

**RSPO PRINCIPLE AND CRITERIA –
1ST ANNUAL SURVEILLANCE ASSESSMENT (ASA1)
Public Summary Report**

FGV Holdings Berhad
Client company Address: Plantation Sustainability Department Level 20 (W), Wisma FGV Jalan Raja Laut 50350 Kuala Lumpur Malaysia
Certification Unit: Kerteh Palm Oil Mill and supply base Location of Certification Unit: FGV Palm Industries Sdn Bhd Kilang Kelapa Sawit Kerteh Felda Kerteh 3 Bandar Ketengah Jaya 23309 Terengganu, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0225-16-000-00	Membership Approval Date	27/12/2016
Parent Company Name	FGV Holdings Berhad		
Address	Plantations Sustainability Department, Level 20 (W), Wisma FGV Jalan Raja Laut 50350 Kuala Lumpur, Malaysia		
Subsidiary (Certification Unit Name)	FGV Palm Industries Sdn Bhd Kerteh Palm Oil Mill		
Address	Certification unit : FGV Palm Industries Sdn Bhd. Kilang Kelapa Sawit Kerteh, Felda Kerteh 3, Bandar Ketengah Jaya, 23309 Terengganu, Malaysia.		
Contact Name	Ameer Izyanif Bin Hamzah		
Website	http://www.fgvholdings.com	E-mail	ameer.h@fgvholdings.com
Telephone	+603-2859 1995	Facsimile	+603-2859 1311

2. Certification Information			
Certificate Number	RSPO 693209	Date of First Certification	11/02/2019
		Certificate Start Date	11/02/2019
		Certificate Expiry Date	10/02/2024
Scope of Certification	Palm Oil and Palm Kernel Production		
Applicable Standards	RSPO MY-NI 2019 with Supply Chain Mass Balance Module		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 693212	MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder.	BSI Services Malaysia Sdn Bhd	28/04/2024
MSPO 693211	MS 2530-4:2013 Part 4: General principles for palm oil mills.		

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference]	GPS Coordinates	
		Latitude	Longitude
Kerteh Palm Oil Mill	FGV Palm Industries Sdn Bhd, Kilang Kelapa Sawit Kerteh, Felda Kerteh 3, Bandar Ketengah Jaya, 23309 Terengganu, Malaysia.	4° 37' 33" N	103° 19' 55" E
FGVPM Semaring 01 Estate	Ladang Felda Semaring 01, Pejabat Pos A.M.B.S, 23400, Dungun Terengganu, Malaysia	4° 40' 20" N	103° 02' 25" E
FASSB Kerteh Estate	Ladang FASSB Kerteh, Jalan Kelubi, Ketengah Jaya, 23300 Dungun, Terengganu, Malaysia	4° 34' 29" N	103° 19' 13" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Semaring 01 Estate	981.05	0	265.42	1,246.47	78.70
FASSB Kerteh Estate	106.42	0	4.14	110.56	96.26
Total	1,087.47	0	269.56	1,357.03	80.14

6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
FGVPM Semaring 01 Estate	0	981.05	0	0	0	981.05	0
FASSB Kerteh Estate	0	0	106.42	0	0	106.42	0
Total (ha)	0	981.05	106.42	0	0	1,087.47	0

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7. Certified Tonnage of FFB (Own Certified Scope)				
Estate	Tonnage / year			
	Estimated (Feb 19-Jan 20)	Actual (Feb 19-Dec 19)		Forecast (Feb 20-Jan 21)
		<i>Previous license period</i> (N/A as previous audit is initial assessment)	<i>Current license period</i> (Feb 19-Dec 19)	
FGVPM Semaring 01 Estate	13,810	0	15,652.94	16,000
FASSB Kerteh Estate	3,170	0	2,733.08	2,840
Total	16,980		18,386.02*	18,840

Remark: There is high crop in peak season on September & October 2019 which the more than estimated FFB

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *					
Estate	Tonnage / year				
	Estimated (Feb 19-Jan 20)	Actual (Feb 19-Dec 19)		Forecast (Feb 20-Jan 21)	
	N/A	<i>Previous license period</i> (N/A as previous audit is initial assessment)	<i>Previous license period</i> (Feb 19-Dec 19)	N/A	
Total					

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable				
Independent FFB Supplier	Tonnage / year			
	Estimated (Feb 19-Jan 20)	Actual (Feb 2019-Dec 2019)		Forecast (Feb 20-Jan 21)
		<i>Previous license period</i> (N/A as previous audit is initial assessment)	<i>Previous license period</i> (Feb-Dec 19)	
Uncertified FFB dealer/ smallholders	-	-	206,703.64	-
Total	-		206,703.64	-

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10. Certified Tonnage				
Mill Capacity: 60 MT/hr SCC Model: MB	Estimated (Feb 19-Jan 20)	Actual (Feb 2019-Dec 2019)		Forecast (Feb 20-Jan 21)
	FFB	FFB		FFB
	16,980	<i>Previous license period</i> (N/A as previous audit is initial assessment)	<i>Previous license period</i> (Feb 19-Dec 19)	18,840
		0	18,386.02	
	CPO (OER: 20.51%)	CPO (OER: 21.02%)		CPO (OER: 21.00%)
	3,482.59	3,864.05		3,956.40
	PK (KER: 5.24%)	PK (KER: 5.35%)		PK (KER: 5.31%)
	889.75	983.38		1,000.40

Remark: There is high crop in peak season on September & October 2019 which the more than estimated FFB

11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	-	-	-	3,477.64	3,477.64

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	453.38	-	-	347.38	800.76

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO		
IS-CSPKO		
IS-CSPKE		

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639
Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
Website: www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site annual surveillance assessment was conducted from **13-16/01/2020**. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on **16/03/2020**. The audit programmes are included in Section 2.3.

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. **RSPO Principles & Criteria 2018 (MYNI 2019)** and RSPO Supply Chain Certification Standard 2017 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 approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each

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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 Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

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

For Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI. For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Kerteh Palm Oil Mill	√	√	√	√	√
FGVPM Semaring 01 Estate	√	√	√	√	√
FASSB Kerteh Estate	√	√	√	√	√

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Tentative Date of Next Visit: January 11, 2021 - January 14, 2021

Total No. of Mandays: 10 days

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Elzy Ovktafia Chairul (EOC)	Team Leader	She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP from the Incorporated Society of Planters and currently in the midst of completing the AISP level (professional certificate and recognition from the Incorporated Society of Planters). She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO, MSPO and 2nd Party Audit for Social Compliance Programme (URSA, ETI) for 2 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015 and Social Compliance Audit by Verite. 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. Able to communicate in Bahasa Malaysia and English.
Ragu Erulappan (RSE)	Team Member	Ragu Erulappan is a fulltime employee with BSI Services Malaysia. He graduated from University Technology Malaysia. He attended internal RSPO training in 22 December 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training, ISO 14001, ISO 18001 Lead Auditor Training. Currently he is an ISO 9001:2008, ISO 14001, ISO 18001, C-TPAT (Supply Chain Security) and GDPMD (Good Distribution Practice for Medical Devices) Lead Auditor. He has more than 5 years of auditing experience since August 2010 covering Environment, Safety and Health, Legal aspects in various industries. He is involved as Environment, Safety and Health Auditor during the RSPO Assessment. For this assessment he assesses Mill and Estate OSH, best practices and legal aspects. He is able to speak and understand Bahasa Malaysia, English and Tamil.
Selvasingam Kandiah (SK)	Team Member	He holds a B. Sc (Hons) Agriculture and had worked as a planter with Sime Darby Plantation Sdn Bhd (formerly known as Kumpulan Guthrie Berhad) for more than 10 years including one year in Liberia and 2 years in Estate Department of Kumpulan Guthrie Headquarters. During this assessment, he assessed on the aspects of legal, environmental and HCV. He is able to speak and understand Bahasa Malaysia, English and Tamil.

Accompanying Persons:

No.	Name	Role
	N/A	

2.3 Assessment Plan

Date	Time	Subjects	EOC	RSE	SK
Sunday 12/01/2020	PM	Auditors travelling to Kerteh and check in Hotel.	√	√	√
Monday 13/01/2020	0800-0830	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) • Verification on previous audit findings 	√	√	√
	0830-1200	FASSB Kerteh 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.	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	FASSB Kerteh Estate: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers’ rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√

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Date	Time	Subjects	EOC	RSE	SK
Tuesday 14/01/2020	0800-1200	FGVPM Semaring 01 Estate: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant & etc.), agrochemical mixing area, schedule waste management, worker housing, clinic, landfill & etc.	√	√	√
	1000-1200	Meeting with stakeholders – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office, Neighbouring Estates, Community, Contractors, Suppliers, etc.	√	-	-
	1200-1300	Lunch	√	√	√
	1300-1630	FGVPM Semaring 01 Estate: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers’ rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Wednesday 15/01/2020	0800-1200	FGVPM-Kerteh Palm Oil Mill: Inspection of FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√	√	√
	1000-1200	Meeting with stakeholders – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office, Neighbouring Estates, Community, Contractors, Suppliers, etc.	√	-	-
	1200-1300	Lunch	√	√	√

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Date	Time	Subjects	EOC	RSE	SK
	1300-1600	<p>FGVPM-Kerteh Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area.</p> <p>Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers' rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.</p> <p>Verify previous nonconformities.</p>	√	√	√
	1600-1700	<p>Audit team discussion & findings preparations.</p> <p>Closing Meeting</p> <ul style="list-style-type: none"> • Presentation of report by BSI Lead Auditor – briefing & discussion of findings • Acceptance & acknowledgement by FGVPM-Kerteh Palm Oil Mill & Estates. 	√	√	√
Thursday 16/01/2020	0800-1300	<p>FGVPM-Kerteh Palm Oil Mill: Incoming of FFB and outgoing of CSPO & CSPK – weighbridge, ramp, storage area, loading bays, etc. Documentation review: RSPO SCC general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.</p>	√	√	-
	1300-1400	Lunch	√	√	-
	1400-1630	Continue the Supply Chain Audit	√	√	-
	1630-1700	Closing for RSPO SCC Audit	√	√	-
	1700-2100	Audit Team travel back to KL.	√	√	-

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- FGV Plantations Berhad’s Multiple Management Units / Time Bound Plan
- RSPO P&C 2018 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C National Interpretation MYNI 2019

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills that is under the control of the holding company?	Yes, as per time bound plan 2020.	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	There are 67 mills under FGV. As on 31 December 2019, only 33 mills has been certified. Remaining 33 mills have undergone internal audit and 1 mill (KKS Serting) has completed external audit waiting for certification. As per the CP decision on 13/01/2020, all new certification under FGV is suspended.	Yes
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	Challenge from the time bound plan is age of plantations and location and challenges to identify FFB sources especially those under the dealers. No new acquisitions as per time bound plan 2020.	Yes

<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>The latest ACOP 2018 available in RSPO website reporting no changes. However, refer to the Decision Letter to FGV on non-compliance of CPD by RSPO Complaints Panel, dated 13/01/2020 there is change required for Time Bound Plan 2020 where the suspension of Kilang Sawit Serting is involved. FGV has updated its Time Bound Plan on the Kilang Sawit Serting where new certification will be conducted once the suspension is lifted after July 2020.</p>	<p>Yes</p>
<p>Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised</p>	<p>There is no isolated lapses in implementation of the plan.</p>	<p>Yes</p>
<p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised</p>	<p>There is no fundamental failure. The TBP is in progress and it is expected to achieve 100% RSPO certification of estates and mills in 2021 and RSPO certification of Scheme/Plasma/Associated smallholders and Outgrowers in 2025 as per ACOP 2018.</p>	<p>Yes</p>
<p>Un-Certified Units or Holdings</p>		
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. 	<p>No replacement for primary forest or HCV area. There were 7 LUCA submitted to RSPO and all of them have been passed with no concept note or compensation plan required.</p>	<p>Yes</p>

<p>Any new plantings since January 1st 2010 shall comply with the RSPO New Plantings Procedure.</p>	<p>Company Group/ Holding Statement: There is new planting after 1st January 2010.</p> <p>Auditor Verification: NPP audit has been carried out for all FGVP Estate and is currently under review. Data as per below:</p> <table border="1" data-bbox="638 566 1960 1374"> <thead> <tr> <th>Estate</th> <th>Hectarage Involves In NPP</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Tembangau 05</td> <td>45.84</td> <td>March 2016 – May 2016, Cannot undergo development https://hcvnetwork.org/reports/hcv-chegar-perah-02-estate-bukit-sagu-08-estate-tembangau-05-estate-selendang-03-estate-malaysia/</td> </tr> <tr> <td>Chegar Perah</td> <td>259.84</td> <td rowspan="3">Proceed with new planting. Did not go NPP as this is certified area. Refer to: https://hcvnetwork.org/reports/hcv-chegar-perah-02-estate-bukit-sagu-08-estate-tembangau-05-estate-selendang-03-estate-malaysia/</td> </tr> <tr> <td>Selendang 03</td> <td>97.14</td> </tr> <tr> <td>Bukit Sagu 08</td> <td>61.54</td> </tr> <tr> <td>Pt CNP, Kalimantan</td> <td>14,385</td> <td>Full assessment 22-29 Mac 2018 Public consultations 13-16 July 2018 SEIA: Completed HCV: Completed NPP Completed Nursery and Planting Development www.rspo.org/files/download/c085da6476b00a1</td> </tr> <tr> <td>PT TAA, Kalimantan</td> <td>8,193</td> <td>SEIA: Completed NPP process Development on some area but stop after the CP issue.</td> </tr> </tbody> </table>	Estate	Hectarage Involves In NPP	Status	Tembangau 05	45.84	March 2016 – May 2016, Cannot undergo development https://hcvnetwork.org/reports/hcv-chegar-perah-02-estate-bukit-sagu-08-estate-tembangau-05-estate-selendang-03-estate-malaysia/	Chegar Perah	259.84	Proceed with new planting. Did not go NPP as this is certified area. Refer to: https://hcvnetwork.org/reports/hcv-chegar-perah-02-estate-bukit-sagu-08-estate-tembangau-05-estate-selendang-03-estate-malaysia/	Selendang 03	97.14	Bukit Sagu 08	61.54	Pt CNP, Kalimantan	14,385	Full assessment 22-29 Mac 2018 Public consultations 13-16 July 2018 SEIA: Completed HCV: Completed NPP Completed Nursery and Planting Development www.rspo.org/files/download/c085da6476b00a1	PT TAA, Kalimantan	8,193	SEIA: Completed NPP process Development on some area but stop after the CP issue.	<p>Yes</p>
Estate	Hectarage Involves In NPP	Status																			
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PT TAA, Kalimantan	8,193	SEIA: Completed NPP process Development on some area but stop after the CP issue.																			

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	Tawai 01	2740.11	"January, 24, 2018 - February, 02, 2018" Second resubmission by Aksenta	
	Tawai 02	2745.58	First submission failed on 14 Nov 2018. https://hcvnetwork.org/reports/hcv-ladang-tawai-1-and-ladang-tawai-2-fgvp-malaysia/	
	Asian Plantation Limited	25,325.00	5 - 19 February 2015 HCVRN CLOSED Can proceed with Planting subjected to HCSA report for Grand Performance. https://hcvnetwork.org/reports/felda-global-venture-miri-division-sarawak-state-malaysia/	
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6.</p> <p>The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker.</p> <p>The progress on the Liabilities shall be verified and reported.</p>	<p>There is No land Conflict reported. From the RSPO RaCP tracker the FGV Management unit already sent 7 Land Use Change Analysis to RSPO and already completed the review for all analysis.</p>			Yes
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.</p>	<p>On the 26th of July 2015, WSJ ran an article by Syed Zain Al – Mahmood alleging that Felda has breached labour conditions in its plantations. The allegations mainly say that forced labour is being used and the workers are not paid minimum wages. Further, it is alleged that their health and working conditions is are neglected and also that their employers withheld their passports.</p>			Yes

	<p>Remarks</p> <p>29 July 2015 - 12 NGOs urged the RSPO to conduct a transparent investigation into Wall Street Journal's findings of forced labour, human trafficking, and other human and labour rights violations especially on RSPO member FELDA's plantations.</p> <p>The Complaints Panel in its meeting on August 2015, decided that the member, FELDA, be investigated on the issues raised by the WSJ article. The RSPO Secretariat will conduct an independent assessment to investigate the report on labour condition on all RSPO members. Malaysia would be the first country, where the assessment would be done. RSPO release the following statement on its website: http://www.rspo.org/news-and-events/news/3rd-update rspo-response-to-the-report-titled-palmoil-migrant-workers tell-of-abuses-on-malaysian-plantations-published-by-the wall-street-journal-on-26th-july-2015</p> <p>7 March 2016 - RSPO Complaints Panel reviewed the independent assessment reports and decided to suspend Pasoh palm oil mill owned by FELDA until full clearance is given based on the re-audits.</p> <p>10 March 2016 - FGV had a meeting with RSPO regarding the ASI report and suspension decision by RSPO.</p> <p>18 March 2016 - FGV sent complaint acknowledgment letter to RSPO. FGV will submit 12 month time bound action plan addressing all the issues relating to ASI report.</p> <p>6 May 2016 - FGV withdraws its RSPO Principles and Criteria certificates.</p> <p>4 July 2016 - FGV submits the action plan to RSPO.</p> <p>22 August 2016 - Secretariat has reviewed the action plan and sent the action plan back to the company for further clarification.</p> <p>20 October 2016 - Secretariat to wait for the updated action plan from the company.</p> <p>19 December 2016 - Secretariat to appoint an independent expert to verify action plan and set a time bound plan.</p> <p>22 March 2017 - Secretariat continues searching for an independent expert to review the action plan.</p> <p>31 May 2017 - Secretariat shares the action plan with the Complaints Panel and continues monitoring the case.</p>	
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	<p>25 July 2017 (CP Meeting) -Secretariat to proceed with the review of the Action Plan.</p> <p>24 August 2017 (CP Meeting)</p> <ol style="list-style-type: none"> 1) CP to wait for the report of the Review of FGV Action Plan; 2) Secretariat to work with the Technical department to develop a formula for identifying the number of units for verification; 3) Secretariat to start identifying a team of experts for the verification exercise. 26 September 2017 (CP Meeting) -Secretariat to follow up with FGV on the 2 reports. 23 October 2017 (CP Meeting) - Secretariat to send CP's response to the Company. 21 November 2017 (CP Meeting) -Verification exercise to be carried out once the schedule is confirmed with the verification team. 21 December 2017 (CP Meeting) - Verification exercise to be carried out in March. 24 January 2018 (CP Meeting) -TOR for the verification exercise to be drafted. Further details, please refer to: https://www.rspo.org/members/complaints/status-ofcomplaints/view/85 <p>26 Sept 2017 – (CP Meeting) Secretariat to follow up with FGV on the 2 reports.</p> <p>23 Oct 2017 – (CP Meeting) Secretariat to send CP's response to the Company.</p> <p>21 Nov 2017 – (CP Meeting) Verification exercise to be carried out once the schedule is confirmed with the verification team.</p> <p>21 Dec 2017 – (CP Meeting) Verification exercise to be carried out in March.</p> <p>24 Jan 2018 – (CP Meeting) TOR for the verification exercise to be drafted.</p> <p>21 Feb 2018 - Verification exercise to be carried out in March.</p> <p>28 Mar 2018 - Secretariat to have a meeting with the experts. Secretariat to share the questions with the CP.</p> <p>25 Apr 2018 - The field verification will commence on 26 – 28 April 2018. The Secretariat is to receive the first draft of the report in two weeks.</p> <p>25 May 2018 - To follow up with the verification team on the report.</p> <p>18 Jun 2018 - Secretariat to share draft verification report with FGV for factual verification.</p>	
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	<p>25 Jul 2018 - CP to review all documents before it and proceed to deliberations.</p> <p>23 Aug 2018 - CP to continue deliberations.</p> <p>26 Sep 2018 - Complaints Panel to continue deliberations on the complaint.</p> <p>24 Oct 2018 – CP to continue deliberations and finalise the decision letter.</p> <p>28 Nov 2018 - Complaints Panel's decision delivered to parties to the Complaint. Refer: https://ap8.salesforce.com/sfc/p/#90000000YoJi/a/90000000PagQ/ZW4jz6LO5zY01E.T_qS04uHRv0ha1iIJt8CgYScuWt4</p> <p>05 Dec 2018 - Complaint transferred to IMU for monitoring / implementation. Refer: https://ap8.salesforce.com/sfc/p/#90000000YoJi/a/0o000000fzal/qaNnRjxq39xHAF4VCwCEcIDk.IGcMh2FOA7r4znXAt8</p> <p>19 Dec 2018 - Decision letter has been sent to the parties. Deadline for submission of appeals is on 28 February 2019.</p> <p>27 Feb 2019 - Timeline for appeal ends 28.2.2019. Action Plan due 28.2.2019. FGV submitted a request for extension of time to submit their Action Plan. FGV's request under consideration by the CP. FGV request for extension of time letter. Refer: https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/0o000000Xmil/wua7Mi0mKLzXRXaTxFHF2320ZoCed6LXN.v7QziRCc</p> <p>28 Feb 2019 - The Complaint is officially closed.</p> <p>08 Mar 2019 - CP Directive Letter to FGV. Refer: https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/0o000000Xmiq/iXfdY2gKbHzqVUZmkRsEnAjGOgDRiET0ZV71b0kJsQ</p> <p>27 Mar 2019 - 1) Extension of time granted to FGV for submission of their Action Plan and quarterly progress report. 2) FGV is expected to revert by 29 March 2019.</p> <p>24 Apr 2019 - FGV has submitted the action plan and it's being reviewed by IMU.</p> <p>28 Jun 2019 - FGV wrote to the Complaints Panel requesting a lift of the P&C Certificate suspension. Refer:</p>	
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	<p>https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/0o000000MX6f/CgQnAFQyNw8MydWaOC9Z1JOfu5IOWupruy5R1vlkGQo</p> <p>05 Aug 2019: CP letter - lifting of the suspension on FGV (Serting Complex). Refer: https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/0o000000HQyJ/KtzAK4UrK.ZtK0LVQzJsusQJuSJUyJy_2h36BweGo.A</p> <p>13 Jan 2020 - CP's decision letter on FGV's non-compliance and related sanctions. Refer: https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/0o000000Q2Ph/KKtxkdu0okoPB455uo7Cki0DOAILSxk_YX44EsoJEmQc</p> <p>The Complaints Panel hereby finds the Respondent to be in non-compliance of the Complaints Panel Decision. Consequently, the Complaints Panel directs the following –</p> <ul style="list-style-type: none"> i. that the Secretariat instructs the Certification Body to re-suspend FGV's P & C certificate for Kilang Sawit Serting and its Supply Bases, pursuant to Section 4.12.6 of the RSPO Certifications Systems for Principles & Criteria (June 2017); and ii. that all certification processes of each uncertified management unit within FGV are suspended. <p>The above suspensions are effective from 13 January 2020. This Complaint will continue to be monitored by the IMU. FGV is to continue submitting its quarterly reports and updates related to the completion of this exercise to the Secretariat.</p> <p>Lifting of the above suspensions are conditional upon the satisfactory implementation of the Complaints Panel Decision, verified by audits conducted by Certification Bodies no later than July 2020. Costs for the said audits shall be borne by FGV.</p> <p>The resolution are currently being resolved under complaints panel.</p>	
<p>Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1</p>	<p>Auditor Verification: There is 1 issue happen in FGVPM Palong Timur 04 (Now FGVPM Palong Timur 05) and the details is elaborated below: FGVPM PALONG TIMUR 04 (NOW FGVPM PALONG TIMUR 05): Claims on 19.06.2012 with value of summon RMX1,XXX.60 and summon status is Court Appeal.</p> <p>Auditor Verification:</p>	<p>Yes</p>

	<p>The dispute between FGVPM Palong Timur 04 VS Ahmad Tukiman & 7 other in Mahkamah Rayuan No: J-08-505-11/2017 form Oct 2016 untill May 2018 has been closed and payment to the dependant has been paid through their lawyer, Muhendran Sri (Advocates & Solicitors) for the sum of RMX7,XXX.52.</p>	
<p>Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.</p>	<p>Company Group/Holding Statement: Yes, at the current status, all 67 complexes already have internal audit in year 2017-2019.</p> <p>Auditor Verification: Yes. The uncertified 33 mills have undergone internal audit conducted by the sustainability department. Internal audit conducted with findings highlighted for site’s further improvement. Corrective Action Plans were implemented during the timeframe and the internal audit report recommended for the non-conformity closure as the positive assurance statement.</p>	<p>Yes</p>
<p>Have there been any stakeholder (including NGO) consultation conducted?</p>	<p>Stakeholder comments are recorded in Stakeholder report 2018. No negative comment from stakeholder. Suggestion and recommendation from stakeholders were taking into consideration.</p>	<p>Yes</p>

3.3 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
<p>Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?</p> <p>OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.</p>	There is no scheme smallholder under FGV Plantation.	N/A

3.4 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the 1st Annual Surveillance Assessment there were **Six (6)** Major & **One (1)** Minor nonconformities raised. The **FGVPISB Kerteh POM** Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-conformity			
NCR Ref #	1871877-201907-M1	Clause & Category (Major / Minor)	Indicator 3.6.1 Major
Date Issued	15/01/2020	Due Date	14/04/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/03/2020
Statement of Nonconformity:	Implementation of safety mitigation measures for machine safeguarding process was fully adequate.		
Requirement Reference:	All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		
Objective Evidence:	Kerteh POM: 1) Opening from drive shaft rotating parts from the motor conveyor at the kernel plant was not guarded. 2) Safeguarding metal hood cover for the motor rotator on the chemical pump at the water treatment plant was found heavily rusted and partially exposing the motor rotating parts. 3) No safeguarding metal hood cover was provided for the chemical pump motor rotator at the Boiler Plant.		

