

**MALAYSIAN SUSTAINABLE PALM OIL
– INITIAL ASSESSMENT
Public Summary Report**

FGV Holdings Berhad
Head Office: Level 20 West, Wisma FGV Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd (Bukit Sagu Palm Oil Mill) and FGV Plantations (Malaysia) Sdn Bhd (FGVPM Bukit Sagu 4 Estate, FGVPM Bukit Sagu 6 Estate, FGVPM Bukit Sagu 7 Estate and FGVPM Bukit Sagu 8 Estate) Location of Certification Unit: P.O. Box 69 25700 Kuantan, Pahang, Malaysia

Report prepared by:
Mohd Hafiz Bin Mat Hussain (Lead Auditor)

Report Number: 9657111

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Bukit Sagu POM: 500202104000 FGVPM Bukit Sagu 04 Estate: 558968002000 FGVPM Bukit Sagu 06 Estate: 559597002000 FGVPM Bukit Sagu 07 Estate: 559045002000 FGVPM Bukit Sagu 08 Estate: 558969002000		
Company Name	FGV Holdings Berhad		
Address	Head Office: Level 20 West, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia Certification unit: Bukit Sagu Palm Oil Mill, P.O. Box 69, 25700 Kuantan, Pahang, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Norazam Bin Abdul Hameed		
Website	http://www.feldaglobal.com/sustainability	E-mail	norazam.ah@fgvholdings.com
Telephone	03-27890497	Facsimile	03-27890440

1.2 Certification Information			
Certificate Number	Mill: MSPO 700744 Estate: MSPO 700745		
Issue Date	24/03/2019	Expiry date	23/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	28/11/2018 – 30/11/2018		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 666409	RSPO	BSI Services (M) Sdn Bhd	28/12/2022

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QM 03093	ISO 9001:2015	SIRIM QAS International Sdn Bhd	11/08/2019
EMS 00769	ISO 14001:2015	SIRIM QAS International Sdn Bhd	23/02/2020
OSH 00691	OSHAS 18001:2007	SIRIM QAS International Sdn Bhd	14/09/2018

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Bukit Sagu Palm Oil Mill	Kilang Sawit Bukit Sagu, Peti Surat 69, 25700, Kuantan, Pahang, Malaysia	103° 8' 51" E	3° 58' 1" N
FGVPM Bukit Sagu 4 Estate	Ladang Felda Bukit Sagu 4, Peti Surat 331, 25470 Kuantan, Pahang, Malaysia	103° 9' 17" E	4° 0' 46" N
FGVPM Bukit Sagu 6 Estate	Ladang Felda Bukit Sagu 06, Peti Surat 451, 25740 Kuantan, Pahang, Malaysia	103° 6' 36" E	4° 2' 46" N
FGVPM Bukit Sagu 7 Estate	Ladang Felda Bukit Sagu 7 P/S 355, 25740 Kuantan, Pahang, Malaysia	103° 6' 1" E	3° 59' 29" N
FGVPM Bukit Sagu 8 Estate	Ladang Felda Bukit Sagu 08, 26130 Kuantan, Pahang, Malaysia	103° 11' 21" E	3° 57' 39" N

1.4 Plantings & Cycle

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
FGVPM Bukit Sagu 4 Estate	762.38	1870.91	37.30	-	269.29
FGVPM Bukit Sagu 6 Estate	1161.43	496.65	-	-	-
FGVPM Bukit Sagu 7 Estate	706.63	-	-	-	1123.74
FGVPM Bukit Sagu 8 Estate	-	1125.15	532.87	117.63	-
TOTAL	2630.44	3492.71	570.17	117.63	1393.03

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1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Estimated	Actual	Forecast (Jan 19 – Dec 19)
FGVPM Bukit Sagu 4 Estate			48,392.00
FGVPM Bukit Sagu 6 Estate			14,027.00
FGVPM Bukit Sagu 7 Estate			13,173.00
FGVPM Bukit Sagu 8 Estate			23,236.00
TOTAL			98,828.00

1.6 Certified CPO / PK Tonnage			
Mill	Estimated	Actual	Forecast (Jan 19 – Dec 19)
	CPO (OER: %)	CPO (OER: %)	CPO (OER: 20.67%)
Bukit Sagu Palm Oil Mill 60 MT/hr	N/A	N/A	20,437.63
	PK (KER: %)	PK (KER: %)	PK (KER:5.30 %)
			5,247.76

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Bukit Sagu 4 Estate	2939.88	-	400.41	3340.29	88.00
FGVPM Bukit Sagu 6 Estate	1658.08	-	16.32	1674.40	99.00
FGVPM Bukit Sagu 7 Estate	1,830.37	-	374.42	2,204.79	83.00
FGVPM Bukit Sagu 8 Estate	1775.65	-	457.45	2233.10	79.52
Total	8203.98		1248.60	9452.58	86.79

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of FGV Palm Industries Sdn Bhd - Bukit Sagu Palm Oil Mill, located in 25700 Kuantan, Pahang, Malaysia comprising 4 estates (FGVPMSB Bukit Sagu 4 Estate, FGVPMSB Bukit Sagu 6 Estate, FGVPMSB Bukit Sagu 7 Estate & FGVPMSB Bukit Sagu 8 Estate), 1 mill (Bukit Sagu Palm Oil Mill) and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance.

The onsite assessment was conducted on 28 - 30/11/2018.

Based on the assessment result, FGV Palm Industries Sdn Bhd - Bukit Sagu Palm Oil Mill and Supply Bases (FGVPMSB Bukit Sagu 4 Estate, FGVPMSB Bukit Sagu 6 Estate, FGVPMSB Bukit Sagu 7 Estate & FGVPMSB Bukit Sagu 8) complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 28 - 30/11/2018. The audit programme is included as Appendix A. The approach to the audit was to treat the FGVPISB Bukit Sagu Palm Oil Mill and Supply Bases (FGVPMSB Bukit Sagu 4 Estate, FGVPMSB Bukit Sagu 6 Estate, FGVPMSB Bukit Sagu 7 Estate and FGVPMSB Bukit Sagu 8 Estate) as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities. Prior to audit conducted, public consultation was made accordingly; refer <https://www.bsigroup.com/en-MY/RSP0-MSP0-Certification/MSP0-clients-and-reports1/>

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

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

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

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

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

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Bukit Sagu Palm Oil Mill	√	√	√	√	√
FGVPM Bukit Sagu 4 Estate		√		√	
FGVPM Bukit Sagu 6 Estate		√		√	
FGVPM Bukit Sagu 7 Estate	√		√		√
FGVPM Bukit Sagu 8 Estate	√		√		√
Stakeholder Consultation	√				

Tentative Date of Next Visit: October 1, 2019 - October 3, 2019

Total No. of Mandays: 6 mandays

BSI Assessment Team:

Mohd Hafiz Mat Hussain - Lead Auditor

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in RSPO auditing since May 2013 within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental, occupational safety & health, long-term economic viability, and ecological. He is fluent in Bahasa Malaysia and English languages.

Flora Anthonymsamy - Team Member

She holds a Bachelor of Science majoring in Chemistry from the National University of Malaysia on 1990 and Masters in Business Administration with INSEAD Singapore. Twenty years of experience in quality assurance in various industries i.e. manufacturing and service. Tutor and Certified Lead Assessor for ISO 9001 and ISO 14001. Lectures on Quality Management Systems for Diploma/ Certificate and ASQ Certified Quality programmes. Member of CUC RSPO and MSPO Global Gateway Certifications audit team. Have conducted various audits in Malaysia & other countries for various Management Systems. During this assessment, she assessed on the aspects of land and legal issues, workers welfare, stakeholder consultation, social. She is fluent in Bahasa Malaysia and English languages.

Accompanying Persons: Nil

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there was one (1) Major nonconformity raised. The Bukit Sagu Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the Corrective Actions for the Major Nonconformity has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref	Area/Process	Clause
1714193-201809-M1	Bukit Sagu Palm Oil Mill	4.3.1.1 (Part 4)
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The compliance of certain legal requirements was not adequately demonstrated.	
Objective Evidence:	Bukit Sagu POM: During the site visit, it was found that leachate generated from EFB stock pile was flowing to the environment through nearby monsoon drain. The leachate was not channelled to the effluent treatment pond for treatment as required by Clause 29 of DOE's Compliance Schedule License No. 004129.	
Corrections:	1) Minutes of meeting with FGVP plantation management or external supplier for EFB for reuse to reduce EFB quantity at mill. 2) Memo notice of plantation to FGVP plantation management or external supplier for EFB for reuse to reduce EFB quantity at mill. 3) Place the EFB to the appropriate storage area where the leachate can be discharged to the effluent treatment, POME	
Root cause analysis:	Lack of EFB reuse by the plantation and by the outsource supplier which cause EFB stockyard full and leachate pollution.	
Corrective Actions:	Provide a specific and appropriate space for storing EFB which will not cause any pollution towards the environment, which are leachate and EFB disposal for plantation reuse or which is approved by the Department of Environment.	
Assessment Conclusion:	1. The EFB was collected and sent to the estate. Sighted Surat Perintah Kerja for transportation of EFB dated 14/12/18	

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	<p>2. Surat Perintah Kerja for construction of bund and drainage (leachate of EFB) dated 25/1/19 was sighted.</p> <p>All the evidence found adequate, hence the Major NC was effectively closed on 16/1/2019.</p>
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Opportunity For Improvement		
Ref	Area/Process	Clause
1714193-201809-I1	Plantations (FGVPM Bukit Sagu 8)	4.5.5.1 (Part 3)
Requirements:	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. 	
Objective Evidence:	The management need to improve on the analysis for the parameters from river water analysis report.	

Opportunity For Improvement		
Ref	Area/Process	Clause
1714193-201809-I2	Bukit Sagu POM	4.4.5.3 (Part 4)
Requirements:	Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	
Objective Evidence:	Need to improve on the system to ensure employees salary deduction is kept below 50% (as per Workers Act 1955 Section 24) . (This was also a finding in Internal Audit 2018 and the corrective action taken is not comprehensive).	

Opportunity For Improvement		
Ref	Area/Process	Clause
1714193-201809-I3	Plantations (FGVPM Bukit Sagu 7 and FGVPM Bukit Sagu 8)	4.4.6.1 (Part 3)
Requirements:	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	
Objective Evidence:	Lack of understanding among workers on MSPO.	

Noteworthy Positive Comments	
1.	Documentation (procedures) and records are well managed and retrievable.
2.	Based on internal stakeholders consultation: <ul style="list-style-type: none"> i. They are happy with the salary, overtime and facilities provided by the management. ii. They are also very thankful for the support of management.

3.3 Status of Nonconformities Previously Identified and OFI

Not applicable since this is Initial Assessment.

3.4 Issues Raised by Stakeholders

IS #	Description
1	Issues: Head Master SK (LKTP) Bukit Sagu 1 – He informed that they have good relationship with the managements.
	Management Responses: The management will continue to ensure good relationship and compliance to the requirements.
	Audit Team Findings: No further issue.
2	Issues: Workers’ Representatives (Different Nationalities) – The workers have no issue with the management. Employees were happy with the facilities provided by the management.
	Management Responses: The management will continue to ensure good relationship with the workers.
	Audit Team Findings: No further issue.
3	Issues: Gender Representative - They informed that they have good relationship with the managements
	Management Responses: The management will continue to maintain good relationship with gender committee
	Audit Team Findings: No other issue.
	Issues:

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4	Contractors/suppliers – They informed that they have good relationship with the managements. They have signed on the agreement prior to provide the services. Payment was made promptly.
	Management Responses: The management will ensure payment will be made promptly as per the agreement term.
	Audit Team Findings: Verified the payment records found the payment was made promptly.
5	Issues: Other stakeholders – They have no issue with the management
	Management Responses: The management will continue to maintain good relationship with the stakeholders.
	Audit Team Findings: No other issue.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1714193-201809-M1	Major - 4.3.1.1 (Part 4)	30/11/2018	Closed on 17/01/2019

