

**MALAYSIAN SUSTAINABLE PALM OIL
ANNUAL SURVEILLANCE ASSESSMENT (ASA 1)
Public Summary Report**

FGV Holdings Berhad
Client company Address: Plantations Sustainability Department Level 20 West, Wisma FGV Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd Besout Palm Oil Mill and supply bases Location of Certification Unit: 35600 Sungkai, Perak, Malaysia

Report prepared by:
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Report Number: 3108939

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	FGV Holdings Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	500155504000 (Besout Palm Oil Mill)	31/03/2021	
	574649002000 (Besout 6 Estate)	31/12/2020	
	559124002000 (Besout 7 Estate)	31/12/2020	
Address	Plantations Sustainability Department, Level 20 West, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia Kilang Sawit Besout, 35600 Sungkai, Perak, Malaysia		
Certification Unit	Besout Palm Oil Mill and supply bases		
Contact Person Name	En Ameer Izyanif Bin Hamzah		
Website	http://www.fgvholdings.com	E-mail	ameer.h@fgvholdings.com
Telephone	+603 2859 1995	Facsimile	+603 2859 1311
1.2 Certification Information			
Certificate Number	Mill: MSPO 701757 Estate: MSPO 701758		
Issue Date	07/05/2019	Expiry date	06/05/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 General principles for oil palm plantations and organised smallholders MS 2530-4:2013 General principles for palm oil mills		
Stage 1 Date	N/A (The Certification Units is RSPO Certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	26 - 28/12/2018		
Continuous Assessment Visit Date (CAV) 1	04 - 06/02/2020		
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

OHS 00691	OHSAS 18001:2007	SIRIM QAS International Sdn. Bhd.	23/02/2020
RSPO 682927	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Supply Chain Mass Balance Module	BSI Services Malaysia Sdn. Bhd.	29/04/2023

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
Besout Palm Oil Mill	35600 Sungkai, Perak, Malaysia	101.276111	3.880000
Besout 6 Estate	35600 Sungkai, Perak, Malaysia	101.277500	3.777778
Besout 7 Estate	35600 Sungkai, Perak, Malaysia	101.293056	3.843056

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Besout 6 Estate	2151.21	0	233.69	2384.9	90.20
Besout 7 Estate	2495.00	0	413.04	2908.04	85.80
Total	4646.21	0	646.73	5292.94	87.78

1.5 Plantings & Cycle

Estate	Age (Years)					Mature (ha)	Immature (ha)
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Besout 6 Estate	529.79	1108.56	434.71	78.15	0	1621.42	529.79
Besout 7 Estate	1548.51	946.49	0	0	0	946.49	1548.51
Total (ha)	2078.3	2055.05	434.71	78.15	0	2567.91	2078.3

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (April 2019 – Mar 2020)	Actual (May 2019– Jan 2020)	Forecast (Feb 2020 – Jan 2021)
Besout 6 Estate	25000.00	16178.38	29,674
Besout 7 Estate	17100.00	9839.98	17,213

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Total	42100.00	26018.36	46,887
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1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (April 2019 – Mar 2020)	Actual (May 2019– Jan 2020)	Forecast (Feb 2020 – Jan 2021)
Smallholder		90068.24	
Total		90068.24	

1.8 Certified Tonnage			
Mill Capacity: 54 MT/hr SCC Model: MB	Estimated (Oct 18 – Sept 19)	Actual (May 2019 –Dec 2019)	Forecast (Jan 2020 – Dec 2020)
	FFB	FFB	FFB
	42,100.00	26,018.36	46,887.00
	CPO (OER:20 %)	CPO (OER: 20.16 %)	CPO (OER: 20.50%)
	8420.10	5,245.30	9611.84
	PK (KER: 5.5%)	PK (KER: 5.35 %)	PK (KER: 5.50%)
	2315.50	1,391.98	2578.79

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
	0	0	282.17	4381.56	4663.73

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
	0	0	1321.98	0	1321.98

Section 2: Assessment Process

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 04-06/02/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the Besout POM and Supply base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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

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)
Besout Palm Oil Mill	√	√	√	√	√
Ladang Besout 6	√	√	√	√	√
Ladang Besout 7	√	√	√	√	√

Tentative Date of Next Visit: February 8, 2021 - February 10, 2021

Total No. of Mandays: 6

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Muhamad Naquiuddin Mazeli	Team Leader	He graduated with Bachelor of Science Horticulture at University Putra Malaysia. He started his career in 2009 as Researcher at Sime Darby Research Seed Centre and manage for Quality control for seed production for paddy, chilli and corn with collaboration with Malaysian Agricultural Research and Development Institute (MARDI) for 4 years. During the period, he was also involved with Nestle project on Red Rice production. He later joins the Sime Darby Plantation Berhad Sustainability Team in 2013 as Sustainability Executive. Joining the sustainability team, he managed, implemented and monitored the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training and internal audits related to RSPO, MSPO and other certifications where applicable to the operations within Sime Darby Plantation. He is a trained Safety Officer and he managed the Occupation Safety and Health of Northern Region Sime Darby Plantation Berhad operations. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health and workers consultation.
Valence Shem	Team Member	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been

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		involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, social and stakeholder engagement. Able to communicate in Bahasa Malaysia and English.
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2.2 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	MN	VS
Tuesday 04/02/2020	0800-0830 0830-0900	Opening Meeting with RSPO: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan.	√	√
Besout POM	0900-1230	Besout POM Inspection: FFB receiving, warehouse, workshop, waste management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√	√
	1230-1330	Lunch	√	√
	1330-1630	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 and P6 : Best practices, P7: Development of New Planting	√	√
	1630-1700	Interim Closing briefing	√	√
Wednesday 05/02/2020	0830-1230	Besout 6 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
Besout 6 Estate	1000-1230	Stakeholder Interview		√
	1230-1330	Lunch	√	√

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Date	Time	Subjects	MN	VS
	1330-1600	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	√	√
	1600-1700	Interim Closing briefing	√	√
Thursday 06/02/2020	0830-1230	Besout 7 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
Besout 7 Estate	1230-1330	Lunch	√	√
	1330-1600	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	√	√
	1600-1700	Interim Closing briefing	√	√
	1600-1700	Finalization of audit findings & preparation of closing meeting	√	√
	1700-1730	Closing meeting	√	√
Friday 07/02/2020		Travelling Back to KL	√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were three (3) Major nonconformities and one (1) Opportunity for Improvement raised. The FGV Besout and Supply base 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 Non-conformity has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref: 1881053-202001-M1	Area/Process: FGV Besout Mill and Supply base	Clause: 4.5.1.3 Part 4
	Issue Date: 6/02/2020	Due Date: 5/5/2020
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	
Statement of Nonconformity:	The environmental management plan was not effectively implemented	
Objective Evidence:	Sighted during site visit at the Engine Room, evidence of used oil spillage at the floor not attended appropriately. In the management plan and Safety Working Procedure for Chemical Handling, doc no. FGVPM/L3/PK-04 stated any chemical spillage should be attended using spill kit. It shows the environmental management plan was not effectively implemented.	
Corrections:	Attend the oil spillage with cotton rags and disposed as schedule waste	
Root cause analysis:	Knowledge still inadequate since no evaluation has been done by the management to see their level of understanding	
Corrective Actions:	Provide schedule waste training every year on how to attend the spillage of oil and chemicals. Evaluation will be done after the training to see their level of understanding.	
Assessment Conclusion:	All the evidence of correction and corrective action such as evidence of Engine room picture, training record, evaluation training and management programme for scheduled waste were found to be adequate. The Major NC was closed on 29 April 2020.	

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Major Nonconformities:		
Ref: 1881053-202001-M2	Area/Process: FGV Besout Mill and Supply base	Clause: 4.3.1.1 Part 4
	Issue Date: 6/02/2020	Due Date: 5/5/2020
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations	
Statement of Nonconformity:	Found operation inadequately comply with applicable local, state, national and ratified international laws and regulations	
Objective Evidence:	<p>1. Noted during site visit and interview with boiler man, it was noted that the mill conducted test at boiler using acetic acid and Phenolphthalein, the contaminated waste water from the test was not identified as SW 322 and the disposal was not conducted as Scheduled waste 2005</p> <p>2. During the site visit, it was observed that there is a high potential of leachate generated from EFB stock pile to flow was flowing to the environment through the nearest monsoon drain. The leachate was not channeled to the effluent treatment pond as required by clause 27 of DOE's Compliance Scheduled license no 004230</p> <p>3. Sighted during site visit at Boiler area, the Acetic acid and Phenolphthalein indicator was been used and store not in accordance to Safety Data Sheet of Acetic acid (27 March 2019) and Phenolphthalein (29 August 2018) at the staff boiler room.</p> <p>4. Found the PPE been using for handling the acetic acid and Phenolphthalein in Boiler area was not according to Safety data Sheet and CHRA 19 June 2018.</p> <p>5. There was no evidence that the weekly inspection of Besout POM employee housing has been conducted to comply with Akta Standard-Standard Minimum Perumahan Dan Keudahan Pekerja, 1990, Section 23.</p>	
Corrections:	<p>Issue a letter towards boiler team to do every single testing that include chemicals at laboratory.</p> <p>Install a pump and piping system at sump near the potential leachate area to channel the potential leachate to the effluent pond.</p>	
Root cause analysis:	The person responsible for training and monitoring an environmental and legal issue has been transferred to another mill. Since then no responsible person has been appointed to monitor the mill regrading those issue such as the usage of chemicals in processing buildings. As for the leachate issue the facilities that has been built before was not efficient and need to do some improvement. For the weekly inspection of the housing, the format that been using before do not cover cleanliness and open burning of the housing area	
Corrective Actions:	<ol style="list-style-type: none"> 1. Manager to appointed assistant manager as the responsible person for training and monitoring of environmental and legal issue 2. Management to do weekly workplace inspection at the boiler area to make sure the boiler team do not do any test involving chemicals at that area 3. Install a system using float switch to make sure the pump system can work on their own especially during rainy days 	

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Assessment Conclusion:	All the evidence of correction and corrective action as per below:- 1) Inventory record of SW 322 2) Training on scheduled waste 3) SW registration record 4) Evaluation training 5) Weekly inspection record 6) Management environmental programme were found to be adequate. The Major NC was closed on 29 April 2020
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Major Nonconformities:		
Ref: 1881053-202001-M3	Area/Process: FGV Besout Mill and Supply base	Clause: 4.4.5.8 Part 4
	Issue Date: 6/02/2020	Due Date: 5/5/2020
Requirements:	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable	
Statement of Nonconformity:	Evidence of legal compliance for overtime in excess of the limit of hours so prescribed as per Act 265 Employment Act 1955 was not available.	
Objective Evidence:	Records of attendance and payslip for a sample employee with Employee ID # 1209518; Workstation: Shovel on October 2019 shown total overtime work hours: 117.0 hrs. However no written application to Director General of Labour Department to grant permission to work in excess of the limit of hours prescribed as per Act 265 Employment Act 1955.	
Corrections:	Give awareness to workers and have 3 shift to ensure workers have good rest	
Root cause analysis:	There are certain time that the worker need to cover their co-worker especially during their off day that lead to the total overtime more than 104 hours.	
Corrective Actions:	Monitoring of the worker overtime by day to make sure they do not exceed the monthly limit overtime of 104 hours Application to the Director of General Labour Department for permission to work in excess of the limit hours which is 130 hours	
Assessment Conclusion:	All the evidence of correction and corrective action were such as license from JTK, training to workers regarding overtime regulation, and monitoring record were found to be adequate. The Major NC was closed on 29 April 2020	

Opportunity For Improvement		
Ref: 1881053-202001-I1	Area/Process: Besout POM and Supply Base	Clause: 4.4.5.4
Objective Evidence:	The method to ensure whether or not employees of contractors are paid based on legal or industry minimum standards can be further improved by verification of the amount stated in their pay slips.	

Noteworthy Positive Comments	
1.	Good cooperation within operating unit and others
2.	Have a good relation between stakeholder and operating unit

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1724754-201812-M1	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.5.1.3 – Part 4
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored	
Statement of Nonconformity:	The environmental management plan was not effectively implemented	
Objective Evidence:	Besout POM Sighted during site visit at the Scheduled Waste Store, evidence of used oil spillage at the floor not attended appropriately. In the management plan and Safety Working Procedure for Chemical Handling, doc no. FPI/L2/QOHSE-8.0 stated any pesticides or chemical spillage should be attended using spill kit. It shows the environmental management plan was not effectively implemented.	
Corrections:	1. Elect a representative to monitor the condition of schedule waste store 2. Re-training of staff on chemical spillage procedure	
Root cause analysis:	The mill's environmental committee did not review the action plan stated in their environmental management plan regarding chemical handling of schedule waste store	
Corrective Actions:	1. Re-training of environmental committee on spillage handling procedure by Competent person of schedule waste management (CEPSWAM) 2. Continuous monitoring of store log book. 3. Evaluation during review of environmental management plan.	
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019	
Verification Statement	As per verification of scheduled waste store, record such as records of briefing to workers, records of consultation session, recorded accordingly. This confirmed that no recurrence of issue. Hence, Major NC remained closed.	

Major Nonconformities:		
Ref: 1724754-201812-M2	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.5.1.2 – Part 3
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives;	

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	b) The aspects and impacts analysis of all operations
Statement of Nonconformity:	The environmental management plan is not effectively implemented
Objective Evidence:	Besout 6 Sighted during site visit at the estate office compound, it was found that empty chemical container was left behind the old workshop building. Besout 7 Sighted during document review, the inventory form for triple rinsed pesticides containers was not effectively filled
Corrections:	LADANG BESOUT 6 1. Elect a representative to monitor storage of triple rinsed container 2. Re-training of all staff on triple rinse & empty container procedure LADANG BESOUT 7 1. Warning letter to storekeeper to ensure all triple rinsed container are recorded 2. Re-training of all staff on triple rinse procedure
Root cause analysis:	LADANG BESOUT 6 The storekeeper is not well trained to take consistent measures on proper storage of triple rinsed container based on environmental management plan LADANG BESOUT 7 The storekeeper is not well trained to ensure proper record keeping of triple rinsed container based on environmental management plan
Corrective Actions:	LADANG BESOUT 6 and BESOUT 7 1. Re-training of all spraying supervisor & mandore and storekeeper on triple rinse & empty container procedure. 2. Continuous monitoring of triple rinse log book
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019
Verification Statement	As per Site verification of store area and housing area and also document review. This confirmed that no recurrence of issue. Hence, Major NC remained closed.

Major Nonconformities:		
Ref: 1724754-201812-M3	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.1.3.1 – Part 4
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	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.	
Statement of Nonconformity:	No evidence of management review meeting was conducted.	
Objective Evidence:	Besout POM There was no management review conducted to review the continuous suitability, adequacy and effectiveness of the requirements of implementation of MSPO.	

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Corrections:	Conduct a special management review with all supervisors to discuss implementation of MSPO
Root cause analysis:	The management is not informed on the requirements to discuss effectiveness of MSPO implementation in their management review
Corrective Actions:	<ol style="list-style-type: none"> 1. Conduct management review meeting with supervisors and mill manager to discuss: <ol style="list-style-type: none"> a) current implementation MSPO internal & external audit b) opportunity for improvement c) effectiveness of action taken and any changes to be made 2. Action plan for improvement if any at all 3. Continuous implementation 4. Annual MSPO management review
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019
Verification Statement	As per verification of document review. This confirmed that no recurrence of issue. Hence, Major NC remained closed.

Major Nonconformities:

Ref: 1724754-201812-M4	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.4.2.2 – Part 4
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.	
Statement of Nonconformity:	No evidence to show that the complaints have been resolved in a timely manner and no acknowledgement by the complainants after the action has been taken.	
Objective Evidence:	Besout POM There was no evidence to show that complaints have been resolved in a timely manner and no acknowledgement by the complainants after the action has been taken.	
Corrections:	Warning letter to representative to complete the 'Borang Kerosakan Rumah'	
Root cause analysis:	The communication officer did not do follow up from the complainants and record the date of action taken in the complaints form	
Corrective Actions:	<ol style="list-style-type: none"> 1. Warning letter to 'pegawai komunikasi' to fill in form completely 2. Attach evidences of resolution in the same form 3. Continuous monitoring 	
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019	
Verification Statement	Based on verification of complaint records, all the issues had been addressed in timely manner. No recurrence of non-conformity. Thus, the NCR remains closed.	

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Major Nonconformities:		
Ref: 1724754-201812-M5	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.6.4.1 – Part 4
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	Special clause on MSPO compliance by the contractors were not sighted in the "Surat Perintah Kerja".	
Objective Evidence:	Besout POM There was no special clause on MSPO compliance in the "Surat Perintah Kerja" for contractors.	
Corrections:	1. Communication of MSPO special clause to Procurement Department 2. Amended Surat Perintah Kerja	
Root cause analysis:	There is no communication with Procurement Department of mill & estate to include special clause on MSPO in Contractor's agreement template	
Corrective Actions:	1. Amendment of SPK from : Procurement FPISB (HQ & WILAYAH) 2. New SPK signed by all contractor 3. Briefing of SPK to new contractors	
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019	
Verification Statement	As per verification of document review CAP continuously implemented - seen SPK #3301333305/1300996046 and 3301405816/1301061935. This confirmed that no recurrence of issue. Hence, Major NC remained closed.	

Major Nonconformities:		
Ref: 1724754-201812-M6	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.1.2.2 – Part 3
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	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.	
Statement of Nonconformity:	Identification of root causes of nonconformities was not available in Besout 7 Estate	
Objective Evidence:	There was no corrective action plan sighted for Besout 7 Estate for the nonconformities raised during internal audit.	
Corrections:	Reminder letter to estate management to issue corrective action plan	
Root cause analysis:	The management did not follow internal audit procedure	
Corrective Actions:	1. Corrective action plan reviewed by manager and sustainability officer 2. Continuous monitoring of action plan 3. Annual internal audit and action plan	
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate.	

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	The Major NC was closed on 12/03/2019
Verification Statement	As per verification of document review CAP, the root causes was available in management review record. This confirmed that no recurrence of issue. Hence, Major NC remained closed.

Major Nonconformities:	
Ref: 1724754-201812-M7	Area/Process: FGV Besout Mill and Supply Base
	Clause: 4.4.5.6 – Part 3
	Issue Date: 28 Dec 2018
	Due Date: 27 March 2019
Requirements:	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.
Statement of Nonconformity:	Terms of notice of termination of contract by the workers or employers were not mentioned in the employment contract.
Objective Evidence:	Besout 6 Estate and Besout 7 Estate: Terms of notice of termination of contract by the workers or employers were not mentioned in the employment contract.
Corrections:	1. Communication of terms of notice of termination to Labours Department 2. Amended employment contract in all languages
Root cause analysis:	Labors Department is in progress to amend the employment contract to include terms of termination currently awaiting CEO approval.
Corrective Actions:	1. Communication email by Sustainability Department to request labours Department to include terms of notice of termination 2. Labour department to produce amended contract in: a) Bahasa Indonesia b) Bengali language c) English 3. Workers welfare officer to brief all workers on the new terms of employment before signed by workers. 4. Briefing of employment contract to new workers
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019
Verification Statement	As per verification of document review, the terms of notice of termination of contracts were retained in the employment contract. This confirmed that no recurrence of issue. Hence, Major NC remained closed.

Major Nonconformities:	
Ref: 1724754-201812-M8	Area/Process: FGV Besout Mill and Supply Base
	Clause: 4.6.4.1 – Part 3
	Issue Date: 28 Dec 2018
	Due Date: 27 March 2019
Requirements:	Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information.

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Statement of Nonconformity:	Special clause on MSPO compliance by the contractors were not sighted in the "Surat Perintah Kerja".
Objective Evidence:	Besout 6 Estate and Besout 7 Estate: There was no special clause on MSPO compliance in the "Surat Perintah Kerja" for contractors.
Corrections:	1. Communication of MSPO special clause to Procurement Department 2. Amended Surat Perintah Kerja
Root cause analysis:	There is no communication with Procurement Department of mill & estate to include special clause on MSPO in Contractor's agreement template
Corrective Actions:	1. Amendment of SPK from : Procurement FPISB (HQ & WILAYAH) 2. New SPK signed by all contractors 3. Briefing of SPK to new contractors
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019
Verification Statement	As per verification of document review and interview with contractor. This confirmed that no recurrence of issue. Hence, Major NC remained closed.

Major Nonconformities:		
Ref: 1724754-201812-M9	Area/Process: FGV Besout Mill and Supply Base	Clause: 4.3.1.1 – Part 3
	Issue Date: 28 Dec 2018	Due Date: 27 March 2019
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	The estates have yet to comply with Workers' Minimum Standards of Housing and Amenities Act 1990, Section 23 (2).	
Objective Evidence:	Besout 6 Estate and Besout 7 Estate: Last linesite inspection was carried out on May 2018 in Besout 6 Estate and December 2018 in Besout 7 Estate and it was conducted on monthly basis instead of weekly basis accordance to Workers' Minimum Standards of Housing and Amenities Act 1990, Section 23 (2).	
Corrections:	Warning letter to Workers Welfare Officer	
Root cause analysis:	1. The management did not consistently follow up with their welfare officer on the condition of linesite by a weekly basis 2. The welfare officer is not engaged actively on the task of linesite monitoring	
Corrective Actions:	1. Warning letter to workers welfare officer by manager for failing to perform his duty 2. Start performing weekly linesite inspection 3. Review of linesite inspection and action to be taken is noted	
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 12/03/2019	

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Verification Statement	As per verification of document review and site visit verification. This confirmed that no recurrence of issue. Hence, Major NC remained closed.
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Minor Nonconformities:	
Ref: 1724754-201812-N1	Area/Process: FGV Besout Mill and Supply Base
	Clause: 4.4.4.2 – Part 4
	Issue Date: 28 Dec 2018
	Due Date: Next Surveillance audit
Requirements:	The occupational safety and health plan should cover the following: i) Employees trained in First Aid shall be present at all mill operations. First Aid Equipment should be available at each worksite.
Statement of Nonconformity:	The occupational safety and health plan is not effectively implemented
Objective Evidence:	Besout POM Sighted during site visit at the boiler room, it was found that 2 items with no expiry date (LMS and Acriflavine Lotion). At workshop, it was found that the First Aid Kit was incomplete as per regulations, Factories And Machinery (Safety, Health And Welfare) Regulations 1970 (Regulation 38 (2) (I))
Corrections:	Warning letter to Emergency Response Team by mill's manager
Root cause analysis:	The Emergency Response Team is not made aware of company's OSH procedures regarding regular inspection of all first aid box.
Corrective Actions:	1. Warning letter to Emergency Response Team by manager 2. Training of Prosedur Pertolongan Cemas by assistant manager 3. Regular monitoring of first aid box contents & expiry date
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit
Verification Statement	As per verification of document review and first aid at site verification. This confirmed that no recurrence of issue. Hence, Minor NC closed on 6/2/2020 because the CU was certified on May 2019.

Minor Nonconformities:	
Ref: 1724754-201812-N2	Area/Process: FGV Besout Mill and Supply Base
	Clause: 4.3.1.4 – Part 3
	Issue Date: 28 Dec 2018
	Due Date: Next surveillance audit
Requirements:	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.
Statement of Nonconformity:	The monitoring of licensed expiry period was not effectively implemented.
Objective Evidence:	Besout 6 Sighted during document review, purchasing of diesel permit has been expired on 15/1/2018. Ref. no. KPDNKK.TPH.107.SK. The estate has been applied for the renewal on 12/1/2018 and recommendation letter from fire department as per letter

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	no JPBM/PK/ZTP/SLr: 700-5/1/20 Jld 4. There is no follow up from the estate to KPDNKK regarding the matters. This evidence shows the monitoring of compliancy is not effectively implemented.
Corrections:	1. Warning letter to person in charge for legal compliance 2. Follow up with KPDNKK on the diesel permit
Root cause analysis:	1. The admin clerk is not engaged actively on the task of monitoring list of licenses and permits 2. There is no communication with regulatory bodies when there is legal noncompliance
Corrective Actions:	1. Follow up letter to KPDNKK 2. Assistant manager to review expiry date of all license
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit
Verification Statement	As per verification of license review and interview. This confirmed that no recurrence of issue. Hence, Minor NC closed on 6/2/2020 because the CU was certified on May 2019.



3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1724754-201812-M1	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M2	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M3	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M4	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M5	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M6	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M7	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M8	Major	28/12/2018	Close on 12/3/2019
1724754-201812-M9	Major	28/12/2018	Close on 12/3/2019
1724754-201812-N1	Minor	28/12/2018	Close on 6/2/2020
1724754-201812-N2	Minor	28/12/2018	Close on 6/2/2020
1881053-202001-M1	Major	6/2/2020	Close on 29/4/2020
1881053-202001-M2	Major	6/2/2020	Close on 29/4/2020
1881053-202001-M3	Major	6/2/2020	Close on 29/4/2020

3.5 Issues Raised by Stakeholders

Stakeholders comment	
1	<p>Feedbacks: <u>Mill and estate vendors (Contractors & Suppliers)</u> The payment received is within the timeline. It was a long term business relationship and no other issue.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>
2	<p>Feedbacks: <u>Felda Besout 3, 4 & 5 Management</u> The boundary from FGV estates are clearly demarcated. No land dispute issue.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>
3	<p>Feedbacks: <u>Ketua Peneroka Felda Besout 5</u> As the FELDA settler who sent FFB to Besout POM, the FFB price was displayed and inform to them.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>
4	<p>Feedbacks: <u>Gender Committee Representatives</u> No sexual harassment cases reported so far. Meeting and activities were conducted actively year round. No domestic violence cases too.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>
5	<p>Feedbacks: <u>Besout POM Canteen operator</u> The canteen operated from morning until evening. The water used for cook and drinks are come from clean water supply from house which they bring themselves.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment <i>FGV Besout and Supply Base</i> Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of <i>FGV Besout and Supply Base</i> Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Ahmad Shahrir Bin Ismail	Name: MUHAMAD NAQUIDDIN MAZELI
Company name: FGV Holdings Berhad	Company name: BSI SERVICES (M) Sdn Bhd
Title: Senior Manager	Title: Client Manager
Signature:  Date: 17/5/2020	Signature:  Date: 11/5/2020

Appendix A: Summary of the findings by Principles and Criteria

Malaysian Sustainable Palm Oil 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 -	Group Sustainability Policy, Policy No: FGV/SED/POL/001 rev 1 dated 24.8.17 has includes the MSPO implementation is established and publicly available.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy explain that FGV is supporting the MSPO and committed to ensure that all FGV operation comply with MSPO. The latest training was done on 10 Oct 2019 as per training record.	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 -	Internal audit was planned and conducted as per the documented Internal audit procedure, Doc No: FGV/ML-1A/L2-Pr11, issue 1, version 0 dated 01.06.2016. Annual audit schedule for 2020 was scheduled December. Internal audit was carried out on 22-23 Jan 2020 in Besout 6 Estate and Jan 2020 in Besout 7 Estate by PSD from Head Office. Total 2 auditors were involved in the audit. Audit covered both documentation and operation for the estate for RSPO and MSPO requirements. The action from the finding raised was established.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	The Internal audit procedure, Doc No: FGV/ML-1A/L2-Pr11, issue 1, version 0 dated 01.06.2016 was used as reference for audit process. Audit results of both audits were documented under internal audit summary. Corrective action plan has been developed.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Sighted the internal audit checklist for Sustainability 2019 dated 9-10 Dec 2019 which comprising RSPO and MSPO audit findings. Report of Internal Audit for Besout POM was available for review as the findings were discussed during the management review meeting in Besout 6 Estate.	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 -	The management review meeting was conducted on 28/1/2020 in Besout 6 Estate. Agenda that discussed during the meeting are such as results of internal audit, customer feedback, environmental, replanting program and social issue. During the meeting, the management has reviewed the implementation of MSPO and any changes or resources needed for the improvement of implementation.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	There was continual improvement plan established in Besout 6 Estate. The plan contains improvement for environmental, IPM, GHG and reduction of waste. The continual improvement plan could be further enhanced to include the social aspects in Besout 6 Estate. Continual	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Improvement Plan was established in Besout 7 Estate which focused on social and environmental impacts. For eg: to construct/ upgrade new house such as Lestari House for workers in year 2019.	
4.1.4.2	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. - Major compliance -	The management has developed continual improvement plan for environment aspects such as increase the EFB applicable to 1506.07 MT in Year 2019 and reduction of FFB rejection from Mill 2% in Year 2019. Monitoring was carried out by verified via the SPK Wilayah Logbook for the EFB application. Besout 6 Estate has implemented new invention for cutter safety called 'Pelajak' to ensure for harvester can use the cutter safely.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Action plan mostly involved training of workers for the implementation of mechanization techniques within estate field operation established for FGVP estates. All the action plan established was briefed to the employees accordingly during morning muster. The training of new invention of 'Pelajak' was done on 16 Jan 2020 for the workers in Besout 6 Estate.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or	Adequate information covering on environmental, social and legal issues which are relevant to stakeholders is shared for effective participation and decision making. Handbook of RSPO Certification for FELDA and FGV were distributed to all the stakeholders. Explanation	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	disclosure that could result in negative environmental or social outcomes. - Major compliance -	of RSPO, MSPO, ISCC and all the policies were clearly stated in the handbook. Besides, process of complaints and grievances were included in the handbook.	
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 -	Besout 6 Estate and Besout 7 Estate holds copies of each of the management documents that are required to be publicly available. Besides, all the information such as annual report, sustainability news and policies were found available in the company's website: www.fgvholdings.com .	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 -	FGV has developed " <i>Komunikasi, Penglibatan dan Rundingan</i> " procedure (Doc. No. ML-1A/L2-PR3(1) dated 22/5/2015) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects. FGV has conducted a combined stakeholder meeting on 10/8/2017 for Trolak Region. During the meeting, the management has explained the requirements of sustainable palm oil certification to all the stakeholders. Besides, briefing of policies and management procedures of sustainability was carried out during the meeting as well.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Assistant Manager of the Besout 6 Estate and Supervisor of Besout 7 Estate have been appointed as management official to communicate any social matters in the mill reported by stakeholders. Appointment letters dated 10/4/2017 and 10/5/2017 respectively were seen.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	Stakeholder lists were last updated on 2/2/2020 for both Besout 6 and Besout 7 estates, where internal and external stakeholders have been included. Stakeholder meeting was last conducted on 10/8/2017 with the participation of internal and external stakeholders such as government authorities, NGOs, contractors and local communities. Requests or enquiries raised during the meeting was responded by the management and recorded in the minutes. E.g. At Besout 7, a request was raised by a settler to rear goats inside the field on 16/4/2019. The request was declined by the estate due to company's policy. This has been communicated to the requestor through a letter dated 18/4/2019 [ref.: (41)620/1-1-20].	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). - Major compliance -	Manual Ladang Sawit Lestari, 8.0 Mengangkut BTS ke Kilang [MLSL (Ed.2) – Sec.4 (8.0), 1/6/2012] has been established to provide guideline on delivery of FFB to the mill. Among the documents & records found to be maintained were: <ul style="list-style-type: none"> • Nota Penghantaran BTS • Slip Akuan Penerimaan (weighbridge ticket) • Slip Grading • Sijil Mutu BTS <p>Apart from that, there is also a Traceability procedure entitled "Traceability" [doc. No.: FGVPM/TRACEABILITY/LDG/01, dated 2/1/2020.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Various means were available on how to monitor the traceability where among others the updating of FFB delivery records, through month end account closing and internal audit. Based on the records of FFB delivery, it was found that the procedure of traceability was well implemented.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The Assistant Managers are assigned to implement and maintain the traceability system, e.g. Mr. Mohd Ridhuan [ref.: appointment letter from Estate Manager dated 2/1/2020 (ref.: (01) 455/E6.2.1] for Besout 6 Estate.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Verification of the records and documents mentioned in 4.2.3.1 showed that the deliveries of FFB were well maintained. Crosschecking between the daily FFB delivery records and the transportation documents showed that the records were accurate and well maintained.	Complied
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 -	FGVPM has established SOP on track changes, monitoring, implementation and compliances of legal and other requirement. Refer doc. no ML-1A/L2-Pr6 (0) dated 1/6/2016. Plantation and Sustainability Department and Manager and Asst. Manager for respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>All legal requirement was documented in Register of Legal and Other Requirements (Ref doc no ML-1A/L5-AP1 pind 0). Compliance to each applicable law and regulation is monitored by the operating units.</p> <p>Sighted the sampled evidence of compliancy to the regulation as follows:</p> <p>Besout 6</p> <ol style="list-style-type: none"> 1. PK PMT 5471 license (PMT-PK/19 33849) valid until 25 July 2020 2. MPOB license 574649002000 valid until 30 June 2020 3. License KPDNHEP/P/TPH/600-2/1/6/1/1/137 for Petrol valid until 29 March 2020 and For Diesel KPDNHEP/P/TPH/600-2/1/6/2/107 valid until 9 May 2020. 4. Weighbridge license by Metrology Corporation Malaysia Sdn Bhd (License no.: 5291016) 5. JTK license (22)dIm BHG. PU/9/129 Jld 23 dated 26 April 2016 for salary deduction (electricity, water and medical) <p>Besout 7</p> <ol style="list-style-type: none"> 1. MPOB license 559124002000 valid until 31 March 2021. 2. License KPDNHEP/P/TPH/600-2/1/6/1/187 for petrol already in progress for renew as per letter dated 30 Jan 2020 already been approve by authority. 3. PK PMT 5472 license (PMT-PK/19 33850) valid until 25 July 2020 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>4. License KPDNHEP/P/TPH/600-2/1/6/2/122 for Diesel valid until 26 March 2020</p> <p>5. Weighbridge calibration by Metrology Corporation Malaysia Sdn Bhd dated 14 May 2019 (License no: 5291711)</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Plantation and Sustainability Department and Manager and Asst. Manager for respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. All legal requirement was documented in Register of Legal and Other Requirements (Ref doc no ML-1A/L5-AP1 pind 0) and List of Machineries Certificate of Fitness. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Estate established and implemented the procedure of <i>Sistem Semakan Perubahan Undang-undang</i>; Doc. Type: Guideline; Date: 23/6/2016; Rev. 4 for updating of any new amendments or new regulations coming into force.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Manager for respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Referred letter (1)455/E6.2.1 dated 2 Jan 2020 in Besout 6.</p>	Complied
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>There is no land dispute in the Besout Certification Unit at the time of audit. The lands are belonged to Lembaga Kemajuan Tanah Persekutuan via verified with the land titles. There was an agreement between state government and Lembaga Kemajuan Tanah Persekutuan to develop the land and FGV Holding Berhad has leased from LKTP for the land. The surrounding is owned by FELDA and the settlers. Interviewed with the stakeholders confirmed that no encroachment of land by the FGVMSB.</p> <p>In the previous assessment, it was reported that there was a land dispute issue raised during stakeholder meeting on 11/4/2017 in Besout 7 Estate by Kg. Orang Asli Sg. Teras. They claimed that there was an agreement made in Y1985 regarding portion of the developed land will be hand over to them by the estate. In this assessment, based on interview with the Management of Besout 7 Estate and the claimant representative, this issue has been forwarded to JAKOA and now pending for response. This issue shall be verified again during next assessment.</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>FGVPM has the approval to develop the land for Besout 6 and 7 Estate from the State of Perak as per letter dated 18/4/2018 at total of 31,800 acres.</p> <p>Besout 6 has 34 land titles with a total area of 2,371.01 Ha. However, the company is using the data based on their FGV's Land Management Unit survey i.e. 2,384.90 Ha (13.89 Ha variance).</p> <p>Besout 7 has 42 land titles with a total area of 2,945.55 Ha. 37.51 was acquired by the government for public road. Thus, the total area for cultivation is 2,908.04 Ha.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal perimeter boundary at both were marked concrete pole painted with red and white color. Sighted the boundary marking at PM 13 in Besout 6 and PR 17 in Besout 7.	Complied
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 -	There is no land dispute in the Besout Certification Unit at the time of audit. The lands are belonged to Lembaga Kemajuan Tanah Persekutuan via verified with the land titles. Interview with the stakeholders confirmed that no encroachment of land by certification unit.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion / Indicator		Assessment Findings	Compliance
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>SIA was conducted on 13/9/2017 by Certification & Due Diligence Department for Besout 6 Estate and 14/9/2017 in Besout 7 Estate. Stakeholders such as workers, contractor, and external stakeholders were participated in the assessment. Positive and negative impacts have been recorded in the SIA Management Plan. The Social Impact Assessment was conducted on 20/2/2018 (Laporan Penilaian Impak Sosial KS Besout) and on 22/2/2018 for Estate by Sustainability Team. SOP for SIA (Doc # FGV/ML-1A/L2-Pr21; Issue # 1; Rev. # date: 2/3/2019 established on SIA review to be conducted at least once in every 2 years. The social management plan was updated according on both positive and negative impact from the stakeholders' consultation conducted from 20-22/2/2018.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>FGV has developed procedure of "<i>Menangani Aduan dan Rungutan</i>" (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p>	<p>The estates are using Complaint Form for external stakeholder and Complaint Book to record complaints and requests reported by the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	internal workers. There was no complaint received from external stakeholders for both estates.	
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 -	The estates are using Complaint Form for external stakeholder and Complaint Book to record complaints and requests reported by the internal workers. There was no complaint received from external stakeholders.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interview with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.	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 -	The estates are using a form i.e. <i>Borang Permohonan Pembaikan Asrama</i> and <i>Borang Kerosakan & Pembaikan Rumah Kakitangan/Pejabat/ Asrama/ Stor</i> at Besout 6 and Besout 7 respectively. The past 24 months records of complaint were still available for verification.	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. - Minor compliance -	Among the contribution to local development made by the estates were: <ul style="list-style-type: none"> • Job opportunity for surrounding communities • Monetary donation for nearby schools upon request As a group level, FGV Holdings has the Funding Social Development in website: 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		http://www.fgvholdings.com/sustainability/people-development/community-development/ and as below:	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Occupational safety and health (OSH) policy established as Group Sustainability Policy; Policy# FGV/SED/POL/001; Rev. 0.0; Effective date:1/9/2016. Policy briefing June 2019 by the estate management to all workers. OSH plan was established based on the work stations within estate. Sighted the Risk Hazard Identification Form Borang HIRADC (Pengenalpastian Hazad, Penilaian Risiko dan Penentuan Kawalan); Form # FGVPM/L4/PP-1.2; Rev. 0. Besout 6 The estate has established Safety and Health Plan and reviewed on annually basis. The plan covers trainings, meetings, medical surveillance, CEM, CHRA and ERP training. Ref doc no. FGVPM/L4/PP-5.1 Pind 0. Latest review was conducted on 1/1/2020. Besout 7 The estate has established Safety and Health Plan and reviewed on annually basis. The plan covers training, safety, safety programmed, meeting and others. The plan updated Jan 2020 by management.	Complied
4.4.4.2	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented.	a) Policy established as Dasar Kualiti, Keselamatan, Kesihatan Pekerjaan dan Alam Sekitar (Quality, Occupational Safety and Health and Environment Policy); Signed by: CEO FPISB; Rev. 10; Date:	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied 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). 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. 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. 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 	<p>20/11/2017; First issue: 10/8/1999. Sighted sample records of policy communication conducted on 1/1/2020.</p> <ul style="list-style-type: none"> b) The risk already been identified as per HIRARC and chemical Hazard Risk Assessment. HIRARC was available referred document FGV/FGVPM/F(IMS)/1.3 Pind 1 dated review on 13 Jan 2020. CHRA was done on 23 Sept 2016 by Global Advance Training and Consultancy (JKKP HIE 127/171-2(124). c) OSH Programmed is available dated 15 Jan 2020 in Besout Oil Mill, this programme including OSH meeting, workplace inspection, training and others that involve with safety. d) During the audit it was noted that all employees were provided with and were wearing appropriate personal protective equipment (PPE). Records were available of PPE issued to individual workers, including signatures to confirm receipt. PPE issued was based on CHRA assessor's recommendation, HIRARC and SOPs. e) The management had established Standard Operating Procedure for handling of chemicals, FGVPM/L3/PK-16 to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997. Medical surveillance dated 9 Aug 2019 at Poliklinik Sumi (HQ/08/DOC/00/311) f) The responsible for workers safety and health have been appoint to ensure the worker was work in safety condition refer letter (01) WT/HSE/KKP/2019 dated 15 Oct 2019. g) OSH meeting last done on 29 Nov 2019 attend by 12 person, found 1 accident been reported for 2019. The OSH meeting was done 	

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>	<p>periodically and previously record was on 29 August 2019 and 15/5/2019.</p> <p>h) Accident and emergency procedure was available referred document FPI/L@/QOHSE-22.0. One accident happen on 12 Jan 2020 in harvesting area, the JKPP 6 record was available dated 14 Jan 2020. For action to be taken management already install nosing tread as engineer control.</p> <p>i) First aid training was done on 14 Oct 2019 and attended by 8 person. The equipment of first aid was complete verified during site visit inspection.</p> <p>j) One accident happen on 12 Jan 2020 in Harvesting area, the JKPP 6 record was available dated 14 Jan 2020. JKPP 8 (JKPP 8/48109/2019) already submit to DOSH on 13 Jan 2020. LTA was 5.56.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>FGV has developed Human Rights Policy dated 1/6/2014 and signed by President & CEO of FGV. FGV is committed and support human rights. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards at workers' hostel and training. Interview with workers showed that they have a good understanding on human rights.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion,</p>	<p>FGV has established Equal Opportunity Policy dated 1/6/2014. The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	nationality, social origin or any other distinguishing characteristics. - Major compliance -	opinions. Interview with the workers showed that no discrimination is being practiced.	
4.4.5.3	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. - Major compliance -	<p>FGV Plantations (M) Sdn Bhd has established an employment contract for its foreign workers. Pay and conditions are documented and are above the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled of the pay slips for the months of Sep, Oct and Nov 2019 (Besout 6) and Nov 2019, Dec 2019 and Jan 2020 (Besout 7) confirmed that the workers were paid in accordance with Minimum Wage Order 2018. The sampled employees were:</p> <p><u>Besout 6:</u> Emp. No.: FW04550920, FW04550139, FW04551057, FW04550925, FW04550989, FW04551046, FW04550868, FW04551157 and FW04551146</p> <p><u>Besout 7:</u> Emp. No.: FW06200969, FW06201055, FW04501659, FW06201038, FW06200991 and LW06200239.</p>	Complied
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. - Minor compliance -	At Besout 6 and Besout 7, contractors to transport FFB to mill were engaged. The pay slips were obtained by the estate from the contractor. Nonetheless, the method to ensure whether or not employees of contractors are paid based on legal or industry minimum standards can be further improved by verification of the amount stated in their pay slips (OFI).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers will be registered in the e-Rangkaian Maklumat Ladang (e-RML) where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and years of service was stated in the system.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment Contracts were issued and acceptance of copied of employment contract were acknowledged by the workers. The terms and conditions were clearly stated in the employment contract such as annual leave entitlement, benefits and medical leave. The sampled employment contracts are as follows:</p> <p><u>Besout 6:</u> Emp. No.: FW04550920, FW04550139, FW04551057, FW04550925, FW04550989, FW04551046, FW04550868, FW04551157 and FW04551146</p> <p><u>Besout 7:</u> Emp. No.: FW06200969, FW06201055, FW04501659, FW06201038, FW06200991 and LW06200239.</p>	Complied
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>Besout 6 Estate is using "<i>Rekod Kedatangan Roll Call</i>" where the attendance of workers is recorded on daily basis. Overtime is recorded in "<i>Kad Kerja</i>" which is acknowledged by the workers and staff. Samples of employees' "<i>Kad Kerja</i>" are as follows:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p><u>Besout 6:</u> Emp. No.: FW04550920, FW04550139, FW04551057, FW04550925, FW04550989, FW04551046, FW04550868, FW04551157 and FW04551146</p> <p><u>Besout 7:</u> Emp. No.: FW06200969, FW06201055, FW04501659, FW06201038, FW06200991 and LW06200239.</p>	
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>Records reviewed on the "Kad Kerja" of sampled workers found that the enter time and exit time was clearly stated in the time card. The sampled workers above have recorded overtime not exceeding 104 hours per month.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Documented pay slip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Kad Kerja". Total hours of overtime and daily attendance has recorded in the time card. The sampled workers' pay slips for Sep-Nov 2019 are as follows:</p> <p><u>Besout 6:</u> Emp. No.: FW04550920, FW04550139, FW04551057, FW04550925, FW04550989, FW04551046, FW04550868, FW04551157 and FW04551146</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Besout 7:</u></p> <p>Emp. No.: FW06200969, FW06201055, FW04501659, FW06201038, FW06200991 and LW06200239.</p> <p>All of them above have achieved the Minimum Wage Order 2016. Hours of overtime has recorded in the pay slip as well.</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The management has provided facilities such as mosque, recreational facilities such as futsal field, badminton court and volleyball court to the workers and dependents. Government clinic was available in the complex. The workers will be awarded with bonus once a year based on performance. Various incentive and allowance were also given to the workers.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>The workers in the estates have been provided with basic facilities such as government clinic, football field, mosque, sundry shops and other amenities such as electricity and water supply from government with subsidize. Site visit to the housing in Besout 6 Estate found that the hostels were newly painted. Kitchen and toilets were provided. Weekly inspection was recorded in "<i>Senarai Pemeriksaan Harian Kebersihan Asrama</i>" – last visit 31/1/2020.</p>	Complied
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>FGVFGV has developed Sexual Harassment, Violence and Reproductive Rights Policy dated 1/6/2014. The company is committed to protect the rights of women on the reproductive and family planning. Discrimination is not allowed in the company. Apart from that, procedure "<i>Menangani Aduan Melalui Jawatankuasa Wanita</i>" (Doc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		No.: FGV/ML-1A/L2-Pr14, Version 0 dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. Gender committee and KKD committee was established in the estates to monitor and handle sexual harassment and violence case in the estate. There has been no case with regards to sexual harassment or violence reported.	
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>	FGV has developed Freedom to Voice and Freedom of Association Policy dated 1/6/2014. The company allows the employees to join any legal association and get approval from the management. Workers' Committee at Besout 6 is maintained to discuss issues related to workers welfare through regular meetings.	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 is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	FGV has developed Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old.	Complied
Criterion 4.4.6: Training and competency			

Criterion / Indicator		Assessment Findings	Compliance
<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>The estate visited has established the training program for the estate executive, workers and contractors base on training need analysis conducted and documented in Training Schedule for Employee/Contractors.</p> <p>Besout 6</p> <p>Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. HCV and RTE briefing dated 2/2/2020 ii. Sustainability policy training 2/2/2020 iii. Personal Protective Equipment wearing training 31/1/2020 iv. Salary and deduction briefing 31/1/2020 v. Spraying and harvesting with stakeholder training 30/1/2020 vi. Fire Fighting training conducted on 30/1/2020 vii. PERKESO briefing dated 29/1/2020 viii. Complaint and grievances process training dated 29/1/2020 ix. First Aid training done on 10 August 2018 and valid until 18 July 2021 x. Triple rinsing training dated 18 Jan 2020 <p>Besout 7</p> <p>Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. MSPO and RSPO training for contractor dated 4 Feb 2020 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> ii. Triple rinsing training dated 30 Jan 2020 iii. Campaign of COBCE and policy of sustainability dated 29 Jan 2020 iv. Fertiliser application training dated 25 Jan 2020 v. Whistleblowing policy training dated 20 Jan 2020 vi. Recycle Training dated 18 Jan 2020 vii. Campaign on Bufferzone, HCV and RTE dated 15 Jan 2020 viii. Chemical handling Training dated 26 Dec 2019 ix. Scheduled Waste training dated 13 Nov 2019 x. First Aid Training and CPR dated 17 Oct 2019 xi. Briefing on worker contract for Foreigner and local dated 6 Sept 2019 	
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>Training needs of individual employees had been identified prior to the planning and implementation of the training programmes. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix for 2020 "Training Needs Analysis (TNA) 2019/2020" dated 4 Jan 2020.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p>	<p>The estates visited has training program which updated annually based on training need analysis including continuous improvement programme. The training identified were programmed throughout the year. Document was available for review.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>FGVPM has established Environmental and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the CEO on 20/11/2017. The policy was communicated through training, briefing and displayed on notice board at several placed in the estate.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>Estates visited has established environmental management plan base on the environmental aspect and impact analysis conducted. The management plan was reviewed at minimum of once per year.</p> <p>Besout 6</p> <p>The estate has conducted the environmental aspect and impact analysis. The analysis was reviewed annually basis during management review meeting. Latest review was conducted 15/12/2019. The estate has established the environmental management plan base on outcome of the analysis.</p> <p>Besout 7</p> <p>The estate has conducted the environmental aspect and impact analysis. The analysis was reviewed annually basis during management review meeting. Latest review was conducted on 2/5/2018. The estate has established the environmental management plan base on outcome of the analysis.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Sighted during site visit at the empty pesticides containers stores, the store was mix with used spray equipment. Sighted during document review, the inventory form for triple rinsed pesticides containers was not effectively filled.	
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 -	Environmental management plan for 2020 (Pollution & Emission) available. Significant environmental issues identified: 1. Buffer zone 2. Chemical handling 3. Domestic waste 4. Scheduled waste 5. Zero burning Assistant manager has been appointed to monitor the overall implementation of the management plan.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Programmed to promote positive impacts on environment was verified example such as Programme of No Open Burning have been done and recorded dated 24 Dec 2019	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	A training program is available in Training Plan updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Latest environmental meeting was done on 5 Dec 2019 at Estate Office. This meeting discuss regarding to their concerns about	Complied

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Criterion / Indicator		Assessment Findings	Compliance																					
	- Major compliance -	environmental quality. Including Scheduled waste, Solid waste, Buffer Zone and others.																						
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>	<p>The record of Diesel usage was available for Besout 6 & 7 estate. All electrical power at the visited estates are supplied through national electricity grid. Diesel at estates are consumed by farm tractors. The tractor servicing period is monitored to ensure its operating efficiency, thus less consumption of diesel fuel. Similarly, planting of beneficial plants reduce the usage of fuel (and chemical) by motorize spray. The record as per below:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Month</th> <th style="width: 25%;">Besout 6 (Litre)</th> <th style="width: 25%;">Besout 7 (Litre)</th> </tr> </thead> <tbody> <tr> <td>Jan 2019</td> <td>5672</td> <td>7513</td> </tr> <tr> <td>Feb 2019</td> <td>4465</td> <td>6480</td> </tr> <tr> <td>March 2019</td> <td>5346</td> <td>7675</td> </tr> <tr> <td>April 2019</td> <td>6025</td> <td>7454</td> </tr> <tr> <td>May 2019</td> <td>4795</td> <td>6724</td> </tr> <tr> <td>June 2019</td> <td>6025</td> <td>5401</td> </tr> </tbody> </table>	Month	Besout 6 (Litre)	Besout 7 (Litre)	Jan 2019	5672	7513	Feb 2019	4465	6480	March 2019	5346	7675	April 2019	6025	7454	May 2019	4795	6724	June 2019	6025	5401	Complied
Month	Besout 6 (Litre)	Besout 7 (Litre)																						
Jan 2019	5672	7513																						
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Criterion / Indicator		Assessment Findings			Compliance								
		July 2019	5204	7585									
		August 2019	4371	6504									
		September 2019	4105	6488									
		October 2019	5883	7760									
		November 2019	4876	6823									
		December 2019	5160	6651									
		Total	61927	83058									
4.5.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>The management already determine the estimation of direct usage of Diesel (non renewable energy) for their operation in their budget 2020. This usage was including transport and machinery in operation.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Besout 6</td> <td>2018</td> <td>2.7 litre/mt</td> </tr> <tr> <td>2019</td> <td>2.41 litre/mt</td> </tr> </tbody> </table>			Estate	Year	Diesel/ mt FFB	Besout 6	2018	2.7 litre/mt	2019	2.41 litre/mt	Complied
Estate	Year	Diesel/ mt FFB											
Besout 6	2018	2.7 litre/mt											
	2019	2.41 litre/mt											
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	No renewable energy been using in estate. Not applicable for estate			Complied								
Criterion 4.5.3: Waste management and disposal													

Criterion / Indicator		Assessment Findings	Compliance												
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste & Pollution Management Plan 2019/20 made on the Regional level.</p> <p>a) Details of waste generated from the estates/mill activities among others as shown below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Line sites, office complex</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>3</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> </tbody> </table>	No	Type of waste	Location	1	Domestic waste rubbish	Line sites, office complex	2	Industrial waste-fertilizer bags	Empty bags store	3	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	Complied
No	Type of waste	Location													
1	Domestic waste rubbish	Line sites, office complex													
2	Industrial waste-fertilizer bags	Empty bags store													
3	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store													
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>The estate has established waste management plan base on the identification and source of pollutions and documented in in Identification of Source and Type of Waste. Sighted the implementation of the waste management plan:</p> <p>Besout 6 identified some Scheduled waste been generate in estate such as SW 305, 410, 102 recycle waste (empty container) and Domestic waste.</p> <p>For empty container already been triple rinse on 29 Jan 2020 as per Inventory and disposal of empty container. Latest disposal of empty container was on 31 December 2019 at G-Planter with total 114 for 20liter empty container and 1716 pieces of Plastic pesticide 500g.</p>	Complied												

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.3 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>The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQD and implemented in all estates and mills for all the applicable practices. The operational control procedures provide guidelines as follows ;</p> <p>a) Management of class 2 (and higher) chemical containers</p> <p>b) Management of fertilizer bags</p> <p>Latest disposal referred consignment note 0133168 dated 10 May 2019 at Kualiti Alam Sdn Bhd for SW 305 and 306.</p>	<p>Complied</p>
<p>4.5.3.4 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>For empty container already been triple rinse on 29 Jan 2020 as per Inventory and disposal of empty container. Latest disposal of empty container was on 31 December 2019 at G-Planter with total 114 for 20 liter empty container and 1716 pieces of Plastic pesticide 500g.</p>	<p>Complied</p>
<p>4.5.3.5 Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Estates visited dispose all domestic waste generated in designated landfill. The landfill located far from the housing area and watercourses. Landfill at Field 01K. Domestic waste will be collected 2 days once</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance																											
Criterion 4.5.4: Reduction of pollution and emission																													
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of GHG, scheduled waste and solid waste was available under aspect and impact assessment dated December 2019.</p> <p>The assessment of all polluting activities is defined in the Estate – Pollution & Emission Plan endorsed on Jan 2020. Details as provided therein among others as given below:</p> <p>a) Besout 7 Estates</p> <table border="1" data-bbox="1048 802 1662 1225"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Air pollution</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Operational hours</td> </tr> <tr> <td rowspan="2">4</td> <td rowspan="2">Waste water</td> <td>Oil trap/sump</td> <td>Scheduled inspection</td> </tr> <tr> <td>Septic tank spillage</td> <td>Weekly inspection</td> </tr> </tbody> </table>	No	Emission	Source	Frequency	1	Dark smoke	Running vehicles	Daily	2	Noise	Diesel engine	Operational hours	Running vehicles	Daily	3	Air pollution	Diesel engine	Operational hours	Running vehicles	Operational hours	4	Waste water	Oil trap/sump	Scheduled inspection	Septic tank spillage	Weekly inspection	<p>Complied</p>
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		Septic tank spillage	Weekly inspection																										
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>The management action plan is documented under Environmental Management Plan (Emission and Pollution) for 2019/20. Implementation of management plan will be reviewed every quarter</p>	<p>Complied</p>																										

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Criterion / Indicator		Assessment Findings	Compliance																											
		<p>environmental meeting. Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Action Plan</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Inspection of vehicle condition (Tractor)</td> <td>Asst/staff</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Scheduled maintenance (Tractor)</td> <td>Asst/staff</td> </tr> <tr> <td>Inspection of vehicle inspection</td> <td>Asst/staff</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Air pollution</td> <td>Routine maintenance as schedule</td> <td>Asst/staff</td> </tr> <tr> <td>Inspection of vehicle condition</td> <td>Asst/staff</td> </tr> <tr> <td rowspan="4">4</td> <td rowspan="4">Waste water</td> <td>Inspection of oiltrap/siltrap for functional</td> <td rowspan="4">Exec/staff/foreman</td> </tr> <tr> <td>Adherence to SW guidelines</td> </tr> <tr> <td>Weekly line site inspection</td> </tr> <tr> <td>Appropriate action on spillage</td> </tr> </tbody> </table>	No	Emission	Action Plan	PIC	1	Dark smoke	Inspection of vehicle condition (Tractor)	Asst/staff	2	Noise	Scheduled maintenance (Tractor)	Asst/staff	Inspection of vehicle inspection	Asst/staff	3	Air pollution	Routine maintenance as schedule	Asst/staff	Inspection of vehicle condition	Asst/staff	4	Waste water	Inspection of oiltrap/siltrap for functional	Exec/staff/foreman	Adherence to SW guidelines	Weekly line site inspection	Appropriate action on spillage	
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Criterion 4.5.5: Natural water resources																														
4.5.5.1	<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. 	<p>The estates visited has established water management plan. The management plan focusing on activity with impact to natural water sources such as water contamination and action plan during water shortage. In the plan stated the root cause, mitigation plan and Person in Charge for each plan programmed.</p> <ul style="list-style-type: none"> a. Water usage for domestic use was supply by Government (Lembaga Air Perak) b. To monitoring the Sg Erong, latest water monitoring of Sg Erong was done on 18 December 2019 by FGV Agri Services Sdn Bhd and will be done annually and followed as per procedure ML-1A/L2- 	Complied																											

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Criterion / Indicator	Assessment Findings	Compliance
<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>PR6(0) dated March 2012. For Sungai Chawang the water sampling done on 6 Sept 2019 refer certificate on 488/2019W.</p> <p>c. To optimize water, management already plan to use water harvesting to reduce water usage in estate for washing tractor and cleaning purpose.</p> <p>d. The buffer zone of Sg Erong in PR14U was show the good Protection of water courses and wetlands, Including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. In Besout 7, Sg Chawang in Field PR18N also have good maintenance of buffer zone.</p> <p>e. Not applicable because the riparian was in good condition.</p> <p>f. Not applicable because no sighted of bore well in Besout 6</p>	
<p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>At time of visit no bunds, weirs and dams were observed across waterways passing through both estates.</p>	<p>Complied</p>
<p>4.5.5.3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>During the site visit it was observed that water harvesting was practised. Surface run of waters were directed into field drains, conservation terraces and moisture pits.</p> <p>Besout 6</p> <p>The estate has established the management plan to maintain the water level in the peat area. Sighted the implementation as follows:</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> The estate has constructed 4x3x2 size drain at every 4 palms row to maintain the water table. The estate conducted monitoring of water table using piezometer. 	
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) 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>	<p>Biodiversity/HCV report was done by CDD Department FGVH dated 25 May 2017. There 3 of river in Besout certification unit, Sungai Rasau Sungai Daroi and Sungai Chawang. There are 2 of forest reserve neighboring the certification unit that was Hutan Simpan Gunung Besout and Hutan Simpan Rasau. No HCV area and rare, threaten and endangered species in Besout certification unit as per report.</p>	Complied
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</p>	<p>There is not RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented.</p> <p>a) Signage as well as routine patrolling activities were utilized as part of creating awareness among employees and maintain HCVs.</p> <p>b) The estates established a Biodiversity Improvement Plan 2020 such as briefing/training to workers on protection of river</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	resolve human-wildlife conflicts. - Major compliance -	buffers for all existing and designated natural watercourses to all employees, contractors and suppliers that encroachment and hunting are not allowed.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The Biodiversity Improvement Plan dated 15 Dec 2019 had identified the plan. Among others; a) to continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate. b) Regular educating the employees via morning muster briefing about the need to protect the RTE species. c) Appropriate disciplinary measures will be taken if found violated. d) Information pertaining RTE and relevant CU policies were displayed at the display boards. e) Training in relation to the RTE/Biodiversity has been organized in the following sessions.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	There is no land preparation by burning at Besout 6 & 7 Estate. As Per Group Sustainability Policy (FGV/SED/POL/001) described on Zero open burning policy dated 29 May 2019. Management complied with the Malaysian environmental law –EQA and Regulations 1974. On the 2010 replants visited on Besout Estate it was observed that palms had been mechanically felled, chipped and windrowed; no burning was observed	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Besout 6 and 7 Estate.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	Furthermore, previous crop were not highly diseased and there was no significant risk of disease spread or continuation into the next crop.	
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 -	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Besout 6 and 7 Estates. It was observed that palms had been mechanically felled, chipped and windrowed; no burning was observed.	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 -	As observed in the 2010 replants in estate, the previous crop were felled or mowed down, chipped and shredded and windrowed as per 'Manual Ladang Sawit Lestari'. Ref doc. No MLSL (Ed.2) – Sec.2 (6.0) dated 1/6/2012.	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 -	No Changes from previous report. 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. - Manual Ladang Sawit Lestari	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Manual Keselamatan - Manual Sustainability - Manual Greeding BTB – MPOB - Buku KUK 4 (Kadar Upah Kerja) Pekerja - Manual Perolehan (Procurement) - Pictorial Safety Standards - Security Guidelines. 	
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>FGV has established policy regarding oil palm grown within permitted levels on sloping land and documented Conservation of Sloping Land and river reserve Policy Signed by the CEO on 20/11/2017</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>All fields were marked and identified. Information like field no, year planting and total hectare is shown in all markers. Stone boundary markers were placed at field boundaries were observed.</p>	Complied
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>Besout 6 Estate and Besout 7 Estate has monitored the performance against production targets for achieving long-term economic and financial viability on daily basis during roll call meeting. Daily</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	comparison of actual tonnage per hectare versus targeted was carried out and updated in "Pencapaian Hasil Harian" record.	
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 -	There was no replanting from Y2018 to Y2022. The next replanting will be carried out on Y2023 for total 78.15 hectare at field PM98H in Besout 6 Estate.	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance -	Besout 6 Estate has an annual operating budget for the calendar year 2018 and 3 years' projections (2019 - 2022) for production and budget from year 2018 to year 2021 for Besout 7 Estate. The plan includes crop production and yield per ha. CAPEX for year 2020 was also sighted for construction of 1 new store and Mosque in Besout 6 Estate implemented Air blast-Mist Sprayer 400L in Besout 7 Estate.	Complied
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estate monitors the estate performance against the targets. It also recommends changes to the plans if necessary. The estates performance is recorded in the e-RML system on daily basis. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Sampled of the Surat Perintah Kerja of contractors as below: - SPK# 5300004955 which valid from 1/1/2019-31/12/2019 for transporting FFB from Besout 6 estate to mill. Payments are processed and paid by the estates. Seen the payment vouchers (e.g. voucher #CLR045520010001) that have been made promptly.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Clauses for the contractor to adhere the MSPO and legal requirements are spelled out in " <i>Akuan Integriti Vendor & Pematuhan Pensijilan Kelestarian</i> ". E.g. seen contract #C13204217 dated 28/8/2019.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors have signed on the <i>Surat Perintah Kerja</i> prior to provide services. At Besout 6, seen the SPK# 5300004955 which valid from 1/1/2019 to 31/12/2019 for transporting FFB from estate to mill.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	FGV has agreed for BSI auditors to verify the assessment through a physical inspection if required. CAP continuously implemented.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	The estates will key in the Progress of Work done by the contractors into the system and Progress of Work Records will be generated. Work Completion certificate will be acknowledged by the Manager to accept the works done by contractor and payment will be made according to the certificate. Verified the contract payment slip for the payment of works done by contractor for November 2018.	Complied
4.7 Principle 7: Development of new planting (Not applicable)			
Criterion 4.7.1: High biodiversity value			

Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mills.

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	FGV established the Group Sustainability Policy; Policy # FGV/SED/POL/001; Rev. 1.0; Effective date: 24/8/2017 for the implementation of MSPO.	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 -	The policy has emphasize on the continual improvement of economic, environment and social and improve estate yield.	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 -	Internal audit was planned as per Internal Audit Procedure; Doc. # ML-1A/L2-Pr11(0); Rev. 0; Effective date: 1/6/2016 and conducted on 10-11/12/2019 by a team of internal auditors personnel from FGV HQ. Internal audit was carried out on 20-21 Jan 2020 by PSD from Head Office. Total 3 auditors were involved in the audit. Audit covered both documentation and operation for the mill for RSPO and MSPO requirements. The action from the finding raised was established.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	Established as FGV Internal Audit Procedure; Doc. # ML-1A/L2-Pr11(0); Rev. 0; Effective date: 1/6/2016. Sighted the Corrective	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Action Report on Non-compliance Findings on the analysis of nonconformity raised has been submitted to and accepted by the internal auditor.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Report made available for review in the management review meeting and recorded in the minutes under agenda titled result of audits – internal & external.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Latest management review conducted on 26/1/2020 as per records of minutes of meeting Besout POM MSPO Management Review Meeting # 01/2020.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Besout Palm Oil Mill has developed continual improvement plan based on following environmental, social and productivity objectives: a. To control the BOD of final discharge under 100ppm monthly for Year 2019. b. To ensure zero occupational health disease on Year 2019.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>c. To ensure zero accident on road and operation throughout Year 2019.</p> <p>d. To install ESP to reduce black smoke density under 150 mg/m3 in 2020</p> <p>The continual improvement plan could be further enhanced to include the social aspects.</p>	
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>Mill has the initiative to build 1 unit of ESP in Besout POM to reduce black smoke density under 150 mg/m3 in 2020. The info was available for review.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to stakeholders is shared for effective participation and decision making. Handbook of RSPO Certification for FELDA and FGV were distributed to all the stakeholders. Explanation of RSPO, MSPO, ISCC and all the policies were clearly stated in the handbook. Besides, process of complaints and grievances were included in the handbook.</p>	Complied
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or</p>	<p>Besout POM holds copies of each of the management documents that are required to be publicly available. Besides, all the information such as annual report, sustainability news and policies</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	social outcomes. - Major compliance -	were found available in the company's website: www.fgvholdings.com Records of inspections and visits by the authorities were maintained such as inspection of electricity by competent engineer, DOE visits and DOSH visits.	
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 -	FGV has developed " <i>Komunikasi, Penglibatan dan Rundingan</i> " procedure (Doc. No. ML-1A/L2-PR3(1) dated 22/5/2015) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects. FGV has conducted a combined stakeholder meeting on 10/8/2017 for Trolak Region. During the meeting, the management has explained the requirements of sustainable palm oil certification to all the stakeholders. Besides, briefing of policies and management procedures of sustainability was carried out during the meeting as well.	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 -	A supervisor in the mill has been appointed as management official to communicate any social matters in the mill reported by stakeholders. Appointment letter dated 1/1/2020 [ref.: (01) RSPO/P1, BST] was sighted.	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.	The stakeholder list was last updated on 30/1/2019 where internal and external stakeholders have been included in the list. Stakeholder meeting was last conducted on 10/8/2017 with the participation of internal and external stakeholders such as government authorities, NGOs, contractors and local communities.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Requests or enquiries raised during the meeting was responded by the management and recorded in the minutes. Apart from that, Housing Defect Report was also implemented to record any complaints reported by the workers.	
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 -	Addressed in FGVPIB’s SOP Perkilangan untuk pematuhan Sistem Pensijilan MSPO SCCS [Doc. No.: MSPO SCCS, Issue 1, rev. 3, dated 1/9/2019]. The procedure has clearly explained to ensure the handling of incoming FFB and outgoing CPO/PK are carried out in proper manner.	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, MPR system to ensure the traceability by monitoring on daily basis by Assistant Manager.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	Manager of the Mill was the responsible person to implement MSPO SCCS in the mill. The management functions and job descriptions of the Manager have been clearly outlined in the SOP above. Assistant Manager of the Mill will assist the Manager to ensure the implementation of MSPO SCCS effectively.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of CPO & PK sales & delivery including Weighbridge Tickets together with sales Delivery Order Chit and Daily Despatch (CPO/PK) Record were maintained based on the established SOP. As at to-date, there has been no CPO or PK sold as MSPO certified.	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>Felda Palm Industries Sdn Bhd has obtained several permits from Authorities and others. Sampled of the permits as below:</p> <ul style="list-style-type: none"> • Weighbridge calibration by metrology Corporation Malaysia Sdn Bhd dated 24 July 2019 (B1515007) • PK PMT 4687 (PMT-PK/19 34234) valid until 30 June 2020 • PMD 3255 (PMD-PK/19 37873) valid until 15 Oct 2020 • Diesel storage license from KPDNHEP was available dated valid until 20 November 2020 referred KPDNHEP/P/TPH/600-2/1/6/2/101 • AESP (NW-ECRO-AE-R-2652-R) valid until 23 Oct 2021 • AGT (HQ/19/AGTES/01/03280) valid until 6 Feb 2022 • JTK Permit PP3/34/1013 for Yuran Bulanan Badan Kebajikan Petugas Felda Palm Industries dated 5 Feb 2005. • MPOB license 500155504000 valid until 31 March 2020. • Salary deduction Ref. No.: (13)010/HQ/840A/61 valid from 15/10/1996 for Skim Pinjaman Perumahan FPISB, Tabung Kebajikan Felda, Yuran Kelab Sukan Rekreasi Felda and Bayaran Bil Elektrik dan air. 	<p>Major NC</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • LEV monitoring was done by monthly latest dated was on 4/2/2020 and for Hygein Tech report was done by Yellow Tulips Resources (YTR) HQ/13/JHII/00/187 dated 18 December 2019. • CePSWaM/02864 dated 28 August 2019. • Noise Risk Assessment been done by management dated 12 December 2019 (HQ/08/PEB/00/87) by Yellow Tulips Resources (YTR) • Permit Potongan Daripada Gaji Pekerja, #PP3/34/0351, effective from 15/9/2000 <p>There was no evidence that the weekly inspection of Besout POM workers housing has been conducted. This is not in line with the Workers' Minimum Standards of Housing and Amenities Act 1990, Section 23. Thus a non-conformity report was assigned due to this lapse.</p>	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	The legal registered is available for all legal and other compliance and already update on 15 Nov 2019.	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	As per established procedure of Legal and Other Requirements; Doc. # FPI/L2/QOHSE-2.0; Issue # 2; Dated: 15/9/2014. Relevant personnel from both mill and HQ (Sustainability Department) to alert on any updates in applicable requirements. Legal register to be updated upon review by relevant personnel at mill.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		New legal have been registered in Legal register such as Noise Exposure Regulation 2019	
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 -	The Mill Manager was assign as overall relevant personnel responsible together with mill QOHSE committee members to monitor compliance and track update of changes in applicable requirements. Results of latest evaluation of compliance done were recorded in Form # FPI/L4/QOHSE-2.1; Rev. 0; Dated: 1/1/2018. Plantation and Sustainability Department conducted Internal audit for Sustainability Certification to monitor the status of legal compliance. Latest audit was conducted on 20-21 Jan 2020. All issued raised during the audit has been addressed by the mill management dated 30 Jan 2020.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The mill land is legally owned by FelDa Palm Industries Sdn Bhd as verified the land title No. H.S.(D): 10962. There was no land dispute in the Besout POM by verified through interviewed with the local communities.	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 -	Based on the agreement between FELDA and FPISB [<i>Surat Perjanjian antara FELDA dan FPISB, Rancangan: FELDA Gunung Besout 1, dated 25/11/1996</i>], there is 14.60 Ha of area leased to FPISB for Besout POM utilisation. 82,000 m ² of it is under land title No. H.S.(D): 10962, No. PT: PT 3814 whereas 6.40 ha is still under the main land title hold by FELDA (the leaser).	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal boundary along the mill were demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute in the Besout POM.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The mill land is legally owned by Felda Palm Industries Sdn Bhd as verified the land title No. H.S.(D): 10962. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The mill land is legally owned by Felda Palm Industries Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	The mill land is legally owned by Felda Palm Industries Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion / Indicator	Assessment Findings	Compliance	
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 was conducted on 15/9/2017 by Certification & Due Diligence Department for Besout POM. Stakeholders such as workers, contractor, drivers, suppliers and external stakeholders were participated in the assessment. Positive and negative impacts have been recorded in the SIA Management Plan	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	FGV has developed procedure of " <i>Menangani Aduan dan Rungutan</i> " (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.	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 -	Besout POM has implemented Complaint and Response Form/ Book to record complaints or requests from the stakeholders. Most of the complaints were about defects of housing facilities. Since the last assessment, there were 3 complaints from FELDA Besout 03 settlers with regards to OER award dated 22/1/2020. Based on the action recorded, all of the complaints have been resolved. Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint record book was available in the office area where the stakeholders can easily access to lodge their complaint.	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 -	Interview with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	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 -	The records of complaint for the past 24 months (since Jan 2018) were available in the complaints records book.	Complied
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 -	Since the last assessment, contribution from the mill were of in monetary form to a school and a local society. Seen the request letters [ref.: SMKFB02/04/017 bil (391) dated 21/2/2019 and ref. no: PBPM/VP/HQ/6/18 dated 31/1/2019) from the stakeholders and acknowledgement by the stakeholders upon receipt of the contribution.	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	Policy established as Dasar Kualiti, Keselamatan, Kesihatan Pekerjaan dan Alam Sekitar (Quality, Occupational Safety and	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Health and Environment Policy); Signed by: CEO FPISB; Rev. 10; Date: 20/11/2017; First issue: 10/8/1999. Sighted sample records of policy communication conducted on 2/1/2020.</p>	
<p>4.4.4.2 The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). 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. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust 	<ul style="list-style-type: none"> a) Policy established as Dasar Kualiti, Keselamatan, Kesihatan Pekerjaan dan Alam Sekitar (Quality, Occupational Safety and Health and Environment Policy); Signed by: CEO FPISB; Rev. 10; Date: 20/11/2017; First issue: 10/8/1999. Sighted sample records of policy communication conducted on 1/1/2020. b) The risk already been identified as per HIRARC and chemical Hazard Risk Assessment. HIRARC was available referred document FPI/L4/QOHSE-1.4 Pind 2 dated review on December 2019. CHRA was done on 19 June 2018 by Occumed Consultancy & Services Sdn bhd (JKKP HIE 127/171/2(8)-2018/056) c) OSH Programmed is available dated 15 Jan 2020 in Besout Oil Mill, this programme including OSH meeting, workplace inspection, training and others that involve with safety. d) During the audit it was noted that all employees were provided with and were wearing appropriate personal protective equipment (PPE). Records were available of PPE issued to individual workers, including signatures to confirm receipt. PPE issued was based on CHRA assessor's recommendation, HIRARC and SOPs. e) The management had established Standard Operating Procedure for handling of chemicals, FGVPM/L3/PK-16 to ensure proper and safe handling and storage in accordance to 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
	<p>shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997.</p> <p>f) The responsible for workers safety and health have been appoint to ensure the worker was work in safety condition refer letter (37) 4109/PZ1/840B/2 dated 1 Jan 2020.</p> <p>g) OSH meeting last done on 17 Dec 2019 attend by 18 person, found 1 accident been reported for November 2019. The OSH meeting was done periodically and previously record was on 13/8/2019 and 15/5/2019.</p> <p>h) Accident and emergency procedure was available referred document FPI/L@QOHSE-22.0. One accident happen on 16 November 2019 in SFB Convenyer area, the JKPP 6 record was available dated 20 November 2019. For action to be taken management already install nosing tread as engineer control.</p> <p>i) First aid training was done on 14 Oct 2019 and attended by 8 person. The equipment of first aid was complete verified during site visit inspection.</p> <p>j) One accident happen on 16 November 2019 in pressing station area, the JKPP 6 record was available dated 20 November 2019. JKPP 8 (JKPP 8/58452/2019) already submit to DOSH on 30 Jan 2020. LTA was 12.05.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy	FGV has developed Human Rights Policy dated 1/6/2014 and signed by President & CEO of FGV. FGV is committed and support human	Complied

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	shall be signed by the top management and communicated to the employees. - Major compliance -	rights. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards at workers' hostel and training. Interview with workers showed that they have a good understanding on human rights.	
4.4.5.2	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. - Major compliance -	FGV has established Equal Opportunity Policy dated 1/6/2014. The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. Interview with the workers showed that no discrimination is being practiced.	Complied
4.4.5.3	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. - Major compliance -	FGV Plantations (M) Sdn Bhd has established an employment contract for its foreign workers. Pay and conditions are documented and are above the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled of the pay slips for the months of Sep, Oct and Nov 2019 confirmed that the workers were paid in accordance with Minimum Wage Order 2018. The sampled employees were Emp. No.: 1209518, 1206692, 1210832, 1208656, 1211196 and 1208265.	Complied
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. - Minor compliance -	There was no permanent contractor engaged by the mill. Most of the maintenance and repair works are carried out by their own technicians or short term contractor. Therefore, there was no issue on the wages of employees of contractors.	Complied

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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>All the recruited workers will be registered in the Human Resource Management System (HRMS) where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form.</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>Offer letters were issued and acceptance of offer were acknowledged and copies were kept by the workers. This has been verified through interview with workers. The terms and conditions such as salary, termination of employment, annual leave entitlement and probation period were clearly stated in the Contract Agreement between FGV Palm Industries Sdn Bhd and Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung. The agreement validity period is from 1/1/2019 to 31/12/2021.</p> <p>Sampled of offer letters were Emp. No.: 1209518, 1206692, 1210832, 1208656, 1211196 and 1208265.</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>The working hours are recorded using punch card system where the attendance can be verified through the punch card of individual workers. The time enter, break time and exit of work were also clearly stated in the punch card. Sampled of time card as follows:</p> <p>Emp. No.: 1209518, 1206692, 1210832, 1208656, 1211196 and 1208265.</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>Based on the records review of the Punch card of sampled workers it was found that the entry time and exit time which were clearly stated in the punch card, conformed to the terms and conditions</p>	Major NC

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>stipulated in the collective agreement [ref.: <i>Perjanjian Bersama antara FGV Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung</i>, validity 1/1/2019 to 31/12/2021.</p> <p>However, based on records of attendance and payslip for a sampled worker [Employee ID # 1209518]; Workstation: Shovel, the total overtime work hours were 117.0 hrs in the month of October 2019. There was no written application to Director General of Labour Department to grant permission to work in excess of the limit of hours prescribed as per Act 265 Employment Act 1955. Thus, a non-conformity was assigned due to this lapse.</p>	
<p>4.4.5.9 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>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Punch Card". Total hours of overtime and daily attendance has recorded in the time card. The following payslip were sampled for Jan 2019, Jun 2019 and Oct 2019 as below: Emp. No.: 1209518, 1206692, 1210832, 1208656, 1211196 and 1208265.</p> <p>All of their pay complied with the Minimum Wage Order 2018. Hours of overtime were recorded in the overtime form.</p>	Complied
<p>4.4.5.10 Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p>	<p>The management has provided facilities such as mosque, recreational facilities such as futsal field, badminton court and volleyball court to the workers and dependents. Government clinic was available in the complex. The workers will be granted bonus once a year based on performance of the workers. Incentive and allowance was given to the workers as well.</p>	Complied

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	- Minor compliance -		
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The workers in the mill have been provided with basic facilities such as government clinic, football field, mosque, sundry shops and other amenities such as electricity and water supply from government with subsidy from the company. However, there was no evidence that weekly line-site inspection has been carried out (<i>see NCR raised under Indicator 4.3.1.1</i>).	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	FGV has developed Sexual Harassment, Violence and Reproductive Rights Policy dated 1/6/2014. The company is committed to protect the rights of women on the reproductive and family planning. Discrimination is not allowed in the company. Besides, procedure "Menangani Aduan Melalui Jawatankuasa Wanita" (Doc. No.: FGV/ML-1A/L2-Pr14, Version 0 dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. Gender committee and KKD committee was established in the mill to monitor and handle sexual harassment and violence case in the mill. The last meeting was conducted on 24/1/2020 which combined with the estates committee. There was no issue regarding sexual harassment and violence reported.	Complied
4.4.5.13	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	FGV has developed Freedom to Voice and Freedom of Association Policy dated 1/6/2014. The company allows the employees to join any legal association and get approval from the management. Workers' Committee was established to discuss issues among the	Complied

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	<p>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>workers. Meeting minutes dated 28/6/2019 was sighted. No issue was raised.</p>	
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>FGV has developed Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old.</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 mill has established the training program for the mill executive, workers and contractors base on training need analysis conducted and documented in Training Schedule for Employee/Contractors. Sighted the training records as follows:</p> <ol style="list-style-type: none"> 1. Hearing conservation training dated 3 Feb 2020 2. Chemical management training dated 3 Feb 2020 3. PPE training dated 3 Feb 2020 4. ERP training dated 30 Jan 2020 5. First Aid training dated 29 Jan 2020 6. Fire Fighting Training dated 28 Jan 2020 7. FGV Policy Training dated 9 December 2019 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Training needs of individual employees has been 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>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The Mill have a Training Programme that is based on a training need assessment carried out at the individual operating unit level for each work-station/work type. The training program includes staff, workers, contractor’s workers and contractors.</p> <p>It was noted that most of the trainings/briefings are informal on the job instruction. The mill maintains records of informal and formal training for workers. Training program was inspected and complies with regulation 27 (Factories and Machinery Regulation 1989 and other requirement.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Reporting for POME results and in line with mil’s compliance schedule requirements. New Guided SelfRegulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance.</p> <p>EPMC meeting been done monthly and latest 20 Jan 2020, and latest ERCMC meeting 28/11/2019–attended by mill manager and HQ representative with total 13 person.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>Environmental Management Plan is available same with aspect & Impact dated 4 September 2019. This cover such as emission smoke, noise, air pollution, effluent and others. The management plan was documented in Significant Environmental Aspect and Impacts Registrar Form. Refer doc no. FPI/L4/QOSHE 1.8 Pind 0.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The mill has established the environmental management plan base on activity with significant impact to the environment. The management plan was documented in Significant Environmental Aspect and Impacts Registrar Form. Refer doc no. FPI/L4/QOSHE 1.8 Pind 0.</p> <p>Sighted during site visit at the Engine Room, evidence of used oil spillage at the floor not attended appropriately. In the management plan and Safety Working Procedure for Chemical Handling, doc no. FGVPM/L3/PK-04 stated any pesticides or chemical spillage should be attended using spill kit. It shows the environmental management plan was not effectively implemented. Thus, NC were raised.</p>	Major NC
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p>	<p>The mill has established program and management plan to promote positive impact identified in the aspects and impacts analysis</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	conducted and documented in Environmental Management plan. Sighted the program to promote the positive impact as follows: i. BOD for POME below 100 ppm to ensure the water quality not polluted by the mill activity. The mill conducted the POME water sampling on monthly basis and submitted to DOE through quarterly return form.	
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 -	The training have been sampling to ensure the compliance as per below:- a) Scheduled waste training dated 10 Dec 2019, Referred PPM/SOP/6.8-F2 b) Training on Noise at workplace dated 11 Nov 2018 trained by Dr Muzafar Salim (HQ/11/DOC/00/235)	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 -	New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @ Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance. EPMC meeting – EPMC (01/2020) meeting was done dated 20 Jan 2020. The frequency is every month in a year.	Complied
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,	The mill has established baseline for consumption of non-renewable energy monitored on monthly basis. Sighted the records of Diesel consumption per FFB processed FY 2019 as follows:	Complied

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Criterion / Indicator		Assessment Findings			Compliance
electricity in the operations over the base period - Major compliance -	Month	2019 (Liter/Tonne)	Total diesel usage (Liter)		
	Jan 2019	0.624	9020		
	Feb 2019	0.647	9288		
	March 2019	0.446	6241		
	April 2019	0.836	15043		
	May 2019	0.658	9802		
	June 2019	0.743	10042		
	July 2019	0.860	13240		
	August 2019	0.863	15672		
	Sept 2019	0.717	12450		
	Oct 2019	1.261	20515		
	Nov 2019	1.056	15116		
	Dec 2019	0.995	13487		
	Total/Average	0.813	149916		
Plan to reduce the usage of the non-renewable energy has been established by using renewable energy such as shell and kernel as fuel for boiler to reduce the usage of diesel.					

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 -	Record of renewable energy consumption is available under title Diesel usage. Estimation of direct usage of non-renewable energy was determine in annual budget.	Complied								
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy used is from biofuel, shell and EFB/fiber for boiler start-up. Sighted the sampled records of renewable energy usage for FY 2019 as follows: <table border="1" data-bbox="1086 826 1870 1029"> <thead> <tr> <th>Month</th> <th>2019 (MT)</th> </tr> </thead> <tbody> <tr> <td>Oct 2019</td> <td>732.15</td> </tr> <tr> <td>Nov 2019</td> <td>644.4</td> </tr> <tr> <td>Dec 2019</td> <td>610.20</td> </tr> </tbody> </table>	Month	2019 (MT)	Oct 2019	732.15	Nov 2019	644.4	Dec 2019	610.20	Complied
Month	2019 (MT)										
Oct 2019	732.15										
Nov 2019	644.4										
Dec 2019	610.20										
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 mill has identified all waste products and source of pollutions and documented in Identification of Source and Type of Waste. The waste identified as follows: i. Scheduled Waste - Mill Operation – Used PPE, Used lubricant and hydraulic oil - Office and housing – Lamp, Electronic device	Complied								

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Criterion / Indicator		Assessment Findings	Compliance
		ii. Non-schedule waste - mill operation – used tyre, scrap iron - office and housing – Paper, Plastic, domestic waste iii. mill byproduct - EFB, POME, Shell, Mesocarp fiber	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The mill has established waste management plan base on the identification and source of pollutions and documented in Identification of Source and Type of Waste. Sighted the implementation of the waste management plan:</p> <p>i. The estate applied the EFB in the field. Sighted the EFB records for Besout 7 estate. Todate EFB application as at 21 Jan 2020 total 0.85 MT.</p>	Complied
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>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FPI/L2/QOSHE-9.0 rev. 2 dated 3/11/2017 in order to comply with the Environmental Quality Regulations (Scheduled Waste) 2005.</p> <p>The mill have a proper Scheduled Waste Store for storing scheduled waste (inventory record) until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> i. 31 Jan 2020 for SW 410; C/N no: 2020013109ALJ861 ii. 31 Jan 2020 for SW 409; C/N no: 2020013109HA50VX iii. 31 Jan 2020 for SW 109; C/N no: 2020013109QKI9WN 	
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Domestic waste were managed by neighbouring estates and dispose in designated landfill. The landfill located far from the housing area and watercourses.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of all polluting activities was conducted through environmental aspect and impact assessment which includes the greenhouse gas emissions, stack emission, scheduled wastes, solid wastes and effluent.</p> <p>Monitoring plan was established based on Environment Aspect and Impact assessment DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Observed the stack emission monitoring as per DOE requirement:</p> <p>Report date: 26 November 2019</p> <p>Report no.: BESOUT – 22/11/2019</p> <p>Result:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
		Boiler 1 – 340 mg/Nm3 Boiler 2 – 335 mg/Nm3 Boiler 3 – 317 mg/Nm3 As Per Jadual Pematuhan, the limit 150 mg/Nm3 however the management already apply for contradiction license (0055447) valid from 5 June 2019 until 4 June 2020 (400 mg/Nm3).													
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The mill has identified all significant pollutant and documented in Quality, Safety and health and Environmental objective. Among the pollutants diesel usage and BOD for POME discharge.	Complied												
4.5.4.3	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. - Major compliance -	Mill effluent is treated through biological anaerobic treatment. Regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Quarterly Return Form to DOE as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Month</th> <th>pH</th> <th>BOD</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>8.36</td> <td>27</td> </tr> <tr> <td>December</td> <td>8.44</td> <td>38</td> </tr> <tr> <td>November</td> <td>8.59</td> <td>16</td> </tr> </tbody> </table>	Month	pH	BOD	January	8.36	27	December	8.44	38	November	8.59	16	Complied
Month	pH	BOD													
January	8.36	27													
December	8.44	38													
November	8.59	16													
Criterion 4.5.5: Natural water resources															
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources	Mill has established the Water Management Plan and latest review was sighted on 7/3/2018. The management plan focusing on water shortage/contamination and water usage efficiency. In the plan	Complied												

Criterion / Indicator		Assessment Findings	Compliance								
	<p>(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>	<p>stated the root cause, mitigation plan and Person In Charge for each plan programmed.</p> <p>Water analysis (3690/2019) was done dated 12 November 2019 (25)810/730/BS/9/2018 was comply with INWQS.</p> <p>Sighted the implementation of water management plan as follows:</p> <ul style="list-style-type: none"> i. Monthly record of water usage/ton FFB, sighted the records in Monthly Environmental Performance Indicators. Sighted the sampled record for FY 2019. Record of usage as follows: <table border="1"> <thead> <tr> <th>Month</th> <th>Water (liter/FFB tonne)</th> </tr> </thead> <tbody> <tr> <td>December 2019</td> <td>1.15</td> </tr> <tr> <td>November 2019</td> <td>1.14</td> </tr> <tr> <td>Oct 2019</td> <td>1.15</td> </tr> </tbody> </table>	Month	Water (liter/FFB tonne)	December 2019	1.15	November 2019	1.14	Oct 2019	1.15	
Month	Water (liter/FFB tonne)										
December 2019	1.15										
November 2019	1.14										
Oct 2019	1.15										
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>	<p>The mill conducted river water sampling on monthly basis as required by 'Jadual Pematuhan'. Sighted the results of river water sampling for Sg. Erong as follows:</p> <ul style="list-style-type: none"> i. Report date: 21/11/2019 <p>Report no.: 3690/2019</p> <p>Result: non-detected</p>	Complied								
4.6 Principle 6: Best Practices											

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Mill holds three SOP and documentation available at the mill for review. Noted the Sustainable Palm Oil Manual Procedure, Safety working procedure and Quality, Occupational Health, Safety and Environmental Procedure. Sighted the latest review in Sustainability Palm Oil Manual on procedure for competency, awareness and training dated 1/6/2016. FGVPM has established mechanism to monitor the implementation of their procedure by Mill/Plantation Advisor Visit, Agronomist Visit, Mill Quality Control Unit and Audit on compliance to SOP (P&D). The visit conducted on annually basis.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Noted the latest Mill Quality Control Unit visit conducted on 21 Feb 2019. Refer report no (14)010/810/HQ/JAB OP/FORA19 dated 3 April 2019. The report covers on Product quality, Process and Maintenance cost and Oil and Kernel Recovery.	Complied.
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 mill has developed 5-years business plan from Year 2019 to Year 2022. The business plan has included the production cost, projected OER and KER rate. The budget contains operation cost such as labour cost, chemical cost and electricity cost.	Complied
Criterion 4.6.3: Transparent and fair price dealing			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	FGV (M) Sdn Bhd has developed " <i>Tawaran Membeli BTS Untuk Kilang Sawit Besout</i> " for the suppliers of FFB to the mill to sign. All the rate and pricing mechanism have been clearly stated in the agreement. Payments are processed and paid by the mill. Seen the payment vouchers that have been made promptly. Payment vouchers # 352121274 dated 15/1/2020, 352116249 dated 13/12/2019 and 352111102 dated 17/11/2019 was sighted.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contracts have been detailed out the pricing and the conditions of the FFB to be supplied to the mill. Payment was made promptly by verified the payment vouchers.	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 -	The contractors have acknowledged on a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors have signed on the <i>Surat Perintah Kerja</i> (work order) prior to provide services. Seen the contract agreement and details as refer to Criterion 4.6.3.1. Besides, the contractor has acknowledged on the approval for the auditor to be inspected if necessary.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	FGV has agreed for BSI auditors to verify the assessment through a physical inspection if required. CAP continuously implemented -	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	seen SPK #3301333305/1300996046 and 3301405816/1301061935.	

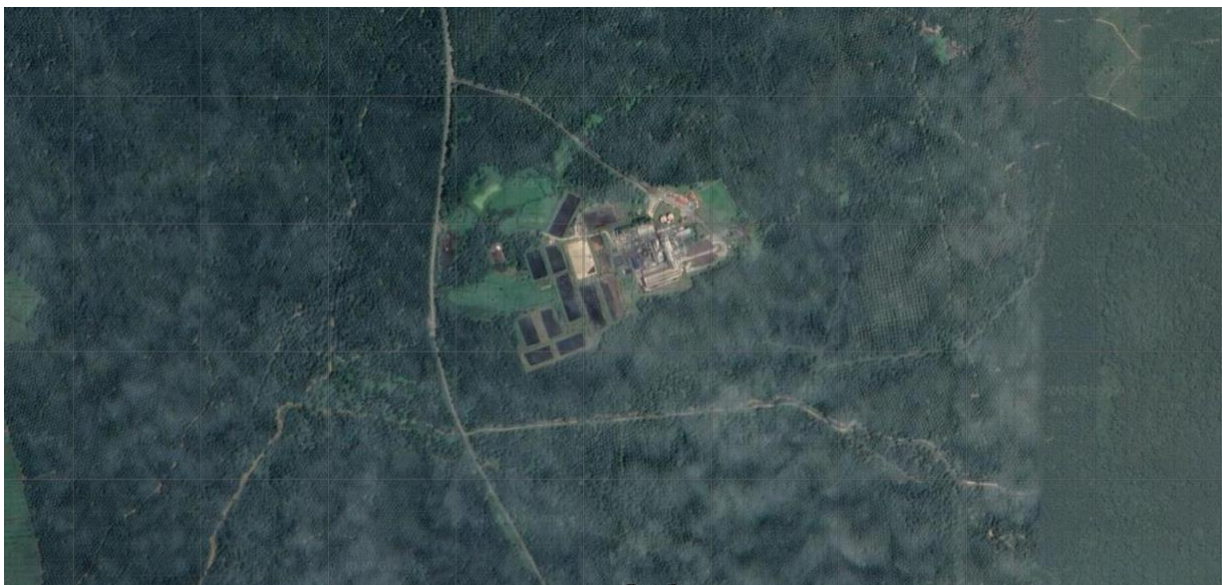
Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Besout 5 Estate representative Besout 2 Estate representative Sekolah Seri Besout representative Ladang Bkt Basir representative Ladang Bukit Mas representative</p>
<p>Suppliers/Contractors/Vendors: GT Pit Transporter</p>	<p>Worker’s Representative/Gender Committee: Field workers Mill workers NUPW representative Gender committee</p>

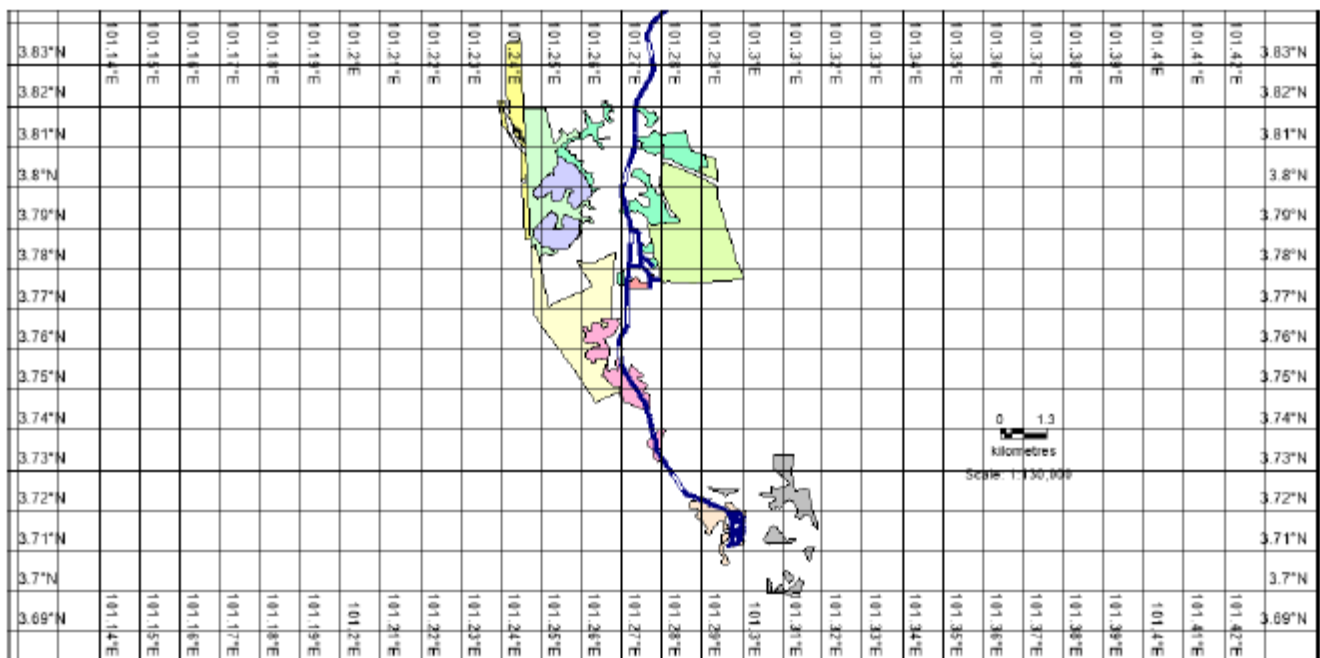
Appendix C: Smallholder Member Details

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
1	NA. No smallholders in the scope of certification.					

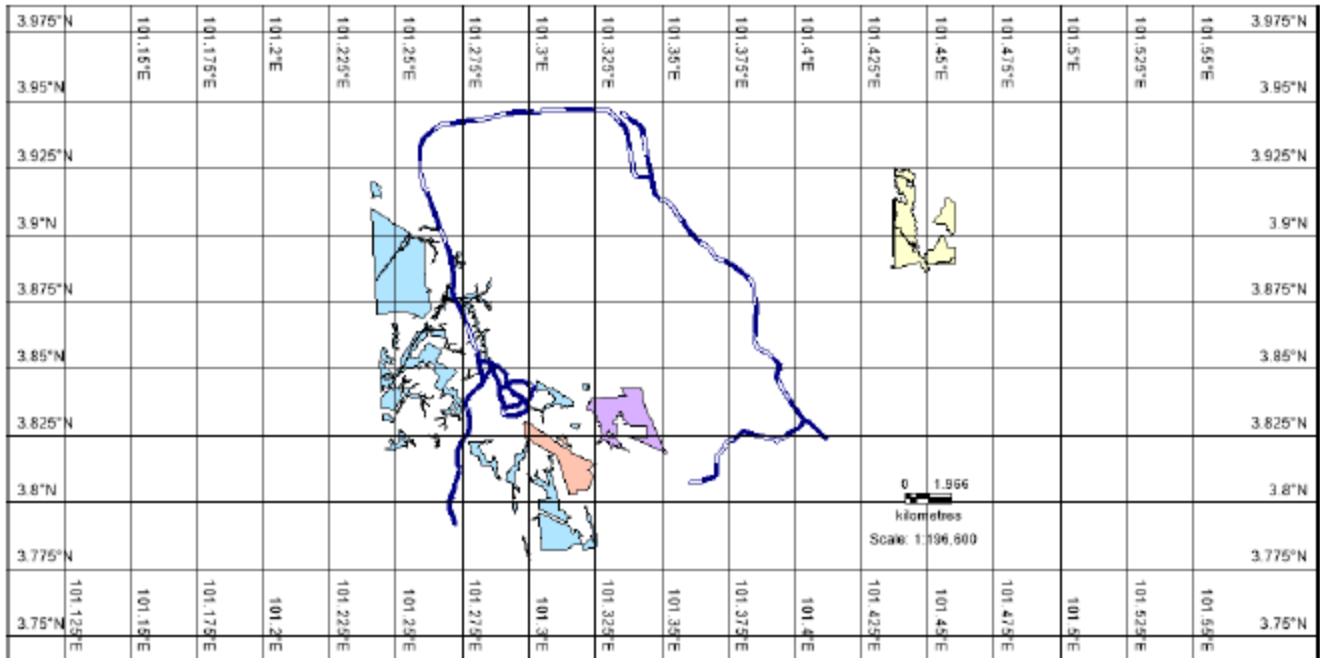
Appendix D: Location and Field Map FGV Besout POM



Appendix E: Location and Field Map Besout 6 Estate



Appendix F: Location and Field Map Besout 7 Estate



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