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Corrections:	Implementing plans and procedures identified in the H&S issue, which is to guarded / cover to reduce exposure to hazards during work.
Root Cause Analysis:	The plans and procedures identified in the H&S issue were not implemented.
Corrective Actions:	Kerteh Mill manger must ensure that the assigned staff is responsible for periodic monitoring and H&S annually.
Assessment Conclusion:	<u>Major NC onsite verification:</u> OSH meeting latest record conducted on 9 March 2020 referred record (06)4027/KT/840A/16.9(A) Pt.2 show the issue been highlight according to workplace inspection and sighted the discussion for previous issue also according to corrective action plan, thus Major NC close accordingly.

Non-conformity			
NCR Ref #	1871877-201907-M2	Clause & Category (Major / Minor)	Indicator 6.2.1 Major
Date Issued	15/01/2020	Due Date	14/04/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/03/2020
Statement of Nonconformity:	No evidence of latest collaborative agreement is available and explained to workers in language they understand.		
Requirement Reference:	Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.		
Objective Evidence:	In FGV Kerteh POM, the latest collaborative agreement is not available, hence it is yet to be explained to workers.		
Corrections:	Obtain CA copy from headquarters (HR FGVPI). Obtain a copy of the CA evidence provided by the FPI association to the employee.		
Root Cause Analysis:	The mill management does not have a signed copy of CA. The factory does not keep any evidence provided by the FPI association to the workers.		
Corrective Actions:	The mill manager will contact HR FGVPI to obtain a new copy of the CA (if any) annually. The FPI Association is obligated to provide information if there are employees who do not understand the content of the CA or new employees, and the mill management needs to have a record of disclosure ever made.		
Assessment Conclusion:	<u>Major NC onsite verification:</u> CA valid from 1 Jan 2019 until 31 Dec 2021 was available at site during verification with approval/endorsed by Industrial relation dated 20 Jan 2020 ((04)/FGVH/HRBP01/08/E16/2019). The briefing was done on 4 Feb 2020 to workers at all workers regarding new CA by Roslan Zali (Naib yang Dipertua Kesatuan Pekerja). Thus, NC was close accordingly		

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Non-conformity			
NCR Ref #	1871877-201907-M3	Clause & Category (Major / Minor)	Indicator 7.10.1 Major
Date Issued	15/01/2020	Due Date	14/04/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/03/2020
Statement of Nonconformity:	GHG emissions assessed for the unit of certification was not effectively monitored through the Palm GHG calculator.		
Requirement Reference:	GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimize them are implemented, monitored through the Palm GHG calculator and publicly reported.		
Objective Evidence:	Incorrect input data reported in Palm GHG calculator for the certification unit. Further details on the incorrect data can be checked via PalmGHG Version 4 online.		
Corrections:	Provides corrected and computed GHG information to SCCD team to do the calculation in PalmGHG Calculation Verstion 4 sends it to the auditor via PalmGHG version 4 online for review and verification by the auditor.		
Root Cause Analysis:	Providing GHG information to make calculations is inaccurate by the project.		
Corrective Actions:	The manager must first review the GHG information before submit to the SCCD for calculation to ensure that no errors are made in the future.		
Assessment Conclusion:	<u>Major NC onsite verification:</u> The raw data was accurate and same with GHG. The data been approve by manager thus, NC was close accordingly.		

Non-conformity			
NCR Ref #	1871877-201907-M4	Clause & Category (Major / Minor)	Indicator 7.8.2 Major
Date Issued	15/01/2020	Due Date	14/04/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/03/2020
Statement of Nonconformity:	Water courses were not protected from pesticide contamination		
Requirement Reference:	Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).		
Objective Evidence:	At Semaring 1 Estate, during the visit it was observed that palm circles of palms in the buffer zone along Sungai Balu and the river bank had been sprayed.		
Corrections:	Meetings/ discussion are held with poisoned workers to obtain clarification on issues found. Issue a stronger warning letter to employees involved with poisoning in the buffer zone.		

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Root Cause Analysis:	Training and awareness have been made available to relative workers, but workers are still spraying in some areas of the buffer zone.
Corrective Actions:	Regularly monitor the buffer zone area to ensure worker not spraying in that area. Include spraying training/awareness in annual training programs to ensure training and reminders are provided annually.
Assessment Conclusion:	<u>Major NC onsite verification:</u> During site visit at Field PM13E, no more palm circle was sighted along Sungai Balu. The training record was available dated 15 Jan 2020 to all sprayer. Record of reminder letter was sighted (15) 14/488/peringatan pekerja dated 14 Jan 2020, thus Major NC was close accordingly.

Non-conformity			
NCR Ref #	1871877-201907-M5	Clause & Category (Major / Minor)	Indicator 2.3.1 Major
Date Issued	15/01/2020	Due Date	14/04/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/03/2020
Statement of Nonconformity:	Not all required information for directly sourced FFB had been collated.		
Requirement Reference:	For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> • Information on geo-location of FFB origins. • Evidence of the ownership status or the right/ claim to the land, or valid use of land by the grower/smallholder. • One or more supporting documents for claims. • Valid MPOB license. 		
Objective Evidence:	For directly sourced FFB, the Mill had only information on MBPO permits. There was no information available on geo-location and evidence of ownership.		
Corrections:	To complete the information of smallholders submitting FFB directly to mill including: - name of supplier, name / estate owner, management telephone number, MPOB license, estate / farm area, coordinates, grant number (for external suppliers) / shared farm lot map lot list by lot (for FELDA and FTPSB) and MPOB license expiration date.		
Root Cause Analysis:	The mill is still in progress for completing information on external suppliers including smallholders from the FELDA and FTPSB which sent the FFB to Keratong 3 POM.		
Corrective Actions:	Weighbridge clerk will first check the details of the new FFB supplier such as; geo-location, grant / land ownership information, MPOB license and other supporting documents to be completed before registering the new supplier in mill weighing system.		
Assessment Conclusion:	<u>Major NC onsite verification:</u> The List of smallholder was available in mill record with total 6 scheme smallholder and 4 Smallholder. This data include their MPOB license, validity of MPOB license,		

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	GPS coordinate of office and contact no of the smallholder group manager. No new supplier during site verification. Thus Major NC was close and will be verify during next surveillance.
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Non-conformity			
NCR Ref #	1871877-201907-M6	Clause & Category (Major / Minor)	Critical (3.4.3)
Date Issued	15/01/2020	Due Date	14/04/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/03/2020
Statement of Nonconformity:	The environmental management plan was not effectively implemented.		
Requirement Reference:	The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.		
Objective Evidence:	<ol style="list-style-type: none"> At Semaring 1 Estate, during the visit it was observed that there was evidence of used lubricant spillage after servicing or maintenance of vehicles left on the workshop floor. Sighted during site visit at schedule waste store, noted the old and new evidence used oil spillage at the store floor. This show that oil spillage was left unattended. Refer to the environmental management plan established, all oil spillage must be attended as per SOP for chemical spillage. Refer doc. no. FPI/L2/QOSHE-14.0. 		
Corrections:	Provides a new tray to be used during the lubricant oil spillage conversion process to avoid direct oil spills and to pollute the environment.		
Root Cause Analysis:	The existing tray oil spill was broken and cannot be used.		
Corrective Actions:	Regular monitoring by environmentally responsible officials to ensures that no new spills occur and the tray is available and not damaged.		
Assessment Conclusion:	<u>Major NC onsite verification:</u> The appointment letter for Environmental person incharge referred letter (60)4027/KT/840/2.1 Pt 7 dated 5 Feb 2020 was available. The PIC conducted the monitoring at scheduled waste store and contractor activities to ensure no spillage happen and control any emergency spillage accordingly, referred latest record of monitoring. The Major NC close accordingly.		

Non-conformity			
NCR Ref #	1871877-201907-N1	Clause & Category (Major / Minor)	Indicator 2.2.2
Date Issued	15/01/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"

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Statement of Nonconformity:	EPF Act 1991, SOCSO Act 1969 & EIS Act 2017 - Legal compliance on the employer contribution for employee's EPF, SOCSO and EIS was not demonstrated at FGV Semaring 01 Estate's contractor.
Requirement Reference:	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available.
Objective Evidence:	Kamaludin (Passport No: C2735568) and K. Kumarasan A/L Krisnan (IC No: 841222-08-6193) were the worker of Sri Chakra Enterprise Sdn Bhd (contractor of FGV Semaring 01 Estate). Sighted their pay slip from January 2019 - December 2019, the contractor was not contribute for EPF (local), SOCSO and EIS (both local and foreign worker) to his worker.
Corrections:	Issue a hard warning letter to the contractor, if it is still unable to complete the relevant document, the contractor will be terminated. Obtain a clear copy of the pay slip showing the EPF, SOCSO and EIS statements. Obtain evidence that contractors have approved EPF, SOCSO and EIS for their employees.
Root Cause Analysis:	2 letters have been issued to the chakra enterprise sdn bhd contractors, but they still do not comply with the requirements of EPF, SOCSO and EIS.
Corrective Actions:	Mill managers need to ensure that new and old workers under contractors contribute EPF, SOCSO and EIS.
Assessment Conclusion:	Corrective actions plan has been reviewed and deemed to be satisfactory to address the Minor Nonconformity. Evidence CAP will be verified during next assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	-

Positive Findings	
PF #	Description
PF 1	Good cooperation from the management.

3.4.1 Status of Nonconformities Previously Identified and Observations

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1680089-201804-M1	Clause & Category (Major / Minor)	Indicator 2.1.1 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	22/11/2018
Statement of Nonconformity:	Kerteh POM - Evidence of compliance for some of the conditions stipulated in Compliance Schedule (Jadual Pematuhan) was not adequately demonstrated.		
Requirement Reference:	Evidence of compliance with relevant legal requirements shall be available.		
Objective Evidence:	During the site visit at the mill's smoke density meter, it was found that the alarm for dark smoke emission was not functioning although the reading has exceeded the limit. [ref.: Clause 15 of Jadual Pematuhan (License No. 004053)].		
Corrective Actions:	The mill management performed continuous monitoring on the alarm of the smoke density meter to ensure the alarm functioning as per DOE requirement. Evidence sighted: - Records of monitoring of boiler alarm system "Kertas Semak Siren Smoke Density Meter"		
Assessment Conclusion:	ASA1 verification: The alarm for dark smoke emission was well functioning and readings were recorded. there was no repetitive of similar issue during this assessment visit. Therefore, the Major NC raised during the previous assessment has been verified and effectively closed on ASA1 audit.		

Non-conformity			
NCR Ref #	1680089-201804-N1	Clause & Category (Major / Minor)	Indicator 5.1.2 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2020
Statement of Nonconformity:	Mitigation of environmental impacts was not adequately addressed.		
Requirement Reference:	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.		
Objective Evidence:	Semaring 1 Estate has appointed a third party (Nafas Jentera Sdn Bhd) to carry out repair/servicing of its machinery. The used oil (SW305/306) and used filter (SW410) from the servicing activity were normally taken away by the third party to their premises. However, there is no evidence that		

	the third parties have obtained any forms of authority to take away the scheduled wastes from the DOE.
Root Cause:	The estate management did not monitor the scheduled wastes disposal by the appointed contractor on the authority to take away the scheduled wastes by the DOE.
Corrections:	The estate management will obtain license between Nafas Jentera and DOE for the current term.
Corrective Actions:	The estate management will ensure the contractor's license from DOE is valid throughout the contract term.
Assessment Conclusion:	ASA1 verification: Though Nafas Jentera Sdn Bhd had applied to DOE for the permit, the Estate management had discontinued using Nafas Jentera Sdn Bhd. Currently all servicing of vehicles was carried out by Sime Darby Industries Sdn Bhd (SDI) and all used oil (SW305/306) and used filter (SW410) is taken away by SDI. The latest services was on 26/06/2019. Thus, the NCR is closed.

Non-conformity			
NCR Ref #	1680089-201804-N2	Clause & Category (Major / Minor)	Indicator 4.7.5 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2020
Statement of Nonconformity:	Emergency Response Procedure was not effectively implemented in the estate.		
Requirement Reference:	Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites.		
Objective Evidence:	Kerteh Estate: During site visit, it was observed that first aid kit for harvester was not appropriately stocked as per requirement by Guidelines On First-Aid In The Workplace by DOSH or FMA's 4th Schedule of Safety Health Welfare Regulation, 1970. During line-site visit, at house no 25/87, it was found that one fire extinguisher permit was expired on 3/4/2017.		
Root Cause:	First Aid Box. The estate did not implement the emergency response procedure regarding monitoring of first aid kit. Fire Extinguisher. Each individual fire extinguisher permit expiry date was not monitored by estate management		
Corrections:	First Aid Box.		

	<p>The estate management will replace immediately all the used items of the first aid kit and revamp the responsibilities emergency response team.</p> <p>Fire Extinguisher. The estate management will sent the individual fire extinguisher permit for service and monitor the expiry date.</p>
Corrective Actions:	<p>First Aid Box. The items inside the first aid kit are replaced during each monitoring periodically by estate’s emergency response team.</p> <p>Fire Extinguisher. The list of fire extinguisher is checked during annual service before sent to service provider.</p>
Assessment Conclusion:	<p>ASA1 verification: Verified that proposed correction & corrective action plan has implemented accordingly. Verified also that there was no repetitive of similar issue during this assessment visit. Therefore, the minor NC raised during the previous assessment has been verified and closed effectively on ASA1 audit.</p>

Opportunity for Improvement	
OFI#	Description
OFI 1	-

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1680089-201804-M1	Major	2.1.1	14/09/2018	Closed out on 22/11/2018
1680089-201804-N1	Minor	5.1.2	14/09/2018	Closed out on 16/01/2020
1680089-201804-N2	Minor	4.7.5	14/09/2018	Closed out on 16/01/2020
1871877-201907-M1	Critical	3.6.1	16/01/2020	Closed out on 16/03/2020
1871877-201907-M2	Critical	6.2.1	16/01/2020	Closed out on 16/03/2020
1871877-201907-M3	Critical	7.10.1	16/01/2020	Closed out on 16/03/2020
1871877-201907-M4	Critical	7.8.2	16/01/2020	Closed out on 16/03/2020
1871877-201907-M5	Critical	2.3.1	16/01/2020	Closed out on 16/03/2020
1871877-201907-M6	Critical	3.4.3	16/01/2020	Closed out on 16/03/2020

1871877-201907-N1	Non-critical	2.2.2	16/01/2020	Open
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3.5 Stakeholders and previous land owner / user consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Kerteh Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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 below.

List of Stakeholders contacted	
Internal Stakeholders Workers representatives (foreign & locals) Gender Committee Representatives	Union/Contractors Contractors (Mahu Berjaya Enterprise Sdn Bhd, Sri Chakra Enterprised Sdn Bhd, MM Agro & Mechanical Engineering works (Aziz bin Jusoh)
Government Departments -	Neighbouring Estates/Local Communities Ketua Peneroka FELDA Kerteh 6 & Pengurus Rancangan FELDA Kerteh 5 (Community/Neighbour Estate) Setiausaha MPKK Kampung Jongok Batu

	Stakeholders comment
1	<p>Feedbacks: <u>Workers representatives (foreign & locals)</u> Housing were provided to the workers with subsidize rate of electricity and water. Workers been provided with PPE and relevant training. No discrimination being practices. They were given the payment based on the skills and job completion. Employment contract is available and signed by them. Passport was kept in the locker provided with the key for them to have it anytime.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
2	<p>Feedbacks: <u>Ketua Peneroka FELDA Kerteh 6 & Pengurus Rancangan FELDA Kerteh 5 (Community/Neighbour Estate)</u> The estate boundary is clearly demarcated. No land dispute issue reported. All of the neighbouring estates has the good relationship with FGV Kerteh POM and FASSB Kerteh Estate and their housing area is in the</p>

	settlers' village. They have joined the meeting involving FELDA, FGV, Technoplant, etc to discuss various issues.
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.
3	<p>Feedbacks: <u>Setiausaha MPKK Kampung Jongok Batu</u></p> <p>The relationship between FGV Semaring 01 Estate and the community is good. No land dispute or encroachment in the community land. Currently, the economic livelihood for the community is for tourism where the Hutan Lipur Chembrong is heavily developed and promoted for outdoor activities.</p>
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.
4	<p>Feedbacks: <u>Gender Committee Representatives</u></p> <p>No sexual harassment cases reported so far. Meeting and activities were conducted actively year round. No domestic violence cases too. New mother needs has been discussed in the gender committee meeting and implemented.</p>
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.
5	<p>Feedbacks: <u>Contractors (Mahu Berjaya Enterprise Sdn Bhd, Sri Chakra Enterprised Sdn Bhd, MM Agro & Mechanical Engineering works (Aziz bin Jusoh)</u></p> <p>Contract agreement and payment were available. Contractor have workers lived in estate housing and so far no complaint from them. FGV management provided the MSPO/RSPO training to them. They are aware on basic requirement of MSPO/RSPO and been briefed on the company policies through the stakeholder meeting.</p>
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.

List of land owner / user contacted

Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
N/A since the land is belonged to FELDA. Based on the land title, the land is belonged to FELDA (government land) and FELDA land was leased to FGV. Based on stakeholder consultation, there is no land encroachment from FGV to other smallholders as a land user in FELDA land too.					



Previous land owner / user comment

Feedbacks: N/A since the land is belonged to FELDA. Based on the land title, the land is belonged to FELDA (government land) and FELDA land was leased to FGV. Based on stakeholder consultation, there is no land encroachment from FGV to other smallholders as a land user in FELDA land too.

	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.

