

**MALAYSIAN SUSTAINABLE PALM OIL
– ANNUAL SURVEILLANCE ASSESSMENT 1
Public Summary Report**

FGV Holdings Berhad
Head Office: Level 20 West, Wisma FGV Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd (Lepar Hilir Palm Oil Mill) and FGV Plantations (M) Sdn Bhd (FGVPM Lepar Hilir 05 Estate, FGVPM Lepar Hilir 06 Estate and FGVPM Lepar Hilir 08 Estate)
Location of Certification Unit: 26300 Gambang, Kuantan, Pahang, Malaysia

Report prepared by:
Elzy Ovktafia (Lead Auditor)

Report Number: 9673522

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	FGVPISB Lepar Hilir POM: 500205504000 FGVPMSB Lepar Hilir 05 Estate: 559601-002000 FGVPMSB Lepar Hilir 06 Estate: 559043-002000 FGVPMSB Lepar Hilir 08 Estate: 558970-002000		
Company Name	FGV Holdings Berhad		
Address	Head Office: Level 20 West, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur. Certification unit: Lepar Hilir Palm Oil Mill, 26300 Gambang, Kuantan, Pahang.		
Group name if applicable:	-		
Subsidiary of (if applicable)	-		
Contact Person Name	Ameer Izyanif Bin Hamzah		
Website	http://www.feldaglobal.com/sustainability	E-mail	http://www.feldaglobal.com/sustainability
Telephone	03- 27891338	Facsimile	03- 27891338

1.2 Certification Information			
Certificate Number	Mill: MSPO 701754 Estate: MSPO 701755		
Issue Date	24/03/2019	Expiry date	23/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	19/12/2018 - 21/12/2018		
Continuous Assessment Visit Date (CAV) 1	21/10/2019 - 23/10/2019		
Continuous Assessment Visit Date (CAV) 2	-		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
OSH 00691	OHSAS 18001:2007	SIRIM QAS International Sdn Bhd	23/02/2020

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RSPO 666408	RSPO	BSI Services (M) Sdn Bhd	01/02/2023
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1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
FGVPISB Lepar Hilir Palm Oil Mill	Kilang Sawit Lepar Hilir, Karung Berkunci No. 3, 26300 Gambang, Kuantan, Pahang, Malaysia	103° 00' 36" E	3° 38' 30" N
FGVPMSB Lepar Hilir 05	Ladang Felda Lepar Hilir 5, 26300 Gambang, Pahang, Malaysia	103° 00' 41" E	3° 36' 03" N
FGVPMSB Lepar Hilir 06	Ladang Felda Lepar Hilir 6, 26300 Gambang, Pahang, Malaysia	103° 00' 41" E	3° 35' 59" N
FGVPMSB Lepar Hilir 08	Ladang Felda Lepar Hilir 8, 26300 Gambang, Pahang, Malaysia	103° 05' 03" E	3° 39' 05" N

1.4 Plantings & Cycle

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
FGVPM Lepar Hilir 05	790.41	861.54	0	0	955.64
FGVPM Lepar Hilir 06	707.33	1266.59	86.25	260.17	304.44
FGVPM Lepar Hilir 08	673.70	2235.65	0	0	180.73
Total (ha)	2171.44	4363.78	86.25	260.17	1440.81

1.5 FFB Production (Actual) and Projected (tonnage)

Estate	Estimated (Jan 19 – Dec 19)	Actual (Jan 19 – Sept 19)	Forecast (Jan 20 – Dec 20)
FGVPM Lepar Hilir 05	3,200.00	22,325.09	26,180.00
FGVPM Lepar Hilir 06	23,680.99	28,946.56	35,956.00
FGVPM Lepar Hilir 08	40,659.00	31,357.64	40,371.00
Total (mt)	67,539.99	82,629.29	102,507.00

1.6 Certified CPO / PK Tonnage			
Mill	Estimated (Jan 19 – Dec 19)	Actual (Jan 19 – Sept 19)	Forecast (Jan 20 – Dec 20)
Mill Capacity: 54 MT/hr	FFB	FFB	FFB
	67,539.99	82,629.29	102,507.00
	CPO (OER: 20.40%)	CPO (OER: 20.09%)	CPO (OER: 20.25%)
	13,778.15	16,600.22	20,757.67
	PK (KER: 5.20%)	PK (KER: 4.37%)	PK (KER: 5.00%)
	3,512.07	3,610.90	5125.35

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Lepar Hilir 05	2607.61	0	281.93	2889.54	90.24
FGVPM Lepar Hilir 06	2624.78	0	340.82	2965.60	88.51
FGVPM Lepar Hilir 08	3090.08	0	346.46	3436.54	89.92
Total	8322.47	0	969.21	9291.68	89.57

1.8 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance Assessment 1 Certification Assessment of FGVPM-Lepar Hilir POM, located in Gambang, Kuantan, Pahang, Malaysia comprising 1 mill, 3 estates and infrastructure.</p> <p>The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530 3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance.</p> <p>The onsite assessment was conducted on 21-23/10/2019.</p> <p>Based on the assessment result, FGVPM - Lepar Hilir Palm Oil Mill and supply bases (FGVPMSB Lepar Hilir 05 Estate, FGVPMMSB Lepar Hilir 06 Estate and FGVPMMSB Lepar Hilir 08 Estate) complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance and recommended for certification.</p>

Section 2: Assessment Process

Certification Body:

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 21-23/10/2019. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 or 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.

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

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

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Lepar Hilir Palm Oil Mill	√	√	√	√	√
FGVPM Lepar Hilir 05	√	-	√	√	-
FGVPM Lepar Hilir 06	√	√	-	√	√
FGVPM Lepar Hilir 08	-	√	√	-	√

Tentative Date of Next Visit: October 19, 2020 - October 21, 2020

Total No. of Mandays: 6 mandays

BSI Assessment Team:

Elzy Ovktafia - Lead Assessor

She graduated from Universiti Putra Malaysia in Diploma of Agriculture while Licentiate Diploma and Advanced Diploma from the Incorporated Society of Planters. She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO and MSPO for more than 3 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for MSPO, RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and Social Compliance Audit by Verite. Prior to that, she was the Agronomist in R&D Department for 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During assessment, she covers the legal issues, land use rights, stakeholder consultation, worker’s welfare and social issues.

Daniel Francis – Team Member

Daniel Francis is a fulltime employee with BSI Services Malaysia. He holds a Bachelor of Applied Science Degree in Food Science, graduated from Charles Sturt University, Australia. He has over 8 years of working experience in the oil and gas industry and 3 years in the food & beverage industry. He is an experienced auditor for several management system standards including ISO 9001, ISO 14001, OHSAS 18001 and Integrated Management System. He had completed the ISO 9001:2015 Lead Auditor Course and RSPO SCC Lead Auditor Course. He had been involved in the RSPO & MSPO audits with various companies in Malaysia. During assessment, he covers the legal issues and occupational safety and health.

Accompanying Persons: -

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 & **Two (2)** Minor nonconformities raised. The **FGVPM - Lepar Hilir Palm Oil Mill and supply bases** Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Finding Reference	1841172-201906-M1	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-4	Clause	4.3.1.1 (Part 4)
Category	Major		
Area/Process:	FGV Lepar Hilir POM		
Statement of non conformance:	Compliance to the legal requirements was not effectively implemented.		
Clause requirements	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.		
Objective evidence	<ol style="list-style-type: none"> 1. As per the DOE compliance schedule (No. 7) Any overflow or leakage from the effluent disposal area is not permitted. Sighted overflow or leakage during site visit. 2. As per the DOE compliance schedule (No.23) CCTV records for the monitoring of black smoke emission from the boiler chimney to be kept for 6 months. Verified that records are kept only for 3 months. 3. No record of JKKP 7 submitted for the 13 hearing impairment. Sighted from the audiometric test report dated 7 March 2019 by Dr. Siow Shin Yee (HQ/13/DOC/00/330) of Specialist Mobile Safety Supplies Sdn Bhd. From total 43 workers the result, found 		

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	<p>that 13 workers with hearing impairment and 17 workers with STS.</p> <p>4. 04 out of 04 selected workers from various department sighted worked more than 12 hours / day not in accordance to the Employment Act 1955, Section 60A. Hours of Work.</p> <p>Emp: 1211194 – 02.08.2019 worked from 0740~0601 (22 hours)</p> <p>03.04.2019 worked from 1540~0814 (16 hours)</p> <p>04.04.2019 worked from 1538~0701 (15 hours)</p> <p>09.07.2019 worked from 1607~0636 (14.5 hours)</p> <p>24.07.2019 worked from 1540~0804 (16 hours)</p> <p>11~16.07.2019 worked from 1800~0800 (14 hours)</p> <p>25~29.07.2019 worked from 1800~0800 (14 hours)</p> <p>Emp: 1206461 – 25.04.2019 worked from 2000~1000 (14 hours)</p> <p>09, 11~13, 15, 18~21.07.2019 worked from 1800~0800 (14 hours)</p> <p>14.07.2019 worked from 1351~0502 (15 hours)</p> <p>Emp: 1203717 – 06.04.2019 worked from 1517~0820 (16 hours)</p> <p>27.07.2019 worked from 1648~0724 (14.5 hours)</p> <p>29.07.2019 worked from 1635~0817 (15.5 hours)</p> <p>08.07.2019 worked from 1556~0739 (15.5 hours)</p> <p>06.07.2019 worked from 1739~0813 (14 hours)</p> <p>08~09.07.2019 worked from 1800~0800 (14 hours)</p> <p>18.07.2019 worked from 1800~0800 (14 hours)</p> <p>20~21.07.2019 worked from 1800~0800 (14 hours)</p> <p>Emp: 1202895 – 06.04.2019 worked from 1400~0642 (16.5 hours)</p> <p>07.04.2019 worked from 1800~0800 (14 hours)</p> <p>09.04.2019 worked from 1600~0630 (14.5 hours)</p> <p>18~21.07.2019 worked from 1800~0800 (14 hours)</p> <p>6. 4 selected sorting contractor’s worker’s payslip (Abra Tech Enterprise – Shanmugam, Saravanan, Mohd Shanrul Nizam, Helmi Bin Ramli) for the month of August 2019 indicates</p> <ul style="list-style-type: none"> - no contribution made for EIS / SIP from both; employer and employee. - Contribution for SOCSO sighted not accordance with the PERKESO Second Schedule : Contribution Rate. 04 Payslip evidenced that total contribution made by both, the employer and employee is MYR19.10 consistently disregards of the wages earned for the month. - Contribution for EPF sighted not accordance with EPF Jadual Ketiga – Kadar Caruman Bulanan. 04 payslip evidenced that total contribution made by both employer and employees is at MYR216 consistently disregards of the wages earned for the month. <table border="1" data-bbox="411 1644 1289 1845"> <thead> <tr> <th>August 2019</th> <th>Helmi</th> <th>Shahrul</th> <th>Sara</th> <th>Shanmugam</th> </tr> </thead> <tbody> <tr> <td>Wage earned</td> <td>1,919.45</td> <td>1144.45</td> <td>1063.35</td> <td>2620.25</td> </tr> <tr> <td>EPF</td> <td>216.00</td> <td>216.00</td> <td>216.00</td> <td>216.00</td> </tr> <tr> <td>SOCSO</td> <td>19.10</td> <td>19.10</td> <td>19.10</td> <td>19.10</td> </tr> </tbody> </table>	August 2019	Helmi	Shahrul	Sara	Shanmugam	Wage earned	1,919.45	1144.45	1063.35	2620.25	EPF	216.00	216.00	216.00	216.00	SOCSO	19.10	19.10	19.10	19.10
August 2019	Helmi	Shahrul	Sara	Shanmugam																	
Wage earned	1,919.45	1144.45	1063.35	2620.25																	
EPF	216.00	216.00	216.00	216.00																	
SOCSO	19.10	19.10	19.10	19.10																	
<p>Cause</p>																					
<p>1 & 2. No monitoring on DOE’s compliance schedule (Jadual Pematuhan) due to change on new mill management.</p> <p>3. Mill did not report on hearing impairment for JKPP 7 due to change on person in charged.</p>																					

- 4. No monitoring from management on workers overtime due to change on person in charged.
- 5. No monitoring from management regarding on EPF, SOCSO and EIS deduction in contractor workers' pay slip due to change on person in charged.

Correction / containment

- 1&2)
 - a. Appoint person in charge (PIC) for management to ensure leachate flowing to POME system as well as DOE's Compliance.
 - b. Regional Officer (EKAS) to conduct training on requirement from DOE.
 - c. Evidences on saving CCTV data in external storage.
- 3)
 - a. Regional SHO to give awareness on JKPP 7 Report process.
 - b. Reporting JKPP7 for accident occurred.
- 4) Appoint person in charge for management to ensure all worker's overtime is correct and contractors will deduct the EPF, SOCSO and EIS deduction in contractor workers' pay slip and will obtain the copy for record by regular monitoring every 6 months by Person in charge.
- 5) Awareness to contractor on EPF, SOCSO and EIS deduction.

Corrective action

- 1&2) a. Continuous training to new PIC regarding DOE's Compliance.
- 3) Continuous training to new PIC regarding JKPP 7 Report process.
- 4) Management to ensure all workers in comply with employment act by regular monitoring every 6 months by Person In charge.
- 5) Continuous training to new contractors regarding on EPF, SOCSO and EIS deduction.

Assessment conclusion

Audit team have reviewed the evidence submitted on 17/01/2020 and the major NC is satisfactorily closed on 17/01/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit.

Evidence reviewed:

- 1. Letter of appointment for person in charge for leachate dated 01/11/2019 to Wan Mohd Syahrin bin Wan Yadri (Mill Engineer).
- 2. Tender for leachate construction (Ref no: LH-274/2019, visa number: VS11/19/20 dated 20/11/2019).
- 3. Training attendance, material and assessment titled: Kursus Pengoperasian Keperluan Perundangan Alam Sekitar on 06/12/2019 by Ahmad Fuhairrah Bin Mohd Pauzi (EKKAS FPISB Wilayah Kuantan).
- 4. CCTV records and external hard disk receipt (RM 230) on 05/11/2019.
- 5. JKPP7–Laporan Mengenai Keracunan Pekerjaan/Penyakit Pekerjaan Peraturan-PEraturan KESelamatan & Kesihatan Pekerjaan (Pemberitahuan Mengenai Kemalangan, Kejadian Berbahaya, Keracunan Pekerjaan Dan Penyakit Pekerjaan) 2004 dated 02/11/2019 Bil: (05)840/4045/LH/PentadbiranAm.
- 6. Awareness training to contractors (Abra Tech Enterprise, Awra Universe Enterprise, Mt. Yusof Bin Hamid, Kamal Baharin bin Kasa, Shz Abra Enterprise and Fes L Two Enterprise) on SOCSO & SIP Training on 08/11/2019.

7. Training plan for employee/contractor for MSPO/RSP0 awareness (planned on Sept 2020), leachate training (planned March 2020), EPF, SOCSO & EIS awareness (planned on Dec 2020), safety training on shredded machine (Nov 2020) and scheduled waste management training (planned on Aug 2020).

Finding Reference	1841172-201906-M2	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.4.2 (Part 4)
Category	Major		
Area/Process:	FGV Lepar Hilir POM		
Statement of non conformance:	Review of HIRARC and safety meetings was inadequate.		
Clause requirements	<p>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 shall 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 that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 		
Objective evidence	<p>1. HIRARC for mill was reviewed on August 2019 however found that for the action from all hazard was only declared briefing as action plan and not specific. 2. The frequency of the safety meetings was inadequate. Safety meetings was scheduled for 3 monthly having a total of 4 meetings in a year. However, only 2 meeting was conducted for year 2019.</p>		

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Cause
No monitoring on identification of HIRARC due to change of new person in charged. No monitoring on conducting safety meeting by management due to change new person in charged.
Correction / containment
1) Training on Identification of HIRARC by regional SHO. 2) Management to conduct periodic on safety meeting monitoring by regional SHO
Corrective action
1) Management appoint a person in charge to monitor safety meeting and HIRARC as well as conduct in periodic time.
Assessment conclusion
Audit team have reviewed the evidence submitted on 17/01/2020 and the major NC is satisfactorily closed on 17/01/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Evidence reviewed: <ol style="list-style-type: none"> 1. Minit Mesyuarat Keselamatan Kesihatan Pekerjaan dan Alam Sekitar (Bil: 04/2019) dated 05/11/2019 attended by 21 attendees. 2. Letter: Perlantikan Sebagai Pegawai Bertanggungjawab bagi pemantauan Mesyuarat JKPP & HIRARC, Bil: (02)4045/840/minit mesyuarat keselamatan dated 01/11/2019 to Tajuddin bin Mustappa (Executive Assistant). 3. Annual plan for safety meeting in 2020 (quarterly) dated 23/12/2019.

Finding Reference	1841172-201906-M3	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-3	Clause	4.3.1.1 (Part 3)
Category	Major		
Area/Process:	FGV Lepar Hilir 8 Estate		
Statement of non conformance:	Compliance to the legal requirements was not effectively implemented.		
Clause requirements	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.		
Objective evidence	Sighted line-site inspection is carried out for Lepar Hilir housing on periodically basis and documented in Jadual Pemeriksaan Kawasan Perumahan. However, line-site is carried out ineffectively as required by Housing and Amenities Act 1990 as below: - Sighted there are several defective condition of workers housing at Lepar Hilir 08 Estate; e.g. Pisifera – 3 shower doors are missing, Antigonon - broken drainage, 1 shower door missing, Cassia –2 shower door are missing, vertical line crack sighted on toilet wall, Anggerik – toilet structure / edge wooden pillar found broken causing the roof of the toilet		

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	partially not being supported. However, inspection report does not indicate such defects during the inspection.
Cause	
No supervision on inspection monitoring at linesite due to no person in charge appointed.	
Correction / containment	
1) Appoint person in charge on linesite inspection. 2) Evidence on progress work on repairing worker house.	
Corrective action	
1) Management to conduct weekly basis on linesite inspection and inspection report need indicate such defects during the inspection. 2) Management to conduct continuous management meeting to discuss the linesite issues.	
Assessment conclusion	
Audit team have reviewed the evidence submitted on 17/01/2020 and the major NC is satisfactorily closed on 17/01/2020. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Evidence reviewed:	
<ol style="list-style-type: none"> 1. Pemeriksaan Harian Kawasan Asrama/Rumah Pekerja Asing for Lepar Hilir 8 Estate for December 2019 for block Cassia, Eutophia, Pisifera, Tenera, Anggerik, Tangki Air: (Durian, Cempedak, Belimbing, Anggur Epal), Antigonon, Dura, Lestari and Anaqi. 2. Appoinment letter for domestic waste management at linesite Bil: (08) RSPO & MSPO/Lantikan dated 01/11/2019 to Edy Ezuan (Staff). 3. Evidence of domestic waste segregation and drainage clearance at housing. 4. Minute of meeting titled "Minit Mesyuarat Pelan Tindakan Pemantatuan Dan Pembaikan Perumahan Petugas Dan Asrama Pekerja" Bil (1) FGVPM/Projek 3613/01 dated 07/11/2019. 5. "Pelan Tindakan Pembaikan Rumah 2 Tahun Ke Hadapan" 	

Finding Reference	1841172-201906-N1	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-3	Clause	4.5.3.5 (Part 3)
Category	Minor		
Area/Process:	FGV Lepar Hilir 8 Estate		
Statement of non conformance:	Disposal of domestic waste was not effectively implemented.		
Clause requirements	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.		
Objective evidence	Sighted the following at Lepar Hilir 8 Estate located in field no PM91L: 1. Landfill for domestic wastes were not properly managed. 2. No signage for closed landfills.		

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	<p>3. No segregation of recyclable waste.</p> <p>Refer to the Pengurusan Sisa Pepejal (Isi Rumah) Doc no: FGV/FGVPM/II/IMS/15/011B dated 02/02/2019, (6.1.12) Pihak ladang perlu membuat pembersihan di tapak pelupusan sekiranya sampah berselerak di luar kawasan pelupusan. (6.1.14) Tapak pelupusan yang telah dikambus perlu ditandakan bagi mengelakkan penggalian semula tapak pelupusan. (6.2.3) Penghuni perlu mengasingkan sendiri sampah yang boleh dikitar semula seperti dikategorikan dan tidak dibuang di dalam tapak pelupusan.</p>
Cause	
No monitoring on domestic waste management, awareness on zero burning by workers due to no person in charge appointed.	
Correction / containment	
<p>1) Management to conduct awareness on domestic waste management, 3R as well as zero burning to workers. 2) Evidences on implementation of management solid/ domestic waste. 3) The Management to appoint an officer to monitor the issue of disposal of solid / domestic wastes</p>	
Corrective action	
<p>1) The management to monitor and discuss domestic waste management, 3R as well as zero burning in a monthly management meeting. 2) Continuous training to new PIC regarding domestic waste management, 3R as well as zero burning</p>	
Assessment conclusion	
Audit team have reviewed and accept the Corrective Action Plan (CAP) submitted and the minor NC CAP implementation will be further verified in the next assessment visit.	

Finding Reference	1841172-201906-N2	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-3	Clause	4.4.1.1 (Part 3)
Category	Minor		
Area/Process:	FGV Lepar Hilir 8 Estate		
Statement of non conformance:	Social impacts identified in a participatory way, and plans to mitigate the negative impacts not documented in SIA report.		
Clause requirements	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.		
Objective evidence	Social issues presence related to extended foreign workers work permit renewal process and risk of having workers without valid work permit was not identified in the SIA assessment (refer "Laporan Penilaian Impak Social FGVPM Lepar Hilir 05" dated 01.01.2019 & "Pelan Pengurusan (Management Plan) Bagi Impak Social Di Ladang Lepar Hilir 5", dated 15.01.2019):		

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	<p>Lepar Hilir 08 Estate:</p> <p>Sighted 19 foreign workers passports with expired work permit; whereby:</p> <ul style="list-style-type: none"> - 05 out of 19 found to be in 'Senarai Syak / List of Suspects' in Malaysia Immigration's system, resulting in delay of work permit renewal. Their work permit found expired averagely from 09 to 18 months. - 05 out of 19 work permit expired averagely from 02 to 11 months; however, sighted work permit is newly obtained from immigration office as at time of audit. - 09 out of 19 work permit expired averagely from 02 to 05 months; however, renewal of work permit is still in progress based on the records of submission to the FGV head office. No further evidence sighted that progress of following up with immigration for the passport renewal is done progressively. <p>Management interview and documentation review confirmed that all passport and work permit renewal is carried out 3 months in advance, however, process may be delayed if the foreign workers are found to be in suspected list.</p> <p>Lepar Hilir 05 Estate:</p> <p>Sighted 01 foreign workers passport with expired work permit since 11.05.2019. Communication with immigration confirmed that the foreign worker is found to be in the 'Senarai Syak / List of Suspects' in Malaysia Immigration System. As at current facility is awaiting for further immigration office to process and investigate further.</p>
Cause	
No capturing on foreign workers passports with expired work permit in SIA report due to no monitoring from management.	
Correction / containment	
Conducting SIA assessment on end of November 2019 and include on foreign workers passports with expired work permit in SIA report.	
Corrective action	
Prepare on action plan regarding this issue by sustainability officer end on November 2019.	
Assessment conclusion	
Audit team have reviewed and accept the Corrective Action Plan (CAP) submitted and the minor NC CAP implementation will be further verified in the next assessment visit.	

Noteworthy Positive Comments	
1	Good cooperation among the team.

3.3 Status of Nonconformities Previously Identified and OFI

Finding Reference	1723882-201812-M1	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.4.2 (Part 3 and Part 4)
Category	Major		
Area/Process:	As per BSI Public Summary Report		
Details:	<ol style="list-style-type: none"> 1. The HIRARC was not established for the following activities at FGVP M Lepar Hilir 5 and FGVP M Lepar Hilir 6. 2. The PPE implementation for FELSCO was not adequately implemented. 		
Objective evidence:	<ol style="list-style-type: none"> 1. There is no evidence that HIRARC for the following activities has been established. <ol style="list-style-type: none"> a) Lepar Hilir 5 Estate - construction work of a store building. b) Lepar Hilir 6 Estate – P&D spraying using mist blower. 2. There is no PPE for FELSCO that work at height during despatch of CPO, eg: body harness. 		
Cause			
<p>No supervision by management in identifying hazards (HIRARC) for activities as per below:</p> <ol style="list-style-type: none"> a) Lepar Hilir Estate 5 - the construction of a store building b) Lepar Hilir 6 - P & D Spraying activity by using mist blower. <p>No monitoring by the mill for the use of PPE ie body harness for FELSCO working high during despatch of CPO</p>			
Correction / containment			
<p>Estate management needs to identify hazards (HIRARC) for activities</p> <ol style="list-style-type: none"> a) Lepar Hilir Estate 5 - the construction of a store building b) Lepar Hilir 6 - P & D Spraying activity by using mist blower. <p>The management should monitor the use of PPE, body harness for FELSCO working high during despatch of CPO</p>			
Corrective action			
Monitoring by regional SHO and estate management through regular JKPP meetings and periodic reviews by RSPO Internal Audit.			
Closed?:			
<p>Yes. CLOSED - Corrective action was effectively implemented.</p> <p>Sighted Borang HIRADC (Pengenalpastian Hazad, Penilaian Risiko dan Penentuan Kawalan) and sampled no borang: FGVP M/L4/PP-1.4 Pind. 0 for Stesen/Bahagian: Perladangan; Prepared on 08/01/2019 and Checked on 09/01/2019.</p>			

Sighted letter dated 04/01/2019 – “Jemputan bagi Memberi Taklimat Penerangan HIRARC issued by Abd Ghafor Bin Mengha (Pengurus). Records of training for employees was provided dated 14/01/2019.

Sighted letter ref: (05)4045/LH/840/Surat Am Sumber Manusia - “Pemasangan Sel Di Tempat Despatch Sheed” dated 08/01/2019 issued by Hj Roslan Bin Ali (Pengurus Kanan).

Sighted PO no: 3301331705/1300994857 for Full body harness built in lanyard.

Sighted training records for “Latihan Pemakaian Body Harness & Kerja Tempat Tinggi bersama FSSSB” dated 08/01/2019 attended by 07 employees.

Sighted photo evidence of “Latihan & Taklimat Pemakaian PPE Body Harness Petugas FGV KS Lepar Hilir & FSSSB.

Sighted “Senarai Penyerahan Tool” – Full body harness built in with lanyard & 2 large hook for Polis Bantuan dated 15/01/2019.

Sighted Borang HIRADC (Pengenalpastian Hazad, Penilaian Risiko dan Penentuan Kawalan) and sampled no borang: FGVPM/L4/PP-1.4 Pind. 0 for Stesen/Bahagian: Perladangan; Prepared on 08/01/2019 and Checked on 09/01/2019.

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Sighted photo evidence of “Latihan & Taklimat Pemakaian PPE Body Harness Petugas FGV KS Lepar Hilir & FSSSB.

Sighted “Senarai Penyerahan Tool” – Full body harness built in with lanyard & 2 large hook for Polis Bantuan dated 15/01/2019.

Finding Reference	1723882-201812-M2	Certificate Reference	MSPO 701754
Certificate Standard	MS 2530:2013 Part-4	Clause	4.5.3.3 (Part 3)
Category	Major		
Area/Process:	As per BSI Public Summary Report		
Details:	The disposal of scheduled waste was not as per Environment Quality Regulations (Scheduled Waste) 2005		
Objective evidence:	The scheduled waste at FGVPM Lepar Hilir 6 (used PPE) was not disposed within 180 days as per Environment Quality Regulations (Scheduled Waste) 2005		
Cause			
No person responsible for the issues on the identification the used PPE as a scheduled waste and disposed it through non-licensed contractors.			

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Correction / containment
Estate management should provide identification of used PPE as a scheduled waste material and dispose of it to a licensed contractor
Corrective action
Appointment of responsible officers by Estates through SHO meetings as well as periodic reviews by RSPO Internal Audit.
Closed?:
Yes. CLOSED - Corrective action was effectively implemented. Sighted records for trainings: <ol style="list-style-type: none"> 1. Bil: 1/RSPO/C 5.2/2018 dated 11/05/2018 Tajuk mesyuarat: Perbincangan Program Kesedaran Alam Sekitar dan Pemuliharaan HCV. 2. Gambar Penerangan Pengurusan Buffer Zone dan Cara Penjagaan Kawasan Buffer Zone Tanpa Menggunakan Racun dated 21/12/2018. 3. Taklimat dan Latihan Alam Sekitar dated 09/10/2019. 4. Latihan Penegangan Persijilan Kelestarian RSPO/MSP0 – Latihan RTE & HCV dated 25/09/2019 and 11/09/2019. 5. Gambar Penerangan Alam Sekitar dan Taklimat Pengurusan Bahan Buangan Terjadual dated 21/12/2018. Sighted letter ref: (01) RSPO/MSP0 dated 22/10/2019 issued by Mohd Hafizul Bin Ismail (Pengurus) for the "Perlantikan Sebagai Pegawai bagi Latihan MSP0/RSPO.

Finding Reference	1723882-201812-N1	Certificate Reference	MSP0 701754
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.6.3 (Part 4)
Category	Minor		
Area/Process:	As per BSI Public Summary Report		
Details:	The employees of various categories in the mill were interviewed to assess the level of understanding of MSP0 certification. None have expressed knowing or being briefed on the MSP0 fundamental requirement.		
Objective evidence:	The employees interviewed showed less understanding on the MSP0 certification understanding. The total employees interviewed are 11 people.		
Cause	No monitoring by the management on the workers' understanding for MSP0 certification.		
Correction / containment	Management needs to monitor understanding of employee regarding MSP0 certification.		
Corrective action	The management should appointing the responsible officer to monitor the employee's understanding of the MSP0 certification.		

Closed?:
<p>Yes. CLOSED - Corrective action was effectively implemented.</p> <p>Memo "Taklimat MSP0/RSP0" dated 08/01/2019 sighted where 29 employees attended the briefing session.</p> <p>Sighted "Rumusan Borang Semak Keselamatan Ke Ibu Pejabat (Bahagian Keselamatan & Kesihatan Pekerjaan) for Lepar Hilir for month of December 2018.</p>

Opportunity For Improvement		
Ref	Area/Process	Clause
<i>NC ID from eReport</i>	1723882-201812-I1	4.4.5.3 (Part 3)
Requirements:	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.	
Objective Evidence:	The pocket checkroll report (system) for workers need to be improved to capture the actual day work as per daily pocket checkroll (manual).	
Assessment conclusion	<p>Started on 25/01/2017 there is memo on the elimination on daily pocket checkroll (manual) for all 3 records as below:</p> <ol style="list-style-type: none"> 1. Buku Rekod Menuai (Sawit-digantikan dengan Laporan Hasil dan Produktiviti Harian di dalam eRML) 2. Buku Rekod Mengangkut (Sawit digantikan dengan Laporan Databank Analysis in eRML) 3. Buku Poket Cekrol untuk semua aktiviti kerja (Sawit & Getah – Digantikandengan data entry pocket checkroll di dalam eRML). 	

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues:</p> <p><u>Imam Masjid Lepar Lepar Hilir 01.</u></p> <p>FGVPM Lepar Hilir 08, 05 and 06 has a very good rapport with the mosque committee members. Events such as Raya Festive Ceremony, and donation were actively implemented. The only suggestion from Mosque committee is in regards of Fitrah collection best to be conducted 100% for workers at the work region level.</p>
	<p>Management Responses:</p> <p>Estate management will inform the Imam and work with them on the recommendation.</p>
	<p>Audit Team Findings:</p> <p>No other issue.</p>
2	<p>Issues:</p> <p><u>SK Lepar Hilir 01</u></p> <p>Estate has provided contribution in terms of transportation to school children. Only that the contribution in terms of PIBG is not actively participated by Lepar Hilir 8 Estate.</p>
	<p>Management Responses:</p>

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	<p>The estate staffs mostly was not unmarried therefore less contribution for PIBG from Lepar Hilir 8 Estate.</p> <p>Audit Team Findings: No other issue.</p>
3	<p>Issues: <u>IOI –Detas Estate</u> The representative from IOI shared that their field is just adjacent to Lepar Hilir 5 and 6 Estate. Both has a good cooperation with IOI management where sometimes they shared the field road if flood occurred. They also attended the previous stakeholder meeting by FGV and shared the output.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Issues: <u>Wakil Kedai Runcit</u> Kedai runcit only applying cash transaction to workers. No child labour or illegal workers sighted works with FGV estates or mill.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
5	<p>Issues: <u>FELSCO Officer (Lepar Hilir 05 Estate)</u> FELSCO officer has worked with FGV for more than 9 years and have sighted the presence of Tapir during inspection. No criminal record within the area so far.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
6	<p>Issues: <u>Worker’s representative</u> No discrimination practise. All workers has received fair treatment on the salary, housing and other benefits.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
7	<p>Issues: <u>Gender Committee</u> No sexual harassment case reported and the gender committee team were actively implemented.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1723882-201812-M1	Major - 4.4.4.2 (Part 3 & 4)	21/12/2018	Closed on 17/01/2019
1723882-201812-M2	Major - 4.5.3.3 (Part 3)	21/12/2018	Closed on 17/01/2019
1723882-201812-N1	Minor - 4.4.6.3 (Part 4)	21/12/2018	Closed on 23/10/2019
1841172-201906-M1	Major - 4.3.1.1 (Part 4)	23/10/2019	Closed on 17/01/2020
1841172-201906-M2	Major - 4.4.4.2 (Part 4)	23/10/2019	Closed on 17/01/2020
1841172-201906-M3	Major - 4.3.1.1 (Part 3)	23/10/2019	Closed on 17/01/2020
1841172-201906-N1	Minor - 4.5.3.5 (Part 3)	23/10/2019	Open
1841172-201906-N2	Minor - 4.4.1.1 (Part 3)	23/10/2019	Open

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	There was establishment of Group Sustainability Policy that exhibits the commitment of the management to MSPO certification. i.e. All FGV mills and estates to be awarded with MSPO. This statement has also been stated in the Kelestarian Kumpulan No FGV/SED/POL/001 dated on 24/8/2017 page 8 of 14. MSPO Policy is namely "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" dated 24 August 2017 (FGV/SED/POL/001) which was describe on MSPO requirements.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The commitment of improvement commitment is documented and reviewed in the monthly meeting at Regional and Head Office level. The policy was emphasizing on the improvement economic, environment and social and improve estate productivity.	Yes
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 -	Audit plan for 2019 was planned and conducted on 10–11/09/2019 for Lepar Hilir 08 Estate and supply bases (Plan internal audit PSD RSPO & MSPO 2019/2020).	Yes

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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 -	Internal Audit procedure FGV/ML-1A/L2-Pr11(1) rev 1 and effective date 13/02/19 was established. The audit was conducted on 10-11/09/2019 (Lepar Hilir 08 Estate) and 12-13/09/2019 (Lepar Hilir 05 Estate). The audit summary report sighted. There was 36 NCs (Lepar Hilir 08 Estate) and 31 NCs (Lepar Hilir 05 Estate) raised during internal audit and all NCs were closed effectively.	Yes
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Management Review conducted on 01/10/19 was discuss on the 36 NCs and has been completed and reviewed in this meeting minutes and signed by Estate Manager.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Management Review 01/2019 was conducted on 01/10/2019 (Lepar Hilir 08 Estate) and 18/09/2019 (Lepar Hilir 05 Estate). The meeting was chaired by Estate Manager. The discussion for Lepar Hilir 08 Estate management review is as follow: - Result of internal audit: 36 NCs (Lepar Hilir 08 Estate) and 31 NCs (Lepar Hilir 05 Estate). - customer satisfaction: No complaint was received. - product conformance: all delivery notes & weighbridge ticket was kept and recorded. - environment compliance: As per Aspect-Impact plan. - social impact: As per SIA plan.	Yes

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement		
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p> <p>Continual improvement plan was established. Action plans available to include the issues from social, environmental impact, safety and health and quality.</p> <p>The sampled plans as follow:</p> <p><u>Lepar Hilir 8 Estate</u></p> <ol style="list-style-type: none"> 1. Optimum earnings (to achieve >16.83 tan/hectar & <RM270.00 cost/tan) 2. Environment (to achieve zero open burning & reduction in use of chemical) 3. Social (to organize workers welfare meetings) 4. Latest technology (use of Arbus and Jacto for bagworm control) <p><u>Lepar Hilir 5 Estate</u></p> <ol style="list-style-type: none"> 1. To reduce the use of paraquat poisons 2. To install additional barn owl box (nest) for control of rats 3. To plant additional beneficial plants (Turnera, Cassia, Antigonon) 4. To collect and kill rhinoceros larvae 5. To set traps for rhino beetles 	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
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 -	Any new information is updated to employees through morning briefings, memo, meetings, station training. Training is also used as form of sharing information.	Yes
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 to include the person in charge for an effective implementation. Any new technology will be documented as an SOP and training provided to workers.	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Procedure Communication, Involvement and Consultation FGV/ML-1A/L2-Pr12 issue 1 version 0 dated 01.06.2016 and has been communicated in Malay language (national language) through letters to external stakeholders. Also, external stakeholders’ consultation was held with slides to explain on MSPO requirements on 24/08/17. Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/I2-Pr21 issue 1 re 2 dated Mach 2019. Policies are also displayed in POM and office mainly for internal stakeholders.	Yes
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	Memo dated 5/1/2018 by Estate Manager has a list of 13 document and policy has been given to the stakeholders. Stakeholders can request for these documents as per Communication procedure.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	or social outcomes. - Major compliance -		
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Procedure Communication, Involvement and Consultation (ML-1A/L2-Pr 12 (0)) dated 01/06/2016 was describe on the method of stakeholder communication.	Yes
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 -	Lepar Hilir 08 management has nominated the Supervisor (Mr. Muhammad Danial Bin Ahmas Sehanin) for communication and social person in charge. The letter of appointment dated 10.03.2018 sighted signed by the estate manager – Muhammad Ramli Bin Supari. In Lepar Hilir 05 Estate, Assistant Manager (Mohd Fauzi Bin Bidin) was appointed as Communication Officer by Estate Manager on 01 April 2019.	Yes
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 -	List of stakeholders dated 16/4/2019 (Lepar Hilir 08) & 04/01/2019 (Lepar Hilir 05) includes internal stakeholder (including clinic, teachers, contractors, suppliers) and external stakeholders (government, neighbouring estate, some external contractor). Last consultation dated 24/08/17 for Wilayah Kuantan. Attendance list of stakeholders attended and feedback form as records was available. Communication with stakeholder at LH#05 is documented in "Rekod Permohonan Dan Maklumbalas" - Rekod Aduan Pekerja and official letters received from the stakeholder; e.g. dated 24.07.2019 –	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		application to use facility's location for army training purposes, 07.03.2019 – application from tele-communication company to use facility's location for carnival activities, etc.	
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 -	Lepar Hilir Palm Oil Mill and Estate implemented the supply chain program based on SOP MSPO SCCS (Mass Balance) (MSPO SCCS, Issue No: 1, Dated: 22/10/2018). The procedure was prepared by to cover the implementation of all supply chain requirements for both POM and estate.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly. The SOP sighted as follow: a) Manual Ladang Sawit Lestari / Manual Operasi Kilang b) Manual Keselamatan c) Manual Sustainability	Yes
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the Letter of Appointment for all staff (Mohd Ali, Yahya, Mohd Faizal, Zaidi, M. Nazza, M. Khahiran, Salehuddin and Khalijah) dated 05/01/2018 from Estate Manager.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The records related to the transportation of FFB was available at estate. Sampled despatch ticket as follow: <u>FGVPM Lepar Hilir 06</u> Despatch Note: 0233418 Weighbridge Ticket: A00037193 Date: 21/10/19 Tonnage: 08.39 mt Transporter: CDN5433 MSPO certificate: MSPO 701754 <u>FGVPM Lepar Hilir 05</u> Despatch Note: 0015281 Weighbridge Ticket: A00037275 Date: 21/10/2019 Tonnage: 06.62 mt Transporter: CEB8157 MSPO certificate: MSPO 701754	Yes
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 -	A mechanism to ensure compliance to legal and other requirement has been documented in Manual Lestari established from the Head Office level. a) The Legal Department will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.	Major non-conformity

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Criterion / Indicator	Assessment Findings	Compliance
	<p>b) Thereafter the estates and mill where applicable will be notified via email on the changes/update of LORR for implementation.</p> <p>Licenses/permit viewed as compiled by the estates for the legislative requirement among others viewed were as follows.</p> <p><u>Lepar Hilir 8 Estate</u></p> <p>1. MPOB License: 558970002000 validity 01/03/2019 – 29/02/2020.</p> <p><u>Lepar Hilir 5 Estate</u></p> <p>1. MPOB License: 559601002000 validity 01/04/2019 – 31/03/2020 (estate).</p> <p>2. MPOB License: 569156011000 validity 01/02/2019 – 31/01/2020 (nursery)</p> <p>3. Permit Water Consumption (Ground Water): 0358 validity 01/01/2019 - 31/12/2019.</p> <p>4. Special Diesel/Petrol Permit: C001802 (Ref: PHG/PD/K/019/2019 No Bil: 09/2019) Diesel 200 liter/daily Petrol RON 95 100 lieter/daily from BHP Station validity 08/08/2019 – 07/02/2020.</p> <p>Labour Law permit: Reference number: (22)dIm BHG. PU/9/129 Jld 23 dated 26/04/2016 for all FGV Plantations for water & electricity bill and medical cost.</p> <p>However, found the non-compliance on below:</p> <p>1. Sighted line-site inspection is carried out for Lepar Hilir housing on periodically basis and documented in Jadual Pemeriksaan Kawasan Perumahan. However,</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>line-site is carried out ineffectively as required by Housing and Amenities Act 1990 as below:</p> <p>2. Sighted there are several defective condition of workers housing at Lepar Hilir 08 Estate; e.g. Pisifera – 3 shower doors are missing, Antigonon - broken drainage, 1 shower door missing, Cassia –2 shower door are missing, vertical line crack sighted on toilet wall, Anggerik – toilet structure / edge wooden pillar found broken causing the roof of the toilet partially not being supported. However, inspection report does not indicate such defects during the inspection.</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>List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folders.</p> <p>a) Documented procedure has been established and implemented refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>b) The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements.</p> <p>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base.</p> <p>The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act	
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>The Legal Department will update changes and communicate to the mill and estates via email. Thereafter the operating units will view the relevancy and adopt into the compliance list. The monitoring and compliance status is also shown in the relevant legal register.</p> <p>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base.</p> <p>The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act 	Yes

Criterion / Indicator		Assessment Findings	Compliance
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>Tracking system available to identify changes in the relevant regulations through head office, sustainability regulation unit.</p> <p>FGV have centralised system for tracking any changes in the law. Refer to "Panduan: Sistem Pengesanan Perubahan Undang-undang" dated 23/6/2017, Version: 04.</p>	Yes
Criterion 4.3.2 – Lands use rights			
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>	The land titles were belonged to FELDA and leased to FGVPI Sdn Bhd.	Yes
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>At FGVPM Lepar Hilir 8, total 9 land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA).</p> <p>The sampled land title as follow:</p> <ol style="list-style-type: none"> 1. Grant: #H.S.(D) 18183, Lot: PT 1322 2. Grant: #H.S.(D) 18184, Lot: PT 1323 3. Grant: #H.S.(D) 18185, Lot: PT 1324 4. Grant: #H.S.(D) 18186, Lot: PT 1325 5. Grant: #H.S.(D) 18187, Lot: PT 1326 <p>At FGVPM Lepar Hilir 5, total 10 land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA). The sampled land title as follow:</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		1. Grant: #H.S.(D) 3592, Lot: PT 3344 2. Grant: #H.S.(D) 3588, Lot: PT 3338 3. Grant: #H.S.(D) 3593, Lot: PT 3343 4. Grant: #H.S.(D) 3594, Lot: PT 3345 5. Grant: #H.S.(D) 3583, Lot: PT 3356	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>A legal boundary was clearly demarcated.</p> <p><u>Lepar Hilir 8 Estate</u></p> <p>Site visit to boundary at field PM99M with graveyard/smallholder and at field PR15U with Lembaga Kemajuan Pertubuhan Peladang (LKPP) was maintained.</p> <p>Colored pegs and boundary trenches was maintained by both the estates.</p>	Yes
4.3.2.4	<p>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).</p> <p>- Minor compliance -</p>	<p>Procedure documented on 'Identification and Negotiation of any FGV/ML-1A/L2-Pr10 dated 01/06/2016 land disputes' was established, however there was no dispute raised at FGVPI Sdn Bhd.</p>	Yes
Criterion 4.3.3 – Customary rights			

Criterion / Indicator		Assessment Findings	Compliance
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 -	A procedure namely Identification and Negotiation of any land disputes document no: FGV/ML-1A/L2-Pr10 dated 01/06/2016 sighted. Land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA) and leased to FGV.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	Maps and land titles shows it is under Lembaga Kemajuan Tanah Persekutuan (FELDA) and leased to FGV.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	No negotiation needed as currently all land is under Lembaga Kemajuan Tanah Persekutuan (FELDA) and leased to FGV.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA review conducted on 02/01/2019 (Lepar Hilir 08 Estate) and 01/01/2019 (Lepar Hilir 05 Estate) visited by person in-charge (CDD Department). Management Plan for both negative and positive impact identified and to be carried out in 2019 - mainly on monitoring plans. Social issues presence related to extended foreign workers work permit renewal process and risk of having workers without valid work permit was not identified in the SIA assessment (refer "Laporan Penilaian Impak Social FGVP M Lepar Hilir 05" dated 01.01.2019 & "Pelan Pengurusan (Management Plan) Bagi Impak Social Di Ladang Lepar Hilir 5", dated 15.01.2019):	Minor non-conformity

Criterion / Indicator	Assessment Findings	Compliance
	<p>Lepar Hilir 08 Estate:</p> <p>Sighted 19 foreign workers passports with expired work permit; whereby:</p> <ul style="list-style-type: none"> - 05 out of 19 found to be in 'Senarai Syak / List of Suspects' in Malaysia Immigration's system, resulting in delay of work permit renewal. Their work permit found expired averagely from 09 to 18 months. - 05 out of 19 work permit expired averagely from 02 to 11 months; however, sighted work permit is newly obtained from immigration office as at time of audit. - 09 out of 19 work permit expired averagely from 02 to 05 months; however, renewal of work permit is still in progress based on the records of submission to the FGV head office. No further evidence sighted that progress of following up with immigration for the passport renewal is done progressively. <p>Management interview and documentation review confirmed that all passport and work permit renewal is carried out 3 months in advance, however, process may be delayed if the foreign workers are found to be in suspected list.</p> <p>Lepar Hilir 05 Estate:</p> <p>Sighted 01 foreign workers passport with expired work permit since 11.05.2019. Communication with immigration confirmed that the foreign worker is found to be in the 'Senarai Syak / List of Suspects' in Malaysia Immigration</p>	

Criterion / Indicator		Assessment Findings	Compliance
		System. As at current facility is awaiting for further immigration office to process and investigate further.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	A record book and forms available for internal employee to lodge their complaints/issues. In October 2019, most complaint received is in regards with salary less than usual which already solved by the management.	Yes
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Complaints were acted on and replied with completion date and verified.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Complaint forms (internal and external) and record book available. Internal stakeholders are aware of the complaint mechanism during interview. External stakeholders were explained on the complaint mechanism in consultation 24/08/17.	Yes
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Suggestion box are prepared for internal and external stakeholders. Forms are available. These are communicated through Stakeholders Consultation dated 24/08/17 (minutes sighted).	Yes
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	Internal forms and book available for 2018 and 2019 and seen during audit.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>FGVPM has providing the support to the community through school allowance for primary and secondary school (RM2000 in total) on 26/12/2018.</p>	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The Group Occupational Safety & Health Management Policy had been established and implemented for the estates.</p> <p>Details as follows;</p> <p>a) Dasar Keselamatan Dan Kesehatan Pekerjaan signed by CEO FGV Plantations (M) Sdn Bhd on 01/02/2017.</p> <p>b) Health, Safety and Environment Policy endorsed by Group President/CEO dated 01/04/2016.</p> <p>c) Group Sustainability Policy (5.1.5 Health and Safety) signed by the Chairman, FGV Holdings Berhad dated 29/05/2019.</p> <p>The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p> <p>Included in the Policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.</p>	Yes

Criterion / Indicator		Assessment Findings				Compliance																												
<p>4.4.4.2</p>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. 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. 	<p>The Group Occupational Safety & Health Management Policy had been established and implemented for the estates.</p> <p>The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p> <p>Subjects among others include safety policies, fields operations, road safety, zero harm, and precautionary measures, dialogue. Content includes among others to prioritise safety, execute work safely, adhere all safety rules and regulations and to target zero accident.</p> <p>Apart from specific session, safety policy and targets were available on display board printed in both English & Bahasa Malaysia</p> <p>HIRARC for both the estates were sighted having details as follows of common activities.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Activity</th> <th>No</th> <th>Activity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Office</td> <td>9</td> <td>Pruning & harvesting</td> </tr> <tr> <td>2</td> <td>Security</td> <td>10</td> <td>Fertiliser application</td> </tr> <tr> <td>3</td> <td>Weeding</td> <td>11</td> <td>Replanting</td> </tr> <tr> <td>4</td> <td>P&D</td> <td>12</td> <td>Waste management</td> </tr> <tr> <td>5</td> <td>Boundary & census</td> <td>13</td> <td>Workshop</td> </tr> <tr> <td>6</td> <td>Road bridges</td> <td>14</td> <td>Nursery</td> </tr> </tbody> </table>				No	Activity	No	Activity	1	Office	9	Pruning & harvesting	2	Security	10	Fertiliser application	3	Weeding	11	Replanting	4	P&D	12	Waste management	5	Boundary & census	13	Workshop	6	Road bridges	14	Nursery	<p>Yes</p>
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Criterion / Indicator		Assessment Findings				Compliance
	g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.	7	Drainage & culverts	15	Break time	
		8	Transportation	16	Weighbridge	
	h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	<p>All HIRARC were verified and approved accordingly.</p> <p>HIRARC already been reviewed every year by LH08 management dated 30 June 2019 referred FGV/FGVPM/F(IMS)/1.3 Pind 1. No accident happen in year 2019. From the verification of implementation as per action plan in HIRARC refer Memo for tractor driver dated 25 July 2019 – To ensure not using harvesting lane for tractor.</p> <p>HIRARC already been reviewed every year by LH05 management dated 20 September 2019 referred FGV/FGVPM/F(IMS)/1.3 Pind 1.</p> <p>1 accident happen in year 2019 (09/03/2019). From the verification of implementation as per action plan in HIRARC refer Minutes of Meeting 01/2019 dated 13 Mac 2019 – To place warning signage and notifications for all employees to be careful when travelling through plough area.</p> <p>Both estates provide training to the workers and staff exposed to pesticides and chemicals.</p> <p>Details of other training are available 4.4.6.1 (training and competency).</p> <p>OSH plan in Lepar Hilir 08 & 05 was available, the action plan includes objective, training plan, OSH meeting, medical surveillance and others.</p> <p>PPE is been given to workers referred record in ‘ Buku Penyerahan PPE kepada pekerja’. The estates provide PPE to the employees such as</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.						
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.						
- Major compliance -						

Criterion / Indicator	Assessment Findings	Compliance
	<p>mask (SH2550, 3M N95, F710 C/V), gloves (cloth, latex) apron, safety helmets, safety shoes/rubber boots relevant to the work handled by the workers.</p> <p>During the site visit workers were observed to be in PPE.</p> <p>PPE items includes the following;</p> <ul style="list-style-type: none"> a) Mask 3M -9313/ Nitrile gloves b) Dupont apron / Goggles c) Vest / Safety helmets <p>Both estates had established SOP for chemical handling.</p> <p>SOP of handling of chemicals is available in the following document</p> <ul style="list-style-type: none"> a) Manual Ladang Sawit Lestari <ul style="list-style-type: none"> - Prosedure Kerja Selamat b) Manual Sustainability <ul style="list-style-type: none"> - Prosedur Kerja Selamat - Prosedur membancuh Racun di PREMIX - Pengendalian Bahan Kimia <p>The appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) had been provided and used by the pesticides operators.</p> <p>The document was sighted.</p>	

Criterion / Indicator	Assessment Findings	Compliance												
	<p>Both the Estate Managers were appointed as the Chairman of the ESH committee, letters of appointment signed by the Regional Controller were sighted.</p> <p>Appointment letter for manager as OSH representative.</p> <p>Lepar Hilir 8 Estate – 08/07/2019</p> <p>Lepar Hilir 5 Estate – 28/01/2019</p> <p>Both estates management conduct regular two-way communication with their employees through the quarterly ESH meeting.</p> <p>Briefings to employees are made through weekly briefing and ad-hoc basis through the field staff/Executives.</p> <p>OSH meeting been done periodically (3 month once). The minutes of meeting for Lepar Hilir 8 and 5 Estates respectively were sighted and verified.</p> <p>The dates of meeting held by both estates are recorded below.</p> <table border="1" data-bbox="1050 1029 1868 1291"> <thead> <tr> <th>No</th> <th>Lepar Hilir 8</th> <th>Lepar Hilir 5</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25/02/2019</td> <td>14/01/2019</td> </tr> <tr> <td>2</td> <td>30/05/2019</td> <td>16/04/2019</td> </tr> <tr> <td>3</td> <td>23/09/2019</td> <td>11/07/2019</td> </tr> </tbody> </table> <p>Workers during the meeting participated in the discussion mainly on-line site and safety.</p>	No	Lepar Hilir 8	Lepar Hilir 5	1	25/02/2019	14/01/2019	2	30/05/2019	16/04/2019	3	23/09/2019	11/07/2019	
No	Lepar Hilir 8	Lepar Hilir 5												
1	25/02/2019	14/01/2019												
2	30/05/2019	16/04/2019												
3	23/09/2019	11/07/2019												

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The estates had the following agenda discussed during the ESH meeting among other;</p> <ul style="list-style-type: none"> a) Introduction/opening b) Accident Report c) Occupational/poisoning incidences d) Dangerous occurrences / Environmental incidences e) Incidence investigation f) ESH Training g) Workplace inspection h) SOP / PPE adherence / Motorcycling safety procedure. i) Hygiene report j) RSPO/MSPO <p>Accident and emergency procedures are available. There was formation of ERP Team & ERP for all the identified incidences. The organisation chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. ERT are initiated for fire & flood, chemical spillage.</p> <p>Procedures guidelines were produced by PSD and amended to tailor to the situation differences in the estates and mills. ERP currently only confined to Fire to extend drill exercise to oil spill/chemical spill. All records were sighted and verified.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Both estates trained their nominated employees for First Aid mainly for those involved in the field operations. A First Aid Kit equipped with approved 16 items is available and replenished on a weekly basis.</p> <p>Distribution of the 1st Aid Kit for both the estates are made at the following places/personnel; Office / AP Post / Chemical Store / Fertiliser Store / Workshop / Field staff / Mandores. The boxes kept by the mandore were sighted during the field visit.</p> <p>Both Estates had regular briefing to the 1st Aid Kit holders on the management of the content and usage.</p> <p>First Aid training been done by Southern Advance Corporation Consultancy Sdn Bhd dated 10 Sept 2019. This First Aid training been involved by 30 workers from Lepar Hilir 05, 06 and 08.</p> <p>Records of all accidents are kept in both estates for a min of 10 years.</p> <p>Accident incidences are reviewed during the safety meetings. Records on Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 & 8.</p> <p>In LH08, the JKPP 8 (JKKP8/26243/2018) was available dated 16 Jan 2019 with 2 incident record (28 June 2018 and 3 Feb 2018). HIRARC already been review dated on 29 June 2018 and 6 Feb 2018.</p> <p>In LH05, the JKPP 8 (JKKP8/21553/2018) was available dated 07 Jan 2019 with 1 incident record (30 August 2018). HIRARC already been review dated on 6 Sept 2018.</p>	
<p>Criterion 4.4.5: Employment conditions</p>		