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	<u>FGVPM Bukit Sagu 7 & 8 Estate</u> MSPO policy is available. It is a group sustainability policy (for sustainability, RSPO and MSPO) named Polisi Kelestarian Kumpulan dated 1 Sept 2016 (FGV/SED/POL/001).	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	<u>FGVPM Bukit Sagu 7 & 8 Estate</u> Policy states 1.2 (a & b) has statement for economic improvement environment and social, improve productivity and continual improvement.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	<u>FGVPM Bukit Sagu 7 & 8 Estate</u> Internal Audit Plan Audit plan 2018 dated 10/8/18 planned for 29 Aug 18 for Bukit Sagu 08 (audit plan is for 37 complex in one plan). Based on the audit plan, only complex that needs improvement or not audited last cycle is scheduled – a total 13 complex.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<u>FGVPM Bukit Sagu 7 Estate</u> Internal audit procedure FGV/ML-1A/L2-Pr11 dated 01/06/2018 documented. Audit report dated 29/08/18 with NC investigation and corrective action proposed sighted.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Sample NC: No evidence that employees issuance of PPE was recorded. Corrective action taken: To train the HSE SOP and record updated.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Internal audit procedure FGV/ML-1A/L2-Pr11 dated 01/06/2018 documented. Audit report dated 29/08/18 with NC investigation and corrective action proposed sighted. A summary has been discussed in action plan Internal Audit meeting dated 24/10/18 to discuss the 33 NC found in the audit. Sample NC: No evidence that employees has been shared with MSPO policies and requirements. Corrective action taken to brief all employees on the MSPO policies and requirements at the workers quarters from 30/10 – 30/11/18. Evidence of attendance seen for 30/10/18 and 11/11/18. Verified during internal stakeholder consultation and mandore confirmed that two (2) policies are briefed per day.</p>	
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	<p><u>FGVPM Bukit Sagu 7 Estate</u> A separate meeting was conducted to review all the NCs on 02/11/18 and endorsed by Estate Manager (Mr. Vijay).</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> A separate meeting was conducted to review all the 33 NCRs on 24/10/18 and reviewed by Estate Manager (Faizal bin Ahmad). Also, Estate Manager has reviewed Management Review meeting minutes which includes internal audit discussion.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.1.3 – Management Review		
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p> <p><u>FGVPM Bukit Sagu 7 Estate</u> Management Review 31/10/18 covers on:</p> <ul style="list-style-type: none"> • internal audit, • stakeholders consultation/satisfaction, • product quality, • environment, • social, • replanting, • continual improvement and • MSPO reviews. <p>Minutes recorded and verified by Estate Manager (Mr. Vijay).</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Management Review 03/09/2018 covers on:</p> <ul style="list-style-type: none"> • internal audit, • stakeholders consultation/satisfaction, • product quality, • environment, • social, • replanting (planned 2022) • and MSPO reviews. <p>Minutes recorded and verified by Estate Manager.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement		
<p>4.1.4.1</p> <p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Continual improvement identified for environment to reduce specific pesticide usage and impact reduction to environment dated 08/01/18. Social continual improvement is based on SIA conducted and to further improve the workers condition:</p> <ul style="list-style-type: none"> i. Infrastructure upgrading – identified badminton court but postponed to 2019 (budget constraint) ii. To increase an additional shop for grocery – existing 2 shops; done in 2018. <p>This actions are followed up in Management review and acted on.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Continual improvement identified for environment to reduce specific pesticide usage and impact reduction to environment. Social continual improvement is based on SIA conducted (to refresh employees on MSPO policies and requirements) and external stakeholders comments during 24/08/17 session. This actions are followed up and acted on.</p>	<p>Complied</p>
<p>4.1.4.2</p> <p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Any new technology or standards are updated by MPOB and FGV Headquarters and made available in estate (if needed).</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> No new technology used. But enhancing the existing methodology of adding more bird nests to trap rodents and smallholders cows are allowed to graze FGV field.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Any new technology will be documented as an SOP and training provided to workers.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> The need of the bird nests and cow grazing has been explained to workers and Apriandi was able to explain during internal stakeholders session.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u></p> <ul style="list-style-type: none"> i. Last stakeholder consultation was done for Kuantan district (including POMs and other estates) on 24/08/17. ii. Bukit Sagu 07 has also conducted their own stakeholders consultation with their contractors on 22/11/18 on MSPO policies and copies of the explanation slides are given to the contractors. For internal stakeholders especially foreign workers, the documents especially contracts, policies, complaint mechanism is translated and explained in Bangladesh. Most FGV documents are in Malay and easy for Indonesians and Malaysians understanding. <p><u>FGVPM Bukit Sagu 8 Estate</u> Last stakeholder consultation was done for Kuantan district (including POMs and other estates) on 24/08/17. For internal stakeholders especially foreign workers, the documents especially contracts, policies, complaint mechanism is translated and explained in Bangladesh. For Indonesians, Malays language documents.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Documents especially policies and contracts are made available to public and internal stakeholders. Policies are pasted in the estate office and at line site. Policies and documents are also explained and given as handouts during external stakeholder consultation (seen records 22/11/18).</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> MSPO policies, complaint mechanism etc. are made into slides and sent to stakeholders by mail in March 2018. This is also available and pasted on noticeboard at the estate office. If anyone needs any information, they can contact the estate office and this is explained in the Stakeholders Consultation 24/08/18.</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Communication, Consultation and Participation procedure ML-1A/L2-Pr12(0) dated 01/06/2016 available.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Communication, Consultation and Participation procedure ML-1A/L2-Pr12(0) dated 01/06/2016 established on communication internal and external communication.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Nominated personnel : Mr Aidil Fairul bin Delu Letter of appointment dated 10/01/2018 and signed by Estate Manager.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u></p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Letter of appointment dated 03/09/2018 for Mr. Mohd Shahrul Nizam bin Misnan sighted.	
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	<p><u>FGVPM Bukit Sagu 7 Estate</u> List of stakeholders (internal and external) identified as 26 and updated on 26/11/18. Neighbours /community - 10 Internal (including contractor) - 6 External - 10 Last external stakeholder consultation was done for Kuantan district (including POMs and other estates) on 24/08/17. Issues raised at meeting was discussed and minuted. Another meeting was conducted with contractors 22/11/18. Internal stakeholders (workers) complaints mainly on house repair is recorded in complaint book and acted on. No written external complaints sighted during audit.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> List of stakeholders (internal and external) identified as 23 and updated on 09/08/2018. Last stakeholder consultation was done for Kuantan district (including POMs and other estates) on 24/08/17. Issues raised at meeting was discussed and minuted. Internal stakeholders (workers) complaints mainly on house repair is recorded in complaint book and acted on.</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	Bukit Sagu Palm Oil Mill and Estate implemented the supply chain program based on SOP MSPO SCCS (Mass Balance) (MSPO SCCS, Issue No: 1, Dated: 22/10/2018). The procedure was prepared by to cover	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	the implementation of all supply chain requirements for both POM and estate.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly. The SOP sighted as follow: a) Manual Ladang Sawit Lestari b) Manual Keselamatan c) Manual Sustainability	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the Letter of Appointment for assistant manager dated 3/9/2018 from Estate Manager.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The records related to the transportation of FFB was available at estate. Sampled despatch ticket as follow: FGVPM Bukit Sagu 7 MPOB License: 559045002000 Despatch Note: 0135662 Date: 13/10/18 Phase:002 Tonnage:6.05 mt Transporter: Bukit Sagu 07	Complied

Criterion / Indicator		Assessment Findings	Compliance
		FGVPM Ladang Bukit Sagu 8 MPOB License: 558969002000 Despatch Note: 0024455 Date: 13/10/18 Phase:002 Tonnage:6.28 mt Transporter: Fadli	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	The list of permit and license required for the operations of the estate was sighted. The sample of permit and license: 1. MPOB License: 558969002000 expiry on 28/2/2019. 2. Diesel permit: C018549 expiry on 25/10/2019. Renewal was done however based on BLESS system, the status stated processing. 3. MPOB License: 559045002000 expiry 28/2/2019 4. Diesel permit : C018687 expiry 1/4/2019	Complied
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal: 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal: 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, sustainability regulation unit. FGV have centralised system for tracking any changes in the law. Refer to "Panduan: Sistem Pengesanan Perubahan Undang-undang" dated 23/6.2017, Version:04.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	At FGVPB Bukit Sagu 8, the 26 land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA) and 4 land title under state government. The agreement between Lembaga Kemajuan Tanah Persekutuan and Kerajaan Negeri Pahang dated 29/4/1975 was sighted. The sampled land title as follow: 1. Grant: #H.S.(D) 18198, Lot: PT56577 2. Grant: #H.S.(D) 18192, Lot: PT56569 3. Grant: #H.S.(D) 18193, Lot: PT56572 4. Grant: #H.S.(D) 18197, Lot: PT56576	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>At FGVPM Bukit Sagu 7, the 9 land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA). The sampled land title as follow:</p> <ol style="list-style-type: none"> 1. Grant: #H.S.(D) 17970, Lot: PT1122 2. Grant: #H.S.(D) 17971, Lot: PT 1114 3. Grant: #H.S.(D) 17972, Lot: PT 1115 4. Grant: #H.S.(D) 17973, Lot: PT 1116 5. Grant: #H.S.(D) 17974, Lot: PT 1117 6. Grant: #H.S.(D) 17970, Lot: PT 1118 	
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>At FGVPM Bukit Sagu 8, the 26 land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA) and 4 land title under state government. The aggrement between Lembaga Kemajuan Tanah Persekutuan and Kerajaan Negeri Pahang dated 29/4/1975 was sighted. The sampled land title as follow:</p> <ol style="list-style-type: none"> 1. Grant: #H.S.(D) 18198, Lot: PT56577 2. Grant: #H.S.(D) 18192, Lot: PT56569 3. Grant: #H.S.(D) 18193, Lot: PT56572 4. Grant: #H.S.(D) 18197, Lot: PT56576 <p>At FGVPM Bukit Sagu 7, the 9 land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA). The sampled land title as follow:</p> <ol style="list-style-type: none"> 1. Grant: #H.S.(D) 17970, Lot: PT 1122 2. Grant: #H.S.(D) 17971, Lot: PT 1114 3. Grant: #H.S.(D) 17972, Lot: PT 1115 4. Grant: #H.S.(D) 17973, Lot: PT 1116 5. Grant: #H.S.(D) 17974, Lot: PT 1117 6. Grant: #H.S.(D) 17970, Lot: PT 1118 	Complied
4.3.2.3	<p>Legal perimeter boundary markers should be clearly</p>	<p>A legal boundary was clearly demarcated. Site visit to boundary at field PM06M/4 with Hutan Bukit Kuantan (FGVP Bukit Sagu 8) and at field</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	demarcated and visibly maintained on the ground where practicable. - Major compliance -	PR18 with Sungai Reman (FGVP Bukit Sagu 7), found that the boundary stone (03° 58' 01.3" N, 103° 11' 56.2" E and 03° 58' 46.3" N, 103° 06' 13.5" E) was maintained and peg using concrete peg.	
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Procedure documented on 'Identification and Negotiation of any land disputes' but no disputes raised. <u>FGVPM Bukit Sagu 8 Estate</u> No disputes raised on any acquisition. Procedure FPIC has been established - 'Identification and Negotiation of any land disputes' FGV/ML-1A/L2-Pr10 dated 01/06/2016.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> A procedure 'Identification and Negotiation of any land disputes' 'FGV/ML-1A/L2-Pr10 dated 01/06/2016 sighted. <u>FGVPM Bukit Sagu 8 Estate</u> A procedure 'Identification and Negotiation of any land disputes' FGV/ML-1A/L2-Pr10 dated 01/06/2016 sighted. But land titles and grant is directly under FGV.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Maps and land titles shows it is under FGV. <u>FGVPM Bukit Sagu 8 Estate</u> Maps and land titles shows it is under FGV.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	<u>FGVPM Bukit Sagu 7 Estate</u> No negotiation needed as currently all land is under FGV title.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<u>FGVPM Bukit Sagu 8 Estate</u> No negotiation done.	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> SIA conducted on 27/09/2017 by Puan Nur Hazwani binti Norhata (CDD) and report compiled. Action plan of implementation for 5 items seen.</p> <p><u>Negative impacts identified for improvement:</u></p> <ul style="list-style-type: none"> - Repairs in houses - Safety of children going by school bus - Medical cost for contractors workers not borne by contractors - Lack of understanding on RSPO & MSPO <p>Actions are taken and monitoring through management meetings.</p> <p><u>Positive comments :</u></p> <ul style="list-style-type: none"> - Good training provided on job methods for workers and contractors workers - Contractor provides insurance, PPE and tools for their workers - Employee insurance coverage is appreciated. <p><u>FGVPM Bukit Sagu 8 Estate</u> SIA review dated 10/11/16 was carried out by CDD and report available. Action plan of implementation for 5 items seen. Urgent item was to repair the store at workers quarters for storing harvesting tools.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Four (4) others were more on the understanding of personnel on policies and work methods. Seen records of attendance for briefing sessions.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Complaint and Grievances Procedure (FGV/ML-1A/L2-Pr13) dated 01/06/2016 documented. <u>FGVPM Bukit Sagu 8 Estate</u> Complaint and Grievances Procedure (FGV/ML-1A/L2-Pr13) dated 01/06/2016 documented.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Complaint book is used for both internal and external stakeholders. No external stakeholders complaints/ dispute. <u>FGVPM Bukit Sagu 8 Estate</u> Complaint book is used for both internal and external stakeholders. For 2018 : i. Internal – 5 complaints on house repairs. ii. External stakeholders – no dispute recorded.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Record book is used and recorded. A suggestion box is available. During audit, workers interview at line site (30/11/18) was conducted and workers are clear with method of complaints. Sampled: Nor Aini binti Sarif (L3-6) has complained on room light not functioning on 16/10/18 – repaired on 19/10/18. <u>FGVPM Bukit Sagu 8 Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Record book is used and recorded. A suggestion box is available. Based on internal stakeholder consultation, workers complaints on house repairs/matters verbally to mandore. Mandore then records in the office record book for action.	
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Employees interviewed understand the method of complaint mechanism. Record book available. Also seen a poster on whatsapp complaint to fasten the process and also for confidentiality directly to Estate Manager. External stakeholders through stakeholder consultation 24/08/2018 and 22/11/18. <u>FGVPM Bukit Sagu 8 Estate</u> Employees interviewed (Zaizi and Suresh) understand the complaint mechanism. External stakeholders through stakeholder consultation 24/08/2018.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Complaint record book available from 2015 to date and kept in office. Employees interviewed understand the mechanism. <u>FGVPM Bukit Sagu 8 Estate</u> Complaint records available for 2017 and 2018 and kept in office. Employees interviewed understand the mechanism.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	<u>FGVPM Bukit Sagu7 Estate</u> Celebration of Workers Day on 04/05/18 for workers with games etc. evidence sighted.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>Donation to local school for gifts on Certificate Presentation Day 12/09/18 amounting RM 200.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Sighted monetary contribution to school - kindergarden Bukit Sagu 2 for RM 100.00 for prizes during their certificate presentation day (8/11/18). Also seen contribution to Lombok Disaster Fund RM 430.00 dated 16/08/18. Request to use GCB for kindergarden cleaning activity on 11/3/18 and approved for usage on 12/04/18.</p>	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Group Occupational Safety & Health Management Policy had been established and implemented. <i>Dasar Keselamatan Dan Kesihatan Pekerja</i> endorsed by 30/3/2012 with revision on 01/2/2017 by The Chief Executive Officer (Ketua Pegawai Eksekutif) of FGVP(M)SB.</p> <p>All Policies are displayed prominently on notice boards in English and local language Bahasa Malaysia in the estates and the mill respectively. The Policy is implemented through the OSH activities by the Regional CDD Executives and monitored by CDD Unit at Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. In interviews with the staff, mandores & workers during the site visit revealed that the employees had been briefed and had understood the policy.</p> <p>1. CHRA was conducted on 8/9/2017 by Occumed Consultancy & Services Sdn Bhd (JKKP HIE 127/171/2(8)).</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
		2. Medical surveillance was done for 16 workers on 10/8/2018 by IFZ Medical Supplies (HQ/12/DOC/00/258). Based on the report, all workers was found fit to work. 3. CHRA was conducted on 14/2/2016 by Ihsan Sharif Resources (JKKP HIE 127/171/2(85)). 4. Medical surveillance was done for 15 workers on 25/11/2018 by Klinik Syed Badaruddin (HQ/08/DOC/00/7). Based on the report, all workers and staff was found fit to work.													
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p style="margin-left: 20px;">i. all employees involved shall be adequately trained on safe working practices</p> <p style="margin-left: 20px;">ii. all precautions attached to products shall be properly observed and applied</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	<p>a) Communication on safety and health policy was conducted according to the workforce on 2/5/18. Through interview with workers, they were understand on issue related to OSH and MSPO.</p> <p>b) SOP for HIRARC was established. Last reviewed for the HIRARC was done on 28/5/18 to include marking boundary stone, rat baiting, manual weeding, spraying, road maintenance, pest and disease-beetle, manuring, EFB application, construction of FFB platform, harvesting, FFB grading, FFB collection, thinning, chemical waste handling, office, genset, diesel, .</p> <p>c) A formal training programme on all aspects of OSH and MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. The records of training were available at mill and estate office. Sample training checked:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>27/10/18</td> <td>Manuring</td> <td rowspan="4">FGVPM Bukit Sagu 8</td> </tr> <tr> <td>27/8/18</td> <td>Chemical handling</td> </tr> <tr> <td>30/7/18</td> <td>Harvesting</td> </tr> <tr> <td>30/7/18</td> <td>Spraying</td> </tr> </tbody> </table>	Date	Training	Remark	27/10/18	Manuring	FGVPM Bukit Sagu 8	27/8/18	Chemical handling	30/7/18	Harvesting	30/7/18	Spraying	Complied
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Criterion / Indicator		Assessment Findings			Compliance																				
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">29/3/18</td> <td style="width: 45%;">Road maintenance</td> <td rowspan="10" style="width: 15%; text-align: center; vertical-align: middle;">FGVPM Bukit Sagu 7</td> <td rowspan="10" style="width: 25%;"></td> </tr> <tr> <td>10/5/18</td> <td>Triple rinsing</td> </tr> <tr> <td>25/9/18</td> <td>P&D</td> </tr> <tr> <td>21/11/18</td> <td>Chemical handling</td> </tr> <tr> <td>18/9/18</td> <td>Rat Baiting</td> </tr> <tr> <td>16/5/18</td> <td>First aid</td> </tr> <tr> <td>16/4/18</td> <td>IPM</td> </tr> <tr> <td>21/3/18</td> <td>Manuring</td> </tr> <tr> <td>6/2/18</td> <td>Spraying</td> </tr> <tr> <td>30/1/18</td> <td>Grading</td> </tr> </table> <p>d) Observed at spraying activity, adequate and appropriate protective equipment was provided.</p> <p>e) The operating unit comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining chemicals were kept in the store and securely locked and comply with regulation.</p> <p>f) The responsible persons were the Estate Manager and Assistant Manager of the respective operating units.</p> <p>g) JKPP meeting members consist of employer & employee representatives. Records of regular meetings between the responsible person and workers were maintained. There was no major issue. Refer OHS meeting minutes OHS meeting at FGVPB Bukit Sagu 8 – dated 24/11/18. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken.</p> <p>h) Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage, accident</p>	29/3/18	Road maintenance	FGVPM Bukit Sagu 7		10/5/18	Triple rinsing	25/9/18	P&D	21/11/18	Chemical handling	18/9/18	Rat Baiting	16/5/18	First aid	16/4/18	IPM	21/3/18	Manuring	6/2/18	Spraying	30/1/18	Grading		
29/3/18	Road maintenance	FGVPM Bukit Sagu 7																							
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Criterion / Indicator		Assessment Findings	Compliance						
		<p>at work place. Fire drill was last conducted on 15/11/2018 (FGVPM Bukit Sagu 8) and 27/8/18 (FGVPM Bukit Sagu 7).</p> <p>i) First aid equipment available at worksites. The certificate by PBSM (training on 21-22/12/17) was sighted for the competent first aider. The training for first aider was done on 15/11/2018.</p> <table border="1"> <thead> <tr> <th>Estate/Mill</th> <th>First Aid Box Station (Site Visit)</th> </tr> </thead> <tbody> <tr> <td>FGVPM Bukit Sagu 8</td> <td>Spraying (PM06M/4), Office</td> </tr> <tr> <td>FGVPM Bukit Sagu 7</td> <td>Office only. No activity on Friday (rest day)</td> </tr> </tbody> </table> <p>j) Records of incident and accident were available, using internal reporting system. Records on Lost Time Incident (LTI) metrics had been verified to be satisfactory. At Bukit Sagu 8, no accident for 2018. JKPP for 2017 was submit to DOSH on 8/1/2018. At Bukit Sagu 7, there was an accident on 12/3/2018 at harvesting activity (PM98A). The harvester was on medical leave for 15 days. The JKPP 6 was submit to DOSH on 15/3/2018. For JKPP 8 for 2017, the management submit the form to DOSH on 17/1/2018 through myKKP.</p>	Estate/Mill	First Aid Box Station (Site Visit)	FGVPM Bukit Sagu 8	Spraying (PM06M/4), Office	FGVPM Bukit Sagu 7	Office only. No activity on Friday (rest day)	
Estate/Mill	First Aid Box Station (Site Visit)								
FGVPM Bukit Sagu 8	Spraying (PM06M/4), Office								
FGVPM Bukit Sagu 7	Office only. No activity on Friday (rest day)								
Criterion 4.4.5: Employment conditions									
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Human Rights Policy (Clause 8.7 of policy document) available. Training sessions are organized periodically. Seen records for all MSPO policy on 18/03/18 and 16/11/18. Reminders are also done during roll call as explained by workers during interview.</p>	Complied						

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>FGVPM Bukit Sagu 8 Estate</u> Human Rights Policy (Clause 8.7 of policy document) available. Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad. Formalized briefing sessions are conducted progressively. The latest record is from 30/10/18 till 11/11/18. Briefing is also conducted daily roll call (2 policy per day).</p>	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Nondiscrimination policy (Clause 8.7 & 8.10 Human Rights policy document) is sighted. Employee consulted during line site visit are clear with equal opportunity rights.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Nondiscrimination policy (Clause 8.7 & 8.10) Human Rights policy document) is sighted. Employee consulted through Stakeholders Consultation (Siti Suhaila, Azaharudin and Zafar) is aware of nondiscrimination policy.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Minimum wage and living condition is explained in Policy clause 8.8. Minimum pay legislation is RM1000 and daily rate minimum RM 38.50 per day. Sighted pay slip for Syed Arshad and Rahaman for August to October 2018 during line site visit (workers copy). Briefing on contract, minimum salary and overtime is explained from time to time and sighted the latest record dated 1/11/18. Employees during interview is clear with minimum wage policy.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Minimum wage and living condition is explained in Policy clause 8.8. Minimum pay legislation is RM1000 and daily rate minimum RM 38.46</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
	per day. Sighted pay slip for Mohd Izzwan (Mandore) and Apriliandi day rate calculated is RM 38.50 as per legal requirement.	
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> All contractors were given a letter on 6/09/17 to state that pay slip copies has to be given to Bukit Sagu 07 management. Sampled : Daya Kurnia Enterprise Contract renewal 01/07/18-30/06/19 was signed by contractor and FGV for service of transporting FFB. Payment to Daya Kurnia on 5/11/18 for October 2018 : RM 5,119.46 (copy cheque sighted) 3 employees :</p> <ul style="list-style-type: none"> i. Muhamad Redwan – pay slip for Oct 18 <ul style="list-style-type: none"> • Gross salary – RM 1798.83 • Deduction – nil • Net salary – RM 1798.83 ii. Jamaludin – contract with contractor , AT077974 copy available (Salary Oct net RM 1,716.37) iii. Muzaini – net salary RM 1,716.37 and signed by employee. <p><u>FGVPM Bukit Sagu 8 Estate</u> Contractor : Impian Jaya</p> <ul style="list-style-type: none"> i) Faiz (driver) a rate of RM 3.20 per tan and salary slip shows he has made RM 1188.38 for 26 working days. Pay slip is acknowledged by Faiz. ii) Hakim (driver) he was paid RM 727.97 for 19 days work. And acknowledged by Hakim. 	<p>Complied</p>
<p>4.4.5.5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Total employees : 192 (Local including Malaysian, Bangladesh, Indonesian and India)</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Records of basic employee information (name, gender, date of birth, date join), employment letter/contract and salary slips with all the deductions complies with requirements.</p> <p>Sampled :</p> <p>i. Azli bin Mohd Fauzi (Mandore)</p> <ul style="list-style-type: none"> • Male • Malaysian • Date of join : 23/05/18 • Letter of employment dated 23/05/18. • Employee details are also available in application form (DOB 26/09/1979). <p><u>FGVPM Bukit Sagu 8 Estate</u></p> <ul style="list-style-type: none"> • Total employees : 205 • (Local including office – 14, Malaysian - 20, Bangladesh – 114, Indonesian- 55 and Nepal 2) • Records of basic employee information (name, gender, nationality, date of birth, date join), employment letter/contract and salary slips (with all the deductions complies with requirements). 	
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u></p> <p>Employment letter with nature of job is signed by both employer and employee.</p> <p>i. Zia (Passport BC 0888619 valid till 06/12/19) signed a contract with FGV on 18/08/2007. Permit to work valid till 27/09/19 as plantation worker.</p> <p>Contract in Malay and Bangladesh are signed and copy given to employee (verified during line site visit- Chan Miya).</p> <p><u>FGVPM Bukit Sagu 8 Estate</u></p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Employment letter with nature of job is signed by both employer and employee.</p> <p>i. Mohd Izzwan bin Mohd Shuhaidi employed as Mandore dated 2/5/18. Letter of appointment seen.</p> <p>ii. Work contract FGV with Nur Muhammad (Bangladesh harvester) was made on 3/04/18 for 2 years and renewable signed by both parties. Passport BQ 0584719 valid till 15/10/2022 and work permit valid till 2/4/2019, Contract seen in Malay and Bangladesh language for easy understanding of the employee.</p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Working time recording is done on a roll call format. Sampled for Indra for October 18. Working hours is 8 hours and pay slip shows overtime calculation. Workers interviewed are able to explain the overtime calculation and off day overtime.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Working time is recorded in a roll call record. Working hours is 8 hours and pay slip shows overtime calculation. Workers interviewed are able to explain the overtime calculation and off day overtime. (Jafar and Apriliandi)</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Overtime is agreed with employee and does not exceed 104 hours. Employees are clear with working hours and one day off per week. They also understand maximum overtime and overtime calculation.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Overtime is agreed with employee and does not exceed 104 hours. Employees are clear with working hours (Suresh 6.30am – 3pm and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																												
		and harvesters 8 hours) and one day off per week. They also understand maximum overtime and overtime calculation. Seen September salary slip for Suresh and incompliance.																													
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Type of work, distance in meter, rate per meter, additional work, paid leave, sick leave paid and deductions is clearly indicated in salary slip.</p> <table border="1"> <thead> <tr> <th>Employee</th> <th>Month</th> <th>Gross salary</th> <th>Deduction</th> <th>Nett Salary</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Zia (Bangladesh)</td> <td>Oct</td> <td>1086.00</td> <td>15.00</td> <td>1071.00</td> </tr> <tr> <td>Sept</td> <td>1248.85</td> <td>22.70</td> <td>1226.15</td> </tr> <tr> <td rowspan="2">Santiram Mondal (India)</td> <td>Oct</td> <td>1049.50</td> <td>15.00</td> <td>1034.50</td> </tr> <tr> <td>Sept</td> <td>924.00 (absent 2 day)</td> <td>22.70</td> <td>901.30</td> </tr> <tr> <td>Azli (M'sian)</td> <td>Sept</td> <td>1,103.10</td> <td>127.35</td> <td>975.75</td> </tr> </tbody> </table> <p><u>FGVPM Bukit Sagu 8 Estate</u> Type of work, distance in meter, rate per meter, additional work, paid leave, sick leave paid and deductions is clearly indicated in salary slip. Seen sample for Suresh Kumar (LW 062900083) for October 2018.</p> <ul style="list-style-type: none"> - Gross income is RM 1000. - Deductions RM 166.22 (for EPF, Socso, Socso SIP, water and external medical bill) - Nett salary RM 833.78 	Employee	Month	Gross salary	Deduction	Nett Salary	Zia (Bangladesh)	Oct	1086.00	15.00	1071.00	Sept	1248.85	22.70	1226.15	Santiram Mondal (India)	Oct	1049.50	15.00	1034.50	Sept	924.00 (absent 2 day)	22.70	901.30	Azli (M'sian)	Sept	1,103.10	127.35	975.75	Complied
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4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional	<p><u>FGVPM Bukit Sagu 7 Estate</u> Other incentives i.e. group incentive, attendance incentive and utilities subsidy provided. Housing, working tools and PPE is also provided.</p>	Complied																												

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Criterion / Indicator		Assessment Findings	Compliance
	development, medical care and health provisions. - Minor compliance -	Verified during stakeholder consultation – Balamurugan and Syed Arshad. <u>FGVPM Bukit Sagu 8 Estate</u> Other incentives i.e. group incentive, attendance incentive & utilities subsidy (RM10) provided. Housing, school facilities, school bus and panel clinic (besides government clinic) is also provided.	
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Visited line site and seen workers housing. Housing has electricity and tap water. Clean environment seen around the housing. No rubbish thrown around. Beds, mattresses and cooking stove provided Rubbish collection two (2) times a week. Grass cutting is carried out routinely. <u>FGVPM Bukit Sagu 8 Estate</u> Visited line site and seen workers housing. Housing has electricity and tap water. Clean environment seen around the housing. Rubbish collection two (2) times a week. Store had harvesting tools.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	<u>FGVPM Bukit Sagu 7 Estate</u> Policy on sexual harassment and violence is part of Polisi Kelestarian. A gender committee formed with Puan Noor Aini binti Omar as the coordinator and assistant coordinator Puan Nor Aini binti Sarif. Meeting dated 16/11/18 was conducted for Bukit Sagu 7. No cases reported on sexual, violence and discrimination. <u>FGVPM Bukit Sagu 8 Estate</u> Policy on sexual harassment and violence included in Polisi Kelestarian FGV dated 01/06/2016.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		A gender committee formed with Puan Zamzurina binti Ahmad as the coordinator. Meeting dated 29/08/18 was conducted for the entire complex. No cases reported on sexual, violence and discrimination. Activity list 2018 available and seen activity on 'making Raya cookies' completed on 17/09/18.	
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Policy on freedom of joining union is stated in Polisi Kelestarian dated 01/06/2016 and allows workers to join or form their own union.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Policy is summarized in Polisi Kelestarian FGV 01/06/2016 on freedom to join union. Workers – local or foreigners are aware of their rights to join or form union (Zafar, Nordin and Suresh).</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Procedure No child labor FGV/ML-1A/L2-Pr18 states employment is 18 years and above. But allows below 18 years old children can assist under adult supervision and does not disturb education. Employee list as of 22/11/18 does not have any below 18 years.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Procedure No child labor FGV/ML-1A/L2-Pr18 states employment is 18 years and above. But allows below 18 years old children can assist under adult supervision and does not disturb education. Employee list as of 27/11/18 does not have any below 18 years. The youngest employee is 22 years old.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance																												
Criterion 4.4.6: Training and competency																														
<p>4.4.6.1</p> <p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>A formal training programme on all aspects of MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied.</p> <p>Training programme planned for year 2018 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - harvesters - pesticides operators - manurers <p>The records of training were available at mill and estate office. Sample training checked:</p> <table border="1" data-bbox="1160 986 1765 1383"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>27/10/18</td> <td>Manuring</td> <td rowspan="4">FGVPM Bukit Sagu 8</td> </tr> <tr> <td>27/8/18</td> <td>Chemical handling</td> </tr> <tr> <td>30/7/18</td> <td>Harvesting</td> </tr> <tr> <td>30/7/18</td> <td>Spraying</td> </tr> <tr> <td>29/3/18</td> <td>Road maintenance</td> <td rowspan="6">FGVPM Bukit Sagu 7</td> </tr> <tr> <td>10/5/18</td> <td>Triple rinsing</td> </tr> <tr> <td>25/9/18</td> <td>P&D</td> </tr> <tr> <td>21/11/18</td> <td>Chemical handling</td> </tr> <tr> <td>18/9/18</td> <td>Rat Baiting</td> </tr> <tr> <td>16/5/18</td> <td>First aid</td> </tr> <tr> <td>16/4/18</td> <td>IPM</td> <td></td> </tr> </tbody> </table>	Date	Training	Remark	27/10/18	Manuring	FGVPM Bukit Sagu 8	27/8/18	Chemical handling	30/7/18	Harvesting	30/7/18	Spraying	29/3/18	Road maintenance	FGVPM Bukit Sagu 7	10/5/18	Triple rinsing	25/9/18	P&D	21/11/18	Chemical handling	18/9/18	Rat Baiting	16/5/18	First aid	16/4/18	IPM		<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
			21/3/18	Manuring		
			6/2/18	Spraying		
			30/1/18	Grading		
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>A formal training programme on all aspects of MSPO was been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied.</p> <p>Training programme planned for year 2018 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - harvesters - pesticides operators - manurers 				Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A formal training programme on all aspects of MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied.</p> <p>Training programme planned for year 2018 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - harvesters - pesticides operators - manurers 				Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services						

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Group Sustainability Policy was established (FGV/SED/POL/001, Rev:0, Dated:1/9/2016) and was communicated during morning briefing. The management had established the environmental management programme for the year 2018. The plan was as follow: 1. To monitor the smoke from vehicle/lorries 2. Preventive maintenance for vehicle/tractor 3. No spraying activity at buffer zone area 4. Maximize the use of pesticide containers as pre-mix pesticide containers 5. Monitoring on the domestic waste	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Procedure for Aspect Impact was established (FGV/ML-1A/L2-Pr1, dated 1/6/2016). Last aspect impact was reviewed on 30/1/2018. The Environmental Aspect and Evaluation was monitored to include an assessment of all polluting activities (gaseous emissions, harvesting, store, handling chemical, landfill, workshop, spraying, manuring). The estate implemented the relevant management plan for their existing planting which covered all field and facilities operational activities including operation of field upkeeps, machinery repair workshop, spraying and harvesting.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	The developed environmental improvement plan to mitigate the negative impacts and to promote the positive ones were effectively implemented and monitored.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	Few environmental plan was established (environmental management plan and waste management plan). The plan was as follow:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<ol style="list-style-type: none"> 1. To monitor the smoke from vehicle/lorries 2. Preventive maintenance for vehicle/tractor 3. No spraying activity at buffer zone area 4. Maximize the use of pesticide containers as pre-mix pesticide containers 5. Monitoring on the domestic waste 	
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	The above programs were regularly communicated by estate management to all employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing including no open burning was conducted on 25/4/2018 by the management which was attended by all estate staff and employees.	Complied
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>There was no major issue related to environment. Refer meeting minutes at FGVPM Bukit Sagu 8 – dated 24/11/18. All the agenda related to the environment was discussed accordingly during the meeting.</p> <p>At FGVPM Bukit Sagu 7, the training was done for all workforce including the contractor on 22/11/2018.</p>	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	There was a plan established for improving efficiency of the use of fossil fuel. Sighted the estate diesel consumption 2018. The record for diesel consumption 2018 was sighted.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estate was established estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Not applicable.	Not applicable
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste products and sources of pollution was identified in Waste Management Action Plan Year 2018 for the estate. Based on the Waste Management Action Plan Year 2018 the following wastes and its sources were identified: - Estate operation: empty pesticide container, used tyre, scrap iron - Office and housing: office waste, e-waste, general waste, domestic waste	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products	As above, all waste products and sources of pollution was identified in Waste Management Action Plan Year 2018 for the estate. Site visit confirmed that the practice of reduce, reuse and recycle of materials was implemented. Segregation of wastes i.e. general wastes were verified to be satisfactory. The recycle bins were implemented effectively at office (Bukit Sagu 8).	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Visit to estate field and premises shown the management and disposal plan has been implemented accordingly. As at there was no generation of scheduled waste. At FGVP M Bukit Sagu 8, the maintenance of tractors was done by Sime Darby Industrial. All scheduled waste (i.e: used filter, used oil) from maintenance of tractor collected by the SDI. Sighted the letter from DOE for the transporting scheduled waste from maintenance area by SDI Sdn Bhd.</p> <p>At FGVP M Bukit Sagu 7, the empty container and used oil filter was disposed by license contractor (Urban Environmental Industries Sdn Bhd). The disposal was done on 27/11/18 for SW409 and SW410.</p>	Complied
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>At FGVP M Bukit Sagu 8, the empty container will be recycle as pre-mix container. However, at FGVP M Bukit Sagu 7, the empty pesticide containers were disposed as per scheduled waste regulation.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Based on the assessment done by the estate of all polluting activities as of the Environment Aspect and Impact assessment, identified sources were fertilizer, diesel and pesticide chemicals.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Action plan to reduce identified significant pollutants including IPM implementation, empty chemical container & empty fertilizer bags recycle.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	Documented Water Management Plan Year 2018 inclusive of location; waters produced; treatment/containment method; reuse/recycle/disposal method was sighted. The plan was as follow: - Monitoring on water quality for river - No spraying activity and manuring activity near to the buffer zone - Training for buffer zone area - Rain water harvesting Protection of water courses and wetlands implemented as per established policy of slope and river buffer protection policy (Refer <i>Polisi Zon Perlindungan Cerun dan Zon Penampan Sungai</i>); dated 12/1/2015. The signage for buffer zone was implemented accordingly near to Sungai Eden and Sg Reman. Water sampling analysis for Sungai Eden (inlet and outlet) was conducted accordingly on 8/11/2018 by Felda Analytical Laboratory. All the parameters found to be satisfactory.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	Water sampling analysis for Sungai Reman (inlet and outlet) was conducted accordingly on 7/11/2018 by Felda Analytical Laboratory. The report yet to be received.	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	No construction of bunds, weirs and dams across at Sungai Eden and Sungai Reman.	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	The estate practice water harvesting at strategic locations. They had constructed the silt pit at strategic area.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN)</p>	Biodiversity was conducted by CDD Department, FGV Holding Bhd on 14/12/16. No HCV found at FGVPM Bukit Sagu 8. There was a river outside the boundary for FGVPM Bukit Sagu 8 and Bukit Sagu 7.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>		
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Biodiversity was conducted by CDD Department, FGV Holding Bhd on 14/12/16. No RTE species found in the estate. However the management plan 2017-2018 was established, eg: monitoring Sungai Eden (established buffer zone, no spraying and manuring activity).</p> <p>The monitoring for RTE species was established by the estate. The last monitoring was on 11/10/18 (wild boar) at field PM05K (FGVPM Bukit Sagu 8) and 28/6/18 (monkey) at field PM98A (FGVPM Bukit Sagu 7).</p> <p>The training for HCV management was done on 13/11/2018 (FGVPM Bukit Sagu 8) and 13/11/18 (FGVPM Bukit Sagu 7) by the management. The report of training was sighted.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Biodiversity was conducted by CDD Department, FGV Holding Bhd on 14/12/16. The management plan 2017-2018 was established, eg: monitoring Sungai Eden and Sungai Reman (established buffer zone, no spraying and manuring activity).</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p>	<p>During field assessment, no mark of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	During field assessment, no mark of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	During field assessment, no mark of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	During field assessment, no mark of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The estates operations are guided by the following manual and procedures established for the Group Estates. The manuals and documents were introduced on the various year i.e. manual lestari in June 2012. Thereafter being subject to review as changes are made with new work method and amendments in agricultural policies. <ul style="list-style-type: none"> a) Manual Ladang Sawit Lestari b) Manual Keselamatan 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> c) Manual Sustainability d) Manual Greeding BTB – MPOB e) Buku KUK 4 (Kadar Upah Kerja) Pekerja f) Manual Perolehan (Procurement) g) Pictorial Safety Standards h) Security Guidelines. <p>In addition, technical guidelines are also provided during visits of Agronomists, Planting. Contents of the Manual were disseminated to the workers through morning roll call, mill weekly briefings and trainings. The Manuals are also kept in the administration office to facilitate reference by any interested parties. Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>In addressing the difference of the estate terrain FGVP had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was stated in <i>Polisi Perlindungan Tanah Curam Dan Rezab Sungai</i> formalised on 01/6/2014. In addition there are also guidelines and procedures as stated in <i>Manual Lestari</i>. Both estates had complied with this strategy.</p> <p>It was observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. It was observed in both mature and immature areas that slopes were terraced.</p>	Complied
4.6.1.3	A visual identification or reference system shall be established	Field marking was sighted at both estate visited.	Complied

Criterion / Indicator		Assessment Findings	Compliance																							
	for each field. - Major compliance -																									
Criterion 4.6.2: Economic and financial viability plan																										
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The management has continued its commitment to long term sustainability and improvements through a capital expenditure programme. The business management plan is available for 5 years in Bukit Sagu 7 referred under title: Jangkaan Pendapatan dan Perbelanjaan Bagi 5 tahun Hadapan. This management plan cover from 2017 until 2022. Also in Bukit Sagu 4 estate, budget cover from 2018 until 2023. This budget cover all aspect including operation, safety, environment and social example budget for safety show in 2019 with budget per Ha.																								
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Both estates established a replanting program spanned over a 5-year period till 2022. All programs were sighted. All replanting program and planning in all the Group Estates Assistance and audit are performed as and when required and necessary. Replanting programmes with 5 years projection were available at all the visited estates. The programmes for each estate are as follows:																								
		<table border="1"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="5">Ha/Year</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>BS4</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>BS6</td> <td>0</td> <td>0</td> <td>260.74</td> <td>235.91</td> <td>0</td> </tr> </tbody> </table>	Estate	Ha/Year					2019	2020	2021	2022	2023	BS4	0	0	0	0	0	BS6	0	0	260.74	235.91	0	
Estate	Ha/Year																									
	2019	2020	2021	2022	2023																					
BS4	0	0	0	0	0																					
BS6	0	0	260.74	235.91	0																					

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Criterion / Indicator		Assessment Findings						Compliance
		BS7	256.02	438.10	348.74	364.26	0	
		BS8	0	0	0	117.63	0	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p> <p>The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is sighted.</p>						
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report.</p> <ul style="list-style-type: none"> a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. b) The management also provides variance report on the performance and reviewed on a monthly basis. c) The supervisory personnel maintained a daily cost for the field operations. <p>The meeting involving the Managers sits monthly with the Regional PA and Head for the performance review.</p>						
<p>Criterion 4.6.3: Transparent and fair price dealing</p>								

Criterion / Indicator		Assessment Findings	Compliance
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Contracts are made between contractor or service provider for service that is rendered to estate. Repair works of workers quarters are tendered out and contractor selected based on pricing. Daya Kurnia Enterprise contract to provide transport services by tender submission and was selected. MF Enterprise has a two year contract April 2017 – March 2019 for providing transport for FFB to mill.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Contracts are made between contractor or service provider for service that is rendered to estate.</p> <p>i. Impian Jaya Plantation with FGV on providing transport for FFB 01/04/18 – 31/03/19 dated 02/04/2018 shows price agreed by contractor and FGV. ii. MF Jaya has signed contract for 15/04/17 – 14/4/19 dated 11/4/18 after tendering process (FGVP/WKN/002/2017(T))</p>	Complied
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Payment is made monthly and seen for September 2018 for MF Enterprise (Contract No : 5300003021) transport amounting RM 20,116.11 and cheque receipt acknowledged by MF Jaya Enterprise on 5/10/18 .</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Payment is made monthly and seen for September 2018 for Impian Jaya Plantation and cheque receipt acknowledged by Impian Jaya on 08/11/18.</p>	Complied
Criterion 4.6.4: Contractor			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	<p><u>FGVPM Bukit Sagu 7 Estate</u> Contractors are listed in List of Stakeholders and attended the Stakeholder Consultation 24/08/2017. A letter has been sent to all external contractors and some stakeholders on MSPO in March 2018.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Contractors are listed in List of Stakeholders and attended the Stakeholder Consultation 24/08/2017. Another session with contractors was held on 22/11/18.</p>	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	<p><u>FGVPM Bukit Sagu 7 Estate</u> Contract agreement :</p> <ul style="list-style-type: none"> i. Daya Kurnia Enterprise with FGV on providing transport for FFB contract renewal 01/07/18-30/06/19 was signed by contractor and FGV for service of transporting FFB. ii. MF Jaya Enterprise has signed contract for 15/04/17 – 14/4/19 dated 11/4/18 after tendering process (FGVP/WKN/002/2017(T) <ul style="list-style-type: none"> • Both contracts are signed with the related contractors. • <p><u>FGVPM Bukit Sagu 8 Estate</u> Contract agreement :</p> <ul style="list-style-type: none"> i. Impian Jaya Plantation with FGV on providing transport for FFB 01/04/18 – 31/03/19 dated 02/04/2018. ii. MF Jaya has signed contract for 15/04/17 – 14/4/19 dated 11/4/18 after tendering process (FGVP/WKN/002/2017(T) <ul style="list-style-type: none"> • Both contracts are signed with the related contractors. 	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	<p><u>FGVPM Bukit Sagu 7 Estate</u> BSI agreement with FGV and auditors allowed to verify contractors contract.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>FGVPM Bukit Sagu 8 Estate</u> BSI agreement with FGV and auditors allowed to verify contractors contract.</p>	
4.6.4.4	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 7 Estate</u> Verification of jobs done is carried out by Estate Assistant and daily job recording is available. Monthly invoicing is done by contractors. Payment is done by issuing cheques e.g. MF Jaya Enterprise on 5 October 2018. Contractor payment to their workers is also monitored by estate and records available at estate office, Time recording of contractors workers.</p> <p><u>FGVPM Bukit Sagu 8 Estate</u> Verification of jobs done is carried out by Estate Assistant and daily job recording is available. Monthly invoicing is done by contractors. Payment is done by issuing cheques eg MF Jaya Enterprise on 5 October 2018. Contractor payment to their workers is also monitored by estate and records available at estate office eg: Payment for October 2018 made on 2 Nov 18: i) Faiz (driver) a rate of RM 3.20 per tan and salary slip shows he has made RM 1188.38 for 26 working days. Pay slip is acknowledged by Faiz. ii) Hakim (driver), he was paid RM 727.97 for 19 days work. Pay slip acknowledged.</p>	Complied
4.7 Principle 7: Development of new planting			
Not applicable since there is no new planting at Bukit Sagu Palm Oil Mill Certification Unit			

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	MSPO Policy is named Polisi Kelestarian Kumpulan dated 1 Sept 2016 (FGV/SED/POL/001 which is a 14 page document.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	Policy states 1.2 (a & b) states improvement economic, environment and social and improve milling productivity.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Audit plan 2018 dated 10/8/18 planned for 27-30 Aug 18 for Bukit Sagu (audit plan is for 37 complex in one plan). Based on the audit plan, only complex that needs improvement or not audited last cycle is scheduled - a total 13 complex.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal Audit procedure ML-1A/L2-Pr11(0) rev 0 and effective date 01/06/16 and audit summary report dated 30/08/18 sighted. Sampled Audit NC - HIRARC workshop updated after an accident (E 1.2) at bearing shaft change where the incident has caused blindness. Root cause and corrective action was taken to include blindness as a risk in HIRAC for the activity (document updated on 12/7/18).	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Management Review 21/11/18 discuss on the 19 NC and has been completed and reviewed in this meeting minutes and signed by Factory Manager (Sahriman).	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Management Review 01/2018 dated 21/11/18 has discussed on: <ul style="list-style-type: none"> - audit findings, - customer satisfaction, - product conformance, - environment compliance, - Safety and Health, 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - social impact, - RSPO/MSPO and, - other matters. 	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Continual improvement review conducted on 6/8/18 for 6 months (Jan-June18). Action plans available with responsibility and timeline. Stakeholder feedback reviewed and no complaints.</p> <p>Objectives and target 2018 dated 5/3/18 and monitored and reviewed six monthly. Both continual improvement and objectives reviewed in Management Review 27/11/18.</p>	Complied
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>Any new information is updated to employees through morning briefings, memo, meetings and notice board. Training is also used as form of sharing information e.g. 04/08/18.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p>	<p>Procedure Communication, Involvement and Consultation ML-1A/L2- Pr 12 (0) and has been communicated in March 2018 in Malay language (national language) through letters to external stakeholders. Also, external stakeholders consultation was held with slides to explain on MSPO requirements on 24/08/17. Policies</p>	Complied

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	- Major compliance -	are also displayed in POM and office mainly for internal stakeholders.	
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Memo dated Mac 2018 has a list of 13 document and policy has been given to the stakeholders. Stakeholders can request for these documents as per Communication procedure.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Procedure Communication, Involvement and Consultation ML-1A/L2- Pr 12 (0) dated 01/06/2016 explains method of stakeholder communication.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Management has nominated by letter of appointment dated 29/08/18 – En. Mohd Khairy bin Shamsudin (Assistant Manager POM) as the management for consultation and communication.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	List of stakeholders dated 20/11/17 includes neighbouring community, internal (including workers, shopkeeper, orang asli, clinic, teachers, contractors etc.) and external stakeholders (government , some external contractor and orang asli). Total – 35. Last consultation dated 24/08/17 for Wilayah Kuantan. Attendance list of stakeholders attended and feedback form as records was available.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Bukit Sagu Palm Oil Mill and Estate implemented the supply chain program based on SOP MSPO SCCS (Mass Balance) (MSPO SCCS, Issue No: 1, Dated: 22/10/2018). The procedure was prepared by to cover the implementation of all supply chain requirements for both POM and estate.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly.	Complied
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the Letter of Appointment for assistant manager and staff dated 10/10/2018 from Mill Manager.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	All the estate was registered in the Mill Performance Report System (MPR). During the audit, the auditor was verified the system and confirmed that 4 estate under FGVP (Ladang Bukit Sagu 4, Ladang Bukit Sagu 6, Ladang Bukit Sagu 7, Ladang Bukit Sagu 8) and 15 supplier from other estate were registered as supplier. All the record for storage, sales, delivery of CPO and PK were sighted using MPR system.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The list of permit and license required for the operations of the mill was sighted. The sample of permit and license:</p> <ol style="list-style-type: none"> 1. MPOB License: 500202104000 expiry on 31/3/2019 2. DOE License: 004129, expired 30/6/19 3. Diesel permit: C018578 expiry 7/12/2018 4. Suruhanjaya Tenaga: Lesen Pemasangan Persendirian-2018/00302, expiry 23/2/19 5. CF for machineries- expiry on 30/10/2018. The inspection by DOSH officer was done on 9/10/2018 and the certificate yet to be received. <p>During the site visit, it was found that leachate generated from EFB stock pile was flowing to the environment through nearby monsoon drain. The leachate was not channelled to the effluent treatment pond for treatment as required by Clause 29 of DOE’s Compliance Schedule License No. 004129. Thus, the major NC was raised.</p>	<p>Major Non-Compliance</p>
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and head office sustainability team.</p> <p>Bukit Sagu POM monitored through Register of Legal and Other Requirements records (FPI/L4/QOSHE-2.1 Pind 0), latest update on 23/1/2018.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Bukit Sagu POM monitored through Register of Legal and Other Requirements records (FPI/L4/QOSHE-2.1 Pind 0), latest update on 23/1/2018.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, sustainability regulation unit. FGV have centralised system for tracking any changes in the law. Refer to "Panduan: Sistem Pengesanan Perubahan Undang-undang" dated 23/6.2017, Version:04.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Not applicable since the land title was under Lembaga Kemajuan Tanah Persekutuan (FELDA). The agreement between Felda Palm Industries Sdn Bhd and FELDA dated 25/11/1996 was sighted.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Not applicable since the land title was under Lembaga Kemajuan Tanah Persekutuan (FELDA). The agreement between Felda Palm Industries Sdn Bhd and FELDA dated 25/11/1996 was sighted.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The land title was under Lembaga Kemajuan Tanah Persekutuan (FELDA). The agreement between Felda Palm Industries Sdn Bhd and FELDA dated 25/11/1996 was sighted. The boundary stones were maintained accordingly by the management.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made	No disputes of land acquisition checked on stakeholders meeting and dispute book.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -		
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Policy Clause 8.15 (FGV/SED/POL/001 rev 0 dated 01/09/2016) states on FPIC dated 01/09/2016). There is no customary land for the portion of land.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no customary land for the portion of land.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA review conducted on 12/09/2017 by En.Azwan Muhammad and Mr. Barath (CDD Department). Management Plan for both negative and positive impact identified and to be carried out in 2018- mainly on monitoring plans.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	A record book and forms available for internal employee to lodge their complaints/issues eg house repairs. External contractor has also filled the book for long queue to weigh FFB and 2 nd weighbridge was used to shorten queue time.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Complaints are acted on and replied with completion date and verified. Consulted employee during stakeholder consultation.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Complaint forms (internal and external) and record book available. Internal stakeholders are aware of the complaint mechanism during interview. External stakeholders were explained on the complaint mechanism in consultation 24/08/18.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Suggestion box are prepared for internal and external stakeholders. Forms are available. These are communicated through Stakeholders Consultation dated 24/08/17 (minutes sighted)	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Internal forms and book available for 2017 and 2018 and seen during audit. Stakeholder feedback forms dated 24/08/17 was also available.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	CSR activity was carried out on 13/06/18 by giving 'kain pelikat' to all mill employees in conjunction with Hari Raya Aidil Fitri celebration 2018. No activity with community due to lack of budget.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Group Occupational Safety & Health Management Policy had been established and implemented. <i>Dasar Kualiti, Keselamatan, Kesihatan Pekerjaan Dan Alam Sekitar</i> for the mill operations was signed by the Ketua Pegawai Eksekutif Felde Palm Industries Sdn Bhd dated on 10/8/1999 with a revision made on 20/11/2017. All Policies are displayed prominently on notice boards in English and local language Bahasa Malaysia in the estates and the mill respectively. The Policy is implemented through the OSH activities by the Regional CDD Executives and monitored by CDD Unit at Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. In interviews with the staff, mandores & workers during the site visit revealed that the employees had been briefed and had understood the policy. 1. CHRA was conducted on 25-26/7/2018 by Ihsan Sharif Resources (JKKP HIE 127/1712(85)).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. Local exhaust ventilation was plan to be done in December 2018. 3. Medical surveillance was done for 30 workers (Laboratory station, boiler station, maintenance) on 4/10/2018 by Klinik Syed Badaruddin Sdn Bhd (HQ/08/DOC/00/7). 4. Chemical Exposure Monitoring was plan to be done on 25 December 2018 for those workers who expose with n-hexane. The quotation from Occumed Consultancy & Services Sdn Bhd dated 12/8/2018 was sighted. 5. Annual Audiometric Test was done on 26/1/2018 by Specialist Mobile Safety Supplies Sdn Bhd (33 workers) and retest was done on 20/7/2018 by Klinik Syed Badaruddin (8 workers). Based on the latest test report, all workers were found noise induced hearing losses (NIHL).	
4.4.4.2	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as	a) Communication on safety and health policy was conducted according to the workforce on 2/6/2018. Through interview with workers, they were understand on issue related to OSH and MSPO. b) SOP for HIRARC was established. Last reviewed for the HIRARC was done on 2/8/18 to include EFB Hopper, workshop, chemical store, WTP station, Kernel Plant, Confined Space, Boiler house, Ramp, Pressing Station, Clarification Station, Sterilizer Station and biogass. c) A formal training programme on all aspects of OSH and MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. The records of training	Complied

Criterion / Indicator	Assessment Findings	Compliance														
<p>identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>were available at mill and estate office. Sample training checked:</p> <table border="1" data-bbox="1176 512 1783 794"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>9/8/18</td> <td>Noise exposure</td> <td rowspan="6">BSPOM</td> </tr> <tr> <td>5/6/18</td> <td>PPE</td> </tr> <tr> <td>2/6/18</td> <td>Chemical handling</td> </tr> <tr> <td>9/8/18</td> <td>Noise exposure</td> </tr> <tr> <td>19/6/18</td> <td>Operation/Safety</td> </tr> </tbody> </table> <p>d) Observed at Sterilizer station, press station, oil room, boiler station, adequate and appropriate protective equipment was provided.</p> <p>e) The operating unit comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining chemicals were kept in the store and securely locked and comply with regulation.</p> <p>f) The responsible persons were the Mill Manager and Assistant Manager of the respective operating units.</p> <p>g) JKKP meeting members consist of employer & employee representatives. Records of regular meetings between the responsible person and workers were maintained. There was no major issue. Refer OHS meeting minutes OHS meeting at TSPOM – dated 20/8/18. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from</p>	Date	Training	Remark	9/8/18	Noise exposure	BSPOM	5/6/18	PPE	2/6/18	Chemical handling	9/8/18	Noise exposure	19/6/18	Operation/Safety	
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Criterion / Indicator		Assessment Findings	Compliance				
		<p>workers, training, complaints has been discussed and action to be taken.</p> <p>h) Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage, accident at work place. Fire drill was last conducted on 6/8/18</p> <p>i) First aid equipment available at worksites. First aider's competency certificate available. The training was conducted by PBSM Kota Tinggi, Johor. Cert No: RK0142706, RK0142725, RK0142718.</p> <table border="1"> <tr> <td>Estate/Mill</td> <td>First Aid Box Station (Site Visit)</td> </tr> <tr> <td>TSPOM</td> <td>Boiler, Office, Workshop</td> </tr> </table> <p>Records of incident and accident were available, using internal reporting system. Records on Lost Time Incident (LTI) metrics had been verified to be satisfactory. Accident report on 23/7/18 was available. The JKKP 6 was submit to DOSH on 27/7/18. JKKP for 2017 was submit to DOSH on 10/1/2018.</p>	Estate/Mill	First Aid Box Station (Site Visit)	TSPOM	Boiler, Office, Workshop	
Estate/Mill	First Aid Box Station (Site Visit)						
TSPOM	Boiler, Office, Workshop						
Criterion 4.4.5: Employment conditions							
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Human Rights Policy (Clause 8.7 of policy document) available. Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid)</p> <p>Formalized briefing session (eg 04/08/18) and morning briefing (non-formal) is conducted.</p>	Complied				

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Non discrimination policy (Clause 8.7 & 8.10 Human Rights policy document) is sighted. Employee consulted through Stakeholders Consultation (attached) is aware of non discrimination policy.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Minimum wage and living condition is explained in Policy clause 8.8. Minimum pay legislation of RM 1000 per month is followed. Sampled salary slips Aug & Sept 2018 – no below minimum wages. Refer internal stakeholders minutes attached.</p> <p>Salary slip Mohd Hafiz for Aug 18 sighted and minimum wage is followed.</p> <p>But his deduction exceeds 50% :</p> <p>Basic – RM 1290</p> <p>Aug 18 - deductions – RM 904.64 (Max 50 % - RM 859)</p> <p>Deduction exceed 50%</p> <p>Does not follow 1955 Salary Act.</p> <p>However seen letter of consent signed by employee on his deductions.</p> <p>This is already an internal audit NC for a contractor employee but corrective action is not taken across the board. Refer to OFI raised.</p>	Observation

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Contractor employee e.g. Kejuruteraan SistematiK Sdn Bhd is paid on the days of work.</p> <p>Seen salary records and acknowledged.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>No of workers – G7 – 41 (workers) & G6 – 39 (staff)</p> <p>Records of basic employee information (name, gender, date of birth, date join), job description and salary slips with all the deductions complies with requirements.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment letter with Job description is signed by both employer and employee.</p> <p>Sighted for Romzi bin Mohamad and Jamal bin Ahmad employment letter and Job description dated 20/07/18</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Working hours is using punch card mechanism and explained by interviewed employees. Sampled for Van driver (Mohd Firdaus) for October – punch time shows time in and out and used to calculate working hours including overtime.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective</p>	<p>Overtime is agreed with employee and does not exceed 104 hours. Employees are clear with working hours (e.g. 8am-4pm and one</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>day off per week). They also understand maximum overtime and overtime calculation.</p>	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Salary, deductions and overtime is clear in the salary slip. Interview with workers including Union leader shows they understand the salary and overtime calculations.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Other incentives i.e. project incentive, attendance incentive, group insurance etc. is provided. [Salary slip Mohd Hafiz in September 2018 has incentives i.e. project incentive (RM 120.00) and insurance monthly deduction (RM 5.60). Housing, school facilities and panel clinic (besides government clinic) is also provided.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>Visited linesite and seen housing clean with water and electricity and well managed. Amenities are in working condition and if any problem, they are to report to the office for repair service. Rubbish collection 2x a week. Grass cutting services is provided. Interviewed Puan Zaharah at linesite.</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Policy Sexual Harassment and Violence 1 Sept 2016 available. A gender committee has been formed. Interviewed Puan Roziana bt Mohd Noor (Secretary of Gender Committee). No cases of sexual harassment reported. The committee regularly visits homes to speak and create awareness on this topic. Meeting minutes of gender committee 10/2/18 sighted.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Policy clause 8.13 -8.14 dated 01 September 2016 allows freedom for trade union. Interviewed Union Leader Abdul Razak Abdul Hamid on the trade union arrangement. He states that union members are happy with Management on the freedom given to them to join union. A deduction of union fee is deducted if the employee wants to join union.</p> <p>Employees interviewed knows about freedom to join union and they have the choice of joining.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Minimum age of employment is 18 years for POM. Verified list of current employees as per Oct 18 shows minimum age is 22 for. Muhammad Hazim bin Abdul Wahab (961031-06-5601).</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The annual training program has been established and significantly covers all aspects of the MSPO requirement. Additional subjects include mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects.</p> <p>The program mainly covers both requirement of the estates and mills in the CU The subjects for the training are issued and assisted by the SQM personnel. The following topics included in the annual training program 2018/19 among others are extracted below;</p> <p>a) OSH Act & regulations 1994.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																
		<ul style="list-style-type: none"> b) Environmental Quality Act 1974 c) USECHH 2000/HIRARC d) OSH Committee and function. e) Workplace inspection f) First Aid Training/fire fighting g) Scheduled waste training h) RSPO/MSPO/SCCS training i) Water treatment /Environmental Management j) HCV & Biodiversity training. k) NADOPOD/HIRARC l) 5S /LOTO/Working at height/working in confined space m) Chemical management n) Hearing conservation o) Safe working procedure <p>Records of training for Bukit Sagu POM sighted during this audit are shown below.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>9/8/18</td> <td>Noise exposure</td> <td rowspan="6" style="text-align: center; vertical-align: middle;">BSPOM</td> </tr> <tr> <td>5/6/18</td> <td>PPE</td> </tr> <tr> <td>2/6/18</td> <td>Chemical handling</td> </tr> <tr> <td>9/8/18</td> <td>Noise exposure</td> </tr> <tr> <td>19/6/18</td> <td>Operation/Safety</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Date	Training	Remark	9/8/18	Noise exposure	BSPOM	5/6/18	PPE	2/6/18	Chemical handling	9/8/18	Noise exposure	19/6/18	Operation/Safety			
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Criterion / Indicator		Assessment Findings	Compliance														
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The training needs for the mill 2018/19 training program has been established. The details of the training needs include categories of stations, subjects, and employees' group.</p> <p>Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management. etc. The compilation from the approved training needs is later transferred to the formation of the training program.</p>	Complied														
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis. In addition, it is subject for a review during the financial year should need arises. Records of training for Bukit Sagu POM sighted during this audit are shown below.</p> <table border="1" data-bbox="1176 997 1780 1284"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>9/8/18</td> <td>Noise exposure</td> <td rowspan="6">BSPOM</td> </tr> <tr> <td>5/6/18</td> <td>PPE</td> </tr> <tr> <td>2/6/18</td> <td>Chemical handling</td> </tr> <tr> <td>9/8/18</td> <td>Noise exposure</td> </tr> <tr> <td>19/6/18</td> <td>Operation/Safety</td> </tr> </tbody> </table>	Date	Training	Remark	9/8/18	Noise exposure	BSPOM	5/6/18	PPE	2/6/18	Chemical handling	9/8/18	Noise exposure	19/6/18	Operation/Safety	Complied
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<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>																	

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	There is a <i>Dasar Alam Sekitar</i> for the mill issued and endorsed in 20/11/17 by the <i>Ketua Pegawai Eksekutif</i> of FPI. Above this policy is another policy relating to environmental engaged by FGV Holdings. Therein the policy among others stated that the Company is committed; a) to protecting the environment and conserving biodiversity through sustainable development. b) Abide by all legislative requirement c) Manages environmental risk and providing reasonable resources to minimise risk and pollution to environment d) Continuing and improving efficiency towards enhancing environment.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	Environmental policy and objectives were established. The environmental aspects and impact evaluation has been established for the mill operations covering activities in relation to reception, sterilisation, oil room operation, kernel processing, boiler operation, power generation, crude palm oil storage leakage and spillage, ruptured, effluent pond operations and diesoline storage tank. The list was updated/revised on 01/11/18.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The mill monitors aspects and impacts among others the following activities This plan is available and similar to the reduction of pollution and emission. Mainly the areas relating to significant impact to the environment and the effort implemented are summarised below.	Complied

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Criterion / Indicator		Assessment Findings			Compliance
		Environmental Issues	Solution Procedure/Action Plan	Main Location	
		1	Water Quality	Continuous monitoring water quality at identified points of river for detection of quality/pollution Analysis made at certified laboratory Advisory/guidance from Health Ministry	River, Water Treatment Plant,
		2	Air Quality	Adherence to the legislative requirement on boiler emission Prohibition of open burning Fibre and shell are used as fuel in the boiler furnace Monitoring of CEMS system Appointment of trained personnel for Air Pollution Control.	Boiler operation mill complex
		3	Scheduled waste	Scheduled wastes are managed in accordance with the regulatory requirements.	Source of generation/store
<p>Records of periodical reporting of the listed issues were available. These were the evidence which showed that the plans been monitored. The plans were reviewed annually during the</p>					

Criterion / Indicator		Assessment Findings	Compliance
		Management review / ESH meeting where environmental issues were discussed.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	This is available as per item 4.5.1.3 above.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	A training program is available in the <i>Lepar Hillir</i> CU Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment among others listed below; <ul style="list-style-type: none"> a) Environmental Quality Act & Regulations 1974 b) Environmental, safety & health policy, c) ERP Oil /chemical spill d) scheduled waste management, e) environmental responsibility, HCV & Biodiversity training. 	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The environmental issues are discussed in a meeting by the EPMC (Environmental Performance Monitoring Committee) Meeting is held 2x /year. The agenda discussed among others as follows; <ul style="list-style-type: none"> a) matters arising b) performance of environment compliance c) report on environmental pollution d) self-compliance checklist performance e) effluent treatment /clean air / scheduled waste f) audit report on ISO 14001 EMS / RSPO/MSPO g) Domestic waste issues 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		In addition, environmental issues were also discussed direct or indirectly during the quarterly ESH meetings and also briefed during the monthly muster.	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	The monitoring is recorded in environment performance indicator- electricity generated by steam turbine tabulated for the financial year Jan-Dec. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB. A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimize use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel. Under the annual energy management plan 2017/18 and 2018/19 the mill aimed for reduction plan among others; a) educate workers on fuel saving practice b) avoid leakages during vehicles maintenance.	Complied
4.5.2.2	Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. - Major compliance -	The mill records the following data and tabulated the ratio against the FFB processed to determine the efficiency of their operations; a) all the diesel used (non-renewable) for the mill operations b) fibre/shell used (renewable) The target set is at 1.31 L/mt FFB. Diesel consumption/mt FFB in 2018 includes commentaries on the variation in performance.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Factors relating to weather condition, FFB ramp balances, vehicles breakdown, gen-set breakdown are the attributes to the variation in the Diesel/FFB ratio performance.	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The types of wastes were generally identified through the evaluation of environmental aspect and impact as mentioned in 5.1.1. Thereafter, documented in " <i>Pelan Pengurusan Sisa Domestik dan Bahan Buangan</i> " (Management Plan for Domestic Wates and Waste Products) form. The form has the information about: <ul style="list-style-type: none"> Type of wastes – e.g. fertilizer bags, plastic, glass, iron, paper, used PPE, HDPE containers, organic wastes, POME, EFB, shell, fibre, used oil, used oil filter Method of disposal – generally to reduce, reuse and recycle 	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: <ol style="list-style-type: none"> Identifying and monitoring sources of waste and pollution. Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. 	" <i>Pelan Pengurusan Sisa Domestik dan Bahan Buangan</i> " (Management Plan for Domestic Wates and Waste Products) form was established. The form has the information about: <ul style="list-style-type: none"> Type of wastes – e.g. fertilizer bags, plastic, glass, iron, paper, used PPE, HDPE containers, organic wastes, POME, EFB, shell, fibre, used oil, used oil filter Method of disposal – generally to reduce, reuse and recycle 	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Apart from the document mentioned in 5.3.1, there is also a procedure entitled " <i>Pelupusan Sisa Domestik</i> " (Domestic Wastes Disposal) [FGV/ML-1A/L2-Pr23, issue 1, rev. 0, 1/6/2016] and " <i>Garis Panduan Pembinaan Lubang Sampah</i> " (Guideline for Landfill Preparation" (FGV/ML-1A/L3-GP2(0), rev. 0, 1/6/2016) used as guidance to avoid or reduce pollution. Based on site visit at the landfill at the visited estates, it was observed that the rubbish pit is located far (>500 m) from residential area and natural water source.	
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>At the mill, most chemicals used were for boiler water treatment and laboratory. The empty containers were normally disposed as scheduled wastes through authorised vendor (e.g. Kualiti Alam Sdn Bhd).</p> <p>At the estates, empty chemical containers were triple rinsed and punctured. Thereafter sent to recycler e.g. Sungai Karang Recycling Trading Sdn Bhd (BS8). Receipts of disposal were available for verification, e.g.:</p> <p>BS6 – last disposal of ECC was on 20/12/2017 [ref.: Invoice from Urban Environmental Industries Sdn Bhd #S1712012], quantity 80 kg</p> <p>BS4 – last disposal of ECC was on 20/12/2017 [ref.: Invoice from Urban Environmental Industries Sdn Bhd #S1712012], quantity 80 kg</p>	Complied
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.	There is also a procedure entitled " <i>Pelupusan Sisa Domestik</i> " (Domestic Wastes Disposal) [FGV/ML-1A/L2-Pr23, issue 1, rev. 0, 1/6/2016] and " <i>Garis Panduan Pembinaan Lubang Sampah</i> "	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	(Guideline for Landfill Preparation" (FGV/ML-1A/L3-GP2(0), rev. 0, 1/6/2016) used as guidance to avoid or reduce pollution. Based on site visit at the landfill at the visited estates, it was observed that the rubbish pit is located far (>500 m) from residential area and natural water source.	
Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Environmental impact assessment was guided by its Environmental Aspect and Impact Evaluation procedure [FPI/L2/QOSHE-1.0C]. The identification of Environmental Aspects and Evaluation of Significance Form [FPI/L4/QOSHE-1.7 Pind 0] was used to identify and evaluate the environmental aspect and impact. The evaluation was divided by workstations such as loading ramp, sterilizer, trashing & press, incinerator, oil room, bulk storage tank, raw water treatment plant, boiler, ETP, laboratory, diesel tank, workshop, SW store, EFB stock pile to name a few. Significant Environmental Aspect and Impacts Register Form [FPI/L4/QOSHE-1.8 Pind 0] was used to register the mitigation method which basically link to the Manual Operation procedures. The evaluation of EAI was last updated on 28/2/2018 – format of EAI includes <ul style="list-style-type: none"> • Dept./process • Aspect • Impact (type & score) • Usage/discharge quantity (per month or day) • Impact mitigation method and comments 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Mitigation measure is established based on identified significant aspect from the environmental aspect and impact evaluation. In general, among the examples of mitigation measures are:</p> <ul style="list-style-type: none"> - Implementation of standard and/or safe operating procedures – e.g. construction of terrace and establishment of cover crop at replanting area operations at hilly terrain - Implementation of emergency response plan - Provision of premix area - Construction of oil trap - Recycling wastes 	
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The mill applies the biological system with 17 ponds and 1 anaerobic pond for bio-gas plant in series for its treatment of effluent. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. Last 12 months results were verified where highest BOD=160 ppm while lowest was 32 ppm. Appropriate corrective actions such as carrying out desludging and repairing the broken bund walls of a pond were taken. The recording of these corrective actions was maintained through the mill's environmental management system.</p> <p>Competent Person as required by legal was also verified. The competent person for the mill is Mr. Sy Ahmad Fairuz B Yulami, CePPOME/15072, validity 1/12/2015 to 1/12/2016. The renewal of certificate has been delayed due to limited session of training provided by the authorised trainer i.e. Environment Institute of</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Malaysia (EiMAS). FGV's Training Unit is in the midst to collect the information about the issues and will discuss with EIMAS.	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	Water management plans for the visited estates and mill generally were last updated in early of the year 2018. Basically the plan was focusing on the discharge quality of mill effluent to the water ways such as efficient operation of effluent treatment plant and carrying out desludging at planned scheduled and maintaining the riparian zone to minimise pollutant from directly reaching the rivers.	Complied
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	The mill applies the biological system with 17 ponds and 1 anaerobic pond for bio-gas plant in series for its treatment of effluent. The quality of discharged effluent was analysed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. Last 12 months results were verified where highest BOD=160 ppm while lowest was 32 ppm. Appropriate corrective actions such as carrying out desludging and repairing the broken bund walls of a pond were taken. The recording of these corrective	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>actions was maintained through the mill's environmental management system.</p> <p>Competent Person as required by legal was also verified. The competent person for the mill is Mr. Sy Ahmad Fairuz B Yulami, CePPOME/15072, validity 1/12/2015 to 1/12/2016. The renewal of certificate has been delayed due to limited session of training provided by the authorised trainer i.e. Environment Institute of Malaysia (EiMAS). FGV's Training Unit is in the midst to collect the information about the issues and will discuss with EiMAS.</p>	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>As for the mill, 3-tier Documentation System is in place:</p> <p>i) Tier 1: QOHSEMS Management Manual; Doc. no.: FPI/L1/QOHSE-1.0; Rev. 1.0; Date: 18/11/2016</p> <p>ii) Tier 2: QOHSEMS Procedure; Doc. no.: FPI/L2/QOHSE- 1.0 – FPI/L2/QOHSE-25.0; Rev. 14; Date: 31/5/2017</p> <p>Tier 3: QOHSEMS Specific Work Instruction; FPI/L3/1-01 - FPI/L3/16-01; Rev. 24; Date: 31/5/2017; i.e. Palm Oil Mill Operation Manual and amendments covering every station from the security gate for reception of FFB until the delivery of processed oil and POME management.</p>	Complied
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>Among the mechanism to check consistent implementation of procedures at the estates were daily field supervision, taskforce</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		<p>visits, daily grading by Estate Quality Inspector (EQI), agronomist visit and regional office audit (CDD unit) to name a few.</p> <p>Records of monitoring were well maintained by the estates and mill. Among the records verified were daily grading report, CDD unit audit report and agronomist report. Based on the report, appropriate actions were acted upon. E.g. of reports verified were:</p> <ol style="list-style-type: none"> 1) Agronomist reports at Bukit Sagu 7 – dated 12/7/2018 and 28/2/2018 2) Sustainability Internal Audit report at Bukit Sagu 7 – dated 29/8/2018 	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The management has continued its commitment to long term sustainability and improvements through a capital expenditure programme. Bukit Sagu Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year.</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Group Purchasing Policy is documented.</p> <ol style="list-style-type: none"> i. Pricing is reviewed with BTS supplier e.g. Tai Ichi Enterprise Sdn Bhd dated 22/5/18. <i>[Pricing is not revealed for confidentiality purposes]</i> ii. Kejuruteraan Sismatik Sdn Bhd contract for house renovation BS/3059/2018 dated 08/06/2018 was selected based on lowest 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		price .Clear tender mechanism. Job completion report dated 15/06/18. Delivery order is created.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	i. Payment is made by invoice and all payment is done by FGV Head quarters. <i>[No evidence of payment seen for BTS as all payment in HQ and confidential]</i> ii. Sighted payment via online by HQ for Kejuruteraan Sismatik dated 10/07/18 for invoice dated 18/06/18	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	MSPO briefing is conducted through stakeholder consultation 24/08/2017. A stack of MSPO requirements in slides are given to stakeholders including contractors in March 2018.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Kejuruteraan Sismatik Sdn Bhd contract is based on job and informative tender mechanism.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	Contract with BSI on this agreement.	Complied

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Bukit Sagu Palm Oil Mill Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Bukit Sagu Palm Oil Mill Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Norazam Abdul Hameed	Name: Mohd Hafiz Mat Hussain
Company name: FGV Holdings Berhad	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Senior General Manager	Title: Client Manager
Signature:  Date: 18/2/2019	Signature:  Date: 12/02/2019

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Appendix A: Assessment Plan

Date	Time	Subjects	(MH)	(FA)
Monday 26/11/2018	PM	Audit Team travel to Kuantan & Check in @ Grand Darul Makmur Hotel	√	
Tuesday 27/11/2018	PM	Audit Team travel to Kuantan & Check in @ Grand Darul Makmur Hotel		√
Wednesday, 28/11/2018	08:30 – 09:00	Opening Meeting <ul style="list-style-type: none"> • Presentation by Bukit Sagu Certification Unit Team • Presentation by BSI Lead Auditor -introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	√	√
	09:00- 11:00	Bukit Sagu Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	11:00 – 12:30	Document Review (MS:2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices	√	√
		Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	√	√
	16:30 – 17:00	Interim closing meeting	√	√
Thursday, 29/11/2018	09:00- 11:00	FGVPM Bukit Sagu 08 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.	√	√
	11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√

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Date	Time	Subjects	(MH)	(FA)
		Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		✓
	12:30 – 13:30	Lunch / Break	✓	✓
	13:30 – 16:30	Continue with Document review and site verification if deemed necessary.	✓	✓
	16:30 – 17:00	Interim closing meeting	✓	✓
Friday, 30/11/2018	09:00-11:00	FGVPM Bukit Sagu 07 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.	✓	✓
	11:00 – 12:30	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	✓	✓
		Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)		✓
	12:30 – 13:30	Lunch / Break	✓	✓
	13:30 – 15:30	Continue with Document review and site verification if deemed necessary.	✓	✓
	15:30 – 16:30	Preparation for closing meeting	✓	✓
	16:30 – 17:30	Closing meeting	✓	✓

Appendix B: List of Stakeholders Contacted

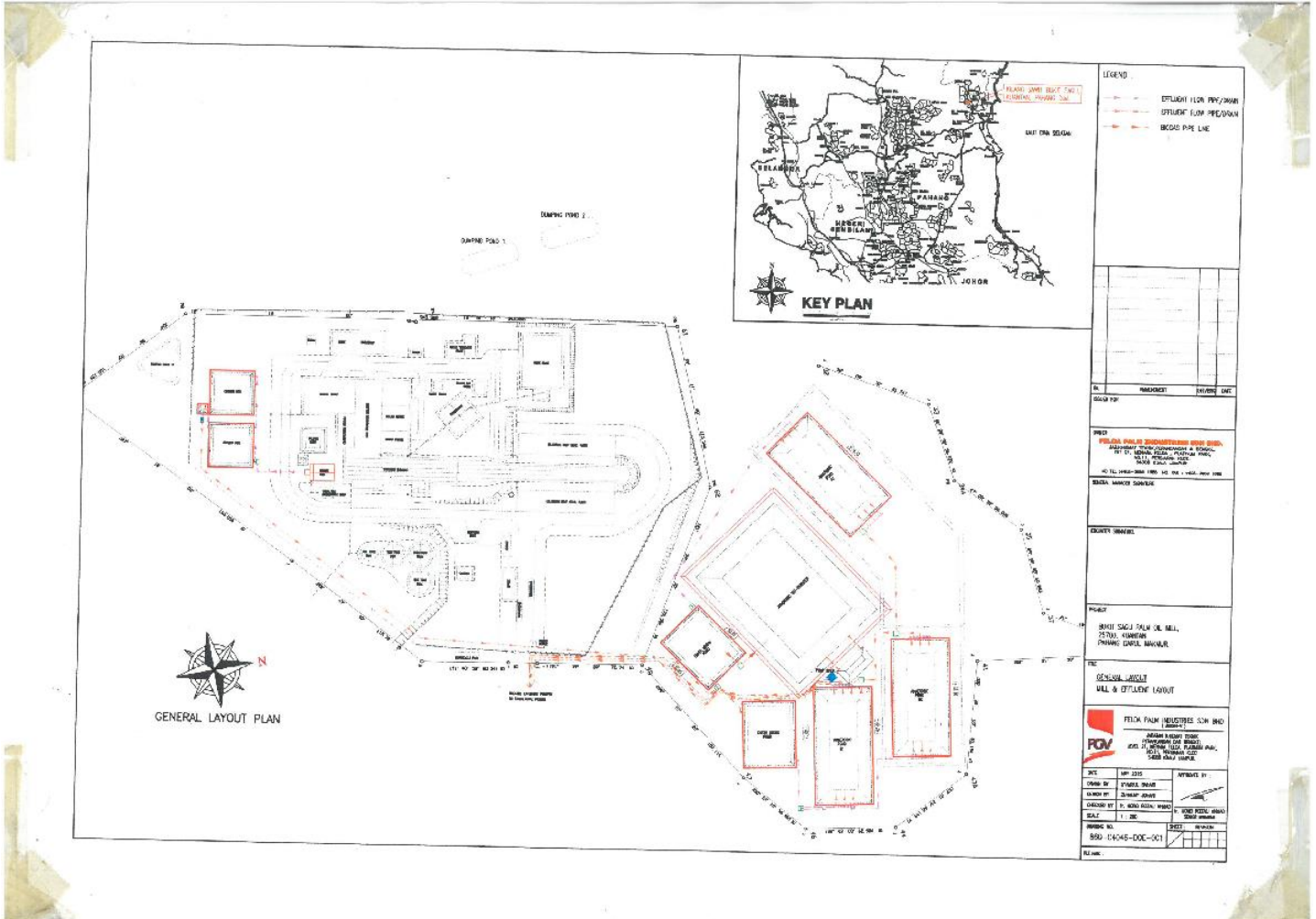
1. Gender Representative
2. Workers Representative
3. Mini Market Sagu 7
4. Kedai Makan Kak Ngah
5. Far East Holdings Bhd
6. Pejabat Hutan Daerah Kuantan
7. Ladang Sedia Budi
8. Tai Ichi Sdn bhd
9. Contractor
10. SMK Bukit Sagu
11. SK (LKTP) B. Sagu 1
12. SK (F) Sagu 2
13. Mini Market Sagu 6

Appendix C: Smallholder Member Details

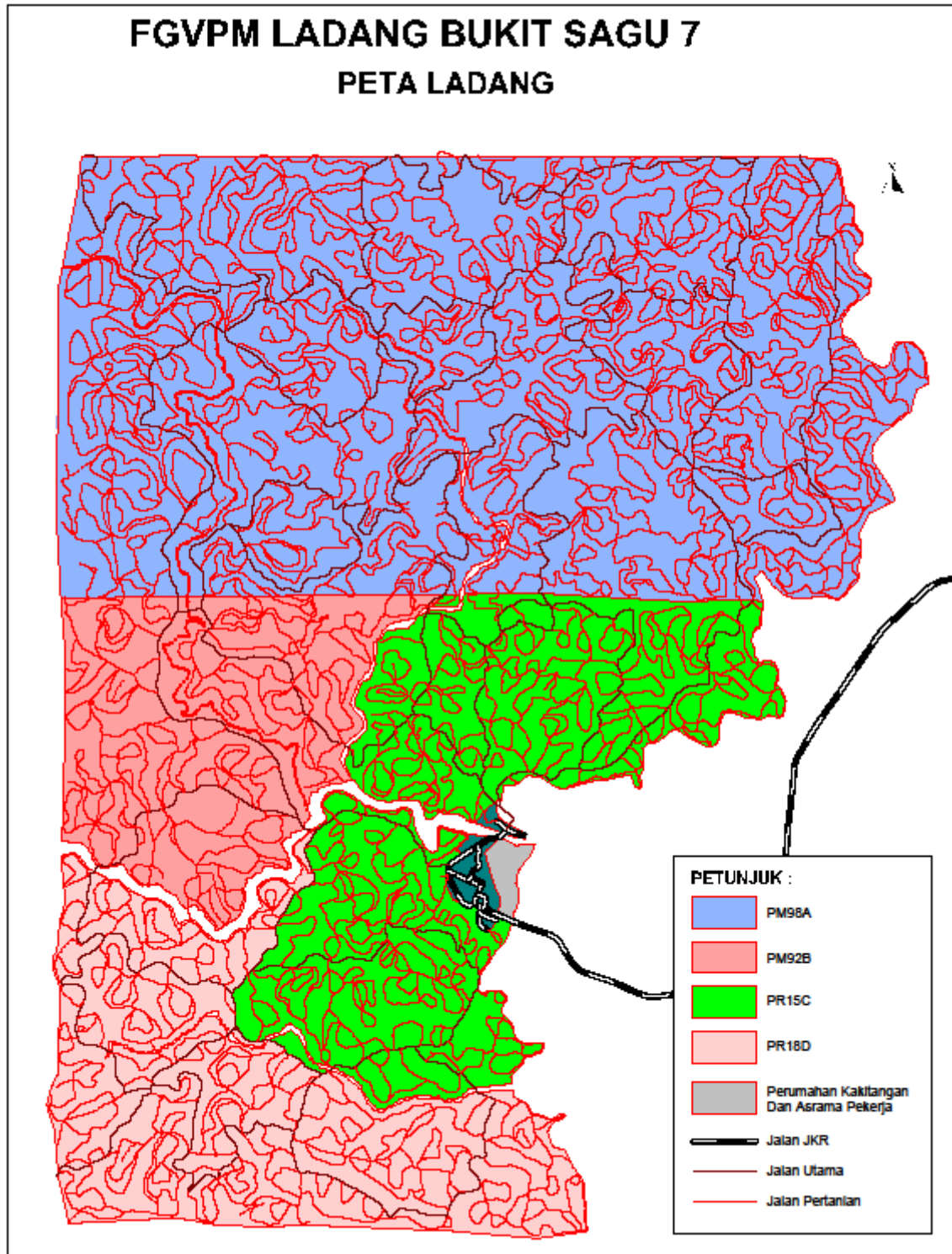
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
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16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

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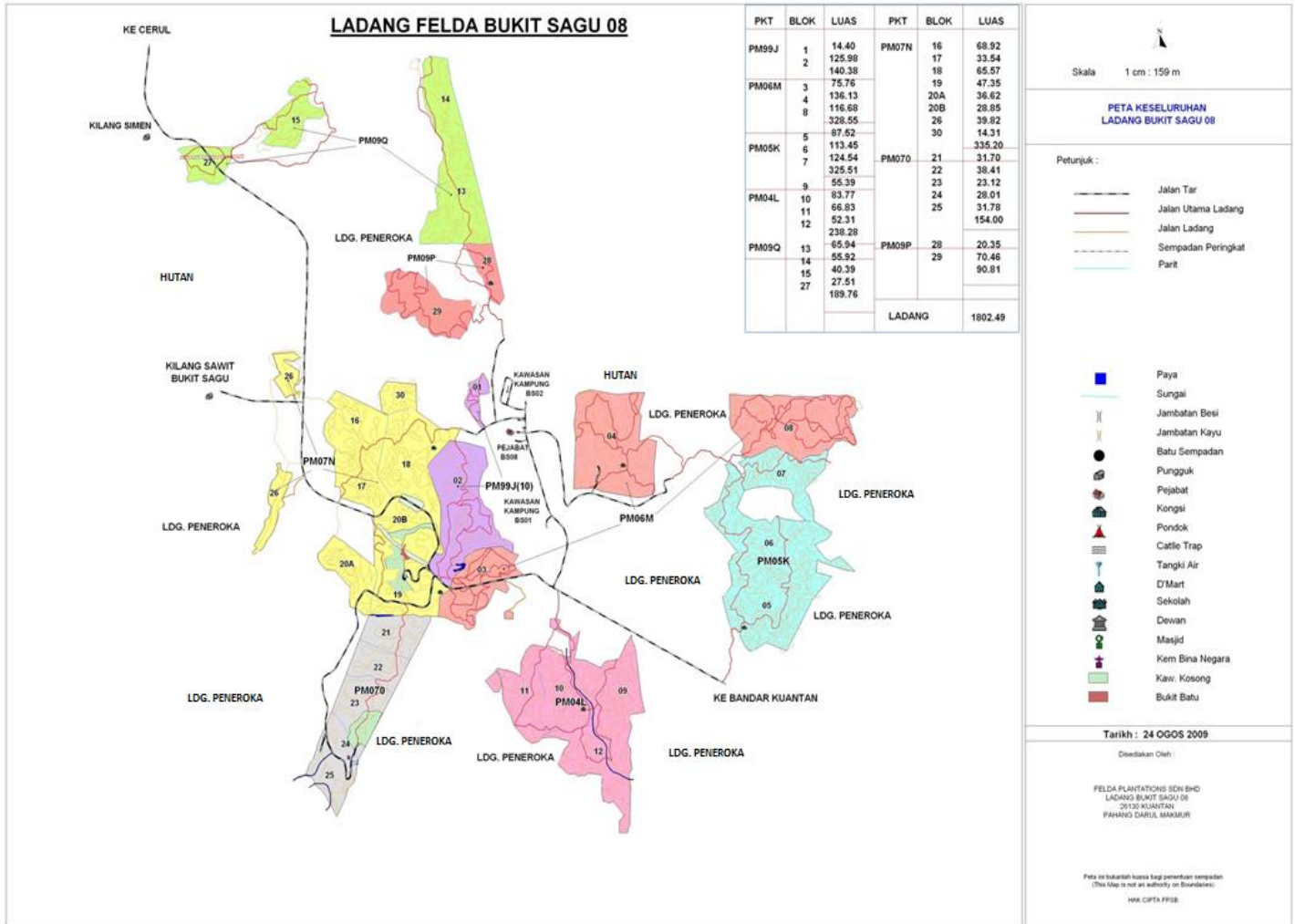
Appendix D: Bukit Sagu Palm Oil Mill Location and Field Map



Appendix E: FGVPM Bukit Sagu 07 Estate Field Map



Appendix F: FGVP M Bukit Sagu 08 Estate Field Map



Appendix G: List of Abbreviations

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