

**RSPO – SECOND ANNUAL ASSESSMENT**

FELDA Global Ventures Plantation (M) Sdn. Bhd
Head Office: FGVP Sdn Bhd, Tingkat 8, Balai Felda, Jalan Gurney 1, 54000 Kuala Lumpur, Malaysia.
Certification Unit: Jengka 18 (Seroja) Palm Oil Mill Bandar Tun Abdul Razak Jengka, 26400 Pahang, Malaysia.

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## Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0013-04-000-00	<b>Date</b>	Member since 17/10/2004
<b>Company Name</b>	Felda Global Venture Sdn Bhd		
<b>Head Office Address</b>	PSQM Department, Tingkat 8, Balai Felda, Jalan Gurney 1, 54000 Kuala Lumpur, Malaysia.		
<b>Mill Address</b>	KKS Jengka 18 (Seroja) Palm Oil Mill, 26400 Bandar Tun Abdul Razak Jengka, Pahang.		
<b>Subsidiary of (if applicable)</b>	N/A		
<b>Contact Name</b>	Mr. Anthonius P. Sani (Head Office) and Mr. Zulhamir Bin Mat Lazim (JK18 Palm Oil Mill Manager)		
<b>Website</b>	www.feldaglobal.com	<b>E-mail</b>	<a href="mailto:anthonius.s@feldaglobal.com">anthonius.s@feldaglobal.com</a> <a href="mailto:k.seroja@feldaglobal.com">k.seroja@feldaglobal.com</a>
<b>Telephone</b>	609-485 0300	<b>Facsimile</b>	609-485 0301

2. RSPO Certification Information			
<b>Certificate Number</b>	SPO 606899	<b>Date</b>	16 January 2013
<b>Scope of Certification</b>	Mill: Jengka 18 (Seroja) Palm Oil Mill Supply Base: Jengka 15, Jengka 16, Jengka 17, Jengka 18, Jengka 19, Jengka 20, Kg. Awak, Sg. Nerek.		
Other Certifications			
<b>Certificate Number</b>	Standard(s)	Certificate Issued by	Expiry Date
<b>AR 4047</b>	ISO 9001:2008	SIRIM QAS International	3 September 2015
<b>ER 0361</b>	ISO 14001:2004	SIRIM QAS International	3 September 2015
<b>SR 0152</b>	ISO 18001:2007	SIRIM QAS International	3 September 2015

<b>3.Location(s) of Mill &amp; Supply Bases</b>			
<b>Name (Mill / Supply Base)</b>	<b>Location [Map Reference #]</b>	<b>GPS</b>	
		<b>Easting</b>	<b>Northing</b>
Jengka 18 (Seroja) Mill	Pejabat FPI Wilayah Jengka, Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 33' 54"	3° 35' 42"
Jengka 15	Pejabat Wilayah Jengka, Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 32' 42"	3° 42' 4"
Jengka 16	Pejabat Wilayah Jengka, Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 32' 8"	3° 41' 38"
Jengka 17	Pejabat Wilayah Jengka, Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 33' 20"	3° 38' 12"
Jengka 18	Pejabat Wilayah Jengka , Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 33' 49"	3° 35' 56"
Jengka 19	Pejabat Wilayah Jengka , Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 31' 26"	3° 34' 12"
Jengka 20	Pejabat Wilayah Jengka , Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 31' 16"	3° 38' 57"
Sg. Nerek	Pejabat Wilayah Jengka , Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 30' 14"	3° 31' 58"
Kg. Awah	Pejabat Wilayah Jengka , Bandar Tun Abdul Razak Jengka, 26400 Pahang.	102° 30' 43"	3° 28' 51"

<b>4.Description of Certified Supply Base</b>						
<b>Estate</b>	<b>Mature (ha)</b>	<b>Immature (ha)</b>	<b>Total Planted Area (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Hectarge</b>	<b>% of Planted</b>
Jengka 15	1,574.84	0	1,574.84	174.98	1,749.82	90.00
Jengka 16	1,708.99	0	1,708.99	189.88	1,898.87	90.00
Jengka 17	1,662.10	0	1,662.10	184.64	1,846.74	90.00
Jengka 18	1,965.38	0	1,965.38	218.67	2,184.05	89.99
Jengka 19	2,417.34	0	2,417.34	268.59	2,685.93	90.00
Jengka 20	1,878.18	0	1,878.18	208.86	2,087.04	89.99
Sg. Nerek	955.23	0	955.23	106.14	1,061.37	89.99
Kg. Awah	526.24	0	526.24	58.47	584.71	90.00
<b>TOTAL</b>	<b>12,688.30</b>		<b>12,688.30</b>	<b>1,410.23</b>	<b>14,098.53</b>	<b>89.99</b>

5. Plantings & Cycle								
Estate	Age (Years) & Ha.					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Year 2014)	Actual (Year 2014)	Forecast (Year 2015)
Jengka 15	0	0	1,574.84	0	0	39,239	41,900	41,290
Jengka 16	0	1,708.99	0	0	0	25,459	28,723	28,685
Jengka 17	0	0	1,662.10	0	0	36,676	37,467	39,450
Jengka 18	0	0	1,965.38	0	0	48,898	51,683	47,413
Jengka 19	0	0	2,417.34	0	0	58,150	49,869	44,588
Jengka 20	157.04	1,721.14	0	0	0	26,877	27,284	34,675
Sg. Nerek	0	0	955.23	0	0	22,154	18,755	21,268
Kg. Awah	0	0	0	0	526.24	5,602	8,721	11,572
<b>TOTAL</b>	<b>157.04</b>	<b>3,430.13</b>	<b>8,574.89</b>	<b>0</b>	<b>526.24</b>	<b>263,055</b>	<b>264,402</b>	<b>268,941</b>

6. Certified Tonnage									
Mill	Estimated (2014)			Actual (2014)			Forecast (2015)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Jengka 18 (Seroja) Mill	263,055	56,557	13,837	264,402	55,199	13,766	268,941	55,965	14,316

## Section 2 Assessment Process

### Certification Body:

#### PT BSI Group Indonesia

(Accreditation Certificate No. RSPO- ACC- 019)

Menara Bidakara 2,

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Jalan Jend. Gatot, Subroto Kav 71-73,

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**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

**Assessment Methodology, Programme and Site Visits**

The ASA2 was conducted from 16 - 19 December 2014. The audit programme is included as Appendix B. 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 (Jengka 18, Jengka 19 and Kg. Awah). A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C 2013 was used as Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Major and minor Nonconformities that were assigned during the first annual surveillance audit which was closed during the last assessment was followed up to ensure it is remaining closed. Previous nonconformities remains closed except for nonconformity against indicator 6.1.4 which has been upgraded to Major nonconformity during this assessment. The assessment findings are detailed in Section 3.3.

This summary report is structured to provide detail of the assessment. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This summary report was reviewed by BSI internal certification reviewer prior to certification decision.

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>IAV</b>	<b>ASA1</b>	<b>ASA2</b>	<b>ASA3</b>	<b>ASA4</b>
Jengka 18 (Seroja) Palm Oil Mill	√	√	√	√	√
Jengka 15		√		√	
Jengka 16	√			√	
Jengka 17		√			√
Jengka 18	√		√		
Jengka 19			√		
Jengka 20	√			√	
Sg. Nerek		√			√
Kg. Awah			√		√

**Tentative Date of Next Visit:** November 1, 2015

**Total No. of Mandays:** 13.5

**BSI Assessment Team:****Senniah Appalasamy - Lead Assessor**

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member. He was the team leader during this assessment. He assessed Mill and Estate best practices, supply chain, OSH, Legal, Environment, Social issues, stakeholder interview etc. He is able to speak and understand Bahasa Malaysia, English, Tamil, Telugu dialect and Bahasa Indonesia.

**Muhammad Haris B. Abdullah – Team member**

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master's Degree in Business Administration from the University Utara Malaysia in January 2014. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

**Kelvin Lim Kok Wei – Team member**

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He attended internal RSPO training in May 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Devise auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues. During this assessment, he assessed on the legal aspects, Social and community engagements, Stakeholders consultation, and workers welfare.

**Accompanying Persons: - Nil -**

## Section 3 Assessment Findings

### 3.1 Details of audit results are provided in the following Appendix:

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide 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.			
<b>1.1.1</b>	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.  - Minor compliance -	Jengka 18 (Seroja) Palm oil Mill and supply base estates have maintained the record of request and responses in the 'external request record book' and some communication record through the email which received from internal and external stakeholders. The response and action taken by the management also been recorded and maintained. Most of the request was from the FELDA Settlers which request for monthly payslip of FFB from the FELDA management.	Comply
<b>1.1.2</b>	Records of requests for information and responses shall be maintained.  -Major compliance	All operating units maintain records of information request and response.	Comply
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			



**RSPO Public Summary Report**  
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Criterion / Indicator		Assessment Findings	Compliance
1.2.1	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance –</p>	<p>Jengka 18 operating units have maintained a list of publicly available documents that is approved by manager and can be produced upon request. Sample of documents includes the following:</p> <ol style="list-style-type: none"> <li>(1) Felda Policies and Guidelines which includes Human Rights Policy</li> <li>(2) Land titles (user right)</li> <li>(3) Safety and Health Plan</li> <li>(4) Hazard Identification and Risk Assessment (HIRAC)</li> <li>(5) Environmental Aspect and Impact Register</li> <li>(6) Social Impact Analysis</li> <li>(7) Pollution Prevention Plan</li> <li>(8) Details of complaints and grievances</li> <li>(9) Negotiation procedures</li> <li>(10) Continual improvement plan</li> <li>(11) HCV assessment report</li> <li>(12) RSPO Public summary report</li> </ol>	Comply
<p><b>Criteria 1.3:</b>            Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Felda plantation has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation. Policy displayed on the notice board and communicated to employees. Interview with employees reveal that they are aware of the policy.</p>	Comply
<p><b>Principle 2: Compliance with applicable laws and regulations</b></p>			
<p><b>Criterion 2.1:</b>            There is compliance with all applicable local, national and ratified international laws and regulations.</p>			