3.6 Impartiality and conflict of interest

During this assessment there **was no** circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that FGV PISB Kerteh POM & Supply Bases has complied with the RSPO P&C 2018 (MYNI 2019) and RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of FGV PISB Kerteh POM & Supply Bases is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Elzy Ovktafia Binti Chairul	Name: Ahmad Shahrir Bin Ismail
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: FGV Holdings Berhad
Title: Client Manager	Title: Senior Manager
Signature: 	Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i> 
Date: 01/04/2020	Date: 06/04/2020

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Behave ethically and transparently			
Criterion 1.1			
The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Major compliance -</p>	<p>Information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Restricted information such as account and cost data, personal privacy, etc. are not allowed to be shared publicly.</p> <p>FGV Kerteh has developed a 'Komunikasi, Penglibatan dan Rundingan' (Doc no: FGV/ML-1A/L2-Pr12, issue 1 revision 0, dated 01/06/2016). The objective is to provide the effective communication to stakeholders internally and externally.</p> <p>Among the records that made available are as below:</p> <ol style="list-style-type: none"> 1. Geran Tanah/ROH 2. Pelan Keselamatan dan kesihatan pekerjaan 3. Pelan pengurusan dan laporan penilaian alam sekitar 4. Pelan pengurusan dan laporan penilaian kesan social 5. Dokumen laporan penilaian biodiversity dan kawasan HCV 6. Pelan pengurangan dan pencegahan pencemaran 7. Prosedur aduan dan rungutan. 	Complied
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Information provided in both English and Bahasa Malaysia and accessible to all stakeholders in FGV Kerteh Certification Unit. They can come to estate/mill office or surfing website: http://www.fgvholdings.com/sustainability/stakeholderengagement/reports/</p>	Complied

1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Major compliance -</p>	<p>The request/letter from stakeholder internal and external is kept on the file and summarized in the complaint book. So far, there is no request from external stakeholder and only with regards of housing maintenance in FASSB Kerteh Estate. In Semaring 01 Estate, the latest request from stakeholder was on 16/10/2019 for request to use FGV Van for School Pupil to Kem Rehlah SPM di Homestay Kapal Teluk Lipat while in FGV Kerteh POM, the request for black soil from PIBG SK Kampung Baru Rasau Kerteh 5.</p>	Complied
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Major compliance -</p>	<p>Documented procedure in place for consultation and communication as per "Menangani Aduan dan Rungutan" procedure, Doc. No. FGV/ML-1A/L2-Pr13, Issue 1, Rev 2 dated 01.04.2019 and "Komunikasi, Penglibatan dan Rundingan", Doc. No.: FGV/ML-1A/L2-Pr12(0), Issue 1, 01.06.2016. Scope of the procedure covered all the complaints related to Project issues, damage or broken of housing and etc.</p> <p>The person in charge for communication and consultation for FASSB Kerteh Estate is Mohd Hamizan Yahya (Stesen Penyelidikan FASSB Kerteh) as per appointment letter dated 02/01/2019 signed by Estate Manager. In Semaring 01 Estate, the person in charge for communication is Rusli Bin Abu Yahya (Assistant Manager) as per appointment letter dated 17/12/2019 and in FGV Kerteh POM, the person in charge for communication is Mohamad Nasir Bin Daud (Admin Executive) as per appointment letter dated 10/11/2019.</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>The stakeholder list was last updated on 01/10/2019 (FASSB Kerteh Estate), 15/12/2019 (FGV Semaring 01 Estate) and 05/01/20120 (FGV Kerteh POM). It comprises Felda estates, nearby schools, settler heads (ketua peneroka), contractors, traders, government agencies, panel clinics, etc.</p>	Complied
<p>Criterion 1.2 The unit of certification commits to ethical conduct in all business operations and transactions.</p>			
1.2.1	<p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p>	<p>Code of Business Conduct and Ethics for Employees, Policy No. GFV/GHR/POL/040, Rev. 1, Effective Date: 1/9/2016 has been established which incorporated various aspect of committing to a code of ethical conduct</p>	Complied

	- Minor compliance -	and integrity. The ethical code covers for all employees (includes permanent, contract, secondment, temporary or assignment basis. The policy has been documented and communicated to all levels of the workforce and operations. Example sampled briefing on Code of Business Conduct and Ethics for Employees ID Ref XX-XX-5147 dated 13/10/19 in Kerteh Estate, dated 18/8/2018 for Employee ID Ref. XX-XX-5689 at Semaring 1 Estate and Employees ID Ref XX-XX-5283 at Kerteh POM.	
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	Implementation of the policy and overall ethical business practice is done via the contract agreement for subcontractors. Example sampled contract agreement between FGV Plantations (M) Sdn Bhd & Sri Chakra Enterprise, Contract No. 5300003186 at Semaring 1 Estate. Monitoring compliance been discussed during the Stakeholders Consultation e.g. sample dated 10/7/2018.	Complied
Principle 2: Operate legally and respect rights			
Criterion 2.1			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	(C) The Unit of Certification complies with legal requirements - Major compliance -	Kerteh Certification Unit maintains its implementation towards complying the relevant legal requirements by using their legal register as guidance. Among the evidence of compliance sighted are: Kerteh POM: a) FGV Palm Industries Sdn Bhd - MPOB license No. 500178404000 – License for “Menjual dan mengalih”, Membeli dan mengalih”, Menyimpan” & “Mengilang vaild until 31/3/2020. b) FGV Trading Sdn Bhd – MPOB license No. 61845515000 – License for “Menjual dan mengalih FFB” valid until 30/6/2020. c) FGV Trading Sdn Bhd – MPOB license No. 618398003000 – License for “ Menjual dan Mengalih”, “Membeli dan Mengalih” PK, CPO valid until 30/6/2020.	Critical non-conformance

		<p>Kerteh Certification Unit maintains its implementation towards complying the relevant legal requirements by using their legal register as guidance. Among the evidence of compliance sighted are:</p> <p>FAS Kerteh Estate:</p> <ul style="list-style-type: none"> • MPOB License No. 502671002000 for 110.56 Ha valid until 31/03/2020 <p>Semaring 1 Estate –</p> <ul style="list-style-type: none"> • MPOB License No. 560381002000 for 1098.18 Ha valid until 30/04/2020/ • Diesel & Petrol permit No. T000008 – Ref: TR/DGN/92/07 (SDK) for 8,500 litres Diesel & 300 Litres Petrol valid until 30/7/ 2020 • Weighbridge certificate – Ref no. MCM TKT .LP (195807). The test was conducted on 26/11/2019. <p>Kerteh POM –</p> <ul style="list-style-type: none"> • MPOB License No. 500178404000. For processing 259,200 tons of FFB valid until 31/03/2020 • DOE’s ‘Jadual Pematuhan’. License no. 004053 valid until 30/06/2020 • DOE’s Clean Air ‘Jadual Pematuhan’. License no. 004075 valid until 05/06/2020 • Diesel permit No. 000033 Ref: TR/DGN/12/08 SKD for 20,000 liters valid until 13/01/2021. • Weighbridge certificate No. B1435730 for weighbridge Serial No. B32341732 for 70 tons tested on 17/10/2019. • Weighbridge certificate No. B1435729 for weighbridge Serial No. B610190097 for 60 tons tested on 7/10/2019. • Scheduled wastes competent person: Mr. Asri B. Ibrahim CEPWAM/00823, dated 4/11/2015 • Permit for Incinerator from DOE Ref: AS(B)T.31/152/000/005 Jld9 (44) dated 09/01/2005 <p>JTK Permit:</p>	
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		<ol style="list-style-type: none"> 1. JTK Permit (6) BHG PU/9/129 dated 10 April 2012 for salary deduction. 2. JTK Permit (22) dlm BHG.PU/9/129 Jld 23 dated 26 April 2016 for electricity (RM 6) & water bill (RM 4) and excess of medical expenses. 3. JTK Permit (No siri: PP 3/34/1385) dated 28/01/2009 for Felda Holdings Bhd and all subsidiaries company for salary deduction of motorcycle loan, electrical loan, furniture with amount of RM 65.00 – RM 241.00 per month for 48 months (motorcycle) and RM 37.33 – RM 230.83 per month for 12 months (electrical and furniture). <p>However, Kamaludin (Passport No: C2735568) and K. Kumarasan A/L Krisnan (IC No: 841222-08-6193) were the worker of Sri Chakra Enterprise Sdn Bhd (contractor of FGV Semaring 01 Estate). Sighted their pay slip from January 2019 - December 2019, the contractor was not contribute for EPF (local), SOCSO and EIS (both local and foreign worker) to his worker.</p>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>The CU had identified, documented and maintained their legal register with written information on legal requirements which related to their operation in legal register entitled 'Legal Requirement Register'</p> <p>Identification and documentation of applicable legal requirements is guided by Manual Procedure, Legal and Other Requirements [FPI/L2/QOSHE 2.0, 15/9/2014].</p> <p>The applicable legal requirements for the mill and estate were registered in "<i>Daftar Perundangan dan Lain-lain Keperluan</i>" (Register of Legal and Other Requirements) [FPI/L4/QOSHE-2.1 Pind 0] which was last updated 1/1/2018. Among the Acts included: OSHA, FMA, Electric Supply Act, BOMBA, EQA, Poison Act, Weigh & Measure Act, SOCSO Act, MPOB Act and Employment Act to name a few.</p>	Complied

		<p>The tracking of changes, monitoring, implementation and compliances of legal and other requirement was guided by the SOP - Refer doc. no ML-1A/L2-Pr6(0) dated 1/6/2016.</p> <p>The Plantation and Sustainability Department was responsible to track changes and the information was disseminated to all its estates and mills. Compliance to each applicable law and regulation was monitored by the operating units as per the document ML-1A/L5-AP1 pind 0. Sighted the sampled evidence of compliancy to regulations on 08/01/2019 on Semaring Estate and on 15/06/2019 at Kerteh POM.</p>	
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>Auditor had verified the legal boundaries.</p> <p>FAS Kerteh Estate The estate legal boundary map was done by MSc Meridian Survey Consultants dated 30/04/2019. The estate was in progress of putting up wooded poles painted red & white. Some boundaries with small holders were fenced.</p> <p>Semaring 1 Legal boundary was demarcated with red and white color concrete pole. Sighted the boundary peg at PM 13A adjacent with Chemerong Forest Reserve and PM 11A adjacent with Kg. Jongok Batu.</p> <p>Kerteh POM Legal boundary along the mill was clearly marked by fencing.</p>	Complied
<p>Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements</p>			
2.2.1	<p>A list of contracted parties is maintained.</p> <p>- Minor compliance -</p>	<p>Sampled in the contracted party available in the stakeholder list as below:</p> <ol style="list-style-type: none"> 1. FFB transporter (Raja Ismail Raja Daud) – FASSB Kerteh Estate. 2. Mahu Berjaya Enterprise Sdn Bhd – FGV Semaring 01 Estate. 3. Sri Chakra enterprise Enterprise Sdn Bhd – FGV Semaring 01 Estate. 4. Mechanical works (Aziz Bin Jusoh)–FGV Kerteh POM. 5. TSH Gear & Engineering Sdn Bhd–FGV Kerteh POM. 	Complied

<p>2.2.2</p>	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<p>Sampled in 2.2.1 includes the terms & conditions to comply with relevant legal requirement in Surat Perintah Kerja such as:</p> <ol style="list-style-type: none"> 1. Contractors worker own a valid work permit. 2. Contractor is to ensure that worker’s pay slip been produced. 3. Contractor workers been insured. <p>The due diligence was conducted through the agreement terms & conditions (Surat Perintah Kerja) and annual internal audit by sustainability team for continuous legal compliance. Sampled contractors as as in clause 2.2.1.</p> <p>However, a non-critical non-conformance was raised due to sampled found as below: Kamaludin (Passport No: C2735568) and K. Kumarasan A/L Krisnan (IC No: 841222-08-6193) were the worker of Sri Chakra Enterprise Sdn Bhd (contractor of FGV Semaring 01 Estate). Sighted their pay slip from January 2019 - December 2019, the contractor was not contribute for EPF (local), SOCSO and EIS (both local and foreign worker) to his worker.</p>	<p>Minor nonconformance</p>
<p>2.2.3</p>	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>The terms & condition mentioned in 2.2.2 also includes in the addendum to the current contract. Sighted sample in 2.2.1 as below:</p> <ol style="list-style-type: none"> 1. Raja Ismail Raja Daud 2. Mahu Berjaya Enterprise Sdn Bhd – FGV Semaring 01 Estate. 3. Sri Chakra enterprise Enterprise Sdn Bhd – FGV Semaring 01 Estate. 4. Mechanical works (Aziz Bin Jusoh)–FGV Kerteh POM. TSH Gear & Engineering Sdn Bhd–FGV Kerteh POM. <p>The contractors agrees to:</p> <ol style="list-style-type: none"> 5. Be informed with RSPO certification programme. 6. Understand the content the Programme RSPO. 7. Agree with the compliance of RSPO. 8. Agree to be audited by certification body for review the relevant document, operational checking and interview contractor workers. 	<p>Complied</p>

Criterion 2.3:			
All FFB supplies from outside the unit of certification are from legal sources.			
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> Information on geo-location of FFB origins Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder One or more supporting documents for claims Valid MPOB license <p>- Major compliance -</p>	<p>Records showed that Kerteh POM had directly sourced FFB from FELDA Estates. However, not all required information for directly sourced FFB had been collated.</p> <p>For directly sourced FFB, the Mill had only information on MPOB permits. There was no information available on geo-location and evidence of ownership. Thus, a Critical NC was issued.</p>	Major nonconformance
2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator2.3.1.</p> <p>- Minor compliance -</p>	<p>Records showed that Kerteh POM had indirectly sourced FFB from suppliers like Eng Huat Latex Concentrate Sdn Bhd , etc . However, not all required information for indirectly sourced FFB had been collated.</p> <p>For indirectly sourced FFB, the Mill had only information on MBPO permits. There was no information available on geo-location and evidence of ownership. Thus, a Minor NCR was issued.</p>	Minor nonconformance
Principle 3: Optimise productivity, efficiency, positive impacts and resilience			
Criterion 3.1			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	<p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Major compliance -</p>	<p><u>Kerteh Estate:</u> The estate has their annual budgets with 3-year projection (2020-2023). The annual operation projection cost is as follows:</p> <p>a) 2020 – RM176.38/MT b) 2021 – RM 185.20/MT c) 2022 – RM 194.46/MT d) 2023 – RM 204.18/MT</p>	Complied

		<p><u>Semaring 1 Estate:</u> The estate has established their annual budgets with 3-year projection e.g. (2020-2022). The budget includes operation cost on activities such as fruit collection, harvesting, roads maintenance and general maintenance work. The annual operation projection cost is as follows: a) 2020 –RM 228.26/MT b) 2021 – RM 197.77/MT c) 2022 – RM 183.90/MT</p> <p><u>Kerteh POM:</u> For the mill, budget with 5 years (until 2025) projection was available. E.g. the budget for 2021 has the information about FFB received (average 220,000 mt), OER (20.70%), KER (5.20%) and processing cost (RM44/mt FFB).</p>	
3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available. - Minor compliance -</p>	<p>Verified that there was no replanting at Semaring 1 estate and Kerteh estate. Projected Annual replanting programme projected from 2016 -2024 available Kerteh Estate. No replanting done with oldest replanted palms were planted in 2005 and 2007 respectively.</p> <p>As for Semaring 1 Estate projected annual replanting programme available from 2017 – 2022 with indication of no replanting programme has been projected until 2022.</p>	Complied
3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -</p>	<p>Management review meeting conducted annually with the latest management review meeting conducted on 24/12/19 at Kerteh Estate, Semaring 1 Estate on 22/12/19 and Kerteh POM on 2/1/20. Minutes of management review meeting available for verification at both estates. Verified the management review meeting adequately covered on inputs on the followings: 1. Results of internal audits 2. Customer (internal/external) feedback 3. Process performance and product conformity</p>	Complied

		<p>4. Status of preventive and corrective actions 5. Follow-up actions from management reviews 6. Changes that could affect the management system 7. Recommendations for improvement</p>	
<p>Criterion 3.2 The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p>			
3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. - Major Compliance -</p>	<p>Operating units have established continual improvement plan for FY 2020 and the implementation is in progress. The document is available for review.</p> <p><u>Semaring 1 Estate:</u> The estate has established the continual improvement plan and documentation is available for review. The plan covers social and environmental impacts. Implementation of the CIP as follows: a) The planting of beneficial plant b) Monitoring of RTE species c) Reducing diesel usage d) Induction course for new join workers</p> <p><u>Kerteh Estate:</u> The estate has established the continual improvement plan and documentation is available for review. The plan covers social and environmental impacts. Implementation of the CIP as follows: i. The planting of beneficial plant ii. Increase usage of organic fertiliser iii. Reducing diesel usage</p>	Complied
3.2.2	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p>	<p>As part of the monitoring and continuous improvement process quarterly progress report were submitted to RSPO Secretariat. Sampled the Quarterly Progress Report dated 27/9/19 signed by the Group CEO.</p>	Complied

	<p>PROCEDURAL NOTE:</p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>		
<p>Criterion 3.3 Operating procedures are Appropriately documented, consistently implemented and monitored.</p>			
<p>3.3.1</p>	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Major Compliance -</p>	<p>Mill holds three SOP and documentation available at the mill for review. Noted the Sustainable Palm Oil Manual Procedure, Safety working procedure and Quality, Occupational Health, Safety and Environmental Procedure.</p> <p>The SOP for estates had been established entitled "Manual Ladang Sawit Lestari" (Sustainable Oil Palm Plantation Manual), 2nd edition as guidance to maintain the agriculture best practices. There are 5 main sections in the manual i.e. oil palm nursery management, development of replanting, immature oil palms, mature oil palms and fertiliser application.</p>	<p>Complied</p>
<p>3.3.2</p>	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>FGVPM has established mechanism to monitor the implementation of their procedure by Mill Advisor Visit. The visit conducted on annually basis. The report covers on Product quality, Process and Maintenance cost, mill throughput, compliances to law and regulation, OSH and cleanliness.</p> <p>Among the mechanism to check consistent implementation of procedures at the estates were daily field supervision, taskforce visits, daily grading by</p>	<p>Complied</p>

		<p>Estate Quality Inspector (EQI), agronomist visit and regional office audit (CDD unit) to name a few. The latest agronomist report at Kerteh Estate available dated 26/06/19 and at Semaring 1 Estate agronomist report available dated 27/3/19.</p>	
<p>3.3.3</p>	<p>Records of monitoring and any actions taken are maintained and available. - Minor Compliance -</p>	<p>Records and monitoring has been established in Kerteh POM & estates and the document are available for review. Sighted the sampled monitoring records as follows: -</p> <p>a) <u>Kerteh Estate</u>: Agronomist report from FGV Agri Services Sdn Bhd dated 26/06/19. Overall no major issues been reported.</p> <p>b) <u>Semaring 1 Estate</u>:</p> <p>i) Annual Medical Surveillance Report based on CHRA Report Ref No. HQ/08/ASS/00/85-2019-0049 dated 16/9/19 available for review. The medical surveillance done by Pantai Premier Pathology Sdn Bhd (OHD Registration No. HQ/09/DOC/00/103) for 16 workers exposed to Glyphosate Isopropylamine. Results indicate that all 16 workers are fit to worker with no abnormalities.</p> <p>ii) Agronomist report from FGV Agri Services Sdn Bhd dated 27/03/19. Overall no major issues been reported. Comments for improvement by the agronomist been progressively implemented.</p> <p>c) <u>Kerteh POM</u>:</p> <p>i) Annual Audiometric testing was done on 6/3/19 by Klinik Syed Badaruddin by OHD Registered Doctor JKPP No.: HQ/08/DOC/00/7. Overall result indicates there is 18 workers identified with Hearing Impairment and 14 workers identified with Standard Threshold Shift (STS). Further follow up investigation report on the hearing impairment/STS available dated 1/7/19 indicate no Noise Induced Hearing Loss. 8 workers have to reset baseline audiometry during year 2020 annual audiometric test.</p> <p>ii) CHRA conducted on 2/8/18-1/9/18 by IFZ Medical Supplies. Seen the CHRA Ref. Report JKPP HQ/16/ASS/00/18-2018(007). Appropriate control measures have taken accordingly.</p>	<p>Complied</p>

		<p>iii) Annual Medical Surveillance Report based on CHRA Report Ref No. JKPP HQ/16/ASS/00/18-2018(007) dated 12/11/19 available for review. The medical surveillance done by IFZ Medical Supplies (OHD Registration No. JKPP HQ/08/DOC/00/276 for 29 workers Results indicate that all 29 workers are fit to worker with no abnormalities.</p> <p>iv) Chemical Exposure Monitoring Report dated 2/8/18. The chemical exposure monitoring done by Occumed Consultancy & Services Sdn Bhd (Hygiene Technician No. HQ/15/JHI/00/208).</p>	
<p>Criterion 3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.</p>			
3.4.1	<p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented. - Major Compliance -</p>	There is no new planting at FGV Kerteh POM certification unit.	Complied
3.4.2	<p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders. - Minor Compliance -</p>	The Social Impact Assessments were conducted on 21/05/2018 (FASSB Kerteh Estate), 11/07/2018 (FGV Semaring 01 Estate) and 22/05/2018 (FGV Kerteh POM) by Sustainability Team. SOP for SIA (Doc no: FGV/ML-1A/L2-Pr21 Issue 1 revision 2 Mac 2019 established on SIA process conducted at least 2 years once. The social management plan was updated according on both positive and negative impact from the stakeholders consultation.	Complied
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. - Major Compliance -</p>	<p>The social management plan was having the timeframe, person in charge, short, medium and long-term monitoring period as well as review status.</p> <p>At Semaring 1 Estate, during the visit it was observed that there was evidence of used lubricant spillage after servicing or maintenance of vehicles left on the workshop floor.</p>	Major nonconformance

		Sighted during site visit at schedule waste store, noted the old and new evidence used oil spillage at the store floor. This show that oil spillage was left unattended. Refer to the environmental management plan established, all oil spillage must be attended as per SOP for chemical spillage. Refer doc. no. FPI/L2/QOSHE-14.0.	
Criterion 3.5			
A system for managing human resources is in place.			
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance -	As documented in FGV Holdings Berhad Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, effective date: 29.05.2019, Chapter 5.1.2 – Responsible Employment, where hiring and selection of workers during recruitment is based on skill, minimum age, medical fitness and work experience. Performance review is conducted annually and documented in Performance Appraisal Form: PMS2018. There is no any discrimination based on religion, gender, nationality, etc. during their recruitment.	Complied
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	There is Recruitment & Selection SOP (SOP no: FGV/GHR/SOP/004 Rev 2.0 dated 13 th June 2018) with Flow Chart from request for manpower by HOD until on boarding of new employee. The employment records are available in office.	Complied
Criterion 3.6			
An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Major Compliance -	Kerteh POM has established procedure for identification of risk assessment using the HIRARC procedure, Doc. No. FGV/ML-1A/L2-Pr2. Health and safety issue assessment has been documented in hazard identification, risk assessment and determined control HIRARC as per reference document no FPI/L4/QOHSE-1.4 Pind 2. The assessment includes all processing activities and support activities base on workstation. HIRARC was latest reviewed on 30/12/2019 and approved by the Manager. Mill activities was identified and risk assessed with respect to e.g. Loading Ramp, Sterilizer, Press & Digester, Kernel Plant and Oil room.	Major nonconformance

