

**MALAYSIAN SUSTAINABLE PALM OIL
3RD ANNUAL SURVEILLANCE ASSESSMENT (ASA3)
Public Summary Report**

FGV HOLDINGS BERHAD
Client Company Address: Wisma FGV, Level 20 West, Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
Certification Unit: FGV Palm Industries Sdn Bhd (Bukit Sagu Palm Oil Mill) and FGV Plantations (Malaysia) Sdn Bhd (Bukit Sagu 4 Estate, Bukit Sagu 6 Estate, Bukit Sagu 7 Estate & Bukit Sagu 8 Estate)
Location of Certification Unit: 25700 Kuantan, Pahang, Malaysia

Report prepared by:
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Report Number: 3293238

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	FGV Holdings Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	FGVPISB Bukit Sagu Palm Oil Mill: 500202104000	31/03/2022	
	FGVPM Bukit Sagu 4 Estate: 558968002000	28/02/2022	
	FGVPM Bukit Sagu 6 Estate: 559597002000	31/03/2022	
	FGVPM Bukit Sagu 7 Estate: 559045002000	28/02/2022	
	FGVPM Bukit Sagu 8 Estate: 558969002000	28/02/2022	
Address	FGV Holdings Berhad, Wisma FGV, Level 20 West, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia		
Certification Unit	FGVPISB Bukit Sagu POM & Supply Base		
Contact Person Name	Ameer Izyanif bin Hamzah		
Website	https://www.fgvholdings.com/home/	E-mail	ameer.h@fgvholdings.com
Telephone	03 2789 0497	Facsimile	03 2789 0440

1.2 Certification Information			
Certificate Number	Mill: MSPO 700744 Estate: MSPO 700745		
Issue Date	24/03/2019	Expiry date	23/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	Mill: MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills Estate: MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders		
Stage 1 Date	N/A as this certification unit is RSPO certified		
Stage 2 / Initial Assessment Visit Date (IAV)	28-30/11/2018		
Continuous Assessment Visit Date (CAV) 1	15-17/10/2019		
Continuous Assessment Visit Date (CAV) 2	06-08/10/2020		
Continuous Assessment Visit Date (CAV) 3	12-14/10/2021: Remote Audit		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 666409	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Supply Chain Mass Balance Module	BSI Services Malaysia Sdn. Bhd.	28/12/2022
EU-ISCC-Cert-IT206-837	ISCC- International sustainability and carbon certification.	Trans Certification International	19/04/2022
MSP0 SCCS-TCI-032-2020	MSP0 Supply Chain Certification Standard	Trans Certification International	26/03/2025

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 Bukit Sagu POM	Kilang Sawit Bukit Sagu, 25700 Kuantan, Pahang, Malaysia	3° 58' 10.00" N	103° 8' 51.00" E
FGVPM Bukit Sagu 4 Estate	Ladang Felda Bukit Sagu 4, Peti Surat 331, 25470 Kuantan, Pahang, Malaysia	4° 0' 46.00" N	103° 9' 17.00" E
FGVPM Bukit Sagu 6 Estate	Ladang Felda Bukit Sagu 6, Peti Surat 451, 25740 Kuantan, Pahang, Malaysia	4° 2' 46.00" N	103° 6' 36.00" E
FGVPM Bukit Sagu 7 Estate	Ladang Felda Bukit Sagu 7, Peti Surat 355, 25740 Kuantan, Pahang, Malaysia	3° 59' 29.00" N	103° 6' 10.00" E
FGVPM Bukit Sagu 8 Estate	Ladang Felda Bukit Sagu 8, 26130 Kuantan, Pahang, Malaysia	3° 57' 39.00" N	103° 11' 21.00" E

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
FGVPM Bukit Sagu 4 Estate	2,879.84	0	460.45	3,340.29	86
FGVPM Bukit Sagu 6 Estate	1,497.84	0	268.60	1,766.44	88
FGVPM Bukit Sagu 7 Estate	1,830.37	0	374.42	2,204.79	83
FGVPM Bukit Sagu 8 Estate	1,833.07	3.50	396.53	2,233.10	82
TOTAL	8,041.12	3.50	1,500.00	9,544.62	

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1.5 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
FGVPM Bukit Sagu 4 Estate	0	2,050.7	0	526.36	36.43	2,879.84	0
FGVPM Bukit Sagu 6 Estate	0	358.04	803.39	336.41	0	1,139.80	358.04
FGVPM Bukit Sagu 7 Estate	961.5	378.08	0	0	0	868.87	961.50
FGVPM Bukit Sagu 8 Estate	0	175.05	0	1,540.4	117.63	1,833.07	0
Total (ha)	961.50	2,961.88	803.39	2,403.16	154.06	6,721.58	1,319.54

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimate (Jan 2021 - Dec 2021)	Actual (Oct 2020 - Sep 2021)	Forecast (Mar 2022 - Feb 2023)
FGVPM Bukit Sagu 4 Estate	61,570.00	45,401.02	52,424.92
FGVPM Bukit Sagu 6 Estate	19,530.00	15,322.79	17,848.28
FGVPM Bukit Sagu 7 Estate	14,330.00	12,731.81	15,416.28
FGVPM Bukit Sagu 8 Estate	41,200.00	32,406.03	39,310.52
Total	136,630.00	105,861.65	125,000.00

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimate (Jan 2021 - Dec 2021)	Actual (Oct 2020 - Sep 2021)	Forecast (Mar 2022 - Feb 2023)
Smallholder	105,370.00	145,398.97	150,480.00
Total	105,370.00	145,398.97	150,480.00

1.8 Certified Tonnage			
Mill Capacity: 54 MT/hr	Estimate (Jan 2021 - Dec 2021)	Actual (Oct 2020 - Sep 2021)	Forecast (Mar 2022 - Feb 2023)
	FFB	FFB	FFB
	136,630.00	105,861.65	125,000.00
SCC Model: MB	CPO (OER: 20.65%)	CPO (OER: 20.27 %)	CPO (OER: 20.75%)
	28,214.09	21,453.12	25,937.50
	PK (KER: 5.10%)	PK (KER: 4.86%)	PK (KER: 5.00 %)

	6,968.13	5,146.29	6,250.00
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1.9 Actual Sold Volume (CPO)

CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
21,453.12	-	-	-	21,453.12	21,453.12

1.10 Actual Sold Volume (PK)

PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
5,146.29	-	-	4,899.80	246.49	5,146.29

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 remote assessment was conducted from 12-14/10/2021. The audit programme is included as Section 2.3. The approach to the audit was to treat the FGVPISB Bukit Sagu, POM FGVPM Bukit Sagu 4 Estate, FGVPM Bukit Sagu 6 Estate, FGVPM Bukit Sagu 7 Estate and FGVPM Bukit Sagu 8 Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

Structured worker interviews with male and female workers and staff were held in online. Fieldworkers were interviewed informally in small groups in the field. A list of Stakeholders contacted is included as Appendix B. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings from the initial assessment are detailed in Section 4.2. The major NC closure is not conducted on site due to movement control order (MCO) for COVID-19.

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 Bukit Sagu POM	√	√	√	√	√
FGVPM Bukit Sagu 4 Estate	-	√	-	√	-
FGVPM Bukit Sagu 6 Estate	-	√	-	√	-
FGVPM Bukit Sagu 7 Estate	√	-	√	-	√
FGVPM Bukit Sagu 8 Estate	√	-	√	-	√

Tentative Date of Next Visit: December 10, 2022 – October 14, 2022

Total No. of Mandays: 6 Mandays

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>
Mohd Razaleigh bin Mohamad (MRM)	Team Leader	<p>Education: Holds a Bachelor in Plantation Management and Agrotechnology, University Technology Mara (UiTM).</p> <p>Work Experience: He has 5 years' experience in Oil Palm Estate Management with Tradewinds Plantation Berhad. The last position held was Senior Assistant Manager. He has more than 4 years of experience in Third Party Certification Audit with Control Union (M) Sdn Bhd for RSPO P&C, MSPO P&C and GLOBALG.A.P. IFA Fruits and Vegetables. Qualified as RSPO Lead Auditor and approved to conduct Environmental and Social elements.</p> <p>Training attended: He has completed ISO 9001:2015 Lead Auditor Course, ISO 14001:2015 Lead Auditor Course, ISO 45001:2018 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, Endorsed MSPO P&C Lead Auditor Course, Social Accountability SA8000 Auditor Course, RSPO Independent Smallholder (IHS) Auditor Training.</p> <p>Aspects covered in this audit:</p>