Criterion / Indicator		Assessment Findings	Compliance
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	<p>Jengka 18 (Seroja) POM: Schedule waste (SW 305 – Spent lubricating oil, SW 410 – contaminated rags and SW 306 - Spent hydraulic oil) were disposed on 9/5/14 through licensed contractor (Kualiti Alam Sdn. Bhd – Consignment Note: 963532). Visit to the SW store found that first generation date after the disposal was on 6/6/14 for SW 305 and SW 410. However, it was not disposed till 16/12/14 and exceeded the 180days of storage limit. Furthermore, SW 110 (florescent tube lights) was found inside the glass recycling dustbin.</p> <p>This does not comply with the EQA 1974 (Schedule wastes) Regulations 2005.</p> <p><b>Kg. Awah:</b></p> <p>1.) During the document audit on 17/12/14, it was found that CHRA was not available as required by USECHH 2000 Reg (Section 9 (1)). Further review found that DOSH visited the estate on 10/3/14 and issued an instruction letter dated 3/4/2014 (Ref. No.: JKPP PH/127/381/36/2 Jld.4 (186)) to carry out CHRA within 1 month from the date of letter.</p> <p>2.) Visit to the fertilizer store found:</p> <p>a.) Chemicals were stored together with fertilizer without spill kits. b.) Class Ib chemical (Paraquat) were not separated. c.) MSDS not available at the store. d.) No PPE and safety signages.</p> <p>This does not comply with the OSH Act 1994.</p> <p>Thus nonconformity was raised.</p>	<b>Major Non Compliance</b>
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units have written information on legal requirement and this information updated by the head office.	Comply
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	The written information on legal requirement is used to ensure the compliance by conducting self-evaluation. However, the register of legal and other requirement list was not being updated and reviewed to ensuring the compliance of the legal requirement.  Thus nonconformity was raised.	<b>Minor non-compliance</b>
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	The company have a system to tract any changes in the applicable law.  However, The register of legal and other requirement (Senarai Undang- Undang & Keperluan yang berkaitan RSPO) has been revised but the following legal act are not listed although operating units comply to the legal requirement: 1) Minimum Wages Order 2012 2) Minimum Retirement Age Act 2012  Thus nonconformity was raised.	<b>Minor non-compliance</b>

Criterion / Indicator	Assessment Findings	Compliance	
<p><b>Criterion 2.2:</b> 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>			
<p><b>2.2.1</b></p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>Copies of the land titles of the mill and estates were maintained and found to be in proper order. Records are available to show that the land lease comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC). The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for cultivation of oil palm and agricultural use. FELDA and FTP have provided evidence of legal ownership of the designated plots of smallholders land.</p>	<p>Comply</p>
<p><b>2.2.2</b></p>	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance -</p>	<p>There has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural use. Legal boundary markers were sighted and maintained along the perimeters of estate lands which were mapped Global Positioning System (GPS). Land survey maps with boundaries of each settler marked on the map. Locations of boundary stones / markers were identified and found to be within the boundary parameters of the estates.</p>	<p>Comply</p>
<p><b>2.2.3</b></p>	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	<p>Not Applicable</p>
<p><b>2.2.4</b></p>	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>-Major compliance</p>	<p>This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	<p>Not Applicable</p>
<p><b>2.2.5</b></p>	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>-Minor compliance</p>	<p>This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	<p>Not Applicable</p>
<p><b>2.2.6</b></p>	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>-Major compliance</p>	<p>This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.</p>	<p>Not Applicable</p>
<p><b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.</p>			

Criterion / Indicator		Assessment Findings	Compliance
2.3.1	<p>Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities)..</p> <p>- Major compliance -</p>	This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for 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 company's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>-Minor compliance</p>	This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>-Major compliance</p>	This clause is not applicable as FELDA did not acquire land from landowners, but leased it directly from the government or just managing settlers land.	Not Applicable
<b>Principle 3: Commitment to long-term economic and financial viability</b>			
<b>Criterion 3.1:</b>			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			

Criterion / Indicator		Assessment Findings	Compliance
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	JK18 Palm Oil Mill and supply base has continued its commitment to long term sustainability and improvements through a capital expenditure programme. . It also has made progress towards achieving their performance production targets for the current financial year.	Comply
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	The replanting program was verified to be planned, reviewed with on-going monitoring carried out for both mature and immature palms.  Kg. Awah: Replanting is on-going by phases since 2013 and expected to be complete by February 2015.  JK 18: No replanting in next 5 years.	Comply
<b>Principle 4: Use of appropriate best practices by growers and millers</b>			
<b>Criterion 4.1:</b> Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	Jengka 18 (Seroja) Mill and estates operates in accordance with the FELDA management systems and standard operating procedures. i.e:  Mill: Palm Oil Mill Operation Manual (08/04/2010 and amendments) covering every station from the security gate for reception of FFB until the delivery of processed oil and POME management.  Estates: Sustainable Oil Palm Estate Operation Manual issued by FELDA Agricultural Services Sdn Bhd (FASSB) on 01/06/2012.	Comply
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	The practices consistently monitored by mill and plantation advisors and recommendations for improvements are given to maintain the sustainable practices.	Comply
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	The records of monitoring and the actions taken had been maintained for more than 12 months on the mill and estates concerned. These records had been verified to be satisfactory.	Comply
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Jengka 18 (Seroja) mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received.	Comply
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			

Criterion / Indicator		Assessment Findings	Compliance
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agricultural practice (GAP) for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per the recommendation by the Agronomist from FELDA Agricultural Services Sdn. Bhd. These had been verified through the records for fertilizer application and observation during field visit.	Comply
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.	Comply
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	The FELDA R&D Department located at "Tun Razak Agriculture research Centre" (PPPTR) has maintained an active interest in the management of soil fertility and optimisation of FFB yields and it also monitors the changes in nutrient status through periodic soil and leaf sampling.	Comply
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	All palm by-products including fronds, EFB, and expeller are recycled. EFB is applied at the rate of 40mt/ha on selected area close to the mill.	Comply
<b>Criterion 4.3:</b>			
Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Comply
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Landscapes of all three estates visited are mostly flat and undulating. However, FELDA has a policy on slope planting and this will be implemented during replanting.	Comply
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	The main roads leading to the estates are maintained by the Government Department. The estates roads are in good overall condition. Road maintenance programme verified to be established and implemented.	Comply
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Comply
4.3.5	Drain ability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There are no peat soils or soil categorised as problematic or fragile soil at all estates.	Comply
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.			
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	A water management plan verified to be in place for the palm oil mill and estates. Water samples were taken on monthly intervals at the final discharge point of the palm oil mill effluent pond, and at upstream, midstream and downstream of waterways as per the requirements of the DOE. The water supply for domestic use to staff, smallholders and workers' housing is solely piped water from the water treatment plant operated by the water utility company. It is a requirement for the water utility company to ensure that tests are carried out on parameters to meet the Ministry of Health Specification for Drinking Water Quality. Rainfall data found to be monitored as part of the water management plan.	Comply
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones.  There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.	Comply
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Jengka 18 (Seroja) Palm Oil Mill monitors water quality of Sungai Jengka upstream and downstream to identify any adverse effect from the mill activities. The laboratory analysis results indicate no significant difference in quality between upstream and downstream locations. Analysis report (2014)460/MHBG/815/472 dated 17 November 2014 shows all the specifications are within the permitted level of 100ppm.	Comply
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	The Mill extracts water from Jengka River for processing. Average water usage varies from 0.97 – 1.43Mt/FFB Mt which is below the target ratio of 1.50Mt/ FFB Mt.	Comply
<b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	FELDA has developed and implemented IPM Plan which includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as Turnera subulata and Casia are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available. Records of rat baiting and barn owl census are available. No reported infestation by other pests (bagworms and rhinoceros beetle).	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Training records for staff on IPM implementation were available and verified to be satisfactory during on-site assessment. Training also conducted by FELDA/FTP for all smallholders.	Comply
<b>Criterion 4.6:</b>			
Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Manual Lestari 1A – Doc. No. ML-1A/L3-GP 1 (0) dated Mar 2012 Guidance Procedure for written justification in the use of agrochemicals was reviewed and found acceptable. The operating units have an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows:  (1) Glyphosate isopropyl amine (41% a.i.) - Ecomax (2) Paraquat dichloride (13% a.i.) - Paraquat (3) Triclopyr butoxy ethyl ester (32.1% a.i.) - Garlon (4) Glufosinate ammonium (13.5% a.i.) – Basta 15	Comply
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by FTP for the Smallholders for a minimum of 5 years (2009 to 2014). Verified that records of monitoring were satisfactorily.	Comply
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	It is the policy to minimize the use of pesticides in accordance with IPM plan. No prophylactic use of pesticides had been carried out at the estates for the period concerned. The pesticide reduction program is monitored on usage per hectare basis. Overall, it has shown a slight decline.	Comply
4.6.4	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, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat is still being used in the operating units. However, it is the policy of the FELDA Group to reduce the use of Paraquat gradually and achieve zero usage. The usage was limited to young palm fields. Records on the usage of paraquat over 5 years were examined and it was found that there has been a decline in the amount used. There were no other Class 1A or 1B was in use or kept by the visited estates.	Comply



Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.5</b>	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>All pesticide operators had been given training on the handling and application of the pesticides. Appropriate safety and application equipment had been provided and used by the operators. All precautions attached to the products had been observed, applied, and understood by the workers. Programme and training records had been verified to be satisfactory.</p>	Comply
<b>4.6.6</b>	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>Storage of pesticides found to be in accordance with the Occupational Safety and Health Laws and Regulations and local laws on pesticides control. Empty chemical containers had been used for mixing chemicals for spraying pesticides in the field.</p>	Comply
<b>4.6.7</b>	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.</p>	Comply
<b>4.6.8</b>	<p>Pesticides shall be applied aurally only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>It is the policy of the company not to carry out any aerial application of pesticides. This policy has been followed by the operating units.</p>	Comply
<b>4.6.9</b>	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>Periodic training on pesticide handling had been carried out for the workers and scheme smallholders. Information on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Comply
<b>4.6.10</b>	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Empty pesticide containers had been used for mixing chemical for spraying in the fields. Others containers had been triple rinsed and punctured and disposed of through contractor approved by DOE. Scheduled waste of palm oil mill had been disposed of through licensed contractor approved by DOE. Records of scheduled waste involved at the mill had been verified to be satisfactory.</p>	Comply