		<p><u>Kerteh POM:</u> Implementation of safety mitigation measures for machine safeguarding process was not fully adequate as below:</p> <ol style="list-style-type: none"> 1) Opening from Drive shaft rotating parts from the motor conveyor at the kernel plant was not guarded. 2) Safeguarding metal hood cover for the motor rotator on the chemical pump at the water treatment plant was found heavily rusted and partially exposing the motor rotating parts. 3) No safeguarding metal hood cover was provided for the chemical pump motor rotator at the Boiler Plant. <p>Thus, a Critical (Major) NC has been raised.</p> <p><u>Kerteh Estate:</u> Health and safety issue assessment has been documented in hazard identification, risk assessment and determined control HIRARC as per reference document no FAS-IMSL2/L4/1.2 Pind. 1. The assessment include all processing activities and support activities base on workstation. In the HIRARC assessment stated the appropriate control measures and person in charge for each mitigation control. All activities with significant risk has been listed and mitigation plan to improve the condition has been established and documented. The document was reviewed annually. Sighted latest reviewed of HIRARC at Kerteh Estate dated 1/10/2019 by Supervisor In charge for Harvesting, Manuring and Spraying.</p> <p><u>Semaring 1 Estate:</u> Health and safety issue assessment has been documented in hazard identification, risk assessment and determined control HIRARC as per reference document no FGV/FGVPM/F(IMS)/1.3 Pind 1. The assessment include all processing activities and support activities base on workstation.</p>	
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		In the HIRARC assessment stated the appropriate control measures and person in charge for each mitigation control. All activities with significant risk has been listed and mitigation plan to improve the condition has been established and documented. The document was reviewed annually. Sighted latest reviewed of HIRARC at Semaring 1 Estate dated 19/10/2019. Sampled HIRARC for Housing, Harvesting, Manuring and Spraying.	
3.6.2	(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Major Compliance -	<p><u>Kerteh Estate:</u> The effectiveness of the H&S plan to address health and safety risks to people is monitored accordingly during the quarterly HSE Meeting. Seen the latest quarterly HSE Meeting Minutes dated 13/12/19 at Kerteh Estate with includes details of effectiveness monitoring review on Health & Safety Risk to people.</p> <p><u>Semaring 1 Estate:</u> The effectiveness of the H&S plan to address health and safety risks to people is monitored accordingly during the quarterly HSE Meeting. The Estate Manager has been appointed as the Chairman of the SHE Committee meeting as per appointment letter dated 28/1/2019. Quarterly HSE Meeting minutes available e.g. dated 27/11/19, 23/9/19 & 23/5/19.</p> <p><u>Kerteh POM:</u> The effectiveness of the H&S plan to address health and safety risks to people is monitored accordingly during the quarterly HSE Meeting. Seen the quarterly HSE Meeting Minutes dated 26/2/19, 24/5/19, 26/8/19 & 12/2/19 with includes details of effectiveness monitoring review on Health & Safety Risk to people.</p>	Complied
Criterion 3.7			
All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.			
3.7.1	(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into	<p><u>Kerteh POM:</u> The training programme for year 2020 has been established and</p>	Complied

	<p>account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Major Compliance -</p>	<p>In the training programme covers training for Safety Work Procedure for each workstation, Firefighting training, Chemical handling, weekly safety briefing, Health, Safety and Environment Briefing and etc.</p> <p>Kerteh Estate and Semaring 1 Estate has established training programme and documented in Safety and Health programme FY2020. The training programme covers training e.g. on company policy, Safety issue, SOP for operational activities, PPE awareness, chemical handling and emergency response plan.</p>	
<p>3.7.2</p>	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>Operating units visited has established training programme for FY 2020. All training conducted as per plan. Additionally, the region SHE Department conducted training centrally for all operating units in the region.</p> <p><u>Kerteh POM:</u> The Kerteh POM has established training programme. Sighted the training records as follows: a) Fire Drill and Fire Extinguisher training dated 10/4/19. b) Loading Ramp Safe Work Procedure Training dated 9/2/19 c) HIRARC and PPE Training dated 5/1/19 d) FGV OSH Policy Briefing dated 20/11/19 e) Recycle Program Training dated 8/11/19</p> <p><u>Semaring 1 Estate:</u> The estate has established training programme for employee and documented in Health and Safety Plan FY 2019 – Semaring 1 Estate and Training Schedule for Employee. The training covers the safe working elements. All the training records was available for review. Sighted the training records as follows: a) First Aid & CPR Training dated 22/8/2019 b) Pest Control Training dated 29/4/19 c) Harvesting Training dated 28/4/19</p>	<p>Complied</p>

		<p>d) Safe Work Procedure on Manuring dated 30/4/19 e) PPE Training for Pesticide Sprayers dated 14/1/20</p> <p><u>Kerteh Estate:</u> All training conducted base on the training plan established. The implementation of training plan for FY 2019/2020 is done accordingly. Sighted the training records as follows: a) Manuring and fertilizer handling dated 8/1/2020 b) Tractor Driving Safety dated 28/11/19 c) Anti Bribery Training dated 25/9/19 d) Harvesting Training dated 23/9/19 e) Chemical Spraying Training dated 19/6/19</p>	
3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	<p>RSPO SCC training record available dated 24/12/19 conducted at the Kerteh POM attended by all relevant personnel e.g. Mill Assistant, Administration Executive, Weighbridge Clerk, Grader.</p>	Complied
<p>Criterion 3.8 Supply chain requirement for mills</p>			
3.8.1	<p>Definition Identity Preserved Mill D.1: A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill processes</p>	Not applicable	Not applicable

	certified and uncertified FFB without physically separating them, then only Module E is applicable.		
3.8.2	<p>Definition Mass Balance Mill E.1</p> <p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>Kerteh POM received from own certification unit and non-certified FFB supplier. Kerteh POM was certified with SC Module E: Mass Balance. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>	Complied
3.8.3	<p>Explanation (Volume and product integrity) – D.2, E.2</p> <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report. The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p> <p>Felda Global Ventures Holdings Berhad held RSPO membership number: 1-0225-16-000-00 since 27 December 2016.</p> <p>Company has registered in PalmTrace system as follows: Members ID – FPISB KILANG SAWIT KERTEH KILANG SAWIT KERTEH: RSPO_PO1000001907. Member category : Oil Mill</p>	Complied

<p>3.8.4</p>	<p>Documented procedures – 5.3.1, D.3, E.3</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <p>Complete and up-to-date procedures covering the implementation of all the elements of the supply chain model requirements.</p> <ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organisation’s procedures for the implementation of this standard. • The site shall have documented procedures for receiving and processing certified and non-certified FFBS. 	<p>Procedure namely Mill RSPO SCC (Mass Balance), SOP for Mill RSPO SCC, Doc. No: RSPO SCC, dated: 01/09/2019, version: 3.0 was established 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, Claim and etc.</p> <p>Stated in the SOP for Mill RSPO SCC, Doc. No: RSPO SCC, dated: 01/09/2019, version: 3.0, the Mill Manager was the chairman of RSPO SCC Committee whom need to ensure the RSPO SCC system is being implemented. The job descriptions were identified in the procedure accordingly.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. During interview, he can demonstrate an awareness of the site procedures for the implementation of this standard. Sighted also the appointment letter Bil (62)4027/KT/840A/16.8.1(6) dated 07/10/2019 mentioned Mohd Asri bin Ibrahim(Assistant Manager) appointed as AJK for RSPO/MSPO.</p> <p>The RSPO SCCS 2019 training has been conducted on 24/12/2019 by SCCD Team (Yaslam Mohammad Salleh) attended by 14 attendees.</p>	<p>Complied</p>
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<p>3.8.5</p>	<p>Internal Audit – 5.3.2 The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <hr/> <p>Effectively implements and maintains the standard requirements within its organisation.</p> <hr/> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports.</p>	<p>Procedure namely SOP for Mill RSPO SCC, Doc. No: RSPO SCC, dated: 01/09/2019, version: 3.0 was established which covered the internal audit under Certification & Due Diligence (CDD), Sustainability & Environmental Department (SED), FGVH responsibility. The internal audit will be plan annually before CB audit. Internal audit procedure was crossed-reference with SOP: FGV/ML-1A-L2-PR11 issue 1 dated 01.06.2016. The procedure was implemented and maintained by the management. The records (for example, internal audit was conducted on 26/12/2019 by Yaslam Mohammad Salleh (SD department) was available for verification. 4 NCR were raised during the internal audit and closed accordingly. Management review was conducted on 31/12/2019. The issues discussed are:</p> <ol style="list-style-type: none"> 1. Internal and external audit result (NC for internal and external audit is yet to be conducted). 2. Customer satisfaction (no complaint received for period Jan-July 2019). 3. Production: Mass Balance is used. All certified FFB suppliers need to be recorded. 4. Recommendation: All data need to be verified from time to time. 	<p>Complied</p>
<p>3.8.6</p>	<p>Purchasing Goods In – 5.4, D.4.1/ D.4.2, E.4.1/E.4.2 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <hr/> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <hr/> <p>The site shall have a mechanism in place for handling non- conforming oil palm products and/or documents.</p>	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit.</p> <p>Kerteh Hilir POM has system to verify at the weighbridge. Sighted sampled as following:</p> <p>A) Within FGV Kerteh POM Certification Unit 1. FGVPM Semaring Dispatch Note: 0107432 Date: 15/01/2020</p>	<p>Complied</p>

		<p>Nett. weight: 05.78 MT Transport: CCF1064 RSPO: RSPO 693209 MSPO: MSPO 693212</p> <p>All the certified estate was registered in the Mill Performance Report System (MPR), therefore the certificate number for estate can be found there. During the audit, the auditor was verified the system and confirmed that 2 estates (FGVPM Semaring and FASSB Kerteh POM) were registered as supplier for FFB-RSPO.</p> <p>a) Non-certified Supplier 1. FELDA Kerteh 06 KP Peneroka: 541213035162 Dispatch Note: 36607 Date: 15/01/2020 Nett: 04.06 mt Transport: VAJ8675</p>	
3.8.7	<p>Outsourcing Activities – 5.5</p> <p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are</p>	<p>Not applicable. No outsourcing activity with regards to processing of FFB or PK. All transportation from Mill is from FELDA transport (own company).</p>	<p>Not applicable</p>

	controlled by the certified organisation (not the tank farm manager).		
	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance. 	Not applicable. No outsourcing activity with regards to processing of FFB or PK. All transportation from Mill is from FELDA transport (own company).	Not applicable
	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourcing activity with regards to processing of FFB or PK. All transportation from Mill is from FELDA transport (own company).	Not applicable
	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the	Not applicable. No outsourcing activity with regards to processing of FFB or PK. All transportation from Mill is from FELDA transport (own company).	Not applicable

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	processing or physical handling of RSPO certified oil palm products.		
3.8.8	Record keeping – 5.9 The organisation shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	FGV Kerteh Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Complied
	Retention times for all records and reports shall be a minimum of two(2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Procedure namely Mill RSPO SCC (Mass Balance), SOP for Mill RSPO SCC, Doc. No: RSPO SCC, dated: 01/09/2019, version: 3.0 has defined at least 2 years of retention time for all records and report. Sampled the last 2 years weighbridge FFB ticket as below: <ol style="list-style-type: none"> 1. Nota Hantaran: 18626 2. Lorry no: BCS1303 3. Buyer name: FGV Kerteh POM 4. Seller name: FELDA Kerteh 06 (Mamat@Ismail Bin Ibrahim 5. Quantity: 02.05 MT Date: 23/03/2017	Complied
	The organisation shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	The forecast volume for Jan 20-Dec 21 was stated in the public summary report.	Complied
	D.5.1 – The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. Or E.5.1 –	Not applicable. All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No	Not applicable

	<p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/or three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)</p>	<p>PKO and Palm Kernel Expeller at Kerteh Palm Oil Mill. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Computerized system in place with the delivery deducted accordingly.</p> <p>The Mill aware that only positive stock can be delivered as only positive stock is allowed in system. No short selling.</p>	
3.8.9	<p>Conversion Factors – 5.10</p> <p>Where applicable, a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organisations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org)</p>	<p>The conversion factor used in Kerteh Mill is OER & KER for Jan 19-Dec 19: OER: 21.02% & KER: 5.35%.</p>	Complied
	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>The OER & KER were updated in monthly basis by Kerteh POM based on Laporan Penerimaan BTS by Assistant Manager. This is also important as Mill will need to determine the FFB price to FFB supplier based on the OER and KER.</p>	Complied
3.8.10	<p>Processing – D.6</p> <p>The site shall assure and verify through documented procedures and record keeping that the RSPO certified</p>	<p>Not applicable</p>	Not applicable

	<p>oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.</p>		
<p>3.8.11</p>	<p>Sales and goods out – 5.6</p> <p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping 	<p>No sales of RSPO certified products for CSPO for 2019.</p> <p>Sample the weighbridge ticket for PK as below: Buyer: Kilang Isi Sawit Semambu Address: Kuantan Seller: Kilang Sawit Kerteh Address: Ketengah Jaya Date: 04/01/2020 Product: Palm Kernel Despatch note: L00000004 Quantity: Nett 35.87 MT Transport: WUJ9952 (Lorry) RSPO Certificate number: RSPO 693209</p> <p>For non-certified PK, sampled below weighbridge ticket: Buyer: Kilang Isi Sawit Semambu Address: Kuantan</p> <p>Seller: Kilang Sawit Kerteh Address: Ketengah Jaya</p>	<p>Complied</p>

	Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments.	<p>Date: 15/01/2020 Product: Palm Kernel Despatch note: L00000012 Quantity: Nett 28.47 MT Transport: WUG6091 (Lorry)</p> <p>Sampled below shipping announcement: Transaction ID: TR-37171f32-ec14 Seller: FGVPISB Kilang Sawit Kerteh Buyer: FGV Kernel Products Sdn Bhd Buyer ref: RSPG1852K Product: CSPK Supply Chain Model: Mass Balance Volume: 39.61 MT Date: 09-01-2020</p>	
3.8.12	<p>Registration of Transactions – 5.7</p> <p>Supply chain actors who:</p> <ul style="list-style-type: none"> • Are mills, traders, crushers and refineries; and • Take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	<p>Kerteh POM is the Palm Oil Mill and physically handle certified FFB and registered in Palmtrace as below: Felda Global Ventures Holdings Berhad held RSPO membership number 1–0225–16–000–00 since 27 December 2016. Company has registered in PalmTrace system as follows: Members ID – FPISB KILANG SAWIT KERTEH KILANG SAWIT KERTEH: RSPO_PO1000001907. Member category : Oil Mill</p>	Complied
	The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:	<p>Procedure namely SOP for Mill RSPO SCC, Doc. No: RSPO SCC, dated: 01/09/2019, version: 3.0 was established. FGVPI was responsible to do</p>	Complied

	<p>Shipping Announcement/Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure2 and 3, refer Annex 1) shall be registered as a Shipping Announcement/Announcement in the RSPO IT Platform. time to do Shipping Announcement/Announcement is based on members' own standard operating procedures.</p> <p>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</p> <p>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</p> <p>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements/Announcements.</p>	<p>announcement in the RSPO IT Platform after each contract completed with maximum of 1 year.</p> <p>This is stated in the Supply Chain Declaration volume for actual sold under conventional volume.</p> <p>There is no certified volumes sold under other scheme is not included.</p> <p>Sampled below shipping announcement: Transaction ID: TR-37171f32-ec14 Seller: FGVPISB Kilang Sawit Kerteh Buyer: FGV Kernel Products Sdn Bhd Buyer ref: RSPG1852K Product: CSPK Supply Chain Model: Mass Balance Volume: 39.61 MT Date: 09-01-2020</p>	
3.8.13	<p>Claims – 5.11</p> <p>The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>There is no claim been made for RSPO logo & trademark in Kerteh POM.</p>	<p>Complied</p>

Principle 4: Respect community and human rights and deliver benefits

Criterion 4.1

The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.

4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Major compliance -</p>	<p>FGV Holdings has developed Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, Eff date: 29.05.2019. Under clause 5.1.3, Respect for Human Rights, FGV group strives to upload and respect internationally recognised human rights as enshrined in the Universal Declaration of Human Rights (UDHR), United Nation as Convention on the Elimination of All Forms of Discrimination against Women, United Nations Convention on the rights of the child, other applicable United nations core human rights treaties, the ILO (Declaration on Fundamental Principles and Rights at Work as well as other relevant ILO conventions.</p> <p>Policies communicated to employees during daily muster assembly and meetings as recorded in the muster briefing records on 06/01/2019 (FASSB Kerteh Estate), 22/12/2019 (FGV Semaring 01 Estate) and 24/12/2019 (FGV Kerteh Estate) through muster briefing by Assistant Manager.</p> <p>Apart from that, FGV also has the FGV Whistleblowing Policy, (policy number FGV/GGD/POL.001 revision 6 dated 28/05/2018) to protect the complainant. Policies were communicated too to external stakeholders on 10/07/2018 under FGV Kerteh certification unit. The stakeholder includes contractors, school representatives, neighbour villagers, etc. The minute meeting on stakeholder meeting conducted is sighted with attendance list records.</p>	Complied
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>FGV Holdings has developed Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, Eff date: 29.05.2019. Under the clause 5.16 Gender Equality and Preventing Sexual Harassment violence and abuse. Based on the interview with the gender committee representatives, it is found out that no sexual harassment cases reported so far.</p>	Complied
<p>Criterion 4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>			
4.2.1	<p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and</p>	<p>SOP for Complaint & Grievance (Doc no: FGV/ML-1A/L2-Pr13 issue 01, revision 02 dated 01.04.2019 is available. This procedure is applicable to all employees and stakeholders who wish to lodge a complaint or grievance. The procedure also provides a mechanism for addressing complaints received,</p>	Complied

	whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. - Major compliance -	and accords protection and confidentiality to complainants. The complaints will be solved on 14 days (first stage), 14 days (second stage) and 14 days (third stage). Apart from that, FGV also has the FGV Whistleblowing Policy, (policy number FGV/GGD/POL.001 revision 6 dated 28/05/2018) to protect the complainant.	
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	Procedures are in place as per 4.2.1. Procedures and policies communicated to employees during daily muster assembly and meetings as recorded in the muster briefing records on 06/01/2020 to 8 workers at FASSB Kerteh Estate, 28/12/2019 to 86 workers at FGV Semaring 01 Estate. Policies were communicated too to all Kerteh POM Certification unit stakeholders meeting on 10/07/2018. The stakeholder includes contractors, school representatives, neighbour villagers, etc.	Complied
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. - Minor compliance -	The grievances recorded in Complaint Book and Housing Repair Request Form. As per SOP for Complaint & Grievance (Doc no: FGV/ML-1A/L2-Pr13 issue 01, revision 02 dated 01.04.2019, under clause 7.2.2 external stakeholder, the complainant will be kept informed within 2 weeks from the complaint receiving date. The stakeholder meeting also discussing the The latest record sighted as below: <ol style="list-style-type: none"> 1. FASSB Kerteh: 27/12/2019 on the aircond issue reported by Nazri and it is already solved on 07/01/2020. 2. FGV Semaring 01 Estate: 03/12/2019 on broken door, toilet and ceiling fan reported by Rusli Abu Yahya and it is already solved on 22/12/2019. 3. FGV Kerteh Estate: 05/12/2019 on leakage of pipe and issue solved on 06/12/2019. 	Complied
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	As per SOP for Complaint & Grievance (Doc no: FGV/ML-1A/L2-Pr13 issue 01, revision 02 dated 01.04.2019, under clause 7.1.4 (4 th stages) 7.1.4.1 if there is no agreement after complaint lodges to the headquarters, the complaint can be escalated to Jabatan Perhubungan Perusahaan, Kementerian Sumber Manusia or Panel Aduan Persijilan Kelestarian (RSPO or MSPO) as a solution.	Complied

	- Minor compliance -		
Criterion 4.3			
The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	As a group level, FGV Holdings has the Funding Social Development in website: http://www.fgvholdings.com/sustainability/people-development/community-development/ and as below: <ol style="list-style-type: none"> 1. The Settlers: The profitability of FGV’s business contributes to the success of Felda settlers. The annual lease payments on the 355,864 hectares of land that FGV manages provides a secure and consistent income stream to FELDA, enabling it to focus on its social development programmes. Additionally, proceeds from FGV’s profit are channelled to FELDA, through its 37 percent stake in our business. These earnings enable FELDA to be internally funded, and ensures its success in sustaining the vibrancy of Malaysia’s smallholder plantations. FGV further distributes its benefits, in the form of dividends, to settlers via Koperasi Permodalan Felda. Some two million people, comprising 112,635 settler families, children and grandchildren, benefit from plantation income, and it is estimated that a further 300,000 people associated with the settlements derive their income from FELDA. In addition to this, various community-based and assistance programmes are being carried out to look into the welfare of Felda communities, including housing improvement loans, training and development programmes for the settlers’ offsprings and their children, as well as development of infrastructure and facilities within the settlements. 2. Yayasan FELDA: FELDA and FGV contribute two percent net profit every year to Yayasan Felda. Through the foundation, FGV helps to spur a variety of charitable causes and initiatives centering on 	Complied

		<p>educational, healthcare and philanthropic causes, which benefit settler communities, rural populace and Malaysians at large.</p> <ol style="list-style-type: none"> 3. FGV Launches Sun Bear Conservation Programme which includes the setting up of the first Sun Bear Community Action Group (CAG) in Malaysia. As part of the holistic approach in implementing the programme, FGV is also publishing guidelines for the CAG entitled <i>Garis Panduan Pelaksanaan Komuniti Sahabat Beruang Matahari and Pengurusan Beruang Matahari di Pusat Menyelamat Hidupan Liar Kebangsaan</i>, which are the first in South East Asia. 4. FGV Champions Conservation of the World’s Largest Flower, <i>Rafflesia</i> and World’s Smallest Bears Species, <i>The Sun Bear</i> with FRIM and PERHILITAN. FGV signed a Memorandum of Collaborations (MoC) with FRIM to set up the first <i>Rafflesia</i> Conservation and Interpretive Centre (RCIC) in Peninsular Malaysia, and another MoC with Perhilitan to set up the Sun Bear Conservation Programme. <p>The development needs of the local community are being carried out on a unit basis. This is verified via requests made by local communities as follows:</p> <ol style="list-style-type: none"> a) FGV Semaring 01 Estate: Bantuan Persekolahan Anak Petugas Syarikat Kumpulan FGV for RM 200 (1st and 2nd child) and RM100 (3rd child). Seen the cash voucher (Reference no: CLC048819120008) date 22/12/2019 period 2019/12 for bantuan persekolahan 2020 total RM 1350.00. b) FGV Kerteh Estate: Sumbangan Hamper fot Mesyuarat Agung PIBG Kali ke 35 SK Felde Kerteh 01. Seen the acknowledge of receipt letter (23)4027/KT/84)A/15.2 Pt.13 dated 13/03/2019. 	
<p>Criterion 4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			

4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Major compliance -</p>	<p>Evidence of legal ownership of the land including history of land tenure was verified during this audit.</p> <p>Both mill and estates were able to demonstrate their rights to use land through several documents:</p> <p><u>Kerteh POM</u> The mill has its own land title: No. 8322, Lot No. 4081, 47,370 sq.m, lease period until 30/7/2061 (60 years), owner: Felda Palm Industries Sdn Bhd. Conditions: for POM and related buildings only.</p> <p>The premise is surrounded by Fleda's settlers. Records of boundary stones was available. There are 10 stones all together and last monitored on 13/8/2018, where all were found still in good condition.</p> <p><u>Semaring 1 Estate</u> <i>Pejabat Pengarah Tanah dan Galian Terengganu</i> has leased 3,968.19 Acres for Semaring 1 (part of the area that was leased to FELDA [ref.: PTG. TR. 00/42/1995/C/002/01-(44), dated 18/4/2011].</p> <p><u>FASSB Kerteh Estate</u> FELDA has leased 110.56 Ha to FASSB Kerteh (formally known as Kerteh 5) [ref.: letter of permission from FELDA to FASSB, (06)JPLDG1151/02-30, dated 18/1/2018]. The letter serves as temporary permit to FASSB while waiting for the renewed agreement to be issued which the old agreement had expired on 31/12/2019 [ref.: Supplementary Agreement between FELDA and FASSB dated 29/10/2019].</p>	Complied
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable

	groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance -		
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.4.2c	Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	The estate lands are legally owned by the company. The existing estates and POM are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm that there is no dispute.	Complied
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable

4.4.5	<p>(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</p> <p>- Major compliance -</p>	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.4.6	<p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p>	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
<p>Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>			
4.5.1	<p>(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>- Major compliance -</p>	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable
4.5.2	<p>(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>- Major compliance -</p>	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable

4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations. - Minor compliance -	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable
4.5.4	To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process. - Minor compliance -	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable
4.5.5	Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable

4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance -	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Major compliance -	There is no new planting in Semaring 01 Estate and FASSB Kerteh Estate.	Not applicable
Criterion 4.6			
Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Major compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable. The procedure applied by Kerteh Complex is Procedure known as Pengenalpastian Dan Penyelesaian Pertikaian Tanah Serta Penentuan Pampasan Document No. FGV/ML-1A/1.2-Pr10 issue 1 revision 2 effective on 1 April 2019. The procedure has clearly states the process of negotiation, involvement of affected and responsible parties (e.g. estate management, FGV Sustainability, Compliance and Certification Department, affected parties) and compensation if any land disputes with Legal Department according to legal requirement and market value.	Complied
4.6.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Major compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable. The procedure applied by Kerteh Complex is Procedure known as Pengenalpastian Dan Penyelesaian Pertikaian Tanah Serta Penentuan Pampasan Document No. FGV/ML-1A/1.2-Pr10 issue 1 revision 2 effective on 1 April 2019. The procedure has clearly states the process of negotiation, involvement of affected and responsible parties (e.g. estate management,	Not applicable

		FGV Sustainability, Compliance and Certification Department, affected parties) and compensation if any land disputes with Legal Department according to legal requirement and market value.	
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable. The procedure applied by Kerteh Complex is Procedure known as Pengenalpastian Dan Penyelesaian Pertikaian Tanah Serta Penentuan Pampasan Document No. FGV/ML-1A/1.2-Pr10 issue 1 revision 2 effective on 1 April 2019. The procedure has clearly states the process of negotiation, involvement of affected and responsible parties (e.g. estate management, FGV Sustainability, Compliance and Certification Department, affected parties) and compensation if any land disputes with Legal Department according to legal requirement and market value.	Not applicable
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	There is no customary right in FGV Kerteh POM and supply bases therefore, the clause is not applicable. The procedure applied by Kerteh Complex is Procedure known as Pengenalpastian Dan Penyelesaian Pertikaian Tanah Serta Penentuan Pampasan Document No. FGV/ML-1A/1.2-Pr10 issue 1 revision 2 effective on 1 April 2019. The procedure has clearly states the process of negotiation, involvement of affected and responsible parties (e.g. estate management, FGV Sustainability, Compliance and Certification Department, affected parties) and compensation if any land disputes with Legal Department according to legal requirement and market value.	Not applicable
Criterion 4.7			
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Major compliance -	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable

4.7.2	<p>(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.</p> <p>- Major compliance -</p>	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.7.3	<p>Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development.</p> <p>- Minor compliance -</p>	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
<p>Criterion 4.8 The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.</p>			
4.8.1	<p>Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.</p> <p>- Minor compliance -</p>	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.8.2	<p>(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>- Major compliance -</p>	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable

4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance -	There is no customary right in Kerteh POM and supply bases therefore, the clause is not applicable.	Not applicable
Principle 5: Support smallholder inclusion			
Criterion 5.1			
The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	FFB price paid for the day and previous period prices paid were publicly available and accessible by smallholders, that is the prices were exhibited at the Weigh Bridge Office window. Current prices paid was shown/document of FFB weigh bridge tickets. Sighted: Date: 15/01/2020 No. Pass: 02195881 Seller: Eng Huat Latex Concentrate Sdn Bhd. Sub Seller: Alias Bin Awang Rate/Ton; RM 581.40 Net Weight: 1.43 MT	Complied
5.1.2	(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from	The Management of Kerteh POM regularly explained FFB pricing to small holders at Jawatankusa Permuafakatan, Produktiviti Dan Kualiti Meetings (JKKP). The latest meeting verified through minutes of the JKKP meeting held	Complied

	individual smallholders (at least once a year or upon request). - Major compliance -	on 05/11/2019. It was attended by 8 Managers, 4 head of smallholders from Kerteh 2, 4,5 & 6. The minutes covered were: <ul style="list-style-type: none"> • Nota Khas Prngerusi • Laporan Kilang • Lapora Grading • Laporan Kewangan • Perkara Berbangkit • Perkara Berkaitan 	
5.1.3	(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented. - Major compliance -	Felda provides FFB pricing on a daily basis based on MPOB pricing. Small holders are then paid based on the OER for their crop. Based on the minutes of JKPP meetings, there had been no dissatisfaction raised on pricing.	Complied
5.1.4	(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable. - Major compliance -	All parties were involved in decision making via JKPP meetings. Women were also included. Sighted the small holder Tg Noraziah Bt Tg Sula.	Complied
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe. - Minor compliance -	Those wishing to sell FFB to Kerteh POM applied to FGV headquarters in writing. The acceptance is documented.	Complied
5.1.6	(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Major compliance -	Agreed payments were made in a timely manner and receipts specifying price, weight, deductions and amount paid were available. Sighted the following: Voucher No: 350023863 Name: Eng Huat Latex Concentrate Sdn Bhd.	Complied

		<p>Payment for FFB in November 2019 Cheque: Maybank Islamic No 000300 dated 27.11.2019 Amount: RM 14,458.26</p>	
5.1.7	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government). - Minor compliance -</p>	<p>Records showed that weighing equipment were verified by a 3rd party, Metrology Corporation Malaysia Sdn Bhd. The records were:</p> <ul style="list-style-type: none"> • Weighbridge certificate No. B1435730 for weighbridge Serial No. B32341732 for 70 tons tested on 17/10/2019. • Weighbridge certificate No. B1435729 for weighbridge Serial No. B610190097 for 60 tons tested on 7/10/2019. 	Complied
5.1.8	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -</p>	<p>This indicator is not applicable to Kerteh Mill as Felda smallholders (Scheme Smallholders) are supported by Felda and Independent small holders are supported by MPOB. Furthermore, there is no request from Independent smallholders</p>	Not applicable
5.1.9	<p>(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Major compliance -</p>	<p>SOP for Complaint & Grievance (Doc no: FGV/ML-1A/L2-Pr13 issue 01, revision 02 dated 01.04.2019 is available. This procedure is applicable to all employees and stakeholders who wish to lodge a complaint or grievance. The procedure also provides a mechanism for addressing complaints received, and accords protection and confidentiality to complainants. The complaints will be solved on 14 days (first stage), 14 days (second stage) and 14 days (third stage). Apart from that, FGV also has the FGV Whistleblowing Policy, (policy number FGV/GGD/POL.001 revision 6 dated 28/05/2018) to protect the complainant. Policies were communicated too to all Kerteh POM Certification unit stakeholders meeting on 10/07/2018. The stakeholder includes contractors, school representatives, neighbour villagers, etc.</p>	Complied

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		So far, there is no complaint from the smallholders to FGV Kerteh POM Certification Unit. Verified through the minute of meeting, complaint record and interview session with the smallholders.	
Criterion 5.2			
The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance -	There is Jawatankuasa Permuafakatan, Produktiviti Dan Kualiti (JPPK) Kilang Sawit Kerteh Bil 10/2019, 05/11/2019 attended by 13 people includes Kerteh 2 Manger, Mill Manager, Kerteh 01/04 Manager, Kerteh 06 Manager, FTP Kerteh 1/2 Manager, FTP Kerteh 4/6 Manager, FGV Agri Manager, Ketua peneroka Kerteh 02, 04, 05 & 06 and AQS Kerteh Mill. Issues discussed such as to prevent the FFB sold from smallholder to dealer where smallholder has to sell the FFB directly to the mill itself, current OER, grading report, finance report, etc. There is no interested smallholders with RSPO certification so far.	Complied
5.2.2	The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -	Base on the meeting as in 5.2.1, all the issues raised and required by the smallholders were discussed regularly in terms of FFB productivity, quality, finance, etc. There is no interested smallholders with RSPO certification so far.	Complied
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	This indicator is not applicable to Kerteh Mill as Felda smallholders (Scheme Smallholders) are supported by Felda while Independent small holders are supported by MPOB	Not applicable
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Major compliance -	This indicator is not applicable to Kerteh Mill as Felda smallholders (Scheme Smallholders) are supported by Felda while Independent small holders are supported by MPOB	Not applicable

5.2.5	<p>The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme.</p> <p>- Minor compliance -</p>	<p>This indicator is not applicable to Kerteh Mill as Felda smallholders (Scheme Smallholders) are supported by Felda while Independent small holders are supported by MPOB</p>	<p>Not applicable</p>
<p>Principle 6: Respect workers' rights and conditions</p>			
<p>Criterion 6.1: Any form of discrimination is prohibited.</p>			
6.1.1	<p>(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.</p> <p>- Major compliance -</p>	<p>As documented in FGV Holdings Berhad Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, effective date: 29.05.2019, Chapter 5.1.2 – Responsible Employment.</p> <p>Policy displayed publicly in strategic locations within all operating units and communicated directly to employees as well as through general assembly and relevant meetings.</p>	<p>Complied</p>
6.1.2	<p>(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers.</p> <p>- Major compliance -</p>	<p>No discrimination practices sighted; workers are hired based on skill and experience and not based on race, caste, origin, religion, disability, gender, sexual orientation, union membership, age, etc. and treated fairly without any signs of discrimination in terms of work assignment, pay, promotion, etc.</p> <p>Manual Lestari 1A, Doc. No.: ML-1A/L2-PR10(1), dated March 2012 – Handling Complaint through Gender Committee Procedure is in place to guide the process of complaints received.</p> <p>Recruitment fees was paid by FGV. Sighted the evidence of agreement between FGV and labour agency as below:</p> <p>a) Surat perjanjian membekal pekerja migrasi dari negara sumber with PT cahaya Lombok on 05/07/2019.</p>	<p>Complied</p>

		<p>b) Surat perjanjian membekal pekerja migrasi dari India with Ideal Outsource Management Sdn Bhd on 05/02/2018.</p> <p>There is clause 5.16 Recruitment Cost clause mention: "Pembekal bertanggungjawab memastikan bahawa tiada sebarang bayaran dikenakan terhadap pekerja sepanjang proses perekrutan pekerja sama ada oleh pihak pembekal atau oleh mana-mana orang tengah yang terlibat".</p>	
6.1.3	<p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>As documented in FGV Holdings Berhad Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, effective date: 29.05.2019, Chapter 5.1.2 – Responsible Employment, where hiring and selection of workers during recruitment is based on skill, minimum age, medical fitness and work experience. Performance review is conducted annually and documented in Performance Appraisal Form: PMS2018.</p> <p>Interviewed with the workers consisted of different nationalities and different gender confirmed that they are treated equally without any discrimination. The workers were provided with standard benefits/treatment such as free medical treatment, fair overtime offered to all the workers whoever want to work and free housing to everyone.</p> <p>Seen the advertisement for job vacancy criteria for FGV Semaring 01 Estate as below:</p> <p>Job: Mandor Tuai (1 kekosongan) & Pembantu Am RSPO (1 kekosongan).</p> <p>Requirement: Age between 18-40 years, minimum SPM, posess B2 license and own motorcycle (Mandor Tuai). Age between 18-40 years, minimum SPM, posess B2 license and computer literate (Pembantu Am RSPO).</p>	Complied
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	<p>There is no female workers in FASSB Kerteh Estate. Only 12 workers in FASSB Kerteh Estate (total hectare: 111.95 Ha).</p> <p>In Semaring 01 Estate, only one female worker worked as the Store Clerk which her age is near 50 and based on interview, no pregnancy test been</p>	Complied

		conducted to her. Same goes to FGV Kerteh POM, only one female worked as clerk and age 60 years old hence, no pregnancy test conducted.	
6.1.5	(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. - Major compliance -	There is no female workers in FASSB Kerteh Estate and only 1 female worker in FGV Kerteh POM. In Semaring 01 Estate, the Gender Committee Meeting were conducted on 19/12/2019, 11/11/2019 and 07/10/2019. There was no sexual harassment and domestic violence case reported.	Complied
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	There is no female workers in FASSB Kerteh Estate. Payment for both gender, male and female was equally paid based on Kadar Upah Kerja Pekerja Pentadbiran Dan Operasi Ladang Bagi Pekerja Ladang FGVPMSB (KUK Bil 06 Mulai 01hb Januari 2019), while for FGV Kerteh POM, the payment was based on the Collective Agreement signed between Felda Palm Industries Sdn Bhd and Workers' Union Felda Palm Industries Sdn Bhd Semenanjung valid from 1 January 2019 to 31 December 2021.	Complied
Criterion 6.2			
Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).			
6.2.1	(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand. - Major compliance -	For FGV Kerteh POM, the conditions of pay are contained in the Collective Agreement signed between Felda Palm Industries Sdn Bhd and Workers' Union Felda Palm Industries Sdn Bhd Semenanjung valid from 1 January 2016 to 31 December 2018. However, in FGV Kerteh POM, the latest collaborative agreement is not available, hence it is yet to be explained to workers. A Critical NC was raised. For non-unionised workers, their conditions of employment are detailed out in their employment contracts. The contracts were prepared in Bahasa Malaysia for the local and Indonesian workers, and in Bengali for the Bangladeshi workers, and they confirmed that the terms were explained to them by a management official. The employment contracts contain contract duration, type of work, annual leave, public holidays, medical leave,	Critical non-conformance

		<p>termination, location, working hours, wages, (payment of wages based on Kadar Upah Kerja Pekerja Pentadbiran dan Operasi Ladang Bagi Pekerja Ladang FGVMSB (KUK Bil 06 Mulai 01 Januari 2019) and based on the Minimum Wages Order 2019. Payslip, attendance record for month of Aug, Oct and Dec 2019 were sampled based on the crop summary as listed below.</p> <p>FASSB Kerteh Estate:</p> <ul style="list-style-type: none"> • Work ID: PI001619007 • Work ID: PI001219004 • Work ID: PB001619003 • Work ID: PI001619004 <p>FGV Semaring 01 Estate:</p> <ul style="list-style-type: none"> • Work ID: LW04880048 • Work ID: FW04880574 • Work ID: FW04880469 • Work ID: FW04880594 • Work ID: FW04880534 <p>FGV Kerteh POM:</p> <ul style="list-style-type: none"> • Work ID: 1203525 • Work ID: 1205072 • Work ID: 1211089 • Work ID: 1200594 • Work ID: 1403936 	
6.2.2	(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for	All workers employed under FGV check-roll are hired based on permanent / recognized employment basis that is based on legal regulation and entitlement as per the employment regulation. They were paid with minimum wage based on piece rated, daily rates and monthly rated according to the	Complied

	<p>dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Major compliance -</p>	<p>task they assigned to. Workers are paid once a month, before 7th day of the month and provided with pay-slip, that details their monthly earned wage, deduction, allowance, overtime pay and rate of pay.</p> <p>Employment contract, pay slip, attendance record for month of Aug, Oct and Dec 2019 were sampled as listed below.</p> <p>FASSB Kerteh Estate:</p> <ul style="list-style-type: none"> • Work ID: PI001619007 • Work ID: PI001219004 • Work ID: PB001619003 • Work ID: PI001619004 <p>FGV Semaring 01 Estate:</p> <ul style="list-style-type: none"> • Work ID: LW04880048 • Work ID: FW04880574 • Work ID: FW04880469 • Work ID: FW04880594 • Work ID: FW04880534 <p>FGV Kerteh POM:</p> <ul style="list-style-type: none"> • Work ID: 1203525 • Work ID: 1205072 • Work ID: 1211089 • Work ID: 1200594 • Work ID: 1403936 <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	
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6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Major compliance -</p>	<p>The pay slips sighted in 6.2.2 shows the compliance to Employment Act 1955 and Minimum Wage Order 2018. The minimum wage order 2019 is not applicable in the FGV Kerteh POM certification unit as the location and address is not in the Dungun Town.</p>	Complied
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Major compliance -</p>	<p>The Kerteh Complex provide adequate housing for all its workers. Housing provided to the workers are found to be clean and habitable. Amenities provided include secondary and primary schools, government-run health clinic, sundry shops, children playing ground, mosque, etc.</p> <p>In FASSB Kerteh Estate, FGV Semaring 01 Estate and FGV Kerteh POM, the housing inspection was conducted on weekly basis by field staff.</p>	Complied
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Location of mill and estate were in the FGV Settlers village and access to town is available by public transport to Paka & Dungun Town. Also, sighted that grocery, restaurant and shops are available near the housing area.</p>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p>	<p>FGV has provided the decent living wage for both local and foreign workers based on RSPO GUIDANCE ON CALCULATING PREVAILING WAGES. It includes food, non-food non-house (NFNH), housing, unexpected events, medical, electricity and water utility for a total gross living wage. The payslip sighted in clause 6.2.1 showed that the salary received complied with the minimum wage order 2018 and the decent living wage set up by the group.</p>	Complied

<p>(Endorsed by the RSPO BoG on 7th November 2019)</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavor to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfills the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks</p>		
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<p>will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage</i> (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective 		
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	<p>Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment</p> <ul style="list-style-type: none"> The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>There are no casual workers hired in Kerteh POM and supply bases. All employees are permanent employee (for locals) and contracted employee (for foreign workers). All permanent and full time employment used as the general worker, mandore, staff, etc. based on their employment contract sighted in clause 6.2.2.</p>	Complied
<p>Criterion 6.3</p> <p>The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Major compliance -</p>	<p>At Kerteh Complex, the policy recognising freedom of association is available in Bahasa Malaysia entitled Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan, displayed at the main notice boards at the Mill and Estate offices, near muster ground and near the workers' hostel.</p>	Complied
6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p>	<p>The minutes of meeting between the mill management and the committee members of Felda Palm Industries Workers' Union is available. The meetings were held on 28 June 2019 (Mesyuarat Agong Kali Ke 13) for Kerteh POM attended by 45 people. In FASSB Kerteh Estate, the meeting was conducted on 23 May 2019 (Minit Mesyuarat Jawatankuasa Kerja Bil 73) attended by 10 representatives. In</p>	Complied

	- Minor compliance -	FGV Semaring 01 Estate, the meeting was conducted on 25/11/2019 titled: Minit Mesyuarat Perundingan Bersama Di Ladang FGVP M Semaring 01 Estate.	
6.3.3	Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers. - Minor compliance -	The workers, without distinction, have the right to join or form trade unions of their own choosing without prior authorization and to bargain collectively. This is also sighted in the minute of meeting as per 6.3.2 mention on selection of committee is based on majority vote from the workers not from the management.	Complied
Criterion 6.4			
Children are not employed or exploited.			
6.4.1	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements. - Minor compliance -	As documented in FGV Holdings Berhad Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, effective date: 29.05.2019, Chapter 5.1.3.1 – Respect for Human Rights. FGV has defined hiring of workers is 18 and above due to the nature of work. Sighted the contractors as below: <ol style="list-style-type: none"> 1. FASSB Kerteh Estate: Surat Perintah Kerja for Raja Ismail bin Raja Daud SPK No: 820105001-19/820213501-8-118 dated 27/08/2019, date start work: 01/10/2019 and completion date: 30/09/2020 for Memuat dan mengangkut BTS dari Ladang Sawit Pkt. 1 dan Pkt. 2& 3 Stesen FGVAS Kerteh ke Kilang Sawit FPISB Kerteh. 2. FGV Semaring 01 Estate: Surat Sambung Kontrak (SPK: 5300005289) Mahu Berjaya Enterprise Sdn Bhd dated 11/09/2019 for menyewa jentera backhoe beserta pemandu untuk pelbagai kerja di Ladang Semaring valid until 31/03/2020. FGV Kerteh POM: Surat Perintah Kerja (SPK NO: 3301395604/20876081) for Aziz bin Jusoh dated 09/12/2019 for Membekal Tenaga Kerja Mahir, Pengangkutan dan Lain-Lain Peralatan Berkaitan Bagi Melakukan Kerja-Kerja Penggantian Base Plate, truncated cone incinerator no. 3.	Complied

6.4.2	<p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Major compliance -</p>	<p>Age of workers and candidates are verified against government issue photo ID, passport (for foreign workers) and documented in the personal files. Copy of ID/passport and application form sighted in the personal files evidence of verification is carried out.</p> <p>Sighted the workers list with the details on the worker's age above 18 years old. Personnel file also verified together with the interview conducted.</p> <p>There procedure is established as 'Jabatan Tenaga Kerja FGV Plantations (Malaysia) Sdn Bhd – Prosedur Operasi Standard (SOP) Proses Sosialisasi & Temuduga' (SOP: FGV/FGVPM-JTK/SOP/003 dated 01/09/2019). Under clause 6.9 Syarat dan kriteria pekerjaan, clause 6.9.6 umur: 18 tahun ke atas.</p>	Complied
6.4.3	<p>(C) Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work.</p> <p>- Major compliance -</p>	<p>This is well mentioned in FGV-SOP on 'Larangan Peggajian Buruh Kanak-Kanak' with Doc. No. FGV/ML-1A/L2-Pr18 issue 1 revision 2 dated 01/04/2019 as in 6.4.2 where the company will not recruit children who less than 15 years old and young worker who less than 18 years (only on certain type of job which is not harmful and dangerous). So far no young worker hired in Kerteh POM, FASSB Kerteh Estate and Semaring 01 Estate.</p>	Complied
6.4.4	<p>The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p>	<p>This is mentioned to all the stakeholders during the stakeholder consultation conducted on 10/07/2018 and its publicly available Group Sustainability in site and website.</p>	Complied
<p>Criterion 6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.</p>			
6.5.1	<p>(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p>	<p>FGV Holdings has developed Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, Effective date: 29.05.2019. Under clause 5.16,</p>	Complied

	- Major compliance -	Gender Equality and Preventing Sexual Harrassment & Violence, FGV group shall not tolerate any form of sexual harassment violence and abuse. Policies communicated to employees during daily muster assembly and meetings as recorded in the muster briefing records on 06/01/2020 to all 8 workers in FGV Semaring 01 Estate and 27/07/2019 to all 32 workers in FGV Kerteh POM.	
6.5.2	(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Major compliance -	FGV Holdings has developed Group Sustainability Policy, Doc. No.: FGV/SED/POL/001, Rev 3, Effective date: 29.05.2019. Under clause 5.1.2.1 All employees and workers shall receive equal treatment based on their relevant merits and competency regardless of gender, race, nationality, religion, age, physical condition and marital status, reproductive rights of women, union membership /affiliation /employment status, or political affiliation. There is no female workers hired in FASSB Kerteh Estate and only 1 female worker in FGV Kerteh POM.	Complied
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance -	There is no female workers hired in FASSB Kerteh Estate. There is no new mothers in FGV Kerteh POM and FGV Semaring 01 Estate based on the worker's list and interview session.	Complied
6.5.4	A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce. - Minor compliance -	As per "Carta Alir Proses Aduan; Talian Nur (Kementerian Pembangunan Wanita, Keluarga & Masyarakat)" and the procedure as following: Manual Lestari 1A; 3.11 "Prosedur Menangani Aduan Melalui Jawatankuasa Wanita"; Doc. No.: FGV/ML- 1A/L2-PR14; Date revised: 01/06/2016 and documented procedure for workers to raise their concern, complain and suggestion of improvement, either with their identity or anonymously. There is no female workers hired in FASSB Kerteh Estate and only 1 female worker in FGV Kerteh POM. There is no sexual harassment case reported so far in Kerteh Certification Unit.	Complied

		<p>In Semaring 01 Estate, the Gender Committee Meeting were conducted on 19/12/2019, 11/11/2019 and 07/10/2019. There was no sexual harassment and domestic violence case reported</p>	
<p>Criterion 6.6 No forms of forced or trafficked labour are used.</p>			
<p>6.6.1</p>	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Major compliance -</p>	<p>Only local workers hired in Kerteh POM. The resignation term is for 1-month notice or 1 month pay-in-lieu.</p> <p>For foreign workers in estate, workers' passport was kept by themselves or in the designated locker outside the estate office. They have the locker key if they want to take it anytime. Some workers prefer to keep it in locker and this is verified through the interview session.</p> <p>As per employment contract seen, the employer will bear the cost of recruitment (fares, operator services, bank guarantee, SPPA insurance, FOMEMA, remuneration family package, endorsement visa, basic needs, temporary accommodation in One Stop Centre Nilai and transportation) as well as levy and work permit.</p> <p>The overtime and working on rest day/public holiday were upon agreed between workers and employer. Sighted the request to work overtime by Army Bin Jaafar (FFB grading works) on December 2019 and Nazuki Bin Saleh on December 2019. If workers want to end early before the work contract finished or conduct the undisciplinatory acts, they will need to pay the pro-rated cost of recruitment and work permit fees.</p> <p>Workers are not allowed to work with any individual, institution or organization except FGV during the service duration. If worker is absconded, the employer has the right to terminate the contract and will not responsible with the worker's safety, condition and others.</p>	<p>Complied</p>

6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Major compliance -</p>	<p>Only local workers hired in Kerteh POM. FGV Group Guidelines and Procedures for Responsible Recruitment of Foreign Workers (Doc No: FGV/FGVPM-JTK/POL/001) is available and implemented. The procedure covers from pre-employment, employment, post-employment.</p>	Complied
<p>Criterion 6.7</p>			
<p>The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p>			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Major compliance -</p>	<p><u>Kerteh Estate:</u> FASSB has appointed the site supervisor as as responsible person and chairman for safety and health committee. Safety and health issue was discussed during the quarterly SHE committee meeting.</p> <p><u>Semaring 1 Estate:</u> The Estate Manager has been appointed as the Chairman of the SHE Committee meeting as per appointment letter dated 28/1/2019. Quarterly HSE Meeting minutes available e.g. dated 27/11/19, 23/9/19 & 23/5/19.</p> <p><u>Kerteh POM:</u> The Mill Manager is responsible for overall HSE matters as per clause 3.0 Structure, Resources, Roles, Responsibility, Accountability and Authority, Doc. No. FPI/L2/QOHSE-4.0. Seen the quarterly HSE Meeting Minutes dated 26/2/19, 24/5/19, 26/8/19 & 12/2/19 with includes details of effectiveness monitoring review on Health & Safety Risk to people.</p>	Complied
6.7.2	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field</p>	<p><u>Kerteh POM:</u> The mill has established emergency procedures for incident of fire, minor and major accident and chemical spillage. The procedure is written in Bahasa Malaysia an available at the office and displayed at the OSH notice board for review. Interview with workers during site visit shows the understanding of the emergency procedures.</p>	Complied

	<p>and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Trained first aider available on site. Seen the latest training record for 4 sampled first aiders with validity date until 3/8/21. The first aid training was conducted by Malaysian Red Crescent. First aid kits were inspected on monthly basis with adequate stock. Training on emergency preparedness planned annually and was last conducted on 10/4/19.</p> <p>2 accidents occurred in year 2019. Accident investigation report available for verification. JKKP 6 has been submitted accordingly for 1 accident occurred on 29/12/19 with 36 Medical Leave. DOSH visited on 14/1/20 with 1 notice for improvement been issued. The mill is progress for closure of the notice by the notice due date 31/1/20.</p> <p><u>Kerteh Estate:</u> The estate has established emergency procedures for incident of fire, minor and major accident and chemical spillage. The procedure is written in Bahasa Malaysia an available at the office and displayed at the OSH notice board for review. Interview with workers during site visit shows the understanding of the emergency procedures. Trained first aider available on site. Training on First Aid Kit Usage been conducted to supervisor latest dated 20/11/19. No accidents occurred on the estate based on the monthly HSE Statistical Data report from January 2019 – December 2019.</p> <p><u>Semaring 1 Estate:</u> The estate has established emergency procedures for incident of fire, minor and major accident and chemical spillage. The procedure is written in Bahasa Malaysia an available at the office and displayed at the OSH notice board for review. Interview with workers during site visit shows the understanding of the emergency procedures e.g. on the first aider, location of first aid kit, emergency assembly area. Trained first aiders were available on site. Emergency Response Training on Fire & Rescue Training conducted on 17/12/19. No accidents occurred on the estate based on the monthly HSE Statistical Data report from January 2019 – December 2019.</p>	
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<p>6.7.3</p>	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing. - Major compliance -</p>	<p><u>Kerteh Estate:</u> PPE issuance record available on Safety Shoe dated 11/1/2020, Respirator Mask dated 6/11/19, and Safety Helmet dated 6/11/19 e.g. for pesticide handlers, harvester and machine operator. Copy of the PPE acceptance from the workers available for verification.</p> <p><u>Semaring 1 Estate:</u> PPE issuance record available on Safety Helmet, Apron, Safety Shoe, Hand Glove, Eye Goggle and Respirator dated 2/10/2019 for 6 pesticide handlers.</p> <p><u>Kerteh POM</u> PPE issuance for new mill operator on safety helmet, hand glove, ear plug, safety shoe dated 2/1/20.</p>	<p>Complied</p>
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<p>6.7.4</p>	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the SOSCO policy as follows:</p> <p><u>Kerteh Estate:</u> All workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Sampled form 8A, "Jadual Caruman" for October 2019, November 2019 and December 2019.</p> <p><u>Semaring 1 Estate:</u> All workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Sampled form 8A, "Jadual Caruman" for December 2019, November 2019 & October 2019.</p> <p><u>Kerteh POM:</u> All workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Sampled form 8A, "Jadual Caruman" for December 2019, November 2019 & October 2019.</p>	<p>Complied</p>
<p>6.7.5</p>	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>Accident records are found to be updated. All records on Lost Time Accident (LTA) metrics are maintained.</p> <p>Samples of accident statistic as shown below:</p> <p><u>Kerteh Estate:</u> Total Occupational injuries => 0 from January 2019 -December 2019 Monthly accident report was send to the region SHE Department for Compilation with latest report available dated 1/1/2020.</p> <p><u>Semaring 1 Estate:</u> Total Occupational injuries => 0 from January 2019 -December 2019 Monthly accident report was send to the region SHE Department for Compilation with latest report available dated 1/1/2020.</p> <p><u>Kerteh POM:</u></p>	<p>Complied</p>

		<p>2 Lost time injury occurred as follows: 1 case on 12/3/19 with 3 day medical leave (mc) and 1 case on 26/12/2019 – 1 Worker hand finger injury with medical leave (mc) 36 days. JKKP 8 submitted on 12/1/19 seen the JKKP 8 submission report No. JKKP 8/21348/2018.</p>	
<p>Principle 7: Protect, conserve and enhance ecosystems and the environment</p>			
<p>Criterion 7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>			
<p>7.1.1</p>	<p>(C) IPM plans are implemented and monitored to ensure effective pest control. - Major compliance -</p>	<p>The estates has established and documented the Integrated Pest management plan. Both estates carried out monthly detection and observation of leaf eating pests, rat damage and diseases like Ganoderma. These detection and observations were carried by staff. When damaged/disease was observed, proper census was then carried out. Records showed no outbreak had been taken place.</p> <p>The plan covered the following five main objectives:</p> <ul style="list-style-type: none"> i. To control pest population below 5% ii. To established action plan for IPM iii. To prioritize on using biological control and reducing chemical usage iv. To conduct census on determining the targeted area of pest outbreak to ensure the efficiency of treatment v. To give training on appropriate method on IPM <p>Noted the implementation of IPM as follows:</p> <ul style="list-style-type: none"> i. Planting of beneficial plants <i>Cassia cobanensis</i>, <i>Antigonan leptopus</i> and <i>Turnera subblata</i> . Records showed that in 2019 beneficial plants had been planted: 30 meters FAS Kereth Estate and 600 plants Semaring Estate. 	<p>Complied</p>

		<ul style="list-style-type: none"> ii. Quarterly program and census records on Bagworm census. However, it is also done as and when required. iii. Monthly Pest and disease report to FAS headquarters. Sighted the report for month of June and August 2019. The report included census report for bagworm and rat attack. iv. Rat baiting done after census – Baiting done in Feb, March, July, Aug, Sept and Nov. v. Barn owl census done on 26/06/2019. Occupied 5 boxes out of 7. 5 damaged (FAS Kerteh) Census done on 13/04/2019 showed that none of the 10 boxes on Semaring Estate were occupied 	
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>The Estates, for reference, had copies of "100 of the world's worst invasive alien Species", a selection from the global invasive species Database. It was observed that no invasive species had been used in both FASSB Kerteh & Semaring 1 Estates.</p>	Complied
7.1.3	<p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities.</p> <p>- Minor compliance -</p>	<p>The CU had complied with Item 5.3.6.1 of FGV Holdings Berhad Group sustainability Policy dated 29/05/2019 which advocates "No open burning policy in all its premises. In both FASSB Kerteh & Semaring 1 Estates there had been no evidence that fire had been used to control. Furthermore, there had been no pest outbreak that required the use of fire.</p>	Complied
<p>Criterion 7.2</p> <p>Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</p>			
7.2.1	<p>(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.</p> <p>- Major compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Plantations Sustainability Manual issued on 1/6/2012. Refer document no. MLSLn(Ed. 2) – Sec 4 (2.0) attachment 1. Sighted sampled of recommendation for chemical usage as follows:</p> <p>Weed Category: Grass – Ischaemum muticum Herbicides: Glyphosate</p>	Complied

		<p>Recommendation rate: 4 L/ha Premix rate: 160 ml/18 L water</p>																						
7.2.2	<p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Major compliance -</p>	<p>Estates visited has established monitoring records for pesticides usage and the document available for review. Sighted the active ingredients applied per ha records of usage as follows:</p> <p><u>Kerteh Estate:</u></p> <table border="1"> <thead> <tr> <th>A.I/Year</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Glyphosate</td> <td>6.47</td> <td>1.38</td> </tr> <tr> <td>Tryclopyr butoxy ethyl ester</td> <td>2.83</td> <td>0.25</td> </tr> <tr> <td>Metsulfuron methyl</td> <td>47.68</td> <td>43.22</td> </tr> </tbody> </table> <p><u>Semaring 1 Estate:</u></p> <table border="1"> <thead> <tr> <th>A.I/Year</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Tryclopyr butoxy ethyl ester</td> <td>0.7372</td> <td>0.06</td> </tr> <tr> <td>Metsulfuron methyl</td> <td>1.5196</td> <td>0.01</td> </tr> </tbody> </table>	A.I/Year	2018	2019	Glyphosate	6.47	1.38	Tryclopyr butoxy ethyl ester	2.83	0.25	Metsulfuron methyl	47.68	43.22	A.I/Year	2018	2019	Tryclopyr butoxy ethyl ester	0.7372	0.06	Metsulfuron methyl	1.5196	0.01	Complied
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7.2.3	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Major compliance -</p>	<p><u>Semaring 1 Estate:</u> The estate has established Integrated Pest Management Plan. The plan include rat damage census, rat baiting programme, barn owl census, replacement of barn owl box, rat baiting training and planting of beneficial plant. Noted the implementation of IPM plan as follows: i. Planting of beneficial plant ii. Beneficial plant census record. Sighted the location of beneficial plant in map.</p> <p><u>Kerteh Estate:</u> The estate has established and documented the Integrated Pest management plan. The plan covers five main objectives as follows: i. To control pest population below 5% ii. To established action plan for IPM</p>	Complied																					

		<p>iii. To prioritize on using biological control and reducing chemical usage</p> <p>iv. To conduct census on determining the targeted area of pest outbreak to ensure the efficiency of treatment</p> <p>v. To give training on appropriate method on IPM</p> <p>Sampled the implementation of IPM as follows:</p> <p>i. Planting of beneficial plant</p> <p>ii. Monthly census records on Bagworm census.</p>	
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>The quantity of agrochemicals required for rat bating are documented and justified in Plantations Sustainability Manual issued on 1/6/2012. Refer document no. MLSLn(Ed. 2) – Sec 4 (1.0).</p>	Complied
7.2.5	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <p>7.2.5a Judgment of the threat and verify why this is a major threat</p> <p>7.2.5b Why there is no other alternative which can be used</p> <p>7.2.5c Which process was applied to verify why there is no other less hazardous alternative</p> <p>7.2.5d What is the process to limit the negative impacts of the application</p>	<p>The usage of paraquat has been banned in the estate under FGVPM.</p> <p>The company has issued a letter dated 8/5/2017 signed by the CEO for prohibiting of usage any herbicides with Paraquat dichloride as active ingredient. Refer letter no (27)010810/HQ/JAB.OP.17/PLANTATIONS/AM.</p> <p>Alternatives such as Glyphosate were used with the elimination of Paraquat.</p> <p>Based on the latest chemical register only class II, III & IV chemical used at visited estates.</p>	Complied

	<p>7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>- Minor compliance -</p>		
7.2.6	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Major compliance -</p>	<p>At all the visited units, appropriate safety and application equipment were provided and used, i.e. 3M 3200/3200F, anti-fog goggles, apron and wellington boots.</p> <p>The pesticides handlers have been given appropriate training before handling pesticides including pesticides operators and chemical store keeper. Sighted the training records for pesticides handlers: Semaring 1 Estate: PPE Training for Pesticide Sprayers dated 14/1/20 Kerteh Estate:_Chemical Spraying Training dated 19/6/19</p>	Complied
7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Major compliance -</p>	<p>The operating units comply with Regulation 9 of the Pesticides Act 1974. All pesticides is kept in designated storage and securely locked. The balance of solution is kept under lock and key and comply with regulation.</p>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>At the mill, most chemicals used were for boiler water treatment and laboratory. The empty containers were normally disposed as scheduled wastes through authorised vendor (e.g. Pentas Flora (Kelantan) Sdn Bhd. At the estates, empty chemical containers were triple rinsed and punctured. Thereafter sent to recycler e.g. Awie Metal Sdn Bhd.</p>	Complied
7.2.9	<p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Major compliance -</p>	<p>No pesticide applied aerially in estates visited.</p>	Complied

7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Major compliance -</p>	<p><u>Kerteh Estate:</u> Annual Medical Surveillance was been conducted on 14/10/19 for 2 workers but still pending report as per email dated 3/10/19. CHRA report available dated 11/9/17 Ref No. HIE 127/171-2(303)-2017/001.</p> <p><u>Semaring 1 Estate:</u> Annual Medical Surveillance Report based on CHRA Report Ref No. HQ/08/ASS/00/85-2019-0049 dated 16/9/19 available for review. The medical surveillance done by Pantai Premier Pathology Sdn Bhd (OHD Registration No. HQ/09/DOC/00/103) for 16 workers exposed to Glyphosate Isopropylamine. Results indicate that all 16 workers are fit to worker with no abnormalities.</p>	Complied
7.2.11	<p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Major compliance -</p>	<p>No woman workers involved in pesticides application in the both estates visited. The restriction for pregnant or breast-feeding women involve in pesticides application stated in their gender policy. Verified that No work with pesticides is undertaken by persons under the age of 18 during the field visit.</p>	Complied
<p>Criterion 7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>			
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>The CU has identified all wastes and sources of pollution. The Waste Management Action Plan FY 2019 were established to mitigate and control the identified wastes and source of pollution.</p> <p>The Waste management plan was established based on Item 5.3.8. Waste Management of Group Sustainability policy dated 29/05/2019. It was as follows:</p> <ul style="list-style-type: none"> • 5.3.8.1 FGV Group is committed to manage waste in accordance with applicable regulatory requirements and other commitments made by FGV Group. • 5.3.8.2 Wherever possible, measures shall be taken to reduce, reuse, 	Complied

		<p>recycle or dispose wastes in an environmentally responsible way.</p> <p>The most significant environmental receptors for the estates and mill operations were:</p> <p><u>Scheduled Waste</u></p> <ul style="list-style-type: none"> - Estate Operation – Used PPE, Used Fertilizer Bags, Used lubricant and hydraulic oil - Office and housing – Bulbs, Electronic device <p><u>Non-scheduled waste</u></p> <ul style="list-style-type: none"> - Estate operation – used tyres, scrap iron - office and housing – Paper, Plastic, Glass, aluminum, domestic waste 	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <ul style="list-style-type: none"> - Minor compliance - 	<p>FGV had a policy on waste management Item 5.3.8 Waste Management in the Group Sustainability Policy. Item 5.3.8.1: FGV Group is committed to manage waste in accordance with applicable regulatory requirements and other commitments made by FGV Group. 5.3.8.2 Wherever possible, measures shall be taken to reduce, reuse, recycle or dispose wastes in an environmentally responsible way.</p> <p><u>Domestic Waste:</u></p> <ul style="list-style-type: none"> • POM – Domestic waste removed by a paid contractor to Government approved Land fill. • <u>FASSB Kerteh Estate:</u> Disposed to Local Council Waste Disposal bins 3 times a week. • <u>Semaring 1 Estate</u> Disposed to landfill located far from residential area and natural waterway, 3 times a week. This was per procedure entitled “<i>Pelupusan Sisa Domestik</i>” (Domestic Wastes Disposal) [FGV/ML-1A/L2-Pr23, issue 1, rev. 0, 1/6/2016] and “<i>Garis Panduan Pembinaan Lubang</i> 	Complied

		<p><i>Sampah</i>" (Guideline for Landfill Preparation" (ML-1A/L3-GP2(0), rev. 0, 1/6/2016) used as guidance to avoid or reduce pollution</p> <p><u>Scdedule Waste</u> All schedule waste were disposed through licensed contractors. Recors verified were:</p> <ul style="list-style-type: none"> • On FASSB Kerteh Estate SW109 & SW409 were disposed on 27/09/2019 to PPPTR Tangkah. • On Semaring 1 Estate SW305 & SW410 were disposed to Sime Darby Industries Sdn Bhd on 25/06/2019 via licensed contractor Awie Metal Sdn Bhd. Used fertiliser bags were disposed to Awie Metal Sdn Bhd on 31/01/2020. • At Kerteh POM SW 322, SW 409 & SW 410 were disposed to licensed contractor Pentas Flora (Kelantan) Sdn Bhd n 15/08/2019. 	
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>The CU complied with Item 5.3.6.1 of FGV's Group Sustainability Policy. There was no evidence observed during the visit that open fire had been used for waste disposal.</p>	Complied
<p>Criterion 7.4 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			
7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>Management of soil fertility is guided by FGV's "Manual Ladang Sawit Lestari" (Oil Palm Plantation Sustainability Manual), Third Edition (2017), Section V: Manuring. It covers the applications of fertiliser for various stages of palm age and techniques. Recommendation of type of fertilisers and dosage is given by the agronomy unit through analysis of foliar and soil.</p>	Complied
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p><u>Kerteh Estate:</u> Soil and Leaf Sampling available dated 12/2/19 from Felde Agricultural Services Sdn Bhd for Fertiliser Application Recommendation year 2020.</p> <p><u>Semaring 1 Estate:</u></p>	Complied

		Soil and Leaf Sampling available as per in the agronomist report dated 27/3/19 from FGV Agri Servics. Leaf sampling sampled for Phase 0488PM1101PM11C, Block 0488PM110102. Soil Nutrient sampling seen for Phase 0488PM1101PM11C, Block 0488PM110105.	
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	EFB mulching is very minimum at the estates due to the mill is using its incinerator facility as a method to dispose the EFB. Written approval for the incinerator from DOE was available for verification [ref.: AS(B)T.31/152/000/005 Jld.9(44), dated 9/1/2005]. There was a circular from Felda HQ which required all the mills which have incinerators to stop the operation of the facility. However, due to Semaring Estate could not accept more FFB because of replanting, the mill had applied to reactivate its incinerators. The application was approved by the CEO on 3/7/2014.	Complied
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	<p><u>Kerteh Estate:</u> Progress of fertiliser application is recorded in Chemical Register record. Fertilisers used are such as Kieserite, Rock Phosphate, NK Mix 11.6/27.0, NK Mix 9.5/6.0/21.0, Tekam Organic 9.5/6/24. Fertiliser usage were monitored on monthly basis. Total fertiliser usage for year 2019 is as below: a) Kieserite - 1750kg b) NK Mix 9.5/6.0/21.0 – 55000kg</p> <p><u>Semaring 1 Estate:</u> Progress of fertiliser application is recorded in Chemical Register record. Fertilisers used are such as NK 24, Kieserite, NK Mix 9.5/6.0/21.0. Fertiliser usage were monitored on monthly basis. Sampled fertiliser application for phase 13D, Block 8, SPH: 87, Area (Hectare): 43.51: - a) NK Mix 9.5/6.0/21.0 – 18.93MT b) NK24 – 5.68MT c) G.M.L – 5.68MT</p>	Complied
Criterion 7.5			

Practices minimise and control erosion and degradation of soils.			
7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Major compliance -</p>	<p>Soil and topography maps prepared by Geoinformatics, FGV R&D PPP Tun Razak dated 30/12/2019 were available at Semaring and Kerteh. Based on the soil maps, 100% of the soil at both estates are of mineral. The compositions are as follows:</p> <p>Semaring 1 Estate: Beserah – 2.01% Renggam – 6.03% Marang – 0.42% Collivium – 20.53% Kuala Beram – 30.39% Bungor (laterite) – 40.62%</p> <p>Kerteh Estate: Bungur – 30% Medang – 70%</p> <p>Based on the topography map the slopes on Semaring 1 Estate was as follows: < 4° - 6%, 5° to 12° - 10% and >12° - 84%.</p>	Complied
7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>Generally, the terrain at the estates are of undulating to hilly. The management strategy for plantings on slopes is guided by the <i>Manual Ladang Sawit Lestari</i>. Based on the procedures, terrace to be constructed on terrain between 6°-25° slope. Observations from site visit showed that terraces were adequately constructed at hilly areas. Cover crops were also established mainly in slopes to minimise bare ground which can lead to soil erosion.</p>	Complied
7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>There were no new plantings in both FAS Kerteh & Semaring 1 Estates after 15 November 2018. The estates were established in 1981 & 1991.</p>	Complied
Criterion 7.6			

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.6.1	<p>(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>- Major compliance -</p>	<p>Soil maps were available at Semaring and Kerteh. Based on the maps, 100% of the soil at both estates are of mineral. The compositions are as follows:</p> <p>Semaring 1 Estate: Beserah – 2.01% Renggam – 6.03% Marang – 0.42% Collivium – 20.53% Kuala Beram – 30.39% Bungor (laterite) – 40.62%</p> <p>Kerteh: Recent riverine alluvium – 30% Sedimentary rocks – 70%</p>	Complied
7.6.2	<p>Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> <p>- Minor compliance -</p>	<p>Generally, the terrain at the estates are of undulating to hilly. The management strategy for plantings on slopes is guided by the Manual Ladang Sawit Lestari. Based on the procedures, terrace to be constructed on terrain between 6°-25° slope. Observations from site visit showed that terraces were adequately constructed at hilly areas. Cover crops were also established mainly in slopes to minimise bare ground which can lead to soil erosion.</p>	Complied
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>Annual road maintenance programmes were available at both of the visited estates. Among the activities included in the road maintenance were road grading & compacting, pot holes patching and resurfacing. Based on progress report, the estates were in line with the program and budget.</p>	Complied
Criterion 7.7			
No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	<p>(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p>	<p>Verified that there was no new planting at Semaring 1 and Kerteh estates.</p>	Complied

	- Major compliance -		
7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>	Not applicable since there is no peat soil at Semaring 1 and Kerteh estates.	Not applicable
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Major compliance -</p>	Not applicable since there is no peat soil at Semaring 1 and Kerteh estates.	Not applicable
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Major compliance -</p>	Mill plan was focusing on the discharge quality of its effluent to the water ways such as efficient operation of effluent treatment plant and carrying out desludging at planned scheduled. Whereas for the estates, the water management plan was focusing on maintaining the riparian zone to minimise pollutant from directly reaching the rivers.	Complied
7.7.5	<p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p>	Not applicable since there is no peat soil at Semaring 1 and Kerteh estates.	Not applicable

	<p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Major compliance -</p>		
7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Major compliance -</p>	Not applicable since there is no peat soil at Semaring 1 and Kerteh estates.	Not applicable
7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Major compliance -</p>	Not applicable since there is no peat soil at Semaring 1 and Kerteh estates.	Not applicable
<p>Criterion 7.8 Practices maintain the quality and availability of surface and groundwater.</p>			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other</p>	<p>The estates & Mill had established the water management plan which were reviewed on annually basis. Latest reviewed plans for 2020 were sighted. The management plan was focusing on mitigation plan to reduce water pollution, water shortage and to optimize usage of water.</p>	Complied

	<p>users in the catchment. The plan addresses the following:</p> <p>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>7.8.1b Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>The unit of certification did not restrict access to clean water or contribute to pollution of water used by communities by ensuring Mill Effluent was released as per DOE's permit. Effluent was not permitted to be discharge into any water course as prescribed under "Jadual Pematuhan".</p> <p>As verified at SOU facilities for workers and through interview with workers, all workers have obtained adequate access to clean water via SATU</p>													
<p>7.8.2</p>	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Major compliance -</p>	<p>Kerteh Cu continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along the natural waterways. Protection of water course was guided by its established procedure [Ref.: <i>Pengenalpastian Kawasan Cerun dan Rizab Sungai</i> [ML-1A/L2-Pr8(0), pind. 0, 1/6/2016]]. Based on the procedure, the width of buffer zones to be established are as follows:</p> <table border="1" data-bbox="1032 847 1514 1050"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 - 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>On Semaring 1 Estate the management had conducted water sampling on waters of rivers in the estate. Sighted the latest waster sampling analysis were conducted on 2/1/2019 for Sg. Balu and Sg. Semaring. Refer certificate no 10/2019.</p> <p>The estate has established riparian zone along the rivers Sg. Balu and Sg. Semaring in the Estate. Palms closest to the river banks were marked with blue and white paint.</p>	River width	Buffer zone	> 40 meters	50 meters	20 - 40 meters	40 meters	10 - 20 meters	20 meters	5 - 10 meters	10 meters	< 5 meters	5 meters	<p>Critical non-conformance</p>
River width	Buffer zone														
> 40 meters	50 meters														
20 - 40 meters	40 meters														
10 - 20 meters	20 meters														
5 - 10 meters	10 meters														
< 5 meters	5 meters														

		However, during the visit it was observed that palm circles of palms in the buffer zone along Sungai Balu and the river bank had been sprayed. Thus, a Critical NC was issued.																																		
7.8.3	Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored. - Minor compliance -	The mill applies the biological system with 10 ponds and 6 anaerobic digester tanks in series for its treatment of effluent. Final discharge was to land. The quality of discharged effluent was analysed every month and the parameters are pH, BOD, COD, TS, SS, O&G, AN and TN. The Mill submitted quarterly returns to DOE. As the BOD on 3/07/2019 & on 07/08/219 were high at 144.00mg/l & 185.00mg/l the mill had taken appropriate corrective actions such as carrying out desludging and repairing the broken bund walls of ponds. The recording of these corrective actions was maintained through the mill's environmental management system. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance. The quarterly reports were sent to DOE accordingly and the last report showed that the BOD on 04.12.2019 was 60.00 mg/l.	Complied																																	
7.8.4	Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -	The mill has been monitoring its water usage on daily basis. The water was sourced from Sg Rasau – pumped into collection pond (capacity: 9,600 m ³). Based on the monthly records, the average usage of water per ton FFB in 2018 & 2019 was as follows: <table border="1" data-bbox="952 1013 1630 1380"> <thead> <tr> <th>Month</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>0.44</td><td>1.19</td></tr> <tr><td>Feb</td><td>0.94</td><td>1.25</td></tr> <tr><td>Mar</td><td>1.25</td><td>1.29</td></tr> <tr><td>Apr</td><td>0.84</td><td>1.55</td></tr> <tr><td>May</td><td>0.74</td><td>1.51</td></tr> <tr><td>Jun</td><td>1.32</td><td>1.17</td></tr> <tr><td>July</td><td>0.60</td><td>1.18</td></tr> <tr><td>Aug</td><td>1.17</td><td>1.21</td></tr> <tr><td>Sept</td><td>1.15</td><td>1.27</td></tr> <tr><td>Oct</td><td>1.28</td><td>1.22</td></tr> </tbody> </table>	Month	2018	2019	Jan	0.44	1.19	Feb	0.94	1.25	Mar	1.25	1.29	Apr	0.84	1.55	May	0.74	1.51	Jun	1.32	1.17	July	0.60	1.18	Aug	1.17	1.21	Sept	1.15	1.27	Oct	1.28	1.22	Complied
Month	2018	2019																																		
Jan	0.44	1.19																																		
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Oct	1.28	1.22																																		

		Nov	1.21	1.18		
		Dec	1.21	1.43		
Criterion 7.9						
Efficiency of fossil fuel use and the use of renewable energy is optimised						
7.9.1	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p>	<p>A plan for improving the efficiency of the use of fossil fuels is in place incorporated into the Environmental Aspect and Impact activities report for 2019, identified in the following</p> <p>i) Environmental Aspect Identification Summary FY 2019 reviewed accordingly.</p> <p>ii) Environmental Impact Evaluation Summary FY 2019 reviewed accordingly.</p> <p><u>TPOM</u></p> <p>Fossil fuel Reduction Plan for Financial Year 2019 was established and monitored. Reduce Diesel usage – by monitoring and maintaining the maintenance of the boiler & machineries to ensure at optimum level, to monitor diesel usage, provide training to workers regarding reduce fuel and diesel usage for boilers.</p> <p>Skid tank management:</p> <ul style="list-style-type: none"> • to ensure all equipment for loading and unloading diesel in good condition. • to ensure no spillage and leakage • to ensure nozzle is always locked when not in used to avoid unauthorized diesel filling <p><u>Estates</u></p> <p>High usage of fossil fuel for machineries:</p>			Complied	

		<ul style="list-style-type: none"> • to carry out scheduled maintenance for machineries to ensure diesel and lubricant usage is at optimal level and in good condition. • to brief workers during muster briefing on how to reduce diesel usage. Example turn off engine when not in used. • to carry out road maintenance programme as planned to ensure it is always in good condition to ease tractor movement <p>Skid tank management:</p> <ul style="list-style-type: none"> • to ensure all equipment for loading and unloading diesel in good condition. • to ensure no spillage and leakage • to ensure nozzle is always locked when not in used to avoid unauthorized diesel filling. <p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. Sighted the annual budget report for FY 2020.</p> <p>The Estates & POM continued to monitor Diesel usage. For 2019 the consumption per ton FFB was as follows:</p> <table border="1" data-bbox="1019 1050 1787 1396"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Semaring 1</th> <th colspan="2">FASSB Kerteh</th> </tr> <tr> <th>Total</th> <th>L/FFB</th> <th>Total</th> <th>L/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>2342.55</td> <td>3.64</td> <td>422.59</td> <td>1.81</td> </tr> <tr> <td>Feb</td> <td>1715.84</td> <td>3.01</td> <td>927.28</td> <td>4.52</td> </tr> <tr> <td>Mar</td> <td>2187.13</td> <td>3.04</td> <td>563.96</td> <td>2.36</td> </tr> <tr> <td>Apr</td> <td>1819.98</td> <td>2.12</td> <td>663.96</td> <td>2.97</td> </tr> <tr> <td>May</td> <td>1531.76</td> <td>1.60</td> <td>563.96</td> <td>2.96</td> </tr> </tbody> </table>	Month	Semaring 1		FASSB Kerteh		Total	L/FFB	Total	L/FFB	Jan	2342.55	3.64	422.59	1.81	Feb	1715.84	3.01	927.28	4.52	Mar	2187.13	3.04	563.96	2.36	Apr	1819.98	2.12	663.96	2.97	May	1531.76	1.60	563.96	2.96	
Month	Semaring 1			FASSB Kerteh																																	
	Total	L/FFB	Total	L/FFB																																	
Jan	2342.55	3.64	422.59	1.81																																	
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May	1531.76	1.60	563.96	2.96																																	

Jun	1535.24	1.48	476.04	2.78
Jul	1979.58	1.50	510.58	2.15
Aug	1688.43	1.28	273.52	1.04
Sept	1586.61	1.19	272.67	1.22
Oct	2319.70	1.98	389.29	1.36
Nov	2225.43	2.56	374.70	1.18
Dec	1402.21	2.02	345.19	0.92

Kerteh POM monitored Diesel usage per ton CPO and per Ton FFB.

Month (2019)	Per Ton FFB	Per Ton CPO
Jan	0.23	1.14
Feb	0.23	1.11
Mar	0.16	0.76
Apr	0.36	1.7
May	0.20	0.96
Jun	0.19	0.90
July	0.26	1.22
Aug	0.22	1.01
Sep	0.18	0.81
Oct	0.25	1.18

			Nov	0.24	1.9		
			Dec	0.22	1.20		
Criterion 7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.							
7.10.1	(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. - Major compliance -	Significant pollutants were identified through evaluation of aspect and impact. Emission of GHG was identified and the main sources were generation of mill effluent and consumption of diesel. Based on the mill's "Pelan Mengurangkan Pencemaran Udara tahun 2018" (2018 Plan to Reduce Air Pollution), the plans are: <ul style="list-style-type: none"> - to reduce the diesel consumption by carrying out regular maintenance of diesel powered machinery - to monitor efficiency of FFB processing through stack sampling & CEMS system - to encourage the uptake of EFB by the estate for mulching <p>Incorrect input data reported in Palm GHG calculator. Details of data input checked:</p> <ol style="list-style-type: none"> 1. The total of FFB supplied from FGVAS Kerteh and FGVP Semaring 01 Estate need to be verified as it is different with the Pre Audit Info Data. 2. The grid electricity utilization is 3,663,589.00 kWh/yr. The excess electricity exported to worker's housing and/or national grid is 0. 3. The actual total diesel is 55,410 Liter based on diesel monitoring use per ton of FFB 2019. 4. The figure is not correct because the usage of EFB is 100% for to be sold as Bunch Ash. <p>Hence, a Critical NC was raised.</p>					Critical

7.10.2	<p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Major compliance -</p>	No development area within FGVPISB-Kerteh Production Unit since 2014.	Complied
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Major compliance -</p>	<p>Significant pollutants were identified through evaluation of aspect and impact. Emission of GHG was identified and the main sources were generation of mill effluent and consumption of diesel. Based on the mill's "<i>Pelan Mengurangkan Pencemaran Udara tahun 2018</i>" (2018 Plan to Reduce Air Pollution), the plans are:</p> <ul style="list-style-type: none"> • To reduce the diesel consumption by carrying out regular maintenance of diesel powered machinery • To monitor efficiency of FFB processing through stack sampling & CEMS system • To encourage the uptake of EFB by the estate for mulching 	Complied
<p>Criterion 7.11 Fire is not used for preparing land and is prevented in the managed area</p>			
7.11.1	<p>(C) Land for new planting or replanting is not prepared by burning.</p> <p>- Major compliance -</p>	The was no new planting and replanting in both FAS Kerteh and Semaring Estates. The oldest palms in the estates were planted in 2005 and will only be due for replanting around the year 2030. FGV also advocates "a no open burning policy in all its premise" as per item 5.3.6.1 of FGV Holdings Berhad Sustainability Policy dated 29/05/2019..	Complied
7.11.2	<p>The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification.</p> <p>- Minor compliance -</p>	The CU had established fire prevention and control measures for the areas under its direct management. In the mill there water hydrant and valid fire extinguishers at the various operating stations. Both estates had valid fire extinguishers at the office, worker's quarters, chemical & fertiliser stores, diesel skid tank, etc.	Complied

		<p>FGV also advocates “a no open burning policy in all its premise” as per item 5.3.6.1 of FGV Holdings Berhad Sustainability Policy dated 29/05/2019.</p> <p>All 3 unit had also emergency teams for fire. The latest fire drill training was conducted on 17/12/2019 on Semaring 1 Estate</p>	
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</p> <p>- Minor compliance -</p>	<p>This indicator is not applicable to Kerteh CU as Felda smallholders (Scheme Smallholders) are supported by Felda and Independent small holders are supported by MPOB.</p> <p>FGV also advocates “a no open burning policy in all its premise” as per item 5.3.6.1 of FGV Holdings Berhad Sustainability Policy dated 29/05/2019.</p>	Complied
<p>Criterion 7.12</p> <p>Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.</p>			
7.12.1	<p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Major compliance -</p>	<p>Auditors has verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Kerteh CU since Nov 2005.</p> <p>FAS Kerteh was 1st planted in 1981 while Semaring 1 Estate was in 1991 – from the record “Laporan Maklumat Asas Ladang” dated 13/11/2019.</p> <p>Thus, there had been no Land clearing since November 2005 that had damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p>	Complied
7.12.2	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15</p>	<p>For the Kerteh CU HCV assessment had been conducted and reported in “Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti”, dated 03/08/2018 by Plantation Sustainability Department (PSD) FGV Holdings Berhad., Among the methods used in the assessment were interview with stakeholders (FELDA officers, local communities, government agencies) and literatures review. Based on the report there was no HCVs, HCS forests and other conservation in Kerteh CU.</p>	Complied

	<p>November 2018, the current HCV assessment of those plantations remains valid.</p> <p>7.12.2b Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Major compliance -</p>	<p>There was no new land clearing in both FAS Kerteh & Semaring 1 Estates after 15 November 2018. As mentioned under indicator 7.12.1 the estates were established in 1981 & 1991.</p>	
7.12.3	<p><i>Indicator is not applicable in Malaysia context</i></p>		<p>Not applicable</p>
7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Major compliance -</p>	<p>For the Kerteh CU HCV assessment had been conducted and reported in "Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti", dated 03/08/2018 by Plantation Sustainability Department (PSD) FGV Holdings Berhad. Based on the report there was no HCVs, HCS forests and other conservation in Kerteh CU.</p>	<p>Complied</p>

7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>For the Kerteh CU HCV assessment had been conducted and reported in "Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti", dated 03/08/2018 by Plantation Sustainability Department (PSD) FGV Holdings Berhad. Based on the report there was no HCVs, HCS forests and other conservation in Kerteh CU. Thus, the rights of Local communities is not involved</p>	Complied
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>As per the "Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti", report dated 03/08/2018 by Plantation Sustainability Department (PSD) FGV Holdings Berhad, no HCV on biodiversity were identified in the estate area. However, as Semaring 1 Estate was adjacent to the Chemerong Forest Reserve, the management has identified hotspot areas. The management has established Biodiversity Management Plan 2018-2023 for the estate to conserve the hotspot areas identified. Sighted the implementation of the management plan as follows:</p> <p>i. No trespassing signboard were erected at the boundary with Chemerong Forest Reserve. Sighted during site visit, the signboard were erected at field PM13 adjacent with the forest reserve.</p> <p>ii. The estate conducted the wildlife monitoring on quarterly basis. Sighted the monitoring records dated 15/1/2019, 20/4/2019, and 23/9/2019.</p>	Complied
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>For the Kerteh CU HCV assessment had been conducted and reported in "Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti", dated 03/08/2018 by Plantation Sustainability Department (PSD) FGV Holdings Berhad. Based on the report there was no HCVs, HCS forests and other natural ecosystems, peatland conservation areas in Kerteh CU. Encroachment of RTE from the adjacent Chemerong Forest Reserve had been observed in Semaring Estate 1.</p>	Complied
7.12.8	<p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the</p>	<p>There was no new land clearing in both FAS Kerteh & Semaring 1 Estates since November 2005. As mentioned under indicator 7.12.1 the estates were established in 1981 & 1991.</p>	Complied

	Remediation and Compensation Procedure (RaCP) applies. - Major compliance -		
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Appendix B: Approved Time Bound Plan

Time Bound Plan Forecast For RSPO Certification of All FGV Palm Oil Mills & Supply Bases					
	Palm Oil Mill	Supply bases (estates, plantations, associations)			
		Internal			
		FFB Supplier	Certification Year	Certification standard	Status
1	KS Selancar 2B	FGVPM Selancar 06	2017	MYNI 2014	Certified
		FGVPM Selancar 08	2017	MYNI 2014	
		FGVPM Selancar 09	2017	MYNI 2014	
2	KS Aring A	FGVPM Aring 02	2017	MYNI 2014	Certified
		FGVPM Aring 03	2017	MYNI 2014	
		FGVPM Aring 04	2017	MYNI 2014	
		FGVPM Aring 05	2017	MYNI 2014	
		FGVPM Aring 06	2017	MYNI 2014	
		FGVPM Aring 08	2017	MYNI 2014	
		FGVPM Aring 10	2017	MYNI 2014	
		FGVPM Aring 11	2017	MYNI 2014	
3	KS Selendang	FGVPM Selendang 3	2017	MYNI 2014	Certified
		FGVPM Selendang 4	2017	MYNI 2014	
		FGVPM Selendang 5	2017	MYNI 2014	
		FGVPM Berabong 1	2017	MYNI 2014	
4	KS Bukit Sagu	FGVPM Bukit Sagu 04	2017	MYNI 2014	Certified
		FGVPM Bukit Sagu 06	2017	MYNI 2014	
		FGVPM Bukit Sagu 07	2017	MYNI 2014	
		FGVPM Bukit Sagu 08	2017	MYNI 2014	
5	KS Keratong 9	FGVPM Bera Selatan 05	2017	MYNI 2014	Certified
		FGVPM Bera Selatan 07	2017	MYNI 2014	
		FGVPM Merchong	2017	MYNI 2014	
		FGVPM Keratong Timur	2017	MYNI 2014	
		FASSB Merchong	2017	MYNI 2014	
6	KS Lepar Utara 6	FGVPM Lepar Utara 07	2017	MYNI 2014	Certified
		FGVPM Lepar Utara 08	2017	MYNI 2014	
		FGVPM Lepar Utara 09	2017	MYNI 2014	
		FGVPM Lepar Utara 11	2017	MYNI 2014	
7	KS Maokil	FGVPM Maokil 6	2018	MYNI 2014	Certified

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		FGVPM Maokil 7	2018	MYNI 2014	
8	KS Kemasul	FGVPM Mengkarak 1	2018	MYNI 2014	Certified
		FGVPM Mengkarak 2	2018	MYNI 2014	
9	KS Krau	FGVPM Krau 2	2018	MYNI 2014	Certified
		FGVPM Krau 4	2018	MYNI 2014	
10	KS Lepar Hilir	FGVPM Lepar Hilir 5	2017	MYNI 2014	Certified
		FGVPM Lepar Hilir 6	2017	MYNI 2014	
		FGVPM Lepar Hilir 8	2017	MYNI 2014	
11	KS Triang	FGVPM Triang 2	2017	MYNI 2014	Certified
		FGVPM Triang Selatan 1	2017	MYNI 2014	
		FGVPM Triang 4	2017	MYNI 2014	
12	KS Kechau B	FGVPM Kechau 02	2017	MYNI 2014	Certified
		FGVPM Kechau 03	2017	MYNI 2014	
		FGVPM Kechau 06	2017	MYNI 2014	
		FGVPM Kechau 07	2017	MYNI 2014	
		FGVPM Kechau 08	2017	MYNI 2014	
		FGVPM Kechau 09	2017	MYNI 2014	
		FGVPM Kechau 10	2017	MYNI 2014	
		FGVPM Kechau 11	2017	MYNI 2014	
		FGVPM Telang 01	2017	MYNI 2014	
		FGVPM Chegar Perah 02	2017	MYNI 2014	
		FASSB Telang	2017	MYNI 2014	
13	KS Palong Timur	FGVPM Palong Timur 4/5	2018	MYNI 2014	Certified
		FGVPM Palong Timur 6	2018	MYNI 2014	
14	Besout	FGVPM Besout 06	2018	MYNI 2014	Certified
		FGVPM Besout 07	2018	MYNI 2014	
15	KS Neram	FGVPM Cherul 03	2018	MYNI 2014	Certified
16	KS Chini 3	FGVPM Terapai 1	2018	MYNI 2014	Certified
		FGVPM Chini Timur 4	2018	MYNI 2014	
17	KS Chiku	FGVPM Ciku 4	2018	MYNI 2014	Certified
		FGVPM Ciku 8	2018	MYNI 2014	
18	KS Keratong 2	FGVPM Bera Selatan 3	2018	MYNI 2014	Certified
19	KS Serting	FGVPM Palong 17	2018	MYNI 2014	Certified
		FGVPM Palong 18	2018	MYNI 2014	
		FGVPM Palong 21	2018	MYNI 2014	
		FGVPM Serting Hilir 08	2018	MYNI 2014	

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20	KS Keratong 3	FGVPM Keratong 11	2018	MYNI 2014	Certified
21	KS Kerteh	FASSB Kerteh	2019	MYNI 2014	Certified
		FGVPM Semaring 01	2019	MYNI 2014	
22	KS Kota Gelanggi	FASSB PPTTR	2018	MYNI 2014	Certified
		FASSB Kota Gelanggi 5/6	2018	MYNI 2014	
23	KS Jengka 21	FASSB Jengka 24/25	2021	MYNI 2014	Main Audit
24	KS Penggeli	FGVPM Inas Selatan	2021	MYNI 2014	Main Audit
25	KS Belitong	FASSB Ulu Belitong	2019	MYNI 2014	Certified
		FGVPM Bukit Tongkat B	2019	MYNI 2014	
26	KS Kulai	FASSB Bkt Besar/Taib Andak	2018	MYNI 2014	Certified
27	KS Adela	FGVPM Kledang 2	2018	MYNI 2014	Certified
28	KS Serting Hilir	FGVPM Tembangau 03	2021	MYNI 2014	Main Audit
		FGVPM Tembangau 05	2021	MYNI 2014	
		FGVPM Tembangau 06	2021	MYNI 2014	
		FGVPM Tembangau 07	2021	MYNI 2014	
		FGVPM Tembangau 08	2021	MYNI 2014	
		FGVPM Tembangau 09	2021	MYNI 2014	
		FGVPM Serting Hilir 8	2021	MYNI 2014	
		FGVPM Serting Hilir 9	2021	MYNI 2014	
29	KS Bukit Kepayang	FGVPM Terapai 3	2018	MYNI 2014	Certified
30	KS Jerangau Baru	FGVPM Rantau Abang 1	2018	MYNI 2014	Certified
		FGVPM Rantau Abang 2	2018	MYNI 2014	
		FGVPM Chador 1	2018	MYNI 2014	
31	KS Tenggaroh	FGVPM Tenggaroh 9	2018	MYNI 2014	Certified
		FGVPM Tenggaroh 11	2018	MYNI 2014	
		FGVPM Tenggaroh 13	2018	MYNI 2014	
32	KS Nitar	FGVPM Nitar Timur	2018	MYNI 2014	Certified
33	KS Chalok	FGVPM Setiu 1	2018	MYNI 2014	Certified
34	KS Waha	FGVPM Bukit Aping Selatan	2018	MYNI 2014	Certified
35	KS Sampadi	FGVPM Sampadi 1	2021	MYNI 2014	Internal Audit
		FGVPM Sampadi 3	2021	MYNI 2014	
		FGVPM Sampadi 4	2021	MYNI 2014	
		FGVPM Sampadi 5	2021	MYNI 2014	
		FGVPM Sampadi 6	2021	MYNI 2014	
36	KS Mempaga	n/a	n/a	n/a	Internal Audit

		n/a	n/a	n/a	
37	KS Kalabakan	FGVPM Kalabakan Utara 01	2019	MYNI 2014	Internal Audit
		FGVPM Kalabakan Selatan	2019	MYNI 2014	
38	KS Kembara Sakti	FGVPM Sahabat 30	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat 35	2019	MYNI 2014	
		FGVPM Sahabat 40	2019	MYNI 2014	
		FGVPM Sahabat 41	2019	MYNI 2014	
		FGVPM Sahabat 42	2019	MYNI 2014	
		FGVPM Sahabat 30	2019	MYNI 2014	
39	KS Nilam Permata	FGVPM Sahabat 50	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat 51	2019	MYNI 2014	
		FGVPM Sahabat 52	2019	MYNI 2014	
		FGVPM Sahabat 53	2019	MYNI 2014	
		FGVPM Sahabat 54	2019	MYNI 2014	
40	KS Hamparan Badai	FGVPM Sahabat 23	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat 24	2019	MYNI 2014	
		FGVPM Sahabat 26	2019	MYNI 2014	
		FGVPM Sahabat 28	2019	MYNI 2014	
		FGVPM Sahabat 31	2019	MYNI 2014	
		FGVPM Sahabat 33	2019	MYNI 2014	
		FGVPM Sahabat 34	2019	MYNI 2014	
		FASSB Tambisan Sahabat 59	2019	MYNI 2014	
		FGVPM Sahabat 21	2019	MYNI 2014	
FGVPM Sahabat 22	2019	MYNI 2014			
41	KS Mercu Puspita	FGVPM Sahabat 07	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat 46	2019	MYNI 2014	
		FGVPM Sahabat 48	2019	MYNI 2014	
		FASSB Sahabat 06	2019	MYNI 2014	
42	KS Lancang Kemudi	FGVPM Sahabat 10	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat 36	2019	MYNI 2014	
		FGVPM Sahabat 38	2019	MYNI 2014	
		FGVPM Sahabat 39	2019	MYNI 2014	
		FGVPM Sahabat 44	2019	MYNI 2014	
		FGVPM Sahabat 45	2019	MYNI 2014	
43	KS Embara Budi	FGVPM Sahabat 11	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat 12	2019	MYNI 2014	

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		FGVPM Sahabat 17	2019	MYNI 2014	
		FGVPM Sahabat 56	2019	MYNI 2014	
		FGVPM Sahabat 20	2019	MYNI 2014	
		FGVPM Sahabat 25	2019	MYNI 2014	
		FASSB Sahabat 17	2019	MYNI 2014	
44	KS Baiduri Ayu	FGVPM Sahabat	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat	2019	MYNI 2014	
		FGVPM Sahabat	2019	MYNI 2014	
45	KS Umas	FGVPM Sahabat	2019	MYNI 2014	Internal Audit
		FGVPM Sahabat	2019	MYNI 2014	
46	KS Tenggaroh Timur	FGVPM Tenggaroh 12	2019	MYNI 2014	Internal Audit
		FGVPM Tenggaroh Timur 2	2019	MYNI 2014	
47	KS Selancar 2A	n/a	n/a	n/a	Internal Audit
48	KS Bukit Mendi	n/a	n/a	n/a	Internal Audit
49	KS Jengka 8	n/a	n/a	n/a	Internal Audit
50	KS Jengka 18	n/a	n/a	n/a	Internal Audit
51	KS Jengka 3	n/a	n/a	n/a	Internal Audit
52	KS Padang Piol	n/a	n/a	n/a	Internal Audit
53	KS Tersang	n/a	n/a	n/a	Internal Audit
54	KS Pontian Fico	Pontian Fico	2022	MYNI 2014	Internal Audit
		Pontian Subok	2022	MYNI 2014	
		Pontian Orico	2022	MYNI 2014	
		Pontian Pendirosa	2022	MYNI 2014	
		Pontian Kuril	2022	MYNI 2014	
		Pontian Hilco	2022	MYNI 2014	
		Rawajaya Sdn Bhd	2022	MYNI 2014	
		Blossom	2022	MYNI 2014	
55	KS Tementi	FGVPM Bera Selatan 1	2022	MYNI 2014	Internal Audit
		FGVPM Bera Selatan 4	2022	MYNI 2014	
56	KS Kemahang	n/a	n/a	n/a	Internal Audit
57	KS Chini 2	n/a	n/a	n/a	Internal Audit
58	KS Jerangau Barat	n/a	n/a	n/a	Internal Audit
59	KS Trolak	n/a	n/a	n/a	Internal Audit
60	KS Semenchu	n/a	n/a	n/a	Internal Audit
61	KS Panching	n/a	n/a	n/a	Internal Audit
62	KS Air Tawar	n/a	n/a	n/a	Internal Audit

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63	KS Lok Heng	n/a	n/a	n/a	Internal Audit
64	KS Sg Tenggi	n/a	n/a	n/a	Internal Audit
65	KS Pasoh	n/a	n/a	n/a	Internal Audit
66	KS Kahang	n/a	n/a	n/a	Internal Audit
67	Asian Plantation Milling Sdn Bhd	Incosetia Sdn Bhd	2021	Group Cert	Internal Audit
		Kronos Plantations Sdn Bhd	2021	Group Cert	
		Fortune Plantation Sdn Bhd	2021	Group Cert	
		BJ Corporation Sdn Bhd	2021	Group Cert	
68	Tanah Emas Oil Palm Processing	Tanah Emas Corporation Berhad (TECB)	2021	Group Cert	Internal Audit
		Ladang Kluang	2021	Group Cert	
		Yapidmas D	2021	Group Cert	
		Sri Mosta 1	2021	Group Cert	
		Sri Mosta 2	2021	Group Cert	
		Sri Mosta 3	2021	Group Cert	
		Cepat Ringgit A	2021	Group Cert	
		Cepat Ringgit B	2021	Group Cert	
		Cepat Ringgit D	2021	Group Cert	
		Karamuak	2021	Group Cert	
		Sg Milian	2021	Group Cert	
		Sg Imbak	2021	Group Cert	
		Kuamut	2021	Group Cert	
69	PT Citra Niaga Perkasa	TBA	2021	INA-NIWG	Internal Audit
70	PT Temilia Agro Abadi	TBA	2021	INA-NIWG	Internal Audit
71	FGV estate without mill (Paloh)	Paloh	2021	INA-NIWG	Internal Audit

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2019 for FGVPISB-Kerteh POM and supply base was calculated using the PalmGHG Calculator version 4. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in 2019 for FGVPISB-Kerteh POM and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.04
PK	1.04

Extraction	%
OER	20.92
KER	5.31

Production	t/yr
FFB Process	243,656.88
CPO Produced	5097
PKO Produced	1293

Land Use	Ha
OP Planted Area	1087.47
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0
Total	1087.47

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	10740.54	0.55	0	0	0	0	10740.54	0.55
CO ₂ Emission from fertilizer	444.94	0.02	0	0	0	0	444.94	0.02
NO ₂ Emission	322.74	0.02	0	0	0	0	322.74	0.02
Fuel Consumption	69.66	0	0	0	0	0	69.66	0
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-10180.61	-0.52	0	0	0	0	-10180.61	-0.52
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	1397.27	0.07	0	0	64997.16	0	66394.42	0.07

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	0	0
Fuel Consumption	175.32	0
Grid Electricity Utilization	0	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	175.32	0

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	0
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

Appendix D: Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received (Feb 2019-Dec 2019)				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	February 2019	953.34	15,302.98	16,256.32
2	March 2019	1206.18	16,120.01	17,326.19
3	April 2019	1774.87	16,902.20	18,677.07
4	May 2019	1,414.51	16,242.29	17,656.80
5	June 2019	1,824.70	18,605.82	20,430.52
6	July 2019	2,025.18	19,990.19	22,015.37
7	August 2019	1,743.70	20,153.23	21,896.93
8	September 2019	2,039.60	21,589.43	23,629.03
9	October 2019	2,770.52	22,748.50	25,519.02
10	November 2019	1,347.72	20,906.43	22,254.15
11	December 2019	1,285.70	18,142.56	19,428.26
Total		18,386.02	206,703.64	225,089.66

B. Monthly Records of Certified CPO & PK (Feb 2019-Dec 2019)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	February 2019	201.15	50.72
2	March 2019	254.75	65.86
3	April 2019	370.42	104.72
4	May 2019	300.87	71.15
5	June 2019	381.54	92.69
6	July 2019	431.36	104.30
7	August 2019	374.90	90.32
8	September 2019	439.74	107.08
9	October 2019	591.78	160.97
10	November 2019	277.50	71.16
11	December 2019	240.04	64.41
Total		3864.05	983.38

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers (Feb 2019-Dec 2019)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1.	FGV Kernel Product Sdn Bhd	TR-37171f32-ec14	0	39.61
2.	FGV Kernel Product Sdn Bhd	TR-4a5d24ea-fed8	0	11.18
3.	FGV Kernel Product Sdn Bhd	TR-e345008e-5047	0	135.66
4.	FGV Kernel Product Sdn Bhd	TR-a8d8b3cb-42b0	0	89.44
5.	FGV Kernel Product Sdn Bhd	TR-28d33259-7107	0	43.60
6.	FGV Kernel Product Sdn Bhd	TR-0d6d5d7d-4780	0	133.89
Total			0	453.38

D. Records of CPO & PK Sold under other schemes to Buyers (Feb 2019-Dec 2019)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
-	-	-	-	-

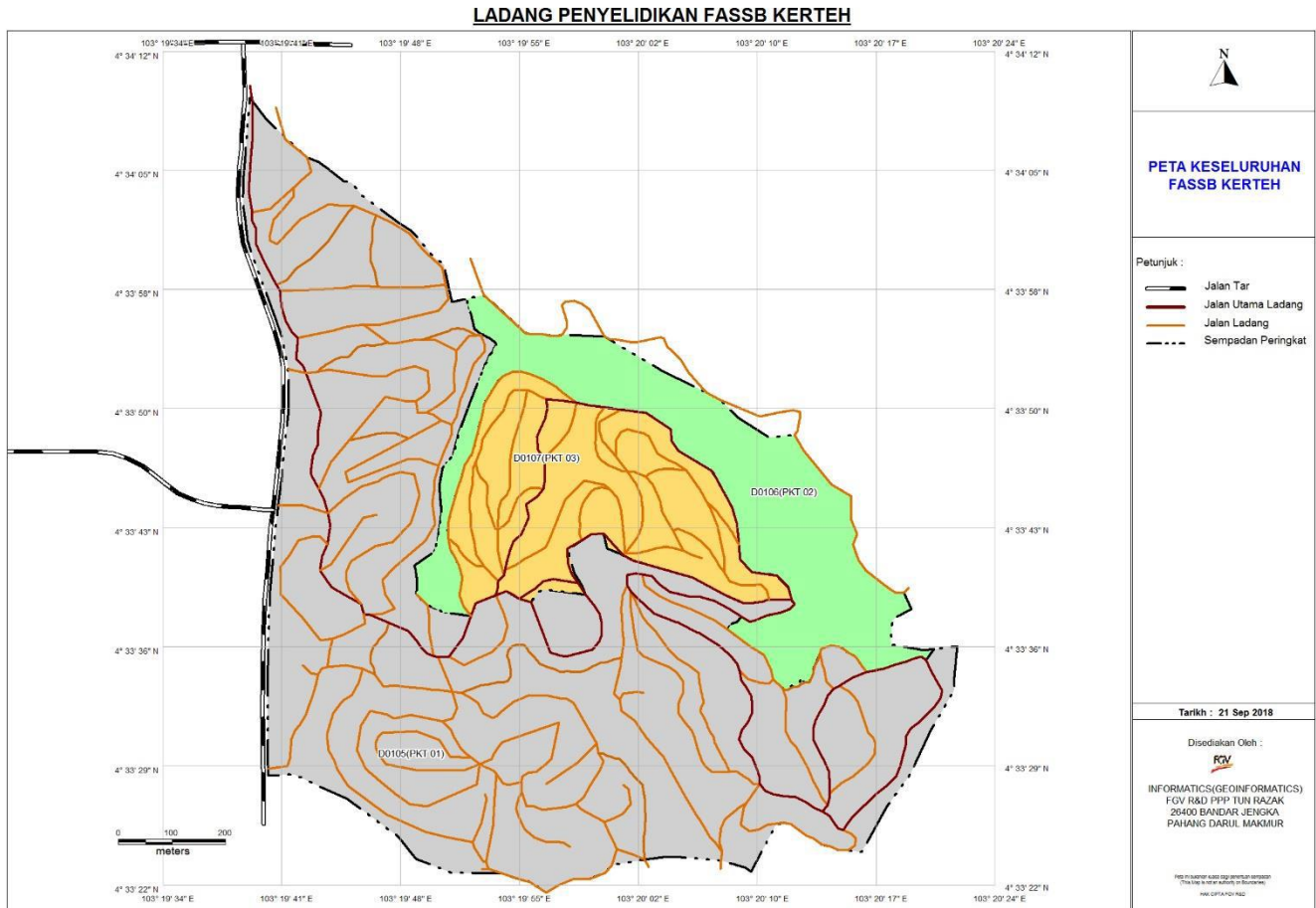
E. Records of CPO & PK Sold as conventional to Buyers (Feb 2019-Dec 2019)				
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)	
1	xxx	3477.64	347.38	
Total		3477.64	347.38	

F. Records of Certified CPO Sold under RSPO Credits to Buyers (Feb 2019-Dec 2019)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
-	-	-	-

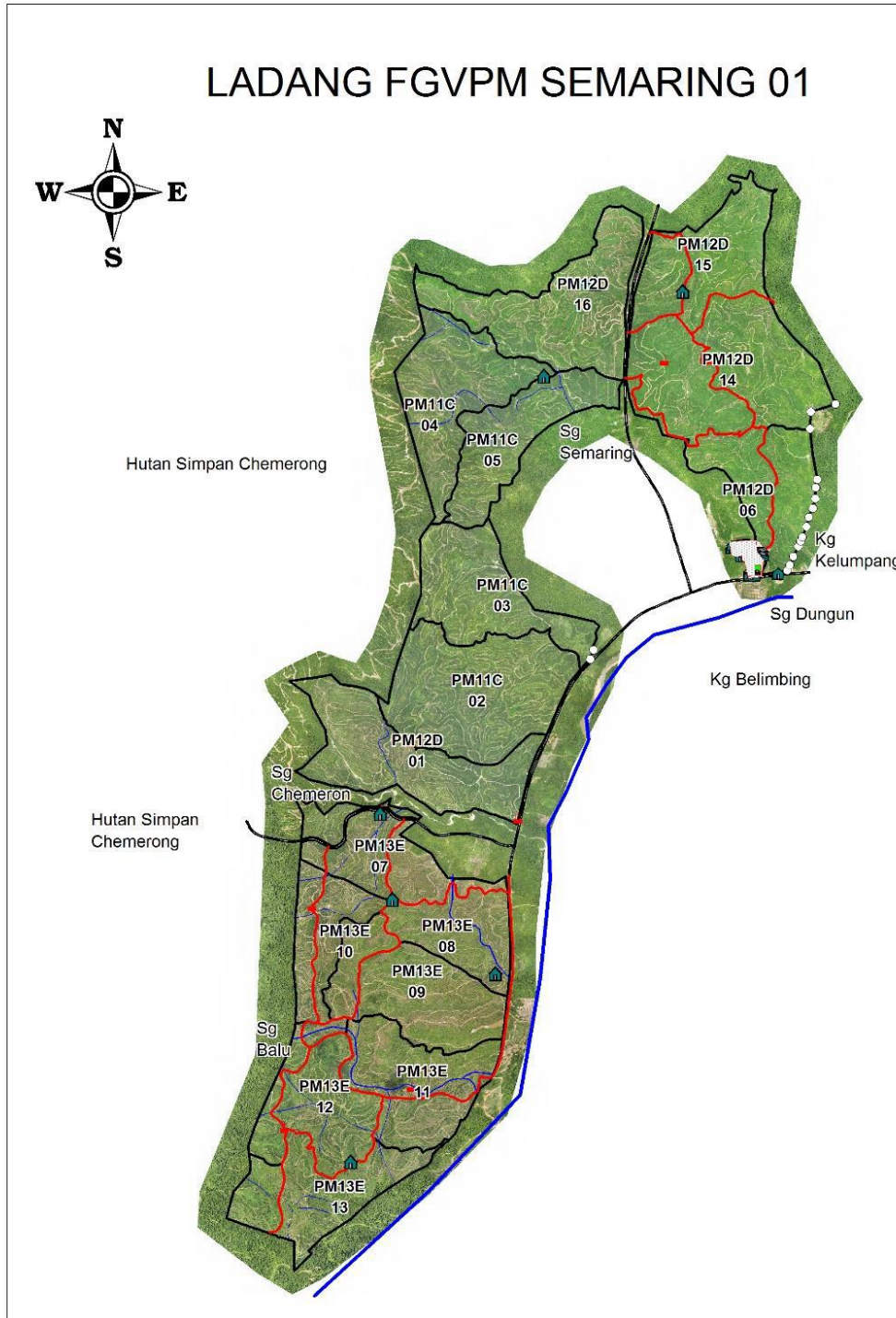
Appendix E: Location Map of FGV PISB Kerteh Palm Oil Mill



Appendix F: FASSB Kerteh Estate Field Map



Appendix G: Semaring 1 Estate Field Map



Appendix H: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Not applicable

Appendix I: List of Abbreviations

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel 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
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
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
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure