

**MALAYSIAN SUSTAINABLE PALM OIL
2nd ANNUAL SURVEILLANCE ASSESSMENT
Public Summary Report**

FGV Holdings Berhad
Client company Address: Wisma FGV, Level 20 West Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
Certification Unit: Kerteh Palm Oil Mill and Supply Base (FGVPM Semaring 01 Estate and FGVAS Kerteh Estate) Location of Certification Unit: Kilang Kelapa Sawit Kerteh Beg Berkunci No. 3 23309 Ketengah Jaya Terengganu, Malaysia

Report prepared by:**Valence Shem** (Lead Auditor)**Report Number: SMO 3293241****Assessment Conducted by:**

BSI Services Malaysia,
(DSM Accreditation Number: MSPO 09112018 CB 12)
Suite 29.01 Level 29 The Gardens North Tower,
Mid Valley City Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia
Tel +60392129638 Fax +60392129639
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	FGV Holdings Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Kerteh Palm Oil Mill (500178404000)	31/03/2021	
	FGVPM Semaring 01 Estate (560381002000)	30/04/2021	
	FGVAS Kerteh Estate (502671002000)	31/03/2021	
Address	FGV Holdings Berhad, Wisma FGV, Level 20 West, Jalan Raja Laut, 50350, Kuala Lumpur, Malaysia		
Certification Unit	FGV Palm Industries Sdn Bhd - Kerteh Palm Oil Mill		
Contact Person Name	Ameer Izyanif Bin Hamzah		
Website	www.fgvholdings.com	E-mail	ameer.h@fgvholdings.com
Telephone	+603-27890497	Facsimile	+603-27890440

1.2 Certification Information			
Certificate Number	Mill: MSPO 693211 Estate: MSPO 693212		
Issue Date	29/04/2019	Expiry date	28/04/2024
Scope of Certification	Estates: Production of Sustainable Oil Palm Fruits Mill: Production of Sustainable Palm Oil and Palm Oil Products		
Standard	1) MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders 2) MS 2530-4:2013 Part 4: General principles for palm oil mills		
Stage 1 Date	12-14/09/2018		
Stage 2 / Initial Assessment Visit Date (IAV)	08-10/01/2019		
Continuous Assessment Visit Date (CAV) 1	14-16/01/2020		
Continuous Assessment Visit Date (CAV) 2	04-06/01/2021		
Continuous Assessment Visit Date (CAV) 3	NA		
Continuous Assessment Visit Date (CAV) 4	NA		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 693209	RSPO P&C MYNI 2019	BSI Services Malaysia Sdn. Bhd.	10/02/2024

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	
		Latitude	Longitude
FGVPISB Kerteh Palm Oil Mill	Kilang Kelapa Sawit Kerteh, Beg Berkunci No. 3, 23309 Ketengah Jaya, Terengganu, Malaysia	4° 37' 33" N	103° 19' 55" E
FGVPM Semaring 01 Estate	Ladang Felda Semaring 01, P.O. Box No. 7, Pejabat Pos A.M.B.S, 23400 Dungun, Terengganu, Malaysia	4° 40' 20" N	103° 02' 25" E
FGVAS Kerteh Estate	Ladang FASSB Kerteh, Jalan Kelubi, Ketengah Jaya, 23300 Dungun, Terengganu, Malaysia	4° 34' 29" N	103° 19' 13" E

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Semaring 01 Estate	981.05	-	265.42	1,246.47	78.70
FGVAS Kerteh Estate	106.42	-	4.14	110.56	96.26
Total (Ha)	1,087.47	-	269.56	1,357.03	80.14
Note: Nil					

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

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (May 2020 - Apr 2021)	Actual (Jan 2020 - Dec 2020)	Forecast (May 2021 - Apr 2022)
FGVPM Semaring 01 Estate	14,000	15,458.38	26,949.00
FGVAS Kerteh Estate	3,200	2,623.07	2,676.00
Total (Mt)	17,200	18,081.45	29,625.00

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Note:
Nil

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (May 2020 - Apr 2021)	Actual (Jan 2020 - Dec 2020)	Forecast (May 2021 - Apr 2022)
Felda & FTP	NA	131,670.22	NA
Smallholders	NA	70,899.35	NA
Total (Mt)	NA	202,569.57	NA

Note:
Nil

1.8 Certified Tonnage

Mill Capacity: 60 MT/hr	Estimated (May 2020 - Apr 2021)	Actual (Jan 2020 - Dec 2020)	Forecast (May 2021 - Apr 2022)
	FFB	FFB	FFB
	17,200	18,081.45	29,625.00
SCC Model: MB	CPO (OER: 21.00%)	CPO (OER: 20.45%)	CPO (OER: 20.49%)
	3612	3,697.66	6,070.00
	PK (KER: 5.31%)	PK (KER: 5.21%)	PK (KER: 5.27%)
	913.32	942.04	1,560.00

Note:
Nil

1.9 Actual CPO Sold Volume (mt) (Jan 2020 - Dec 2020)

CPO	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
3,697.66	0	0	447.31	3200.00	3,647.31

1.10 Actual PK Sold Volume (mt) (Jan 2020 - Dec 2020)

PK	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
942.04	0	0	396.81	500.00	896.81

Section 2: Assessment Process

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 04-06/01/2021. The audit programme is included in Section 2.3. The approach to the audit was to treat FGV's Kerteh POM and its supply bases i.e. FGVP Semaring 01 Estate and FGVA Kerteh Estate as an MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
FGVPISB Palm Oil Mill	✓	✓	✓	✓	✓
FGVPM Semaring 01 Estate	✓	✓	✓	✓	✓
FGVAS Kerteh Estate	✓	✓	✓	✓	✓

Tentative Date of Next Visit: January 3, 2022 - January 5, 2022

Total No. of Mandays: 6

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2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Valence Shem (VSH)	Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 14001, RSPO P&C, RSPO SCCS, MSPO and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45000 Lead Auditor Course in 2019. Able to communicate in Bahasa Malaysia and English. During this assessment, he covers the aspects on legal, social aspects, workers welfare and stakeholders management.
Ismadi Ismail (IIS)	Team Member	He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Able to communicate in Bahasa Malaysia and English. During this assessment, he covers the aspects on legal, mill best practices, good agriculture practice, occupational safety and health.

2.2 Accompanying Persons

No.	Name	Role
	Nil	

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	VSH	IIS
Monday 4/1/2021	0830-0900	Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation) 	✓	✓
	0900-1230	<u>Kerteh POM</u> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1130-1630	<u>Kerteh POM</u> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Tuesday 5/1/2021	0900-1230	<u>Semaring 01 Estate</u> 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, Scheduled wastes management, workers housing, clinic, landfill, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1330-1630	<u>Semaring 01 Estate</u> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Audit team discussion & preparation for closing meeting	✓	✓
Wednesday 6/1/2021	0900-1230	<u>Kerteh Estate</u> 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, Scheduled wastes management, workers housing, clinic, landfill, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-

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Date	Time	Subjects	VSH	IIS
	1230-1330	Lunch break		
	1330-1600	<u>Kerteh Estate</u> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓
	1630-1700	Closing meeting	✓	✓

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 two (2) Major, one (1) Minor nonconformities and two (2) opportunity for improvement (OFI) raised. The Kerteh Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective 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 Non-conformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref: 2006733-202101-M1	Area/Process: Kerteh Estate	Clause: MS 2530:2013 Part-3, 4.1.2.2
	Issue Date: 06/01/2021	Due Date: 11/02/2021
Requirements:	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	
Statement of Nonconformity:	Root causes of non-conformity raised during MSPO internal audit were not identified.	
Objective Evidence:	Kerteh Estate has submitted their corrective action plan to the internal auditor for the NCR raised from MSPO internal audit conducted on 9-10/12/2020. However, there was no evidence that the root-causes of non-conformities were identified in order to establish the corrective actions.	
Corrections:	FGVAS KERTEH updated the ROOT CAUSE then to the ACTION PLAN to complete corrective action plan format	
Root cause analysis:	Officers lack of understanding of the Corrective Action Plan format.	
Corrective Actions:	1) Provide training and exposure on procedures and corrective action plans. 2) A written procedure on internal audit and a corrective / preventive action plan is distributed for reference.	
Assessment Conclusion:	The following evidences were verified: 1) The "corrective action plan" format where the identified root-causes have been included. The format refers to the internal audit dated 9-10/12/2020 conducted at Ladang FGVAS Kerteh.	

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	<p>2) Training records of Kerteh Estate’s persons in-charge on internal audit procedures and corrective action plan, dated 30/1/2021. The training which was conducted virtually was also evident through pictorial record.</p> <p>3) Evidence that the internal audit procedure has been distributed to the relevant personnel, dated 30/1/2021.</p> <p>Based on the evidence of correction and corrective action, the NCR is effectively closed on 11/02/2021. Continuous implementation shall be verified in the next assessment.</p>
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Major Nonconformities:		
Ref: 2006733-202101-M2	Area/Process: Semaring 01 Estate	Clause: MS 2530:2013 Part-3, 4.4.4.2
	Issue Date: 06/01/2021	Due Date: 06/04/2021
Requirements:	<p>The occupational safety and health plan shall cover the following:</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>	
Statement of Nonconformity:	CHRA action plan was not effectively implemented.	
Objective Evidence:	<p>At Semaring 01 Estate, a sprayer, Hobib (Worker ID: FW 04880482) who joined on 7th December 2017 was scheduled to undergo Medical Surveillance on 14th November 2019. However, no evidence the worker being sent to the Occupational & Health Doctor Panel in 2019.</p> <p>The worker has attended the Medical Surveillance on 3rd December 2020, whereby the period is more than 12 months from previous medical surveillance assessment.</p> <p>Thus, non-compliance to CHRA Report (HQ/08/ASS/00/85-2019-0049); Clause 8 Recommendations on Action to Be Taken, Page 24 states Chemical Sprayer; 6: To continue to conduct the medical surveillance for those affected employees by Occupational & Health Doctor at interval of no longer than twelve months duration.</p>	
Corrections:	Has sent the employee involved to undergo medical surveillance testing and received confirmation from clinic tested	
Root cause analysis:	There is no confirmation conducted whether all employees who have been send for medical surveillance had undergone at the clinic for testing.	
Corrective Actions:	<p>1) Always obtain confirmation of attendance and tested for medical surveillance testing from the clinic every time the testing process is carried out</p> <p>2) Discuss in Occupational Safety & Health meetings if there is an increase or change in employees must undergo medical surveillance tests</p>	
Assessment Conclusion:	<p>The following evidences were verified:</p> <p>1) The said worker, Mr. Hobib was in the list for medical surveillance dated 7th December 2020 and confirm by appointed the clinic via letter dated 25th January 2021.</p> <p>2) Evidence, the worker had undergone the medical surveillance base on the Certificate of Fitness furnish by the clinic.</p> <p>3) Evidence, the issue being discussed in the OSH Meeting as per minutes meeting dated 12th January 2021</p>	

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	Based on the evidence of correction and corrective action, the NCR is effectively closed on 11/02/2021. Continuous implementation shall be verified in the next assessment.
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Minor Nonconformities:		
Ref: 2006733-202101-N1	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.5.1.2
	Issue Date: 06/01/2021	Due Date: Next surveillance assessment
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives b) The aspects and impacts analysis of all operations.	
Statement of Nonconformity:	No identification on Domestic Waste Disposal in The Aspects and Impacts Analysis.	
Objective Evidence:	FGVAS Kerteh is surrounded by fencing along the boundary. During site verification, the domestic waste from the stakeholder was disposed along the main road at Peringkat 1, D2. However, this aspect has not been identified and evaluated in the Environmental Aspects and Impacts Analysis for the necessary action and mitigation plan.	
Corrections:	Update the impact aspect form by including the issue of domestic waste disposal.	
Root cause analysis:	Garbage disposal done by outsiders and outside the boundary area of KERTEH FGVAS which not taken into account by the KERTEH FGVAS	
Corrective Actions:	This Impact Aspect will be discussed during the meeting and follow up on the necessary action and mitigation plan and any other environmental issues.	
Assessment Conclusion:	The correction and corrective action were accepted. The evidence of effective implementation of the corrective action shall be verified in the next assessment visit.	

Opportunity for Improvements	
OFI #	Description
2006733-202101-I1 Clause 4.1.3.1	The agenda of management review meeting at Kerteh Estate can be further improved. So far, only the results of internal audit and outcome of site inspection were recorded in the minutes of meeting.
2006733-202101-I2 Clause 4.4.5.7	The recording of workday attendance at Kerteh Estate can be further improved so that it can clearly portray the attendance record in the corresponding payslips.

Noteworthy Positive Comments	
1	Good relationship being maintained with surrounding communities.
2	Mill continues to maximize the use of renewable energy by using fibre and shell which produced through internal process for boiler biofuel.
3	Good cooperation from the management team in facilitation the assessment.

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1871619-201908-M1	Area/Process: Mill	Clause: MS 2530:2013 Part-4, 4.4.5.6
	Issue Date: 16/01/2020	Closed on: 02/03/2020
Requirements:	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.	
Statement of Nonconformity:	Expired Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd.	
Objective Evidence:	All the mill workers are local and Contract of Agreement is based on Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd dated 1st January 2016 until 31st December 2018. No evidence, the new Collective Agreement dated 1st January 2019 until 31 st December 2021 between Management and Staff & Workers is agreed by both parties	
Corrections:	The Collective Agreement been had approved with the certified number 031/2020 dated 31/01/2020 with letter dated 07/02/2020. The Collective Agreement had been distributed to the mill for their further reference on the 11/02/2020. These evidences will be presented.	
Root cause analysis:	The Collective Agreement had been signed but cannot be distributed to the mill due to waiting the necessary approval from the Industrial Court of Malaysia.	
Corrective Actions:	In the future if there any delay on the Collective Agreement, the FGV Group Human Resource need to inform the mill according on which CA to be practice until further notice.	
Assessment Conclusion:	Evidence submitted: <ol style="list-style-type: none"> i. Letter of submission of the Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd to Industrial Court Malaysia dated 10/1/2020. Refer letter no. (04)/FGVH/HRBP01/08/E16/2019 ii. Letter of recognition of the Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd from Industrial Court Malaysia dated 7/2/2020. Refer letter no. MPM.600-3/1/1949(47). iii. New Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd, valid from 1/1/2019 – 31/12/2021 iv. Briefing of the New Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd to all workers in Kerterh POM dated 4/2/2020 The evidences submitted found adequate and effectively implemented. Thus, The Major NC was effectively closed on 2/3/2020.	
ASA2 Verification	Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd, validity 01/01/2019 to 31/12/2021, was made available for verification. Records of briefing to the employees on the new collective agreement was also well maintained. Thus, the non-conformity report remains closed.	

Minor Nonconformities:		
Ref: 1871619-201908-N1	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.4.4.2
	Issue Date: 16/01/2020	Closed on: 06/01/2021

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Requirements:	The occupational safety and health plan shall cover the following: 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).
Statement of Nonconformity:	Safety Work Procedure established was not effectively communicated to the workers
Objective Evidence:	Semaring 1 Estate Sighted during the interview, the workers were wearing short sleeves shirt and the pants were inside their boots during spraying this was against 'Prosedur kerja Selamat Pengendalian Bahan Kimia' dated 1/4/2014. Refer doc. no. FGVPM/L3/PK-04.
Corrections:	-Meetings/ discussion are held with poisoned workers to obtain clarification on issues found. -Issue a stronger warning letter to employees aren't wearing PPE during working time.
Root cause analysis:	Training and awareness related to using PPE has been made available to relative workers, but workers are still not wearing PPE as per procedure 'Prosedur kerja Selamat Pengendalian Bahan Kimia'. The effectiveness of the training wasn't implemented by management.
Corrective Actions:	- Monitoring worker using PPE by the supervisor and certified by the manager 4 times a year before making health and safety meeting. - Include PPE training/awareness in annual training programs to ensure training and reminders are provided annually.
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment
ASA2 Verification	Sighted the evidence of briefing being conducted on 15/2/2020 for workers on Pengurusan PPE at Semaring 1 Estate. No spraying activity during audit assessment due to rainy days. The evidences submitted found adequate and effectively implemented. Thus, the Minor NC was effectively closed.

Minor Nonconformities:		
Ref: 1871619-201908-N2	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.5.1.2
	Issue Date: 16/01/2020	Closed on: 06/01/2021
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives b) The aspects and impacts analysis of all operations.	
Statement of Nonconformity:	The environmental management plan is not effectively implemented	
Objective Evidence:	Semaring 01 Estate Sighted during site visit at the workshop, there were evidence of used lubricant spillage after servicing or maintaining vehicle left on the workshop floor. This shows that the environmental management plan was not effectively implemented.	
Corrections:	Provides a new tray to be used during the lubricant oil spillage conversion process to avoid direct oil spills and to pollute the environment.	
Root cause analysis:	The existing tray oil spill was broken can't be used	
Corrective Actions:	Regular monitoring by environmentally responsible officials to ensures that no new spills occur and the tray is available and not damaged.	
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment	

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ASA2 Verification	Sighted, during site verification all the parked vehicles being placed and provided with tray oil spills to avoid any spillage. The evidences submitted found adequate and effectively implemented. Thus, the Minor NC was effectively closed.
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Minor Nonconformities:		
Ref: 1871619-201908-N3	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.5.5.1
	Issue Date: 16/01/2020	Closed on: 06/01/2021
Requirements:	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: 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.	
Statement of Nonconformity:	The water management plan was not effectively implemented	
Objective Evidence:	Semaring 1 Estate Sighted the evidence of chemical spraying at riparian zone for Sg. Balu at PM 13. Noted during interview with the sprayers' shows their understanding on prohibition of chemical spraying at buffer zone is unsatisfactory.	
Corrections:	-Meetings/ discussion are held with poisoned workers to obtain clarification on issues found. -Issue a stronger warning letter to employees involved with poisoning in the buffer zone.	
Root cause analysis:	Training and awareness have been made available to relative workers, but workers are still spraying in some areas of the buffer zone. The effectiveness of the training wasn't implemented by management.	
Corrective Actions:	- Regularly monitor the buffer zone area to ensure worker not spraying in that area. - Include spraying training/awareness in annual training programs to ensure training and reminders are provided annually.	
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment	
ASA2 Verification	Sighted the evidence of briefing being conducted on 26/7/2020 for workers on Prosedur Pengenalpastian Kawasan Cerun dan Rezab Sungai at Semaring 1 Estate. No evidence spraying activity being executed at buffer zone areas during site verification. The evidences submitted found adequate and effectively implemented. Thus, the Minor NC was effectively closed.	

Minor Nonconformities:		
Ref: 1871619-201908-N4	Area/Process: Mill	Clause: MS 2530:2013 Part-4, 4.5.1.2
	Issue Date: 16/01/2020	Closed on: 06/01/2021
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	
Statement of Nonconformity:	The environmental management plan is not effectively implemented.	

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Objective Evidence:	Sighted during site visit at schedule waste store, noted the old and new evidence used oil spillage at the store floor. This show that oil spillage were left unattended. Refer to the environmental management plan established, all oil spillage must be attended as per SOP for chemical spillage. Refer doc. no. FPI/L2/QOSHE-14.0.
Corrections:	- Provides a new tray to place the lubricant oil container to avoid direct oil spills and to pollute the environment.
Root cause analysis:	- The existing tray oil spill was broken can't be used.
Corrective Actions:	Periodic monitoring by environmentally responsible officials and will be presented / discussed within minutes of the environment to ensure no new spills occur and to ensure trays are available and not damaged
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment
ASA2 Verification	Sighted, during site verification at Schedule Waste Store, all the empty lubricant drums and container being placed and provided with tray oil spills to avoid any spillage. The Management had issue a letter to En Rosmadi bin Md Zain dated 5 th February 2020, the Storekeeper as Person in -charge to monitor and ensure the Schedule Waste Store is in order at all times. The evidences submitted found adequate and effectively implemented. Thus, the Minor NC was effectively closed.

Minor Nonconformities:		
Ref: 1871619-201908-N5	Area/Process: Estates	Clause: MS 2530:2013 Part-4, 4.4.5.4
	Issue Date: 16/01/2020	Closed on: 06/01/2021
Requirements:	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.	
Statement of Nonconformity:	Non-compliance to Workers Contract Agreement.	
Objective Evidence:	Seen, Contract Agreement between Sri Chakra Enterprise and his worker, namely: 1. Mr. K.Kumaran a/l Kerishnan; 841222 – 08 -6193 No evidence, contribution on EPF, SOCSO and SIP being made by the employer base on the pay-slip from January to December 2019.	
Corrections:	-Issue a hard warning letter to the contractor, if it is still unable to complete the relevant document, the contractor will be terminated. (Mengeluarkan surat amaran keras kepada pihak kontraktor, jika masih tidak boleh melengkap dokumen berkaitan, pihak kontraktor akan di terminated). - Obtain a clear copy of the pay slip showing the EPF, SOCSO and EIS statements. (Mendapatkan salinan slip gaji yang jelas menunjukkan penyata EPF, SOCSO dan EIS). - Obtain evidence that contractors have approved EPF, SOCSO and EIS for their employees. (Mendapatkan bukti kontraktor telah merncarom EPF, SOCSO dan EIS bagi pekerja mereka).	
Root cause analysis:	2 letters have been issued to the chakra enterprise sdn bhd contractors, but they still do not comply with the requirements of EPF, SOCSO and EIS	
Corrective Actions:	Mill managers need to ensure that new and old workers under contractors contribute EPF, SOCSO and EIS	
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment.	

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ASA2 Verification	The management is ensuring the employees of contractors are paid based on legal or industry minimum standards by verifying the payslips of the workers. Crosschecking of sampled of the payslips showed that the pay was delivered accordingly including the employer’s contribution of EPF, SOCSO and EIS.
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3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1727954-201901-M1	Major	10/01/2019	Closed on 26/02/2019
1871619-201908-M1	Major	16/01/2020	Closed on 02/03/2020
1871619-201908-N1	Minor	16/01/2020	Closed on 06/01/2021
1871619-201908-N2	Minor	16/01/2020	Closed on 06/01/2021
1871619-201908-N3	Minor	16/01/2020	Closed on 06/01/2021
1871619-201908-N4	Minor	16/01/2020	Closed on 06/01/2021
1871619-201908-N5	Minor	16/01/2020	Closed on 06/01/2021
2006733-202101-M1	Major	06/01/2021	Closed on 11/02/2021
2006733-202101-M2	Major	06/01/2021	Closed on 11/02/2021
2006733-202101-N1	Minor	06/01/2021	Open

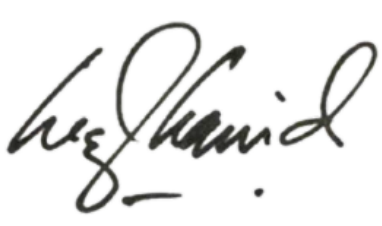

3.5 Issues Raised by Stakeholders

IS #	Description
<p>1</p>	<p>Feedbacks: SK Felda Kerteh 1 – about 3-5% of students are among children of FGV employees in mill and estates. No issue in support and cooperation of school programs. Often been invited and participated in stakeholder meeting session conducted by FGV.</p> <p>Management Responses: The management will continue to support school programs especially involved employees’ children.</p> <p>Audit Team Findings: No further issue.</p>
<p>2</p>	<p>Feedbacks: Neighbouring estate (Felda Kerteh 1 & Kerteh 5) - The Plantation and Settlers Managers of Felda Kerteh 1 & Kerteh 5 shared that their field is just adjacent to Kerteh Estate. Both has a good cooperation with FGV management and they also attended the previous stakeholder meeting by FGV and shared the output.</p> <p>Management Responses: The management will continue to maintain good relationship with all stakeholders including neighbours.</p> <p>Audit Team Findings: No further issue.</p>
<p>3</p>	<p>Feedbacks: Settlers representatives – They have no issue with the management and maintain a good relationship with the management. No land dispute has been reported.</p> <p>Management Responses: The management will continue maintain good relationship with the settlers.</p> <p>Audit Team Findings: No further issue.</p>
<p>4</p>	<p>Feedbacks: Gender Committee - No sexual harassment case reported and the gender committee team were actively implemented.</p> <p>Management Responses: The management always give priority any workers issue including potential violence and sexual harassment.</p> <p>Audit Team Findings: No further issue.</p>
<p>5</p>	<p>Feedbacks: Local village representative (Kg. Jongok Batu) - They have no issue with the management and maintain a good relationship with the management. No land dispute has been reported. Known some villagers working at FGV mill.</p> <p>Management Responses: The management will continue to maintain good relationship with all stakeholders’ especially local communities and they are given priorities for employment opportunities within FGV mill and estates.</p>

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	<p>Audit Team Findings: No further issue.</p>
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Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Kerteh Palm Oil Mill and Supply Bases Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Kerteh Palm Oil Mill and Supply Bases Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: NOROLSAIFUL HAZZRI BIN HAMID	Name: Valence Shem
Company name: FGV HOLDINGS BERHAD	Company name: BSI Services Malaysia Sdn Bhd
Title: SUSTAINABILITY MANAGER (ENFORCEMENT)	Title: Lead Auditor
Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i> 	Signature: 
Date: 14 JUN. 2021	Date: 12/06/2021

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm 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 -	The estates do not have a separate policy established for MSPO, nevertheless they have implemented a Group Sustainability Policy (Policy Number: FGV/SED/POL/001), implemented on 29 th May 2019 undersigned by the Chairman of Board of Directors, YBhg Datuk Wira Azhar Abdul Hamid.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The Sustainability Policy dated 29 th May 2019 demonstrates its commitments towards continual improvement with objectives such as below: <ul style="list-style-type: none"> • FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood. • FGV group is committed to ensure its employees and workers receive adequate training and development to achieve their full potential in performing assigned tasks efficiently. • FGV strives to use resources efficiently in order to improve productivity in its operation. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms.	
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 -	The Internal Audits for the estates were last conducted on 7-9/12/2020 (Semaring 01) and 9-10/12/2020 (Kerteh) by the Internal Audit Team of FGVH, Headed by Mr. Ahmad Sharir Ismail. The internal audit team had raised 15 non-conformities at Semaring 01 and 35 at Kerteh as a result from their audit. The estates had come up with a " <i>Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalamans Pensijilan Kelestarian 2020</i> " which has the information about standards' requirements, NC statements, root-cause, corrective action plans, time-frame and status of CAP. Some of the NCRs have been closed out by the estates while the rest were still in process.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal Audit Procedure is available in document ML-1A/L2-Pr11(0) effective date 01 June 2016 to ensure the MSPO standards are implemented in the mill operations in accordance to the policy and other matters standardised by the company and local legal bodies. The root-cause of the NCR been identified and recorded in the " <i>Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalamans Pensijilan Kelestarian 2020</i> ". Kerteh Estate has submitted their corrective action plan to the internal auditor for the NCR raised from MSPO internal audit conducted on 9-10/12/2020. However, there was no evidence that the root-causes of non-conformities were identified in order to establish the corrective actions. Thus, a non-conformity was assigned due to this lapse.	Major Non-conformity

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The Internal Report was available for the Management in the document entitled " <i>Laporan Audit Dalaman RSPO/MSPO FGV</i> " given by the Internal Audit Team. The report has the information about standards' requirements, and findings.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	<p><u>Semaring 01</u></p> <p>The Management Review was conducted on 20/12/2020. The management review was chaired by the Manager, En. Amru Daut and attended by 11 key personnel. Among the matters that were discussed in the management review were as follows:</p> <ol style="list-style-type: none"> 1. Results of internal audit 2. Customer satisfaction 3. Production 4. Environment 5. Social 6. Replanting 7. Continuous improvement plan <p><u>Kerteh</u></p> <p>The Management Review was conducted on 30/12/2020. The management review was chaired by the Sr Manager from SCCD, En. Jafarullah and attended by 4 key personnel. Among the matters that were discussed in the management review were as follows:</p> <ol style="list-style-type: none"> 1. Results of internal audit 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. Customer satisfaction 3. Production 4. Environment 5. Social 6. Replanting 7. Continuous improvement plan	
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>FGV Semaring 1 Estate have established procedure on Continuous Improvement with an objective to provide action plan in implementing the Continuous Improvement Plan Covering Social, Best Practices and Environmental. The Continuous Improvement Plan for are as follows:</p> <ol style="list-style-type: none"> 1. To achieve FFB production base on budget 2. Zero open burning 3. Meeting with workers on welfare 4. Reduce accident case on harvesting by 25% 5. Reduce accident case on agricultural vehicle by 25% 6. Reduce usage of chemicals <p>As for FGVAS Kerteh Estate, the Continuous Improvement Plan are as follows: -</p> <ol style="list-style-type: none"> 1. Expand beneficial plant areas 2. Disposal of Empty chemical containers. 3. Re-use of chemical containers 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		No open burning campaign	
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 -	There is no new application of new technology implemented during the certification period. The current practices continued and guide by Regional Controller.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Any new information is updated to employees through morning briefings, memo, meetings, station training. Thus far, no new technology being introduce or implemented at FGVPM Semaring 1 Estate and FGVAS Kerteh Estate.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or 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 1/6/2016 and has been communicated in Malay language (national language) through letters to external stakeholders. External stakeholders’ consultation was held with slides to explain on MSPO requirements on 31/10/2019. Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/l2-Pr21 issue 1 re 2 dated Mach 2019. Policies are also displayed in POM and office mainly for internal stakeholders. The last stakeholders meeting was conducted on 10/7/2018 for a combination of three FGV and Felda complexes i.e. Kerteh, Jerangau Baru and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Jerangau Barat. Among the stakeholders attended were government agencies, NGOs and surrounding communities.	
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The estate holds copies of each of the management documents that are required to be publicly available. Apart from that, all the information such as annual report, sustainability news and policies were found available in the company's website: www.fgvholdings.com Records of inspections and visits by the authorities were maintained such as DOSH and JTK visits.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	FGV has developed " <i>Komunikasi, Penglibatan dan Rundingan</i> " procedure (Doc. No. FGV/ML-1A/L2-Pr12 issue 1, rev. 0 dated 1/6/2016) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects. The estates have conducted a stakeholder meeting on 10/7/2018. During the meeting, the management has explained the requirements of sustainable palm oil certification to all the stakeholders. Apart from that, briefing of policies and management procedures of sustainability was also given.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The estates have appointed the Assistant Managers as official responsible persons for communication and handling all social issues in the facility. Appointment letters were available for verification.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders	The stakeholder lists were last updated in December 2020 where internal and external stakeholders have been included in the list.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>should be properly maintained.</p> <p>- Major compliance -</p>	<p>Stakeholder meeting was last conducted on 10/7/2018 with the participation of internal and external stakeholders such as FFB suppliers, government authorities, contractors and local communities. Requests or enquiries raised during the meeting was responded by the management and recorded in the minutes.</p> <p>Apart from that, Housing Defect Report was also implemented to record any complaints reported by the workers related to housing facility.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>Manual Ladang Sawit Lestari, 8.0 Mengangkut BTS ke Kilang [MLSL (Ed.2) – Sec.4 (8.0), 1/6/2012] has been established to provide guideline on delivery of FFB to the mill. Among the documents & records found to be maintained were:</p> <ul style="list-style-type: none"> • Nota Penghantaran BTS • Slip Akuan Penerimaan (weighbridge ticket) • Slip Grading • Sijil Mutu BTS 	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Various means were available on how to monitor the traceability where among others the updating of FFB delivery records, through month end account closing and internal audit. Based on the records of FFB delivery, it was found that the procedure of traceability was well implemented.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p>	<p>The office clerks are assigned to implement and maintain the traceability system as verified through an appointment letter.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Verification of the records and documents mentioned in 4.2.3.1 showed that the deliveries of FFB were well maintained. Crosschecking between the daily FFB delivery records and the transportation documents showed that the records were accurate and well maintained.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	The legal compliance lists of permits/licenses available for both Estate and being monitored and updated periodically by person in- charge of Legal Requirements. Sighted lists of permits/licenses which have been monitored and updated periodically as follows: - a. Semaring 1, 1. MPOB License. License no. 560381002000. Validity period from 1/5/2020 - 30/4/2021 2. Purchasing of diesel and Petrol. Ref. no. TR/DGN/92/07 SKD for 8,500 liter diesel and 300 liter RON 95. Validity period from 11/6/2020 – 10/6/2021 3. Purchasing of Petrol. Ref. no. B.PGK/DGN/01/014(190 for 100 liter liter RON 95. Validity period from 18/10/2020 – 17/4/2021 From Nikaniaga Travel & Tours Sdn Bhd.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>4. Air compressor license, Number TG PMT 5958 in the process of renewal.</p> <p>5. Weighbridge certificate – Ref no. MCM TKT. LP 58 032332 (195807) and No. Sijil Penentuan: 5863383. The test was conducted on 24/11/2020 by Metrology Corporation (M) Sdn Bhd.</p> <p>b. FGVAS Kerteh</p> <p>1. MPOB License. License no. 502671002000. Validity period from 2/3/2020 - 31/3/20201</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>The applicable laws identified were listed in:</p> <ul style="list-style-type: none"> Daftar Perundangan dan Lain-lain Keperluan (Register of Legal and Other Requirements) [ML-1A/L5-AP1 Pind 0] <p>The lists were last updated on 1/10/2020</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The mechanism of tracking changes and update are guided by "<i>Sistem Semakan Perubahan Undang-undang</i>", rev. 4, dated 23/6/2015. The guideline is presented in flow chart form.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>FGV have centralised system for tracking any changes in the law as per "<i>Panduan: Sistem Pengesanan Perubahan Undang-undang</i>" dated 23/6/2017, Version:04. Any changes in the relevant regulations is through Plantation and Sustainability Department and the Manager, who are sole responsible.</p>	Complied
Criterion 4.3.2 – Lands use rights			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	There was no evidence that the oil palm cultivation activities are diminishing the land use rights of other users.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	The estates were able to demonstrate its right to use the land through the following documents: 1) Semaring 01 Estate Agreement to Lease, dated 1/11/2011, between Felda Global Ventures Holdings Sdn Bhd (leasee) and FELDA (lessor), lease period: 99 years Tenancy Agreement 1 dated 6/1/2012 between Felda Global Ventures (Malaysia) Sdn Bhd and FELDA, where area allocated for Semaring 01 Estate is 1,246.47 Ha. 2) Kerteh Estate The estate (which is under FGV Holding Berhad) is able to demonstrate its right to use the land (110.56 Ha) through an agreement entitled "Second Supplement Agreement", dated 2/9/2020 between FELDA and FGV Agri Services Sdn Bhd (FASSB). The agreement is to supplement the Tenancy Agreement (Principal Agreement) dated 7/2/2018.	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal boundary for both estates were clearly demarcated and visibly maintained. Semaring 1 Legal boundary was demarcated with red and white colour concrete pole As for, FGVAS Kerteh the legal boundary was demarcated with fences at 'Peringkat 1' adjacent with FELDA settlers' farm and also concrete	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>pole. During site verification, sighted two-boundary stone marked at location as below:</p> <ol style="list-style-type: none"> 1. Block D2, year 2005 2. Block D5 adjacent to Kerteh 5 settlers. <p>Even on the map, the boundary being marked with GPS coordinate, sample as below: -</p> <ol style="list-style-type: none"> 1. 4.560334, 103.327916 2. 4.557760, 103.338476 	
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>FGV has developed procedure on "<i>Pengenalpastian dan penyelesaian pertikaian tanah</i>" with Doc. No. ML-1A/L1-Pr10(0) dated 1/6/2016. The objective of the procedure is to handle and monitor issue raised from local communities on customary or user rights. Procedure on the compensation to the people entitled and monitoring of boundary stone was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market land price. There is no land dispute at the sampled estates at the point of audit. The surrounding land is owned by FELDA, settlers, forest reserve, etc. Interviewed with the stakeholders confirmed that no encroachment of land by the company.</p>	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>The land is legally owned by FELDA and leased to Felda Global Ventures Holdings Sdn Bhd and FGV Agriculture Services Sdn Bhd. The existing land is not encumbered by any customary land rights.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	The land is legally owned by FELDA and leased to Felda Global Ventures Holdings Sdn Bhd and FGV Agriculture Services Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The land is legally owned by FELDA and leased to Felda Global Ventures Holdings Sdn Bhd and FGV Agriculture Services Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 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 -	<p><u>Semaring 01</u></p> <p>Social Impact Assessment was carried out by FGV's Certification & Due Diligence (CDD) unit on 23/5/2018 (Semaring 01) and 21/5/2018 (Kerteh). The assessment has involved the participation of relevant stakeholders such as local authorities, employees, contractors, settlers and local communities.</p> <p>Action Plan for Social Impact Assessment was developed and monitored by the management which extracted from the SIA. The latest management plan was updated in 2021, for e.g.:</p> <ol style="list-style-type: none"> 1) Safety training to be given to contractor's workers 2) All workers to be covered by insurance 3) Workers to be made understood on employment contract conditions 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The positive impacts such as job opportunities for surrounding communities were also identified and documented.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	FGV has developed procedure of " <i>Menangani Aduan dan Rungutan</i> " (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	The estates are having a log book to record complaints or requests from the stakeholders. Most of the complaints were about housing defects and roads conditions at Semaring 01 adjacent village (Kg Jongok Batu). Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint record books were available in the office, where the stakeholders can easily access in order to lodge their complaint. The feedbacks from the complainant were also recorded in the book.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interview with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	Complied

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4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The records of complaint for the past 24 months (since December 2018) were available in the complaint records book.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, there has been approved monetary donation request to a nearby school.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	<p>FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.2.4: Health and Safety. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p> <p>FGV Holding Berhad has also established Safety and Health Policy signed by the CEO, Dato' Haris Fadzilah Hassan dated 8/5/2019. Refer document no FGV/GHR/HSEQ/POL/001 rev. 4 and FGV/GGD/SD/009 Rev 2.0 effective 17/8/2018</p> <p>In the policy stated the commitment:</p> <ol style="list-style-type: none"> 1. to provide a healthy and safe working environment its operations for all its workers and employees and 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Shall allocate appropriate resource in order to minimize and eliminate Health and Safety risks.</p> <p>OSH Plan for 2020 with objective zero fatality accident case. The strategies are training to driver, adhering to Permit to Work and improvement on Harvesting SOP.</p>	
4.4.4.2	<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 	<p>FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.2.4: Health and Safety. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p> <p>FGV Holding Berhad has also established Safety and Health Policy signed by the CEO, Dato' Haris Fadzilah Hassan dated 8/5/2019. Refer document no FGV/GHR/HSEQ/POL/001 rev. 4 and FGV/GGD/SD/009 Rev 2.0 effective 17/8/2018</p> <p>The Estate risk of all operations be assessed and documented in hazard identification, risk assessment and risk control, HIRARC. Refer Document: FGV/FGVPM/F(IMS)1.3 Pin 1 The assessment includes all 52 processing activities and support activities base on workstation. The HIRARC being reviewed on 15/8/2020 at Semaring 1 and as for FGVAS, the HIRARC being reviewed on 31/12/2020. Amongst the activities covered as follows: -</p> <ul style="list-style-type: none"> 1. Chemical Handling 2. Housing 3. Harvesting 4. Spraying 	Major Non-conformity

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Criterion / Indicator		Assessment Findings				Compliance																																																
	<p>Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>5. ETC</p> <p>Sighted Training Programmes and Training Need Analysis for Executives, Staffs and Workers for year 2020 at Semaring 1 Estate. The training under OSH as follows: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Programme</th> <th>Date Programme</th> <th>Date Conducted</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Penerangan Polisi</td> <td>7/2020</td> <td>5/7/2020</td> </tr> <tr> <td>2</td> <td>Penerangan Manual</td> <td>2/2020</td> <td></td> </tr> <tr> <td>3</td> <td>Pengurusan PPE</td> <td>1/2020</td> <td>15/2/2020</td> </tr> <tr> <td>4</td> <td>ERP</td> <td>2/2020</td> <td></td> </tr> <tr> <td>5</td> <td>First Aid</td> <td>4/2020</td> <td></td> </tr> <tr> <td>6</td> <td>Pengurusan HCV</td> <td>7/2020</td> <td>28/6/2020</td> </tr> <tr> <td>7</td> <td>Harvesting</td> <td>1/2020</td> <td>25/8/2020</td> </tr> <tr> <td>8</td> <td>Meracon</td> <td>3/2020</td> <td>12/1/2020</td> </tr> <tr> <td>9</td> <td>Membaja</td> <td>4/2020</td> <td>3/9/2020</td> </tr> </tbody> </table> <p>As for FGVAS the training programme as below; -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Programme</th> <th>Date Programme</th> <th>Date Conducted</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Manuring</td> <td>1/2020</td> <td>8/1/2020</td> </tr> </tbody> </table>				No	Programme	Date Programme	Date Conducted	1	Penerangan Polisi	7/2020	5/7/2020	2	Penerangan Manual	2/2020		3	Pengurusan PPE	1/2020	15/2/2020	4	ERP	2/2020		5	First Aid	4/2020		6	Pengurusan HCV	7/2020	28/6/2020	7	Harvesting	1/2020	25/8/2020	8	Meracon	3/2020	12/1/2020	9	Membaja	4/2020	3/9/2020	No	Programme	Date Programme	Date Conducted	1	Manuring	1/2020	8/1/2020	
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		3	Pengurusan PPE	1/2020	14/1/2020		
		4	Spraying	2/2020	15/2/2020		
		5	Fire Drill	10/2020	11/12/2020		
		6	Harvesting	2/2020	15/2/2020		
		7	Briefing on Group Sustainability	10/2020	31/12/2020		
		8	HCV	10/2020	31/12/2020		
<p>The Estate Management has provided all the workers with appropriate PPE as per HIRARC conducted, CHRA recommendations and Safety Working Procedure. Records of PPE issuance recorded by individual employee and documented in 'Rekod Pengurusan Alat Perlindungan Diri (PPE)', Refer to FGV/FGVPM/GP/F(PK-25)/1.4</p> <p>FGVPM has established SOP for Chemical Handling and documented in the Safety Operating Procedure, Chemical Handling. Refer doc no. FGVPM/L3/GPK-006, Tarikh Kuatkuasa: 1/2/2020</p> <p>Chemical Health Risk Assessment was conducted on 14th September 2019 until 16th September 2019 by Ihsan Sharif Resources covering Chemical Storage Personnel, Chemical Pre-mix Mandur, Chemical Sprayer, Fertiliser Storage Helper and Manuring Labour.</p> <p>At FGVAS Kerteh, the CHRA was conducted by HSE, Kluster R&D dan Khidmat Agri, Pusat Penyelidikan Tun Razak (HIE 127/171-2(303) on 11th September 2017.</p>							

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	<p>Both Estates have responded on the recommendations by the Assessor in the report.</p> <p>Medical Surveillance for 2020 at FGVPM Semaring 1 was conducted on 3rd December 2020 to 23 workers at Klinik Syed Badaruddin (Terengganu) Sdn Bhd. The result yet to be finalized by panel doctor.</p> <p>FGVAS Kerteh has conducted Medical Surveillance on 17th November 2020 to 4 sprayers with Occupational Health Doctor (JKKP HQ/15/DOC/00/390). The result is available and all fit for work.</p> <p>FGVPM Semaring Estate 1 has appointed the Estate Manager, En Amru bin Daut as responsible person and chairman for safety and health committee as per letter dated 28/1/2019 signed by Regional Controller Wilayah Terengganu. Refer letter no. (17) HSE/FGVPM/PWT/03.</p> <p>FGVAS Kerteh has appointed En Mohd Nazri Yusof as responsible person and chairman for safety and health committee as per letter dated 10/4/2019 signed by Ketua Kluster R&D dan Khidmat Agri. Refer letter no. (1) HSE/PPPTR/B/03.</p> <p>FGVPM Semaring 01 has conducted self-assessment on Noise Risk Assessment dated 26th December 2019. The assessment covering the</p>	

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	<p>driver, FFB Loading, harvester, sprayer and grass cutting. The appointed assessor will conduct the assessment in January 2021.</p> <p>As for FGVAS Kerteh has conducted self-assessment on Noise Risk Assessment dated 19th November 2020. The checklist indicate there are no risk of noise exposure. It was deemed NRA not necessary.</p> <p>All safety, health and welfare issue been discussed during OSH committee meeting which conducted on quarterly basis. Sighted the minutes meeting for OSH committee for FY 2020:</p> <table border="1" data-bbox="1099 900 1715 1150"> <thead> <tr> <th></th> <th>Semaring 1</th> <th>FGVAS Kerteh</th> </tr> </thead> <tbody> <tr> <td>1st quarter</td> <td>10/3/2020</td> <td>25/2/2020</td> </tr> <tr> <td>2nd quarter</td> <td>24/6/2020</td> <td>23/6/2020</td> </tr> <tr> <td>3rd quarter</td> <td>13/9/2020</td> <td>29/9/2020</td> </tr> <tr> <td>4th quarter</td> <td>6/12/2020</td> <td></td> </tr> </tbody> </table> <p>The meeting discussing on: -</p> <ul style="list-style-type: none"> a) Issue from Last Meeting b) OSH Performance c) Workplace / Station Inspection Report d) External & Internal Audit Report 		Semaring 1	FGVAS Kerteh	1 st quarter	10/3/2020	25/2/2020	2 nd quarter	24/6/2020	23/6/2020	3 rd quarter	13/9/2020	29/9/2020	4 th quarter	6/12/2020		
	Semaring 1	FGVAS Kerteh															
1 st quarter	10/3/2020	25/2/2020															
2 nd quarter	24/6/2020	23/6/2020															
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4 th quarter	6/12/2020																

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	<p>e) Complaints and Grievances from Stakeholders f) Compliance to Law</p> <p>The estate has established emergency procedures for incident of fire, minor and major accident, animal attack and chemical spillage. The procedure is written in Bahasa Malaysia and available at the office and displayed at the OSH notice board for review. Latest fire drill training was conducted on 11/12/2020 at FGVAS Kerteh attended by 10 participants.</p> <p>First Aider for Semaring 1 is En Mohd Anuar bin Mohd Nor (IC No 830902-03-5353). He attended the course under SAC Consultancy Sdn Bhd. The certificate valid until 21st August 2022</p> <p>As for FGV AS, the 1st Aider is Mohd Nazri bin Yusof (IC No 710110-11-5623).</p> <p>Merely, one major accident occurred at FGVPM Semaring 1 in 2020 on a loader being attacked by wild buffalo dated 14th May 2020. The worker loss of 5 mandays from 15/5/2020 until 19/5/2020.</p> <p>No accident occurred at FGV AS Kerteh in 2020. At both Estates, JKPP 8 for year 2020 yet to be submitted to DOSH.</p>	

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		<p><u>Major Non – Conformity:</u></p> <p>CHRA action plan was not effectively implemented.</p> <p>A sprayer, Hobib (Worker ID: FW 04880482) who joined on 7th December 2017 was scheduled to undergo Medical Surveillance on 14th November 2019. However, no evidence the worker being sent to the Occupational & Health Doctor Panel in 2019.</p> <p>The worker has attended the Medical Surveillance on 3rd December 2020, whereby the period is more than 12 months from previous medical surveillance assessment.</p> <p>Thus, non-compliance to CHRA Report (HQ/08/ASS/00/85-2019-0049); Clause 8 Recommendations on Action To Be Taken, Page 24 states Chemical Sprayer; 6.To continue to conduct the medical surveillance for those affected employees by Occupational & Health Doctor at interval of no longer than twelve months duration</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>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). Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training. Interview with</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		workers showed that they have a good understanding on human rights.	
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).</p> <p>The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. Interview with the workers showed that no discrimination is being practiced.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract were issued, and acceptance of offer were acknowledged, and copies were kept by the workers. This has been verified through interview with workers. The terms and conditions such as salary, termination of employment and annual leave entitlement were clearly stated in the contract and found to be in-line with industry minimum standards. The sampled of offer letters and employment contract agreement were Emp. No.:</p> <p><u>Semaring 01:</u></p> <p>FW04880607, FW04880516, FW04880533, FW04880549, FW04880589, FW04880590, LW04880072</p> <p><u>Kerteh:</u></p> <p>PI001219006, PI001219007, PI001219004, PB00169003, PI00169006, PI00169011, PI001220002, PI001219003</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The management is ensuring the employees of contractors are paid based on legal or industry minimum standards by verifying the payslips of the workers. Crosschecking of sampled of the payslips showed that the pay was delivered accordingly including the employer's contribution of EPF, SOCSO and EIS.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers will be registered in the Human Resource Management System (OPMS) or SAP system where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd, validity 01/01/2019 to 31/12/2021, is referred to.</p> <p>Employment contract is provided for every worker which is signed by the employer and employees. Based on verification of the contract contents, the stipulated terms & conditions found to be fair. The sampled of offer letters and employment contract agreement were</p> <p>Emp. No.:</p> <p><u>Semaring 01:</u></p> <p>FW04880607, FW04880516, FW04880533, FW04880549, FW04880589, FW04880590, LW04880072</p> <p><u>Kerteh:</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		PI001219006, PI001219007, PI001219004, PB00169003, PI00169006, PI00169011, PI001220002, PI001219003	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	The working hours are manually recorded during muster call and thereafter transferred to computerised wage payment system.	Complied
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 -	Interview with workers and document reviewed on the attendance record (check-roll) as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes.	Complied
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 -	Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the attendance record which includes the total hours of overtime and daily attendance. The following payslips were sampled for Mar, Jul and Nov 2020 as below: <u>Semaring 01:</u> FW04880607, FW04880516, FW04880533, FW04880549, FW04880589, FW04880590, LW04880072 <u>Kerteh:</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		PI001219006, PI001219007, PI001219004, PB00169003, PI00169006, PI00169011, PI001220002, PI001219003	
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 -	All the workers are provided with medical facilities and SOCSO. The company is also providing free transportation to send the workers to town for daily goods purchased once a month.	Complied
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 -	Hostels were provided to workers with basic amenities. Water and electricity are supplied from public domain which is subsidised by the employer. Inspections of quarters in accordance to Workers' Minimum Standards of Housing and Amenities Act 1990 were done on weekly basis. Records of inspection were well maintained.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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) Besides, procedure "Menangani Aduan Melalui Jawatankuasa Wanita" (Doc. No.: FGV/ML-1A/L2-Pr14, rev. 0, dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. There was no issue regarding sexual harassment and violence reported.	Complied

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4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>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). The company allows the employees to join any legal association and get approval from the management.</p>	Complied								
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>FGV has established a Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old or not younger than 18 years old at the point of recruitment.</p>	Complied								
Criterion 4.4.6: Training and competency											
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Sighted Training Programmes and Training Need Analysis for Executives, Staffs and Workers for year 2020 at Semaring 1 Estate. The training Programme as follows: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 45%;">Programme</th> <th style="width: 20%;">Date Programme</th> <th style="width: 30%;">Date Conducted</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No	Programme	Date Programme	Date Conducted					Complied
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Criterion / Indicator		Assessment Findings				Compliance
		1	Penerangan Polisi	7/2020	5/7/2020	
		2	Penerangan Manual	2/2020		
		3	Pengurusan PPE	1/2020	15/2/2020	
		4	ERP	2/2020		
		5	First Aid	4/2020		
		6	Pengurusan HCV	7/2020	28/6/2020	
		7	Harvesting	1/2020	25/8/2020	
		8	Meracun	3/2020	12/1/2020	
		9	Membaja	4/2020	3/9/2020	
		As for FGVAS the training programme as below; -				
		No	Programme	Date Programme	Date Conducted	
		1	Manuring	1/2020	8/1/2020	
		3	Pengurusan PPE	1/2020	14/1/2020	
		4	Spraying	2/2020	15/2/2020	
		5	Fire Drill	10/2020	11/12/2020	
		6	Harvesting	2/2020	15/2/2020	

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Criterion / Indicator		Assessment Findings				Compliance
		7	Briefing on Group Sustainability	10/2020	31/12/2020	
		8	HCV	10/2020	31/12/2020	
		Less training being conducted in 2020 reflected from outbreak of Pandemic Covid 19 and Restricted Movement Control Order. (RMCO)				
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 annual training plan is created based on the Training Needs Analysis. The analysis based on the evaluation on the competency level of existing and new personnel.</p> <p>Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all executives, staffs and workers are based on their competencies and job description.</p>				Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>All workers involved in the operations have been adequately trained in safe working practice. The mill has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.</p> <p>Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training</p>				Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services						
Criterion 4.5.1: Environmental Management Plan						

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Criterion / Indicator		Assessment Findings	Compliance
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>FGV has established Environmental Policy signed by Dato' Harris Fadzillah Hassan, Chief Executive Office dated 18th March 2020. Refer doc no FGV/HSE/POL/003</p> <p>FGV Holding Berhad has documented Environmental policy in the Group Sustainability Policy under section 5.3: Protecting the Environment. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p> <p>The policy was communicated through training, briefing and displayed on notice board at several placed in the estate.</p> <p>Sample taken at FGVP Semaring 1, The Group Sustainability Policy being briefed to all staffs and workers comprising 78 participants on 5th July 2020. The policy being briefed by the Assistant Manager.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>Both estates have conducted Aspects and Impacts Analysis and being documented under FGV/FGVPM/IV/IMS/16/1.6 Pind 1. The analysis was reviewed on annually basis and latest review was conducted on 9th March 2020 at Semaring 1 Estate and 1st October 2019 at Kerteh Estate. The EAIA covering all the plantation activities namely: -</p> <ol style="list-style-type: none"> 1. Schedule Waste Handling 2. Land fill 3. Chemical store 	Minor Non-conformity

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Criterion / Indicator		Assessment Findings	Compliance
		<p>4. Spraying 5. Harvesting 6. Servicing tractor 7. Etc</p> <p>The environmental impact assessment (EIA) register has identified columns for Major activity, aspect, impact, issue, Compliance to Law, risk assessment, mitigation and risk score.</p> <p>Environmental Impact / Risk Matrix and Risk / Impact Value Table have been established in the Aspect – Impact Register. Risk Assessment are classified into 4 categories: frequency, likelihood, no of case and Total. Finally, the environmental ratings are classified as level, significance or not significance, action by and assessment.</p> <p>Sample taken on EAIA for the Circle Spraying activity at both Estates:</p> <p>Activity: Circle Spraying Aspect: Using chemical substance Impact: Reduction of natural resources Risk: Poisoning of water sources and livelihoods Current control: SOP on spraying</p>	

Criterion / Indicator		Assessment Findings	Compliance												
		<p>Action by: Sprayer and field staff</p> <p><u>Minor Non – Conformity</u></p> <p>No identification on Domestic Waste Disposal in The Aspects and Impacts Analysis.</p> <p>FGVAS Kerteh is surrounded by fencing along the boundary. During site verification, the domestic waste from the stakeholder was disposed along the main road at Peringkat 1, D2.</p> <p>No evidence, the issue being highlighted in the Aspects and Impacts Analysis for the necessary action and mitigation plan.</p>													
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 Management Plan has been documented in "Pelan Tindakan Bagi Mengurangkan Impak alam Sekitar dan mengawal Pencemaran (Impak Ketara)".</p> <p>Sample taken on EAIA for the Circle Spraying activity at both Estates:</p> <table border="1"> <tr> <td colspan="2">Causes of Pollution</td> <td>Empty chemical container</td> </tr> <tr> <td colspan="2">Action required</td> <td>Recycle the empty chemical container</td> </tr> <tr> <td colspan="2">Persn in - charge</td> <td>Asst Manager, Staff & mandore</td> </tr> <tr> <td>Action plan</td> <td>Short term</td> <td>Training on chemical handling to contractor and workers</td> </tr> </table>	Causes of Pollution		Empty chemical container	Action required		Recycle the empty chemical container	Persn in - charge		Asst Manager, Staff & mandore	Action plan	Short term	Training on chemical handling to contractor and workers	Complied
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Criterion / Indicator		Assessment Findings		Compliance						
			<table border="1"> <tr> <td>Medium term</td> <td>Provide temporary empty chemical store.</td> </tr> <tr> <td>Long Term</td> <td>Dispose to license contractor</td> </tr> <tr> <td>Monitoring</td> <td>To monitor percentage of container being disposed and reuse</td> </tr> </table>	Medium term	Provide temporary empty chemical store.	Long Term	Dispose to license contractor	Monitoring	To monitor percentage of container being disposed and reuse	
Medium term	Provide temporary empty chemical store.									
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Monitoring	To monitor percentage of container being disposed and reuse									
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 activities with positive impacts was included in Continual Improvement Plan. The Plan for are as follows:</p> <ol style="list-style-type: none"> 1. Zero open burning 2. Reduce usage of chemicals <p>As for FGVAS Kerteh Estate, the Continuous Improvement Plan are as follows: -</p> <ol style="list-style-type: none"> 1. Expand beneficial plant areas 2. Disposal of Empty chemical containers. 3. Re-use of chemical containers 4. No open burning campaign 		Complied						
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</p>	<p>Evidence, all the Estates have conducted Environmental Training as listed below: -</p>		Complied						

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Criterion / Indicator		Assessment Findings	Compliance						
	plans and are working towards achieving the objectives. - Major compliance -	<ol style="list-style-type: none"> 1. FGVAS training on HCV dated 31/12/2020 attended by 10 participants trained by En Mohd Nazri Yusof 2. FGVAS training on GSP dated 31/12/2020 attended by 10 participants trained by En Mohd Nazri Yusof 3. FGVPM Semaring 1 conducted training on Pengenalpastian Aspek Impak Alam Sekitar dan HIRARC on 24th February 2020 to 78 workers by Asst Manager during morning muster. 4. Buffer Zone training at FGVPM Semaring 1 dated 15th January 2020 by Assistant Manager to 5 sprayers 							
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	<p>Sighted meeting on environmental at FGVPM Semaring 1 dated 19th January 2020 attended by 15 participants. The meeting chaired by the Manager. The meeting discussing on estate environmental issues, mature area and Management review mainly on documentation.</p> <p>FAS Kerteh discussed their concern about environmental issue with the workers representative during the Health, Safety and Environmental Committee Meeting. Sighted the minutes meeting dated 23/6/2020 and 29/9/2020.</p>	Complied						
Criterion 4.5.2: Efficiency of energy use and use of renewable energy									
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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>Both Estates has established baseline for consumption of non-renewable energy monitored on monthly basis. Sighted the sampled records of Diesel consumption per FFB processed FY 2020 as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Month</th> <th style="width: 40%;">Semaring 1</th> <th style="width: 40%;">Kerteh</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Month	Semaring 1	Kerteh				Complied
Month	Semaring 1	Kerteh							

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Criterion / Indicator		Assessment Findings						Compliance	
	- Major compliance -		Total Diesel	Total FFB	Lt/FFB	Total Diesel	Total FFB	Lt/FFB	
		January	1944	455	4.27	473	235	2.01	
		February	1394	471	2.96	475	177	2.69	
		March	1460	635	2.30	414	236	1.75	
		April	1375	941	1.46	128	201	0.64	
		May	1293	907	1.42	136	191	0.71	
		June	1622	1161	1.40	157	313	0.50	
		July	1843	1230	1.50	133	209	0.64	
		August	1483	1498	0.99	174	259	0.67	
		September	1438	1574	0.91	147	301	0.49	
		October	1569	1258	1.25	160	347	0.46	
		November	1668	1028	1.62	125	281	0.45	
		December	1742	825	2.11	250	219	1.14	
		Lower crop than corresponding period of 2019 and lockdown during Movement Control Order has attributed to higher consumption of diesel in the 1 st quarter 2020							
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This	Sighted, all the Estates did the estimate of the direct usage of non-renewable energy for their operations as follows; -						Complied	

Criterion / Indicator		Assessment Findings				Compliance												
	shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	<table border="1"> <thead> <tr> <th>Estate</th> <th>Budget Diesel</th> <th>Budget FFB</th> <th>Lt / FFB</th> </tr> </thead> <tbody> <tr> <td>FGVPM Semaring 1</td> <td>6,240</td> <td>4,160</td> <td>1.50</td> </tr> <tr> <td>FGVAS Kerteh</td> <td>2,300</td> <td>2,650</td> <td>0.88</td> </tr> </tbody> </table>				Estate	Budget Diesel	Budget FFB	Lt / FFB	FGVPM Semaring 1	6,240	4,160	1.50	FGVAS Kerteh	2,300	2,650	0.88	
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4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate. Operation of vehicle is fully dependent on fossil fuel.				Complied												
Criterion 4.5.3: Waste management and disposal																		
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>The management identified all waste products and sources of pollution produced from plantation activities such as:</p> <ol style="list-style-type: none"> 1. Bahan Buangan Terjadual 2. Bahan Buang Tidak Terjadual 3. Bahan Buangan Sampingan Ladang <p>Details of the waste products and sources at Estates as below: -</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Jenis Bahan Buangan</th> <th>Impak/Kesan</th> </tr> </thead> <tbody> <tr> <td>Estate Operation</td> <td>Used PPE,</td> <td>Air, water, soil pollution</td> </tr> <tr> <td></td> <td>Empty Chemical Container</td> <td>Air, water, soil pollution</td> </tr> </tbody> </table>				Source	Jenis Bahan Buangan	Impak/Kesan	Estate Operation	Used PPE,	Air, water, soil pollution		Empty Chemical Container	Air, water, soil pollution	Complied			
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Criterion / Indicator		Assessment Findings				Compliance												
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			Oil Filter	Air, water, soil pollution														
		Office & Housing	Fluorescent lamp	Air, water, soil pollution														
			Electronic Items	Air, water, soil pollution														
		Vehicle	battery	Air, water, soil pollution														
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>The Estate has established waste management plan base on the identification and source of pollutions and documented in Identification of Source and Type of Waste.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Jenis Bahan Buangan</th> <th>Impak/Kesan</th> <th>Management Plan</th> </tr> </thead> <tbody> <tr> <td>Estate Operation</td> <td>Used PPE,</td> <td>Air, water, soil pollution</td> <td>Proper recording and dispose to appointed contractor</td> </tr> <tr> <td></td> <td>Empty Chemical Container</td> <td>Air, water, soil pollution</td> <td>Triple rinsing and puncture. Proper recording and dispose to appointed contractor</td> </tr> </tbody> </table>				Source	Jenis Bahan Buangan	Impak/Kesan	Management Plan	Estate Operation	Used PPE,	Air, water, soil pollution	Proper recording and dispose to appointed contractor		Empty Chemical Container	Air, water, soil pollution	Triple rinsing and puncture. Proper recording and dispose to appointed contractor	Complied
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	Office & Housing		Fluorescent lamp	Air, water, soil pollution		
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	Vehicle		battery	Air, water, soil pollution		
<p>Sighted the disposal of Schedule Waste as follows: -</p> <p>a) In Semaring 1 Estate, the schedule waste being dispose through;</p> <ol style="list-style-type: none"> 1. Awie Metal Sdn Bhd, Invoice SLV 048820120011 dated 7TH December 2020. <ul style="list-style-type: none"> - Tong Racun Plastik – 0.02 kg @ RM400 / kg – RM8.00 - PPE Terpakai – 0.02 kg@ RM400 / kg – RM 8.00 <p>Sighted receipt Voucher – CLR 048820120008 dated 7TH December 2020 amounting RM 16.00</p>						

Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Awie Metal Sdn Bhd, Invoice SLV 048820120010 dated 7TH December 2020.</p> <ul style="list-style-type: none"> - Beg Baja Rosak – 0.06 kg @ RM200.00 – RM12.00 <p>Receipt Voucher – CLR 048820120007 dated 7TH December 2020 amounting RM 12.00</p> <p>b) As for FGVAS, the schedule waste being dispose to the collection centre at PPTR, Jerantut. Latest disposal was on 27th September 2019 on the following items: -</p> <ol style="list-style-type: none"> 1. SW109 – Menthol 2. SW409 – Cartridge Respirator <ul style="list-style-type: none"> - Empty Chemical Container – 191 pieces - Toner printer 	
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FGVPM/L3/PK-05 in order to comply with the Environmental Quality Regulations (Scheduled Waste) 2005.</p> <p>For FGV Estate, schedule waste being placed at approved Collection Centre by Department of Environmental through a letter JAS.600-3/5/26 Jld 3 (32) dated 30th October 2019, Permohonan Pengumpulan Bahan Buangan Terjadual Secara Berpusat Di Sektor Perladangan FGV.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>SOP for handling Schedule waste for FGVAS is under Prosedur Pengurusan Buangan Terjadual, No Dok; HSE/SOP/SW-1 dated 2nd January 2019.No Semakan 0</p> <p>For FGVAS, schedule waste being disposed by Pusat Penyelidikan Tun Razak as approved by Department of Environmental through a letter (BB) 91/110/619/161 Jilid 27 (60) dated 9th August 2016.</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>The empty containers are disposed through the following medium: -</p> <p>a) In Semaring 1 Estate, the schedule waste being dispose through;</p> <p>1. Awie Metal Sdn Bhd, Invoice SLV 048820120011 dated 7TH December 2020.</p> <p style="padding-left: 40px;">- Tong Racun Plastik – 0.02 kg @ RM400 / kg – RM8.00</p> <p style="padding-left: 40px;">Sighted receipt Voucher – CLR 048820120008 dated 7TH December 2020 amounting RM 8.00</p> <p>b) As for FGVAS, the schedule waste being dispose to the collection centre at PPTR, Jerantut. Latest disposal was on 27th September 2019 on the following items: -</p> <p style="padding-left: 40px;">SW409 – Empty Chemical Container – 191 pieces</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p>	<p>Domestic waste for both estates visited were collected 3 times a week by assigned tractor driver.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
	- Minor compliance -	In Semaring 1, the waste being disposed at designated landfill at PM 11C Block 5 and FGVAS Kerteh being collected and disposed through Ketengah Jaya Municipal.							
Criterion 4.5.4: Reduction of pollution and emission									
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The polluting activities has been assessed during environmental aspect and impact assessment. Further, identified the significant aspects and impacts. Management plan has been established to reduce the pollution and emission.	Complied						
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Management plan has been established to reduce the pollution and emission. The management plan reviewed on annually basis. The management plan stated the activities, impacts, mitigation plan, person responsible and monitoring plan. The action plan has been established and implementation is ongoing.	Complied						
Criterion 4.5.5: Natural water resources									
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.	All the Estates have developed Water Management Plan under "Pelan Pengurusan Air"). Sighted Management Plan for Water from Government Supply at FGVP M Semaring 1 and FGVAS Kerteh as below: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Water source</td> <td style="width: 50%;">Government - SATU</td> </tr> <tr> <td>Efficiency</td> <td>Usage record</td> </tr> <tr> <td>Impact to stakeholder and area conserving water</td> <td>Shortage of water supply or polluted</td> </tr> </table>	Water source	Government - SATU	Efficiency	Usage record	Impact to stakeholder and area conserving water	Shortage of water supply or polluted	Complied
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Criterion / Indicator	Assessment Findings		Compliance	
<p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	Root Cause	Rationing during Drought season Leaking water pipe		
	Action Plan	1. Having extra water collector tank 2. Lodge report to SATU		
	Person In -charge	Manager		
	FGVPM Semaring 1 did monitored of Incoming and outgoing water Sighted, water sample analysis at Sungai Balu dated 23 rd September 2020 by FGV Agri Services Sdn Bhd, Certificate No 284/2020W as below:-			
	Test Parameter	Unit	Inlet	Outlet
	Ph		21.5 @ 7.9	22.0 @ 7.8
	BOD	Mg/L	1	1
COD	Mg/L	7	9	
Suspended Solid	Mg/L	4	6	
Ammoniacal Nitrogen	Mg/L	0.1	0.1	
Dissolved Oxygen	Mg/L	0.14	8.84	

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Criterion / Indicator		Assessment Findings	Compliance																																										
		<p>No river trespassing FGVAS Kerteh.</p> <p>Both estates monitor the rainfall on monthly basis as part of Water Management Plan. Sighted the records at FGVAAS Kerteh as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Month</th> <th>MM</th> <th>Day</th> <th>Month</th> <th>MM</th> <th>Day</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>18</td> <td>22</td> <td>July</td> <td>11</td> <td>10</td> </tr> <tr> <td>February</td> <td>5</td> <td>14</td> <td>August</td> <td>14</td> <td>18</td> </tr> <tr> <td>March</td> <td>12</td> <td>16</td> <td>September</td> <td>21</td> <td>19</td> </tr> <tr> <td>April</td> <td>6</td> <td>12</td> <td>October</td> <td>17</td> <td>24</td> </tr> <tr> <td>May</td> <td>8</td> <td>11</td> <td>November</td> <td>8</td> <td>13</td> </tr> <tr> <td>June</td> <td>12</td> <td>11</td> <td>December</td> <td>14</td> <td>18</td> </tr> </tbody> </table> <p>Domestic water for both Estates is from Government Supply, Syarikat Air Trengganu (SATU).</p>	Month	MM	Day	Month	MM	Day	January	18	22	July	11	10	February	5	14	August	14	18	March	12	16	September	21	19	April	6	12	October	17	24	May	8	11	November	8	13	June	12	11	December	14	18	
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4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	<p>Sighted during site visit, there was no construction of bunds, weirs and dams across Sg. Balu and Sg, Semaring.</p> <p>No river trespassing at FGVAS Kerteh Estate.</p>	Complied																																										
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation	Estate visited has implemented water harvesting in the estate. Such as directing water from roadside drain into the field. For planting at	Complied																																										

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Criterion / Indicator		Assessment Findings	Compliance
	terraces and various natural receptacles). - Minor compliance -	hilly area, the estate has constructed conservation terrace and plant cover crop to conserve water and prevent land erosion.	
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<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>Semaring 1 Estate has conducted assessment on High Conservation Value and Biodiversity. The assessment was conducted by Plantation Sustainability Department on 24/5/2018 and the report was updated on 28/12/2018. As for FGVAS Kerteh 1, the assessment was conducted by Plantation Sustainability Department on 3/8/2018.</p> <p>No HCV on biodiversity were identified at both estate area. As the Semaring 1 Estate were adjacent with Chemerong Forest Reserve, the management has identified hotspot areas and documented in High Conservation Value and Biodiversity report.</p> <p>The management has established Biodiversity Management Plan 2018-2023 for both estates to conserve the hotspot areas identified.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>i. No trespassing signboard were erected at the boundary with Chemerong Forest Reserve. Sighted during site visit, the signboard was erected at field PM13 adjacent with the forest reserve.</p> <p>ii. The estate conducted the wildlife monitoring.</p>	Complied
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:	No HCV on biodiversity were identified in the estate. The estate has listed the all legal requirements relating to the protection of the species in the Legal Register.	Complied

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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 -	Estate visited has conducted awareness training on prohibition of illegal hunting, fishing, handling and collecting activities of wildlife in the estate area. Signboard on prohibition of illegal hunting in the estates area has been erected at several strategic area such as estate entrance and field adjacent with forest reserve i.e PM 13 at Semaring 1 estate.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	FGVAS Kerteh conducted the wildlife monitoring on quarterly basis. Sighted the monitoring records dated 6/2/2020, 13/5/2020, 10/8/2020 and 23/9/2019 At FGVPM Semaring 1, the form stated 5/3/2020 and 16/6/2020 as the monitoring date by the appointed mandore & staff.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	FGV Holding Berhad has established Environmental Policy dated 18 th March 2020 by Group CEO, Dato' Haris Fadzillah Hassan and under clause No 2, bullet No 7 stated no open burning be in practised. Refer Document No : FGV/HSE/ POL/003 Revision 0	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No open burning as per Group Sustainability Policy	Complied

Criterion / Indicator		Assessment Findings	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 -	No open burning as per Group Sustainability Policy	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	No open burning as per Group Sustainability Policy	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The SOP for the estates is available in a Group basis. Manual Ladang Sawit LESTARI 111 (No Doc: MLSL (ED 3) – Sec 2 (14.0) Tarikh Pindaan 1 st September 2017 served as reference for the Estates. The Manual divided into 5 sections: - a. Seksyen 1 – Pengurusan Tapak Semain Sawit b. Seksyen 2 – Pembangunan Tanam Semula c. Seksyen 3 – Sawit Pra Matang d. Seksyen 4 – Sawit Matang e. Seksyen 5 – Pembajaan Sawit	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Apart from Manual Lestari, Estate do adhere to Sustainable Palm Oil Manual Procedure and Occupational Safety, Health and Environmental Manual.	
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 -	FGV has established prosedur Pengenalpastian Kawasan Cerun dan Rizab Sungai, No Dokumen: ML-1A/L2-Pr8(0) No Pindaan : 0 Tarikh Efektif : 1.6.2016. Stated under 3.1.2 memastikan Kawasan Rezab Sungai / Zon Penimbal dan Kawasan curam (melebihi 25°) tidak diganggu semasa program pembangunan dan penanaman baru. During site visit observed there is no terracing above 25 Degrees	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Field references were identified by year of planting. Signboard were erected and palms at the entrance of each field were painted with the field identification. Sighted the implementation at FGVAS Kerteh Estate as follows; - a. Block name b. Title Hectare c. Planted Hectare d. Year of Planting e. Year Matured	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Estate had an annual budget for the financial year 2020 – 2024. The estate budget includes the projected FFB, OER, PK and etc production which projected for five years from 2021/2023.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		It also incorporated item such as general charges, estate maintenance, process shift labour, general services, processing cost, fixed assets and etc. Sighted documented Business and Management Plan prepared by Estate Manager.	
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	There was no replanting at Semaring 1 Estate and Kerteh Estate for the next 5 years (2020 – 2024).	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	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. 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.	Complied
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the monthly progress report. 1. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. 2. The management also provides variance report on the performance and reviewed on a monthly basis.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>3. The supervisory personnel maintained a daily cost for the field operations.</p> <p>4. The meeting involving the Managers sits monthly with the Regional Controller and Head for the performance review.</p>	
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>Guided by "Polisi Perolehan Kumpulan (PPK)" of Felda Global Ventures Holdings Berhad which covers various subjects such as selection method of vendors, procurement methods, tender policy, contract award policy, quotation policy, etc.</p>	Complied
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors. Based on contract agreement, the payment will be made once a month by the finance department at HQ level. There was no grievance about timing of payment.</p>	Complied
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 documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors have acknowledged on a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements.</p>	Complied
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p>	<p>Signed agreed contracts were available through Surat Perintah Kerja, e.g.:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	#820105001-2020/820213501-8-65, dated 26/8/2020 – Raja Ismail B. Raja Daud (Kerteh Estate)	
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 management to the contractors/suppliers during stakeholder’s consultation on 10/7/2018. Apart from that, there was also a memo distributed to all the contractors on informing them to expect verification assessments from any third party auditors if necessary.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	Prior to releasing payments to the contractor, the estates’ management have done the performance evaluation which is reported through “ <i>Laporan Jualan BTS ke Kilang Sawit Kerteh</i> ”	Complied
4.7 Principle 7: Development of new planting			
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 -	NA. No development of new planting.	NA
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	NA. No development of new planting.	NA

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Criterion / Indicator		Assessment Findings	Compliance
	<p>areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p>		
Criterion 4.7.2: Peat Land			
4.7.2.1	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p> <p>- Major compliance -</p>	NA. No development of new planting.	NA
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	<p>A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.</p> <p>- Major compliance -</p>	NA. No development of new planting.	NA
4.7.3.2	<p>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.</p> <p>- Major compliance -</p>	NA. No development of new planting.	NA

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Criterion / Indicator		Assessment Findings	Compliance
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 -	NA. No development of new planting.	NA
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 -	NA. No development of new planting.	NA
Criterion 4.7.4: Soil and topographic information			
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 -	NA. No development of new planting.	NA
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 -	NA. No development of new planting.	NA
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	NA. No development of new planting.	NA

Criterion / Indicator		Assessment Findings	Compliance
	be avoided unless permitted by local, state and national laws. - Major compliance -		
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 -	NA. No development of new planting.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	NA. No development of new planting.	NA
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 -	NA. No development of new planting.	NA
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	NA. No development of new planting.	NA

Criterion / Indicator		Assessment Findings	Compliance
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 -	NA. No development of new planting.	NA
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 -	NA. No development of new planting.	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	NA. No development of new planting.	NA
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 -	NA. No development of new planting.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	NA. No development of new planting.	NA

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Minor compliance -</p>	<p>NA. No development of new planting.</p>	<p>NA</p>

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Kerteh POM does not have a separate policy established for MSPO. Nevertheless, they have implemented a Group Sustainability Policy (Policy Number: FGV/SED/POL/001), implemented on 29 th May 2019 undersigned by the Chairman of Board of Directors, YBhg Datuk Wira Azhar Abdul Hamid.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The Sustainability Policy dated 29 th May 2019 demonstrates its commitments towards continual improvement with objectives such as below: <ul style="list-style-type: none"> • FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood. • FGV group is committed to ensure its employees and workers receive adequate training and development to achieve their full potential in performing assigned tasks efficiently. • FGV strives to use resources efficiently in order to improve productivity in its operation. FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	The Internal Audit for Kerteh POM was last conducted and documented on 8-9/12/2020 by the Internal Audit Team of FGVH, Headed by Mr. Mohd Shafiq Ariffin. The Internal Audit had identified 30 non-conformities during their audit. The mill had come up with a "Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalam Pensiilan Kelestarian 2020" which has the information about standards' requirements, NC statements, corrective action plans, time-frame and status of CAP.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal Audit Procedure is available in document ML-1A/L2-Pr11(0) effective date 01 June 2016 to ensure the MSPO standards are implemented in the mill operations in accordance to the policy and other matters standardised by the company and local legal bodies. Based on interview with the internal auditor, the root-cause identification was done immediately after the audit was completed in a meeting with the management.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The Internal Report was available for the Management in the document entitled "Laporan Audit Dalam RSPO/MSPO FGV" given by the Internal Audit Team. The report has the information about standards' requirements, and findings.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for	The Management Review was conducted on 12/12/2020. The management review was chaired by the Sr. Mill Manager, En. Hj Haslan B. Buang and attended by 12 other participants. Among the	Complied

Criterion / Indicator		Assessment Findings	Compliance												
	<p>effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>matters that were discussed in the management review were as follows:</p> <ol style="list-style-type: none"> 1. Review of Internal Audit Results 2. Social 3. Environment 4. Social 5. Economy 6. Legal 7. Policies 8. Management documentation 9. Changes that may affect the organization 10. Continuous improvement 													
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>The mill has emphasized on Continual Improvement Plan and amongst the projects in 2020 are: -</p> <table border="1"> <thead> <tr> <th></th> <th>Programme</th> <th>Deadline</th> <th>Achievement</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Increase OER from 20.92% to 21.25%</td> <td>December 2020</td> <td>OER > 21.25%</td> </tr> <tr> <td>2</td> <td>Increase KER from 5.31% to 5.40%</td> <td>December 2020</td> <td>KER > 5.40%</td> </tr> </tbody> </table>		Programme	Deadline	Achievement	1	Increase OER from 20.92% to 21.25%	December 2020	OER > 21.25%	2	Increase KER from 5.31% to 5.40%	December 2020	KER > 5.40%	Complied
	Programme	Deadline	Achievement												
1	Increase OER from 20.92% to 21.25%	December 2020	OER > 21.25%												
2	Increase KER from 5.31% to 5.40%	December 2020	KER > 5.40%												

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Criterion / Indicator		Assessment Findings				Compliance
		3	Control Final Discharge BOD below 100ppm	December 2020	BOD < 100 ppm	
		4	Reduce diesel consumption below 0.40 liter / FFB	December 2020	Diesel usage < 0.40 lt / FFB	
		5	Zero occupational accident	December 2020	1	
		6	Zero accident outside mill	December 2020	0	
		7	Repairing the staff quarters	December 2020	Refer complaint file	
		Continual improvement Plan for 2021 yet to discussed and documented.				
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Any new technology and/or innovation equipment is subject to approval by HQ No new technology adopted by the Mill for Milling operation so far				Complied
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	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>Procedure Communication, Involvement and Consultation FGV/ML-1A/L2-Pr12 issue 1 version 0 dated 1/6/2016 and has been communicated in Malay language (national language) through letters to external stakeholders. External stakeholders' consultation was held with slides presentation to explain the MSPO requirements on 11/11/2020.</p> <p>Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/l2-Pr21 issue 1 re 2 dated Mach 2019. Policies are also displayed in POM and office mainly for internal stakeholders.</p>	Complied
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Kerteh POM holds copies of each of the management documents that are required to be publicly available. Apart from that, all the information such as annual report, sustainability news and policies were found available in the company's website: www.fgvholdings.com</p> <p>Records of inspections and visits by the authorities were maintained such as inspection of electricity by competent engineer, DOE visits and DOSH visits.</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>FGV has developed "<i>Komunikasi, Penglibatan dan Rundingan</i>" procedure (Doc. No. FGV/ML-1A/L2-Pr12 issue 1, rev. 0 dated 1/6/2016) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects. Kerteh POM has conducted a stakeholder meeting on 11/11/2019. During the meeting, the management has explained the requirements of sustainable palm oil certification to all the stakeholders. Apart from that, briefing of</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		policies and management procedures of sustainability was also given.	
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 -	FGV Kerteh POM has nominated the Administration Executive (En Mohd Nasir) to be the responsible person for communication and handling all social issues in the facility. Appointment letter dated 10/11/2019 was available for verification.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	The stakeholder list was last updated in December 2020 where internal and external stakeholders have been included in the list. Stakeholder meeting was last conducted on 11/11/2019 with the participation of internal and external stakeholders such as FFB suppliers, government authorities, contractors and local communities. Requests or enquiries raised during the meeting was responded by the management and recorded in the minutes. Apart from that, Housing Defect Report was also implemented to record any complaints reported by the workers related to housing facility.	Complied
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 -	SOP Perkilangan untuk Pematuhan Sistem Pensijilan MSPO SCCS [MSPO SCCS, issue 1, rev. 3, dated 1/9/2019].	Complied
4.2.3.2	The management shall conduct regular inspections on compliance	Various means were available on how to monitor the traceability where among others the updating of productivity report, dispatch	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	with the established traceability system. - Major compliance -	of CPO and PK, through month end account closing and internal audit. Based on verification of records, it was found that the procedure of traceability was well implemented.	
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	Addressed under management functions and job description of the traceability procedure. It is stated that the overall responsibility is assigned to the Mill Manager. The responsible is to implement and monitor the Kerteh POM Supply Chain programme. Based on interview with the person in-charged, he was able to demonstrate awareness of the organization’s procedures for the implementation of this standard.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Among the records to be maintained according to the procedure include: <ul style="list-style-type: none"> • FFB Receipt summary from MPR and SAP • Weighbridge ticket • Dispatch of CPO/PK – delivery instruction/sales order, weighbridge ticket, delivery order • Daily production report @ daily figure from MPR and SAP 	Complied
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 -	FGVPISB has established SOP on track changes, monitoring, implementation and compliances of legal and other requirements. Refer doc. no FPI/L2/QOSHE 2.0 dated 29/11/2016. Kerteh POM, the lists of permits/licenses which has to be monitored and updated periodically include:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. MPOB License. License no. 500178404000. For processing 259200-ton FFB. Validity period from 1/4/2020 - 31/3/2020 2. DOE's 'Jadual Pematuhan'. License no. 004053. Validity period from 1/7/2020 – 30/6/2021 3. DOE's Contradiction License no. 004075 Validity period from 5/6/2020 – 5/6/2021 4. Purchasing of diesel. Ref. no. TR/DGN/12/08 SKD for 20000 liter. Validity period from 14/1/2020 – 13/1/2021 5. Air compressor license, Number PMD 3301, valid until 16/6/2021 6. Weighbridge certificate – Ref no. MSB/T2/LOO7 and No. Sijil Penentuan: D 061111. The test was conducted on 7/10/2020 by Metrology Corporation (M) Sdn Bhd. The certificate for 70,000kg valid until 6/10/2021 and for 60,000kg until 23/12/2021 7. Komatsu – WVF 7853 – expired 3/5/2021 8. Komatsu – WVF 9418 – expired 2/7/2021 9. Kia Preggio – WNE 5049 – expired 12/8/2021 10. Toyota Hilux – VCP 7631 – expired 15/1/2021 11. Permit to deduct salary: a letter from JTK Putrajaya to Felda Holdings Bhd, ref.: (6) BHG PU/9/129, dated 10/4/2012 	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register.	The applicable laws identified were listed in:	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> Daftar Perundangan dan Lain-lain Keperluan (Register of Legal and Other Requirements) [FPI/L4/QOSHE-2.1 Pind 0] "Daftar Perundangan dan Lain-lain Keperluan" (Register of Legal and other Requirements) [ML-1A/L5-AP Pind 0] <p>The lists were last updated on 1/10/2020</p>	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The mechanism of tracking changes and update are guided by Manual Procedure, Evaluation of Compliance to Legal and Other Requirements [FPI/L2/QOSHE-17.0].	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	FGV have centralised system for tracking any changes in the law as per " <i>Panduan: Sistem Pengesanan Perubahan Undang-undang</i> " dated 23/6.2017, Version:04. Any changes in the relevant regulations is through Plantation and Sustainability Department and the Manager, who are sole responsible.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	There was no evidence that the oil palm milling activities is diminishing the land use rights of other users	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	The mill is able to demonstrate its right to use the land (19.78 Ha) through an agreement entitled " <i>Surat Perjanjian Antara Lembaga Kemajuan Tanah Persekutuan (FELDA) dan Felda Palm Industries Sdn Bhd Rancangan: Felda Kerteh 2'</i> ", dated 25/11/1996. The	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		license granted to the Corporation is for a period of 30 years commencing on the 1/1/1994 and shall expire on 31/12/2023.	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	There were no issues of land disputes recorded. All land title was kept in the office and available for review. Legal boundary along the mill were clearly demarcated with fences.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	FGV has developed procedure on " <i>Pengenalpastian dan penyelesaian pertikaian tanah</i> " with Doc. No. ML-1A/L1-Pr10(0) dated 1/6/2016. The objective of the procedure is to handle and monitor issue raised from local communities on customary or user rights. Procedure on the compensation to the people entitled and monitoring of boundary stone was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market land price. There is no land dispute in Kerteh POM at the time of audit. The surrounding land is owned by FELDA and the settlers. Interviewed with the stakeholders confirmed that no encroachment of land by the company.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 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 -	<p>Social Impact Assessment was carried out by Plantations Sustainability Department (PSD), Sustainability & Environment Department for Kerteh POM on 22/5/2018. The assessment has involved the participation of relevant stakeholders such as local authorities, workers’ representatives, contractors, settlers and local communities.</p> <p>Action Plan for Social Impact Assessment was developed and monitored by the mill management which abstracted from SIA assessment. The latest management plan was updated on 12/12/2020, for e.g.:</p> <ol style="list-style-type: none"> 1) Tiada dokumen salinan bagi pemotongan air dan elektrik perumahan pekerja kilang 2) Kontraktor lambat menerima pembayaran bagi kerja yang telah siap (6 hingga 11 bulan 3) Aduan kantin kilang tidak ditulis di dalam buku aduan dan maklumbalas 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Among the positive impact identified was surrounding residents were taking fertile soil from effluent treatment area.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	FGV has developed procedure of " <i>Menangani Aduan dan Rungutan</i> " (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Kerteh POM is having a log book and a file of forms to record complaints or requests from the stakeholders. Most of the complaints were about defects of housing facilities. Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint record book was available in the office and security post, where the stakeholders can easily access in order to lodge their complaint. There was no complaint lodged from any external stakeholders since the last assessment.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The records of complaint for the past 24 months (since January 2019) were available in the complaint records book.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, occasionally there have been approved monetary donation requests from some organizations such as Klinik Kesihatan and primary school.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	<p>FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.2.4: Health and Safety. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p> <p>FGV Holding Berhad has also established Safety and Health Policy signed by the CEO, Dato' Haris Fadzilah Hassan dated 8/5/2019. Refer document no FGV/GHR/HSEQ/POL/001 rev. 4.</p> <p>In the policy stated the commitment:</p> <p>3. to provide a healthy and safe working environment its operations for all its workers and employees and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																														
		<p>4. Shall allocate appropriate resource in order to minimize and eliminate Health and Safety risks.</p> <p>The mill has established the Safety and health Plan FY 2020. The plan was reviewed on annual basis and as follows: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>OSH Plan</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CHRA</td> <td>Every 5 Years</td> </tr> <tr> <td>2</td> <td>Worksite Inspection</td> <td>Monthly</td> </tr> <tr> <td>3</td> <td>PPE Inspection</td> <td>Monthly</td> </tr> <tr> <td>4</td> <td>OSH Meeting</td> <td>Quarterly</td> </tr> <tr> <td>5</td> <td>Medical Surveillance</td> <td>Yearly</td> </tr> <tr> <td>6</td> <td>Audiometric Test</td> <td>Yearly</td> </tr> <tr> <td>7</td> <td>LEV Inspection</td> <td>Monthly</td> </tr> <tr> <td>8</td> <td>Fire Extinguisher Inspection</td> <td>Monthly</td> </tr> <tr> <td>9</td> <td>Fire Extinguisher Servicing</td> <td>Yearly</td> </tr> </tbody> </table>	No	OSH Plan	Date	1	CHRA	Every 5 Years	2	Worksite Inspection	Monthly	3	PPE Inspection	Monthly	4	OSH Meeting	Quarterly	5	Medical Surveillance	Yearly	6	Audiometric Test	Yearly	7	LEV Inspection	Monthly	8	Fire Extinguisher Inspection	Monthly	9	Fire Extinguisher Servicing	Yearly	
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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>FGV Holding Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.2.4: Health and Safety. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p>	Complied																														

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Criterion / Indicator	Assessment Findings	Compliance																																				
<p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <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; <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>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 and the concerns of employees and any remedial actions taken shall be recorded.</p>	<p>FGV Holding Berhad has also established Safety and Health Policy signed by the CEO dated 8/5/2019. Refer document no FGVPIB/GHR/HSEQ/POL/001 rev. 4.</p> <p>The policy was communicated through training, briefing and displayed on notice board at several places in the mill. Sample taken on MSPO Briefing was conducted to 70 mill workers on 17th August 2020 by the Mill Management.</p> <p>The mill risk of all operations be assessed and documented in hazard identification, risk assessment and risk control, HIRARC. The assessment includes all 23 processing activities and support activities based on workstation. The activities covered as follows: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: center;">1</td> <td>Felsco</td> <td style="text-align: center;">9</td> <td style="text-align: center;">Crane & Treshing</td> <td style="text-align: center;">17</td> <td style="text-align: center;">Water Treatment</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Weighbridge</td> <td style="text-align: center;">10</td> <td style="text-align: center;">Press & Digester</td> <td style="text-align: center;">18</td> <td style="text-align: center;">Boiler</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Loading Ramp</td> <td style="text-align: center;">11</td> <td style="text-align: center;">Kernel Plant</td> <td style="text-align: center;">19</td> <td style="text-align: center;">Store</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Marshalling Yard</td> <td style="text-align: center;">12</td> <td style="text-align: center;">Oil Room</td> <td style="text-align: center;">20</td> <td style="text-align: center;">Mechanical</td> </tr> <tr> <td style="text-align: center;">5</td> <td>Sterilizer</td> <td style="text-align: center;">13</td> <td style="text-align: center;">Laboratory</td> <td style="text-align: center;">21</td> <td style="text-align: center;">Canteen</td> </tr> <tr> <td style="text-align: center;">6</td> <td>Capstan</td> <td style="text-align: center;">14</td> <td style="text-align: center;">Despatch</td> <td style="text-align: center;">22</td> <td style="text-align: center;">Office</td> </tr> </tbody> </table>	1	Felsco	9	Crane & Treshing	17	Water Treatment	2	Weighbridge	10	Press & Digester	18	Boiler	3	Loading Ramp	11	Kernel Plant	19	Store	4	Marshalling Yard	12	Oil Room	20	Mechanical	5	Sterilizer	13	Laboratory	21	Canteen	6	Capstan	14	Despatch	22	Office	
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Criterion / Indicator		Assessment Findings					Compliance
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. - Major compliance -	7	Surau	15	Water Pump	23	Effluent	
	8	Gazebo	16	Prime Mover			
	The document was reviewed at minimum of annually or during accident occur.						
	Sighted Training Programmes and Training Need Analysis for Executives, Staffs and Workers for year 2021. The training under OSH as follows: -						
	No	Programme	Date Programme 2021	Date Conducted 2020			
	1	NADOPOD	10/2021	23/7/2020			
	2	HIRACH	2/2021	20/2/2020			
	3	Chemical Handling	4/2021	16/2/2020			
	4	Prosedur Kerja Selamat	Monthly	Jan - March			
	5	Fire Drill	3/2021	23/12/2020			
6	Fire Extinguisher	3/2021	19/10/2020				
7	Pertolongan Cemas	3/2021	17/11/2020				

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	<p>The mill management has provided all the workers with appropriate PPE as per HIRARC conducted and Safety Working Procedure established. Records of PPE issuance recorded by individual employee and documented in 'Kenyataan Barang/Serah terima'</p> <p>FGVPISB has established SOP for Chemical Handling and documented in the Safety Operating Procedure, Chemical Handling. Refer doc no. FPI-PK-036, issue no. 3 dated 14/7/2018.</p> <p>Noise Risk Assessment Report under OSHA (Noise Exposure) Regulation 2019 was conducted on 28th April 2020 by Allion HSE Sdn Bhd.</p> <p>Medical Surveillance for 2020 was conducted on 5th December 2020 to 32 workers comprising mechanical, electrical, boiler, shovel driver and operation. The result yet to be finalized by IFZ Medical Supplies.</p> <p>In 2019, the medical surveillance was conducted to 29 workers on 12th November 2019 and all are fit for work. The test being conducted by IFZ Medical Supplies Sdn Bhd.</p>	

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Criterion / Indicator	Assessment Findings	Compliance	
		<p>Audiometry Test for 2020 was conducted on 5th December 2020 to 61 workers comprising mechanical, electrical, boiler, shovel driver and operation. The result yet to be finalized by IFZ Oshmed Supplies Sdn Bhd.</p> <p>In 2019, the test was conducted on 6th March 2019 to 78 workers. 14 workers was under Standard Threshold Shift and the re-test was conducted on 28th May 2019</p> <p>Chemical Health Risk Assessment was conducted on 2nd August 2018 until 1st September 2018 by IFZ Medical Supplies Sdn Bhd covering Boiler, Driver (Shovel & Bobcat), Electrical Technician, Laboratory, Mechanical Technician and Storekeeper.</p> <p>FGVPISB has appointed the Mill Manager, Tuan Haji Haslan bin Buang as responsible person and chairman for safety and health committee dated 2nd October 2019 by Tuan Mohd Daud Muhammad, Regional Controller. The Sr. Manager has appointed several staff and workers as OSH Committee.</p> <p>All safety, health and welfare issue been discussed during OSH committee meeting which conducted on quarterly basis. Sighted the minutes meeting for OSH committee for FY 2020:</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>1st quarter: MCO 2nd quarter: 23/7/2020 3rd quarter: 29/9/2020 4th quarter: 15/12/2020</p> <p>The meeting discussing on: -</p> <ul style="list-style-type: none"> a) Issue from Last Meeting b) OSH Performance c) Workplace / Station Inspection Report d) External & Internal Audit Report e) Complaints and Grievances from Stakeholders f) Compliance to Law g) Training Programme h) Other Matters <p>FGVPISB has established emergency procedures and documented in Emergency Preparedness and Response in QOSHE Manual Procedure document no. FPI/L2/QOSHE-14.0. In the procedure stated emergency procedure on fire, minor and major accident and chemical spillage. The procedure is written in Bahasa Malaysia an available at the office for review.</p> <p>Fiire extinguisher being fix at the following area: -</p> <ol style="list-style-type: none"> 1. Housing 36 units – ABC Type 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>2. Mill 30 units – ABC Type 6 units – CO2</p> <p>First Aider for mill is En Mohd Amroh bin Dolah (IC No 640703-11-5089). He attended the course under Malaysian Red Crescent. The certificate valid from 5th Nov 2018 until 3rd August 2021.</p> <p>Merely, one major accident occurred in 2020 on burns due to exposure to blowdown precleaned hot water dated 8th March 2020. The worker loss of 48 man-days from 8/3/2020 until 23/4/2020.</p> <p>JKKP 8 for year 2020 yet to be submitted to DOSH.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Human Rights Policy 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). Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training. Interview with workers showed that they have a good understanding on human rights.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>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).</p> <p>The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. Interview with the workers showed that no discrimination is being practiced.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>The latest collective agreement (CA) [COG. NO: 031/2020] entitled "Perjanjian Bersama Antara FGV Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung", dated 31/1/2020. The agreement is effective from 1/1/2019 to 31/12/2021. Basic wage was spelt out under Article 18.1 of the agreement which is in compliance with the current Minimum Wage Order, 2020.</p> <p>Sampled pay slips for the months of Mar, Jul and Nov 2020 confirmed that the workers were paid in accordance to the Minimum Wage Order 2020. The sampled employees were Emp. No.: 1201710, 1203203, 1203186, 1203205, 1210278 and 1211145.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Management ensured the employees of contractors are paid based on legal or industry minimum standards according to the employment contract by obtaining and reviewing pay slips from the contractors. Verification of the payslips confirmed that the employees of contractors were paid in accordance to minimum standard including contribution of EPF and SOCSO.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers will be registered in the Human Resource Management System (HRMS) where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Offer letters were issued and acceptance of offer were acknowledged, and copies were kept by the workers. This has been verified through interview with workers. The terms and conditions such as salary, termination of employment, annual leave entitlement and probation period were clearly stated in the Contract Agreement between FGV Palm Industries Sdn Bhd and Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung. The agreement validity period is from 1/1/2019 to 31/12/2021.</p> <p>Sampled of offer letters were Emp. No.: 1201710, 1203203, 1203186, 1203205, 1210278 and 1211145.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The working hours are recorded using punch card system where the attendance can be verified through the punch card of individual workers. The time enter, break time and exit of work were also clearly stated in the punch card. Sampled of timecard as follows:</p> <p>Emp. No.: 1211777, 2400503, 1201595, 1211151, 1205997 and 1211778.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective</p>	<p>Based on the records review of the Punch card of sampled workers it was found that the entry time and exit time which were clearly stated in the punch card, conformed to the terms and conditions</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>stipulated in the collective agreement [ref.: <i>Perjanjian Bersama antara FGV Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung</i>, validity 1/1/2019 to 31/12/2021].</p>	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Punch Card". Total hours of overtime and daily attendance were recorded in the timecard. The following payslip were sampled for Mar, Jul and Nov 2020 as below: Emp. No.: 1211777, 2400503, 1201595, 1211151, 1205997 and 1211778.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Among other benefits offered to the employees according to the CA are project living allowance, shift allowance, head of department allowance and competency allowance.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>Housing is provided to workers with basic amenities. Water and electricity are supplied by public domain. Water bill is subsidized up to maximum RM15/month whereas electricity bill is fully borne by the employees (occupants) according to Article 41.2 and 41.3 of the collective agreement.</p> <p>Inspections of quarters in accordance to Workers' Minimum Standards of Housing and Amenities Act 1990 were done on weekly basis. Records of inspection were well maintained.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>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>Besides, procedure "<i>Menangani Aduan Melalui Jawatankuasa Wanita</i>" (Doc. No.: FGV/ML-1A/L2-Pr14, rev. 0, dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. There was no report with regards to sexual harassment since the last assessment.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>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>The company allows the employees to join any legal association and get approval from the management. Workers' Committee was established to discuss issues among the workers.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>FGV has developed Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance																																													
Criterion 4.4.6: Training and competency																																															
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The Mill has a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2020 was sighted as follow: -</p> <table border="1" data-bbox="1086 678 1868 1319"> <thead> <tr> <th>No</th> <th>Programme</th> <th>Date Programme 2021</th> <th>Date Conducted 2020</th> </tr> </thead> <tbody> <tr> <td colspan="4">Occupational, Safety and Health</td> </tr> <tr> <td>1</td> <td>NADOPOD</td> <td>10/2021</td> <td>23/7/2020</td> </tr> <tr> <td>2</td> <td>HIRACH</td> <td>2/2021</td> <td>20/2/2020</td> </tr> <tr> <td>3</td> <td>Chemical Handling</td> <td>4/2021</td> <td>16/2/2020</td> </tr> <tr> <td>4</td> <td>Prosedur Kerja Selamat</td> <td>Monthly</td> <td>Jan - March</td> </tr> <tr> <td>5</td> <td>Fire Drill</td> <td>3/2021</td> <td>23/12/2020</td> </tr> <tr> <td>6</td> <td>Fire Extinguisher</td> <td>3/2021</td> <td>19/10/2020</td> </tr> <tr> <td>7</td> <td>Pertolongan Cemas</td> <td>3/2021</td> <td>17/11/2020</td> </tr> <tr> <td colspan="4">Environmental</td> </tr> <tr> <td>1</td> <td>Pengurusan Bahan Bunagan Berjadual</td> <td>3/2021</td> <td>9/2/2020 & 30/12/2020</td> </tr> </tbody> </table>	No	Programme	Date Programme 2021	Date Conducted 2020	Occupational, Safety and Health				1	NADOPOD	10/2021	23/7/2020	2	HIRACH	2/2021	20/2/2020	3	Chemical Handling	4/2021	16/2/2020	4	Prosedur Kerja Selamat	Monthly	Jan - March	5	Fire Drill	3/2021	23/12/2020	6	Fire Extinguisher	3/2021	19/10/2020	7	Pertolongan Cemas	3/2021	17/11/2020	Environmental				1	Pengurusan Bahan Bunagan Berjadual	3/2021	9/2/2020 & 30/12/2020	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		2	Pengasingan Sisa operasi , pejabat dan perumahan	5/2021	20/1/2020	
		3	Spillage Drill	9/2021	31/12/2020	
		4	Open Burning	2/2021	15/10/2020	
		Sighted, training on Scheduled Waste was conducted on 30 th December 2020 to 7 participants at Mill by the Assistant Manager.				
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 competency required to all employees based on their job description. - Major compliance -	Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description				Complied
4.4.6.3	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. - Minor compliance -	All workers involved in the operations have been adequately trained in safe working practice. The mill has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training				Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services						
Criterion 4.5.1: Environmental Management Plan						

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Criterion / Indicator		Assessment Findings	Compliance
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>FGV has established Environmental Policy signed by Dato’ Harris Fadzillah Hassan, Chief Executive Office dated 18th March 2020.Refer doc no FGV/HSE/POL/003</p> <p>FGV Holding Berhad has documented Environmental policy in the Group Sustainability Policy under section 5.3: Protecting the Environment. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p> <p>The policy was communicated through training, briefing and displayed on notice board at several placed in the estate.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>FGV has established Environmental Policy signed by Dato’ Harris Fadzillah Hassan, Chief Executive Office dated 18th March 2020.Refer doc no FGV/HSE/POL/003 with objectives FGV is committed to upholding and set exemplary environmental practices in all of its business operations by operating in a sustainable and environmentally responsible manner</p> <p>The Mill has conducted Environmental Aspect and Impact Assessment for all its’ activities in year 2020. The environmental Assessment findings are recorded in document titled Identification of Environmental Aspect and Evaluation of Significance Form. Refer to FPI/L4/OHSE 1.7 Pindaan 1.</p> <p>Environmental Risk Assessment being reviewed on annual basis and last reviewed in 31st August 2020. The Environmental Risk Assessment has covered 16 keys activities of the mill such as: -</p> <ol style="list-style-type: none"> 1. Main Entrance 2. Weighbridge 3. Grading 4. Loading ramp 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>5. Sterilizer 6. Crane, treshing, press 7. EFB conveyor 8. Oil room 9. Oil tank - CPO 10. Water treatment Plant 11. Boiler 12. Engine room 13. Effluent 14. Etc</p> <p>The company has developed quantitative and qualitative risk assessment method in order to mitigate the negatives and promote the positives impact. The methodology involves 2 main categories:</p> <p>1. Aspect / Impact identification</p> <ul style="list-style-type: none"> - has identified columns for activity, input, output to land, impact, compliance obligation, risk and opportunity <p>2. Evaluation</p> <ul style="list-style-type: none"> - There are 8 Criteria's and the total score of all the criteria will determine the Environmental impact either significance or not significance. The criteria as follows: - <p style="text-align: center;"> 1. Legal 5. Change 2. Scale 6. Damage </p>	

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Criterion / Indicator		Assessment Findings				Compliance																												
		<p>3. Severity 7. Interested Parties 4. Probability 8. Public</p> <p>Environmental Impact Rating from 1 to 11 base as follows: -</p> <table border="1"> <thead> <tr> <th>Rating</th> <th>Impact</th> <th>Rating</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ozone layer depletion</td> <td>7</td> <td>Unpleasant working environment</td> </tr> <tr> <td>2</td> <td>Global warming</td> <td>8</td> <td>Depletion of natural resources</td> </tr> <tr> <td>3</td> <td>Acid Rain</td> <td>9</td> <td>Interested parties</td> </tr> <tr> <td>4</td> <td>Air Pollution</td> <td>10</td> <td>Community Impact</td> </tr> <tr> <td>5</td> <td>Water pollution</td> <td>11</td> <td>Business impacts</td> </tr> <tr> <td>6</td> <td>Land contamination</td> <td></td> <td></td> </tr> </tbody> </table> <p>The scoring above 18 will classified as Significance impact to Environmental.</p> <p>Sample taken on EAIA for the Receiving FFB at weighbridge activity at mill: -</p> <p>Activity: Receiving FFB Aspect: Fallen FFB and smoke from lorries/tractors Impact: Land Contamination and air pollution</p>				Rating	Impact	Rating	Impact	1	Ozone layer depletion	7	Unpleasant working environment	2	Global warming	8	Depletion of natural resources	3	Acid Rain	9	Interested parties	4	Air Pollution	10	Community Impact	5	Water pollution	11	Business impacts	6	Land contamination			
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Criterion / Indicator		Assessment Findings				Compliance																																								
		Risk: Low to medium																																												
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 Management Plan has been documented in Identification of Environmental Aspect and Evaluation of Significance Form. Sample taken on EAIA for the Receiving FFB activity at mill:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Criteria</th> <th colspan="2">Point / Rating</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Legal</td> <td>1</td> <td>Ozone layer depletion</td> </tr> <tr> <td>2</td> <td>Scale</td> <td>1</td> <td>Ozone layer depletion</td> </tr> <tr> <td>3</td> <td>Severity</td> <td>3</td> <td>Acid Rain</td> </tr> <tr> <td>4</td> <td>Probability</td> <td>2</td> <td>Global warming</td> </tr> <tr> <td>5</td> <td>Change</td> <td>1</td> <td>Ozone layer depletion</td> </tr> <tr> <td>6</td> <td>Damage</td> <td>1</td> <td>Ozone layer depletion</td> </tr> <tr> <td>7</td> <td>Interested Parties</td> <td>2</td> <td>Global warming</td> </tr> <tr> <td>8</td> <td>Public</td> <td>2</td> <td>Global warming</td> </tr> <tr> <td colspan="2">Total score</td> <td>13</td> <td></td> </tr> </tbody> </table> <p>In view of scoring below 18, the activity is not significance to the environmental impact.</p>				No	Criteria	Point / Rating		1	Legal	1	Ozone layer depletion	2	Scale	1	Ozone layer depletion	3	Severity	3	Acid Rain	4	Probability	2	Global warming	5	Change	1	Ozone layer depletion	6	Damage	1	Ozone layer depletion	7	Interested Parties	2	Global warming	8	Public	2	Global warming	Total score		13		Complied
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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 activities with positive impacts was included in Continual Improvement Plan. The Plan are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Programme</th> <th>Deadline</th> <th>Achievement</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Programme	Deadline	Achievement					Complied																																
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Criterion / Indicator		Assessment Findings				Compliance
		1	Control Final Discharge BOD below 100ppm	December 2020	BOD < 100 ppm	
		2	Reduce diesel consumption below 0.40 liter / FFB	December 2020	Diesel usage < 0.40 lt / FFB	
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 -	Evidence, the mill has conducted Environmental Training as listed below: -				Complied
		No	Programme	Date Programme 2021	Date Conducted 2020	
		Environmental				
		1	Pengurusan Bahan Bunagan Berjadual	3/2021	9/2/2020 & 30/12/2020	
		2	Pengasingan Sisa operasi , pejabat dan perumahan	5/2021	20/1/2020	
		3	Spillage Drill	9/2021	31/12/2020	
		4	Open Burning	2/2021	15/10/2020	
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 mill has established Environmental Performance Monitoring Committee which consist representative from the management and employee to discuss concern about the environmental quality. The committee conduct the meeting every quarter. Last meeting was conducted by 15 th December 2020 attended by				Complied

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Criterion / Indicator		Assessment Findings	Compliance																																				
		16 participants and chaired by the Senior Manager, Tuan Haji Haslan bin Buang. In the meeting discuss about DOE visit, pollution report, compliance to law and regulations, and audit report.																																					
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																							
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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</p> <p>- Major compliance -</p>	<p>The mill has established baseline for consumption of non-renewable energy at 0.4 L/MT FFB processed monitored on monthly basis. Sighted the records of Diesel consumption per FFB processed FY 2018 – FY2020 as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="3">Diesel (Liter / Mt FFB)</th> </tr> <tr> <th>Month</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>0.45</td> <td>0.23</td> <td>0.38</td> </tr> <tr> <td>February</td> <td>0.42</td> <td>0.23</td> <td>0.34</td> </tr> <tr> <td>March</td> <td>0.43</td> <td>0.21</td> <td>0.32</td> </tr> <tr> <td>April</td> <td>0.41</td> <td>0.24</td> <td>0.31</td> </tr> <tr> <td>May</td> <td>0.50</td> <td>0.24</td> <td>0.30</td> </tr> <tr> <td>June</td> <td>0.48</td> <td>0.23</td> <td>0.29</td> </tr> <tr> <td>July</td> <td>0.47</td> <td>0.23</td> <td>0.30</td> </tr> </tbody> </table>		Diesel (Liter / Mt FFB)			Month	2018	2019	2020	January	0.45	0.23	0.38	February	0.42	0.23	0.34	March	0.43	0.21	0.32	April	0.41	0.24	0.31	May	0.50	0.24	0.30	June	0.48	0.23	0.29	July	0.47	0.23	0.30	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		August	0.42	0.23	0.28	
		September	0.38	0.18	0.28	
		October	0.35	0.25	0.29	
		November	0.34	0.24	0.29	
		December	0.33	0.22	0.29	
		Baseline	0.40			
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. Sighted the annual budget report for FY 2021.				Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The mill used shell and fiber as fuel for boiler to reduce the usage of diesel. Sighted the usage of fiber and shell usage as follows:				Complied
			Fibre (mt)	Shell (Mt)		
		2019	35,240.85	5,529.73		
		2020	35,577.28	6,820.41		
Criterion 4.5.3: Waste management and disposal						

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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 mill has identified all waste products and source of pollutions and documented in Identification of Source and Type of Waste.</p> <p>The waste identified as follows:</p> <ul style="list-style-type: none"> a) Scheduled Waste - Mill Operation – Used PPE, Used lubricant and hydraulic oil - Office and housing – Lamp, Electronic device b) Non-schedule waste - mill operation – used tyre, scrap iron - office and housing – Paper, Plastic, domestic waste c) mill by-product - EFB, POME, Shell, Mesocarp fibre 	Complied
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> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<p>The mill has established waste management plan base on the identification and source of pollutions and documented in in Identification of Source and Type of Waste. Waste identified as per 4.5.3.1</p> <p>The schedule waste being maintained in the Inventory Book and Electronic Schedule Waste Information System (E-Swis). The disposal is complying to the Regulations.</p> <p>Scrap iron being sell to Naturage Sdn Bhd under Contract No 41535548 at RM820 / Mt. Sighted under Delivery Order No 3933 dated 14th August 2020 amounting 23.46 Mt @ RM 19,237.20</p>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste)</p>	<p>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FPI/L2/QOSHE-9.0 rev. 2 dated 3/11/2017 in order to comply with the Environmental Quality Regulations (Scheduled Waste) 2005.</p> <p>The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal</p>	Complied

Criterion / Indicator		Assessment Findings				Compliance																				
	Regulations, 2005 - Major compliance -	contractor. The mill monitored the generation of scheduled waste on monthly basis. The generation of scheduled waste recorded and submitted to DOE through E-SWISS. Sighted and verified the monitoring records for year 2020. The disposal records as follows: - <table border="1" data-bbox="1086 638 1848 1244"> <thead> <tr> <th>SW</th> <th>Previous Disposed</th> <th>Date Generate</th> <th>Current Disposed</th> </tr> </thead> <tbody> <tr> <td>305</td> <td>23/2/2020</td> <td>24/3/2020</td> <td>9/9/2020, 0.68 Mt CN No: 202009091445VG1M</td> </tr> <tr> <td>322</td> <td>23/2/2020</td> <td>14/3/2020</td> <td>9/9/2020, 0.034 Mt CN No: 2020090914JM76F0</td> </tr> <tr> <td>409</td> <td>23/2/2020</td> <td>14/3/2020</td> <td>9/9/2020, 0.042 Mt CN No: 20200909145BY8EA</td> </tr> <tr> <td>410</td> <td>23/2/2020</td> <td>24/3/2020</td> <td>9/9/2020, 0.108 Mt CN No: 2020090914L5TESM</td> </tr> </tbody> </table>				SW	Previous Disposed	Date Generate	Current Disposed	305	23/2/2020	24/3/2020	9/9/2020, 0.68 Mt CN No: 202009091445VG1M	322	23/2/2020	14/3/2020	9/9/2020, 0.034 Mt CN No: 2020090914JM76F0	409	23/2/2020	14/3/2020	9/9/2020, 0.042 Mt CN No: 20200909145BY8EA	410	23/2/2020	24/3/2020	9/9/2020, 0.108 Mt CN No: 2020090914L5TESM	
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4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	The domestic waste was handled by Ketengah Jaya Municipal and disposed at the municipal landfill.				Complied																				

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.4: Reduction of pollution and emission			
<p>4.5.4.1</p>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of all polluting activities was conducted through environmental aspect and impact assessment which includes the greenhouse gas emissions, stack emission, scheduled wastes, solid wastes and effluent.</p> <p>Monitoring plan was established based on Environment Aspect and Impact assessment DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Observed the stack emission monitoring as per DOE requirement under License Number 004075 valid from 5th June 2020 until 5th June 2021:</p> <p>i. Report date: 14/10/2020 Report no.: STK/Kerteh/20/003 Result: Boiler 1 – 125.99 mg/m3 Boiler 3 – 121.48 mg/m3</p> <p>ii. Report date: 14/12/2020 Report no.: STK/Kerteh/20/004 Result: Boiler 1 – 143.44 mg/m3 Boiler 3 – 144.01 mg/m3</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance																																																															
		Result shown the stack emissions are within approval limit at 400 mg/m ³ as per contradiction license no. 004075. The test was conducted by Allion House Sdn Bhd.																																																																
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Management plan has been established based on the significant aspect and DOE license compliance schedule and documented in the Diesel Reduction Management Plan	Complied																																																															
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance -	<p>Mill effluent is treated through biological anaerobic treatment. Regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Quarterly Return Form to DOE as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Ph</th> <th>BOD</th> <th>COD</th> <th>Total Solid</th> <th>Suspended Solid</th> <th>Oil & Grease</th> </tr> </thead> <tbody> <tr> <td>Limit</td> <td>5 -9</td> <td><100</td> <td></td> <td><5000</td> <td><400</td> <td><50</td> </tr> <tr> <td>Jan</td> <td>8.31</td> <td>82</td> <td>540</td> <td>2584</td> <td>202</td> <td>4</td> </tr> <tr> <td>Feb</td> <td>8.44</td> <td>60</td> <td>405</td> <td>3090</td> <td>174</td> <td>2</td> </tr> <tr> <td>Mac</td> <td>7.84</td> <td>78</td> <td>516</td> <td>2778</td> <td>220</td> <td>7</td> </tr> <tr> <td>Apr</td> <td>8.72</td> <td>91</td> <td>459</td> <td>3042</td> <td>189</td> <td>3</td> </tr> <tr> <td>May</td> <td>8.66</td> <td>75</td> <td>458</td> <td>3632</td> <td>330</td> <td>10</td> </tr> <tr> <td>June</td> <td>8.32</td> <td>177</td> <td>1207</td> <td>4768</td> <td>426</td> <td>9</td> </tr> <tr> <td>July</td> <td>7.96</td> <td>185</td> <td>1276</td> <td>4640</td> <td>524</td> <td>7</td> </tr> </tbody> </table>		Ph	BOD	COD	Total Solid	Suspended Solid	Oil & Grease	Limit	5 -9	<100		<5000	<400	<50	Jan	8.31	82	540	2584	202	4	Feb	8.44	60	405	3090	174	2	Mac	7.84	78	516	2778	220	7	Apr	8.72	91	459	3042	189	3	May	8.66	75	458	3632	330	10	June	8.32	177	1207	4768	426	9	July	7.96	185	1276	4640	524	7	Complied
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Criterion / Indicator		Assessment Findings							Compliance																												
		Aug	8.18	72	487	2176	156	11																													
		Sept	8.72	66	486	1736	170	7																													
		Oct	8.33	147	1718	2758	392	7																													
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 mill has established the water management plan FY 2020. The management focusing on monitoring usage of water and optimize usage of water.</p> <p>Sighted the implementation of the management plan as follows: The mill monitors the water consumption on monthly basis. Sighted the water consumption monitoring records FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Lt / FFB Water</th> <th>Month</th> <th>Lt / FFB Water</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>1.54</td> <td>July</td> <td>1.38</td> </tr> <tr> <td>February</td> <td>1.59</td> <td>August</td> <td>1.37</td> </tr> <tr> <td>March</td> <td>1.37</td> <td>September</td> <td>1.58</td> </tr> <tr> <td>April</td> <td>1.30</td> <td>October</td> <td>1.53</td> </tr> <tr> <td>May</td> <td>1.40</td> <td>November</td> <td>1.55</td> </tr> <tr> <td>June</td> <td>1.56</td> <td>December</td> <td>1.38</td> </tr> </tbody> </table> <p>Average; 1.46 Litre / Mt FFB</p>							Month	Lt / FFB Water	Month	Lt / FFB Water	January	1.54	July	1.38	February	1.59	August	1.37	March	1.37	September	1.58	April	1.30	October	1.53	May	1.40	November	1.55	June	1.56	December	1.38	Complied
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Criterion / Indicator	Assessment Findings	Compliance																											
	<p>The mill did monitor of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. The sample result as follows; -</p> <p style="text-align: center;">Date Received : 30/9/2020 Date Reported : 7/10/2020 Ref No : (22)4027/KT/810/3-8 Effluent Laboratory : FGV Palm Industries Sdn Bhd</p> <table border="1" data-bbox="1088 900 1789 1342"> <thead> <tr> <th></th> <th>Sg Rasau Hulu</th> <th>Sg Rasau Hilir</th> </tr> </thead> <tbody> <tr> <td>Ph</td> <td>8.12</td> <td>8.16</td> </tr> <tr> <td>BOD</td> <td>61</td> <td>59</td> </tr> <tr> <td>COD</td> <td>367</td> <td>340</td> </tr> <tr> <td>Total solids</td> <td>1080</td> <td>1107</td> </tr> <tr> <td>Suspended Solids</td> <td>154</td> <td>153</td> </tr> <tr> <td>Oil and Grease</td> <td>2</td> <td>6</td> </tr> <tr> <td>Ammoniacal Nitrogen</td> <td>63</td> <td>46</td> </tr> <tr> <td>Total Nitrogen</td> <td>79</td> <td>57</td> </tr> </tbody> </table>		Sg Rasau Hulu	Sg Rasau Hilir	Ph	8.12	8.16	BOD	61	59	COD	367	340	Total solids	1080	1107	Suspended Solids	154	153	Oil and Grease	2	6	Ammoniacal Nitrogen	63	46	Total Nitrogen	79	57	
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Criterion / Indicator		Assessment Findings	Compliance
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 -	Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed under "Jadual Pematuhan". Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.	Complied
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 -	Mill holds three SOP and documentation available at the mill for review, namely: - <ol style="list-style-type: none"> 1. Sustainable Palm Oil Manual Procedure, 2. Safety working procedure 3. Quality, Occupational Health, Safety and Environmental Procedure. FGVPISB has established mechanism to monitor the implementation of their procedure by Mill/Plantation Advisor Visit, Agronomist Visit, Mill Quality Control Unit and Audit on compliance to SOP (P&D). The visit conducted on annually basis. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	POM has implemented Good Milling Practice (GMP) as per their own SOP's. POM is operating in accordance to Jadual Pematuhan Peraturan Kualitii Alam Sekeliling	Complied

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Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available. The document is in the form of annual budget as well as the projection for 5 years, 2021-2025.</p> <p>The business plan contains FFB processed, production of CPO, PK and processing cost. The Component of operating expenditure among others includes; i. Process labor, ii. Maintenance external, maintenance parts, iii. Consumable, EVIT, iv. Admin cost, v. Labor overhead.</p> <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others showing expenditure on replacement and purchase of machinery/equipment.</p> <p>The profit and loss statement were made available prepared by the Regional office.</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Guided by "Polisi Perolehan Kumpulan (PPK)" of Felda Global Ventures Holdings Berhad which covers various subjects such as selection method of vendors, procurement methods, tender policy, contract award policy, quotation policy, etc.</p>	Complied
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors. Based on contract agreement, the payment will be made within 30 days.</p>	Complied
Criterion 4.6.4: Contractor			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors have acknowledged on a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Signed agreed contracts were available through Surat Perintah Kerja, e.g.: #3301435374/1301090818, dated 18/7/2020, contractor: Koperasi Pekerja-pekerja Felda Palm Industries Berhad	Complied
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 stakeholders meeting on 11/11/2020. In addition, there was a letter dated 27/12/2020 to the contractor to acknowledge acceptance on the MSPO guidelines and requirements.	Complied

Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Settlers' village representatives Local village representative (Kg. Jongok Batu) Neighbouring/external FFB supplying estates (Felda)</p>
<p>Suppliers/Contractors/Vendors: Contractor/Transporter Vendor/Supplier</p>	<p>Worker's Representative/Gender Committee: Field & Mill Workers Workers Union representative Gender Committee Representatives</p>

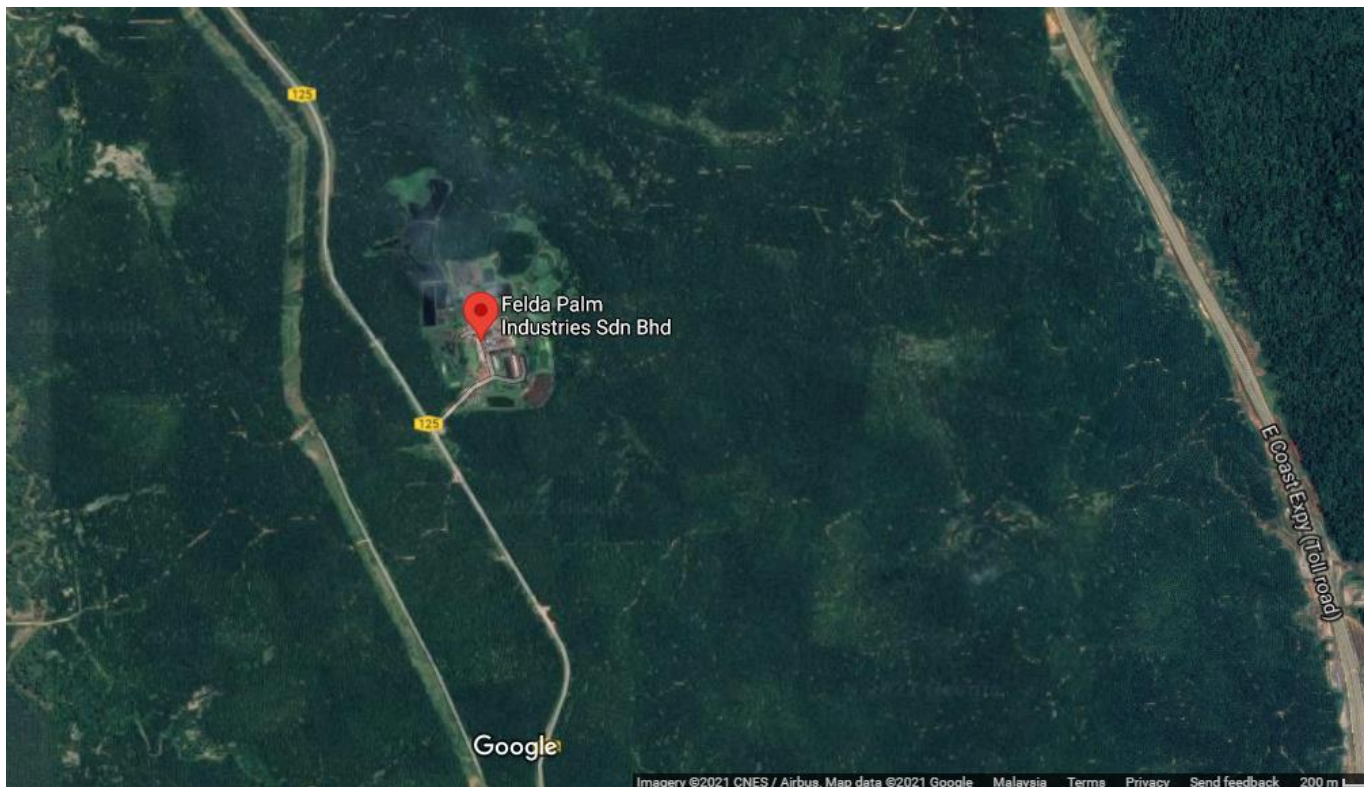
Appendix C: Smallholder Member Details

Not applicable.

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	NA					

Appendix D: Location and Field Map

FGVPISB Kerteh POM



Appendix E: 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