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<b>4.6.11</b>	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  - Major compliance -	Estates and Mill have a programme of conducting annual medical surveillance of all pesticide operators as per CHRA. IMS Consultancy and Solution conducted CHRA on October 2010 by Mr. Abdul Rashid Abdul Kudus (JKKP: HIE 127/171-2(139)). Latest medical surveillance for chemical handlers were conducted on 15 May 2014 at clinic Sulaiman by Dr. Halim Bin Ishak (DOSH Registration Number: HQ/08/DOC/00/387) found all workers are fit for work. Interviews with the pesticides handlers and workers present were conducted during on-site field visits. Based on the feedback received and observation made, they did not display any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pains, breathing difficulties or nail discolorations.	Comply
<b>4.6.12</b>	No work with pesticides shall be undertaken by pregnant or breast-feeding women.  - Major compliance -	Pesticide handlers and sprayers in the estates were noted to be men only. It was verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.	Comply
<b>Criterion 4.7:</b>			
An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
<b>4.7.1</b>	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.  - Major compliance -	Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented. OSH policy was clearly displayed at POM and in estates office. Workers and scheme smallholders had demonstrated awareness towards occupational safety and health policy. Risk assessment had been carried out on all operations where health and safety is an issue (e.g. noise exposure, pesticides/chemicals exposure, accident, fire). Mill & its estates established their accident reporting KPI, and incident monitoring implemented. Procedures and actions documented and implemented on the issues concerned.	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.7.2</b></p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>At Mill, Risk assessment had been carried out on all operations where health and safety is an issue. Significant hazards were determined and documented in the HIRARDC analysis which included noise exposure, chemical and pesticides exposure, accident and fire outbreak. Procedures and control measures were implemented to mitigate the risks. Assessment of noise levels in the POM was conducted by DOSH on 15 October 2014 which had identified the work areas with high noise levels i.e. boiler station, engine room and sterilization units were above 85 dB. Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers. Annual audiometric tests/ reports conducted for all mill staff and workers were available and maintained. The workers checked did not suffer from significant hearing disabilities. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise levels. The workers are also aware of the complaints process and mechanism available. "Permit to work" system was applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entry and stand-by involving work in confined space. It was verified that the mill and estates have provided the appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, ear plugs, ear mufflers) and the associated training to address safety and health issues.</p> <p>However, at Kg. Awah: During the document audit on 17/12/14, it was found that Risk assessment for all operations where health and safety is an issue (HIRARC) was not available at the site.</p> <p>Thus nonconformity was raised.</p>	<p><b>Major Non Compliance</b></p>
<p><b>4.7.3</b></p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Training programme planned for year 2014 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to workers exposed to machinery and high noise levels, workers working in confined space, harvesters, pesticides operators and manurers. Training also provided on use of fire extinguishers and fire drill, awareness and understanding of MSDS/CSDS. Employees interviewed at POM confirmed to be provided with safety training relating to their work at least once a year by the qualified Safety &amp; Health Officer and training records are available. Evaluation carried out on each training programme to determine its effectiveness. However, at Jengka 18: During the visit at the chemical store, interview with the chemical store clerk reveal that she is not aware with handling of chemical spillage and further investigation which found out that she was not been trained for chemical safety handling in the chemical store.</p> <p>Thus nonconformity was raised.</p>	<p><b>Major Non Compliance</b></p>

Criterion / Indicator		Assessment Findings	Compliance
4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.  - Major compliance -	The responsible persons are the Assistant Managers of the respective operating units. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.	Comply
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.  - Minor compliance -	Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.  Kampung Awah: The first aid box was not available at the nursery and further interviewed with the mandore confirmed that no first aid box available with him during the visit at the nursery. Jengka 18: The first aid equipment in the first aid box at the chemical mixing area was not according to the list in the first aid box and further investigation found that the Dettol in the first aid box has expired. Apart from that, based on interviewed with the mandore of chemical spraying, the first aid equipment was not provided to him when conducting spraying in the field. Eye wash system at the chemical mixing area was not available.  Thus nonconformity was raised.	<b>Minor non-compliance</b>
4.7.6	All workers shall be provided with medical care, and covered by accident insurance.  - Minor compliance -	Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with RHB Insurance.	Comply
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics  - Minor compliance -	There were no accident recorded for year 2014 (as at November) at Jengka 18 (Seroja) Mill and estates. The Mill has maintained no LTA at 674 days since 4/10/2012.	Comply
<b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.  - Major compliance -	At Mill, JK 18 and JK19 formal training programme for the year 2014 available and implemented. Regular assessment of training conducted to ensure understanding among the employees. Trainings conducted include a formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System. The various trainings conducted and the training records maintained to be acceptable.  However, at Kg. Awah: During the document audit on 17/12/14, it was found that there was no formal training programme for the year 2014 was available and training records for the workers were not maintained.  Thus nonconformity was raised.	<b>Major Non Compliance</b>

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4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for each employee are available in Mill and estates. Some of the samples checked; 1. Authorised Gas Tester Training dated 29/9/2014. 2. Schedule Waste Management Training dated: 24-18/11/2014. 3. FFB grading training dated: 21-25/9/2014 by MPOB.	Comply
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>			
<b>Criterion 5.1:</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	The documented Environmental Aspect and Impact Assessment (EIA) were prepared for the respective estates by the Plantation Sustainability and Quality Management (PSQM) Department of Felda Plantations (Malaysia) Sdn Bhd based in Kuala Lumpur, Malaysia, which was done in 2010 and reviewed annually. The EIA report had included the stakeholder consultation with external stakeholders i.e. the Land Department, Forestry Department, DOE, local community including the neighbouring settlers. The EIA assessment had covered all areas which are under the Felda Settlers schemes smallholders. The EIA had covered the overall landscape and plantation activities such as POM operations, oil palm estate fields, open areas, patches of hill forest, waterways (rivers & tributaries). The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, waste disposal, recycling of used fertilizer bags and road maintenance. The report also included action plans and recommendations in order to mitigate negative effects and promote positive ones such as landfills and conservation activities such as buffer zones applicable to the operating units.	Comply
5.1.2	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. - Minor compliance -	A generic timetable / monitoring frequency was developed and implemented by the operating unit's management team which is under the responsibility of the Regional General Manager. The responsibility of the 4 Settlers estates was assigned to the respective Scheme Managers. Management action plans addressing issues raised which was monitored and reviewed annually i.e. in January 2014. There were no significant changes to the identified impacts since the establishment of the documents above during the current surveillance assessment.	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>Implementation and monitoring of the documented environmental improvement plans were reviewed on an annual basis scheduled at the first quarter of the following year. Plan was reviewed in January 2014 for current year. The review had considered the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams. The results of the monitoring done on the documented environmental improvement plans have been verified to be on-going.</p>	Comply
<p><b>Criterion 5.2:</b></p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>As reported during initial assessment, in collaboration with the University of Malaya undergraduates and internal staff has carried out an assessment of the presence of HCVs within and adjacent to the Felda plantations. There is no neither HCV area nor biodiversity areas within the landholding.</p>	Comply
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>The management plan was established by the respective Felda Scheme managers. As there were no HCVs at the Operating units, monitoring was on the conservation areas such as buffer zones along tributaries of Sungai Jengka. Site inspections confirmed that there was no presence of any RTE species at the Operating units. Regular patrols within the Mill and estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Sightings of common wildlife were recorded during monitoring such as monkeys (long tailed macaque), snakes (pythons and cobras), monitor lizards and wild boars. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signages that prohibit hunting, fishing and water polluting activities were verified onsite and found to have been satisfactorily maintained.</p>	Comply
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>The program to regularly educate the workforce and community about the status of these RTE species are also established with on-going consultation with the relevant authorities such as the State Wildlife department.. There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance -</p>	<p>On-going monitoring of the management plan on the status of any RTE species at the plantation areas is done. Reports are collated and reviewed by the regional General Manager and HQ Sustainability team for the operating units situated within the region. The updated reports available indicated that there have been no sightings of any RTE species at the operating units.</p>	Comply
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited. Thus negotiated agreement of such nature is not applicable.</p>	Comply
<p><b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>At the Mill, all waste products and sources of pollution were identified, documented and updated in June 2014. The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the operating units. Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes at the mill and estates. The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized scheduled waste disposal contractor i.e. Kualiti Alam. Schedule waste last disposed on 9/7/2014 (Consignment Note No.: 963532) for SW 305, SW 306 and SW 410. Scheduled Waste items were identified and labelled which included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102) and kept under lock &amp; key. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>	Comply
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Usages of all chemicals issued out at the settlers' estates were monitored. Used containers meant for reuse were separately stored and monitored by the respective estate Office Store personnel. All excess used chemical containers were punctured as per DOE guidelines and disposed of by appointed Estate contractors such as G-Planters Sdn. Bhd.</p>	Comply

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5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	The waste management and disposal plan were in place at the Mill.  However, at JK 19: The domestic waste is disposed on the surface. During heavy rain the rainfall runoff from the domestic waste on the surface which is contaminated/polluted is flowing to the nearby the ravine. A plan to mitigate the surface runoff was not available.  Thus nonconformity was raised.	<b>Minor non-compliance</b>
<b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	The use of energy in palm oil mil and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available. Currently, the average energy usage for 2014 is at 0.30 kWh/mt FFB processed at the Mill. At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It is verified that energy usage are being monitored at the operating units for better control and comparison of trends.	Comply
<b>Criterion 5.5:</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	FELDA's Group policy of 'Zero open burning' is enforced since July 2011 including any land preparation or replanting activities.	Comply
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	The operating units have adhered to the 'zero burning' policy for replanting at the estates. During the audit, there were no replanting activities carried out in the Jengka 18 complex. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.	Comply
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			



Criterion / Indicator		Assessment Findings	Compliance
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The Mill and estates had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelman Smoke Chart. POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations i.e BOD below 100mg/l.	Comply
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at each of the operating units. The plan to reduce or minimise the GHG emission is in progress.	Comply
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points. The water samples were sent to FELDA Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Monthly reporting to DOE was also done and record documented. Smoke emission quality test at the mill was done every 6 month in accordance to the Environmental Quality Regulation. Test result for the month of November 2014 sends to DOE on 4/12/14 (Ref. No.: (23)4029/SRJ/840A/168.1-Laporan Asap Hitam) found within the permitted level.	Comply
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</b>			
<b>Criterion 6.1:</b>			
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Aspects of plantation and mill management related to social issues identified through Social Impact Assessment. Annual review is conducted through stakeholder meetings and communication with stakeholders. It is noted that all the operating units maintain good relationship with internal and external stakeholders such as employees, contractors, surrounding communities and regulatory bodies. Improvement on social obligation includes improvement of the housing and facilities for the employees and contribution to the surrounding community development.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The participation of both internal and external stakeholders (including local from Governmental organizations) which was evident with the list of participants recorded. Minutes of meetings as appended to the SIA Report were maintained as records. List of stakeholders were verified and included government bodies, group associated stakeholders, neighbouring estates and small holders, management staff and workers including representative of migrant workers such as Indonesians, Contractors/suppliers and government clinic staff.	Comply
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	The social documents had plans for avoidance or mitigation of negative impacts, such as continue monitoring the level of smoke release from the mill, lack of suitable work opportunities for Felda second generation, etc. The plans also promoting the positive ones such as targeting higher education achievement of school children, organising mobile banking at the settlement with Bank Rakyat. The management of estate and mill has monitored the impacts identified, developed in consultation with the affected parties, especially Felda settlers. Sighted records of appointed teams headed by estate managers assisted by assistant managers. The roles and responsibilities of these appointed officials were defined.	Comply
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Kg. Awah & Jengka 18 & Jengka 19: During the document audit (File: C 6.1 "Impak Sosial & Mitigasi") it was found that the plans for avoidance or mitigation of negative impacts and promotion of the positive ones were not updated since 2012. This nonconformity was already raised during the last assessment. The operating units have not addressed the issue appropriately.  As per the RSPO requirement, the nonconformity was upgraded to major nonconformity.	<b>Major Non Compliance</b>
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	Positive impacts such as increased work opportunities, increased income and improved living standards are identified.	Comply
<p><b>Criterion 6.2:</b></p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			

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Criterion / Indicator		Assessment Findings	Compliance
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Policy on industrial relations "Polisi Komunikasi" dated 1 June 2014 signed by Director of FELDA for internal and external communication and consultation is available. In all estates audited, where are actually the Felda Scheme Smallholders, at least three different meetings conducted between the Felda management office and the Scheme Smallholders conducted every month. Among available channels of communications between the management and affected or interested parties are, the Joint Consultative Committee [JCC], gathering with Felda Scheme Smallholders, "Jawatankuasa Kemajuan Rancangan (JKKR)", Gerakan Persatuan Wanita (GPW), etc. All of these meetings are conducted monthly. Other than meetings and gatherings, affected parties also have access to workplace inspections, suggestion boxes, housing maintenance request forms to raise their concerns.</p>	Comply
6.2.2	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>Organisation charts in all operating units visited show that different responsible persons are nominated for different sectors of stakeholders. Interviews with mill and estate managers verified the understanding of their roles and responsibilities. Responsible persons are nominated to communicate with different sectors of stakeholders.</p>	Comply
6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>List of stakeholders are sighted and properly filed. Copies of these stakeholders' lists were also submitted to the auditors prior to the site audit. Internal stakeholders may raise their concerns through different communication channels as mentioned in 6.2.1. External stakeholders may specifically raise their concerns through suggestion boxes and complaint form, i.e. "Rekod Pertanyaan Dan Maklumbalas" provided by each operating units. There are also records sighted where external stakeholders communicated with the mill and estates with some specific requests, e.g. donations. All these requests were responded and maintained properly.</p>	Comply
<p><b>Criterion 6.3:</b></p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			
6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>FELDA has an established and documented system for dealing with complaints and grievances and it was implemented through manual "Manual Lestari 1A [ML-1A/L2-PR4 (0)]". Record shows that 'Complaints and Grievances Book' in all estates visited are still active in recording complaints/requests made by employees and Scheme Smallholders. Over the past 12 months, entries made were mainly on minor repairs needed to the housing facilities and access road which were verified to be attended to in a timely manner.</p>	Comply
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance -</p>	<p>Complaints and grievances are handled by respective responsible persons. Outcomes from the actions taken are recorded in different manners, e.g. meeting minutes and payment vouchers to contractors after completion the jobs. Mechanisms are appropriately established and implemented. Records of meeting and any resolutions or outcomes are maintained through Minutes or in Complaints Log.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
<p><b>Criterion 6.4:</b> 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.</p>			
<p><b>6.4.1</b></p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.  - Major compliance -</p>	<p>No cases requiring any negotiation or compensation pertaining to these criteria. There have been no changes in this status as at the period of verification on site.</p>	<p>Comply</p>
<p><b>6.4.2</b></p>	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.  - Minor compliance -</p>	<p>The FELDA Scheme Smallholders and plantation operations are based on approval from federal government. Therefore, no cases requiring any negotiation or compensation pertaining to these criteria.</p>	<p>Comply</p>
<p><b>6.4.3</b></p>	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.  - Major compliance -</p>	<p>No cases requiring any negotiation or compensation pertaining to these criteria. There have been no changes in this status as at the period of verification on site.</p>	<p>Comply</p>
<p><b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			
<p><b>6.5.1</b></p>	<p>Documentation of pay and conditions shall be available.  - Major compliance -</p>	<p>Only local workers are hired at the POM and in all the estates offices. However, FTP and other contractors providing agricultural services to the Scheme Smallholders hired both local and foreign workers. Documentation and conditions of pay for foreign workers at the FTP and for local workers at the estates offices are available for verification. The payment slips for foreign workers at the FTP sighted. It is easy to understand and this fact was further verified with migrant workers. Payments are made latest by 7th of each month and consistent with Minimum Wage Order 2012 as well as MAPA-NUPW collective agreement. Holidays entitlements as required by the laws are satisfactorily fulfilled, e.g. annual leaves, public holidays, and maternity leave.</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Offer letters and signed "Pengakuan Penerimaan Syarat - syarat Perkhidmatan Petugas Syarikat Kumpulan Felde & Kod Etika dan Tatalaku Petugas Syarikat Kumpulan Felde yang berkuatkuasa Mulai 1 Januari 2010" for local workers are sighted. Documented employment contract, i.e. "Surat Perjanjian Pekerjaan diantara Felde Global Ventures Plantations (M) Sdn. Bhd. (974143 – H) dengan Pekerja Asing Indonesia" for foreign workers hired by FTP were sighted during the audit. The document covers all issue such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, and reasons for dismissal, period of notice made available in Bahasa Malaysia which is understood by the workers.	Comply
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	Housing is provided for free to the workers. Free medical treatment for workers are available at government Clinic and company panel clinics which is located in Bandar Pusat Jengka and Temerloh. Mill provides dedicated van for transport to clinic. Government schools are within close proximity of the Estate and Mill. Electricity and water are available from government supply.	Comply
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	Food for the Felde staff, Scheme Smallholder and FTP foreign workers provided through sundry shops at the vicinity of the operating units. Most of the sundry shops are operated by the Scheme Smallholders through JKRR.	Comply
<b>Criterion 6.6:</b>			
The employer 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.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	The published statements of policy "Polisi Hak Kebebasan Bersuara and Menganggotai Kesatuan", dated 1 June 2014 signed Director of FELDA recognises the employee's freedom of association, was found to be available and widely displayed in all notice boards of the operating units. This policy is available in Bahasa Malaysia which can be understood by majority of the workers. All non-executive Felde staff is members of Kesatuan Pekerja-Pekerja Felde Palm Industries Sdn. Bhd. and all executives' staff are members of Kesatuan Kakitangan Kanan Felde (PKKF).	Comply
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Both unions mentioned above meet annually. For example, last record of "Kesatuan Pekerja-Pekerja Felde Cawangan Pahang" meeting was on 14/7/2014.	Comply
<b>Criterion 6.7:</b>			
Children are not employed or exploited.			

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6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	FELDA has a policy of not employing child labour i.e. persons below 18 years old in accordance with Employment Act 265 as evidenced in "Polisi Pekerja Kanak-Kanak", dated 1 June 2014 signed by Director of FELDA. This policy is displayed at strategic public places.  At time of hire age is checked by examination of ID card for local persons. Check of Passports of foreign workers is carried out prior to hire. Children and under-age workers were not observed at any of the Mill or Estate operational areas during the field visit.	Comply
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	The operating units have a publicly displayed documented policy on equal opportunities, i.e. "Polisi Kesetaraan Peluang", dated 1 June 2014 signed by Director of FELDA. The policy stressed on non-discrimination based on race, caste, nationality, religion, gender, sexual orientation, disability/handicap, and union/political affiliations. However, positive discrimination for the benefit of certain society groups may be allowed after consultation.	Comply
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Foreign workers were only employed by FTP. FELDA adopted the "Polisi Pengambilan Pekerja Asing", dated 1 June 2014 signed by Director of FELDA. The employment of foreign workers was implemented without affecting the opportunities for local communities. Interviews with FTP foreign workers revealed satisfaction with the estates for job opportunities and they enjoy all common welfare amenities like free housing, free water and electricity supplies and medical care. They are aware that their grievances can be raised through various channels, especially the regular roll call meetings they are attending every morning.	Comply
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Depending on the nature of work positions, The operating unit management takes into considerations the needs for technical qualifications/experience and related skills in recruitment selection, hiring and promotion exercises. It was verified that the promotions to higher position at the estates and Mill were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees.	Comply
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	A documented policy to prevent sexual harassment and violence "Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi" dated 1 June 2014 signed by Director of FELDA. Gender committees or equivalent are formed, i.e. Kelab Keluarga Dayabudi (KKD) in the POM and Gerakan Persatuan Wanita (GPW) in the estates. All these committees are aware of the policy and its complaints procedures and planned has been developed to explain sexual harassment to the communities within the operating units.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	A documented policy to prevent sexual harassment and violence including reproductive rights "Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi" dated 1 June 2014 signed by Director of FELDA. All committees mentioned above, i.e. KKD and GPW are aware of the policy and its complaints procedures. This policy and procedures have been communicated to all level workforce and the settlers through various activities as mentioned above. Local female staff is fully aware that they are entitled for two months paid maternity leave.	Comply
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Complaint and grievance procedures "Polisi Pemberian Maklumat (whistle blowing)" dated 1 August 2006 [Bil. (10)FH/02/20] signed by Human Resource Director of FELDA are available to manage grievances and complaints from internal and external stakeholders. Management and gender committee representatives confirmed that there has been no report of sexual harassment in the operating units so far. For example, Latest Gender committee (KKD - "Kelab Keluarga Dayabudi") meeting was conducted on the 8 September 2014 together with Mill and estate attended by 12 members. Social activities and committee fund raising are the issues discussed. No sexual harassment issues were reported.	Comply
<b>Criterion 6.10:</b>			
Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Onsite audit verified that the current and past prices paid for FFB pricing were displayed at the Mill and Estate offices.	Comply
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	Pricing mechanism for FFB is fair and transparent. Price of FFB was set based on MPOB approved price. FFB was also graded by licensed graders based on MPOB specification.	Comply
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Stakeholder interviews conducted during this assessment with suppliers, contractors, and relevant parties including local and foreign workers confirmed that understand the contractual agreements (such as terms and payment) they enter into with the operating units. They also consider the business transactions as fair and transparent.	Comply
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Agreed payments are made promptly within the 30day of the following month. Through interviews made, there is no evidence to suggest of any unfair business practices with the local businesses.	Comply

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<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			
<b>6.11.1</b>	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.  - Minor compliance –	All operating units contribute to local development through consultation and communication with the localised head of village called "Ketua JKKR".	Comply
<b>6.11.2</b>	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.  - Minor compliance –	The Technoplant Manager and Scheme Manager ensure that there are sufficient resources allocated to improve smallholder productivity through on-the-field supervision, training and monthly meeting.	Comply
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			
<b>6.12.1</b>	There shall be evidence that no forms of forced or trafficked labour are used.  - Major compliance -	Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour in the operating units. All employees have employment contract and paid the agreed national minimum wages.	Comply
<b>6.12.2</b>	Where applicable, it shall be demonstrated that no contract substitution has occurred.  - Minor compliance –	There was no evidence of contract substitution and this was confirmed from interviews with workers and relevant stakeholders.	Comply
<b>6.12.3</b>	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.  - Major compliance -	The special policy on recruitment of foreign workers "Polisi Pengambilan Pekerja Asing" and equal opportunities "Polisi Kesetaraan Peluang" are established and the implementations are verified to be satisfactory. Review on employment contracts of foreign workers also confirmed that the policies, including minimum wages have also been duly implemented.	Comply
<b>Criterion 6.13:</b> Growers and millers respect human rights.			
<b>6.13.1</b>	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).  - Major compliance -	The Human Rights Policy "POLISI HAK ASASI MANUSIA" dated 1 June 2014 signed by Director of FELDA has been documented and communicated to all levels of the workforce and operations.	Comply
<b>Principle 7: Responsible development of new plantings</b>			
Supply base plantations under Jengka 18 certification unit has a procedure for this development but has not carried any new plantings after November 2005. Therefore Principle 7 is not applicable during this assessment.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			



Criterion / Indicator	Assessment Findings	Compliance
<p><b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
<p><b>8.1.1</b></p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base.</li> </ul> <p>- Major compliance -</p>	<p>FELDA Jengka 18 operating units have identified and implemented the following Continual Improvement Plans in the mill and estates for the period 2013 to 2014 as required:</p> <p>The plans include:</p> <ul style="list-style-type: none"> <li>• Reduce the usage of pesticides</li> <li>• Increase planting of beneficial plants (Turnera subulata, Cassia cobanensis and Antigonon leptopus) along the roads including those passing through scheme smallholders’ plots.</li> <li>• Arrange fronds in L-shape on flat land including scheme smallholders’ plots.</li> <li>• Reuse fertilizer bags; Return pesticide containers to suppliers; Sell off obsolete papers, steel.</li> <li>• Repair and repainting of workers’ houses/quarters.</li> <li>• Maintaining of zero accident rate.</li> <li>• Allocation for educational budget to schools in the vicinity of the operating units as incentives for high achievers.</li> <li>• Building badminton courts for employees.</li> <li>• Reduce the delivery time of FFB to Mill.</li> <li>• Increase FFB quality and yield.</li> </ul>

### 3.2 Progress against Time Bound Plan

FELDA Time Bound Plan (TBP) is included as Appendix B. Felda is operating 72 palm oil mills and has a time bound Plan to certify all the palm oil mills and supply base by 2015/2016. 27 mills already certified. FELDA is implementing a programme to achieve RSPO Certified Sustainable Palm Oil for all of its operation in Malaysia. FELDA is a RSPO member (Membership number: 1-0013- 04-000-00) since October 2004. On the basis of information provided by FELDA and that collected at the time of the audit, the Audit Team has concluded that there are no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labour disputes that are not being resolved through an agreed process and no evidence of noncompliance with the law at any of the noncertified holdings. There was no any dispute was highlighted during the stakeholder consultation conducted during the ASA2. Furthermore, FELDA has undertaken self-assessment to assess the requirement and compliance to the partial certification.

There is no lapse in implementing the time bound plan. There were positive changes made to the time bound plan to complete the certification by 2015/2016 compare with the original plan of 2017 which is still maintained. This proactive measure is to ensure 100% certification by 2017 for own mills. This is a proactive approach from Felda to show the commitment towards RSPO certification.

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BSI has continued involvement with assessments of FELDA Management Units during the 2014 period. BSI is also communicating with other Certification Bodies that auditing FELDA’s other operating units to identify any noncompliance with rules of partial certification as per requirement in RSPO Certification System. There are two new planting carried out at Indonesia and complied with the RSPO NPP process. FELDA consistently has kept BSI informed of any emerging issues and claims made against it. At the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
  - b. Any replacement of primary forest or loss of HCVs;
  - c. Any labour disputes that are not being resolved through an agreed process;
  - d. Any evidence of noncompliance with any law at any of the landholdings.
- BSI considers that FELDA complies with the RSPO requirements for Partial Certification rules.

Details of the status of the Time Bound Plan as submitted by FELDA are in Appendix A.

**3.3 Details of findings**

The nonconformities are listed below.

During this second annual surveillance assessment, there were five Major nonconformities and four minor nonconformities raised. Jengka 18 (Seroja) Palm Oil Mill and Supply Base Estates submitted Corrective Action Plans for the nonconformities. Corrective action plans with respect to the nonconformities were reviewed by the BSI audit team and accepted. The major nonconformities were closed prior to finalizing this summary report and recommendation for continuation for certification. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928M1	<p><b>Requirements:</b>            2.1.1: Evidence of compliance with relevant legal requirements shall be available.            Environmental Quality Act 1974 (Schedule wastes) Regulations 2005.            USECHH 2000 Reg (Section 9 (1)).            Occupational Safety and Health Act 1994            Employment Act 1955, Act 265 Part IV – Lawful Deduction</p> <p><b>Evidence of Nonconformity:</b>            Jengka 18 (Seroja) POM: Schedule waste (SW 305 – Spent lubricating oil, SW 410 – contaminated rags and SW 306 - Spent hydraulic oil) were disposed on 9/5/14 through licensed contractor (Kualiti Alam Sdn. Bhd – Consignment Note: 963532). Visit to the SW store found that first generation date after the disposal was on 6/6/14 for SW 305 and SW 410. However, it was not disposed till 16/12/14 and exceeded the 180days of storage limit. Furthermore, SW 110 (florescent tube lights) was found inside the glass recycling dustbin.            This does not comply with the EQA 1974 (Schedule wastes) Regulations 2005.            The fume hood system that used in the laboratory was not inspect/ test/ examine at least once a year as required under Occupational Safety And Health (Use And Standards Of Exposure Of Chemicals Hazardous To Health) Regulations 2000. The last inspection was conducted by hygiene technician Dr Yasriza bin Yahaya JKPP HIE 127/17/-3/1/ (102) was on 15/5/13.  <b>JK 18:</b> Inspection on the payslip for the month of November 2014 noted that deduction made for electricity and water. However there is no deduction consent</p>	Major

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	<p>letter.  <b>JK 19:</b> During the interview with workers it was highlighted that each worker was deducted RM 50 for water supply in the month of November 2014. Document audit and verification of payslip confirm the deduction was made. There was no any consent obtained from the workers neither any approval from labour department.</p>	
	<p><b>Statement of Nonconformity:</b>          Compliance to legal requirement was not consistently implemented.</p>	
	<p><b>Corrective Action Plan and close out:</b>          JengKa 18 (Seroja) POM: The Mill management made arrangement with Kualiti Alam Sdn. Bhd to dispose the schedule waste. Consignment Note No.:100143-R01 dated 23/1/15 for SW 305, SW 410 and SW 110 was submitted to the audit team. The management has also conducted schedule waste handling training for the person in charge on 27/1/15. The Mill engaged Occumed Consultancy &amp; Services Sdn. Bhd to conduct the annual inspection of fume hood. Letter from the hygiene technician (DOSH Registrations No.: JKKP HIE 127/171-3/1(20)) to DOSH dated 4/2/15 informing that the inspection on 26/2/15 was submitted to the audit team.</p> <p>JK 18 &amp; JK19: Both estate management has obtained the copy of deduction permit (Serial No.: PP3/34/0351) dated 20/9/2000 from Labour department kept by the FELDA Head Office. The permit covers all the Felda operating units. The management's also have obtained workers concern letter for electricity and water supply deduction dated 29/12/14. Both Labour department permit and workers concern letters were submitted to the audit team.</p> <p>The audit team have reviewed and accepted the above evidences to close out the nonconformity. The Major NC was closed on 14/02/2015.</p>	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928M2	<p><b>Requirements:</b>            4.7.2: All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues.</p> <p><b>Evidence of Nonconformity:</b>  <b>Kg. Awah:</b> During the document audit on 17/12/14, it was found that Risk assessment for all operations where health and safety is an issue (HIRARC) was not available at the site.</p> <p><b>Statement of Nonconformity:</b>            Risk assessment for all operations where health and safety is an issue was not available.</p> <p><b>Corrective Action Plan and close out:</b>            The management with the assistance from FELDA Sustainability Department has prepared the HIRARC for all the operations in the estate. The HIRARC dated 19/1/15 (Form No.: RSPO-P4/C.4.7/4.7.1) was submitted to the audit team. The audit team have reviewed and accepted the evidences to close out the nonconformity. The Major NC was closed on 14/02/2015.</p>	Major

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Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928M3	<p><b>Requirements:</b>            4.7.3: All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p><b>Evidence of Nonconformity:</b>  <b>Jengka 18:</b> During the visit at the chemical store, interview with the chemical store clerk reveal that she is not aware with handling of chemical spillage and further investigation which found out that she was not been trained for chemical safety handling in the chemical store.</p> <p><b>Statement of Nonconformity:</b>            The chemical store clerk was not been trained for handling chemical store</p> <p><b>Corrective Action Plan and close out:</b>            The management has immediately arranged for chemical handling training on 24/12/14 attended by 7 people including the store clerk. Training attendance list together with photo evidences were submitted to the audit team. The training includes SOP for receiving, storing, issuing, PPE requirements, spill kit usage and handling of empty chemical containers.            The audit team have reviewed and accepted the evidences to close out the nonconformity. The Major NC was closed on 14/02/2015.</p>	Major

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928M4	<p><b>Requirements:</b>            4.8.1: A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p><b>Evidence of Nonconformity:</b>  <b>Kg. Awah:</b> During the document audit on 17/12/14, it was found that there was no formal training programme for the year 2014 was available and training records for the workers were not maintained.</p> <p><b>Statement of Nonconformity:</b>            A formal training programme was not available.</p> <p><b>Corrective Action Plan and close out:</b>            The management with the assistance from FELDA Sustainability Department has prepared a formal training programme that covers all aspects of the RSPO Principles and Criteria. The training programme for the year 2015 dated 28/12/14 ("Program Latihan Pekerja Ladang FELDA Kg. Awah") was submitted to the audit team. The audit team have reviewed and accepted the evidences to close out the nonconformity. The Major NC was closed on 14/02/2015.</p>	Major

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Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928M5	<p><b>Requirements:</b> 6.1.4: The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p> <p><b>Evidence of Nonconformity:</b> <b>Kg. Awah, Jengka 18 &amp; Jengka 19:</b> During the document audit (File: C 6.1 "Impak Sosial &amp; Mitigasi") it was found that the plans for avoidance or mitigation of negative impacts and promotion of the positive ones were not updated since 2011. This nonconformity was already raised during the last assessment. The operating units have not addressed the issue appropriately. As per the RSPO requirement, the nonconformity was upgraded to major nonconformity.</p> <p><b>Statement of Nonconformity:</b> A plan to mitigate negative social impacts identified is not reviewed.</p> <p><b>Corrective Action Plan and close out:</b> All three operating units have updated the plans for avoidance or mitigation of negative impacts and promotion of the positive ones on 19/1/2015. The updated plan was submitted to the audit team. The management units also have appointed the social development assistants as person in charge to update the plans in the future. The audit team have reviewed and accepted the evidences to close out the nonconformity. The Major NC was closed on 14/02/2015.</p>	Major

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928N1	<p><b>Requirements:</b> 2.1.3: A mechanism for ensuring compliance shall be implemented.</p> <p><b>Evidence of Nonconformity:</b> <b>All operating Units:</b> The register of legal and other requirement list was not being updated and reviewed to ensuring the compliance of the legal requirement.</p> <p><b>Statement of Nonconformity:</b> The mechanism for ensuring the legal compliance was not implemented accordingly.</p> <p><b>Status:</b> Updating of the changes of the legal requirement list is undertaken by the head office. The implementation will be followed up during next surveillance.</p>	Minor

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928N2	<p><b>Requirements:</b> 2.1.4: A system for tracking any changes in the law shall be implemented.</p>	Minor

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	<p><b>Evidence of Nonconformity:</b>  <b>All operating units:</b> List of all applicable laws not updated and the following legal act are not listed:          1) Minimum Wages Order 2012          2) Minimum Retirement Age Act 2012          3) Environmental Quality (Clean Air) Regulation 2014</p> <p><b>Statement of Nonconformity:</b>          The register of legal and other requirement (Senarai Undang- Undang &amp; Keperluan yang berkaitan RSPO) has been revised but latest Malaysia legal requirements was not updated and included in the list.</p> <p><b>Status:</b> Updating of the changes of the legal requirement list is undertaken by the head office. The implementation will be followed up during next surveillance.</p>	
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Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928N3	<p><b>Requirements:</b>            4.7.5: Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p><b>Evidence of Nonconformity:</b>  <b>Kampung Awah:</b> The first aid box was not available at the nursery and further interviewed with the mandore confirmed that no first aid box available with him during the visit at the nursery.  <b>Jengka 18:</b> The first aid equipment in the first aid box at the chemical mixing area was not according to the list in the first aid box and further investigation found that the Dettol in the first aid box has expired. Apart from that, based on interviewed with the mandore of chemical spraying, the first aid equipment was not provided to him when conducting spraying in the field. Eye wash system at the chemical mixing area was not available.</p> <p><b>Statement of Nonconformity:</b>            The first aid equipment was not available at the worksites.</p> <p><b>Status:</b> The management will purchase additional first aid boxes and provide to all the mandores and replace any expired medicines in the current boxes. Monitoring of medicine expiry dates will be done to avoid any recurrence of expiry. The implementation will be followed up during next surveillance.</p>	Minor

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
1135928N4	<p><b>Requirements:</b>            5.3.3: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	Minor

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	<p><b>Evidence of Nonconformity:</b>  <b>JK 19:</b> The domestic waste is disposed on the surface. During heavy rain the rainfall runoff from the domestic waste on the surface which is contaminated/polluted is flowing to the nearby the ravine. A plan to mitigate the surface runoff was not available.</p>	
	<p><b>Statement of Nonconformity:</b>          The domestic waste disposed adjacent to ravine.</p>	
	<p><b>Status:</b> The management will excavate hole at landfill and build earth bund to avoid surface runoff. The implementation will be followed up during next surveillance.</p>	

<b>Positive Findings</b>	
<b>PF #</b>	<b>Description</b>
1	The Jengka 18 management unit has maintained a very good relationship with the local community and other stakeholders.
2	The palm oil mill has maximized the use of renewable energy by consuming shell and fibre produced internally.
<b>Issues raised by Stakeholders</b>	
<b>IS #</b>	<b>Description</b>
1	<p><b>Issues</b>            Settlers Leaders: Confirm that the management has maintained good relationship and provide various assistances to the settler.</p> <p><b>Management Responses</b>            Management assists wherever possible.</p> <p><b>Audit Team Findings</b>            No other issues.</p>
2	<p><b>Issues</b>            Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.</p> <p><b>Management Responses</b>            The management treat all employees equally and no discrimination.</p> <p><b>Audit Team Findings</b>            No disputes were highlighted by foreign workers interviewed during field visit.</p>
3	<p><b>Issues</b>            School teacher: It was re-confirmed that the management always support school activities. The relationship is good. No other issues.</p> <p><b>Management Responses</b>            Management assists wherever possible.</p> <p><b>Audit Team Findings</b>            No other issues.</p>
4	<p><b>Issues</b>            Contractors: Contractors confirm payment is prompt as per agreed contract.</p> <p><b>Management Responses</b>            Payment is made as per the agreed terms.</p> <p><b>Audit Team Findings</b>            No other issues.</p>

**3.3.1 Status of Nonconformities Previously Identified and Observations**

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
983514N3	<b>Requirements:</b> 5.1.2: Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored.	Minor
	<b>Statement/ Evidence of Nonconformity:</b> JK 15 - it was noted that environmental aspect and impact assessment was conducted for the year 2013 and review was carried out. However, the mitigation plans for the identified impacts was not available for the year 2013.	
	<b>Action Taken:</b> JK 15 estate Pollution Prevention Plan was documented in the Environmental Impacts Identification and Improvement Plan, reviewed for the year 2014. Pollutants and emissions are identified and plans to reduce were developed as per the national regulations and guidance. Inspection confirmed the estate has implemented appropriate controls for preventing pollution from point source emissions to air and discharges of wastewater. The corrective action plan has been implemented and effective. The NC was closed on 16/12/2014.	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
983514N4	<b>Requirements:</b> 5.6.2: Plans are reviewed annually.	Minor
	<b>Statement/ Evidence of Nonconformity:</b> JK 15 - it was noted that the pollution Prevention Plan was not reviewed for the year 2013.	
	<b>Action Taken:</b> JK 15 estate Pollution Prevention Plan was documented in the Environmental Impacts Identification and Improvement Plan, reviewed for the year 2014. Pollutants and emissions are identified and plans to reduce were developed as per the national regulations and guidance. The corrective action plan has been implemented and effective. The NC was closed on 16/12/2014.	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
983514N5	<b>Requirements:</b> 6.1.3: A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.	Minor



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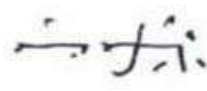

	<p><b>Statement/ Evidence of Nonconformity:</b>          JK 15 - Document review (File: C 6.1 "Impak Sosial &amp; Mitigasi") and interview with SD Assistant confirmed that the timetable has not been prepared. At Sungai Nerek The social action plan was not updated since 2010 even though an internal SIA has been conducted on the 19 April 2013 identified new negative social impacts.</p>	
	<p><b>Action Taken:</b>          This issue was not fully addressed. Similar issue was found at Kg. Awah, Jengka 18 &amp; Jengka 19 estates. Therefore, it has been upgraded as Major non-conformity as per RSPO Annual Surveillance Assessment Procedure. The Minor non-conformity was upgraded to Major non-conformity -refer Major non-conformity number 1135928M5</p>	

Non-Conformity		
NCR No:	Description	Category (Major / Minor)
983514N8	<p><b>Requirements:</b>            6.5.3: Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).</p> <p><b>Statement/ Evidence of Nonconformity:</b>            Sungai Nerek - visit to the "Asrama Pekerja TKA" found the housing was in very poor condition. Further interview with foreign workers confirmed that the basic facilities (i.e: Toilets, bathrooms and drainage) were not functioning and not maintained properly.</p> <p><b>Action Taken:</b>            During the visit, it was found that the Sungai Nerek housing has been upgraded and well maintained with all the basic facilities were in working condition. Interview with the workers confirmed that the housing maintenance is being carried out regularly. The corrective action plan has been implemented and effective. The NC was closed on 16/12/2014.</p>	Minor

Observation	
OBS No.:	Description
1	<p>(4.5.2): At JK 15, beneficial plant planting was noted to be very limited in the field.</p> <p><b>Action taken:</b>            Planting and upkeep of beneficial plants such as Turnera, Casia, and Antigonon are being implemented. Visit found planting was in progress.</p>
2	<p>(4.7.1(d)): At Mill, it was noted that the FFB lorry driver sending the FFB to the mill ramp was wearing plastic shoe.</p> <p><b>Action taken:</b>            Contractors were briefed on safety requirements. During the visit found all contractor and FFB lorry drivers wearing appropriate PPE's at the site.</p>

**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
A605205/1	Major	15/07/2011	Closed on 19/07/2012
A605205/2	Minor	15/07/2011	Closed on 1/11/2013
A605205/3	Minor	15/07/2011	Upgraded to Major during ASA1. See ref. 983514M11
983514M2	Major	1/11/2013	Closed on 27/12/2013
983514M7	Major	1/11/2013	Closed on 27/12/2013
983514M11	Major	1/11/2013	Closed on 27/12/2013
983514N3	Minor	1/11/2013	Closed on 16/12/2014
983514N4	Minor	1/11/2013	Closed on 16/12/2014
983514N5	Minor	1/11/2013	Closed on 16/12/2014
983514N8	Minor	1/11/2013	Closed on 16/12/2014
1135928M1	Major	19/12/2014	Closed on 14/02/2015
1135928M2	Major	19/12/2014	Closed on 14/02/2015
1135928M3	Major	19/12/2014	Closed on 14/02/2015
1135928M4	Major	19/12/2014	Closed on 14/02/2015
1135928M5	Major	19/12/2014	Closed on 14/02/2015
1135928N1	Minor	19/12/2014	"open"
1135928N2	Minor	19/12/2014	"open"
1135928N3	Minor	19/12/2014	"open"
1135928N4	Minor	19/12/2014	"open"

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Anthonius P. Sani	<b>Name:</b> A. Senniah
<b>Company name:</b> Felda	<b>Company name:</b> BSI Services (M) Sdn. Bhd
<b>Title:</b> Sustainability Manager	<b>Title:</b> RSPO Lead Auditor
<b>Signature:</b> 	<b>Signature:</b> 

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**Appendix A: Felda Global Ventures Plantation Sdn. Bhd. Time Bound Plan**

<b>Palm Oil Mill and Supply Base Schedule</b>							
<b>No. and Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
1	Kota Gelanggi 1	Jengka 21	Adela	Belitong	Palong Timur	Neram	Krau
2	Lepar Utara 6	Jengka 3	Lok Heng	Bukit Besar	Serting Hilir	Pancing	Tersang
3		Jengka 8	Semencu	Kahang	Maokil	Besout	Serting
4		Lepar Utara 4	Waha	Kulai	Tenggaroh	Trolak	Pasoh
5		Jengka 18	B. Kepayang	Nitar	T.Timur	Keratong 2	Cini 2
6		Padang Piol	Bukit Mendi	Penggeli	Kechau A	Keratong 3	Cini 3
7		Felda Segamat (Group Scheme)	Kemasul	Lepar Hilir	Kechau B	Sg. Tengi	Kemahang
8			Tementi	Bukit sagu	Fajar Harapan	Keratong 9	Chalok
9			Triang		Baiduri Ayu	Mempaga	Aring A
10						Embara. Budi	Aring B
11						Lancang. Kemudi	Kertih
12						Kalabakan	Selendang
13						Umas	Ciku
14						Kemudi. Sakti	Sampadi
15						Mercu Puspita	Pontian
16						Nilam Permata	Asia Plantation
17						Hamparan Badai	
18						Jerangan Barat	
19						Jerangan Baru	
20						Selancar 2A	
21						Selancar 2B	
<b>Total</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>21</b>	<b>16</b>
						<b>Grand Total</b>	<b>72</b>

**Appendix B: FELDA –Jengka 18 (Seroja) Palm Oil Mill Certification Unit RSPO Certificate Details**

Felda Global Venture Plantation (M) Sdn. Bhd.  
 Jengka 18 (Seroja) Palm Oil Mill,  
 Jengka, Pahang, MALAYSIA  
[www.feldaglobal.com](http://www.feldaglobal.com)  
 FELDA RSPO Membership No: 1-0013-04-000-00

BSI RSPO Certificate No: SPO 606899  
 Certificate Issued Date: 16 January 2013  
 Date of Expiry: 15 January 2018  
 Applicable Standards: RSPO P&C 2013; MYNI 2010; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; RSPO Supply Chain Certification System November 2011; RSPO Supply Chain Certification Standard November 2014 CPO Mills - Module – E: Mass Balance.

<b>Jengka 18 (Seroja) Palm Oil Mill and Supply Base</b>					
Location Address	Pejabat Felda Jengka 18 (Seroja) palm Oil Mill, 26400 Bandar Pusat Jengka, Jengka, Pahang, Malaysia.				
GPS Location	Longitude: 102°33.549' E Latitude: 3°35.423' N				
CPO Tonnage Total	55,965				
PK Tonnage Total	14,316				
CPO Claimed for Certification (Certified)	55,965				
PK Claimed for Certification (Certified)	14,316				
Own supply base FFB Tonnage (Certified)	268,941				
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)	0				
Estate	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Jengka 15	1,574.84	0	174.98	1,749.82	41,290
Jengka 16	1,708.99	0	189.88	1,898.87	28,685
Jengka 17	1,662.10	0	184.64	1,846.74	39,450
Jengka 18	1,965.38	0	218.67	2,184.05	47,413
Jengka 19	2,417.34	0	268.59	2,685.93	44,588
Jengka 20	1,878.18	0	208.86	2,087.04	34,675
Sg. Nerek	955.23	0	106.14	1,061.37	21,268
Kg. Awah	526.24	0	58.47	584.71	11,572
<b>TOTAL</b>	<b>12,688.30</b>	<b>0</b>	<b>1,410.23</b>	<b>14,098.53</b>	<b>268,941</b>

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**Appendix C: Assessment Plan**

<b>PRELIMINARY AGENDA</b>					
Date	Time	Subjects	Senniah	Kelvin	Muhd Haris
Monday 15/12/2014	PM	Audit Team travelling to the site.	√	√	√
Tuesday 16/12/2014	08.30 – 09.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).	√	√	√
	09.00 – 12.00	JK 18 (Seroja) Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	-
	10.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	JK 18 (Seroja) Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30-17.00	Interim Closing briefing.	√	√	√
Wednesday 17/12/2014	08.30 – 12.00	Jengka 19 & Kg. Awah Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Jengka 19 & Kg. Awah Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Briefing	√	√	√
Thursday 18/12/2014	8.30 – 12.00	JK 18 Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	JK 18 Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Meeting	√	√	√
Friday 19/12/2014	8.30 – 11.00	Document Review continues for any outstanding issues.	√	√	√
	11.00 – 12.00	Closing Meeting	√	√	√
	PM	Audit Team travelling to KL.	√	√	√

**Appendix D: Stakeholders Contacted**

<u><b>Internal Stakeholders</b></u>	<u><b>External Stakeholders</b></u>
Managers and Assistants Male Mill Staff/Workers Female Mill Staff/Workers Foreign Worker Male and Female Estate workers Joint Consultative Committee Gender Committee Secretary	Head of the Village Mosque Committee Settlers committee
<u><b>Government Departments</b></u>  School Labour Department Department of Occupational Safety and Health Clinic	Electrical Contractor General Supplier

**Appendix E: Jengka 18 (Seroja) Palm Oil Mill Supply Chain Assessments (Module E: Mass Balance)**

Requirements	Compliance
<b>E.1 Definition</b>	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land 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>The Jengka 18 (Seroja) Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.</p>
<b>E.2 Explanation</b>	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</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>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>E.3 Documented procedures</b>	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>b) The name 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 site procedures for the implementation of this standard.</li> </ul>	<p>Jengka 18 (Seroja) Palm Oil Mill has procedures for the incoming FFB, processing and outgoing Crude Palm Oil and Palm Kernel for the traceability with Mass Balance model covering certified and non-certified FFB received.</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.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Jengka 18 (Seroja) Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.</p>
<b>E.4 Purchasing and goods in</b>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>The facilities aware of this procedure.</p>

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<b>E.5 Record keeping</b>	
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a 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 months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Computerized system in place.Records verified by internal and external audit.</p> <p>Computerized system in place with the delivery deducted accordingly.</p> <p>The Mill aware that only positive stock can be delivered. No short selling.</p>
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>No outsourcing activities.</p>

**Actual Certified Palm Production - 01 January 2014 - 31 December 2014**

MILL	CAPACITY	CPO	PK
Jengka 18 Palm Oil Mill	45 mt/hr	55,199	13,766

**Actual Sales of Certified Palm Products - 01 January 2014 - 31 December 2014**

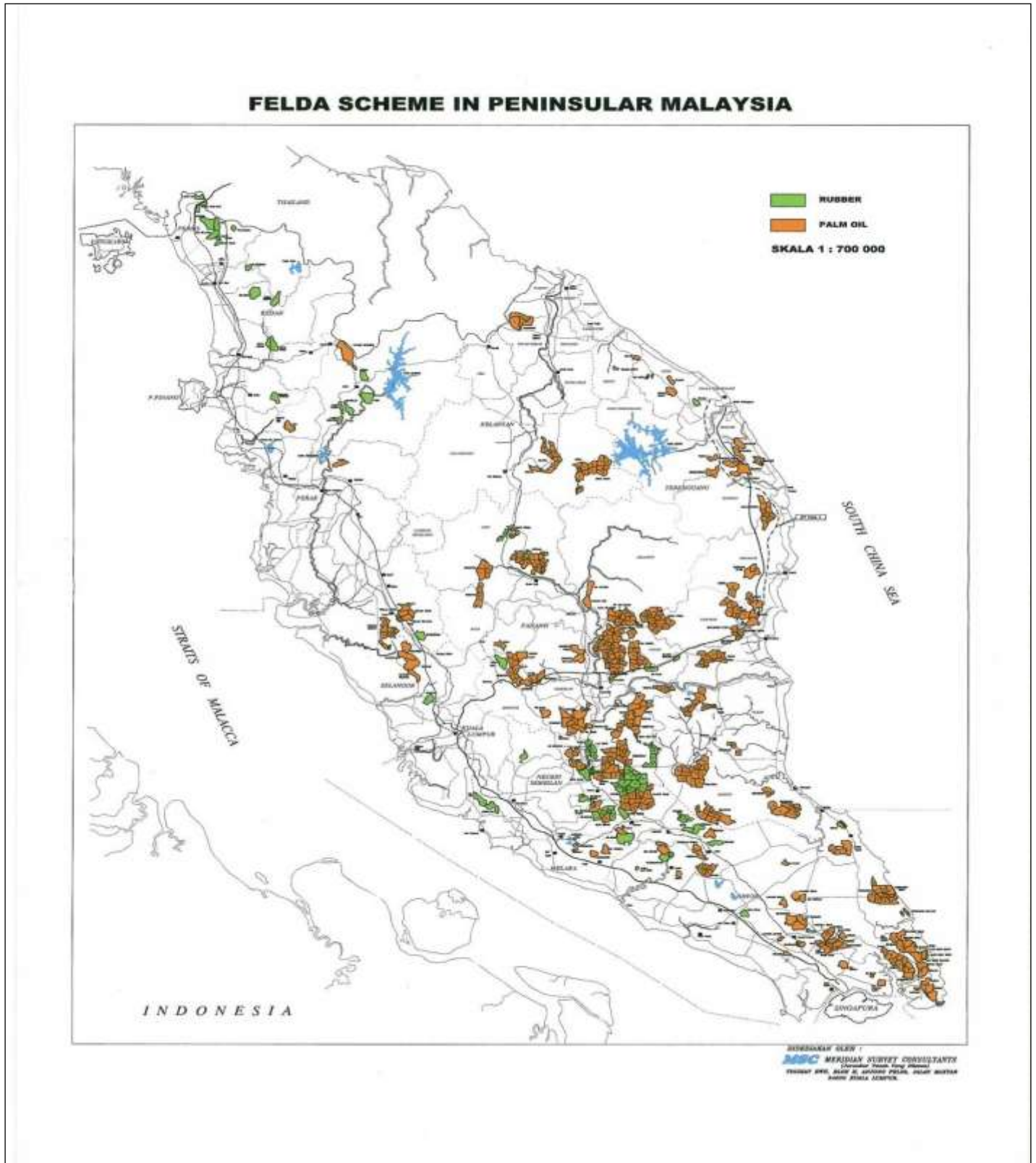
	CPO (Certified)	PK (Certified)	Remarks
<b>TOTAL</b>	6,203.34	<b>0</b>	Sales through eTrace at the time of audit.

**Actual Certified FFB Received Monthly - 01 January 2014 - 31 December 2014**

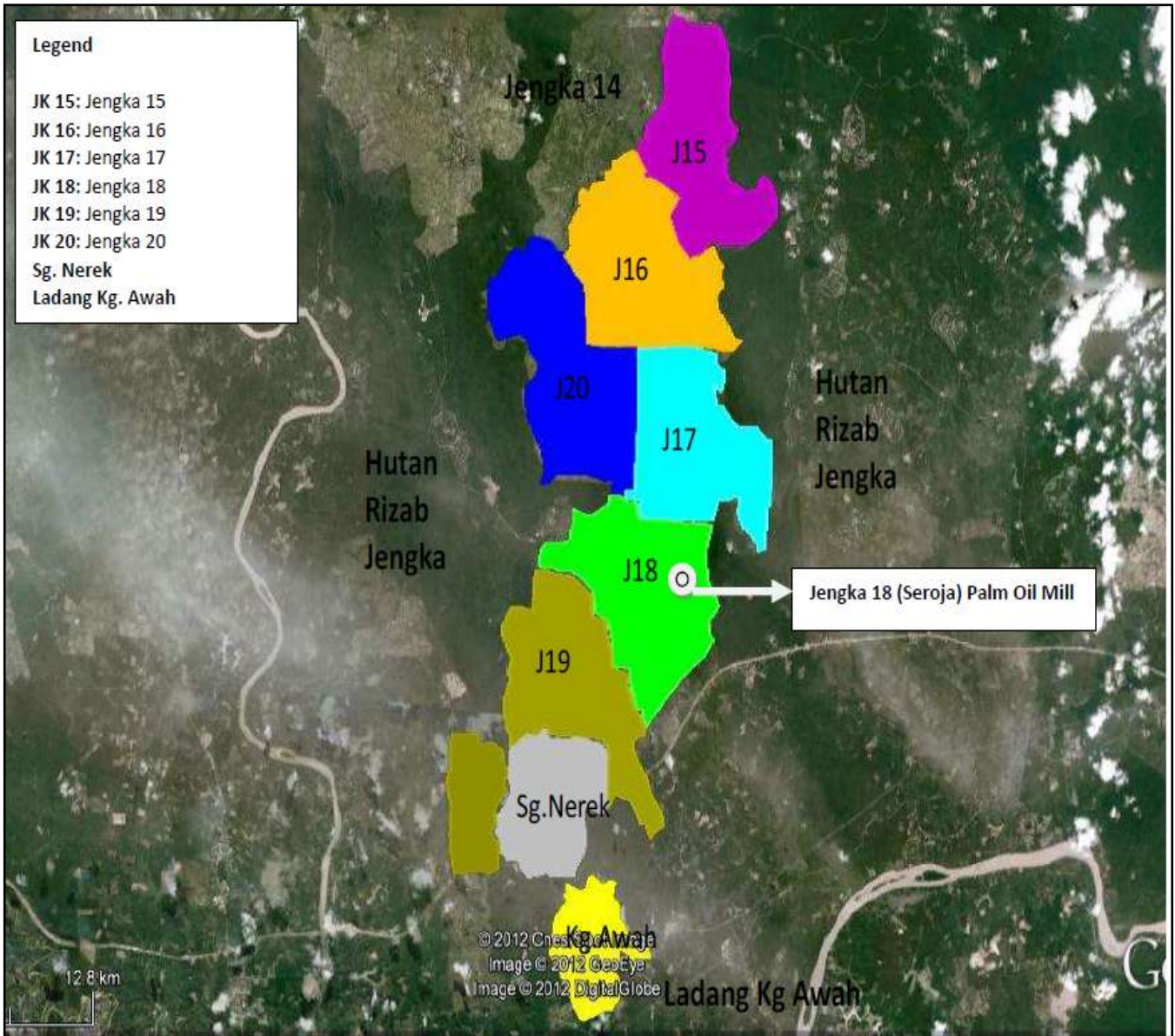
Month	JK 15	JK 16	JK 17	JK 18	JK 19	JK 20	Sg. Nerek	Kg. Awah	Total FFB/Month
Jan'14	2,900	2,028	2,545	3,430	3,332	2,304	1,540	785	18,864
Feb'14	2,051	1,646	1,979	2,539	2,253	1,456	1,055	654	13,633
Mar'14	2,524	2,028	2,517	3,498	3,327	2,074	1,340	762	18,070
Apr'14	3,328	2,311	3,019	4,613	4,426	2,271	1,836	695	22,499
May'14	4,007	2,641	3,476	4,965	4,853	2,471	1,793	680	24,886
Jun'14	3,553	2,421	3,000	4,323	4,633	2,266	1,580	654	22,430
Jul'14	3,702	2,348	3,471	5,010	4,897	2,381	1,564	549	23,922
Aug'14	4,895	3,147	4,296	6,030	6,200	3,183	2,077	683	30,511
Sep'14	3,747	2,573	3,816	4,833	4,973	2,853	1,778	758	25,331
Oct'14	3,851	2,307	3,223	4,645	4,595	2,431	1,750	765	23,567
Nov'14	3,362	2,070	2,614	3,742	3,715	2,087	1,611	859	20,060
Dec'14	3,980	3,203	3,511	4,055	2,665	1,507	831	877	20,629
<b>Total</b>	<b>41,900</b>	<b>28,723</b>	<b>37,467</b>	<b>51,683</b>	<b>49,869</b>	<b>27,284</b>	<b>18,755</b>	<b>8,721</b>	<b>264,402</b>



**Appendix F: Location Map of FELDA Plantation in Peninsular Malaysia.**



**Appendix G: Location of the Jengka 18 (Seroja) Palm Oil Mill and FFB Supply Base**



**Appendix H: List of Abbreviations Used**

ASA2	Annual Surveillance Assessment 2
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
JK18	Jengka 18 Estate
JK19	Jengka 19 Estate
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure