

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT 2
Public Summary Report**

FGV Holdings Berhad
Client company Address: FGV Holdings Berhad, Wisma FGV, Level 20 West 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 4, Bukit Sagu 6, Bukit Sagu 7 & Bukit Sagu 8 Estates)
Location of Certification Unit: Kilang Sawit Bukit Sagu 25700 Kuantan, Pahang, Malaysia

Report prepared by:
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Report Number: 3091767

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	FGV Holdings Bhd		
Mill/Estate	MPOB License No.	Expiry Date	
	Bukit Sagu Palm Oil Mill: 5002021040000	31/03/2021	
	FGVPM Bukit Sagu 4 Estate: 558968002000	28/02/2021	
	FGVPM Bukit Sagu 6 Estate: 559597002000	31/03/2021	
	FGVPM Bukit Sagu 7 Estate: 559045002000	28/02/2021	
	FGVPM Bukit Sagu 8 Estate: 558969002000	28/02/2021	
Address	FGV Holdings Berhad, Wisma FGV, Level 20 West, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia		
Certification Unit	Bukit Sagu Palm Oil Mill		
Contact Person Name	Ameer Izyanif bin Hamzah		
Website	https://www.fgvholdings.com/home/	E-mail	ameer.h@fgvholdings.com
Telephone	03 2789 0497	Facsimile	03 2789 0440

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 as this certification unit is RSPO certified.		
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	06-08/10/2020		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 666409	RSPO	BSI Services Malaysia Sdn. Bhd.	28/12/2022

EU-ISCC-Cert-IT206-1066542	ISCC	RINA	30/11/2019
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1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
FGVPISB Bukit Sagu Palm Oil Mill	Kilang Sawit Bukit Sagu, 25700 Kuantan, Pahang, Malaysia	103.14750	3.96694
FGVPM Bukit Sagu 4 Estate	Ladang Felda Bukit Sagu 4, Peti Surat 331, 25470 Kuantan, Pahang, Malaysia	103.15472	4.01277
FGVPM Bukit Sagu 6 Estate	Ladang Felda Bukit Sagu 6, Peti Surat 451, 25740 Kuantan, Pahang, Malaysia	103.1100	4.04611
FGVPM Bukit Sagu 7 Estate	Ladang Felda Bukit Sagu 7, Peti Surat 355, 25740 Kuantan, Pahang, Malaysia	103.10027	3.99138
FGVPM Bukit Sagu 8 Estate	Ladang Felda Bukit Sagu 8, 26130 Kuantan, Pahang, Malaysia	103.18916	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 4 Estate	2,879.84	0	460.45	3,340.29	86
FGVPM Bukit Sagu 6 Estate	1,497.84	0	268.60	1,766.44	88
FGVPM Bukit Sagu 7 Estate	1,830.37	0	374.42	2,204.79	83
FGVPM Bukit Sagu 8 Estate	1,833.07	3.50	396.53	2,233.10	82
TOTAL	8,041.12	3.50	1,500.00	9,544.62	84

Note: *3.50 Ha is a buffer zone at new planting area in Sagu 08 Estate.

1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
FGVPM Bukit Sagu 4 Estate	-	2367.01	209.97	36.43	266.34	2879.75	-

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FGVPM Bukit Sagu 6 Estate	358.04	1139.80	-	-	-	1139.8	358.04
FGVPM Bukit Sagu 7 Estate	687.85	378.08	-	-	764.44	1142.52	687.85
FGVPM Bukit Sagu 8 Estate	57.42	-	1658.11	117.63	-	1775.65	57.42
Total (ha)	1103.31	3884.89	1868.08	154.06	1030.78	6937.72	1103.31

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan 20 - Dec 20)	Actual (Oct 19 - Sep 20)	Forecast (Jan 21 - Dec 21)
FGVPM Bukit Sagu 4 Estate	48,500	47,358.27	61,570
FGVPM Bukit Sagu 6 Estate	15,160	14,788.67	19,530
FGVPM Bukit Sagu 7 Estate	6,220	10,662.58	14,330
FGVPM Bukit Sagu 8 Estate	36,072	31,548.53	41,200
Total	105,952	104,358.05	136,630

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan 20 - Dec 20)	Actual (Oct 19 - Sep 20)	Forecast (Jan 21 - Dec 21)
Smallholders	134,020	128,270.68	105,370
Total	134,020	128,270.68	105,370

1.8 Certified Tonnage

	Estimated (Jan 20 - Dec 20)	Actual (Oct 19 - Sept 20)	Forecast (Jan 21 - Dec 21)
	FFB	FFB	FFB
Mill Capacity: 54 MT/hr	105,952	104,358.05	136,630
	CPO (OER: 20.50%)	CPO (OER: 20.51 %)	CPO (OER: 20.65 %)
SCC Model: MB	21,720.16	21,403.83	28,214.09
	PK (KER: 4.81 %)	PK (KER: 4.73 %)	PK (KER: 5.10 %)
	5,096.29	4,936.14	6,968.13

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1.9 Actual Sold Volume (CPO) (Oct 19 - Sep 20)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
CPO (MT)	0	0	0	19,263.45	19,263.45

1.10 Actual Sold Volume (PK) (Oct 19 - Sep 20)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
PK (MT)	0	0	4,252.50	0	4,252.50

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 06-08/10/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the mill and plantations as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The estates sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates were determined following the MSPO Certification Requirement.

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

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

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

This report is structured to provide a summary of assessment finding as attached in the Section 3.

The assessment was based on random samples and therefore nonconformities may exist that have not been identified. This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
FGVPISB Bukit Sagu POM	√	√	√	√	√
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 4, 2021 - October 6, 2021

Total No. of Mandays: 6 mandays

2.1 BSI Assessment Team

Team Member Name	Role	Qualifications <i>(Short description of the team members)</i>
Elzy Ovktafia Chairul	Team Leader	She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP & AISP from the Incorporated Society of Planters and currently studying Master of Science (Occupational Safety & Health) in Universiti Utara Malaysia. She involves in audits and technical reviews works mainly for Sustainability Programme includes RSPO & MSPO for more than 4 years across 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and a Social Compliance Auditor. Prior to this, she was the Agronomist in R&D Department for almost 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During this assessment, she assessed on the aspects of legal, social and stakeholder engagement. She is able to communicate in fluent Bahasa Malaysia and English.
Vijay Kanna Pakirisamy	Team Member	He holds a bachelor's degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10-year tenure in the oil palm

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		<p>industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Occupational, Health & Safety and estate best practises. He is fluent in Bahasa Malaysia and English languages.</p>
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2.2 Accompanying Persons

No.	Name	Role
1.	Mohamed Hidhir Zainal Abidin	Qualifying Reviewer for Vijay Kanna Pakirisamy

2.3 Assessment Plan

Date	Time	Subjects	EO	VK	MH
05/10/2020 Monday	PM	Audit team travel to Kuantan and check in Grand Darul Makmur Hotel.	√	√	√
06/10/2020 Tuesday	0830-0900	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). 	√	√	√
	0900-1230	Bukit Sagu Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. Visit to laboratory, weighbridge and palm product storage area.	√	√	√
	1230-1330	Lunch	√	√	√
	1330-1630	Bukit Sagu Palm Oil Mill Document Review P1 – P8: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc.	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
07/10/2020 Wednesday	0830-1230	Bukit Sagu 07 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√	√
	1030-1230	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	√
	1230-1330	Lunch	√	√	√
	1330-1630	Bukit Sagu 07 Estate	√	√	√

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Date	Time	Subjects	EO	VK	MH
		Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).			
	1630-1700	Interim Closing Briefing	√	√	√
08/10/2020 Thursday	0830-1230	Bukit Sagu 08 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√	√
	1230-1330	Lunch	√	√	√
	1330-1630	Bukit Sagu 08 Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630-1700	Finalization of audit findings and report preparation.	√	√	√
	1700-1730	Closing Meeting	√	√	√
09/10/2020 Friday	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 One (1) Major, Five (5) Minor nonconformities and Two (2) Opportunity for Improvement raised. The FGVPIB – Bukit Sagu POM’s Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref: 1968714-202010-M1	Area/Process: Bukit Sagu POM	Clause: 4.4.5.11 Part 4
	Issue Date: 08/10/2020	Due Date: 07/01/2021
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	
Statement of Nonconformity:	The housing inspection conducted is not in accordance with Minimum Housing & Facilities Act 1990 (revised 2020).	
Objective Evidence:	FGV - Bukit Sagu POM: The housing inspection is only conducted once a month in Bukit Sagu POM. This is not complying with Minimum Housing & Facilities Act 1990 (revised 2020) where the housing inspection need to be conducted by bi-monthly basis. Furthermore, during the site visit, it is sighted that the drainage at housing no V4 is blocked by the grasses and slowing the water movement which is not reflected in the housing inspection record.	
Corrections:	1. Assistant Executive/ mill Supervisor to conduct weekly inspection at mill housing using standard checklist. 2. Estate management conduct cleaning and repair the drainage blockage at house V4.	
Root cause analysis:	There is a miss communication on the instruction to conduct weekly housing inspection at the Bukit Sagu mill. The current practice is conduct monthly inspection and not weekly inspection.	

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Corrective Actions:	<ol style="list-style-type: none"> 1) Mill to conduct management meeting regarding line site issues every 6 months. 2) Any issues on housing that required repairer must be reported using 'Borang Kerosakan Rumah Kilang Sawit Bukit Sagu'.
Assessment Conclusion:	<p>The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.</p> <p>Evidence reviewed:</p> <ol style="list-style-type: none"> 1. Monitoring schedule for weekly housing inspection for month of Oct, Nov and Dec 2020. 2. Weekly housing inspection for Bukit Sagu POM on 10/10/2020, 25/10/2020 3. Evidence of drainage cleaning works done at house V4. 4. Minute of meeting for welfare/safety of worker's quarters dated 30/10/2020 version 01/2020 attended by 13 attendees.

Minor Nonconformities:		
Ref: 1968714-202010-N1	Area/Process: Bukit Sagu 7 Estate	Clause: 4.4.2.4 Part 3
	Issue Date: 08/10/2020	Due Date: Next surveillance assessment
Requirements:	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	
Statement of Nonconformity:	The awareness for complaints and grievance mechanism for employee is lacking.	
Objective Evidence:	<p>FGV Bukit Sagu 7 Estate:</p> <p>During site visit at Melur Hostel, interview session with workers showed the lack of communication on grievance procedure awareness. Among the complaints received are:</p> <ol style="list-style-type: none"> 1. Only 1 fan installed in their hostel room, but other room have 2 fans. 2. In February 2020, sprayer has asked to do extra works after 5 pm, and if the herbicides are not working, they were not paid for the extra job. 3. Worker has leg injured to fell at river yesterday. He has informed the supervisor to go to clinic however, he is still waiting for the transportation to clinic until this evening. 4. Workers were not given permission to go to the market to buy their groceries. <p>All these complaints were verbally informed to the supervisor and management, but no action taken todate.</p>	
Corrections:	<ol style="list-style-type: none"> 1) Awareness to staff on complaints and grievance mechanism 2) Compile details on grievances and evidences 	
Root cause analysis:	No training regarding complaints and grievance mechanism conduct to staff.	
Corrective Actions:	Conduct training on complaint & grievance mechanism and conduct post training assesment to assess the understanding of the staff regarding complaint mechanism.	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assesment.	

Minor Nonconformities:		
Ref: 1968714-202010-N2	Area/Process: Bukit Sagu 8 Estate	Clause: 4.4.5.4 Part 3
	Issue Date: 08/10/2020	Due Date: Next surveillance assessment
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	
Statement of Nonconformity:	The SOCSO salary deduction for contractor's employee is wrong.	
Objective Evidence:	In Bukit Sagu 8 Estate, it was found that the contractor's workers for Impian Jaya Plantations Sdn Bhd (transporter) has not made the deduction of SOCSO contribution from employee salary as stated in pay slip for April, June and August 2020. For foreign worker, the SOCSO contribution should be made by employer in accordance with EMPLOYER'S CIRCULAR NO. 3 YEAR 2018, EMPLOYEES' SOCIAL SECURITY ACT, 1969, TRANSFER OF FOREIGN WORKERS' COVERAGE FROM THE FOREIGN WORKERS COMPENSATION SCHEME (FWCS), THE DEPARTMENT OF LABOUR TO SOCSO EMPLOYMENT INJURY SCHEME.	
Corrections:	<ol style="list-style-type: none"> 1) Awareness to contractor on SOCSO deduction. 2) Evidences on details payment for SOCSO deduction 3) Recalculation on contractor workers deduction and short contribution will be paid. 	
Root cause analysis:	No monitoring from management regarding on SOCSO deduction in contractor workers' pay slip due to change on person in charge.	
Corrective Actions:	<ol style="list-style-type: none"> 1) Appoint person in charge for management to ensure all contractors will deduct the SOCSO deduction in contractor workers' pay slip and obtain the copy for record by regular monitoring every 6 months by Person in charge. 2) Data base will be developed for monitoring contractors' workers SOCSO paid accordingly. 	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.	

Minor Nonconformities:		
Ref: 1968714-202010-N3	Area/Process: Bukit Sagu POM	Clause: 4.4.5.4 Part 4
	Issue Date: 08/10/2020	Due Date: Next surveillance assessment
Requirements:	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	
Statement of Nonconformity:	The contractor's employee is not paid based on the Employment Act 1955.	
Objective Evidence:	FGV - Bukit Sagu POM: <ol style="list-style-type: none"> 1. Sighted in June 2020 pay slip for Muhammad Suib bin Rahim (Suria Pajar Enterprise), 1 rest day was not paid double as per Employment Act 1955. 2. The employment contract for Muhammad Suib & Mohamad Ferhad stated the hours of works is 9 hours inclusive of 1 hour of break which not accordance to the Employment Act 1955 Section 60A 1 (ii). 	

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Corrections:	<ol style="list-style-type: none"> 1. Instruct contractor to pay the balance of his worker's salary. 2. Instruct contractor to revise their employment contract and verify by mill manager/ FGV representative
Root cause analysis:	No supervision by management in monitoring and obtaining contractor workers' pay slip accordingly.
Corrective Actions:	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.
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.

Minor Nonconformities:		
Ref: 1968714-202010-N4	Area/Process: Bukit Sagu 7 & 8 Estate	Clause: 4.3.1.3 - Part 3
	Issue Date: 08/10/2020	Due Date: Next surveillance assessment
Requirements:	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	
Statement of Nonconformity:	The legal requirements were not updated to include the new regulations that have come into force.	
Objective Evidence:	Bukit Sagu 7 & 8 Estate did not have the Movement Control Order 2020 updated in their legal register.	
Corrections:	Include Movement Control Order 2020 updated in legal register.	
Root cause analysis:	Movement Control Order 2020 that have been updated by FGV HQ was not distributed properly to the estate.	
Corrective Actions:	<ol style="list-style-type: none"> 1. PIC for tracking changes law at HQ level will send the new legal register at all complex after there are changes in law. 2. Estate Conduct the awareness and training on update legal register to the Person in Charge so that he/she will familiar with the mechanism to track changes on legal. 	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.	