Criterion / Indicator		Assessment Findings	Compliance
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>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3 Respect for human rights) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Formalized briefing session was conducted on 18/09/2019 (Lepar Hilir 08 Estate) and 02/07/2019 (Lepar Hilir 05 Estate) through Laporan Latihan/Ceramah/Taklimat/Rollcall to workers.</p>	Yes
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.2 Responsible Employment) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Formalized briefing session was conducted on 18/09/2019 (Lepar Hilir 08 Estate) and 02/07/2019 (Lepar Hilir 05 Estate) through Laporan Latihan/Ceramah/Taklimat/Rollcall to workers. Employee consulted through Stakeholders Consultation interview was aware of non-discrimination policy. Sighted the Kesatuan Pekerja-Pekerja FGVP(M) Sdn Bhd-Mesyuarat Agung Tiga Tahunan Kali Ke 10 dated 28/10/2018 and Workers Welfare Meeting is established and meeting sighted held 3 times during year 2019. Meeting minutes sighted 26.04.2019, 11.06.2019 and 26.07.2019 and participated by local and foreign workers. Issues discussed includes request for house repair, sport activities, salary payment, etc.</p>	Yes
4.4.5.3	<p>Management shall ensure that employees' pay and conditions</p>	<p>Minimum pay legislation of RM 1100 per month is followed. Sampled salary slips Jan, May & Jul 2019 – no below minimum wages except</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>for those who were absent from work. Sampled operators interviewed as follow:</p> <ol style="list-style-type: none"> 1. Worker’s name: Abdul Aziz (Lepar Hilir 8) 2. Worker’s name: Abdur Razzak (Lepar Hilir 8) 3. Worker’s name: Suhaemi (Lepar Hilir 8) 4. Worker’s name: Supianto Edi (Lepar Hilir 8) 5. Worker’s name: Rabishankar Bag (Lepar Hilir 8) 6. Worker’s name: Amit Jana (Lepar Hilir 8) 7. Worker’s name: Azizah Binti Ismail (Lepar Hilir 8) 8. Worker’s name: Noraini Binti Mat Nor (Lepar Hilir 8) 9. Worker’s name: Somon Miah (Lepar Hilir 5) 10. Worker’s name: Riatot (Lepar Hilir 5) 11. Worker’s name: Chinnathambi Arumugam (Lepar Hilir 5) 12. Worker’s name: Che Jam Binti Harun (Lepar Hilir 5) 13. Worker’s name: Soe Min Tun (Lepar Hilir 5) 	
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Contractor was engaged by Lepar Hilir 8 Estate for Syarikat Hasdori Jaya for transporter. Sighted the pay slip for Sept, Aug and Jul 2019 for Vinod A/L Loganathan, Ab Rashid bin Ramli.</p> <p>In Lepar Hilir 05 Estate, the contract between Mahu Berjaya Enterprise and FGVPM Lepar Hilir 05 Estate dated 13/06/2017 and renewed on 08.01.2019 (Agreement letter: 5300003978).</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
		Sighted the 'Sijil Bayaran Konytrak Kerja Pertanian', block: 0274PM1405, contract no: 5300003978 536.06 MT at RM25.50 RM13,669.53.	
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	Records of basic employee information (name, gender, date of birth, date join), job description and salary slips with all the deductions complies with requirements.	Yes
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	Employment letter with Job description is signed by both employer and employee. Sighted for employment letter and Job description for operators as follow: <ol style="list-style-type: none"> 1. Worker's name: Abdul Aziz (Lepar Hilir 8) 2. Worker's name: Abdur Razzak (Lepar Hilir 8) 3. Worker's name: Suhaemi (Lepar Hilir 8) 4. Worker's name: Supianto Edi (Lepar Hilir 8) 5. Worker's name: Rabishankar Bag (Lepar Hilir 8) 6. Worker's name: Amit Jana (Lepar Hilir 8) 7. Worker's name: Azizah Binti Ismail (Lepar Hilir 8) 8. Worker's name: Noraini Binti Mat Nor (Lepar Hilir 8) 9. Worker's name: Somon Miah (Lepar Hilir 5) 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		10. Worker's name: Riatot (Lepar Hilir 5) 11. Worker's name: Chinnathambi Arumugam (Lepar Hilir 5) 12. Worker's name: Che Jam Binti Harun (Lepar Hilir 5) 13. Worker's name: Soe Min Tun (Lepar Hilir 5)	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Working hours is using punch card mechanism and explained by interviewed employees. Punch time shows time in and out and used to calculate working hours including overtime. Sampled of the operators as follow:</p> <ol style="list-style-type: none"> 1. Worker's name: Abdul Aziz (Lepar Hilir 8) 2. Worker's name: Abdur Razzak (Lepar Hilir 8) 3. Worker's name: Suhaemi (Lepar Hilir 8) 4. Worker's name: Supianto Edi (Lepar Hilir 8) 5. Worker's name: Rabishankar Bag (Lepar Hilir 8) 6. Worker's name: Amit Jana (Lepar Hilir 8) 7. Worker's name: Azizah Binti Ismail (Lepar Hilir 8) 8. Worker's name: Noraini Binti Mat Nor (Lepar Hilir 8) 9. Worker's name: Somon Miah (Lepar Hilir 5) 10. Worker's name: Riatot (Lepar Hilir 5) 11. Worker's name: Chinnathambi Arumugam (Lepar Hilir 5) 12. Worker's name: Che Jam Binti Harun (Lepar Hilir 5) 	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		13. Worker's name: Soe Min Tun (Lepar Hilir 5)	
4.4.5.8	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. - Major compliance -	Overtime is agreed with employee and does not exceed 104 hours. Employees are clear with working hours. They also understand maximum overtime and overtime calculation.	Yes
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Salary, deductions and overtime is clear in the salary slip. Interview with workers shows they understand the salary and overtime calculations.	Yes
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Other incentives eg: project incentive, group insurance was provided. Housing facilities and panel clinic (besides government clinic) is also provided.	Yes
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	During site visit to the linesite, it was found that the housing area clean and well managed. The electricity was given free of charge, meanwhile for water consumption, there was a subsidy rate by the management. Linesite inspection was done on weekly to cover for all the Dorm. Sighted the record "FGVP(M) Sdn Bhd – pemeriksaan mingguan rumah tempatan by each Asrama". Rubbish collection 2x a week. Grass cutting services is provided.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Sexual Harassment Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.6 Gender Equality and Preventing Sexual Harassment & Violence) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid)</p> <p>A gender committee has been formed. No cases of sexual harassment reported. The committee regularly conduct the meeting to speak and create awareness on this topic. Gender committee for Lepar Hilir 08 established and lead by Puan Noranisah Bte Mat Saat, Finance Clerk and Lepar Hilir 05 established and lead by Puan Suzana Binti Mat Nor, Gender Committee Chairmain. Meeting is organized every yearly basis, and last conducted on 13/02/2019 and participated by 8 members (Lepar Hilir 08 Estate) and 30/08/2019 and participated by 23 members (Lepar Hilir 05 Estate). Meeting minutes sighted, issues discussed includes briefing on type and how sexual harassment and abuse to be reported, function of the gender committee, introducing child care centre and medical check.</p>	<p>Yes</p>
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer</p>	<p>Freedom of Expression Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3.4 of policy document) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid).</p> <p>Sighted the Kesatuan Pekerja-Pekerja FGVP(M) Sdn Bhd-Mesyuarat Agung Tiga Tahunan Kali Ke 10 dated 28/10/2018 and Workers Welfare Meeting is established and meeting sighted held 3 times during year 2019. Meeting minutes sighted 26.04.2019, 11.06.2019</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance												
	repercussions. - Major compliance -	and 26.07.2019 and participated by local and foreign workers. Issues discussed includes request for house repair, sport activities, salary payment, etc.													
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not have exposed to hazardous working conditions. - Major compliance -	Minimum age of employment is 18 years for POM. Verified list of current employees as per Oct 19 shows no employee below 18 years.	Yes												
Criterion 4.4.6: Training and competency															
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance -	Both estates have organised trainings for their employees. There were also sessions held with presence of contractors and vendors with business relationship with the organisation. a) Lepar Hilir 8 Estate held the following sessions. <table border="1" data-bbox="1048 1082 1870 1378"> <thead> <tr> <th>Date</th> <th>Training Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>05/04/19</td> <td>Integrated Pest Management Training</td> <td>16</td> </tr> <tr> <td>08/06/19</td> <td>Environmental Impact and Related Policy Training</td> <td>20</td> </tr> <tr> <td>10/09/19</td> <td>Basic Occupational First Aid & CPR</td> <td>4</td> </tr> </tbody> </table>	Date	Training Subject	Attendees	05/04/19	Integrated Pest Management Training	16	08/06/19	Environmental Impact and Related Policy Training	20	10/09/19	Basic Occupational First Aid & CPR	4	Yes
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05/04/19	Integrated Pest Management Training	16													
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10/09/19	Basic Occupational First Aid & CPR	4													

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Criterion / Indicator		Assessment Findings			Compliance
		17/09/19	OSH and GSP Policy Briefing	18	
		25/09/19	RSPO/MSPO Briefing RTE & HCV Training	17	
		b) Lepar Hilir 5 Estate organised similar training as follows;			
		Date	Training Subject	Attendees	
		09/10/19	SOCISO Insurance Policy Briefing	233	
		28/09/19	Open Burning Briefing and Training	150	
		23/09/19	Scheduled Waste Management	40	
		02/07/19	Sustainability, MSPO & OSHA Policy Briefing	240	
		10/09/19	First Aider (Kuantan)	29	
		03/07/19	Manuring Briefing and Training	11	
		Training for the CU estates and the mill is an on-going activity and held along with the annual program.			
4.4.6.2	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	Similar method for identifying the training needs is used in this CU operating units for the both estates.			Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The training needs for both Lepar Hilir 8 & 5 Estates for the FY 2019 training program has been established.</p> <p>The details of the training needs include categories of job descriptions, sections, and employees' group.</p> <p>Schedule is subject to changes by the management.</p>	
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Training details are planned and summarised in the OSH program. This is in compliance and detailed in 4.4.6.1 above.</p> <p>Training program are made on annual basis.</p> <p>In addition, it is subject for a review during the financial year should need arises.</p>	Yes
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>Environmental policy has been established and in compliance.</p> <p>The policy is available titled as 'Polisi Perlindungan Dan Penjagaan Alam Sekitar' signed by Presiden & CEO FGV on 01/06/2014.</p> <p>The content of the Policy among others includes the following objectives.</p> <p>a) Compliance with all related guidelines and regulatory laws.</p> <p>b) Implementation of GAP as stated in FELDA Lestari.</p> <p>c) Implement suitable remedial to reduce impact to the environment.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance										
		<p>d) To avoid pollution</p> <p>e) To adopt policy to others.</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>The aspect and impact analysis for all the estate operations are documented.</p> <p>In the comprehensive report, the study of aspect and impact are aimed to;</p> <p>a) Plan to avoid negative impact and to promote positive impacts.</p> <p>b) Reduction disposal of waste taking into consideration of social responsibilities.</p> <p>c) Plan to reduce pollution and release of GHG</p> <p>d) Development and implementations.</p> <p>Aspect and impact covered the following activities/operations among others;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Poisoning of VOPs/ woodies</td> </tr> <tr> <td>2</td> <td>Circle spraying</td> </tr> <tr> <td>3</td> <td>Management of empty containers</td> </tr> <tr> <td>4</td> <td>Rat baiting</td> </tr> </tbody> </table>	No	Activities	1	Poisoning of VOPs/ woodies	2	Circle spraying	3	Management of empty containers	4	Rat baiting	Yes
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Criterion / Indicator		Assessment Findings			Compliance		
		5	Grass slashing				
		6	Fertiliser application				
		7	Grading of FFB				
		8	Vehicle maintenance by contractors				
		Management Plan & Initiative to reduce the impact on is listed below					
			Impact	Source	Action plan		
		1	Soil pollution	Empty chemical containers	Recycle used containers into a safe use. Disposed to a registered recycler.		
		2	Water pollution				
		Additionally, the following efforts are initiated by the management to reduce impact on the environment.					
			Issue	Initiative			
1	Reduce chemical spillage	Implement mixing at designated area (store area)					
2	Smoke emission from vehicles	Implement PMV					

Criterion / Indicator		Assessment Findings		Compliance	
		3	Diesel spillage during infilling of fuel	Establish trap, tray & spill kit	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The CU has established an environmental improvement plan with details as follows;</p> <p>a) to reduce and control the pollution (negative impacts) and action plan to sustain the environmental impact (positive) has been developed with details in;</p> <ul style="list-style-type: none"> - Jadual 4.1 Rumusan Skor Untuk Impak Negatif Alam Sekitar Paling KETARA - Jadual 4.2, Pelan Pengurusan (Management Plan) Bagi Mengurangkan Impak Alam Sekitar Dari Aktiviti Ladang - Jadual 4.3. Pelan Tindakan (Action Plan) Bagi Mengurangkan Impak Alam Sekitar Dari Aktiviti Ladang Dan Mengawal Pencemaran (Impak Positif) <p><u>Lepar Hilir 8 Estate</u></p> <p>Aspect & Impact register was not effectively implemented.</p> <p>No records of the aspect & impact register for the Landfill activities identified.</p> <p>Refer to 'Laporan Aspek Impak Alam Sekitar Melalui Aktiviti Perladangan, Bahan Buangan dan Pencemaran' (No Doc: 1/2018) dated 20/11/2018 and 'Pengenalpastian Aspek dan Penilaian Impak (No Borang 5.1/5.6) dated 08/10/2018.</p>		Major non-conformity	

Criterion / Indicator		Assessment Findings	Compliance														
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote the positive impacts is illustrated in 4.5.1.2 and 4.5.1.3 above.</p>	Yes														
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>A training program has been established Jan – Dec 2019 titled 'Program Latihan Ladang/Kilang'. Inclusive is the program shown in the ESH annual program.</p> <p>Subjects among others included in the program is subject on 'Penerangan Susulan Keperluan MSPO, Latihan Mengendali Rawatan Kecemasan'.</p> <p>Other training organised in relation to environmental issues and activities among other are listed below;</p> <table border="1" data-bbox="1218 916 1702 1375"> <thead> <tr> <th>No</th> <th>Subject</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chemicals handling</td> </tr> <tr> <td>2</td> <td>Scheduled waste</td> </tr> <tr> <td>3</td> <td>Buffer zone management</td> </tr> <tr> <td>4</td> <td>HCV</td> </tr> <tr> <td>5</td> <td>Soil pollution</td> </tr> <tr> <td>6</td> <td>Water pollution</td> </tr> </tbody> </table>	No	Subject	1	Chemicals handling	2	Scheduled waste	3	Buffer zone management	4	HCV	5	Soil pollution	6	Water pollution	Yes
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Criterion / Indicator		Assessment Findings	Compliance
		<p>A training program is available in the Training Program updated on a yearly basis or revised as per the management requirement.</p> <p>Included in this programme are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. Both estates also emulated similar program for in house training.</p>	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Subjects concerning environmental are also included and discussed in the JKPP committee meeting. Sighted minutes of meeting available in the ESH meetings.</p> <p>Agenda among others include;</p> <ul style="list-style-type: none"> a) Employees safety b) Beautification program c) Dangerous occurrences / Environmental incidences d) ESH Training e) RSPO/ISCC/MSPO <p>Training details are planned and summarised in the OSH program. This is in compliance and detailed in 4.4.6.1 above. Training program are made on annual basis.</p> <p>In addition the management organized EPMC (Environmental Performance Monitoring Committee) twice yearly.</p> <p>Issues were related to the environmental performance of all units within the Region.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance																																					
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																							
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for both renewable and nonrenewable sources were kept and documented in both estates. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Monitoring is made using diesel/mt FFB, commentary on variance on irregularities variances.</p> <p><u>Lepar Hilir 8 Estate</u></p> <table border="1" data-bbox="1050 807 1868 1393"> <thead> <tr> <th>Month</th> <th>Diesel/ L</th> <th>FFB mt</th> <th>Diesel /FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>3245</td> <td>1783.69</td> <td>1.82</td> </tr> <tr> <td>Feb</td> <td>3524</td> <td>1838.17</td> <td>1.92</td> </tr> <tr> <td>Mac</td> <td>3895</td> <td>2305.43</td> <td>1.69</td> </tr> <tr> <td>Apr</td> <td>4021</td> <td>2849.48</td> <td>1.41</td> </tr> <tr> <td>May</td> <td>4354</td> <td>3873.13</td> <td>1.12</td> </tr> <tr> <td>Jun</td> <td>4488</td> <td>4169.54</td> <td>1.08</td> </tr> <tr> <td>Jul</td> <td>5020</td> <td>5211.87</td> <td>0.96</td> </tr> <tr> <td>Aug</td> <td>4868</td> <td>4966.77</td> <td>0.98</td> </tr> </tbody> </table>	Month	Diesel/ L	FFB mt	Diesel /FFB	Jan	3245	1783.69	1.82	Feb	3524	1838.17	1.92	Mac	3895	2305.43	1.69	Apr	4021	2849.48	1.41	May	4354	3873.13	1.12	Jun	4488	4169.54	1.08	Jul	5020	5211.87	0.96	Aug	4868	4966.77	0.98	<p>Yes</p>
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Criterion / Indicator		Assessment Findings				Compliance
		Sep	4425	4359.56	1.02	
		<u>Lepar Hilir 5 Estate</u>				
		Month	Diesel/ L	FFB mt	Diesel /FFB	
		Jan	4518	1316.20	3.43	
		Feb	4365	1636.71	2.67	
		Mac	4430	1792.85	2.47	
		Apr	4002	2312.46	1.73	
		May	4314	2769.82	1.56	
		Jun	4035	2900.00	1.39	
		Jul	4531	3322.14	1.36	
		Aug	4565	3233.00	1.41	
		Sep	2720	3041.91	0.89	
		<p>Data with graph recorded were sighted and verified. Variation mainly due to timing factor in road maintenance machinery provided by the Zone level. Also the weather factor attributed to the additional usage of pumping of excessive water prone to flooding.</p>				

Criterion / Indicator		Assessment Findings				Compliance																																								
<p>4.5.2.2</p> <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 estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.</p> <p>The estates adopted the following practices in reducing diesel consumption in the daily operations.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Management Plan</th> <th>Timeline</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Monitoring of diesel usage in FFB transportation</td> <td>On-going</td> <td>AEM</td> </tr> <tr> <td>2</td> <td>Engine OFF when not in operations</td> <td>On-going</td> <td>AEM</td> </tr> <tr> <td>3</td> <td>Solar energy in replacement of gen-sets</td> <td>Yet to be implemented</td> <td>AEM</td> </tr> <tr> <td>4</td> <td>Training session to PIC</td> <td>Oct</td> <td>AEM</td> </tr> </tbody> </table>	No	Management Plan	Timeline	PIC	1	Monitoring of diesel usage in FFB transportation	On-going	AEM	2	Engine OFF when not in operations	On-going	AEM	3	Solar energy in replacement of gen-sets	Yet to be implemented	AEM	4	Training session to PIC	Oct	AEM	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.</p> <p>The estates adopted the following practices in reducing diesel consumption in the daily operations.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Management Plan</th> <th>Timeline</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Monitoring of diesel usage in FFB transportation</td> <td>On-going</td> <td>AEM</td> </tr> <tr> <td>2</td> <td>Engine OFF when not in operations</td> <td>On-going</td> <td>AEM</td> </tr> <tr> <td>3</td> <td>Solar energy in replacement of gen-sets</td> <td>Yet to be implemented</td> <td>AEM</td> </tr> <tr> <td>4</td> <td>Training session to PIC</td> <td>Oct</td> <td>AEM</td> </tr> </tbody> </table>				No	Management Plan	Timeline	PIC	1	Monitoring of diesel usage in FFB transportation	On-going	AEM	2	Engine OFF when not in operations	On-going	AEM	3	Solar energy in replacement of gen-sets	Yet to be implemented	AEM	4	Training session to PIC	Oct	AEM	<p>Yes</p>
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<p>4.5.2.3</p> <p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>There was no opportunity to use renewable energy in both Estates at current technology.</p> <p>Mainly such practices are made in the mills whereby fibres and shell are used as fuel in the boiler for steam production thereafter for power generation.</p>	<p>There was no opportunity to use renewable energy in both Estates at current technology.</p> <p>Mainly such practices are made in the mills whereby fibres and shell are used as fuel in the boiler for steam production thereafter for power generation.</p>				<p>Yes</p>																																								
<p>Criterion 4.5.3: Waste management and disposal</p>																																														

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>The requirement is established and in compliance.</p> <p>The procedure documented under this subject is as follows;</p> <p>a) Perlupusan Sisa Domestik</p> <p>The procedure has detailed the definition of solid waste.</p> <p>The, types of solid wastes has been categorised as follows;</p> <p>a) Sisa pepejal komersial</p> <p>b) Sisa pepejal pembinaan</p> <p>c) Sisa pepejal isi rumah</p> <p>d) Sisa pepejal perindustrian.</p> <p>e) Sisa pepejal keinstitusian</p> <p>f) Sisa pepejal import</p> <p>g) Sisa pepejal awam.</p> <p>In addition there are 'Pelan Pengurusan Domestik Dan Bahan Buangan Tahun 2019'. In this plan activities as scheduled are monitored with the date/month recorded. This was sighted and verified.</p> <p>The landfill has signboard displayed and properly demarcated. The area is sufficiently distant from habitation and water contamination. The site disposal area (landfill area) is shown and marked in the estate map.</p> <p>The estate also identified the types of Domestic Waste;</p> <p>a) Sisa baki (Home domestic)</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>b) Sisa pukal e.g. old furnitures, electrical appliances.</p> <p>c) Sisa kitar semula (Recycled).</p> <p>Inside the Management Plan the estate has included among others.</p> <p>a) Identification of scheduled waste/ domestic waste.</p> <p>b) Process dispose domestic waste to the estate landfill.</p> <p>The estates also maintained records of source identification source and type of scheduled waste.</p>	
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>This is available under document titled Pelan Pengurusan Sisa Domestik Dan Bahan Buangan Tahun 2019.</p> <p>Type of waste material is identified as follows:</p> <p>a) Source from estate & mill operation i.e empty fertiliser bags, used tyres and scrap metal/used woods.</p> <p>b) Source from office & housing activities i.e. papers, plastic, glass, rags, aluminium, domestic food waste, kitchen waste, etc.</p> <p>EFB if utilised will only be for general uses e.g. mulching for the replant and for the recreational purposes / growth support for the ornamental plants.</p>	Yes
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by PSD and implemented in all estates and mills for all the applicable practices.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>The operational control procedures for the scheduled wastes management provides guidelines as follows;</p> <p>a) Management of class 2 (and higher) chemical containers.</p> <p>b) Management of fertiliser bags</p> <p>These documents were established on 01/6/2-16 issued throughout the Group Estates and remain effective for practice in all operating units.</p>	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>This is available and detailed in document titled "KITAR SEMULA BEKAS RACUN PEROSAK".</p> <p>The objective of the guidelines is to;</p> <p>a) memelihara kesejahteraan alam sekitar</p> <p>b) to comply with the GAP</p> <p>c) avoid misuse of empty pesticide containers.</p> <p>The guidelines also reasoned out the need of triple rinsing and produced the quantity of remaining residue after the triple rinsing.</p> <p>Pictorial guidelines on the methods of triple rinsing are also shown in the document.</p> <p>Under the operational control procedure established as given in 4.5.3.3 above the guideline and practice for handling empty pesticides are as follows;</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>a) All class 2 and above containers are tripled rinsed and hole punctured at the bottom only if the waste generator is to dispose as non-scheduled waste.</p> <p>b) Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process.</p> <p>These guidelines are based on Department Of Agriculture ref 91/120/038/014 dated 7/11/2002.</p>	
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Under the action plan of the waste management plan, collection is 2 to 3x/week. Monitoring is made by an Executive/staff.</p> <p>Both estates disposed their domestic waste at their designated landfill. Lepar Hilir 8 Estate located in field no PM91L (opened on 25/09/2019). Lepar Hilir 5 Estate located in field no PR18L (opened on 04/10/2019). The sites was sighted and verified.</p> <p>However, found below non-compliance:</p> <p>Sighted the following at Lepar Hilir 8 Estate located in field no PM91L:</p> <ol style="list-style-type: none"> 1. Landfill for domestic wastes were not properly managed. 2. No signage for closed landfills. 3. No segregation of recyclable waste. <p>Refer to the Pengurusan Sisa Pepejal (Isi Rumah) Doc no: FGV/FGVPM/II/IMS/15/011B dated 02/02/2019, (6.1.12) Pihak ladang perlu membuat pembersihan di tapak pelupusan sekiranya sampah berselerak di luar kawasan</p>	Minor non-conformity

Criterion / Indicator		Assessment Findings	Compliance												
		<p>pelupusan. (6.1.14) Tapak pelupusan yang telah dikambus perlu ditandakan bagi mengelakkan penggalian semula tapak pelupusan. (6.2.3) Penghuni perlu mengasingkan sendiri sampah yang boleh dikitar semula seperti dikategorikan dan tidak dibuang di dalam tapak pelupusan.</p>													
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>Both estates assessed their polluting activities. This has been incorporated in the Environmental Improvement Plan/Pollution Prevention Plan 2018/19.</p> <p>Details as provided in 4.5.1.3 and 4.5.1.4</p> <p>Therein is given potential sources of pollutants, objective & targets and action to be taken.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Pollution</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td>Vehicle & gen-sets</td> </tr> <tr> <td>2</td> <td>Water</td> <td>Cleaning water & run-off</td> </tr> <tr> <td>3</td> <td>Land</td> <td>SW, domestic waste & industrial waste</td> </tr> </tbody> </table> <p>The GHG final emissions summarised from the estates activities is shown below;</p>	No	Pollution	Source	1	Air	Vehicle & gen-sets	2	Water	Cleaning water & run-off	3	Land	SW, domestic waste & industrial waste	Yes
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Criterion / Indicator		Assessment Findings		Compliance												
		Estate	GHG													
		Lepar Hilir 8	0.12 tCO2e/t FFB													
		Lepar Hilir 5	0.01 tCO2e/tFFB													
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>Both the estates assessed their polluting activities. It is tabulated under the environmental management program. Therein is given potential sources of pollutants, objective & targets and action to be taken.</p> <p>Sighted targeted area assessed among other as follows;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Sources/objective & target</th> <th>Action steps</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Management of HCV river reserve (Sg Sema & Sg Lepar) & buffer zone conservation</td> <td>To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area</td> </tr> <tr> <td>2</td> <td>To monitor waste management plan for its suitability SW disposal monitoring.</td> <td>Delivery to SL Recycling Sdn Bhd</td> </tr> <tr> <td>3</td> <td>To improve employees awareness on pollution prevention at housing complex including zero burning policy.</td> <td>Continuous reminders</td> </tr> </tbody> </table>		No	Sources/objective & target	Action steps	1	Management of HCV river reserve (Sg Sema & Sg Lepar) & buffer zone conservation	To train/retrain sprayers/manuring gang to avoid any chemical-related works at the area	2	To monitor waste management plan for its suitability SW disposal monitoring.	Delivery to SL Recycling Sdn Bhd	3	To improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	Yes
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Criterion / Indicator		Assessment Findings			Compliance						
		4	To minimise spillage of oil/chemical onto the ground	Continuous training and use of spill trays							
		5	To review aspect identification & impact evaluation to identify significant critical points for control.	Review through EA/EIE							
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. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. 	<p>This document is available titled ‘Pelan Pengurusan Air Tahun 2018/2019.</p> <p>2 places of activities relating to water usage identified</p> <ul style="list-style-type: none"> a) Estates & oil mill b) Office & housing areas. <p>Therein among others is illustrated identification of water source e.g. river, mode of measurement, risk event & cause of risk event, preventive & corrective measures, and PIC (person in charge)</p> <p>The management also records the rainfall data (Rekod Hujan Bulanan Tahun 2019) for better monitoring of the palm growth.</p> <p>Rainfall records for both estates in 2019 as follows;</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 33%;">Estate</th> <th style="width: 33%;">Lepar Hilir 8</th> <th style="width: 33%;">Lepar Hilir 5</th> </tr> </thead> <tbody> <tr> <td>Month</td> <td>mm</td> <td>mm</td> </tr> </tbody> </table>			Estate	Lepar Hilir 8	Lepar Hilir 5	Month	mm	mm	Yes
Estate	Lepar Hilir 8	Lepar Hilir 5									
Month	mm	mm									

Criterion / Indicator		Assessment Findings			Compliance
<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	Jan	205	86		
	Feb	32	23		
	Mac	43	68		
	Apr	275	36		
	May	80	223		
	Jun	114	282		
	Jul	254	97		
	Aug	348	214		
	Sept	142	95		
	<p>Buffer zone at both estates was sighted. Signboard was displayed at the sites.</p> <p>There is no sign of spraying being carried out at the identified location. There were indicators stick at the river bank to show the water level for purpose of monitoring.</p> <p>The buffer zones established are as following:</p> <table border="1" data-bbox="1048 1299 1868 1362"> <tr> <td>River width</td> <td>Buffer zone</td> </tr> </table>				River width
River width	Buffer zone				

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Criterion / Indicator		Assessment Findings		Compliance
		>40 meters	50 meters	
		20 - 40 meters	40 meters	
		10 - 20 meters	20 meters	
		5 - 10 meters	10 meters	
		< 5 meters	5 meters	
		<p>The policy for the protection of watercourse is made known to all employees for an effective implementation when the need arises. Both estates received supply from PAIP hence does not require an internal water treatment for the domestic consumption.</p>		
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>This is in compliance by the estates. This requirement is also audited internally by the PSD personnel.</p> <p>During the field visit no construction of such was observed. This was further supported through facts obtained from interviews among the employees.</p>		Yes
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>During the site visit practices of water harvesting are noted mainly in both the estates however not on entirely as the estates are also categorised as inland and hilly.</p> <p>Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and also to benefit the nearest palm at the pit end to obtain additional moisture.</p>		Yes

Criterion / Indicator	Assessment Findings	Compliance																		
	Rain fall records for both estates in 2019 are shown in 4.5.5.1 above.																			
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																				
<p>4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</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 (<i>e.g.</i> 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>The HCV and biodiversity study for FGVPM Lepar Hilir 8 was made on 15/09/2016 and updated on 19/11/2018.</p> <p>Therein the report it was concluded that the estate maintained buffer zone of Sg Lepar & Sg Buloh with high vegetative conservation.</p> <p>The was no HCV (1 to 6) available in the estates;</p> <table border="1" data-bbox="1050 791 1868 991"> <thead> <tr> <th>No</th> <th>Vegetative conservation</th> <th>Site</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Within the estate areas</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Boundary to estate vicinity</td> <td>Sg Lepar & Sg Buloh</td> </tr> </tbody> </table> <p>The RTE observation was made as follows</p> <table border="1" data-bbox="1050 1054 1868 1286"> <thead> <tr> <th>No</th> <th>Vegetative conservation</th> <th>RTE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Within the estate areas</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Boundary to estate vicinity</td> <td>Nil</td> </tr> </tbody> </table> <p>The HCV and biodiversity study for FGVPM Lepar Hilir 5 was made on 21/09/2016 and updated on 19/11/2018.</p>	No	Vegetative conservation	Site	1	Within the estate areas	Nil	2	Boundary to estate vicinity	Sg Lepar & Sg Buloh	No	Vegetative conservation	RTE	1	Within the estate areas	Nil	2	Boundary to estate vicinity	Nil	<p>Yes</p>
No	Vegetative conservation	Site																		
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Criterion / Indicator		Assessment Findings	Compliance																		
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4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:	Relevant programme to workers pertaining awareness of HCV areas and RTE observed conducted. Interview with employees noted that	Yes																		

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Criterion / Indicator		Assessment Findings	Compliance
	a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. - Major compliance -	awareness programme had been conducted. Employees were aware of: a) Not to capture, harm, kill any wildlife. b) Disciplinary measures shall be taken if found violating company rules. c) Not to chemicals in riparian buffer zone.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The CU observed implemented the established action plans, including monitoring (patrolling) of the conservation areas by Auxiliary Police. Record of monitoring (patrolling) observed maintained. Observed no monitoring outcomes that requires changed of practices or action plan	Yes
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 -	The Group policy of "Zero open burning" is enforced since 01/06/2014. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in both the estates. Both estates recorded replanting program for the forthcoming 5 years. Refer details in 4.6.2.2.	Yes
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	N/A. Details in 4.5.7.1 above	N/A

Criterion / Indicator		Assessment Findings	Compliance
	there is a significant risk of disease spread or continuation into the next crop. - Major compliance -		
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 -	N/A. Details in 4.5.7.1 above	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in Felda Agricultural Services/FGV. The organisation excluded stages relating to shredding, pulverized and ploughing in the land preparations.	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The SOP for the estates and mill operations are available which is prepared on Group basis. There are levels of the documentation identified as follows; a) Manual Ladang Sawit LESTARI on reviewed 1/6/12 Sawit pra matang edisi II seksyen 3 b) Manual Ladang Sawit LESTARI reviewed on 1/6/12 Sawit matang edisi II seksyen 4	Yes

Criterion / Indicator		Assessment Findings	Compliance
		c) Manual Ladang Sawit LESTARI 1/6/12 Pembajaan sawit edisi II seksyen 5 d) Prosedur Kerja Selamat e) Manual Kelestarian (Sustainability) f) Work instruction g) Records.	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	The estates construct terraces at slope area of more than 6 degrees. Planting of cover crop are made to retain the soil structure and conservation. a) Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. b) Terraces are constructed inclined towards the terrace wall.	Yes
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signages at the boundary/corners of every fields. This was observed during the field visit in both estates.	Yes
Criterion 4.6.2: Economic and financial viability plan			

Criterion / Indicator		Assessment Findings	Compliance
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available as per the Group Financial Procedure. & Guidelines.</p> <p>Both estates had a similar format i.e. in the form of annual budget with a 5 year projection. (Budget year, PY2, PY3, PY4, PY5). This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production.</p> <p>Component of operating expenditure includes</p> <p>a) Penjagaan & Penyeliaan</p> <ul style="list-style-type: none"> - merumput - Membaja - Parit - Jalan & jambatan - Pemuliharaan Tanah & Air - Mencantas - Sanitasi Pokok - Sempadan & ukur - Menyulam - Penyeliaan am <p>b) Pungutan</p> <ul style="list-style-type: none"> - buruh 	Yes

Criterion / Indicator		Assessment Findings	Compliance																		
		<ul style="list-style-type: none"> - pengangkutan - Penyeliaan - peralatan 																			
4.6.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>Both estates established a replanting program spanned over a 5-year period till 2023. All programs were sighted.</p> <p>All replanting program and planning in all the Group Estates Assistance and audit are performed as and when required and necessary.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Estate</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Lepar Hilir 8</td> <td style="text-align: center;">-</td> <td style="text-align: right;">180.73</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Lepar Hilir 5</td> <td style="text-align: right;">252.46</td> <td style="text-align: right;">425.68</td> <td style="text-align: right;">427.30</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Estate	2019	2020	2021	2022	2023	Lepar Hilir 8	-	180.73	-	-	-	Lepar Hilir 5	252.46	425.68	427.30	-	-	Yes
Estate	2019	2020	2021	2022	2023																
Lepar Hilir 8	-	180.73	-	-	-																
Lepar Hilir 5	252.46	425.68	427.30	-	-																
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p> <p>The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is sighted.</p>	Yes																		

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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report.</p> <p>a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.</p> <p>b) The management also provides variance report on the performance and reviewed on a monthly basis.</p> <p>c) The supervisory personnel maintained a daily cost for the field operations.</p> <p>The meeting involving the Managers sits monthly with the Regional PA and Head for the performance review.</p>	Yes
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>This is available in the guidelines LOA (limit of authority) and revised sourcing method. For any projects of sizeable purchase, the following process is adopted;</p> <p>a) mill to confirm availability of budget and obtain VISA for the Regional Office</p> <p>b) tender specification will be prepared</p> <p>c) tenders to be invited from the registered vendors.</p> <p>d) Tender opening by committee and negotiation of price where relevant</p> <p>e) Issue SPK – Surat Perintah Kerja</p> <p>f) Monitoring of project and verification prior approval of payment upon issuance of invoice from vendors.</p> <p>Payments are processed and made by HQ. This is made upon job verification by the mill personnel.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Group Purchasing Policy is documented.</p> <p>i. Pricing is reviewed with BTS supplier. [Pricing is not revealed for confidentiality purposes]. The contract was done by Jabatan Belian BTS at HQ level.</p> <p>ii. Syarikat Hasdori Jaya: Surat Perintah Kerja No: 5300002602 dated 14 Dec 2016 valid until 31 Dec 2018 and renewed further until 31 Dec 2020 for providing workers and transporting FFB to mill and internal transportation within 2 years.</p> <p>iii. In Lepar Hilir 05 Estate, the contract between Mahu Berjaya Enterprise and FGVPM Lepar Hilir 05 Estate dated 13/06/2017 and renewed on 08.01.2019 (Agreement letter: 5300003978).</p>	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>This requirement is in compliance. All contracts and purchases are documented i.e. in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and mill. The evaluation and tender process was handled by the Procurement Department at Head Office.</p> <p>Sighted the progress payment invoice (reference no: KLV061319090009, vendor invoice no: 5300004763 for Pengangkutan Keluaran-Kontrak 298.81 MT, amounted RM 9,860.73. Voucher number KLP19100009 dated 07.10.2019.</p> <p>Sighted the 'Sijil Bayaran Konytrak Kerja Pertanian', block: 0274PM1405, contract no: 5300003978 536.06 MT at RM25.50 RM13,669.53.</p>	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required</p>	<p>A contract was sighted. The evaluation and tender process was handled by the Procurement Department at Head Office/Regional</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	documentation and information. - Major compliance -	Office. MSPO briefing is conducted through stakeholder consultation 24/08/2017.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sighted the agreement for Syarikat Hasdori Jaya: Surat Perintah Kerja No: 5300002602 dated 14 Dec 2016 valid until 31 Dec 2018 and renewed further until 31 Dec 2020 for providing workers and transporting FFB to mill and internal transportation within 2 years.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	This requirement has been specified during a briefing by the estate to the contractors/suppliers on 10/9/19. In addition, there was a letter dated the same day of the briefing to acknowledge acceptance on the MSPO guidelines and requirements. BSI agreement with FGV and auditors allowed to verify contractors contract.	Yes
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 -	All works performed at the estates are checked and verified by the estates personnel. Projects where tenders are issued by HQ are checked by representatives from HQ. Verification of jobs done is carried out by Estate Assistant and daily job recording is available. Eg: Sighted the progress payment invoice (reference no: KLV061319090009, vendor invoice no: 5300004763 for Pengangkutan Keluaran-Kontrak 298.81 MT, amounted RM 9,860.73. Voucher number KLP19100009 dated 07.10.2019. Sighted the 'Sijil Bayaran Konytrak Kerja Pertanian', block: 0274PM1405, contract no: 5300003978 536.06 MT at RM25.50 RM13,669.53.	Yes
4.7 Principle 7: Development of new planting			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			

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Criterion / Indicator		Assessment Findings	Compliance
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
Criterion 4.7.4: Soil and topographic information			

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Criterion / Indicator		Assessment Findings	Compliance
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no new planting at the time of audit; therefore, this requirement is not applicable.	N/A

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners’ free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	In FGVP(M) Sdn Bhd-Lepar Hilir 05 Estate, there is a Report of Social Liability and Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta on May 2017 and Social Impact Assessment by Aksenta on July 2017. The results of social liability assessment in eight Estates of FGVP(M) Sdn Bhd in Peninsular Malaysia indicate that there is no important area loss due to operational activities by the Company and until this assessment took place the Company has not yet cleared the PPAs.	Yes
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	Yes
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	Yes
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	Yes
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	Yes
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no customary rights land in Hilir Lepar 05 Estate based on Free, Prior and Informed Consent (FPIC) Verification Report, High Carbon Stock Assessment for FGVP(M) Sdn Bhd by Aksenta. Lepar Hilir 05 Estate and Aring 10 Estate do not need to continue the FPIC process regarding to the development plan in PPA because the locations of villages are relatively far from the Estate (above 5 km) and or there is no interaction with the communities at all.	Yes

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	There was establishment of Group Sustainability Policy that exhibits the commitment of the management to MSPO certification. i.e. All FGV mills and estates to be awarded with MSPO. This statement has also been stated in the Kelestarian Kumpulan No FGV/SED/POL/001 dated on 24/8/2017 page 8 of 14. MSPO Policy is namely "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" dated 24 August 2017 (FGV/SED/POL/001) which was describe on MSPO requirements.	Yes
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 commitment of improvement commitment is documented and reviewed in the monthly meeting at Regional and Head Office level. The policy was emphasizing on the improvement economic, environment and social and improve the mill productivity.	Yes
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 -	Audit plan 2019 planned on 10–11/09/2019 for Lepar Hilir POM and supply bases (Plan internal audit PSD RSPO & MSPO 2019/2020),	Yes

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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 -	Internal Audit procedure FGV/ML-1A/L2-Pr11(1) rev 1 and effective date 13/02/19 was established. The audit was conducted on 10–11/09/2019. The audit summary report sighted. There was 24 NCs raised during internal audit and all NCs were closed effectively.	Yes
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Management Review conducted on 01/10/19 was discuss on the 24 NCs and has been completed and reviewed in this meeting minutes and signed by Mill Manager.	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Management Review 01/2019 was conducted on 01/10/2019 at Dewan Hiliran Utama. The meeting was chaired by Mill Engineer. The discussion as follow: <ul style="list-style-type: none"> - Result of internal audit: 24 NC for internal MSPO Audit. - customer satisfaction: No complaint was received - product conformance: all delivery notes & weighbridge ticket was kept and recorded. - environment compliance: no changes and no impact on environmental issue. - social impact: no newly impact. Previous plan remained. - continuous improvement plan: 7 plans included reducing the pesticides usage, recycle strategy, etc. 	Yes

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Continual improvement plan was established. Action plans available to include the issues from social, environmental impact, safety and health and quality.</p> <p>The sampled plans as follow:</p> <ol style="list-style-type: none"> 1. Maximizing recycling and reducing waste or generation of by-products (eq. Scrap iron, shell, shredded, scum, solid, contaminated soil) 2. Corporate Social Responsibility Programs 3. Zero accidents and occupational health illness 4. Improve on OER and KER 	<p>Yes</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>Any new information is updated to employees through morning briefings, memo, meetings, station training.</p> <p>Training is also used as form of sharing information eg: awareness training on RSPO/MSPO was conducted on 09/09/2019.</p>	<p>Yes</p>
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	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. - Major compliance -	Procedure Communication, Involvement and Consultation FGV/ML-1A/L2-Pr12 issue 1 version 0 dated 01.06.2016 and has been communicated in Malay language (national language) through letters to external stakeholders. Also, external stakeholders' consultation was held with slides to explain on MSPO requirements on 24/08/17. Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/L2-Pr21 issue 1 re 2 dated March 2019. Policies are also displayed in POM and office mainly for internal stakeholders.	Yes
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Memo dated 5/1/2018 by Estate Manager has a list of 13 documents and policy has been given to the stakeholders. Stakeholders can request for these documents as per Communication procedure.	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Procedure Communication, Involvement and Consultation (ML-1A/L2- Pr 12 (0)) dated 01/06/2016 describes the method of stakeholder communication.	Yes
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Management has nominated the Executive Assistant (Mr Tajudin bin Mustapha) for communication and social person in charge. The letter of appointment dated 28/07/19 signed by Mill Manager of Kilang Sawit Lepar Hilir.	Yes
4.2.2.3	A list of stakeholders, records of all consultation and communication	List of stakeholders dated 2/1/2018 includes internal stakeholder (including clinic, teachers, contractors, suppliers) and external	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	stakeholders (government, neighbouring estate, some external contractor). Last consultation dated 24/08/17 for Wilayah Kuantan. Attendance list of stakeholders attended and feedback form as records was available.	
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 -	Lepar Hilir Palm Oil Mill and Estate implemented the supply chain program based on SOP MSPO SCCS (Mass Balance) (MSPO SCCS, Issue No: 1, Dated: 22/10/2018). The procedure was prepared by to cover the implementation of all supply chain requirements for both POM and estate.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly. The SOP sighted as follow: a) Manual Ladang Sawit Lestari / Manual Operasi Kilang b) Manual Keselamatan c) Manual Sustainability	Yes
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the	Yes

Criterion / Indicator		Assessment Findings	Compliance
		implementation. Sighted the Letter of Appointment for assistant manager dated 3/9/2018 from Estate Manager.	
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The records related to the transportation of FFB was available at estate. Sampled despatch ticket as follow: FELDA Lepar Hilir 01 (non-certified) Settler's name: Ahmad Bin Ismail Despatch Note: 087762 Weighbridge Ticket: A00037200 Date 21/10/19 Tonnage: 05.70 mt Transporter: JFM8124	Yes
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in Manual Lestari established from the Head Office level. a) The Legal Department will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. b) Thereafter the estates and mill where applicable will be notified via email on the changes/update of LORR for implementation. Licenses/permit viewed as complied by the mill for the legislative requirement among others viewed were as follows.	Major non conformity

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Criterion / Indicator		Assessment Findings			Compliance
		No	License /permit	Validity period	
		1	MPOB license no: 500205504000. Approved FFB quantity is 259,200mt.	14/02/2019 - 31/03/2020	
		2	MPOB license no: 618347003000.	05/07/2019 - 30/06/2020	
		3	MPOB license no: 618370015000.	05/07/2019 - 30/06/2020	
		4	KPDNHEP Diesel license serial no: C000038; Ref no: PHG/PD/K/34/2015; Approved quantity: 25,000 liter.	03/07/2019 – 02/07/2020	
		5	Energy Commission license serial no: 32888; License no: 2018/03309; Capacity: not exceeding 3600 kW.	01/01/2019 – 31/12/2019	
		6	DOE license no: 003247	01/07/2019 – 30/06/2020	
		7	Pahang state water extract license serial no: 0272; License no: SWUL/LPSA/9/2019; Acct no: M0604592018.	01/01/2019 – 31/12/2019	

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Criterion / Indicator		Assessment Findings		Compliance
		8	FFB Grader (Mohamad Ariff B Abu Samad, NRIC: 880425-06-5423)	-
		9	Competent person for Authorized Entrant and Standby Person for Confined Space; Serial no: NW-NCC-AE-0535-D.	Expiry 07/02/2020
		10	Competent person as Chargeman (Mohd Raful Bin Ahmad; NRIC: 720802065275) License no: PJ-T-1-B-0169-2013; Serial no: PJ 1111814.	-
		List of certificated machinery registered with DOSH sighted among others as listed below;		
		No	Machinery/registration no	Validity period
		1	Bi-Drum Water Tube Boiler (PH PMD 139)	12/03/2019 – 11/06/2020
		2	Air Compressor (PMT 75932)	12/03/2019 – 11/06/2020
		3	Back Pressure Receiver (PMT 45302)	12/03/2019 – 11/06/2020

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Criterion / Indicator		Assessment Findings		Compliance	
		4	Deaerator Storage Tank (PH PMT 891) 12/03/2019 – 11/06/2020		
		5	Electric Chain Hoist (PH PMA 1070) 12/03/2019 – 11/06/2020		
		<p>However, found the non-compliance on below:</p> <ol style="list-style-type: none"> 1. As per the DOE compliance schedule (No. 7) Any overflow or leakage from the effluent disposal area is not permitted. Sighted overflow or leakage during site visit. 2. As per the DOE compliance schedule (No.23) CCTV records for the monitoring of black smoke emission from the boiler chimney to be kept for 6 months. Verified that records are kept only for 3 months. 3. No record of JKKP 7 submitted for the 13 hearing impairment. Sighted from the audiometric test report dated 7 March 2019 by Dr. Siow Shin Yee (HQ/13/DOC/00/330) of Specialist Mobile Safety Supplies Sdn Bhd. From total 43 workers the result, found that 13 workers with hearing impairment and 17 workers with STS. 4. 04 out of 04 selected workers from various department sighted worked more than 12 hours / day not in accordance to the Employment Act 1955, Section 60A. Hours of Work. Emp: 1211194 – 02.08.2019 worked from 0740~0601 			

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Criterion / Indicator	Assessment Findings	Compliance
	<p>(22 hours) 03.04.2019 worked from 1540~0814 (16 hours) 04.04.2019 worked from 1538~0701 (15 hours) 09.07.2019 worked from 1607~0636 (14.5 hours) 24.07.2019 worked from 1540~0804 (16 hours) 11~16.07.2019 worked from 1800~0800 (14 hours) 25~29.07.2019 worked from 1800~0800 (14 hours) Emp: 1206461 – 25.04.2019 worked from 2000~1000 (14 hours) 09, 11~13, 15, 18~21.07.2019 worked from 1800~0800 (14 hours) 14.07.2019 worked from 1351~0502 (15 hours) Emp: 1203717 – 06.04.2019 worked from 1517~0820 (16 hours) 27.07.2019 worked from 1648~0724 (14.5 hours) 29.07.2019 worked from 1635~0817 (15.5 hours) 08.07.2019 worked from 1556~0739 (15.5 hours) 06.07.2019 worked from 1739~0813 (14 hours) 08~09.07.2019 worked from 1800~0800 (14 hours) 18.07.2019 worked from 1800~0800 (14 hours) 20~21.07.2019 worked from 1800~0800 (14 hours) Emp: 1202895 – 06.04.2019 worked from 1400~0642 (16.5 hours) 07.04.2019 worked from 1800~0800 (14 hours) 09.04.2019 worked from 1600~0630 (14.5 hours) 18~21.07.2019 worked from 1800~0800 (14 hours)</p>	

Criterion / Indicator		Assessment Findings	Compliance																				
		<p>6. 4 selected sorting contractor’s worker’s payslip (Abra Tech Enterprise – Shanmugam, Saravanan, Mohd Shanrul Nizam, Helmi Bin Ramli) for the month of August 2019 indicates</p> <ul style="list-style-type: none"> - no contribution made for EIS / SIP from both; employer and employee. - Contribution for SOCSO sighted not accordance with the PERKESO Second Schedule : Contribution Rate. 04 Payslip evidenced that total contribution made by both, the employer and employee is MYR19.10 consistently disregards of the wages earned for the month. - Contribution for EPF sighted not accordance with EPF Jadual Ketiga – Kadar Caruman Bulanan. 04 payslip evidenced that total contribution made by both employer and employees is at MYR216 consistently disregards of the wages earned for the month. <table border="1"> <thead> <tr> <th>August 2019</th> <th>Helmi</th> <th>Shahrul</th> <th>Sara</th> <th>Shanmugam</th> </tr> </thead> <tbody> <tr> <td>Wage earned</td> <td>1,919.45</td> <td>1144.45</td> <td>1063.35</td> <td>2620.25</td> </tr> <tr> <td>EPF</td> <td>216.00</td> <td>216.00</td> <td>216.00</td> <td>216.00</td> </tr> <tr> <td>SOCSO</td> <td>19.10</td> <td>19.10</td> <td>19.10</td> <td>19.10</td> </tr> </tbody> </table>	August 2019	Helmi	Shahrul	Sara	Shanmugam	Wage earned	1,919.45	1144.45	1063.35	2620.25	EPF	216.00	216.00	216.00	216.00	SOCSO	19.10	19.10	19.10	19.10	
August 2019	Helmi	Shahrul	Sara	Shanmugam																			
Wage earned	1,919.45	1144.45	1063.35	2620.25																			
EPF	216.00	216.00	216.00	216.00																			
SOCSO	19.10	19.10	19.10	19.10																			
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register.	The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements.	Yes																				

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>The LORR for was reviewed on 30/07/2019.</p> <p>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base.</p> <p>The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act 	
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>The Legal Department will update changes and communicate to the mill and estates via email. Thereafter the operating units will view the relevancy and adopt into the compliance list.</p> <p>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base.</p> <p>The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. Refer to "Panduan: Sistem Pengesanan Perubahan Undang-undang" dated 23/6.2017, Version: 04. This correspondence was sighted via an email issued from Head Office for the operating units to update and comply where applicable. The Mill Manager is entirely responsible to monitor compliance in the mill.	Yes
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 land titles were belonged to FELDA and leased to FGVPI Sdn Bhd.	Yes
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 -	Pahang State government leased the land to FELDA for development. As per agreement letter between FELDA and FELDA Mills Corporation dated 4/5/1994, FELDA agreed to grant part of	Yes

Criterion / Indicator		Assessment Findings	Compliance
		the land for the purpose of palm oil mill and related purpose at Grant no H.S.(D) 17996, PT 1310, 51250 m2.00000	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	A legal boundary was clearly demarcated and fences was maintained.	Yes
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 -	Procedure documented on 'Identification and Negotiation of any FGV/ML-1A/L2-Pr10 dated 01/06/2016 land disputes' was established, however there was no dispute raised at FGVPI Sdn Bhd.	Yes
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 -	A procedure namely Identification and Negotiation of any land disputes document no: FGV/ML-1A/L2-Pr10 dated 01/06/2016 sighted. Land titles were sighted under Lembaga Kemajuan Tanah Persekutuan (FELDA) and leased to FGV.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Maps and land titles shows it is under Lembaga Kemajuan Tanah Persekutuan (FELDA) and leased to FGV.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	No negotiation needed as currently all land is under Lembaga Kemajuan Tanah Persekutuan (FELDA) and leased to FGV.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA review conducted on 03/01/2019 visited by person in-charge (CDD Department). Management Plan for both negative and positive impact identified and to be carried out in 2019 - mainly on monitoring plans.	Yes
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	A record book and forms available for internal employee to lodge their complaints/issues. So far, the complaints lodged mostly in regards with housing maintenance. Eg: the complaint on houses of Salehuddin (05/10/2019), Safari (01/10/2019) and Fauzi (17/09/2019).	Yes
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Complaints were acted on and replied with completion date and verified.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Complaint forms (internal and external) and record book available. Internal stakeholders are aware of the complaint mechanism during interview. External stakeholders were explained on the complaint mechanism in consultation 24/08/17.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>Suggestion box are prepared for internal and external stakeholders. Forms are available. These are communicated through Stakeholders Consultation dated 24/08/17 (minutes sighted)</p>	Yes
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Internal forms and book available for 2018 and 2019 and seen during audit.</p>	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p>	<p>Sighted that mill has provided the free transportation for 22 school children for worker's children.</p>	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The Group Occupational Safety & Health Management Policy had been established and implemented.</p> <p>There are 3 levels of safety policy engaged by the Mill.</p> <p>a) Dasar Keselamatan Dan Kesihatan Pekerjaan signed by CEO FGV Plantations (M) Sdn Bhd on 01/02/2017.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																				
		<p>b) Health, Safety and Environment Policy endorsed by Group President/CEO dated 01/04/2016.</p> <p>c) Group Sustainability Policy (5.1.5 Health and Safety) signed by the Chairman, FGV Holdings Berhad dated 29/05/2019.</p> <p>Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.</p> <p>The Policy is implemented among others through the OSH activities by the on-site Safety Health Officers and monitored by OSH/Plantations Sustainability Department from Head Office.</p>																					
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p>i. All employees involved are adequately trained on safe working practices;</p> <p>ii. All precautions attached to products should be properly observed and applied;</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	<p>The Policy has been established with details elaborated in 4.4.4.1 above. The risk of all operations was assessed and documented under HIRARC.</p> <p>The HIRARC for the following stations/operations/activities among others were sighted;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Areas/Activities</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Weighbridge/Ramp</td> <td>9</td> <td>Engine Room</td> </tr> <tr> <td>2</td> <td>Fruit Handling</td> <td>10</td> <td>Product storage/Dispatch</td> </tr> <tr> <td>3</td> <td>Continuous sterilizer</td> <td>11</td> <td>Laboratory</td> </tr> <tr> <td>4</td> <td>Threshing</td> <td>12</td> <td>Water treatment</td> </tr> </tbody> </table>	No	Areas/Activities		Areas /Activities	1	Weighbridge/Ramp	9	Engine Room	2	Fruit Handling	10	Product storage/Dispatch	3	Continuous sterilizer	11	Laboratory	4	Threshing	12	Water treatment	Major non-conformity
No	Areas/Activities		Areas /Activities																				
1	Weighbridge/Ramp	9	Engine Room																				
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Criterion / Indicator	Assessment Findings				Compliance
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	5	Clarification / Oil Room	13	Effluent Treatment Pond	
	6	Boiler House	14	Office	
	7	Electrical	15	Workshop	
	8	Working at height	16	General Mill Work	
	<p>Training for employees are provided. The training includes for the employees handling chemicals and other safe working procedures. Details of the trainings organised by the mill management is shown in 4.4.6.1.</p> <p>The mill issued PPE to all its employees. The appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) had been provided. PPE has been given to workers referred record in ` Buku Penyerahan PPE kepada pekerja' example record for Mask 2550, latest PPE given. The training also been given to ensure they competent with their work</p> <p>SOP of handling of chemicals is available in Manual and Prosedur Kerja Selamat - Pengendalian Bahan Kimia ref FPI-PK-036 dated 14/7/10 and Manual Operasi Kilang Sawit. Therein is shown requirement & selection of chemicals, assessment of chemicals hazards, selection of supplier and transportation of chemicals storage and handling.</p>				

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Criterion / Indicator	Assessment Findings	Compliance

Appointment letter for manager as OSH representative available dated 8 July 2019 (26) 4109/Pejabat Zon 1/840B/2.

Communications on safety are made through safety meeting /site supervision/dialogue/briefing during the weekly muster.

Last OSH Meeting 13 Sept 2019 and previously was done on 19 Feb 2019. From OSH meeting, there discuss regarding to accident happen in mill as per below:-

Date of accident	Stesen	MC
21 August 2019	Boiler	24 days
29 Jan 2019	Van accident	RM 10,000

Accident and emergency procedures are available. There is a formation of ERP Team & ERP for all the identified incidences. The organisation chart for the ERP team was appointed and displayed for information of the employees.

Other ERP were briefed during the weekly gathering and explained during the ad-hoc briefing at individual stations. These trainings are recorded in the log book maintained at the operations site.

JKKP 8 (JKKP 8/36146/2018) for Mill was available dated 31 Jan 2019 and have 1 record of accident (16 Oct 2019). Accident already been reviewed the HIRARC dated 1 Nov 2018.

In-house 1st aid training was conducted for assigned employees. Details as per training records provided in 4.4.6.1

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Criterion / Indicator		Assessment Findings	Compliance									
		<p>Records of all accidents are kept. Accident incidences are reviewed during safety meetings.</p> <p>Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Records on Lost Time Accident (LTA) metrics was maintained and based on JKPP 6, 7 & 8.</p> <p>Sample of accident statistic as shown below :</p> <table border="1"> <thead> <tr> <th>Year</th> <th></th> <th>LHPOM</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>Case</td> <td>1</td> </tr> <tr> <td></td> <td>LTA</td> <td>12.99</td> </tr> </tbody> </table> <p>1. HIRARC for mill was reviewed on August 2019 however found that for the action from all hazard was only declared briefing as action plan and not specific.</p> <p>2. The frequency of the safety meetings was inadequate. Safety meetings was scheduled for 3 monthly having a total of 4 meetings in a year. However, only 2 meeting was conducted for year 2019.</p>	Year		LHPOM	2018	Case	1		LTA	12.99	
Year		LHPOM										
2018	Case	1										
	LTA	12.99										
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	Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3 Respect for human rights) dated 29 May 2019 (FGV/SED/POL/001	Yes									

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Criterion / Indicator		Assessment Findings	Compliance
	shall be signed by the top management and communicated to the employees. - Major compliance -	Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Formalized briefing session was conducted on 15/10/2019 to workers.	
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 -	Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.2 Responsible Employment) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Formalized briefing session was conducted on 15/10/2019 to workers. Employee consulted through Stakeholders Consultation interview was aware of non-discrimination policy.	Yes
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 -	Minimum pay legislation of RM 1100 per month is followed. Sampled salary slips Sept, July and May 2019 – no below minimum wages except for those who were absent from work. Sampled operators interviewed as follow: 1. Worker's name: Azizan bin Mat 2. Worker's name: Seman bin Setapa 3. Worker's name: Mohd Ridzuan Zulkifli 4. Worker's name: Latib bin Musa Nayan	Yes
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.	Workers contractor was engaged by Lepar Hilir POM for Sorter (Abra Technologies) as below:	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>4 selected contractor worker's payslip (Abra Tech Enterprise (Shanmugam, Saravanan, Mohd Shahrul Nizam, Helmi Bin Ramli) for the month of August 2019 indicates:</p> <ul style="list-style-type: none"> - No contribution made for EIS/SIP from both employer and employee. - Contribution for SOCSO sighted not accordance with the PERKESO Second Schedule : Contribution Rate. 04 Payslip evidenced that total contribution made by both, the employer and employee is MYR 19.10 consistently disregards of the wages earned for the month. - Contribution for EPF sighted not accordance with EPF Jadual Ketiga – Kadar Caruman Bulanan. 04 payslip evidenced that total contribution made by both employer and employees is at MYR 216 consistently disregards of the wages earned for the month. <p>Major NC already raised under clause 4.3.1.1.</p>	
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>Records of basic employee information (name, gender, date of birth, date join), job description and salary slips with all the deductions complies with requirements.</p>	Yes
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>Employment letter with Job description is signed by both employer and employee. Sighted for employment letter and Job description for operators as follow: 1. Worker's name: Azizan bin Mat</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	2. Worker's name: Seman bin Setapa 3. Worker's name: Mohd Ridzuan Zulkifli 4. Worker's name: Latib bin Musa Nayan	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Working hours is using punch card mechanism and explained by interviewed employees. Punch time shows time in and out and used to calculate working hours including overtime. Sampled of the operators as follow: 1. Worker's name: Azizan bin Mat 2. Worker's name: Seman bin Setapa 3. Worker's name: Mohd Ridzuan Zulkifli 4. Worker's name: Latib bin Musa Nayan	Yes
4.4.5.8	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. - Major compliance -	Overtime is agreed with employee and does not exceed 104 hours. Employees are clear with working hours. They also understand maximum overtime and overtime calculation.	Yes
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Salary, deductions and overtime is clear in the salary slip. Interview with workers shows they understand the salary and overtime calculations.	Yes
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.	Other incentives eg: project incentive, group insurance was provided. Housing facilities and panel clinic (besides government clinic) is also provided.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- 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 -	During site visit to the linesite, it was found that the housing area clean and well managed. The electricity was given free of charge, meanwhile for water consumption, there was a subsidy rate by the management. Linesite inspection was done on weekly to cover for all the block. Sighted the record "Jadual Pemeriksaan Perumahan". Rubbish collection 2x a week. Grass cutting services is provided.	Yes
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sexual Harassment Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.6 Gender Equality and Preventing Sexual Harassment & Violence) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid) A gender committee has been formed. No cases of sexual harassment reported. The committee regularly conduct the meeting to speak and create awareness on this topic. Meeting minutes of gender committee 22/06/19 was sighted.	Yes
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 bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right	Freedom of Expression Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3.4 of policy document) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid) Employees interviewed knows about freedom to join union and they have the choice of joining. Sighted the Mesyuarat Agong Tiga	Yes

Criterion / Indicator		Assessment Findings	Compliance
	should not be discriminated against or suffer repercussions. - Major compliance -	Tahunan Peringkat Cawangan Lepar Hilir Kali Ke 8 Sesi 2019-2022 dated 28.06.2019.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Minimum age of employment is 18 years for POM. Verified list of current employees as per Oct 19 shows no employee below 18 years.	Yes
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	<p>The annual training program has been established and significantly covers all aspects of the MSPO requirement. Additional subjects include mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects.</p> <p>The program mainly covers both requirement of the estates and mills in the CU The subjects for the training are issued and assisted by the SQM personnel.</p> <p>The following topics included in the annual training program (Jadual Latihan untuk Petugas/Kontraktor Kilang Lepar Hilir Tahun 2019) among others are extracted below;</p> <ul style="list-style-type: none"> a) OSH Act & regulations 1994. b) Environmental Quality Act 1974 c) USECHH 2000/HIRARC 	Yes

Criterion / Indicator		Assessment Findings	Compliance												
		<p>d) OSH Committee and function. e) Workplace inspection f) First Aid Training/Fire Fighting g) Scheduled Waste training h) RSPO/MSPO/SCCS training i) Water treatment/Environmental Management j) HCV & Biodiversity training k) NADOPOD/HIRARC l) 5S /LOTO/Working at height/working in confined space m) Chemical management n) Hearing conservation o) Safe working procedure</p> <p>Records of training for Lepar Hilir Mill sighted during this audit are shown below.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>15/10/2019</td> <td>RSPO Awareness</td> <td>38</td> </tr> <tr> <td>10/09/2019</td> <td>CS Station Safety</td> <td>4</td> </tr> <tr> <td>03/09/2019</td> <td>Shredder Machine Safety</td> <td>2</td> </tr> </tbody> </table>	Date	Subject	Attendees	15/10/2019	RSPO Awareness	38	10/09/2019	CS Station Safety	4	03/09/2019	Shredder Machine Safety	2	
Date	Subject	Attendees													
15/10/2019	RSPO Awareness	38													
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Criterion / Indicator		Assessment Findings			Compliance
		01/08/2019	Environmental/Recycling and Open Burning Awareness Campaign	31	
		01/04/2019	Safety Talk and Gotong Royong Perdana	37	
		05/03/2019	Safety Talk Nut Plant	37	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The training needs for the mill, 2018/19 training program has been established. The details of the training needs include categories of stations, subjects, and employees' group.</p> <p>Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, machine handling, mill stations operations, control of process parameters, workshop management. etc.</p> <p>The compilation from the approved training needs is later transferred to the formation of the training program.</p>			Yes
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>This is in compliance and detailed in 4.4.6.1 above.</p> <p>Training program are made on annual basis. In addition, it is subject for a review during the financial year should need arises.</p> <p>The understanding of MSPO certification among employees was effectively implemented.</p>			Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services					

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<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>There is a Group Sustainability Policy (Environmental Stewardship) for the mill issued and endorsed in 29/05/2019 by the Chairman, FGV Holdings Berhad.</p> <p>Above this policy is another policy relating to environmental engaged by FGV Holdings.</p> <p>Therein the policy among others stated that the Company is committed;</p> <p>a) to protecting the environment and conserving biodiversity through sustainable development.</p> <p>b) Abide by all legislative requirement</p> <p>c) Manages environmental risk and providing reasonable resources to minimise risk and pollution to environment</p> <p>d) Continuing and improving efficiency towards enhancing environment.</p>	<p>Yes</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>Policy is available, and objectives stated therein.</p> <p>Among others the objectives are;</p> <p>a) Achieve the annual average OER rates above or equal to 20.40% in 2019.</p> <p>b) Achieve the annual average KER rates above or equal to 5.20% in 2019.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings				Compliance										
		<p>c) Achieve the annual average SSR rates above or equal to 1.30% in 2019.</p> <p>d) Reducing fuel consumption by 1.28 RM/MT in 2019.</p> <p>e) Achieve zero accident in 2019</p> <p>The environmental aspects and impact evaluation has been established for the mill operations covering activities in relation to reception, sterilisation, oil room operation, kernel processing, boiler operation, power generation, crude palm oil storage leakage and spillage, ruptured, effluent pond operations and diesoline storage tank.</p> <p>The list was updated/revised on 15/08/2019.</p>														
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 monitors aspects and impacts among others the following activities This plan is available and similar to the reduction of pollution and emission. Mainly the areas relating to significant impact to the environment and the effort implemented are summarised below.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Environmental Issues</th> <th>Solution Action Plan</th> <th>Procedure/</th> <th>Main Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water Quality</td> <td>Continuous monitoring of water quality at identified points of river for detection of quality/pollution.</td> <td></td> <td>River Water Treatment Plant</td> </tr> </tbody> </table>				No	Environmental Issues	Solution Action Plan	Procedure/	Main Location	1	Water Quality	Continuous monitoring of water quality at identified points of river for detection of quality/pollution.		River Water Treatment Plant	Yes
No	Environmental Issues	Solution Action Plan	Procedure/	Main Location												
1	Water Quality	Continuous monitoring of water quality at identified points of river for detection of quality/pollution.		River Water Treatment Plant												

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Criterion / Indicator		Assessment Findings		Compliance
			Analysis made at certified laboratory Advisory/guidance from Health Ministry	
		2	Air Quality Adherence to the legislative requirement on boiler emission Prohibition of open burning Fibre and shell are used as fuel in the boiler furnace Monitoring of CEMS system Appointment of trained personnel for Air Pollution Control.	Boiler operation Mill complex
		3	Scheduled waste Scheduled wastes are managed in accordance with the regulatory requirements.	Source of generation/store
Records of periodical reporting of the listed issues were available. These were the evidence which showed that the plans been monitored. The plans were reviewed annually during the				

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Criterion / Indicator		Assessment Findings	Compliance
		Management review / ESH meeting where environmental issues were discussed.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	This is available as per item 4.5.1.3 above.	Yes
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	A training program is available in the Lepar Hilir CU Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment among others listed below; a) Environmental Quality Act & Regulations 1974 b) Environmental, safety & health policy, c) ERP Oil /chemical spill d) Scheduled waste management, e) Environmental responsibility, HCV & Biodiversity training.	Yes
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The environmental issues are discussed in a meeting by the EPMC (Environmental Performance Monitoring Committee) Meeting is held 2x /year. The agenda discussed among others as follows; a) matters arising b) performance of environment compliance c) report on environmental pollution	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		d) self-compliance checklist performance e) effluent treatment /clean air / scheduled waste f) audit report on ISO 14001 EMS / RSPO/MSPO g) Domestic waste issues In addition, environmental issues were also discussed direct or indirectly during the quarterly ESH meetings and also briefed during the monthly muster.	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	The monitoring is recorded in environment performance indicator electricity generated by steam turbine tabulated for the financial year Jan-Dec. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB. A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimize use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel. Under the annual energy management plan 2018/19 the mill aimed for reduction plan among others; a) educate workers on fuel saving practice b) avoid leakages during vehicles maintenance.	Yes

Criterion / Indicator		Assessment Findings	Compliance																																								
<p>4.5.2.2</p> <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 mill records the following data and tabulated the ratio against the FFB processed to determine the efficiency of their operations;</p> <p>a) all the diesel used (non-renewable) for the mill operations</p> <p>b) fibre/shell used (renewable)</p> <p>Diesel consumption/mt FFB in 2019 includes commentaries on the variation in performance.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>FFB processed</th> <th>Diesel/L</th> <th>Diesel /FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>16800</td> <td>5159</td> <td>0.31</td> </tr> <tr> <td>Feb</td> <td>14520</td> <td>5243</td> <td>0.36</td> </tr> <tr> <td>Mac</td> <td>10920</td> <td>3585</td> <td>0.33</td> </tr> <tr> <td>Apr</td> <td>17020</td> <td>5303</td> <td>0.31</td> </tr> <tr> <td>May</td> <td>21250</td> <td>7140</td> <td>0.34</td> </tr> <tr> <td>Jun</td> <td>20000</td> <td>7744</td> <td>0.39</td> </tr> <tr> <td>July</td> <td>24220</td> <td>8371</td> <td>0.35</td> </tr> <tr> <td>Aug</td> <td>22280</td> <td>7620</td> <td>0.34</td> </tr> <tr> <td>Sep</td> <td>23310</td> <td>8074</td> <td>0.35</td> </tr> </tbody> </table>		Month	FFB processed	Diesel/L	Diesel /FFB	Jan	16800	5159	0.31	Feb	14520	5243	0.36	Mac	10920	3585	0.33	Apr	17020	5303	0.31	May	21250	7140	0.34	Jun	20000	7744	0.39	July	24220	8371	0.35	Aug	22280	7620	0.34	Sep	23310	8074	0.35	<p>Yes</p>
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Criterion / Indicator		Assessment Findings				Compliance												
		Oct	9630	4222	0.44													
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching.				Yes												
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 -	<p>All waste and pollution are identified and documented in the Waste Management Plan for Financial Year 2019.</p> <p>The waste generated from the mill operations as shown below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Waste description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Scheduled waste</td> <td>Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries.</td> <td>Scheduled waste store</td> </tr> <tr> <td>2</td> <td>Domestic waste</td> <td>Rubbish from the mill complex and employees' quarters used paper, plastic & glass bottles, food waste.</td> <td>Line site, office, workshop, store, shop</td> </tr> </tbody> </table>				No	Type of waste	Waste description	Location	1	Scheduled waste	Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries.	Scheduled waste store	2	Domestic waste	Rubbish from the mill complex and employees' quarters used paper, plastic & glass bottles, food waste.	Line site, office, workshop, store, shop	Yes
No	Type of waste	Waste description	Location															
1	Scheduled waste	Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries.	Scheduled waste store															
2	Domestic waste	Rubbish from the mill complex and employees' quarters used paper, plastic & glass bottles, food waste.	Line site, office, workshop, store, shop															

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Criterion / Indicator		Assessment Findings				Compliance								
		3	Production waste	Fibre, palm kernel shell, boiler ash, scrap iron, EFB, POME	Mill									
		<p>The source of mill pollution generated from the mill is the smoke from the boiler are monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE.</p>												
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 Waste Management Plan for Financial Year 2019 is available and sighted.</p> <p>The plan listed the waste generated from the mill operations as shown below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Waste description</th> <th>Action to be taken</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Spent IPA, hexane, lubricants, hydraulic oil, grease, batteries, filter, used</td> <td>Collect & record inventory Store items under lock & keys Dispose to registered vendor SL Recycling Sdn Bhd. Abide sale procedure as stipulated by DOE.</td> <td>En Hassan Muda (Mill Engineer)</td> </tr> </tbody> </table>				No	Waste description	Action to be taken	PIC	1	Spent IPA, hexane, lubricants, hydraulic oil, grease, batteries, filter, used	Collect & record inventory Store items under lock & keys Dispose to registered vendor SL Recycling Sdn Bhd. Abide sale procedure as stipulated by DOE.	En Hassan Muda (Mill Engineer)	Yes
No	Waste description	Action to be taken	PIC											
1	Spent IPA, hexane, lubricants, hydraulic oil, grease, batteries, filter, used	Collect & record inventory Store items under lock & keys Dispose to registered vendor SL Recycling Sdn Bhd. Abide sale procedure as stipulated by DOE.	En Hassan Muda (Mill Engineer)											

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Criterion / Indicator		Assessment Findings			Compliance
				<p>Comply to procedure stipulated SOP Handling of scheduled waste.</p> <p>Comply to Environmental Quality Regulations 2005</p> <p>Establish list of SW/Notify DOE for all SW generated/appropriate SW labelling</p>	
		2	Rubbish from the mill complex and employees' quarters used paper, plastic & glass bottles, food waste.	<p>Abide collection SOP</p> <p>Establish collection schedule & PIC</p> <p>Create awareness on hygiene</p> <p>Monitoring of line site</p>	En Muhamad Zayuji Adam
		3	Fibre, palm kernel shell, boiler ash,	<p>Monitoring of collection application.</p>	En Hassan Muda (Mill Engineer)

Criterion / Indicator		Assessment Findings			Compliance															
		scrap iron, EFB, POME.	Monitoring of field application record. Monitoring of usage & application Monitoring discharge & sales records.																	
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>The SOP for handling the used chemicals under this classification are documented;</p> <p>a) Manual Dan Prosedur Alam Sekitar EMS dated 14/7/10</p> <p>b) Manual Operasi Kilang</p> <p>The document was sighted, and details of the handling is given for the all the identified SW and used chemicals.</p> <p>DOE license contractor, Kualiti Alam (Licence no: 003319; Validity 01/05/2019 – 30/04/2020).</p> <table border="1"> <thead> <tr> <th></th> <th>SW type</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SW 302</td> <td>0.01 mt</td> </tr> <tr> <td>2</td> <td>SW 305</td> <td>0.12 mt</td> </tr> <tr> <td>3</td> <td>SW 306</td> <td>0.01 mt</td> </tr> <tr> <td>4</td> <td>SW 410</td> <td>0.05 mt</td> </tr> </tbody> </table>				SW type	Quantity	1	SW 302	0.01 mt	2	SW 305	0.12 mt	3	SW 306	0.01 mt	4	SW 410	0.05 mt	Major non-conformity
	SW type	Quantity																		
1	SW 302	0.01 mt																		
2	SW 305	0.12 mt																		
3	SW 306	0.01 mt																		
4	SW 410	0.05 mt																		

Criterion / Indicator		Assessment Findings	Compliance						
		<p>1. Disposal of scheduled waste was not effectively implemented. Sighted that lubricant drums, paint containers, used tyres and used gloves in the scrap yard.</p> <p>2. Labelling of scheduled waste was not effectively implemented. Sighted empty lubricant container was not labelled and do not have the date of generation.</p>							
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Collection is 2-3x/week managed by an appointed contractor.</p> <p>Disposal of domestic waste was not effectively implemented. Sighted that domestic wastes were thrown in the ravine behind house E01 and D04.</p> <p>This is against the letter issued by the management (ref: (11)4045/LH/840/Surat RSPO dated 25/09/2019) prohibiting rubbish to be thrown in front and behind the house.</p>	Minor non-conformity						
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 polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact and any impact will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation.</p> <p>The pollution identified from the mill activities</p> <table border="1" data-bbox="1086 1324 1870 1388"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No	Type of waste	Details				Yes
No	Type of waste	Details							

Criterion / Indicator		Assessment Findings			Compliance												
		1	Black smoke	Emission from Boilers													
		2	Odour & gases	Activities from the effluent treatment													
		3	Leakage of lubricant	Storage & vehicle maintenance													
		<p>The mill also monitored and maintained records on Palm GHG. This compilation is made at Head Office level and made for the entire CU.</p> <p>Mill emission (0.12%) data from mill emission and credits (tCO₂e/t FFB)</p>															
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The action plan to reduce the pollutions is tabled below.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Environmental Issues</th> <th>Management/Action Plan</th> <th>Time frame</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Boiler- Black smoke</td> <td> <p>To monitor the condition of dust cyclone every 3 months</p> <p>To carry out boiler furnace cleaning every week</p> </td> <td>AMM</td> </tr> <tr> <td>2</td> <td>Effluent- Odor & gases</td> <td>To maintain proper feeding into digestion</td> <td>AMM</td> </tr> </tbody> </table>			No	Environmental Issues	Management/Action Plan	Time frame	1	Boiler- Black smoke	<p>To monitor the condition of dust cyclone every 3 months</p> <p>To carry out boiler furnace cleaning every week</p>	AMM	2	Effluent- Odor & gases	To maintain proper feeding into digestion	AMM	Yes
No	Environmental Issues	Management/Action Plan	Time frame														
1	Boiler- Black smoke	<p>To monitor the condition of dust cyclone every 3 months</p> <p>To carry out boiler furnace cleaning every week</p>	AMM														
2	Effluent- Odor & gases	To maintain proper feeding into digestion	AMM														

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Criterion / Indicator		Assessment Findings				Compliance
				process of effluent to prevent severe and unpleasant odour		
		3	Vehicles/Lorries-Leakage of lubricant/diesel	Ensure maintenance schedule to be strictly followed To place all lubricant oil drum on metal trays. Vehicles awaiting entry into the mill to be switched off	AMM	
		4	Domestic waste – odor and environmental pollution	Only organic waste to be disposed. NO burning and NIL disposal of empty chemicals containers into landfill.	AMM	
		All efforts and action plan for the identified pollutants and emission above at current is adequate to comply with the requirement. All identified issues have significant impacts to the environment.				
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	The treated mill effluent discharge is regularly monitored as prescribed in the "Jadual Pematuhan" license issued to the mill. The limit for the Biochemical Oxygen Demand (BOD) discharge is 500				Yes

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Criterion / Indicator	Assessment Findings	Compliance																																								
<p>discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>mg/l for land application. The mill currently performing at level of less than 100 mg/l.</p> <p>Regular monitoring is made on monthly basis and quarterly. In addition, daily site checking on the effluent ponds are made by the supervisory personnel and effluent attendants.</p> <p>Reports for the effluent parameters are submitted using "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Sighted the effluent results below submitted to DOE. All parameters are in compliance to the DOE requirement. (Units in mg/l except for PH)</p> <table border="1" data-bbox="1088 836 1868 1393"> <thead> <tr> <th>Parameters</th> <th>Standard</th> <th>04/04/19</th> <th>11/07/19</th> <th>09/10/19</th> </tr> </thead> <tbody> <tr> <td>PH</td> <td>5-9</td> <td>8.93</td> <td>8.34</td> <td>8.45</td> </tr> <tr> <td>BOD</td> <td>500</td> <td>29</td> <td>83</td> <td>80</td> </tr> <tr> <td>COD</td> <td>500</td> <td>183</td> <td>598</td> <td>520</td> </tr> <tr> <td>Total Solids</td> <td>5000</td> <td>3596</td> <td>3812</td> <td>4692</td> </tr> <tr> <td>Suspended solids</td> <td>400</td> <td>186</td> <td>320</td> <td>171</td> </tr> <tr> <td>Oil & grease</td> <td>50</td> <td>12</td> <td>4</td> <td>2</td> </tr> <tr> <td>Amoniacal N</td> <td>150</td> <td>45</td> <td>47</td> <td>24</td> </tr> </tbody> </table>	Parameters	Standard	04/04/19	11/07/19	09/10/19	PH	5-9	8.93	8.34	8.45	BOD	500	29	83	80	COD	500	183	598	520	Total Solids	5000	3596	3812	4692	Suspended solids	400	186	320	171	Oil & grease	50	12	4	2	Amoniacal N	150	45	47	24	
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		Total N	200	97	102	52																													
Criterion 4.5.5: Natural water resources																																			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The Water Management Plan for the mill has been established. It was last reviewed on 01/10/2019 for the 2019 plan.</p> <p>The mill capitalize the source of water from Sungai Lepar being the nearest to the complex for the processing usage.</p> <p>The domestic water for the residents are from the supply from State Government JBAP.</p> <p>a) The consumption of water for 2019 is recorded and shown below;</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Water usage /L</th> <th>FFB processed</th> <th>Ratio Water/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>30770</td> <td>16800</td> <td>1.10</td> </tr> <tr> <td>Feb</td> <td>57990</td> <td>14870</td> <td>1.10</td> </tr> <tr> <td>Mac</td> <td>79840</td> <td>11700</td> <td>1.12</td> </tr> <tr> <td>Apr</td> <td>116380</td> <td>22470</td> <td>0.98</td> </tr> <tr> <td>May</td> <td>154620</td> <td>21250</td> <td>1.08</td> </tr> <tr> <td>June</td> <td>191990</td> <td>20000</td> <td>1.12</td> </tr> </tbody> </table>					Month	Water usage /L	FFB processed	Ratio Water/FFB	Jan	30770	16800	1.10	Feb	57990	14870	1.10	Mac	79840	11700	1.12	Apr	116380	22470	0.98	May	154620	21250	1.08	June	191990	20000	1.12	Yes
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Criterion / Indicator		Assessment Findings						Compliance																																
		July	232960	24220	1.01																																			
		Aug	272330	22280	1.06																																			
		Sep	313160	23310	1.10																																			
		<p>b) The mill monitors the water quality at the nearby Sg Lepar taken at 2 sampling points upstream and downstream on a monthly basis. The results (sample taken dated 23/09/2019) as sighted are shown below concluding no adverse impact has taken place as results of mill activities.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>pH</th> <th>BOD</th> <th>COD</th> <th>TS</th> <th>O&G</th> <th>AN</th> <th>N</th> </tr> </thead> <tbody> <tr> <td>Upstream</td> <td>7.81</td> <td>10</td> <td>-</td> <td>-</td> <td>2</td> <td>4</td> <td>-</td> </tr> <tr> <td>Downstream</td> <td>7.74</td> <td>10</td> <td>-</td> <td>-</td> <td>2</td> <td>7</td> <td>-</td> </tr> </tbody> </table> <p>The mill adopted a contingency plan during water shortage, emergencies situation.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Area/incident</th> <th>Action steps</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water shortage/ prolonged dry season</td> <td>to avail additional retention pond for storage capacity duration of 1 week</td> <td>Mill Manager</td> </tr> </tbody> </table>						Item	pH	BOD	COD	TS	O&G	AN	N	Upstream	7.81	10	-	-	2	4	-	Downstream	7.74	10	-	-	2	7	-	No	Area/incident	Action steps	PIC	1	Water shortage/ prolonged dry season	to avail additional retention pond for storage capacity duration of 1 week	Mill Manager	
Item	pH	BOD	COD	TS	O&G	AN	N																																	
Upstream	7.81	10	-	-	2	4	-																																	
Downstream	7.74	10	-	-	2	7	-																																	
No	Area/incident	Action steps	PIC																																					
1	Water shortage/ prolonged dry season	to avail additional retention pond for storage capacity duration of 1 week	Mill Manager																																					

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Criterion / Indicator		Assessment Findings				Compliance
				to request supply from PAIP Announce situation to all employees		
		2	Flood	Transfer employees to relief center Request assistant from authority Provide basic essential needs	Mill Manager	
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Details of effluent treatment and report as per item 4.5.4.3 above. The mill adopted land irrigation discharge for the treated effluent.				Yes
4.6 Principle 6: Best Practices						
Criterion 4.6.1: Mill Management						
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The mill processing system is documented in the following documents; a) Manual Operasi Kilang Sawit first introduced on 2/1/2001 & revised dated 23/10/17				Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>b) Prosedur Kerja Selamat</p> <p>c) Manual Alam Sekitar EMS</p> <p>These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop, despatches etc.</p> <p>In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p>	
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>The monitoring of the mill process is made through the shift supervision headed by an Assistant Engineer and the Mill Assistant.</p> <p>All process parameters are documented and summarized in a daily report.</p> <p>The external monitoring is made through visits by the CEO/General Manager and also technical personnel from the Head Office.</p> <p>DOSH performed the annual UPV machinery inspection.</p> <p>In addition, there are audits by SDM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.</p>	Yes
Criterion 4.6.2: Economic and financial viability plan			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>An annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year, PY2, PY3, PY4, PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK.</p> <p>The component of operating expenditure among others includes;</p> <ul style="list-style-type: none"> a) Process labour, b) Maintenance external, maintenance parts, c) Consumable, EVIT, d) Admin cost, e) Labour overhead. <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others showing expenditure on;</p> <ul style="list-style-type: none"> a) Replacement / upgrading of building/ b) Machinery, c) Workers' amenities and staff <p>The profit and loss statement were made available prepared by the Regional office.</p>	Yes
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p>	<p>This is available in the guidelines LOA (limit of authority) and revised sourcing method. For any projects of sizeable purchase, the following process is adopted;</p>	Yes



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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>a) mill to confirm availability of budget and obtain VISA for the Regional Office b) tender specification will be prepared c) tenders to be invited from the registered vendors. d) Tender opening by committee and negotiation of price where relevant e) Issue SPK – Surat Perintah Kerja f) Monitoring of project and verification prior approval of payment upon issuance of invoice from vendors.</p> <p>Payments are processed and made by HQ. This is made upon job verification by the mill personnel. Group Purchasing Policy is documented. i. Pricing is reviewed with BTS supplier. [Pricing is not revealed for confidentiality purposes]. The contract was done by Jabatan Belian BTS at HQ level. ii. Kim Ma Oil Palm (Transport) Sdn Bhd (Voucher no: 350010965) dated 07.08.2019 RM 47,524.47.</p>	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>This requirement is in compliance. All contracts and purchases are documented i.e. in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and mill. The evaluation and tender process was handled by the Procurement Department at Head Office. Comply with any applicable laws, regulations, terms and conditions.</p> <p>a) PPE issued to the employees b) Ensure safety of employees</p> <p>Payment is made for the invoice and all payment is done by Lepar Hilir POM. The voucher payment sighted: Kim Ma Oil Palm</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		(Transport) Sdn Bhd (Voucher no: 350010965) dated 07.08.2019 RM 47,524.47.	
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 -	A contract was sighted. The evaluation and tender process was handled by the Procurement Department at Head Office/Regional Office. MSPO briefing is conducted through stakeholder consultation 24/08/2017.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contracts transacted by the mill among others as listed below; Abra Tech Enterprise (shorter). SPK No: 3301339971/1301000592 dated 01.02.2019 for Cungkil BTS Muda, Peram Busuk, Ksg. - Inv: TTLH190802 dated 18.08.2019, payment voucher: 350012467, dated 21.08.2019 - Inv: LH190803, dated 27.08.2019, payment voucher: 350012447, dated 21.08.2019	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	This requirement has been specified during a briefing by the mill to the contractors/suppliers on 3/12/18. In addition, there was a letter dated the same day of the briefing to acknowledge acceptance on the MSPO guidelines and requirements. This letter was sighted signed by Norhisamsol Anuar Ahmad (Abra Tech Enterprise) on 15/10/2019. FGV Lepar Hilir POM and Plantations were agreed for BSI auditors to verify the assessment through a physical inspection if required.	Yes

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment FGVPM-Lepar Hilir POM Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013 . It is recommended that the certification of FGVPM-Lepar Hilir POM Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Ameer Izyanif Hamzah	Name: Elzy Ovktafia Chairul
Company name: FGV Holdings Berhad	Company name: BSI Services Malaysia Sdn. Bhd.
Title: General Manager	Title: Client Manager
Signature: 	Signature: 
Date: 17/01/2020	Date: 17/01/2020

Appendix A: Assessment Plan

Date	Time	Subjects	EO	DF
20/10/2019 Sunday	PM	Audit Team travel to Kuantan & Check in at Grand Darul Makmur Hotel	√	√
21/10/2019 Monday	08:30 – 09:00	<ul style="list-style-type: none"> • Opening Meeting • Presentation by Lepar Hilir Certification Unit Team • Presentation by BSI Lead Auditor -introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	√	√
	09:00-12:30	Lepar Hilir Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 17:00	Document Review (MS:2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices	√	√
	14:30 – 16:00	Meeting with stakeholders (Government, villagers, smallholders, Union Leader, contractor etc.)	√	-
	17:00 – 17:30	Interim closing meeting	√	√
22/10/2019 Tuesday	08:30-12:30	FGVPM Lepar Hilir 8 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.	√	√
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 17:00	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	√	√
	14:30 – 16:00	Meeting with stakeholders (Government, villagers, smallholders, Union Leader, contractor etc.)	√	-
	17:00 – 17:30	Interim closing meeting	√	√
23/10/2019 Wednesday	08:30-12:30	FGVPM Lepar Hilir 5 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.),	√	√

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Date	Time	Subjects	EO	DF
		agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		
	12:30 – 13:30	Lunch / Break	√	√
	13:30 – 17:00	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	√	√
	15:30 – 16:00	Preparation for closing meeting	√	√
	17:00 – 17:30	Closing meeting	√	√

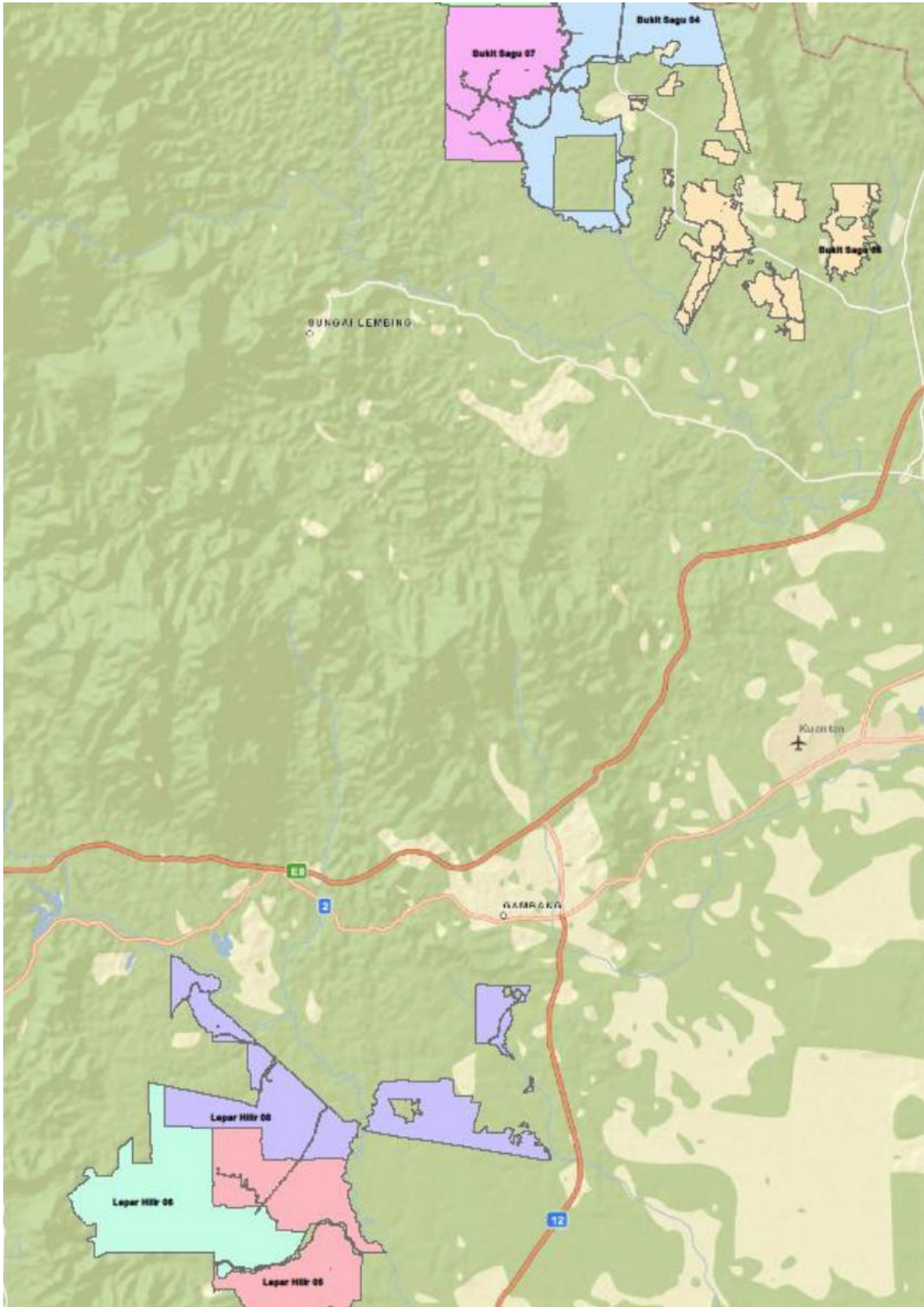
Appendix B: List of Stakeholders Contacted

<p>Government Officer: SK Lepar Hilir 01</p>	<p>Community/neighbouring village: Imam Masjid Lepar Lepar Hilir 01. IOI –Detas Estate</p>
<p>Suppliers/Contractors/Vendors: Wakil Kedai Runcit</p>	<p>Worker’s Representative/Gender Committee: FELSCO Officer (Lepar Hilir 05 Estate) Foreign workers Gender committee representative</p>

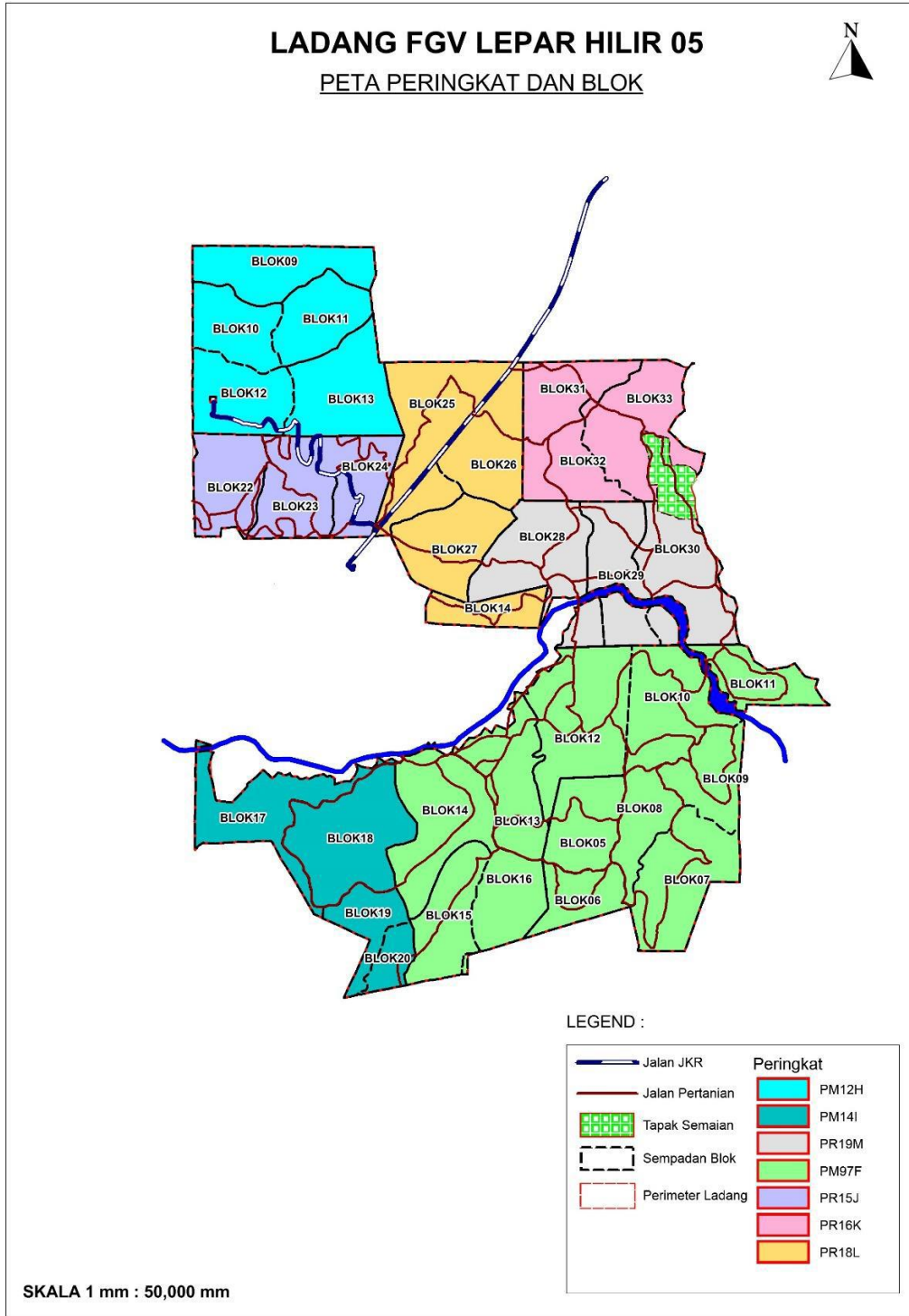
Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

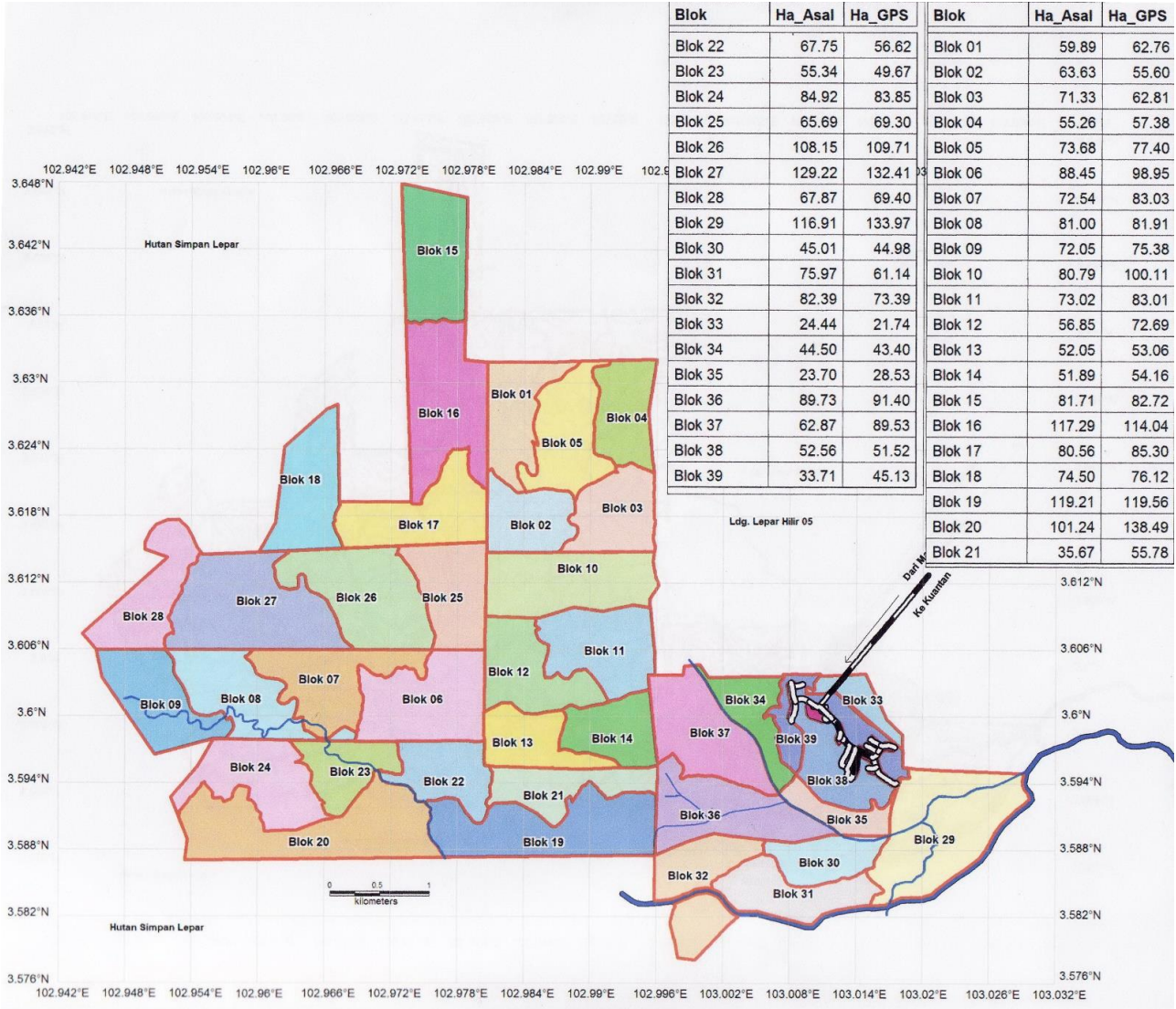
Appendix F: Lepar Hilir Palm Oil Mill Location and Field Map



FGVPM Lepar Hilir 5 Estate Field Map



FGVPM Lepar Hilir 6 Estate Field Map



Appendix G: List of Abbreviations

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