Sample Description: 01/406/2019W (Sg. Rengai Inlet) & 02/406/2019W (Sg. Rengai Outlet). Parameters tested: pH@25°C; BOD (5 Days @ 20°C); COD; TSS; AN; DO. Also for Sg. Reman & Sg. Endau.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>k. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>l. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p>c) Rainwater harvesting implemented through construction of side pit along strategic area of field road</p> <p>d) Riparian and river buffer zone was established as per relevant legal requirements for all natural stream flowing within estate field</p> <p>e) Riparian and river buffer zone was mark and set-aside with no activities within the buffer zone. Natural vegetation were maintained</p> <p>f) No bore well been used by estates within Bukit Sagu complex</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>Visit within estate field found no any construction of bunds, weirs and dams across main rivers or waterways passing through the estate.</p>	Complied
<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	<p>Rainwater harvesting implemented through construction of side pit along strategic area of field road</p>	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	<p>a) Biodiversity was conducted by CDD Department, FGV Holding Bhd on 14/12/16. Bukit Sagu 4 estate has conducted the HCV assessment as per Biodiversity Report dated 16/1/2016. As per report, 2 conserved area were identified, the Sg. Batu and Sg. Riong buffer zone and boundaries with Bukit Kuantan Forest Reserve. For Bukit Sagu 6, HCV assessment has been conducted as per Biodiversity Report dated 14/12/2016. 2 conserved area has</p>	Complied



Criterion / Indicator	Assessment Findings	Compliance
<p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p><b>- Major compliance -</b></p>	<p>been identified in the report such as Sungai Burung buffer zone, Sungai Rion buffer zone and boundaries with Bukit Kuantan Forest Reserve.</p> <p>b) There were RTE species sighted in the plantation due to the reason that the estates are located adjacent to Reman Chereh and Bukit Kuantan forest reserves. Among the RTE species potentially exist are Panthera Tigris (Tiger), Tapirus Indicus (Tapir), Elephant (Elephas maximus) and Tenggiling (Manis Javanica), to name a few. The estate has established its management plan which was derived from the biodiversity assessment report. The action plan established to maintain the RTE species are creating awareness among the employees through no hunting signage placed at strategic locations, briefing about RTE species.</p>	
<p><b>4.5.6.2</b> If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>a) The estates has established Biodiversity Management Plan 2017 – 2022 documented in the Biodiversity Report. In the management plan stated the HCV area, person responsible and mitigation plan (short term, middle term and long term). Monitoring report is recorded using a form entitled “Rekod Pemantauan Hidupan Liar &amp; Kawasan Sensitif” (Wildlife and Sensitive Areas Monitoring Records). The monitoring was conducted on quarterly basis. Sighted the monitoring records at all estates. Usual species sighted during the monitoring patrol such as foxes, wildboar and monkeys.</p> <p>b) The estates also continually provided awareness to the workers on the RTE species. Training or briefing on RTE species and HCV area was programmed in the training program FY 2019. Signboard on awareness and prohibition of illegal hunting were erected at the HCV area, Estate entrance and housing complex.</p>	<p>Complied</p>

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4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	The estates has established Biodiversity Management Plan 2017 – 2022 documented in the Biodiversity Report. In the management plan stated the HCV area, person responsible and mitigation plan (short term, middle term and long term). Monitoring report is recorded using a form entitled “Rekod Pemantauan Hidupan Liar & Kawasan Sensitif” (Wildlife and Sensitive Areas Monitoring Records). The monitoring was conducted on quarterly basis. Sighted the monitoring records at all estates. Usual species sighted during the monitoring patrol such as foxes, wildboar and monkeys.	Complied
<b>Criterion 4.5.7: Zero burning practices</b>			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. <b>- Major compliance -</b>	The FGV Holdings Berhad policy of ‘Zero open burning’ was enforced since July 2011. The operating units had adhered the policy of ‘Zero open burning’ for any replanting, if any, at the estates.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. <b>- Major compliance -</b>	Visit to estate found no open burning activity conducted for the replanting program. Replanting activities carried out in the Bukit Sagu estate complex through systematic felling and chipping before burying the old trunk as per SOP FGV.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. <b>- Major compliance -</b>	Visit to estate found no open burning activity conducted for the replanting program. Replanting activities carried out in the Bukit Sagu estate complex through systematic felling and chipping before burying the old trunk as per SOP FGV.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.7.4</b>	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- <b>Minor compliance</b> -</p>	<p>Visit to estate found no open burning activity conducted for the replanting program. Replanting activities carried out in the Bukit Sagu estate complex through systematic felling and chipping before burying the old trunk as per SOP FGV.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- <b>Major compliance</b> -</p>	<p>The estates operations are guided by the following manual and procedures established for the Group Estates. The manuals and documents were introduced on the various year i.e. manual lestari in June 2012. Thereafter being subject to review as changes are made with new work method and amendments in agricultural policies.</p> <ul style="list-style-type: none"> <li>- Manual Ladang Sawit Lestari</li> <li>- Manual Keselamatan</li> <li>- Manual Sustainability</li> <li>- Manual Greeding BTB – MPOB</li> <li>- Buku KUK 4 (Kadar Upah Kerja) Pekerja</li> <li>- Manual Perolehan (Procurement)</li> <li>- Pictorial Safety Standards</li> <li>- Security Guidelines.</li> </ul> <p>In addition, technical guidelines are also provided during visits of Agronomists, Planting. Contents of the Manual were disseminated to the workers through morning roll call, mill weekly briefings and trainings. The Manuals are also kept in the administration office to facilitate reference by any interested parties. Site inspection and</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP.	
<b>4.6.1.2</b>	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.  - <b>Major compliance</b> -	In addressing the difference of the estate terrain FGVP had a management strategy in place for planting on slopes and to minimize and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was stated in Polisi Perlindungan Tanah Curam Dan Rezab Sungai formalized on 01/6/2014. In addition there are also guidelines and procedures as stated in Manual Lestari. Both estates had complied with this strategy.  It was observed that practices to minimize and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. It was observed in both mature and immature areas that slopes were terraced.	Complied
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field.  - <b>Major compliance</b> -	Field marking was sighted at both estate visited.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - <b>Major compliance</b> -	Documented business management plan available for 5 years in both estates referred under title: Jangkaan Pendapatan dan Perbelanjaan Bagi 5 tahun Hadapan. This management plan covered from 2019 until 2024. This budget cover all aspect including operation, safety,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		environment and social example budget for safety show in 2019 with budget per Ha.	
<b>4.6.2.2</b>	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.  <b>- Major compliance -</b>	Last replanting was conducted on 2016 for Field PM90C. The latest program indicated no replanting until at least 2022 in Bukit Sagu 04 Estate.	Complied
<b>4.6.2.3</b>	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment  <b>- Major compliance -</b>	Business management plan was established as per Anggaran Perbelanjaan Peringkat Matang Bagi Tahun 2020 –sample Division: 033003 – 0330PM9903. All required material and monetary planning available in the plan.	Complied
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.  <b>- Major compliance -</b>	The estates performances were recorded in the monthly progress report. - Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. - The management also provides variance report on the performance and reviewed on a monthly basis.	Complied

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		<p>- The supervisory personnel maintained a daily cost for the field operations.</p> <p>The meeting requires the Managers to sits monthly with the Regional PA and Head for the performance review.</p>	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance -</b></p>	<p>Pricing for services is based on tender mechanism. Guidelines of tender is available and sent to contractors for services.</p> <p>Sighted Mahu Kerja Enterprise, Syabasku Jaya Enterprise and Nalar Enterprise tender award letters in 2019.</p>	Complied
<b>4.6.3.2</b>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p><b>- Major compliance -</b></p>	<p>All contracts are based on tender selection and contracts are agreed with successful bidders and contract is available and payment is made on time. External stakeholder discussion 16/10/19 – contractors stated that they receive payment before 10<sup>th</sup> of each month and this is further verified with payment slip acknowledged by contractor e.g. Arah Bermaju Enterprise for June 19 payment totaling RM 14,681.46.</p>	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p><b>- Major compliance -</b></p>	<p>MSPO explanation to contractors was carried out in 30/09/19 with attendance record and photolog.</p> <p>External stakeholder interview 16/10/19 shows contractor has been briefed on MSPO do and don't.</p>	Minor noncompliance

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		<p>Contractors are also given briefing on MSPO requirements and signed by contractor as agreement dated 26/9/19 for Mahu Berjaya Enterprise.</p> <p>However, in Bukit Sagu 04 Estate, new contractor Vimida Enterprise (contract June till November 2019) engaged at Bukit Sagu Estate 04 for housing repairs and rewiring, has no records of MSPO explanation. Hence, a Minor NC has been raised.</p>	
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>Contract renewal between Arah Bermaju Enterprise (Contract No : 5300002931) from 01/04/19 till 31/03/2021 for transport of FFB from estate to POM. Agreement is signed by FGV and contractor. Similar contracts with both party signed available for Syabas Ku Jaya Enterprise and Nalar Maju.</p>	Complied
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>Based on the contract between FGV and their contractor, a letter stating the contractor should allow external auditors from certification bodies to conduct audit by checking documents, operation verification and interview with contractor /contractor workers. This letter is signed by contractor as consent eg by Mahu Berjaya Enterprise dated 26/09/19</p>	Complied
<b>4.6.4.4</b>	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p><b>- Major compliance -</b></p>	<p>On FFB transporters a reconciliation databank on a monthly basis for Arah Bermaju Enterprise (C/N: 5300002931) from mill is reconciled by the monthly report by estate and agreed with contractor.</p>	Complied
<b>4.7 Principle 7: Development of new planting</b>			

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Criterion / Indicator	Assessment Findings	Compliance
Not applicable since there is no new planting at Bukit Sagu Palm Oil Mill Certification Unit		

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

Criterion / Indicator	Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>		
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>		
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	FGV Group Sustainability Policy covers MSPO commitment (clause 5.0) FGV/SED/POL/001(rev 3) dated 29/05/2019 and approved by Board of Directors (Datuk Wira Azhar Abdul Wahid)
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	Policy states commitment to economic improvement, environmental sustainability and social and improve milling productivity and profitability.
<b>Criterion 4.1.2 – Internal Audit</b>		
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	A combined MSPO & RSPO internal audit for the mill was conducted on 23/9/2019 by personnel from Sustainability Compliance & Certification Department of FGV Group Sustainability Division.



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	- <b>Major compliance</b> -	Internal audit program for whole Bukit Sagu Complex was took place on 23-27/9/2019.	
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.  - <b>Major compliance</b> -	As per Corrective Action Report on Non-Compliance Findings, a total of 34 findings have been highlighted by Internal Auditors. Corrective action plan for all NCs had been submitted by the mill and estates to internal auditors on 23/9/2019. Most of the corrective actions were still on-going with 5 non-compliances were closed.	Complied
<b>4.1.2.3</b>	Reports shall be made available to the management for their review.  - <b>Major compliance</b> -	Reports of internal audit was made available for management review as per following:  - "Checklist Integrasi Audit Dalaman Pensijilan Kelestarian 2019" - "Laporan Lawatan Lapangan Audit Dalaman MSPO/RSPO 2019" - "Pelan Tindakan dan Kemajuan Penutupan NCR RSPO/MSPO 2019".	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.  - <b>Major compliance</b> -	Latest management review meeting was conducted on 2/10/2019 as per records of minutes of meeting "FGVPI Kilang Bukit Sagu Management Review Meeting No. 01/2019 Isu-isu Ketidapatuhan Internal Audit MSPO 2019; Date: 2/10/2019; Venue: Meeting Room". The review included required adequacy and effectiveness of MSPO implementation for the result of internal audit, customer	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		satisfaction, product conformance, environment compliance, safety and health, social impact, replanting and other matters.	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<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><b>- Major compliance -</b></p>	<p>SIA conducted on 19/09/19 by Sustainability Compliance and Certification Department SCCD (Encik Azwan Muhammad). Action plan for the SIA is listed timeframe – short term (6 – 12 months), mid-term (less than 1 1/2 years) and long term (less than 2 years). Review (negative impact) seen for BTS storage at ramp for a longer time during high crop season affects the number of trips. Management is working on reduction of waiting time by responding quickly. Ongoing monitoring till December 2020 to see effects of improvement. 4 negative impacts and 22 positive impacts are being monitored with improvement. Seen management plan for continual improvement on social impact for upgrading such as additional internet line, housing adequate, takraw court to be upgraded by 2020-2021.</p>	Complied
<b>4.1.4.2</b>	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p><b>- Major compliance -</b></p>	<p>FGV has plan to comply with the latest requirements of Clean Air Regulations 2014 emission standard for Bukit Sagu POM to install a compatible new system of dust emission filtration for its boiler. The nationwide company plan was expected to be completed by the year 2024.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	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. <b>- Major compliance -</b>	Information is seen discussed with attendance list in the last external stakeholders meeting on 24/08/17. Group Sustainability Policy is in both languages (English and Bahasa Malaysia) and procedures are in Bahasa Malaysia.	Complied
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	Group Sustainability Policy is available at office and can be obtained by public upon request. At line site, a board with pictorial illustration is available for workers and families. Evidence of complaint by neighbor eg broken pipe is recorded and acted on.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Procedure communication and consultation ML-1A/L2-Pr12(0)rev 0 dated 01/06/2016 has been established.	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	The mill manager is nominated as the official management for consultation and communication in the procedure.	Complied

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4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p><b>- Major compliance -</b></p>	<p>List of stakeholders dated 22/08/19 includes neighbours, internal stakeholders and external stakeholders:</p> <p>Neighbours – 7</p> <p>Internal stakeholders – manager, smallholders heads, village heads, kindergarten , agama school etc) -11</p> <p>External stakeholders – clinic, police, bomba, workshops etc) – 21</p> <p>A consultation with external stakeholders was conducted on 24/08/2017 by FGV Kuantan district and well recorded. SIA procedure (ML -1A/L2-Pr21 dated Mac 2019) states external stakeholders consultation is conducted at district level every 5 years once.</p> <p>Minutes of meeting for internal stakeholders is conducted on 29/01/19, 27/2/19 and 26/07/19 (Safety &amp; Health Committee) . Attended by Manager, secretary, head of smallholders Bukit Sagu 2 &amp; 3 and manager Bukit Sagu 2. Records sighted.</p>	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p><b>- Major compliance -</b></p>	<p>FGVPISB adapting RSPO SCC for its MSPO SCC. Procedure namely Standard Operating Procedure For Mill RSPO SCC; Doc. # RSPO SCC; Issue # 3.0; Distribution date: 1/9/2019 was established by Certification &amp; Due Diligence, Sustainability &amp; Environmental of FGV Holdings (FGVH) which covered responsibility, reporting of certified CPO/PK, non-conformance material, FFB delivery Plantation to Mill,</p>	Complied

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		CPO/PK delivery Mill to customer, Record keeping, Training, Complaint Communication and Claim.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	FGV have established systems to monitor the implementation of the traceability systems in the mill thorough Internal Audit conducted by the Plantation Sustainability Department. Latest Internal audit was conducted on 23/9/2019.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	Identified as Organization RSPO SCC Supervising System Committee.  Role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements was describe in the Procedure For Mill RSPO SCC; Doc. # RSPO SCC; Issue # 3.0; Distribution date: 1/9/2019.  The Mill Manager as a chairman of SCC committee with members of Supply Chain Certification Committee among Assistant Mill Manager, Weighbridge Clerk, Operation Supervisor, Lab Analyst, FFB Grader and Security Guards.  The job descriptions were identified in the procedure accordingly.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel are maintained in various forms such as following:  <ul style="list-style-type: none"> <li>- Mass Balance Worksheet – monthly input</li> <li>- Local Sales Delivery Advice (LSDA)</li> <li>- Incoming Fresh Fruit Bunches (FFB) Records</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Outgoing Crude Palm Oil (CPO) Records</li> <li>- Outgoing Palm Kernel (PK) Records</li> </ul> <p>Sighted the sample records of storage dated on 15/10/2019 data based on the Operation &amp; FFB Received Report @ 14/2019; Form # FPIMP731; New Mill Code: 4046; Old Code: 901 shown opening stock for CPO = 1,336.41mt and PK = 261.00mt. FFB received = 818.40mt; CPO sales = 209.12mt; PK sales = 46.51mt. Sample CPO &amp; PK sales records sighted as following:</p> <ul style="list-style-type: none"> <li>- Commodity: CPO; Buyer: Kuantan Bulking Installation (KBI); Sales Order # SI/9G46/9GAB/1019/01; Net weight: 44.10mt; Lorry # BEN3221; Date: 14/10/2019</li> <li>- Commodity: PK; Buyer: Kilang Isi Sawit Semambu; Sales Order # NT001649; Net weight: 46.51mt; Lorry # WJX9602; Date: 14/10/2019</li> </ul>	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Evidence of compliance available as per sample documents sighted as following:</p> <ul style="list-style-type: none"> <li>- MPOB license no. 618367015000; Validity period: 5/7/2019 – 30/6/2020; Unmentioned processing capacity limit for FFB</li> </ul>	Complied

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	<ul style="list-style-type: none"> <li>- Pahang State Government Water Abstraction License (Lesen Penggunaan Sumber Air); Serial no. 0340; License no. SWUL/LPSA/70/2019; Validity period: 1/1/2019 – 31/12/2019</li> <li>- Energy Commission (Suruhanjaya Tenaga) Private Installation License (Lesen Bagi Pemasangan Persendirian); Serial no. 34284; License no. 2019/00237 or installation capacity limit &lt; 3018 kW; Validity period: 24/2/2019 – 23/2/2020</li> <li>- Schedule Control Goods Permit (Permit Barang Kawalan Berjadual); Serial no. C0189950; Ref. no. PHG/PD/K/37/08; Diesel capacity limit &lt; 24,000 litres; Validity period: 27/12/2018 – 26/12/2019</li> <li>- JTK Salary deduction permit; Serial no. PP 3/34/1385; Date: 28/1/2009</li> <li>- DOE licence no. 004129 compliance schedule ref. no. JP/KKS/2019/2020/004129; Validity period: 1/7/2019 – 30/6/2020; POME final discharge method: Water course; BOD limit: 100ppm.</li> <li>- FGV Plantation Industries (FGVPI) as a group has applied the license to contravene for all its mill from DOE Putrajaya as per letter ref. no. (247)010/810/HQ/JAB OP 19; dated 27/5/2019. FGVPI has established the time bound for all its mill to comply with the requirement of latest EQ (Clean Air) Regulations 2014. FGVPI has various environment control equipment installation plan of all its mill among Vorsep (Multi-Stage Cyclone Cone Dust Collector), Clean Flow, Wet Scrubber and Electrostatic Precipitator. Based on the time bound plan, Bukit Sagu Mill was</li> </ul>	

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		planned to be install with either of the various options on the year 2021.	
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated was done on 15/6/2019 with addition Occupational Safety and Health (Noise Exposure) Regulations 2019.	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	The operating units visited monitor the validity period of the license through form 'Mekanisma Pematuhan Lesen/Permit/Keperluan Undang-Undang'. Latest update of register was done on 15/6/2019.	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	The mill has appointed person responsible for each operating unit to monitor the compliance to legal and other requirements. Sustainability Department, Regional Compliance Unit and Internal Audit Department conducted internal audit to check the compliancy to related legal and other requirement on annually basis.  FGV has established guidelines to track any changes in the law and documented in 'Sistem semakan Perubahan Undang-Undang' and 'Sistem Pengesanan Perubahan Undang-Undang' Pindaan 4 dated 1/2/2018.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			



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4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - <b>Major compliance</b> -	Procedure on land use rights -FPIC ML-1A/L2-Pr12(0) sighted. The mill is in the land title of the estate. Land title sighted. The demarcation is identified (NC last year)	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. - <b>Major compliance</b> -	Legal ownership of mill land is FGV. Evidence of quit rent bill 03/04/2019 amounting RM 8,820.00 sighted.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	The mill land area is clearly demarcated with yellow land markers based on map and visited at site by Lead Auditor .	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). - <b>Minor compliance</b> -	No dispute sighted as it is legal ownership of FGV.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
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. - <b>Major compliance</b> -	Procedure on land use rights -FPIC ML-1A/L2-Pr12(0) available but no customary land in this region and FGV has been the owner.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	Map of mill and estate surrounding is available (860-C4046-DOE-001) but no customary land around it in this region.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	No evidence of negotiation records as there is no customary land.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	SIA conducted 19/09/19 has been conducted with 25 stakeholders (internal and external) and 4 negative and 22 positive impacts has been identified with mitigation plans and monitoring for 2 years.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	Procedure Complaints and Grievances (FGV/ML-1A/L2-Pr 21 issue 1 rev 2 dated 01/04/19). Complaint record book and form stated in procedure.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - <b>Major compliance</b> -	Record book recorded for engine repair on 8/7/19 by Hashim Abdul Rahman and has been acted on and agreed by complainant. Another complaint was on 14/9/19 by Ramzan Dollah on broken concrete at ramp and has been completed on 17/9/19. House issues are recorded in record book and responded within a week.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	Complaint record book and complaint form (mainly housing complaints) available. Sighted housing complaint dated 2/10 and 25/09/19. Roof leaking (Mohd Yusof bin Idris – F2) and door broke (Jafrul Apandi b. Zakaria – F17) has been acted on and completed.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	During stakeholder consultation on 16/10/19, noted that employees and community (kindergarden, contractors, surrounding estate) are well aware of the complaint mechanism.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	Record book and housing complaint forms are kept 2017 and has evidence of complaints for 24 months.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. <b>- Minor compliance -</b>	The CSR budget is handled by central. The records for CSR carried out in 2019 as follows: <ul style="list-style-type: none"> <li>a) Death contribution RM2,000 to the wife of late M.Nasir bin Mohd Hamdan on 13/01/19</li> <li>b) Contribution to Felda Bukit Sagu 2 school RM 500 – 25/09/19</li> <li>c) Contribution of empty FFB bunches for housing as fertilizer dated 20/9/19</li> </ul>	Complied

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<b>Criterion 4.4.4:</b> Employees safety and health			
<p><b>4.4.4.1</b></p>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the CEO on 20/11/2017.</p>	<p>Complied</p>
<p><b>4.4.4.2</b></p>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health</li> </ul>	<ul style="list-style-type: none"> <li>a) Records sighted shown that latest communication for OSH plan, Policy was conducted during safety briefing on 25/4/2019 for whole Bukit Sagu Palm Oil Mill.</li> <li>b) The mill established SOP to assess risk of all operation as per doc. ref. # FPI/L2/QOSHE-1.0 rev. 7 dated 8/6/2018. The mill has conducted risk assessment and documented Hazard Identification, Risk Assessment and Determined Control. Ref form no. FPI/L4/QOSHE-1.4 Pind. 2. The HIRADC reviewed at minimum of once a year and if any accident cases happen in the mill. Latest review was conducted in 27/9/2019.</li> <li>c) Awareness and training programs were conducted periodically for all workers at each work stations within the mill. The mill SOP were used as reference of trainings provided by the management. Precautions were made including the following:               <ul style="list-style-type: none"> <li>- Medical surveillance for the workers on annual basis. Latest medical surveillance was conducted on 11-12/10/2019. 10 workers were send for medical surveillance.</li> <li>- Baseline and annual audiometric test has been conducted on 16/2/2019. 7 workers were diagnose with hearing impairment</li> </ul> </li> </ul>	<p>Complied</p>

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<p>(Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust 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><b>- Major compliance -</b></p>	<p>and 6 workers were found to have Standard Threshold Level. JKKP 7 for those with hearing impairment were submitted to DOSH on 31/3/2019. Workers with STS were send for retest on 20/6/2019</p> <p>d) PPE issuance records available for all workers based on their tasks. The mill established SOP to assess risk of all operation as per doc. ref. # FPI/L2/QOSHE-1.0 rev. 7 dated 8/6/2018. The mill has conducted risk assessment and documented Hazard Identification, Risk Assessment and Determined Control. Ref form no. FPI/L4/QOSHE-1.4 Pind. 2. The HIRADC reviewed at minimum of once a year and if any accident cases happen in the mill. Latest review was conducted in 27/9/2019.</p> <p>e) The mill comply with OSHA CLASS (Classification, labelling and safety data sheet of hazardous chemicals) Regulations 2013. During visit it was noted that all the remaining chemicals were kept in the store and securely locked. Chemical assessments were done periodically as per records sighted of latest CHRA conducted on 25/7/2018 by registered CHRA Assessor Ref. Reg. # JKKP HIE 127/171-2(85)</p> <p>f) Responsible person available as the mill manager was appointed as OSH Committee Chairman and responsible for all issue regarding safety and health at the mill. The mill manager has also appointed members of OSH Committee consist of secretary, employer and employee representatives. Latest appointment letter dated 25/9/2019 signed by the mill manager.</p> <p>g) Two-way communication were done via regular meeting as per minutes of meeting records sample sighted. The committee</p>	

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		<p>conduct meeting to discussed safety and health issue on quarterly basis. Sighted the latest minutes of OSH committee meeting dated 29/8/2019, 21/5/2019 and 14/2/2019 available.</p> <p>h) Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage and accident at work place. Sighted latest fire drill, ERP and First Aid was conducted on 5/10/2019.</p> <p>i) Employees trained in First Aid were mostly among the OSH Committee Members. First aid were provided at strategic work station in the mill. Noted during interview and site visit at sterilizer station and boiler station, the operator aware on the nearest first aid box location. Sighted the first aid box at the supervisor room. The item in the first aid box is adequate.</p> <p>j) Records of accidents were kept and reviewed periodically by OSH Committee Members. Records including Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 &amp; 8. Latest LTA 2018 accident statistic shown mill has 81.5 man hours of LTA. The mill submitted JKPP 8 form to DOSH through MyKKP where latest submission was made on 23/1/2019.</p>	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	Respect for Human Rights (clause 5.1.3) – part of FGV Group Sustainability Policy is established and signed by top management, Chairman (YB Datuk Wira Azhar Abdul Hamid).	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	Communication to workers on Group Sustainability Policy was conducted on 5/10/19 and attendance recorded.	
<b>4.4.5.2</b>	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.  - <b>Major compliance</b> -	Group Sustainability Policy under Responsible Employment (clause 5.1.2) states clearly on equal opportunity and treatment. Communication to workers has been conducted on 5/10/19.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.  - <b>Major compliance</b> -	Number of employees: 39 (G 7) + 35 (G6 – executive and office). No foreign workers at POM.  Mohd Zazly Azrie (Aug 2019) : Basic pay RM 1400.00 Incentive RM 120.00 Other allowances – RM 1970.00  Deduction : Union – RM 7.00 (letter of consent by employee) EPF – RM 172.00 Socso – RM 17.25  Basic pay for Shahrul Asraf and Mohd Nasrol Helmi is RM 1,100 as per regulation.	Complied
<b>4.4.5.4</b>	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the	Contractor : Suria Pajar Enterprise	Complied

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	<p>employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>Service : provide workers and equipments for BTS movement</p> <p>Eg : 24/07/19 contract from June – December 2019 signed with FGV and contractor.</p> <p>Based on working hours. Contractor is clear with basic pay RM 1,100. Work can also be paid based on the tendered pricing.</p>	
<b>4.4.5.5</b>	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>List of workers sighted with names, identification numbers, date joined, gender and date of birth.</p> <p>Number of employees: 39 (G 7) + 35 (G6 – executive and office). No foreign workers at POM.</p> <p>Letter of employment states job designation, basic wages and probation period.</p>	Complied
<b>4.4.5.6</b>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>A letter of employment dated 26/06/2013 under Felda Palm Industries Sdn Bhd for Mohd Zazly Azrie. Letter states the basic pay, deduction of EPF and Socso, probation period (6 months), hospital benefit and housing.</p>	Complied
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p><b>- Major compliance -</b></p>	<p>Time recording system used is punch card. Sighted for Mohd Zazly Azrie for August 2019 which shows 12 hours of work and overtime.</p> <p>A overtime calculation form is filled up together with punch card to calculate the overtime RM 1514.00</p>	Complied



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4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. <b>- Major compliance -</b>	A consent letter for overtime is signed by employee Mohd Zazly for the overtime work to be done in August 2019. The consent is also signed by the Mill Manager and within legal requirements limit.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Wages and overtime is indicated in pay slip. Sighted for Shahrul Asraf (Sept) and Ahmad Hakimi (Aug) and minimum wages complied.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. <b>- Minor compliance -</b>	Incentive project is available and medical benefits at panel doctor for in and outpatient facilities.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. <b>- Major compliance -</b>	Visited line site. Seen basic amenities like water supply, electricity, toilet facilities, collection of rubbish 2 times weekly. New houses has been built in 2017. The old houses about 7 needs to be refurbished as per FGV audit report eg F3 and F 14. Monthly inspection on housing is conducted eg 3/10/19. Rubbish collection tender awarded to Muhammad Tahir bin Abd Majid from August to Dec 2019 and renewable.  Also, seen housing audit report and photolog and improvement done and being carried out. (Sept 19 report)	Complied

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<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	Group Sustainability Policy (clause 5.1.3.7) on discrimination against women and explained refresher on 5/10/19 to all employees. Procedure on Women Committee (ML-1A/L2-Pr1.4 (0) dated 01/06/16.	Complied
<b>4.4.5.13</b>	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. <b>- Major compliance -</b>	Freedom to join trade union and worker's representative is covered in policy (5.1.3.5). Employee gives consent to join trade union. Sighted consent letter of Hamzah bin Awang dated 2/12/18 and Mohd Zazly Azrie (5/1/19).  Also seen in their payslips a deduction of RM 7.00 monthly for membership.	Complied
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. <b>- Major compliance -</b>	Policy on non-employment of young people is in clause 5.1.3.2. The name list of employees clearly shows the age and date joined mill. Youngest is Mohd Nasrol Helmi bin Razak 26/07/96 and joined on 1/6/2018.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. <b>- Major compliance -</b>	Training Plan for employees and contractor has been identified for 2019 but no evidence of training identification for MSPO.  Training plan was complete to include all trainings being conducted. E.g. training was conducted on 07/09/19 for workers on 7/9/19.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>Training needs analysis was conducted on 4/2/19 for all employees based on their work skill and emergency situation.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>Sighted training report 15/2/19 for training on FFB quality for workers and seen records.</p>	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
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><b>- Major compliance -</b></p>	<p>An environmental policy was available as part of FGV Holdings Berhad established Group Sustainability Policy; signed by the Chairman, Board of Directors; Datuk Wira Azhar Abdul Hamid; Approved date: 29/5/2019; Policy # FGV/SED/POL/001; Rev. 3; Effective date: 29/5/2019.</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><b>- Major compliance -</b></p>	<p>a) The mill environmental plan covered the following objectives:</p> <ul style="list-style-type: none"> <li>- 100% Compliance of boiler stack emission to EQ (Clean Air) 2014</li> <li>- 100% Compliance of POME final discharge to DOE license limit</li> <li>- Optimization of non-renewable energy consumption and utilization of renewable energy source</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		b) The mill impact assessment was guided by its Environmental Aspect and Impact Evaluation procedure [FPI/L2/QOSHE-1.0C]. The identification of Environmental Aspects and Evaluation of Significance Form [FPI/L4/QOSHE-1.7 Pind 0] was used to identify and evaluate the environmental aspect and impact. The evaluation was divided by workstations such as loading ramp, sterilizer, trashing & press, incinerator, oil room, bulk storage tank, raw water treatment plant, boiler, ETP, laboratory, diesel tank, workshop, SW store, EFB stock pile to name a few. The evaluation of EAI was last updated on 7/10/2019.	
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.  - <b>Major compliance</b> -	Depends on the result of the environmental impact assessment, operational control was established as the management plan to mitigate the significant adverse impacts as well as to promote significant beneficial impacts. The mill has identified emission of GHG from POME treatment as its significant adverse impacts and the control established was to implement the methane capture program. For the time being implementation still pending due to budgeting and monitoring records of GHG emission available as part of the management plan.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan.  - <b>Minor compliance</b> -	Beneficial impacts on the use of renewable energy source i.e. mesocarp fiber for boiler fuel were included in the continual improvement plan by optimizing the mill efficiency.	Complied
<b>4.5.1.5</b>	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	Awareness and training programs were regularly conducted by estate management to all employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing including no open burning was	Complied

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	achieving objectives. <b>- Major compliance -</b>	conducted on 27/8/2019 by the management which was attended by all estate staff and employees.	
<b>4.5.1.6</b>	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. <b>- Major compliance -</b>	Regular meeting was conducted as per minutes of meeting records sighted i.e. meeting dated 29/8/2019, 21/5/2019 and 14/2/2019 available.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	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 <b>- Major compliance -</b>	The monitoring is recorded in environment performance indicator electricity generated by steam turbine tabulated for the financial year Jan-Dec. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB. A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimize use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel. Under the annual energy management plan 2018/19 the mill aimed for reduction plan among others, as following: <ul style="list-style-type: none"><li>- Educate workers on fuel saving practice</li><li>- Avoid leakages during vehicles maintenance.</li></ul>	Complied
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This	The mill has its own renewable energy fuel power generation facility i.e. steam turbine engine that received steam generated from boiler with mesocarp fibers and kernel shells used as boiler fuels. The mill keep on improving its strategy to maintain the operational up-time	Complied

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	<p>shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>to ensure power consumption sourced from steam turbine engine as diesel genset mostly run during down-time or start-up of process.</p> <p>Based on the info of Monthly Environmental Performance Indicators; Form # FPI/L4/QOHSE-15.4 Pind 0 the 2019 year to date diesel consumption for electricity generation as of 30/9/2019 was 1.58 liter/mt FFB processed.</p> <p>Absolute figure of processing for Jan – Sep 2019 were as following:</p> <ul style="list-style-type: none"> <li>- FFB processed: 160,460 mt</li> <li>- Diesel usage (electricity): 230,637 liters</li> <li>- Electricity consumption average: 0.16 kWh/mt FFB processed</li> </ul>	
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>The fiber and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fiber are delivered to estates for multi purposes or sold to outside buyers. The mill has plan to implement the methane capture program. For the time being implementation still pending due to budgeting.</p>	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>The estates identified all waste products and source pollution as follows:</p> <ul style="list-style-type: none"> <li>- Mill Operations: Used PPE, Empty chemical container, Spent oil, Used Filter, Empty chemical drum, used tyre, Scrap iron</li> <li>- Office and housing area: Recycle item, Domestic waste</li> <li>- Side Waste: EFB, Shell, POME</li> </ul>	Complied

Criterion / Indicator		Assessment Findings				Compliance																														
<p><b>4.5.3.2</b></p> <p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p>	<p>Waste management plan was developed and implemented based on the category of waste identified as following:</p> <table border="1"> <thead> <tr> <th>Waste category</th> <th>Waste source</th> <th>Waste type</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Scheduled waste</td> <td rowspan="3">Mill operation</td> <td>Used PPE</td> <td>SW handling</td> </tr> <tr> <td>Contaminated empty container</td> <td>SW handling</td> </tr> <tr> <td>Spent lubricants &amp; filters</td> <td>SW handling</td> </tr> <tr> <td rowspan="5">Non-scheduled waste</td> <td rowspan="3">Mill operation</td> <td>Fertilizer bag</td> <td>Reuse or sold to vendor</td> </tr> <tr> <td>Used tyre</td> <td rowspan="2">Recycle for landscape or sold to vendor</td> </tr> <tr> <td>Scrap metal/woods</td> </tr> <tr> <td rowspan="2">Office &amp; housing</td> <td>Paper/plastic/glass/cloth/aluminum</td> <td>Segregation via 3R method and sent to vendor</td> </tr> <tr> <td>Domestic waste (food &amp; general waste)</td> <td>Landfill</td> </tr> <tr> <td rowspan="2">Biomass &amp; organic waste</td> <td rowspan="2">Mill operation</td> <td>Empty fruit bunches</td> <td>Sponge pit in fields</td> </tr> <tr> <td>Mesocarp fibers</td> <td></td> </tr> </tbody> </table>					Waste category	Waste source	Waste type	Action plan	Scheduled waste	Mill operation	Used PPE	SW handling	Contaminated empty container	SW handling	Spent lubricants & filters	SW handling	Non-scheduled waste	Mill operation	Fertilizer bag	Reuse or sold to vendor	Used tyre	Recycle for landscape or sold to vendor	Scrap metal/woods	Office & housing	Paper/plastic/glass/cloth/aluminum	Segregation via 3R method and sent to vendor	Domestic waste (food & general waste)	Landfill	Biomass & organic waste	Mill operation	Empty fruit bunches	Sponge pit in fields	Mesocarp fibers		Complied
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Criterion / Indicator		Assessment Findings		Compliance				
			<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Dry shell</td> <td style="width: 50%;">Boiler fuel or sold to vendor</td> </tr> <tr> <td>POME solid</td> <td>Application in fields</td> </tr> </table>	Dry shell	Boiler fuel or sold to vendor	POME solid	Application in fields	
Dry shell	Boiler fuel or sold to vendor							
POME solid	Application in fields							
<b>4.5.3.3</b>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>Based on waste management plan, SOP was established based on relevant requirements to ensure proper and safe handling, storage and disposal of waste. Domestic waste was collected in the designated landfill. Sighted the domestic waste collection records in 'Buku Harian Kenderaan Lorry WQQ 2997'.</p> <p>Vehicle and machinery services was done by appointed contractors. The scheduled was generated such as spent oil and used filter was disposed by the appointed contractors who had written approval by DOE to conduct offsite disposal. Refer approval letter no. AS(BB)91/110/619/161 Jilid 14(69) dated 6/9/2011.</p>		Complied				
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic waste was disposed in designated landfill located far from housing area and natural water source. Noted during site visit, no evidence of recycle waste and scheduled waste was disposed in the landfill. Sighted the records of domestic waste collected 3 time a week for the month of July, August and September 2019</p>		Complied				
<b>Criterion 4.5.4:</b> Reduction of pollution and emission								
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>Environmental impact assessment was guided by its Environmental Aspect and Impact Evaluation procedure [FPI/L2/QOSHE-1.0C]. The identification of Environmental Aspects and Evaluation of Significance Form [FPI/L4/QOSHE-1.7 Pind 0] was used to identify and evaluate the environmental aspect and impact. The evaluation</p>		Complied				



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		<p>was divided by workstations such as loading ramp, sterilizer, trashing &amp; press, incinerator, oil room, bulk storage tank, raw water treatment plant, boiler, ETP, laboratory, diesel tank, workshop, SW store, EFB stock pile to name a few. Significant Environmental Aspect and Impacts Register Form [FPI/L4/QOSHE-1.8 Pind 0] was used to register the mitigation method which basically link to the Manual Operation procedures.</p> <p>The evaluation of EAI was last updated on 7/10/2019 – format of EAI includes</p> <ul style="list-style-type: none"> <li>- Dept./process</li> <li>- Aspect</li> <li>- Impact (type &amp; score)</li> <li>- Usage/discharge quantity (per month or day)</li> <li>- Impact mitigation method and comments</li> </ul>	
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Mitigation measure is established based on identified significant aspect from the environmental aspect and impact evaluation. In general, among the examples of mitigation measures are:</p> <ul style="list-style-type: none"> <li>- Implementation of standard and/or safe operating procedures e.g. construction of terrace and establishment of cover crop at replanting area operations at hilly terrain</li> <li>- Implementation of emergency response plan</li> <li>- Provision of premix area</li> <li>- Construction of oil trap</li> <li>- Recycling wastes</li> </ul>	Complied
<b>4.5.4.3</b>	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the</p>	<p>The mill applies the biological system with 17 ponds and 1 anaerobic pond for bio-gas plant in series for its treatment of effluent. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&amp;G, AN</p>	Complied

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	respective state and national policies and regulations. - <b>Major compliance</b> -	and TN. Last 12 months results were verified where highest BOD=160 ppm while lowest was 32 ppm. Appropriate corrective actions such as carrying out desludging and repairing the broken bund walls of a pond were taken. The recording of these corrective actions was maintained through the mill's environmental management system.	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	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: <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> - <b>Major compliance</b> -	a) The mill has established water management plan FY 2019. Latest review of the management plan was conducted on 14/2/2019. In the management plan stated the water source, issue, impact to water catchment/stakeholder, mitigation plan and person responsible. The plan focusing on optimized consumption of water for processing and year 2019 to-date water consumption as of 30/9/2019 was 1.38 m3/mt FFB processed  b) Monitoring mainly done for POME final discharge where the mill treated its effluent to meet the requirements of DOE license compliance schedule for POME final discharge method through water course with BOD limit of 100ppm. Regular monitoring of final discharge parameters as well as connecting river upstream and downstream analysis were done via monthly testing of water samples as following: <ul style="list-style-type: none"> <li>- Sample 6309/2019 (M1/2019) Final Discharge Point Certificate of Analysis no. 3207/2019; date: 9/10/2019; BOD results: 80ppm</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Sample 4345/2019 (M2/2019) River Upstream (Sungai Reman) Point Certificate of Analysis no. 2264/2019; date: 19/7/2019; BOD results: 53ppm; Total Solid 512ppm</li> <li>- Sample 4346/2019 (M2/2019) River Downstream (Sungai Reman) Point Certificate of Analysis no. 2264/2019; date: 19/7/2019; BOD results: 40ppm; Total Solid 240ppm. The sample analysis results shown river water quality did not negatively affected from mill activity.</li> <li>c) Rainwater harvesting implemented through roof gutter collection tank for mill cleaning purpose</li> </ul>	
<b>4.5.5.2</b>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p>	<p>The mill has plan to install the methane capture facilities which simultaneously enhance its POME treatment system which will give the opportunity for the mill to gradually phasing out its water course discharge practice. For the time being implementation still pending due to budgeting.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>As for the mill, 3-tier Documentation System was in place:</p> <ul style="list-style-type: none"> <li>- Tier 1: QOHSEMS Management Manual; Doc. no.: FPI/L1/QOHSE-1.0; Rev. 1.0; Date: 18/11/2016</li> <li>- Tier 2: QOHSEMS Procedure; Doc. no.: FPI/L2/QOHSE- 1.0 – FPI/L2/QOHSE-25.0; Rev. 14; Date: 31/5/2017</li> </ul>	Complied

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		- Tier 3: QOHSEMS Specific Work Instruction; FPI/L3/1-01 - FPI/L3/16-01; Rev. 24; Date: 31/5/2017; i.e. Palm Oil Mill Operation Manual and amendments covering every station from the security gate for reception of FFB until the delivery of processed oil and POME management.													
<b>4.6.1.2</b>	All palm oil mills shall implement best practices. - <b>Major compliance</b> -	Among the mechanism to check consistent implementation of procedures at the estates were daily field supervision, taskforce visits, daily grading by Estate Quality Inspector (EQI), agronomist visit and regional office audit (CDD unit) to name a few. Records of monitoring were well maintained by the estates and mill. Among the records verified were daily grading report, CDD unit audit report and agronomist report.	Complied												
<b>Criterion 4.6.2: Economic and financial viability plan</b>															
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - <b>Major compliance</b> -	The mill established 3 years business plan as guideline for the mill conduct the daily operation. The plan stated the FFB to be processed, OER, KER, FFB processed and Processing Cost (PC). Sighted the estimates cost of production as follows:	Complied												
		<table border="1"> <thead> <tr> <th>Year</th> <th>FFB (mt)</th> <th>PC (RM/mt)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>250,000.00</td> <td>44.86</td> </tr> <tr> <td>2021</td> <td>258,000.00</td> <td>44.05</td> </tr> <tr> <td>2022</td> <td>265,000.00</td> <td>43.55</td> </tr> </tbody> </table>	Year	FFB (mt)	PC (RM/mt)	2020	250,000.00	44.86	2021	258,000.00	44.05	2022	265,000.00	43.55	
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2020	250,000.00	44.86													
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		The mill also has a 10 year projection of FFB based on figures from the year 2020 – 2029.	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Pricing mechanism for FFB is with HQ due to pricing confidentiality. List of smallholders is available. Ekstra Palma , Sediabudi and Tai chi Enterprise.  As for the other contracts eg FFB transportation, tender mechanism is used and fair selection based on lowest ability to supply service is selected and contract approval is given out.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Tender approved contract is awarded eg for Suria Pajar (April – December 2019) is clear and payment slip is sighted for August 2019.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	No evidence that Suria Pajar Enterprise (contract Apr – December 2019) has been briefed nor any documentation/information given to them.  Hence, a Minor NC has been raised.	Minor noncompliance
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Contract based on tender is sighted with both management and contractor has been carried out. Eg Suria Pajar Enterprise No SPK: 3301370023/1301031438 dated 1/7/19 and contract is for 7	Complied

Criterion / Indicator		Assessment Findings	Compliance
		months. (June -December 2019). Tender documents sighted for Suria Pajar Enterprise.	
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	FGV contract with BSI on this agreement enables auditors to verify contractors' details and work.	Complied

### Appendix B: List of Stakeholders Contacted

<p><b>Government Officer:</b> Tabika Kemas</p>	<p><b>Community/neighbouring village:</b> Ketua Kampung Felda Bukit Sagu 1 Ketua Kampung Felda Bukit Sagu 5</p>
<p><b>Suppliers/Contractors/Vendors:</b> Suria Pajar Enterprise Mahu Berjaya Sdn Bhd</p>	<p><b>Worker's Representative/Gender Committee:</b> Field workers Mill workers NUPW representative Gender committee General workers</p>

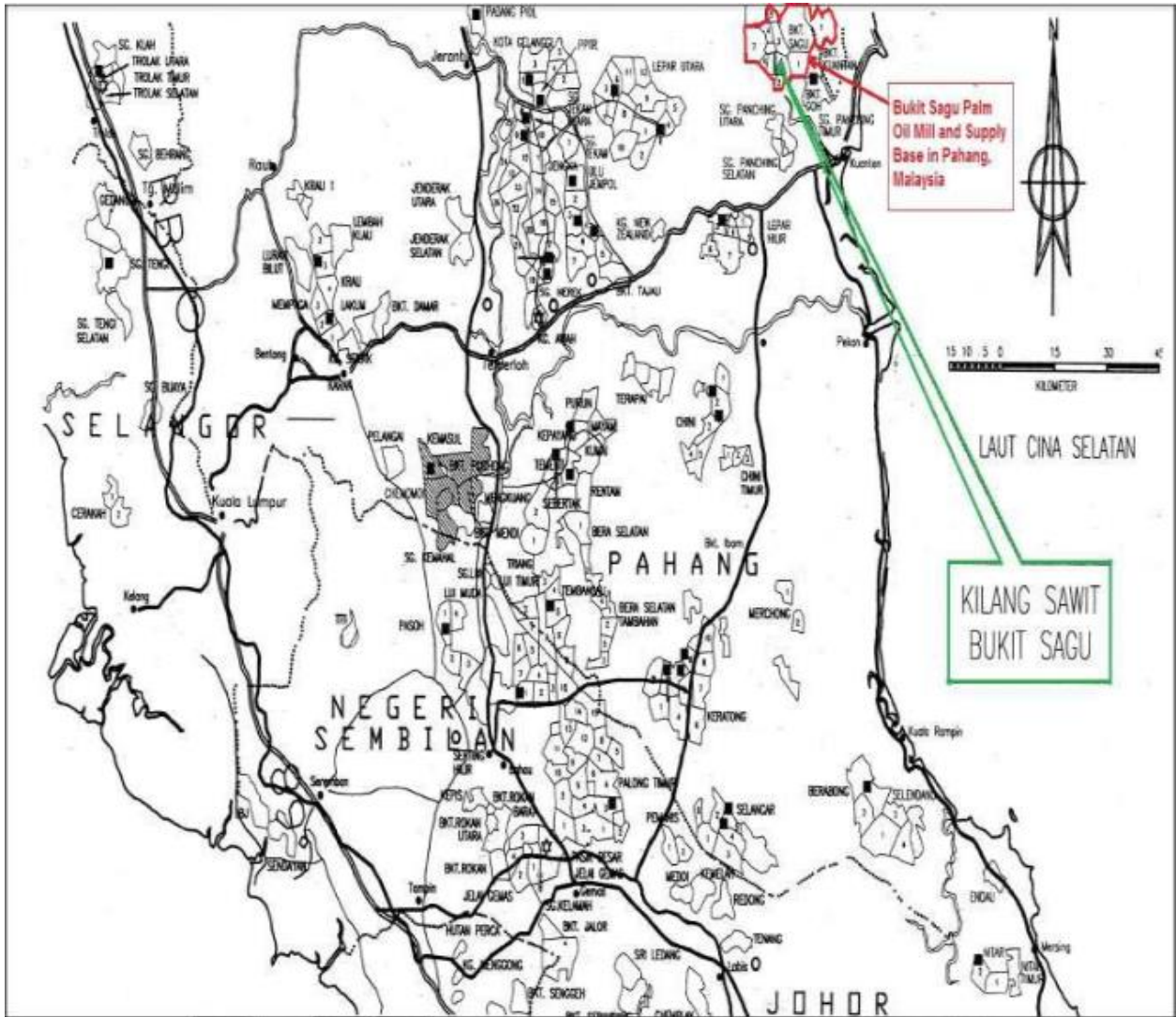
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**Appendix C: Smallholder Member Details**

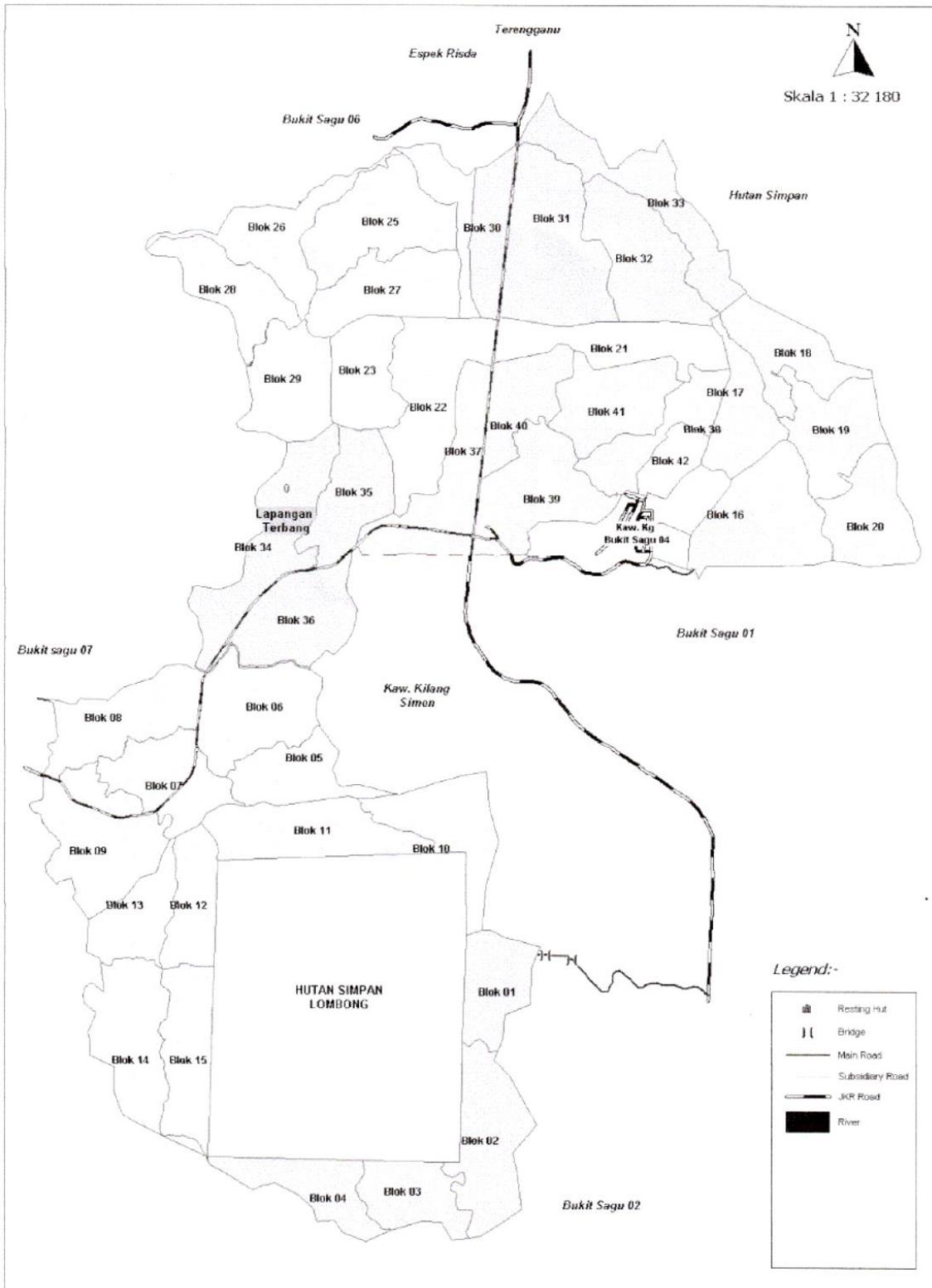
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					



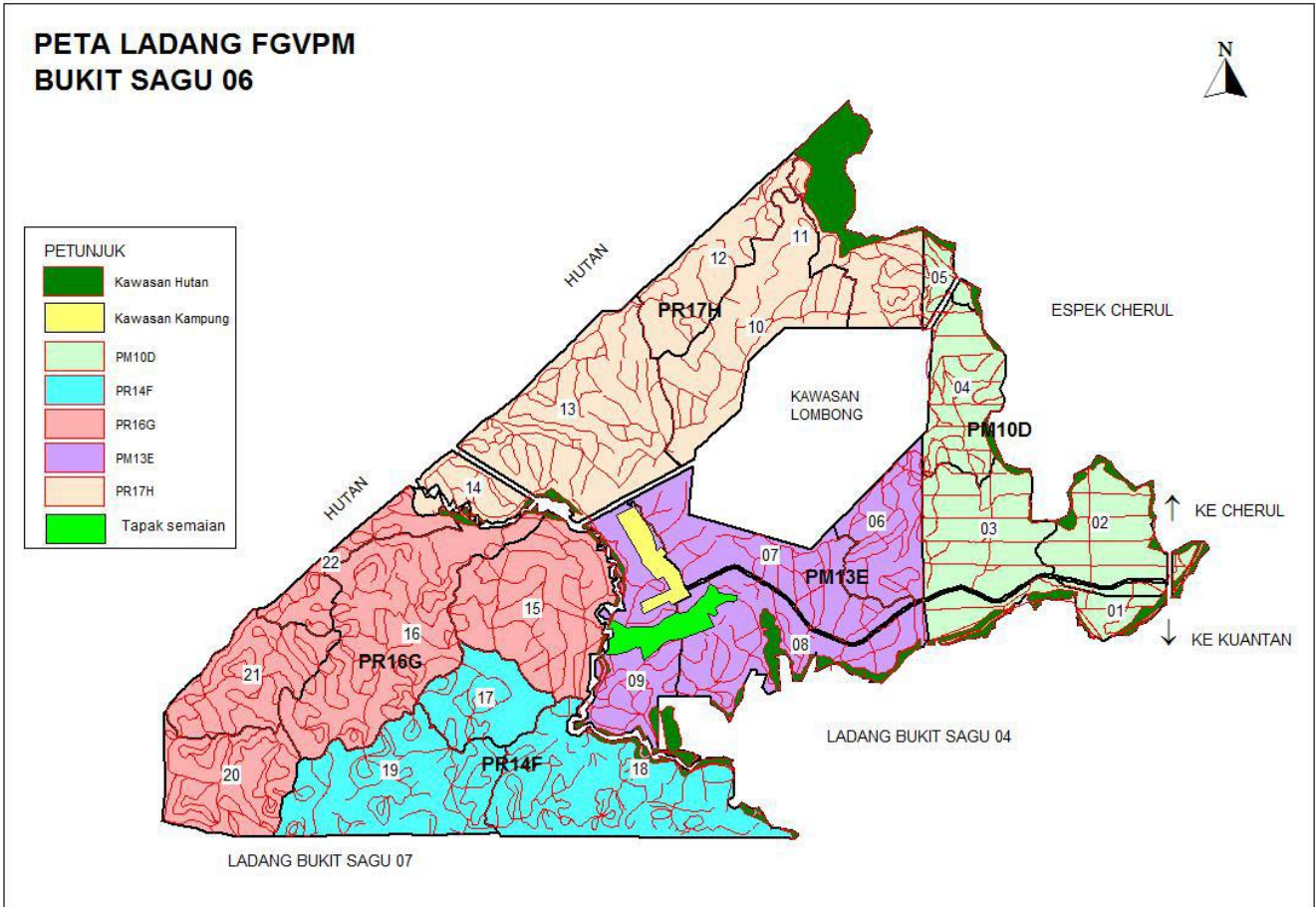
**Appendix D: Location and Field Map**



FGVPISB Bukit Sagu Mill & FGVPME Estates Location



FGVM Bukit Sagu 04 Estate Field Map



FGVPM Bukit Sagu 06 Estate Field Map

**Appendix E: List of Abbreviations**

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