Minor Nonconformities:		
Ref: 1968714-202010-N5	Area/Process: Bukit Sagu 7 & 8 Estate	Clause: 4.5.3.1 - Part 3
	Issue Date: 08/10/2020	Due Date: Next surveillance assessment
Requirements:	All waste products and sources of pollution shall be identified and documented.	
Statement of Nonconformity:	The Waste Management Plan did not include all generated waste.	
Objective Evidence:	Bukit Sagu 7 & 8 Estate: The Waste Management Plan for 2020 did not identify the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters, Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags.	

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Corrections:	Identify and include the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters, Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags in the Waste Management Plan 2020.
Root cause analysis:	Management not identified the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters, Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags in the Waste Management Plan 2020
Corrective Actions:	<ol style="list-style-type: none"> 1. PIC to undergo training on managing scheduled waste included identification of SW. 2. FGV conduct internal audit yearly to make sure all operation are according to the MSPO Standard.
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.

Opportunity for Improvement

Ref: 1968714-202010-I1	Area/Process: Bukit Sagu POM	Clause: 4.5.3.3 Part 4
Objective Evidence:	Bukit Sagu POM's EFB Yard was noticed to have leachate flowing from the heaps of EFB. The excessive leachate can be avoided by limiting the pile up of the EFB and clearing it regularly by avoiding huge heaps.	

Opportunity for Improvement

Ref: 1968714-202010-I1	Area/Process: Bukit Sagu Estate 7 & 8	Clause: 4.4.4.2 Part 3
Objective Evidence:	The estate was situated on an area with high hilly and undulating surface. There was no proper evidence such as gradient map, to indicate that all the planted areas were well below the 25° gradient permitted by the organizations.	

Noteworthy Positive Comments

1	Good cooperation from the management
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3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:

Ref: 1838640-201906-N1	Area/Process: Bukit Sagu 06 Estate	Clause: 4.4.5.9 - Part 3
	Issue Date: 17/10/2019	Due Date: 08/10/2020
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	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.	
Objective Evidence:	<p>Bukit Sagu 06 Estate:</p> <p>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.</p>	
Corrections:	Compile details of worker salary that reflected in the pay slip.	

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Root cause analysis:	No supervision by management in monitoring and obtaining contractor workers' pay slip.
Corrective Actions:	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.
Assessment Conclusion:	All the evidence found adequate, hence the Major NC was effectively closed on 08/10/2020.
Verification Statement	Site visit during ASA 2, found that the sample workers for Bukit Sagu 07 & 08 Estate didn't work on rest day or if any, they will be paid double. This is confirmed through the pay slips review and interview to workers. Hence, it is confirmed that the corrective action was effective and no recurrence of issue. Thus, the Minor NC is closed.

Minor Nonconformities:		
Ref: 1838640-201906-N2	Area/Process: Bukit Sagu 04 Estate	Clause: 4.6.4.1 - Part 3
	Issue Date: 17/10/2019	Due Date: 08/10/2020
Requirements:	In case of the engagement of contractors, they shall be made to 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:	All the evidence found adequate, hence the Major NC was effectively closed on 08/10/2020.	
Verification Statement	Site visit during ASA 2, found that all contractors has signed the Supplier Code of Conduct (SCOC) which incorporated child labour, forced labour, communication, etc. Sampled contractor, Mahu Berjaya Enterprise has signed the SCOC on 31/12/2020 and Impian Jaya Plantations has signed the SCOC on 03/01/2020. RSPO & whistleblowing briefing has been conducted on 29/09/2020 to contractors. Mahu Berjaya Enterprise representative, Selvaraju Subramaniam has signed a memo stated that he was informed, understand and will complying about MSPO on 01/02/2020. He will also allow auditor to audit him if required. Hence, it is confirmed that the corrective action was effective and no recurrence of issue. Thus, the Minor NC is closed.	

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Minor Nonconformities:		
Ref: 1838640-201906-N3	Area/Process: Bukit Sagu 06 Estate	Clause: 4.6.4.1 - Part 4
	Issue Date: 17/10/2019	Due Date: 08/10/2020
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
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:	All the evidence found adequate, hence the Major NC was effectively closed on 08/10/2020.	
Verification Statement	Site visit during ASA 2, found that all contractors has signed the Supplier Code of Conduct (SCOC) which incorporated child labour, forced labour, communication, etc. Sighted Suria Pajar Enterprise has signed the SCOC on 02/01/2020. RSPO & whistleblowing briefing has been conducted on 01/10/2020 to contractors. Suria Pajar Enterprise representative, Muhammad Faizulrullah has signed a memo stated that he was informed, understand and will complying about MSPO. He will also allow auditor to audit him if required. Hence, it is confirmed that the corrective action was effective and no recurrence of issue. Thus, the Minor NC is closed.	

Minor Nonconformities:		
Ref: 1838640-201906-N4	Area/Process: Bukit Sagu 06 Estate	Clause: 4.5.3.2 - Part 3
	Issue Date: 17/10/2019	Due Date: 08/10/2020
Requirements:	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	
Statement of Nonconformity:	Implementation of waste management plan developed was not sufficient.	
Objective Evidence:	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 & glass bottles and scooping	

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	<p>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" data-bbox="456 472 1391 1377"> <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 & filters</td> <td>SW handling</td> </tr> <tr> <td rowspan="4">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>Recycle for landscape or sold to vendor</td> </tr> <tr> <td>Scrap metal/woods</td> <td></td> </tr> <tr> <td>Office & housing</td> <td>Paper/plastic/glass/cloth/aluminum</td> <td>Segregation via 3R method and sent to vendor</td> </tr> <tr> <td></td> <td></td> <td>Domestic waste (food & general waste)</td> <td>Landfill</td> </tr> <tr> <td rowspan="6">Biomass & 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>Sponge pit in fields</td> </tr> <tr> <td>Mesocarp fibers</td> <td rowspan="2">Boiler fuel or sold to vendor</td> </tr> <tr> <td>Dry shell</td> </tr> <tr> <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	Boiler fuel or sold to vendor	Dry shell	POME solid	Application in fields
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Corrections:	To instruct contractor to handle all types of wastes based on waste management plan.																																									
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:	All the evidence found adequate, hence the Major NC was effectively closed on 08/10/2020.																																									
Verification Statement	<p>Site visit during ASA 2, found that monitoring of the sources waste management was done regularly by the management. Most waste were disposed through licensed waste managers as verified during the audit. Recycle Waste were segregated and disposed via recycle waste buyers. During the visit to the landfill at both estates, there were no evidence of scheduled waste or recyclable waste in the landfill as below:</p> <table border="1" data-bbox="544 1809 1374 2002"> <thead> <tr> <th>Source</th> <th>Type of Waste</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Estate Operation</td> <td>Fertilizer bags</td> </tr> <tr> <td>Tyres</td> </tr> </tbody> </table>	Source	Type of Waste	Estate Operation	Fertilizer bags	Tyres																																				
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			Scrap Metal
		Office & Housing Quarters	Paper/ Plastic/ Glass/ Rags/ Aluminum
			Domestic Waste

Hence, it is confirmed that the corrective action was effective and no recurrence of issue. Thus, the Minor NC is closed.

3.4 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
1714193-201809-M1	Major	30/11/2018	Closed on 16/01/2019
1838640-201906-N1	Minor	17/10/2019	Closed on 08/10/2020
1838640-201906-N2	Minor	17/10/2019	Closed on 08/10/2020
1838640-201906-N3	Minor	17/10/2019	Closed on 08/10/2020
1838640-201906-N4	Minor	17/10/2019	Closed on 08/10/2020
1968714-202010-M1	Major	08/10/2020	Closed on 12/11/2020
1968714-202010-N1	Minor	08/10/2020	Open
1968714-202010-N2	Minor	08/10/2020	Open
1968714-202010-N3	Minor	08/10/2020	Open
1968714-202010-N4	Minor	08/10/2020	Open
1968714-202010-N5	Minor	08/10/2020	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues:</p> <p><u>Contractors & Vendors</u></p> <p>All contractors interviewed showed positive comments on the business relationship with FGV. No pending or delay in payment and contract agreement was signed. MSPO training also being given and they had signed the Supplier Code of Ethics</p>
	<p>Management Responses:</p> <p>Noted on the information.</p>
	<p>Audit Team Findings:</p> <p>No other issue.</p>
	<p>Issues:</p>

<p>2</p>	<p><u>FELDA settlers’ representatives from Bukit Sagu 1 & 2</u></p> <p>So far, there is no complaint, dispute or fights between the villagers and FGV management. They just hope that the FFB price will getting much better.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>3</p>	<p>Issues: <u>SK (LKTP) Bukit Sagu 1</u> Management give contribution on the school management request such as POME cake for beautification or manpower for doing the cleaning. No complaint on the social or environmental impact due to estate and mill operation.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further issue.</p>
<p>4</p>	<p>Issues: <u>Gender Committee Representatives</u> Meetings were conducted regularly for each estate and mill. So far, no sexual harassment, domestic violence or disturbance at housing area cases reported.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>5</p>	<p>Issues: <u>Foreign & Local Workers Representatives</u> Both foreign and local workers treated equally regardless of race, religion and nationality. During COVID-19 lockdown, they were still working and receive salary. The management has decided to give the salary in cash form to minimize the workers going out. No other complaint received.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment FGVPISB-Bukit Sagu POM's Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of FGVPISB-Bukit Sagu POM's Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Elzy Ovktafia Binti Chairul	Name: Ameer Izyanif
Company name: BSI Services (Malaysia) Sdn Bhd	Company name: FGV Holdings Berhad
Title: Client Manager	Title: General Manager
Signature:  Date: 15/11/2020	Signature:  Date: 19 November 2020

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	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
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	Policy states commitment to economic improvement, environmental sustainability and social and improve milling productivity and profitability.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	A combined MSPO & RSPO internal audit for the mill was conducted on 15/07/2020 by personnel from Sustainability Compliance & Certification Department of FGV Group Sustainability Division. Internal audit program for whole Bukit Sagu Complex was took place on 15/07/2020.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to	As per Corrective Action Report on Non-Compliance Findings, a total of 35 findings have been highlighted by Internal Auditors. Corrective action plan for all NCs had been submitted by the mill and estates to internal auditors. Most of the corrective actions were	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	implement the necessary corrective action. - Major compliance -	still on-going. As per Internal Audit SOP (FGV/GSD-SCCD/SOP/04 version 0 dated 03/09/2020), the management need to provide feedback within 2 weeks on the CAP.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Reports of internal audit was made available for management review as per following: - "Checklist Integrasi Audit Dalam Penilaian Kelestarian 2020" - "Laporan Lawatan Lapangan Audit Dalam MSPO/RSPO 2020" - "Pelan Tindakan dan Kemajuan Penutupan NCR RSPO/MSPO 2020".	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Latest management review meeting was conducted on 01/10/2020 as per records of minutes of meeting "FGVPI Kilang Bukit Sagu Management Review Meeting No. 01/2020 Isu-isu Ketidakpatuhan Internal Audit RSPO & MSPO 2020; Date: 01/10/2020; Venue: Meeting Room". 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 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Bukit Sagu POM have implemented a Continuous Improvement Plan 2020 based on the environment and social impacts. The continuous improvement plan includes; <ul style="list-style-type: none"> 100% Compliance of boiler stack emission to EQ (Clean Air) 2014 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> 100% Compliance of POME final discharge to DOE license limit <p>Optimization of non-renewable energy consumption and utilization of renewable energy source</p>	
4.1.4.2	<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>- Major compliance -</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
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>SIA procedure (ML -1A/L2-Pr21 dated March 2019) states external stakeholders’ consultation is conducted at district level every 5 years once. Information is seen discussed with attendance list in the last external stakeholders meeting on 24/08/17.</p> <p>Sighted other minute of meetings for communicating RSPO/Whistleblowing dated 01/10/2020 (external stakeholders) and complaint & grievance procedure as well as whistleblowing procedure briefing on 01/09/2020 (internal stakeholders).</p> <p>Group Sustainability Policy is in both languages (English and Bahasa Malaysia) and procedures are in Bahasa Malaysia.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>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.</p> <p>- Major compliance -</p>	<p>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.</p> <p>Evidence of complaint by internal and stakeholder as below:</p> <ol style="list-style-type: none"> 23/07/2020. M Hafiz on MRE pipe at front door is damaged. Pipe was replaced on Friday 24/07/2020. 16/07/2020, Arie bin Ismail from EM BS4, complaint was made on long queue for lorry. Management has decided on 16/07/2020 to add additional time for crop receival until 7 pm. 	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Procedure communication and consultation ML-1A/L2-Pr12(0) rev 0 dated 01/06/2016 has been established.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>The mill manager is nominated as the official management for consultation and communication in the procedure.</p> <p>Mill manager has appointed Mr Ramzan bin Dollah as the communication officer as per appointment letter dated 28/08/2020.</p>	Complied
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>List of stakeholders 2020 includes neighbours, internal stakeholders and external stakeholders:</p> <p>A consultation with external stakeholders was conducted on 24/08/2017 by FGV Kuantan district and well recorded. On 01/10/2020, the external stakeholder with contractors, school and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		vendors were conducted at FGV-Bukit Sagu POM and socialization of Group Sustainability Policy to Wilayah Temerloh on 12/11/2019. SIA procedure (ML -1A/L2-Pr21 dated March 2019) states external stakeholders' consultation is conducted at district level every 5 years once.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	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 & Due Diligence, Sustainability & Environmental of FGV Holdings (FGVH) which covered responsibility, reporting of certified CPO/PK, non-conformance material, FFB delivery Plantation to Mill, CPO/PK delivery Mill to customer, Record keeping, Training, Complaint Communication and Claim.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	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 15/07/2020.	Complied
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain traceability system. - Minor compliance -	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	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Manager, Weighbridge Clerk, Operation Supervisor, Lab Analyst, FFB Grader and Security Guards. The job descriptions were identified in the procedure accordingly.	
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel are maintained in various forms such as following: - Mass Balance Worksheet – monthly input - Local Sales Delivery Advice (LSDA) - Incoming Fresh Fruit Bunches (FFB) Records - Outgoing Crude Palm Oil (CPO) Records - Outgoing Palm Kernel (PK) Records Sighted the sample records of weighbridge ticket 04006564 dated on 30/09/2020, net weight 47.51 MT, contract no: RSPG4067S, delivery note: L00000383.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Bukit Sagu POM continued to comply to all applicable local, state, national and ratified international laws and regulations. Evidence of compliance available as per sample documents sighted as following: 1. MPOB license; License No.: 500202104000; Validity period: 01.04.2020 – 31.03.2021; (FFB, PK, CPO, SPO) 2. MPOB license; License No.: 618367015000; Validity period:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>01.07.2020 – 30.06.2021; (FFB)</p> <p>3. MPOB license; License No.: 618401003000; Validity period: 01.07.2020 – 30.06.2021; (PK, CPO)</p> <p>4. Diesel Permit; Reference Number: PHG/PD/K/37/08; Industrial Diesel – 24, 000 Liters; Validity Period: 03.02.2020 till 02.02.2021</p> <p>5. Weighbridge Calibration; Perakuan Penentuan Timbang Dan Sukat; Device Serial Number: B812577828; Safety Label No: 2.1KQ 014177; Valid for 1 year from 14.05.2020.</p> <p>6. DOE license No. 004129 compliance schedule ref. no. JP/KKS/2020/2021/004129; Validity period: 1/7/2020 – 30/6/2021; POME final discharge method: Water course; Effluent Limit: 1440 m³/per day; BOD limit: 100ppm.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirement register.</p> <p>- Major compliance -</p>	<p>All legal requirement was documented in the Register of Legal and Other Requirement. Compliance to each applicable law and regulation is monitored by the operating unit. The legal register at the mill was reviewed/updated on a yearly basis / as and when needed for new updates/licenses.</p> <p>Sighted the file Register of Legal and Other Requirements available at the mill undersigned by the Mill Manager dated 29th Sept 2020. The document lists the latest applicable laws and amendment, revision dates and acknowledgement by the management</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	All legal requirement was documented in the register of Legal and Other Requirement. All the legal and other requirements were register accordingly and documented in the Legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970, Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Bukit Sagu POM has appointed Ramdan Bin Hashim as the PIC responsible for Legal and Other Requirements. Sighted the appointment letter undersigned by the Mill Manager dated 2 nd August 2020.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	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.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	FGV Palm Industries have leased the Mill Site from FELDA to occupy the land currently being the Bukit Sagu Mill. Sighted Agreement Letter between Perbadanan Kilang Felda (FGV PI) and Lembaga Kemajuan Tanah Persekutuan (FELDA) dated 4th May 1994, Agreement between FELDA and FPISB dated 25.11.1996, Form 11k Grant for Leasehold, PT 1129.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Lease ownership is based on land title under Felda HQ for plantation till 28 June 2064 e.g. PT 1129	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Mapping shows the demarcation and photolog of peg sighted. Legal perimeter boundary markers surrounding the mill perimeters were sighted during site visit.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	No dispute sighted as it is legal ownership of FGV.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	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
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	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. - Major compliance -	No evidence of negotiation records as there is no customary land.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified, and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA conducted 19/09/19 has been conducted with 85 stakeholders (internal and external) and 4 negative and 22 positive impacts has been identified with mitigation plans and monitoring for 2 years.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	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. - Major compliance -	Evidence of complaint by internal and stakeholder as below: 1. 23/07/2020: M.Hafiz on MRE pipe at front door is damaged. Pipe was replaced on Friday 24/07/2020. 2. 16/07/2020: Arie bin Ismail from EM BS4, complaint was made on long queue for lorry. Management has decided on 16/07/2020 to add additional time for crop receival until 7 pm.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	Complaint record book and complaint form (mainly housing complaints) available.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>During stakeholder consultation on 01/10/2020 and socialization of Group Sustainability Policy to Wilayah Temerloh on 12/11/2019, the stakeholder (contractors, school and vendors) were explained on Grievance mechanism process. Noted that employees and community (kindergarten, contractors, surrounding estate) are well aware of the complaint mechanism.</p>	Complied
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Record book and housing complaint forms are kept 2017 and has evidence of complaints for 24 months.</p>	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>The records for Corporate Social Responsibility carried out in 2020 as follows:</p> <ol style="list-style-type: none"> 1. Majlis Perbandaran Kuantan requested for POME cake dated 19/08/2020. 2. SK Permatang Badak requested for POME cake dated 19/08/2020. 3. FELDA Bukit Sagu Dua requested for POME cake dated 01/09/2020. 	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and</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 Group CEO on 08.05.2019. The</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>policy has been recently communicated to all mill staffs and workers on 01.10.2020 and to the stakeholders on 01.10.2020.</p>	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p style="margin-left: 20px;">i. All employees involved are adequately trained on safe working practices;</p> <p style="margin-left: 20px;">ii. All precautions attached to products should be properly observed and applied;</p> <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 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</p>	<p>a) FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the Group CEO on 08.05.2019. Sighted the records of the morning briefing done to all the workers dated 06.03.2020.</p> <p>b) HIRARC was available to cover all operations. The latest review was on the boiler station on 15th July 2020, due to an accident that occurred on 23rd June 2020. The workers were retrained on the reviewed HIRARC accordingly. HIRARC for Covid 19 was also available dated 01.04.2020.</p> <p>CHRA assessment was conducted on 26th July 2018 by registered assessor JKPP HIE 127/171-2(85), Mr. Ihsan Sharif.</p> <p>Audiometric Test was last conducted for all mill workers that are exposed to noise on 16.02.2019. A total of 8 workers were found to have STS on one or both ears. 2 workers had hearing impairment. The plan of action was produced where the workers involved were to undergo yearly audiometry test.</p> <p>Medical Surveillance was conducted on 10 workers who have been exposed to chemicals. The report dated 26th</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist, and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>June 2020 indicated that all workers had no traces of chemicals in the tested samples.</p> <p>c) The mill has established a training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager and Asst. Manager to the supervisors and operators. Sighted the training records as follows:</p> <ul style="list-style-type: none"> • SOP Training – Chemical Handling: 06.03.2020 • PPE Training: 11.07.2020 <p>d) The mil has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and CHRA Recommendations. Sighted during site visit at the boiler station, workshop and engine room station, the workers were provided with leather gloves, mask, earplug, safety helmet and safety shoes. The workers acknowledged that the are entitled to appropriate PPE free of charge by the management.</p> <p>e) Bukit Sagu POM 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 Register was available with all used chemicals listen in the register dated 22.07.2020.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>f) Mill Manager, En. Muhammad Syafiq bin Sarani was appointed to be the Chairman of OSH Committee at the mill as per letter signed by the Regional Controller 1, dated 01.02.2020. Mill management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>g) The management conducted OSH committee meeting on quarterly basis and when necessary due to accident that occur. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated 21.07.2020 (02/2020) and 19.02.2020 (01/2020)</p> <p>h) Accident & Emergency Response Plans are available for Emergency Contact Number, Emergency Evacuation, First Aid Locations, Fire Extinguisher Locations, Emergency Response Plans (Fire, Chemical Spillage, Chemical Contamination, Flood and Accident) and displayed at strategic locations around the mill, estate office and stores. The competent personals are appointed and trained to be part of the Emergency Response Team. Appointment letters were sighted in the POM.</p> <p>i) The assigned first aiders were present at the site visited. They showed understanding on the contents and usage of</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>the items in the First Aid Kits. First aid kits were available at the sampled locations mentioned in the First Aid Kit Location Map. Sampled First aid Kit boxes showed regular maintenance and records of the usage.</p> <p>j) There were 1 accident case reported for the year 2020 as of the audit date involving the Boiler Station dated 23rd June 2020. The HIRARC was revised dated The JKPP 6 form was submitted to JKPP with the form available for verification. The JKPP 8 form for 2019 was submitted on 20.01.2020. There were 2 accident cases reported for the year. The reports were available for verification.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>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). Communication to workers on Group Sustainability Policy was conducted on 01/10/20 and attendance recorded.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Group Sustainability Policy under Responsible Employment (clause 5.1.2) states clearly on equal opportunity and treatment. Communication to workers has been conducted on 01/10/20.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements.</p>	<p>Number of employees: 42. No foreign workers at POM.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>The latest collaborative agreement between FGV Palm Industries Sdn Bhd and Trade Union FGV Palm Industries Sdn Bhd Semenanjung for 01 January 2019 – 31 December 2021.</p> <p>Sighted pay slips for month April, June and Aug 2020 for below employees:</p> <ol style="list-style-type: none"> 1. Employee ID: 1201834 2. Employee ID: 1207197 3. Employee ID: 1207081 4. Employee ID: 1212083 	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Sighted the Suria Pajar Enterprise employee’s pay slip on April, June and Aug 2020 as below:</p> <ol style="list-style-type: none"> 1. Muhammad Suib bin Rahim 2. Mohamad Ferhad Amrey <p>However, sighted in June 2020 pay slip for Muhammad Suib bin Rahim, 1 rest day was not paid double as per Employment Act 1955. Hence a minor NC was raised.</p> <p>The employment contract also stated the hours of works is 9 hours inclusive of 1 hour of break which not accordance to the Employment Act 1955 Section 60A 1 (ii).</p>	Non-compliance
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>	<p>List of workers sighted with names, identification numbers, date joined, gender and date of birth.</p> <p>Letter of employment states job designation, basic wages and probation period.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employees has signed the employment contract and a copy is available during the audit.</p> <p>Sighted employment contracts for below employees:</p> <ol style="list-style-type: none"> 1. Employee ID: 1201834 2. Employee ID: 1207197 3. Employee ID: 1207081 4. Employee ID: 1212083 	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Time recording system used is punch card. An overtime calculation form is filled up together with punch card to calculate the overtime.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>A consent letter for overtime is signed by employee for the overtime work to be done in monthly basis. The consent is also signed by the Mill Manager and within legal requirements limit.</p> <p>Sighted employment contracts for below employees:</p> <ol style="list-style-type: none"> 1. Employee ID: 1201834 2. Employee ID: 1207197 3. Employee ID: 1207081 4. Employee ID: 1212083 	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Wages and overtime are indicated in pay slip. For contractor engaged, sighted payslip for Suria Pajar Enterprise-Shahrul Asraf (Sept) and Ahmad Hakimi (Aug) and minimum wages complied.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Sighted pay slips for month April, June and Aug 2020 for below employees: 1. Employee ID: 1201834 2. Employee ID: 1207197 3. Employee ID: 1207081 4. Employee ID: 1212083	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	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. - Major compliance -	Housing are provided to the workers with electricity and water supplied from government. However, the housing inspection is only conducted once a month in Bukit Sagu POM. This is not complying with Minimum Housing & Facilities Act 1990 (revised 2020) where the housing inspection need to be conducted by bi-monthly basis. Furthermore, during the site visit, it is sighted that the drainage at housing no V4 is blocked by the grasses and slowing the water movement which is not reflected in the housing inspection record.	Major non-conformity
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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

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Criterion / Indicator		Assessment Findings	Compliance
		No sexual harassment cases reported so far. If any, the process of sexual harassment complaint is referred and explained clearly during the gender committee meeting.	
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Freedom to join trade union and worker's representative is covered in policy (5.1.3.5). Employee gives consent to join trade union.</p> <p>Also seen in their payslips a deduction of RM 7.00 monthly for membership.</p> <p>The minute of meeting for FPISB trade union for Bukit Sagu branch is sighted dated 25/06/2020. The financial, matters of arise from previous meeting and recommendation were discussed.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>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 are workers borne in 1997 which is 23 years old now.</p>	Complied
Criterion 4.4.6: Training and competency			

Criterion / Indicator		Assessment Findings	Compliance																		
<p>4.4.6.1</p>	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>Covid-19 training and briefings were sighted at the mill. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the mill as below: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Boiler Station Training</td> <td>01.07.2020</td> </tr> <tr> <td>Safe Operations Procedure Training</td> <td>06.03.2020</td> </tr> <tr> <td>Retraining on Grading SOP</td> <td>28.06.2020</td> </tr> <tr> <td>SOP on Loading FFB into the Cages</td> <td>29.06.2020</td> </tr> <tr> <td>Kernel Station SOP Training</td> <td>05.07.2020</td> </tr> <tr> <td>Press Station SOP Training</td> <td>03.07.2020</td> </tr> <tr> <td>Individual PPE Training</td> <td>11.07.2020</td> </tr> <tr> <td>Covid-19 Training</td> <td>02.05.2020</td> </tr> </tbody> </table>	Training	Date	Boiler Station Training	01.07.2020	Safe Operations Procedure Training	06.03.2020	Retraining on Grading SOP	28.06.2020	SOP on Loading FFB into the Cages	29.06.2020	Kernel Station SOP Training	05.07.2020	Press Station SOP Training	03.07.2020	Individual PPE Training	11.07.2020	Covid-19 Training	02.05.2020	<p>Complied</p>
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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>- Major compliance -</p>	<p>The mill has conducted training need analysis for all employees, management representatives and contractors. The need analysis was conducted based on the Core and Non-Core training required for all work stations. 29 trainings were deemed required for workers, management representatives and contractors in the mill.</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>- Minor compliance -</p>	<p>The mill has a training program which is updated annually. Sighted the Training plan for FY 2020.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad have implemented an Environmental Policy Statement undersigned by the Group CEO on 18 March 2020. (Doc Number: FGV/HSE/POL/002). The policy has been recently communicated to all mill staffs and workers on 01.10.2020 and to the stakeholders on 01.10.2020.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The mill environmental plan covered the following objectives:</p> <ul style="list-style-type: none"> • 100% Compliance of boiler stack emission to EQ (Clean Air) 2014 • 100% Compliance of POME final discharge to DOE license limit 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Optimization of non-renewable energy consumption and utilization of renewable energy source	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	Depending 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
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Positive 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
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	Awareness and training programs were regularly conducted by the mill management to all employees from time to time during routine workers assembly. Among the trainings conducted were; 1. HCV Management Policy Training – 05.10.2019 2. Recycling Policy Training – 01.10.2020 3. No Open Burning Training – 01.10.2020	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are	The mill discussed the environmental issues during Environmental Performance Monitoring Committee Meeting conducted on quarterly basis. The recent meeting was conducted on 21.07.2020.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																												
	discussed. - Major compliance -	Noted during interview with employee shows the understanding on the importance of environmental quality. The employees are also encouraged to discuss environmental issues with the management.																													
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																															
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	<p>The Mill maintains records of energy usage, which is reported monthly to head office through the SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel usage for FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel (L)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr> <td>Jan 2020</td> <td>19135</td> <td>3154.75</td> <td>14412</td> </tr> <tr> <td>Feb 2020</td> <td>20233</td> <td>2659.78</td> <td>14916</td> </tr> <tr> <td>Mar 2020</td> <td>16861</td> <td>NA</td> <td>15370</td> </tr> <tr> <td>Apr 2020</td> <td>27462</td> <td>NA</td> <td>38356</td> </tr> <tr> <td>May 2020</td> <td>26295</td> <td>NA</td> <td>22166</td> </tr> <tr> <td>Jun 2020</td> <td>26018</td> <td>8550.86</td> <td>33360</td> </tr> </tbody> </table>	Month	Diesel (L)	Electricity (kWh)	Water (m ³)	Jan 2020	19135	3154.75	14412	Feb 2020	20233	2659.78	14916	Mar 2020	16861	NA	15370	Apr 2020	27462	NA	38356	May 2020	26295	NA	22166	Jun 2020	26018	8550.86	33360	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		Jul 2020	37678	2954.19	27410	
		Aug 2020	26263	2504.44	34308	
		Sep 2020	23653	2828.54	49226	
		Electricity figures were not obtained during the period Mar 2020 to May 2020 due to the MCO. The accumulative period was then shown in June (Mar to Jun 2020).				
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the mill's yearly budgets.				Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre 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.				Complied
Criterion 4.5.3: Waste management and disposal						
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Waste Products have been identified in the "Pelan Pengurusan Sisa Domestik Dan Bahan Buangan Tahun 2020.				Complied

Criterion / Indicator		Assessment Findings		Compliance
	- Major compliance -	Source	Types of Waste	
		Mill Operations	POME, Shells, POME Cake, EFB	
			Tyres	
			Scrap Metal, Used Wood	
			Used PPE	
			Spent Lubricants, Spent Oil Filters	
		Office	Paper & Plastics	
		Housing Quarters	Plastic, Glass, Rags, Aluminum	
			Electronic Items	
			Used Furnitures	
			Domestic Waste	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <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>Waste Products have been identified in the "Pelan Pengurusan Sisa Domestik Dan Bahan Buangan Tahun 2020.</p> <p>a) Used chemical drums are disposed through the supplier to Maju Perawatan Air & Alam Sekitar Sdn. Bhd. Sighted the latest disposal of 10 Chemical Drums dated 14.09.2020.</p>		Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>b) Bukit Sagu POM have circulated a MEMO dated 05.10.2018 to all staffs and workers stating that all personals are prohibited to participate in any open burning in the mill compound and housing quarters.</p> <p>c) Scheduled Waste Items were disposed as follows: 0.2mt of SW 305, 0.07 mt of SW410 (Spent Filters) and 0.45 mt of SW410 (Rags) disposed through Pentas Flora Sdn. Bhd on 23.06.2020. Consignment Note Number: C02097.</p>	
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>It was sighted the SOP for Schedule Waste Management available in the Mill. During the visit to the mill it was sighted that the waste was well managed and allocated at the schedule waste store available. No waste was seen around the vicinity of the mill.</p> <p>Records sighted for Schedule Waste were the e-Swiss (Fifth Schedule (Regulation 11) Inventory Of Schedule Waste recorded on monthly basis and submitted online.</p> <p>The Mill Manager, En. Mustafa Saifudeen Bin Abdul Walid, was identified as the Certified Environmental Professional In Scheduled Waste Management in the Mill. The certificate by Jabatan Alam Sekitar Malaysia was available for verification.</p> <p>Felda Palm Industries Sdn. Bhd have implemented a Standard Operating Procedure for Chemical Handling (Document Number: FPI-PK-036). All waste materials were disposed in accordance to the SOP and legal requirements. Sighted the records of Waste disposal as below:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>a) Scheduled Waste Items were disposed as follows: 0.2mt of SW 305, 0.07 mt of SW410 (Spent Filters) and 0.45 mt of SW410 (Rags) disposed through Pentas Flora Sdn. Bhd on 23.06.2020. Consignment Note Number: C02097.</p> <p>b) Used chemical drums are disposed through the supplier to Maju Perawatan Air & Alam Sekitar Sdn. Bhd. Sighted the latest disposal of 10 Chemical Drums dated 14.09.2020</p>	
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Domestic waste was disposed in designated landfill located in Felda Bukit Sagu 02, which is far from any housing area and natural water sources. Sighted the records of domestic waste collected 2 times a week for the month of July, August and September 2020.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Environmental impact assessment was guided by the 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.</p> <p>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.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance											
		<p>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 24.02.2020 with the Evaluation Report available for verification.</p>												
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>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"> • 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 • Implementation of emergency response plan • Provision of premix area • Construction of oil trap • Recycling wastes <p>Stack Emission Monitoring was done twice yearly in accordance with the Jadual Pematuhan by DOE. Sighted the reports for 2nd Half Year 2019 and 1st Half Year 2020. The results were as below;</p> <p>a) Stack Emission Monitoring Report for 2nd Half year 2019; Report No: STK/BSAGU/19/002. Sampling Date: 23.10.2019</p> <table border="1"> <thead> <tr> <th>Boiler</th> <th>Results</th> <th>Limit (mg/m³)</th> <th>Compliance Status</th> </tr> </thead> <tbody> <tr> <td>Boiler No.1</td> <td>116.26</td> <td rowspan="2">150</td> <td>Complied</td> </tr> <tr> <td>Boiler No.2</td> <td>107.83</td> <td>Complied</td> </tr> </tbody> </table>	Boiler	Results	Limit (mg/m ³)	Compliance Status	Boiler No.1	116.26	150	Complied	Boiler No.2	107.83	Complied	Complied
Boiler	Results	Limit (mg/m ³)	Compliance Status											
Boiler No.1	116.26	150	Complied											
Boiler No.2	107.83		Complied											

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Criterion / Indicator		Assessment Findings	Compliance												
		<p>b) Stack Emission Monitoring Report for 1st Half year 2020; Report No: STK/BSAGU/20/001.</p> <table border="1"> <thead> <tr> <th>Boiler</th> <th>Results</th> <th>Limit (mg/m³)</th> <th>Compliance Status</th> </tr> </thead> <tbody> <tr> <td>Boiler No.2 (25.06.2020)</td> <td>139.2</td> <td>150</td> <td>Complied</td> </tr> <tr> <td>Boiler No.1 (24.06.2020)</td> <td>149.43</td> <td>150</td> <td>Complied</td> </tr> </tbody> </table>	Boiler	Results	Limit (mg/m ³)	Compliance Status	Boiler No.2 (25.06.2020)	139.2	150	Complied	Boiler No.1 (24.06.2020)	149.43	150	Complied	
Boiler	Results	Limit (mg/m ³)	Compliance Status												
Boiler No.2 (25.06.2020)	139.2	150	Complied												
Boiler No.1 (24.06.2020)	149.43	150	Complied												
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>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&G, AN and TN.</p> <p>Appropriate corrective actions such as carrying out desludging and repairing the broken bund walls of a pond were taken on regular basis. The recording of these corrective actions was maintained through the mill's environmental management system.</p>	Complied												
Criterion 4.5.5: Natural water resources															
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources.</p>	<p>a) The mill has established Water Management Plan FY 2020. 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.</p>	Complied												

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Criterion / Indicator		Assessment Findings	Compliance
	<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<p>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:</p> <ul style="list-style-type: none"> • Final Discharge Point Certificate Analysis No. 3275/2020; Date: 07.09.2020; BOD results: 99ppm; pH results: 8.56; COD Results: 726 • Sample 6823/2020 (M2/2020) River Upstream (Sungai Reman) Point Certificate of Analysis no. 3276/2020; date: 07.09.2020; BOD results: 12ppm; pH: 9.27 • Sample 6824/2020 (M2/2020) River Downstream (Sungai Reman) Point Certificate of Analysis no. 3276/2020; date: 07.09.2020; BOD results: 16ppm; pH: 9.32 <p>The sample analysis results shown river water quality did not negatively affected from mill activity.</p> <ul style="list-style-type: none"> • Rainwater harvesting implemented through roof gutter collection tank for mill cleaning purpose 	
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	discharge practice. For the time being implementation still pending due to budgeting.	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	<p>As for the mill, 3-tier Documentation System was in place:</p> <ol style="list-style-type: none"> 1. Tier 1: QOHSEMS Management Manual; Doc. no.: FPI/L1/QOHSE-1.0; Rev. 1.0; Date: 18.11.2016 2. Tier 2: QOHSEMS Procedure; Doc. no.: FPI/L2/QOHSE- 1.0 – FPI/L2/QOHSE-25.0; Rev. 14; Date: 31.05.2017 3. Tier 3: QOHSEMS Specific Work Instruction; FPI/L3/1-01 - FPI/L3/16-01; Rev. 24; Date: 31.05.2017; 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. <p>Sighted the latest SOP for Movement Control Order (Document Number: FPI-PK-115. Date: 08.05.2020</p>	Complied
4.6.1.2	All palm oil mills shall implement best practices.	Among the mechanism to check consistent implementation of procedures at the estates were daily field supervision, taskforce	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	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.	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan for FY19/20 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization, FFB pricing etc. It also includes environment, social (workers and staff's welfare), and health and safety component. The mill also has a 10-year projection of FFB based on figures from the year 2020 – 2029.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The pricing of the services given is stated in the agreement contract. Sampled sighted for Suria Pajar Enterprise (Tender No: BS/4046/148/2020) for providing the manpower material, tools, transportation and required action for unripe, rotten, empty bunch for 1 month in Aug 2020. SPK NO: 3301438502/1301092808 dated 30/07/2020 signed by Suria Pajar Enterprise.	Complied

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		Also sighted Tai Chi Enterprise Sdn Bhd contract agreement started March 2019 until further notice. The buy terms included OER, transportation, MPOB fee and processing fees.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	As per sampled 4.6.3.1, the payment was made on 01/10/2020 autodebit SSC for FFB supplier and Suria Pajar Enterprise on 02/09/2020 (invoice no: 0314) for RM 8994.09. Sighted the auto debit SSC – Pembekal BTS Luar vendor code 6015151, SAP Doc no: 340075139 amount RM XX for Tai Chi Enterprise dated 01/10/2020.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Contractors has signed the Supplier Code of Conduct (SCOC) which incorporated child labour, forced labour, communication, etc. Sighted Suria Pajar Enterprise has signed the SCOC on 02/01/2020. RSPO & whistleblowing briefing has been conducted on 01/10/2020 to contractors. Suria Pajar Enterprise representative, Muhammad Faizulrullah has signed a memo stated that he was informed, understand and will complying about MSPO. He will also allow auditor to audit him if required.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sampled sighted for Suria Pajar Enterprise (Tender No: BS/4046/148/2020) for providing the manpower material, tools, transportation and required action for unripe, rotten, empty bunch for 1 month in Aug 2020.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		SPK NO: 3301438502/1301092808 dated 30/07/2020 signed by Suria Pajar Enterprise.	
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	Contractors has signed the Supplier Code of Conduct (SCOC) which incorporated child labour, forced labour, communication, etc. Sighted Suria Pajar Enterprise has signed the SCOC on 02/01/2020. RSPO & whistleblowing briefing has been conducted on 01/10/2020 to contractors. Suria Pajar Enterprise representative, Muhammad Faizulrullah has signed a memo stated that he was informed, understand and will complying about MSPO. He will also allow auditor to audit him if required.	Complied

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	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
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Policy states commitment to economic improvement, environmental sustainability and social and improve milling productivity and profitability.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	A combined MSPO & RSPO internal audit for the mill was conducted on 15-17/07/2020 by personnel from Sustainability Compliance & Certification Department of FGV Group Sustainability Division.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	As per Corrective Action Report on Non-Compliance Findings: 1. FGV Bukit Sagu 7 Estate: A total of 17 findings have been highlighted by Internal Auditors. Corrective action plan for all NCs had been submitted by the mill and estates to internal auditors. Most of the corrective actions were still on-going with 8 non-compliances were closed, 8 in progress and 1 open.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		FGV Bukit Sagu 8 Estate: total of 15 findings have been highlighted by Internal Auditors. Corrective action plan for all NCs had been submitted by the mill and estates to internal auditors. Most of the corrective actions were still on-going with 6 non-compliances were closed, 9 open.	
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Reports of internal audit was made available for management review as per following: - "Checklist Integrasi Audit Dalam Pensiilan Kelestarian 2020" - "Laporan Lawatan Lapangan Audit Dalam MSPO/RSPO 2020" - "Pelan Tindakan dan Kemajuan Penutupan NCR RSPO/MSPO 2020".	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Latest management review meeting was conducted as per sighted minutes of meeting records as following: <ol style="list-style-type: none"> 1. Bukit Sagu 7 Estate: Management Review Meeting No. 03/2020; Date: 15/08/2020. 2. Bukit Sagu 8 Estate: Management Review Meeting No. 01/2020; Date: 13/08/2020. 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	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Bukit Sagu 07 & Bukit Sagu 8 Estates have implemented a continuous improvement plan for the year 2020 with the target date for completion. The improvements include;</p> <ol style="list-style-type: none"> 1. Optimizing Production. <ul style="list-style-type: none"> • Obtaining yield > 18.85 mt/Ha • Obtaining production cost/mt < RM 265.00 2. Environment <ul style="list-style-type: none"> • Zero Open Burning 3. Social <ul style="list-style-type: none"> • Employee Consultative Meeting • Provide PPE to all workers 	<p>Complied</p>
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The estates have included the introduction of new technology in the continuous improvement plans that have been planned for the year 2020.</p> <p>Bukit Sagu 07 Estate has adopted the usage of Power Spray Machine as a new introduction in the estate. Bukit Sagu 08 POM have adapted</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		the use of mist blower as a new introduction in the estate to increase productivity as well as lower the operation costs.	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Bukit Sagu 07 and Bukit Sagu 08 Estates have obtained the appropriate budget to purchase and maintain the machineries that have been adapted into their operations as can be verified through the annual budget of each estates.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	MSPO requirements are communicated to stakeholder through: 1. RSPO/MSPO training to contractors/employees on 29/09/2020 (Bukit Sagu 7 Estate) and 07/09/2020 (Bukit Sagu 8 Estate). 2. Socialization of Group Sustainability Policy to Wilayah Temerloh on 12/11/2019.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social 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
Criterion 4.2.2 – Transparent method of communication and consultation			

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Procedure for communication and consultation ML-1A/L2-Pr 12(0) has been established for communication with internal and external stakeholders.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>Communication executive has been nominated via letter of appointment as below:</p> <ol style="list-style-type: none"> 1. FGV Bukit Sagu 7 Estate: Dated 05/08/2020 to Mr. Mohd Sofiyan bin Mohamad. He is responsible on stakeholder consultation (internal and external), any complaint/grievances matter and SIA impacts follow-up. 2. FGV Bukit Sagu 8 Estate: Dated 04/02/2020 to Mr. Mohd Sharil & Mr Nasrul. They are responsible on stakeholder consultation (internal and external), any complaint/grievances matter and SIA impacts follow-up. 	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>List of stakeholders has been updated as at 2020 including government agencies, NGOs, neighbours estate non FGV and other FGV estates, quarry, hospital, clinics, schools, kindergarden identified.</p> <p>A consultation with external stakeholders was conducted on 24/08/2017 by FGV Kuantan district and well recorded. On 01/10/2020, the external stakeholder with contractors, school and vendors were conducted at FGV-Bukit Sagu POM and socialization of Group Sustainability Policy to Wilayah Temerloh on 12/11/2019.</p> <p>SIA procedure (ML -1A/L2-Pr21 dated March 2019) states external stakeholders' consultation is conducted at district level every 5 years once.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>FGV has established SOP for traceability for all estate and documented in 'Manual Ladang Sawit Lestari – Mengangkut BTS ke Kilang'. Refer doc no. MSL (Ed.3)-Sec.4 (8.0) issued on 1/9/2017.</p> <p>The SOP used sets of form to be filled by the estate to trace the origin of the FFB.</p> <ul style="list-style-type: none"> i. Labelled for lorry – Lorry no., Estate Name, Mill Name ii. FFB quality certificated – Field/Blok, Total FFB, Average Bunch Weight, Estimate weigh, date. <p>FFB dispatch note</p>	<p>Complied</p>
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>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 15-17/07/2020.</p>	<p>Complied</p>
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>Bukit Sagu 7 Estate: Appointment as Person In-Charge of Traceability; Name: Mohd Dzulfikri bin Abd Aziz; Letter ref. # () MSPO; Date: 23/09/2019.</p> <p>Bukit Sagu 8 Estate: Appointment as Person In-Charge of Traceability; Name: Mohd Sharil & Nasrul; Letter ref. # (02) FGVPM/RSPO/3.2.2; Date: 03/02/2020.</p>	<p>Complied</p>
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p>	<p>Records of production and delivery of FFB were well maintained as per following samples:</p> <ol style="list-style-type: none"> 1. Rumusan Hasil Bagi Tahun 2020 for FGV Bukit Sagu 7 Estate. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Pengeluaran Hasil Harian for Sept 2020 for FGV Bukit Sagu 8 Estate.	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Both estates continue to comply with all local, state, national and ratified international laws and regulations. Verified the Permits and Licenses as below for both estates; <u>Bukit Sagu 07 Estate</u> <ol style="list-style-type: none"> 1. MPOB License; License Number: 559045002000; License Validity Period: 01.03.2020 till 28.02.2021. 2. Diesel Permit; Diesel (10,000 Liters); Reference Number: PHG/PD/K/33/97. 3. Petrol Permit; Petrol Ron 95 (100 Liters/Day); Reference Number: PHG/P/K/044/2019; Valid from 01.05.2020 till 31.10.2020. 4. Air Compressor License; Registration Number: PH PMT 82030; License valid till 24.05.2021 <u>Bukit Sagu 08 Estate</u> <ol style="list-style-type: none"> 1. MPOB License; License Number: 558969002000; License Validity Period: 01.03.2020 till 28.02.2021. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Permit Barang Kawalan Berjadual; Diesel (10, 000 Liters); Reference Number: PHG/PD/K/05/20. Valid till 20 February 2021</p> <p>3. Permit Khas Barang Kawalan Berjadual; Petrol Ron 95 (200 Litres/Day); Supplier: BHP Petrol Station; Reference Number: PHG/PK/045/2019. Valid till 31 October 2020.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>All legal requirement was documented in Register of Legal and Other Requirement. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at the estates were reviewed/updated on a yearly basis / as and when needed for new updates/licenses.</p> <p><u>Bukit Sagu 07 Estate</u></p> <p>Sighted the file Register of Legal and Other Requirements available at the mill undersigned by the Estate Manager. The document lists the latest applicable laws and amendment, revision dates and acknowledgement by the management</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>Sighted the file Register of Legal and Other Requirements available at the mill undersigned by the Estate Manager. The document lists the latest applicable laws and amendment, revision dates and acknowledgement by the management</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.1.3</p> <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>All legal requirement was documented in the register of Legal and Other Requirement.</p> <p>The legal and other requirements were registered accordingly and documented in the Legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019 and Auxiliary Police Regulations 1970, Movement Control Order & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.</p> <p>Nevertheless, some of the latest updates were not included in the register for both estates. Bukit Sagu Estate 07 and 08 did not have the Movement Control Order 2020 updated in their legal register. The mechanism to ensure that all amendments or new regulations coming into force to be updated in the legal register was not in place.</p>	<p>Non-compliance</p>
<p>4.3.1.4</p> <p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p><u>Bukit Sagu 07 Estate</u></p> <p>Bukit Sagu 07 Estate has appointed Mohd Solihuddin Bin Yaacob as the PIC responsible for Legal and Other Requirements. Sighted the appointment letter undersigned by the Mill Manager dated 2nd August 2020.</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>Bukit Sagu 08 Estate has appointed Nasrul Bin Mohd Naim as the PIC responsible for Legal and Other Requirements. Sighted the</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		appointment letter undersigned by the Mill Manager dated 7 th May 2020.	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	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.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Both estates provided documents showing legal ownership or lease and history of land tenure for verification. Sampled the Land Grant and Quit Rent for Bukit Sagu 07 as below; <ul style="list-style-type: none"> Lease ownership is based on land title under Felda HQ for plantation till 22 June 2097 e.g. PT 1112 – Grant no: 060402HSD00017970. 	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	<p><u>Bukit Sagu 07 Estate</u></p> <p>Legal perimeter boundaries were visibly marked to demonstrate the legally owned land of the estate. During the site visit, Electric Fencing and Security Trenches were sighted along the boundaries with Ladang Berdikari Sungai Kolek (003’ 58’ 46N) and SM Pelangi.</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>Legal perimeter boundaries were visibly marked to demonstrate the legally owned land of the estate. During the site visit, Security</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Trenches were sighted along the boundaries with Felda Settlers. Buffer Zones were available for areas boundary to the rivers and jungles.	
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	No dispute sighted as it is legal ownership of FGV.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The 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 complex.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	Maps are available identifying the demarcation of the land and no customary land around this area.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	Group Sustainability Policy dated 29/05/19 and procedure FPIC (ML-1A/L2-Pr10 (0) is available but no evidence of any claims.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impact should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Social Impact assessment was conducted on:</p> <ol style="list-style-type: none"> 1. FGV Bukit Sagu 7 Estate: 18/09/19 by Mr Azwan Muhammad from Sustainability Compliance Certification (Doc no: FGV/SCC-SIA) with procedure SIA FGV/ML-1A/L2-Pr21 (issue/rev 1/2) dated March 2019. A total of 22 internal and 5 external stakeholders were consulted. 8 negative impacts and 21 positive impacts was recorded, and short, mid and long-term action being followed up. 2. FGV Bukit Sagu 8 Estate: 18/09/19 by Puan Nur Hazwani Binti Norhata from Sustainability Compliance Certification (Doc no: FGV/SCC-SIA) with procedure SIA FGV/ML-1A/L2-Pr21 (issue/rev 1/2) dated March 2019. A total of 28 internal and 3 external stakeholders were consulted. 4 negative impacts and 17 positive impacts was recorded, and short, mid and long-term action being followed up. 	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Evidence of complaint by internal and stakeholder as below:</p> <p>FGV Bukit Sagu 7 Estate:</p> <ol style="list-style-type: none"> 1. 22/09/2020: Nor Aini Sarif requested change cover for speedometer and completed on 24/09/2020. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. 23/09/2020: Azman requested for change of damaged water filter at Hostel 1, 2, 3. FGV Bukit Sagu 8 Estate: 1. 20/09/2020: Edwin Nasip requested to change the door knob and completed on 24/09/2020. 2. 16/09/2020: Khairul Amir requested to change hostel roof, lamp and broken door and completed on 28/09/2020.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Complaint record book and complaint form (mainly housing complaints) available.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	During stakeholder consultation on 29/09/2020 and socialization of Group Sustainability Policy to Wilayah Temerloh on 12/11/2019, the stakeholder (contractors, school and vendors) were explained on Grievance mechanism process. Noted that employees and community (kindergarten, contractors, surrounding estate) are well aware of the complaint mechanism. During site visit at Melur Hostel, interview session with workers showed the lack of communication on grievance procedure awareness. Among the complaints received are: 1. Only 1 fan installed in their hostel room, but other room have 2 fans.	Non-compliance

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 2. In February 2020, sprayer has asked to do extra works after 5 pm, and if the herbicides are not working, they were not paid for the extra job. 3. Worker has leg injured to fell at river yesterday. He has informed the supervisor to go to clinic however, he is still waiting for the transportation to clinic until this evening. 4. Workers were not given permission to go to the market to buy their groceries. <p>All of these complaints were verbally informed to the supervisor and management, but no action taken todate. Hence, a minor NC was raised.</p>	
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	Record book and housing complaint forms are kept from 2017 (Bukit Sagu 7 Estate) and 2019 (Bukit Sagu 8 Estate) and has evidence of complaints for 24 months.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>The records for Corporate Social Responsibility carried out in 2020 as follows:</p> <ol style="list-style-type: none"> 1. FGV Bukit Sagu 7 Estate: Donation of groceries to workers during movement control order amounted RM 35/employee. 2. FGV Bukit Sagu 8 Estate: Contribution for the FELDA society such as transportation, tools, manpower for the cleaning and 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		beautification project at graveyards, schools, mosque and FELDA office on 11/09/2020, 23/08/2020 and 18/01/2020.	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the GCO on 08.05.2019. The policy has been recently communicated to all estate staffs and workers on 24.09.2020 (Bukit Sagu 07).	Complied
4.4.4.2	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.	<p>a) FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the GCO on 08.05.2019. The policy has been recently communicated to all estate staffs and workers.</p> <p>b) <u>Bukit Sagu 07 Estate</u> HIRARC was used to assess the risk of all operations within the estate. Sighted the HIRARC for Covid 19 dated 27th July 2020. Also sighted the HIRARC for Spraying using CDA & Mist Blower, Workers Transport, manuring, Harvesting using Chisel and Sickle, Office, etc.</p> <p>CHRA has been conducted with the CHRA Report (Ref No: JKPP HIE 127/171/2(8) – 2017/097) available for verification dated 09.01.2019 by Registered DOSH Assessor (JKPP HIE 127/171/2(8)).</p> <p>Occupational Medical Surveillance was conducted for 23 workers that have been exposed to chemicals (Glyphosate) on</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied 	<p>01.11.2019 by Klinik Syed Badaruddin Registerd DOSH Dr. Syed Badaruddin Syed Ali (JKKP No. HQ/08/DOC/00/7). The results indicated that all 23 workers had no traces of chemical present in the samples and that all were fit to work.</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>CHRA has been conducted with the CHRA Report (Ref No: JKPP HIE 127/171/2(8) – 2017/142) available for verification dated 08.09.2017 by Registered DOSH Assessor (JKPP HIE 127/171/2(8)).</p> <p>Occupational Medical Surveillance was conducted for 16 workers that have been exposed to chemicals (Glyphosate) on 13.09.2019 by IFZ Medical Supplies Registerd DOSH Dr. (JKPP No. HIE 127/171/2(8)-2017/042). The results indicated that all 23 workers had no traces of chemical present in the samples and that all were fit to work.</p> <p>c) The estates have established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. Sighted the training records as follows:</p> <p><u>Bukit Sagu 07 Estate</u></p> <ul style="list-style-type: none"> • Training on Spraying SOP & PPE – 03.03.2020 	

Criterion / Indicator	Assessment Findings	Compliance
<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>	<ul style="list-style-type: none"> • Training on PPE management & SOP – 01.03.2020 <p><u>Bukit Sagu 08 Estate</u></p> <ul style="list-style-type: none"> • Pre-Mixer Training – 02.07.2020 <p>d) All workers are provided appropriate PPE as required by the HIRARC. Field visit and Interview with the workers indicated that all workers are well aware that they are to wear the appropriate PPEs during work and that it is provided free of charge to them. Sighted the PPE issuance records in the 'Borang Pengeluaran & pemulangan Peralatan Perlindungan (PPE).</p> <p>e) The operating units 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 and were available for verification.</p> <p>f) <u>Bukit Sagu 07 Estate</u> Estate Manager, En. Roskamamarozamin bin Osman was appointed to be the Chairman of OSH Committee at the mill as per letter signed by the Regional Controller 1, dated 02.03.2020. Estate management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<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><u>Bukit Sagu 08 Estate</u> Estate Manager, En. En. Nasrul Bin Mohd Naim was appointed to be the Chairman of OSH Committee at the mill as per letter signed by the Regional Controller 1, dated 02.03.2020. Estate management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) <u>Bukit Sagu 07 Estate</u> Safety & Health Meetings were conducted every 3 months to address the OSH matters within the estate. The JKPP Org. Chart was available in the estate. JKPP members were appointed by the manager with the appointment letters available for verification. Meeting Minutes were available in the Doc No. FGVPM/L4/PP 4.1 Pind. 0.</p> <p><u>Bukit Sagu 07 Estate</u> The latest Health and Safety Meeting was conducted on 08.09.2020 (03/2020), 03.06.2020 (02/2020), 09.03.2020 (01/2020).</p> <p><u>Bukit Sagu 08 Estate</u> The latest Health and Safety Meeting was conducted on 15.09.2020 (03/2020)</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>h) The Emergency Response Plan was stated in the SOP document Kesediaan Menghadapi Kecemasan (Doc No. FGVPM/L2/PP-08). Among the Emergencies that have been included are Minor Spills, Major Spills, Fire, Flood Accident and Poisoning. The estate has appointed a Emergency Response Team to handle these emergencies as stated in the ERT Organization Chart. The Emergency Response Plan was available at the Office notice board and Stores. Interview with the workers indicated that they were aware of the Emergency Procedures in the estate.</p> <p>Bukit Sagu 08 Estate – ERP Training – 29.04.2020</p> <p>i) First aiders were present at various work station at the estates. The first aiders were responsible for first aid box at each workstation assigned to them by the management. During the interview with the sprayers, manures and store clerk shows the awareness regarding the emergency procedure if accidents occur, person responsible of every first aid box and the location of the nearest first aid box. The first aid box was recently replenished with all stated items available in the box.</p> <p>Bukit Sagu 07 Estate – First Aid Training – 22.07.2020 Bukit Sagu 08 Estate – First Aid Training – 10.09.2019</p> <p>j) <u>Bukit Sagu 07 Estate</u> There were no accident cases reported for the year 2019. Nevertheless, the JKKP 8 form was submitted to JKKP with the</p>	

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>submission copy available for verification dated 08.01.2020. As of the audit date there were no accident recorded for the year 2020 as well.</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>There were 1 accident case reported for the year 2019 dated 25.03.2019, involving harvesting operations. The JKPP 6 form was raised and submitted to JKPP. The JKPP 8 form for the year 2019 was submitted to JKPP on 13.01.2020.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>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).</p> <p>Communication to workers on Group Sustainability Policy was conducted on 29/09/2020 (Bukit Sagu 7 Estate) and 07/09/2020 (Bukit Sagu 8 Estate) attendance recorded.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Group Sustainability Policy under Responsible Employment (clause 5.1.2) states clearly on equal opportunity and treatment. Communication to workers on Group Sustainability Policy was conducted on 29/09/2020 (Bukit Sagu 7 Estate) and 07/09/2020 (Bukit Sagu 8 Estate) attendance recorded.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees’ pay, and conditions meet legal or industry minimum standards and as per agreed</p>	<p>Number of employees:</p> <ol style="list-style-type: none"> 1. FGV Bukit Sagu 7 Estate: 175. 2. FGV Bukit Sagu 8 Estate: 174. 	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Sighted pay slips for month April, June and Aug 2020 for below employees:</p> <p>FGV Bukit Sagu 7 Estate:</p> <ol style="list-style-type: none"> 1. Employee ID: FW04750110 2. Employee ID: FW04750891 3. Employee ID: FW04751080 4. Employee ID: LW04750030 <p>FGV Bukit Sagu 8 Estate:</p> <ol style="list-style-type: none"> 1. Employee ID: FW06290926 2. Employee ID: FW06290857 3. Employee ID: FW06290949 4. Employee ID: LW06290020 <p>Panduan Kadar Upah Kerja Bilangan 7 date effective March 2020 by CEO-FGV Plantations (Malaysia) Sdn Bhd is used as references.</p>	
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Sighted the Mahu Berjaya (transporter at FGV Bukit Sagu 7 Estate) employee's pay slip on April, June and Aug 2020 as below:</p> <ol style="list-style-type: none"> 1. Employee: Sarjono bin Sahnun (Driver) <p>At Bukit Sagu 8 Estate, the transporter (Impian Jaya Plantations Sdn Bhd) driver's pay slip for April, June and Aug 2020 were sampled as below:</p> <ol style="list-style-type: none"> 1. Employee: Amir Muzaki 	<p>Non-compliance</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Employee: Burhan</p> <p>However, in Bukit Sagu 8 Estate, it was found that the contractor's workers for Impian Jaya Plantations Sdn Bhd (transporter) has the made the deduction of SOCSO contribution from employee salary as stated in pay slip for April, June and August 2020. For foreign worker, the SOCSO contribution should be made by employer in accordance with EMPLOYER'S CIRCULAR NO. 3 YEAR 2018, EMPLOYEES' SOCIAL SECURITY ACT, 1969, TRANSFER OF FOREIGN WORKERS' COVERAGE FROM THE FOREIGN WORKERS COMPENSATION SCHEME (FWCS), THE DEPARTMENT OF LABOUR TO SOCSO EMPLOYMENT INJURY SCHEME.</p>	
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>List of workers sighted with names, identification numbers, date joined, gender and date of birth.</p> <p>Letter of employment states job designation, basic wages and probation period</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employees has signed the employment contract and a copy is available during the audit.</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
		<p>Sighted employment contracts for below employees:</p> <p>FGV Bukit Sagu 7 Estate:</p> <ol style="list-style-type: none"> 1. Employee ID: FW04750110 2. Employee ID: FW04750891 3. Employee ID: FW04751080 4. Employee ID: LW04750030 <p>FGV Bukit Sagu 8 Estate:</p> <ol style="list-style-type: none"> 1. Employee ID: FW06290926 2. Employee ID: FW06290857 3. Employee ID: FW06290949 <p>Employee ID: LW06290020</p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>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>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>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 sighted as reflected in the pay slip as clause 4.4.5.6.</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</p>	<p>Wages and overtime are indicated in pay slip. Sighted for Shahrul Asraf (Sept) and Ahmad Hakimi (Aug) and minimum wages complied.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>agreements.</p> <p>- Major compliance -</p>	<p>Sighted pay slips for month April, June and Aug 2020 for below employees:</p> <p>FGV Bukit Sagu 7 Estate:</p> <ol style="list-style-type: none"> 1. Employee ID: FW04750110 2. Employee ID: FW04750891 3. Employee ID: FW04751080 4. Employee ID: LW04750030 <p>FGV Bukit Sagu 8 Estate:</p> <ol style="list-style-type: none"> 1. Employee ID: FW06290926 2. Employee ID: FW06290857 3. Employee ID: FW06290949 4. Employee ID: LW06290020 	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>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
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Housing are provided to the workers with electricity and water supplied from government.</p> <p>Newly joined workers are provided mattress, locker, gas stove (sharing basis) etc. as per employment contract signed. It was evident during the site visit at worker's hostel.</p> <p>Sighted the budget for worker's hostel maintenance for year 2020 sighted. It is RM 800/hostel/year and RM 18/sanitation/unit/year.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Housing inspection is conducted weekly by FGV Bukit Sagu 7 & 8 Estate.	
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Group Sustainability Policy (clause 5.1.3.7) on discrimination against women and explained refresher on 12/11/2019 to all employees. Procedure on Women Committee (ML-1A/L2-Pr1.4 (0) dated 01/06/16. Gender committee minutes of meeting sighted conducted on 02/08/2020 (FGV Bukit Sagu 7 Estate) and 11/09/2020 (FGV Bukit Sagu 8 Estate). No sexual harassment cases reported so far. If any, the process of sexual harassment complaint is referred and explained clearly during the gender committee meeting.	Complied
4.4.5.13	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. - Major compliance -	Freedom to join trade union and worker's representative is covered in policy (5.1.3.5). Employee gives consent to join trade union. Also seen in their payslips a deduction of RM 7.00 monthly for membership. The minute of meeting for Kesatuan Pekerja-Pekerja FGV Plantations (Malaysia) Sdn Bhd is sighted dated 13/02/2020 for staff level and 09/09/2020 for estate level. The financial, matters of arise from previous meeting and recommendation were discussed.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education	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. Sighted as below: 1. FGV Bukit Sagu 7 Estate: Youngest are workers born in 2000 which is 20 years old now.	Complied

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	programmes. Children shall not expose to hazardous working conditions. - Major compliance -	2. FGV Bukit Sagu 8 Estate: Youngest are workers born in 2001 which is 19 years old now.													
Criterion 4.4.6: Training and competency															
4.4.6.1	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. - Major compliance -	<p>All employees, contractors and relevant smallholders were appropriately trained. The training records, attendance and photographic evidence were available for each training that were conducted and was readily available for verification. Among the trainings sighted were;</p> <p><u>Bukit Sagu 07 Estate</u></p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>First Aid Training</td> <td>03.10.2020</td> </tr> <tr> <td>Training on Spraying SOP and PPE</td> <td>03.03.2020</td> </tr> <tr> <td>Training on PPE Management & Spraying</td> <td>01.03.2020</td> </tr> <tr> <td>Training on Manuring SOP</td> <td>06.02.2020</td> </tr> <tr> <td>FFB Harvesting and Pruning Training</td> <td>02.02.2020</td> </tr> </tbody> </table>	Training	Date	First Aid Training	03.10.2020	Training on Spraying SOP and PPE	03.03.2020	Training on PPE Management & Spraying	01.03.2020	Training on Manuring SOP	06.02.2020	FFB Harvesting and Pruning Training	02.02.2020	Complied
Training	Date														
First Aid Training	03.10.2020														
Training on Spraying SOP and PPE	03.03.2020														
Training on PPE Management & Spraying	01.03.2020														
Training on Manuring SOP	06.02.2020														
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Criterion / Indicator		Assessment Findings		Compliance
		IPM Management - Planting of Beneficial Plant Training	29.09.2020	
		IPM Management – SOP for Barn Owl Census Training	29.09.2020	
		IPM Management – SOP for Rat Baiting Training	16.06.2020	
		<u>Bukit Sagu 08 Estate</u>		
		Training	Date	
		Loading and Arranging FFB Training	11.02.2020	
		FFB Harvesting Training	07.04.2020	
		Pre-mixing Chemical Training	02.07.2020	
		Fire Fighting Training	12.08.2020	
		Rat Baiting Training	05.08.2020	
Tractor Driving SOP Training	30.09.2020			
Recycling Training	08.07.2020			

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>- Major compliance -</p>	<p>The estates visited had conducted the training need analysis for all employees, management and contractors available in the Analisis Keperluan Latihan 2020. The training need analysis were conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for the year 2020 for both estates.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A training programme has been developed and available in the Pelan Latihan 2020. The trainings were sighted to have also included Environment, GAP, Aspect & Impact, OSH, Work Activity, Policies and involves staffs, workers and contractors.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad have implemented an Environmental Policy Statement undersigned by the Group CEO on 18 March 2020. (Doc Number: FGV/HSE/POL/002). The policy has been communicated to all workers, staffs and stakeholders during morning muster and regular meetings conducted.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. 	<p>As per Borang Program Pengurusan Kualiti, Alam Sekitar, Sosial, Keselamatan & Kesihatan Pekerjaan; Form # FGV/FGVPM/F(IMS)/3.2 Pind 1; Date: 30/9/2019, the environmental plan covered the following objectives:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> Reduction of diesel GHG emission by 1% from 2018 Zero domestic waste contamination in workers housing and hostel area by 2019 Reduction of non-renewable resources consumption 100% handling of used PPE as Scheduled Waste SW409 <p>The aspects and impacts of all operations were assessed and documented as following:</p> <ul style="list-style-type: none"> <u>Bukit Sagu 07 Estate</u> Laporan Aspek Impak Alam Sekitar Melalui Aktiviti Perladangan, Bahan Buangan Dan Pencemaran. (Doc Numner:1/2020) Dated 06.04.2020. <u>Bukit Sagu 08 Estate,</u> Aspek Impak Assessment was available dated 09.03.2020 to cover all areas. 	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>Depending 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.</p> <p>Estates 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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance										
		IPM implementation including fertilizer issuance records, Barn Owl Box census programs were available as part of the management plan.											
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Both estates have established the environmental management plan based on the Environmental Aspect Impact Identification. The estates continued to promote activities that gives positive impact to the environment by continuously provided awareness to the employee. The promotion was communicated through training, briefing and signage.	Complied										
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	<p>Awareness and training programs were regularly conducted by estate management to all employees from time to time during routine workers assembly and relevant trainings conducted as per the training program. Among the trainings sighted were:</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>IPM Management - Planting of Beneficial Plant Training</td> <td>29.09.2020</td> </tr> <tr> <td>IPM Management – SOP for Barn Owl Census Training</td> <td>29.09.2020</td> </tr> <tr> <td>IPM Management – SOP for Rat Baiting Training</td> <td>16.06.2020</td> </tr> <tr> <td>Recycling Training</td> <td>08.07.2020</td> </tr> </tbody> </table>	Training	Date	IPM Management - Planting of Beneficial Plant Training	29.09.2020	IPM Management – SOP for Barn Owl Census Training	29.09.2020	IPM Management – SOP for Rat Baiting Training	16.06.2020	Recycling Training	08.07.2020	Complied
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Recycling Training	08.07.2020												

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p><u>Bukit Sagu 07 Estate</u></p> <p>Environmental Issues were discussed simultaneously during the OSH Meeting dated 03.06.2020 and 08.09.2020.</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>Environmental Issues were discussed simultaneously during the OSH Meeting dated 15.09.2020.</p>	Complied
<p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p>			

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Criterion / Indicator		Assessment Findings	Compliance																																				
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The monitoring of non-renewable energy usage was conducted on a monthly basis by the estates.</p> <p>Sighted the sampled monitoring records for diesel, electricity and water usage for FY 2020 as follows:</p> <p>Bukit Sagu 07 Estate</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel (Litres)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr> <td>Jan 2020</td> <td>5116</td> <td>16521</td> <td>47319</td> </tr> <tr> <td>Feb 2020</td> <td>4301</td> <td>15252</td> <td>47290</td> </tr> <tr> <td>Mar 2020</td> <td>3843</td> <td>15351</td> <td>46980</td> </tr> <tr> <td>Apr 2020</td> <td>4091</td> <td>16543</td> <td>47521</td> </tr> <tr> <td>May 2020</td> <td>4171</td> <td>16412</td> <td>46721</td> </tr> <tr> <td>Jun 2020</td> <td>5028</td> <td>17602</td> <td>46314</td> </tr> <tr> <td>Jul 2020</td> <td>5478</td> <td>18731</td> <td>45622</td> </tr> <tr> <td>Aug 2020</td> <td>5253</td> <td>18110</td> <td>46213</td> </tr> </tbody> </table> <p>Bukit Sagu 08 Estate (Diesel Usage)</p>	Month	Diesel (Litres)	Electricity (kWh)	Water (m ³)	Jan 2020	5116	16521	47319	Feb 2020	4301	15252	47290	Mar 2020	3843	15351	46980	Apr 2020	4091	16543	47521	May 2020	4171	16412	46721	Jun 2020	5028	17602	46314	Jul 2020	5478	18731	45622	Aug 2020	5253	18110	46213	<p>Complied</p>
Month	Diesel (Litres)	Electricity (kWh)	Water (m ³)																																				
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Criterion / Indicator		Assessment Findings		Compliance
		Month	Diesel (Litres)	
		Jan 2020	10411	
		Feb 2020	10525	
		Mar 2020	10481	
		Apr 2020	10198	
		May 2020	11009	
		Jun 2020	9958	
		Jul 2020	11168	
		Aug 2020	11817	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estate has estimated the direct usage of non-renewable energy in their operations on a yearly basis. This can be reflected in the annual budget in terms of amount spent for the usage of these energies.		Complied
4.5.2.3	The use of renewable energy should be applied where possible.	There were no opportunities to use renewable energy in both the estates.		Complied

Criterion / Indicator		Assessment Findings	Compliance									
	- Minor compliance -											
Criterion 4.5.3: Waste management and disposal												
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Bukit Sagu 07 and 08 Estate have implemented a Pelan Pengurusan Sisa Domestik Dan Sisa Buangan 2020. The Waste management plan identified sources of possible waste and methods of disposal or management for each possible waste that have been identified. Among the waste identified as as below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Source</th> <th style="width: 50%;">Type of Waste</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Estate Operation</td> <td style="text-align: center;">Fertilizer bags</td> </tr> <tr> <td style="text-align: center;">Tyres</td> </tr> <tr> <td style="text-align: center;">Scrap Metal</td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">Office & Housing Quarters</td> <td style="text-align: center;">Paper/ Plastic/ Glass/ Rags/ Aluminum</td> </tr> <tr> <td style="text-align: center;">Domestic Waste</td> </tr> </tbody> </table> <p>The Waste Management Plan for 2020 did not identify the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters,</p>	Source	Type of Waste	Estate Operation	Fertilizer bags	Tyres	Scrap Metal	Office & Housing Quarters	Paper/ Plastic/ Glass/ Rags/ Aluminum	Domestic Waste	Non-compliance
Source	Type of Waste											
Estate Operation	Fertilizer bags											
	Tyres											
	Scrap Metal											
Office & Housing Quarters	Paper/ Plastic/ Glass/ Rags/ Aluminum											
	Domestic Waste											

Criterion / Indicator		Assessment Findings	Compliance									
		Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags.										
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>c) Identifying and monitoring sources of waste and pollution</p> <p>d) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>Bukit Sagu 07 and 08 Estate have implemented a Pelan Pengurusan Sisa Domestik Dan Sisa Buangan 2020. The Waste management plan identified sources of possible waste and methods of disposal or management for each possible waste that have been identified. Among the waste identified as as below;</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Type of Waste</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Estate Operation</td> <td>Fertilizer bags</td> </tr> <tr> <td>Tyres</td> </tr> <tr> <td>Scrap Metal</td> </tr> <tr> <td rowspan="2">Office & Housing Quarters</td> <td>Paper/ Plastic/ Glass/ Rags/ Aluminum</td> </tr> <tr> <td>Domestic Waste</td> </tr> </tbody> </table> <p>Monitoring of the sources waste management was done regularly by the management. Most waste were disposed through licensed waste managers as verified during the audit. Recycle Waste were segregated and disposed via recycle waste buyers. During the visit to the landfill at both estates, there were no evidence of scheduled waste or recyclable waste in the landfill.</p>	Source	Type of Waste	Estate Operation	Fertilizer bags	Tyres	Scrap Metal	Office & Housing Quarters	Paper/ Plastic/ Glass/ Rags/ Aluminum	Domestic Waste	Complied
Source	Type of Waste											
Estate Operation	Fertilizer bags											
	Tyres											
	Scrap Metal											
Office & Housing Quarters	Paper/ Plastic/ Glass/ Rags/ Aluminum											
	Domestic Waste											

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.3</p> <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Based on waste management plan, SOP was established based on relevant requirements to ensure proper and safe handling, storage and disposal of waste. Recyclable waste was segregated at the point of production before the rest being sent to the landfill.</p> <p>The recyclable waste was disposed through recycle waste buyers. Scheduled Waste such as Spent Lubricant, Spent Filters and Spent batteries are disposed through the suppliers that conduct the maintenance and servicing of the machineries in the estate.</p> <p>The estate generates SW409, Used PPEs for disposal. The Used PPE are stored in the Scheduled Waste Store prior to being disposed through the licensed manager.</p> <p>Empty Chemical Containers are used for premix to be brought to the field for spraying operations. Each container is labelled with the Skull symbol and written POISON on each of them. The additional excess containers are tripled rinsed and punctured before being disposed as recycled waste to the buyer.</p>	<p>Complied</p>
<p>4.5.3.4</p> <p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Bukit Sagu 07 Estate</p> <p>Empty pesticides containers were triple rinsed, punctured and stored in designated store before being dispose by licensed contractors. The estate maintains the records of triple rinse empty container in 'Rekod Inventori Buangan Terjadual'. Sighted the inventory records for the month January – September 2020.</p> <p><u>Bukit Sagu 07 Estate</u></p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Latest disposal was done on 14.10.2020. Refer Consignment note no S1910069 collected by Urban Environment Industries Sdn. Bhd. Total; SW 409 (Contaminated Drum/Container) – 450kgs, SW 410 (Contaminated Rags/Gloves – 130kg</p> <p><u>Bukit Sagu 08 Estate</u> Latest disposal was done on 11.07.2020. Refer Consignment note no S2007029 collected by Urban Environment Industries Sdn. Bhd. Total; SW 409 Disposal Containers, bags contaminated with chemicals – 170kg.</p>	
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Waste Management Procedure; SOP No: FGVPM/I2/PAS-02; Revision 1.0; Date 23.01.2020 was used to guide the management of domestic waste in the estates.</p> <p>Bukit Sagu 07 Estate had constructed the landfill at Block 10. The landfill was well constructed, far from water courses or housing areas. There was no evidence of Scheduled Waste disposed in the landfill. No open burning was done at the landfill.</p> <p>Bukit Sagu 08 Estate had constructed the landfill at field P99J 01. The landfill was well constructed, far from water courses or housing areas. There was no evidence of Scheduled Waste disposed in the landfill. No open burning was done at the landfill.</p>	Complied
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Both the estates visited has established Environmental Management Plan - Pollution Prevention Plan based on the Environmental Aspect Impact Identification. The plan was reviewed on annually basis. In the plan stated the objectives on the environmental issue, mitigating measures and person responsible. The plan was monitored on monthly basis.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Sighted the implementation of Pollution Prevention Plan at all the estates visited as follows: <ul style="list-style-type: none"> To service all vehicles as per schedule To maintain all vehicles in good running condition To recycle all plastic waste To recycle water at mixing area. 	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <ol style="list-style-type: none"> Assessment of water usage and sources of supply. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. 	Both estates have established the Water Management Plan. In the plan stated the water source, monitoring plan, contingency plan, person responsible and time frame. The plan focuses on controlling flood in the field, soil erosion at buffer zone area, water shortage, river water quality and maintain soil moisture. Bukit Sagu 07 Estate Sighted during site visit at buffer zone area along Sungai Reman, the buffer zone was demarcated by painted rings on the palms indicating the buffer area. There is no spraying activity along the buffer zone and	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all-natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>the vegetation along the area are well preserved. The estate has placed signage of prohibition to conduct activity at buffer zone area. Sampling points were marked to monitor the water quality at the inlet and outlet points</p> <p>Water Sampling was conducted at the Sg. Reman sampling points. The sampling was done in August 2020 and the results indicated that there was no contamination in the watercourse.</p> <p><u>Bukit Sagu 08 Estate</u></p> <p>Water Management Plan was available in the estate, updated on 24.03.2020. The plan identified the water source, Impact, Impact mitigation methods and Personals that are in charge.</p> <p>Sighted during site visit at buffer zone area along Sungai Edan, the buffer zone was demarcated by painted rings on the palms indicating the buffer area. There is no spraying activity along the buffer zone and the vegetation along the area are well preserved. The estate has placed signage of prohibition to conduct activity at buffer zone area. Sampling points were marked to monitor the water quality at the inlet and outlet points</p> <p>Water Sampling was conducted at the Sg. Edan sampling points. The sampling was done in August 2020 and the results indicated that there was no contamination in the watercourse.</p> <p>Rainwater harvesting were implemented through construction of road side pits along strategic area of field roads. No bore well been used by estates within Bukit Sagu complex</p>	

Criterion / Indicator		Assessment Findings	Compliance				
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Visit within estate field found no any construction of bunds, weirs and dams across main rivers or waterways passing through the estate.	Complied				
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Rainwater harvesting implemented through construction of side pit along strategic area of field road	Complied				
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value							
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	<p>Bukit Sagu 07 & Bukit Sagu 08 Estate have conducted the Biodiversity Assessment and the Assessment Report were available for verification.</p> <p><u>Bukit Sagu 08</u></p> <p>Biodiversity Report was available for Ladang FGVP M Bukit Sagu 08 dated 14.12.2016. The report indicated that the Estate has Vegetation and Wildlife as below</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Wildlife</th> </tr> </thead> <tbody> <tr> <td>Inside the Estate Boundary</td> <td>-</td> </tr> </tbody> </table>	Location	Wildlife	Inside the Estate Boundary	-	Complied
Location	Wildlife						
Inside the Estate Boundary	-						

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Criterion / Indicator		Assessment Findings		Compliance
		Outside the Estate Boundary	Tiger, Sun Bear, Tapir, Porcupine, Anteater.	
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>i. The estate has maintained an electric fence to surround the boundaries to prevent elephant encroachment into the estate. There have been no sightings of elephant surrounding the estate for the past 5 years therefore the electric fence non-operational. Regular monitoring and recording is done by the management to monitor any sightings of elephants surrounding the boundaries.</p> <p>ii. Rivers that pass through the estate were classified as HCV areas. Buff zones were clearly demarcated according to the width stated in the SOP. Palms at the edge of the Buffer Zones were painted with a white and blue stripe. Workers were trained ensure no spraying or manuring operations to be done at the riparian zones and to avoid any soil erosions. Buffer Zone Signages were erected together with the signages indicating no use of chemicals.</p> <p>iii. 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 2020. Signboard on awareness and prohibition of illegal hunting were erected at the HCV area, Estate entrance and housing complex.</p>		Complied
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	The estates have established Biodiversity Management Plan 2017 – 2022 documented in the Biodiversity Report. In the management		Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	plan, it is stated the HCV area, person responsible and mitigation plans (short term, midterm 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 both estates. Usual species sighted during the monitoring patrol such as snakes, monitor lizards, wild boar and monkeys.	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	During the site visit around Bukit Sagu 07 and Bukit Sagu 08 estate's new planting, replanting and immature areas, there were no evidence that there was fire used for land preparation. The palms were felled and chipped and used as mulch.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	During the site visit around Bukit Sagu 07 and Bukit Sagu 08 estate's new planting, replanting and immature areas, there were no evidence that there was fire used for land preparation. The palms were felled and chipped and left to decay. No area was declared as highly diseased in the estates visited.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	During the site visit around Bukit Sagu 07 and Bukit Sagu 08 estate's new planting, replanting and immature areas, there were no evidence that there was fire used for land preparation. The palms were felled and chipped and used as mulch.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>During the site visit around Bukit Sagu 07 and Bukit Sagu 08 estate's new planting, replanting and immature areas, there were no evidence that there was fire used for land preparation. The palms were felled, chipped and mulched.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</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"> • Manual Ladang Sawit Lestari • Manual Keselamatan • Manual Sustainability • Manual Greeding BTB – MPOB • Buku KUK 4 (Kadar Upah Kerja) Pekerja • Manual Perolehan (Procurement) • Pictorial Safety Standards • Security Guidelines. <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</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		trainings. The Manuals are also kept in the administration office to facilitate reference by any interested parties. Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP.	
4.6.1.2	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. - Major compliance -	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
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Field marking were available and sighted at both estates visited.	Complied
Criterion 4.6.2: Economic and financial viability plan			

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Criterion / Indicator		Assessment Findings						Compliance
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	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 2020 until 2025. This budget covers all aspect including operation, safety, environment and social.						Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Estate	2020	2021	2022	2023	2024	Complied
		Bkt Sagu0 7	438.01	348.74	364.26	Nil	Nil	
		Bkt Sagu 08	Nil	Nil	Nil	117.63	Nil	
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	Business management plan was established as per Anggaran Perbelanjaan Peringkat Matang Bagi Tahun 2020 The plan covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO & MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.						Complied
4.6.2.4	The management plan shall be effectively implemented, and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	The estates performances were recorded in the monthly progress report. <ul style="list-style-type: none"> Details on the actual vs budget i.e. crop production, fixed and 						Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>direct cost are shown therein.</p> <ul style="list-style-type: none"> The management also provides variance report on the performance and reviewed on a monthly basis. The supervisory personnel maintained a daily cost for the field operations. 	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The pricing of the services given is stated in the agreement contract as below:</p> <p><u>FGV Bukit Sagu 7 Estate:</u></p> <p>Sampled sighted for Mahu Berjaya Enterprise (Contract No: 5600006147) for providing the transportation, driver, manpower and required tools for FFB transportation from estate to mill valid from 01/01/2020 – 31/12/2020.</p> <p>SPK NO: 5300006147 dated 24/12/2019 signed by Mahu Berjaya Enterprise.</p> <p><u>FGV Bukit Sagu 8 Estate:</u></p> <p>Sampled sighted for Impian Jaya Enterprise (Contract No: 5300004147) for providing the transportation, driver, manpower and required tools for FFB transportation from estate to mill valid from 01/07/2019 – 31/12/2020.</p> <p>SPK NO: 5300004147 dated 30/03/2018 signed by Impian Jaya Enterprise.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	As per sampled 4.6.3.1, the payment was made to contractor as below: <ol style="list-style-type: none"> 1. FGV Bukit Sagu 7 Estate: 11/09/2020, cheque no (369501) for 299.45 MT amounted RM XXX (price is disclosed for confidentiality purpose). 2. FGV Bukit Sagu 8 Estate: 02/07/2020, No Sijil Bayaran: 24, amounted RM XXX (price is disclosed for confidentiality purpose). 	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Contractors has signed the Supplier Code of Conduct (SCOC) which incorporated child labour, forced labour, communication, etc. Sighted Mahu Berjaya Enterprise has signed the SCOC on 31/12/2020 and Impian Jaya Plantations has signed the SCOC on 03/01/2020. RSPO & whistleblowing briefing has been conducted on 29/09/2020 to contractors. Mahu Berjaya Enterprise representative, Selvaraju Subramaniam has signed a memo stated that he was informed, understand and will complying about MSPO on 01/02/2020. He will also allow auditor to audit him if required.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sampled sighted as below: <ol style="list-style-type: none"> 1. FGV Bukit Sagu 7 Estate: Mahu Berjaya Enterprise (Contract No: 5600006147) for providing the transportation, driver, manpower and required tools for FFB transportation from estate to mill valid from 01/01/2020 – 31/12/2020. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. FGV Bukit Sagu 8 Estate: Impian Jaya Plantations (Contract No: 5300004147) for providing the transportation, driver, manpower and required tools for FFB transportation from estate to mill valid from 01/07/2019 – 31/12/2020.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Contractors has signed the Supplier Code of Conduct (SCOC) which incorporated child labour, forced labour, communication, etc. Sighted Mahu Berjaya Enterprise has signed the SCOC on 31/12/2020. RSPO & whistleblowing briefing has been conducted on 29/09/2020 to contractors. Mahu Berjaya Enterprise representative, Selvaraju Subramaniam has signed a memo stated that he was informed, understand and will complying about MSPO on 01/02/2020. He will also allow auditor to audit him if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	For FFB transporter, the work progress is monitored in "Sijil Pengakuan Siap Kerja Bagi Tujuan Bayaran" and "Rumusan Bayaran Terkumpul". This is then referred for payment purpose.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.	Oil palm was not planted on land with high biodiversity value as stated in the Environmental Impact Assessment Report, dated	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	December 2016 by Adrh Millenia Sdn. Bhd. Letter from DOE dated 22. November 2016 stated that the proposed new planting was approved.	
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	Carbon Stock Assessment was conducted by Aksenta on May 2016. The conclusion of the report indicated that the amount of Carbon Stock of all carbon sources in PPA of FGV is 27.57 kilo tonnes – C with an average unit area is 108.12 tons – C/ha.	Complied
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	The new planting at Bukit Sagu 08 Estate consist of Malaccan Series Soil which is also known as Laterite Soil. There was no Peat land in the area developed based on the Geology Analysis done in the Environmental Impact Assessment Report done in December 2016.	Complied
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	Bukit Sagu Estate have an Environmental Impact Assessment conducted by Adhmillenia Sdn. Bhd dated December 2016. The report summary states that the new planting project is granted all the necessary environmental approval to proceed the establishment of the proposed FGVPM Bukit Sagu 08 Estate New Oil Palm Planting.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		An Environmental Impact Assessment Report which covering the socio-economy issue established on December 2016 by Aksenta.	
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	The Environmental Impact Assessment reported by Adhmillenia Sdn. Bhd dated December 2016 is an independent consultation organization that provided the assessment for FGVPMSB Bukit Sagu 08 Estate. Based on the report, the 61.54Ha that was planted with oil palm was previously an abandoned area. The EIA includes the demographic characteristics, social and economic characteristics, ownership and awareness, perceptions and acceptability. The methodology used is through full survey of communities and activities within the project site and in-depth interviews with the Settler Leaser of the nearest communities in the area.	Complied
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	The result of EIA has the evaluation of impacts and mitigating measures ranging from minor adverse impact to potentially adverse but insufficient information. For socio-economic impacts such as cultural sites maybe disturbed during the land clearing exercise and that foreigners may come in to grab the jobs created. Mitigation measures: <ol style="list-style-type: none"> 1. Carry out boundary survey carefully. 2. Employment. 3. Manage workplace properly. 	Complied

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		4. Proper repatriation when services are terminated.	
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no smallholder scheme for the new planting area, therefore this requirement is not applicable.	Complied
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	The new planting at Bukit Sagu 08 Estate is compiled of Malaccan Series Soil which is also known as Laterite Soil. There was no Peat land in the area developed based on the Geology Analysis done in the Environmental Impact Assessment Report done in December 2016. Topographic information and maps were available such as Topographic Maps and Elevation Map.	Complied
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	Bukit Sagu 08 Estate The estate is generally hilly and has steep terrains of not more than 25 degrees. The topographic information is available in the Environment Assessment Report 2016	Complied
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			

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Criterion / Indicator		Assessment Findings	Compliance
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	Based on the Environmental Impact Assessment and the provided topographic map, Elevation Map and Soil Map, the new planting was conducted on slopes below 25° and lateritic soils.	Complied
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	The new planting at Bukit Sagu 08 Estate consist of Malaccan Series Soil which is also known as Laterite Soil. There were no fragile and marginal soils in the area developed based on the Geology Analysis done in the Environmental Impact Assessment Report done in December 2016	Complied
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	The new planting at Bukit Sagu 08 Estate is consist of Malaccan Series Soil which is also known as Laterite Soil. There were no fragile and marginal soils in the area developed based on the Geology Analysis done in the Environmental Impact Assessment Report done in December 2016	Complied
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There is new planting at Bukit Sagu 08 Estate (61.54 Ha). The new planting area is government land for agriculture development under FELDA. Previously, it was a shrub land area of 61.54. Sighted the land title as below: HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There are no customary lands in the new planting area. Sighted the land title as below: HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.	Complied
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There are no customary lands in the new planting area. Sighted the land title as below: HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.	Complied
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There are no customary lands in the new planting area. Sighted the land title as below: HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.	Complied
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There are no customary lands in the new planting area. Sighted the land title as below: HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.6.6 A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.</p> <p>- Major compliance -</p>	<p>There are no customary lands in the new planting area.</p> <p>Sighted the land title as below:</p> <p>HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.</p>	<p>Complied</p>
<p>4.7.6.7 The process and outcome of any compensation claims shall be documented and made publicly available.</p> <p>- Major compliance -</p>	<p>There are no customary lands in the new planting area.</p> <p>Sighted the land title as below:</p> <p>HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.</p>	<p>Complied</p>
<p>4.7.6.8 Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.</p> <p>- Minor compliance -</p>	<p>There are no customary lands in the new planting area.</p> <p>Sighted the land title as below:</p> <p>HSD: 18198, size: 244.36 Ha for Oil Palm and Rubber plantation only. The land is leased from 10 October 1998 until 09 October 2097 under FELDA.</p>	<p>Complied</p>

Appendix B: List of Stakeholders Contacted

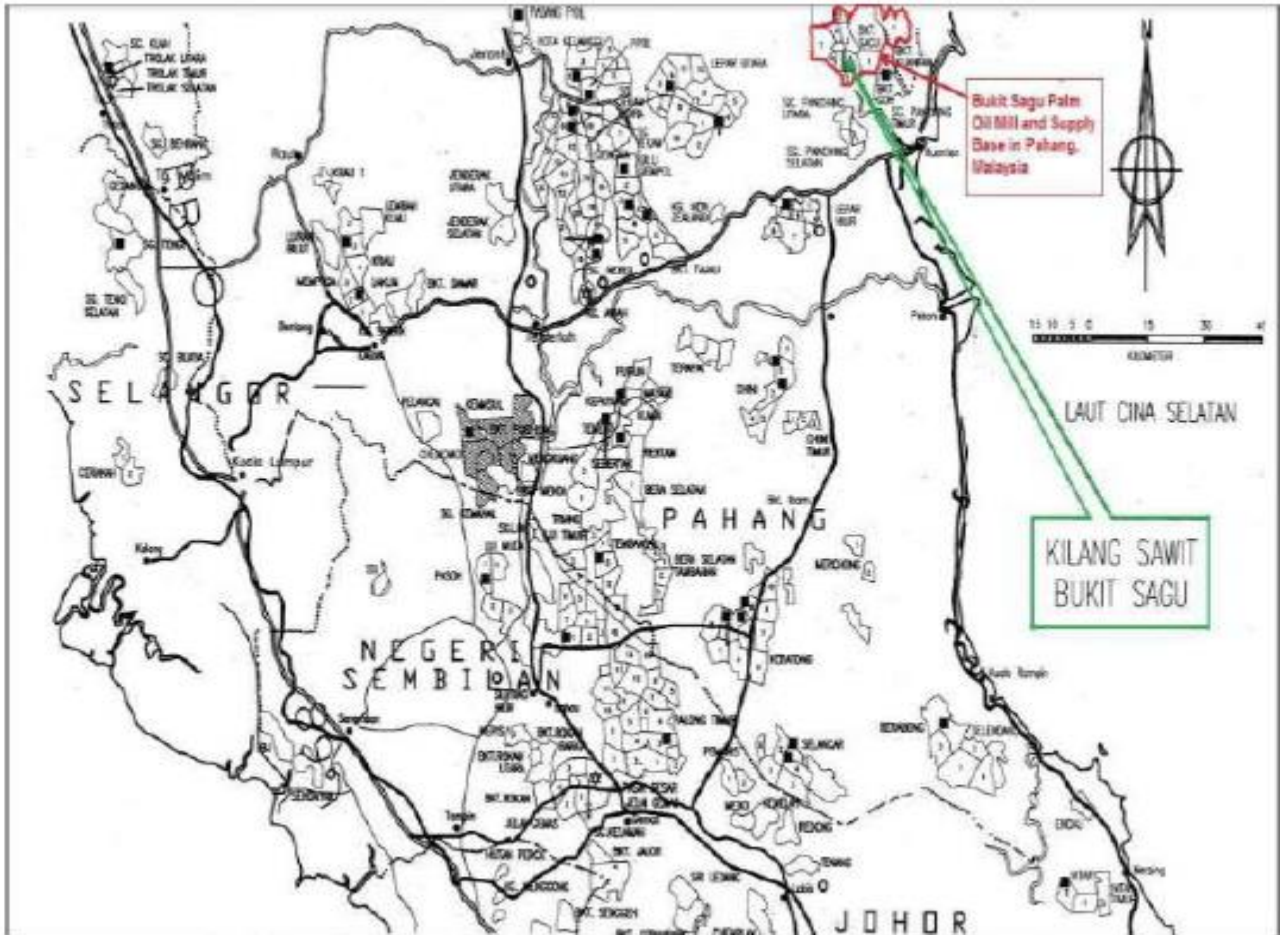
<p>Government Officer: SK (LKTP) Bukit Sagu 1</p>	<p>Community/neighbouring village: FELDA settlers' representatives from Bukit Sagu 1 & 2</p>
<p>Suppliers/Contractors/Vendors: Contractors & Vendors</p>	<p>Worker's Representative/Gender Committee: Gender Committee Representatives Foreign & Local Workers Representatives</p>

Appendix C: Smallholder Member Details

Not applicable.

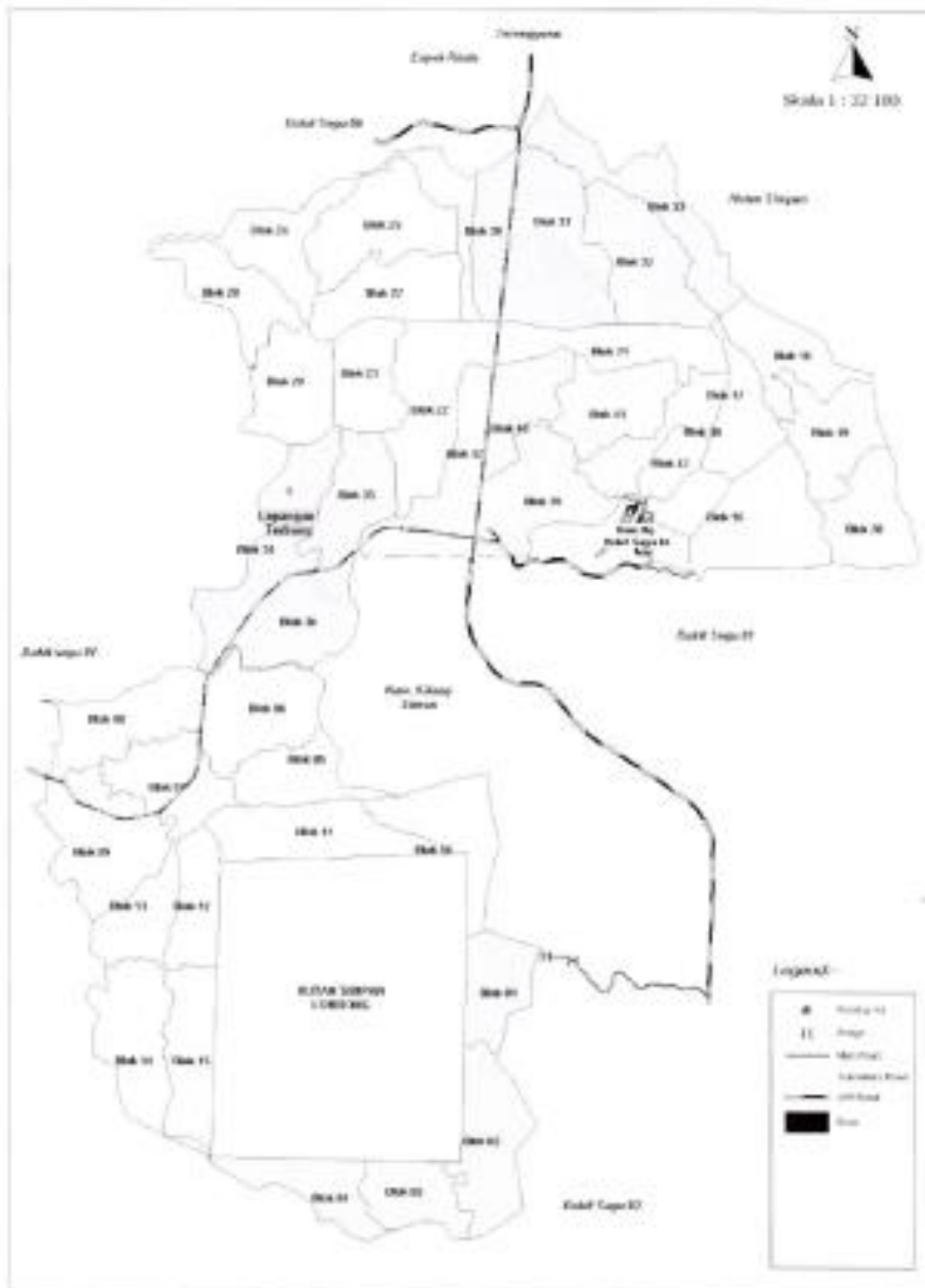
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

Appendix D: Location and Field Map

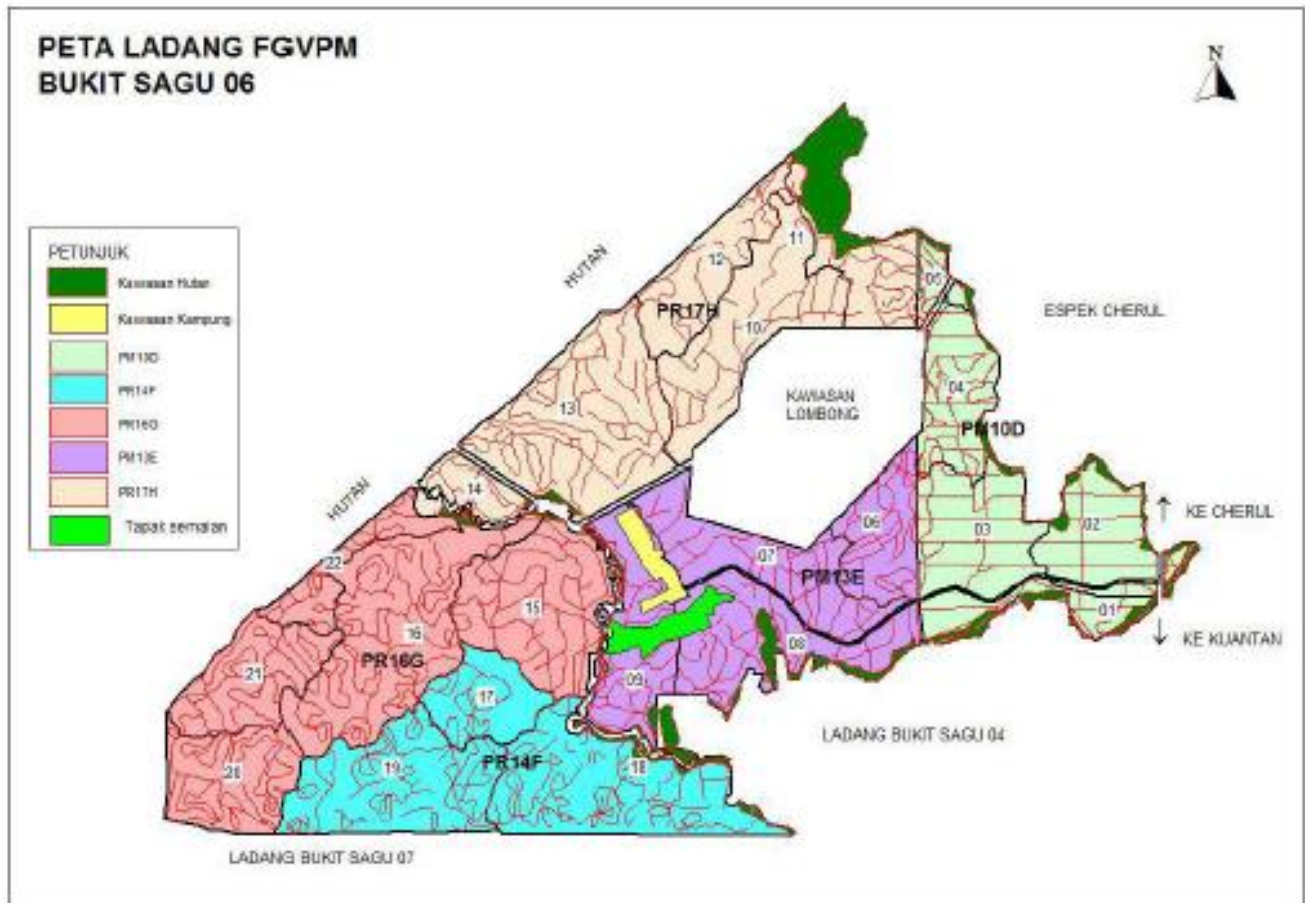


FGVPISB Bukit Sagu Mill & FGVPM Estates Location

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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