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		<p>During this assessment, he assessed on the aspects of Environment, HCV and estate best practises, legal, mill best practices, estate best practices, Smallholders inclusion, legal requirements, environment.</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia.</p>
Hu Ning Shing (HNS)	Team Member	<p>Education: She holds Bachelor’s in Science Majoring in Applied Chemistry, graduated from University of Malaya on 2011.</p> <p>Work Experience: She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body.</p> <p>Training attended: She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012, Endorsed RSPO SCCS Lead Auditor Course in 2015 and also trained in SMETA Requirement Training in April 2021.</p> <p>Aspect covered in this audit: During this assessment, she assessed on the aspects of social, legal, workers & stakeholders’ consultation and SCC for CPO mill.</p> <p>Language proficiency: She is fluent in Bahasa Malaysia and English languages.</p>

2.2 Accompanying Persons

No.	Name	Role
	Nil	

2.3 Assessment Plan

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

Date	Time	Subjects	MRM	HNS	ICT Planned
06/10/2021 Wednesday	12.00 - 12.30	<ul style="list-style-type: none"> - Communication on document preparation - Audit plan - Any additional Information 	√	√	Teleconference, Microsoft Team Meeting, Email
12/10/2021 Tuesday	0900 - 0915	<ul style="list-style-type: none"> - Opening meeting • Opening presentation by audit team leader • Confirmation of assessment scope and finalize audit plan 	√	√	Teleconference, Microsoft Team Meeting, Email

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Date	Time	Subjects	MRM	HNS	ICT Planned
	0915 - 1300	FGVPISB Bukit Sagu POM Assessment and documentation review on good agricultural practice, legal requirements, OHS, environment and continual improvement Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft Team Meeting, Email
	1300 - 1400	Lunch	√	√	
	1400 - 1630	FGVPISB Bukit Sagu POM Assessment and documentation review on good agricultural practice, legal requirements, OHS, environment and continual improvement Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft Team Meeting, Email
	1630 - 1700	Interim closing meeting	√	√	
13/10/2021 Wednesday	0915 - 1300	FGVPM Bukit Sagu 6 Estate Assessment and documentation review on good agricultural practice, legal requirements, OHS, environment and continual improvement Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft Team Meeting, Email
	1300 - 1400	Lunch	√	√	
	1400 - 1630	FGVPM Bukit Sagu 6 Estate Assessment and documentation review on good agricultural practice, legal requirements, OHS, environment and continual improvement Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft Team Meeting, Email
	1630 - 1700	Interim closing meeting	√	√	
14/10/2021 Thursday	0900 - 1300	FGVPM Bukit Sagu 4 Estate	√	√	Teleconference, Microsoft Team Meeting, Email

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Date	Time	Subjects	MRM	HNS	ICT Planned
		Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management			
	1300 - 1400	Lunch	√	√	
	1400 - 1700	FGVPM Bukit Sagu 4 Estate Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft Team Meeting, Email
	1700 - 1730	Interim closing meeting	√	√	Teleconference, Microsoft Team Meeting, Email
	1730 - 1800	Closing meeting	√	√	Teleconference, Microsoft Team Meeting, Email

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 assessment there were 6 (Six) Major & 3 (Minor) Minor nonconformities raised. The FGVPIB Bukit Sagu POM and supply bases Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref: 2116460-202110-M1	Area/Process: FGVPM Bukit Sagu 6 Estate	Clause: MSPO 2530 Part 3: 4.1.2.2
	Issue Date: 14/10/2021	Due Date: 13/1/2022
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:	The internal audit procedure was not implemented effectively.	
Objective Evidence:	As verified in the Checklist for Integration Internal Audit of Sustainability 2021 found total 15 non-conformities were raised during the last internal audit in FGVPM Bukit Sagu 6 Estate. Root cause was identified with correction taken. However, the non-conformities in FGVPM Bukit Sagu 6 Estate were not closed as per the Sustainability Certification Internal Audit Procedure (SOP No.: FGV/GSD-SCCD/SOP/04, Ver. 0 dated 03/09/2020), Clause 7.7.3 where the corrective action need to be resolved within 60 days.	
Corrections:	Estate will contact the lead auditor for internal audit and provide necessary document to close the finding raised.	
Root cause analysis:	Incompetence PIC that responsible to close the non-conformities raised during the internal audit.	
Corrective Actions:	a. Training will be provided to PIC on the internal audit procedure.	

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	b. To discuss audit finding issues during the management review meeting that will be conducted annually.
Assessment Conclusion:	Training has been conducted to PIC on 15/10/2021 and findings of internal audit has been discussed during the management review meeting conducted on 21/10/2021. The evidence of corrections and corrective actions were found to be effective to address the non-conformity. Hence, Major NC is closed on 16/11/2021. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.

Major Nonconformities:		
Ref: 2116460-202110-M2	Area/Process: FGVPISB Bukit Sagu POM	Clause: MSPO 2530 Part 4: 4.4.5.4
	Issue Date: 14/10/2021	Due Date: 13/1/2022
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:	The contractors have yet to comply with the legal requirements.	
Objective Evidence:	<p>FGVPISB Bukit Sagu POM:</p> <p>Reviewed total 4 payslips for January 2021, May 2021 and August 2021 found that the SOCSO contribution and Employment Insurance System (EIS) contribution was not made according to the Employees' Social Security Act 1969 (Act 4) and Employment Insurance System (Act 800). The contribution made was not following the rate of contribution based on the actual monthly wages of the month. Sampled of workers as below:</p> <ol style="list-style-type: none"> 1. I/C No.: 010710-06-05XX 2. I/C No.: 970414-06-57XX 3. I/C No.: 900314-06-51XX <p>Besides, reviewed the FFB Sorters Calculation form and payslips for May 2021 and August 2021 found that the following workers were not paid accordingly:</p> <p>I/C No: 970414-06-57XX Month: August 2021 Days/ Hours in FFB Sorters Calculation form : 24 days normal working day; 28.0 hours normal OT; 1-day work on PH; 1-hour OT on PH Days/ Hours in pay slips: 21 days normal working day; 26.5 hours normal OT; 1-day work on PH; 1-hour OT on PH</p> <p>I/C No: 010710-06-05XX Month: May 2021 Days/ Hours in FFB Sorters Calculation form : 21 days normal working day; 20.5 hours normal OT; 1-day work on PH Days/ Hours in pay slips: 18 days normal working day; 17.5 hours normal OT</p> <p>Month: August 2021 Days/ Hours in FFB Sorters Calculation form : 23 days normal working day; 33.5 hours normal OT; 1-day WDR; 2.5 hours OT on WDR; 1-day work on PH; 1-hour OT</p>	

	<p>on PH Days/ Hours in pay slips:22 days normal working day; 40.0 hours normal OT; 1-day work on PH; 1-hour OT on PH</p> <p>This is recurrence of minor non-conformity from previous assessment. Thus, the minor non-conformity escalated to major non-conformity during ASA 3.</p>
Corrections:	<ol style="list-style-type: none"> To conduct management review meeting to discuss issues highlighted. To appoint PIC for handling and monitor contractors' workers salary.
Root cause analysis:	<p>Understanding and Compliance for Employment Contracts among contractors is unsatisfactory as it is not communicated effectively to the appointed contractors due to lack of meeting involvement or information provided between contractors and projects as well as No monitoring and enforcement from Management & person incharge to comply with the legal issues.</p>
Corrective Actions:	To establish monitoring form to monitor contractors' workers salary on monthly basis.
Assessment Conclusion:	<p>Management review has been conducted and discussed issues related to contractors' workers salary. Monitoring on contractors' workers salary has been done by PIC that has been appointed. The evidence of corrections and corrective actions were found to be effective to address the non-conformity. Hence, Major NC is closed on 16/11/2021. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.</p>

Major Nonconformities:		
Ref: 2116460-202110-M3	Area/Process: FGVPM Bukit Sagu 04 Estate and FGVPM Bukit Sagu 6 Estate	Clause: MSPO 2530 Part 3: 4.4.5.4
	Issue Date: 14/10/2021	Due Date: 13/1/2022
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:	The contractors have yet to comply the Employees' Social Security Act 1969 (Act 4) and Employment Insurance System (Act 800).	
Objective Evidence:	<p>FGVPM Bukit Sagu 4 Estate:</p> <p>Sampled payslips for January 2021, May 2021 and August 2021 for 2 workers from 2 different contractors in FGVPM Bukit Sagu 4 Estate found that the SOCSO contribution was not made according to the Employees' Social Security Act 1969 (Act 4) and Employment Insurance System (EIS) contribution was not made as per Employment Insurance System (Act 800). The contribution made was not following the rate of contribution based on the actual monthly wages of the month. Sampled of workers as below:</p> <ol style="list-style-type: none"> I/C No.: 880119-06-57XX (Arah Bermaju) I/C No.: 930707-06-61XX (Sri Chakra Enterprise) <p>FGVPM Bukit Sagu 6 Estate:</p> <p>Sampled the payslips and Borang 8A SOCSO contribution record of contractor's worker (Passport No.: AT 768921) in FGVPM Bukit Sagu 6 Estate found that the SOCSO contribution made was not in accordance to Employees' Social Security Act 1969 (Act</p>	

	<p>4) effective on 01/01/2019. The employer shall make contribution at the rate of 1.25% of insured monthly wages. However, the contribution made was incorrect as per the actual monthly wages of the month.</p> <p>This is recurrence of minor non-conformity from previous assessment. Thus, the minor non-conformity escalated to major non-conformity during ASA 3.</p>
Corrections:	<ol style="list-style-type: none"> 1. To conduct management review meeting to discuss issues highlighted. 2. To appoint PIC for handling and monitor contractors' workers salary. 3. Communication on SOCSO contribution to all contractors.
Root cause analysis:	<p>Understanding and Compliance for Employment Contracts among contractors is unsatisfactory as it is not communicated effectively to the appointed contractors due to lack of meeting involvement or information provided between contractors and projects as well as No monitoring and enforcement from Management & person in charge to comply with the legal issues.</p>
Corrective Actions:	<p>To establish monitoring form to monitor contractors' workers salary on monthly basis.</p>
Assessment Conclusion:	<p>Management review has been conducted and discussed issues related to contractors' workers salary. Monitoring on contractors` workers salary has been done by PIC that has been appointed. Communication to contractors on SOCSO contribution has been done. The evidence of corrections and corrective actions were found to be effective to address the non-conformity. Hence, Major NC is closed on 16/11/2021. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.</p>

Major Nonconformities:		
Ref: 2116460-202110-M4	Area/Process: FGVPM Bukit Sagu 06 Estate	Clause: MSPO 2530 Part 3: 4.5.2.1
	Issue Date: 14/10/2021	Due Date: 13/1/2022
Requirements:	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p>	
Statement of Nonconformity:	<p>The auditee failed to provide any evidence that the usage of non-renewable energy has been monitored.</p>	
Objective Evidence:	<p>FGVPM Bukit Sagu 06 Estate 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>	
Corrections:	<p>Documentation on plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p>	
Root cause analysis:	<p>No monitoring from management regarding plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period due to changes of person in-charged.</p>	

Corrective Actions:	Appoint person in charge to monitor manage plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.
Assessment Conclusion:	Documentation of records for renewable energy sighted and verified. Appointment of PIC to monitor manage plan to assess the usage of non-renewable energy also sighted. The evidence of corrections and corrective actions were found to be effective to address the non-conformity. Hence, Major NC is closed on 16/11/2021. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.

Major Nonconformities:		
Ref: 2116460-202110-M5	Area/Process: FGVPM Bukit Sagu 04 Estate/ FGVPM Bukit Sagu 06 Estate	Clause: MSPO 2530 Part 3: 4.5.2.2
	Issue Date: 14/10/2021	Due Date: 13/1/2022
Requirements:	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.	
Statement of Nonconformity:	The auditee failed to provide any evidence that the usage of non-renewable energy has been estimated.	
Objective Evidence:	FGVPM Bukit Sagu 04 Estate/ FGVPM Bukit Sagu 06 Estate There is no evidence that the estate has estimated the usage of diesel for year 2021.	
Corrections:	Prepare documentation on estimated the usage of diesel for year 2021.	
Root cause analysis:	No monitoring by management to monitor estimated the usage of diesel for year 2021.	
Corrective Actions:	Appoint person in charge to monitor manage plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	
Assessment Conclusion:	Documentation of records for renewable energy sighted and verified. Appointment of PIC to monitor manage plan to assess the usage of non-renewable energy also sighted. The evidence of corrections and corrective actions were found to be effective to address the non-conformity. Hence, Major NC is closed on 16/11/2021. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.	

Major Nonconformities:		
Ref: 2116460-202110-M6	Area/Process: FGVPM Bukit Sagu 06 Estate	Clause: MSPO 2530 Part 3: 4.5.3.4
	Issue Date: 14/10/2021	Due Date: 13/1/2022
Requirements:	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.	

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Statement of Nonconformity:	The auditee failed to provide any evidence that the empty chemical container has been punctured and disposed responsibly.
Objective Evidence:	FGVPM Bukit Sagu 06 Estate, there is no evidence has been provided to the auditor that empty pesticides container has been punctured and disposed responsibly.
Corrections:	To appoint PIC to monitor that empty chemical container has been triple rinsed and punctured. To triple rinsed and punctured all empty chemical container that has not been used.
Root cause analysis:	No supervision by management in monitoring on empty pesticides container has been punctured and disposed responsibly due to new changes person in charge.
Corrective Actions:	1) Management to discuss this issue in environmental meeting every 6 months 2) continuous training for new person in charge regarding this matter
Assessment Conclusion:	Evidence that empty chemical container has been triple rinsed and punctured has been verified. Appointment letter sighted. Minutes meeting discussing issues on empty chemical container during environmental meeting has been conducted. The evidence of corrections and corrective actions were found to be effective to address the non-conformity. Hence, Major NC is closed on 16/11/2021. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.

Minor Nonconformities:		
Ref: 2116460-202110-N1	Area/Process: FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate	Clause: MSPO 2530 Part 3: 4.4.1.1
	Issue Date: 14/10/2021	Due Date: Next ASA
Requirements:	Social impact should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.	
Statement of Nonconformity:	Social management plan for Year 2021 was not available.	
Objective Evidence:	There was no social management plan developed/ reviewed for Year 2021 in both FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate as per the procedure Kajian Penilaian Impak Sosial (SIA) (SOP No.: FGV/GSD-SCCS/GL/02, Rev. 0 dated 08/03/2021).	
Corrections:	Conducting new SIA assessment end of November 2021 by sustainability officer.	
Root cause analysis:	No new SIA assessment conducted by Sustainability officer due to MCO.	
Corrective Actions:	Prepare on action plan regarding this issue by sustainability officer end on November 2021.	
Assessment Conclusion:	All the correction and corrective action were found to be adequate. Effectiveness of the implementation will be confirmed on next assessment visit.	

Minor Nonconformities:		
Ref: 2116460-202110-N2	Area/Process: FGPVISB Bukit Sagu POM	Clause: MSPO 2530 Part 4: 4.4.1.1
	Issue Date: 14/10/2021	Due Date: Next ASA

Requirements:	Social impact should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.
Statement of Nonconformity:	Social management plan for Year 2021 was not available.
Objective Evidence:	There was no social management plan developed/ reviewed for Year 2021 in FGVPISB Bukit Sagu POM as per the procedure Kajian Penilaian Impak Sosial (SIA) (SOP No.: FGV/GSD-SCCS/GL/02, Rev. 0 dated 08/03/2021).
Corrections:	Conducting new SIA assessment end of November 2021 by sustainability officer.
Root cause analysis:	No new SIA assessment conducted by Sustainability officer due to MCO.
Corrective Actions:	Prepare on action plan regarding this issue by sustainability officer end on November 2021.
Assessment Conclusion:	All the correction and corrective action were found to be adequate. Effectiveness of the implementation will be confirmed on next assessment visit.

Minor Nonconformities:

Ref: 2116460-202110-N3	Area/Process: FGVPM Bukit Sagu 06 Estate	Clause: MSPO 2530 Part 3: 4.3.1.4
	Issue Date: 14/10/2021	Due Date: Next ASA
Requirements:	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	
Statement of Nonconformity:	Person responsible to monitor compliance and to track and update the changes in regulatory requirements has not been assigned by the management.	
Objective Evidence:	There is no evidence that the management of FGVPM Bukit Sagu 06 Estate has assigned a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	
Corrections:	Appoint person in charge to monitor compliance and to track and update the changes in regulatory requirements.	
Root cause analysis:	Management did not assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements due to change on new mill management.	
Corrective Actions:	Management to conduct continues training to new PIC regarding roles to monitor compliance related.	
Assessment Conclusion:	All the correction and corrective action were found to be adequate. Effectiveness of the implementation will be confirmed on next assessment visit.	

Opportunity For Improvement

Ref: Nil	Area/Process: NA	Clause: NA
Objective Evidence:	NA	

Noteworthy Positive Comments

1	Good cooperation from the management
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2	Good awareness on sustainability aspects among the workers and stakeholders
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3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1968714-202010-M1	Area/Process: FGVPIB Bukit Sagu POM	Clause: MSPO 2530 Part 4: 4.4.5.11
	Issue Date: 08/10/2020	Close Date: 07/01/2021
Requirements:	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	
Statement of Nonconformity:	The housing inspection conducted is not in accordance with Minimum Housing & Facilities Act 1990 (revised 2020).	
Objective Evidence:	FGVPIB - Bukit Sagu POM: The housing inspection is only conducted once a month in FGVPIB Bukit Sagu POM. This is not complying with Minimum Housing & Facilities Act 1990 (revised 2020) where the housing inspection need to be conducted by bi-monthly basis. Furthermore, during the site visit, it is sighted that the drainage at housing no V4 is blocked by the grasses and slowing the water movement which is not reflected in the housing inspection record.	
Corrections:	<ol style="list-style-type: none"> Assistant Executive/ mill Supervisor to conduct weekly inspection at mill housing using standard checklist. Estate management conduct cleaning and repair the drainage blockage at house V4. 	
Root cause analysis:	There is a miss communication on the instruction to conduct weekly housing inspection at the FGVPIB Bukit Sagu POM. The current practice is conduct monthly inspection and not weekly inspection.	
Corrective Actions:	<ol style="list-style-type: none"> Mill to conduct management meeting regarding line site issues every 6 months. Any issues on housing that required repairer must be reported using 'Borang Kerosakan Rumah Kilang Sawit FGVPIB Bukit Sagu'. 	
Assessment Conclusion:	The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment. Evidence reviewed: <ol style="list-style-type: none"> Monitoring schedule for weekly housing inspection for month of Oct, Nov and Dec 2020. Weekly housing inspection for FGVPIB Bukit Sagu POM on 10/10/2020, 25/10/2020. Evidence of drainage cleaning works done at house V4. Minute of meeting for welfare/safety of worker's quarters dated 30/10/2020 version 01/2020 attended by 13 attendees. 	

Verification statement	Sufficient evidence has been provided during the audit where corrective action has been effectively implemented.
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Minor Nonconformities:		
Ref: 1968714-202010-N1	Area/Process: FGVPM Bukit Sagu 7 Estate	Clause: MSPO 2530 Part 3: 4.4.2.4
	Issue Date: 08/10/2020	Close Date: 13/10/2021
Requirements:	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	
Statement of Nonconformity:	The awareness for complaints and grievance mechanism for employee is lacking.	
Objective Evidence:	FGVPM Bukit Sagu 7 Estate: During site visit at Melur Hostel, interview session with workers showed the lack of communication on grievance procedure awareness. Among the complaints received are: <ol style="list-style-type: none"> 1. Only 1 fan installed in their hostel room, but other room have 2 fans. 2. In February 2020, sprayer has asked to do extra works after 5 pm, and if the herbicides are not working, they were not paid for the extra job. 3. Worker has leg injured to fell at river yesterday. He has informed the supervisor to go to clinic however, he is still waiting for the transportation to clinic until this evening. 4. Workers were not given permission to go to the market to buy their groceries. All these complaints were verbally informed to the supervisor and management, but no action taken to-date.	
Corrections:	1) Awareness to staff on complaints and grievance mechanism 2) Compile details on grievances and evidences	
Root cause analysis:	No training regarding complaints and grievance mechanism conduct to staff.	
Corrective Actions:	Conduct training on complaint & grievance mechanism and conduct post training assessment to assess the understanding of the staff regarding complaint mechanism.	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.	
Verification statement	Sufficient evidence has been provided during the audit where corrective action has been effectively implemented.	

Minor Nonconformities:		
Ref: 1968714-202010-N2	Area/Process: FGVPM Bukit Sagu 8 Estate	Clause: MSPO 2530 Part 3: 4.4.5.4
	Issue Date: 08/10/2020	Close Date: Escalated to Major

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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:	The SOCSO salary deduction for contractor's employee is wrong.
Objective Evidence:	In FGVPM Bukit Sagu 8 Estate, it was found that the contractor's workers for Impian Jaya Plantations Sdn Bhd (transporter) has not made the deduction of SOCSO contribution from employee salary as stated in pay slip for April, June and August 2020. For foreign worker, the SOCSO contribution should be made by employer in accordance with Employer's Circular No. 3 Year 2018, Employees' Social Security Act, 1969, Transfer Of Foreign Workers' Coverage From The Foreign Workers Compensation Scheme (Fwcs), The Department Of Labour To Socso Employment Injury Scheme.
Corrections:	<ol style="list-style-type: none"> 1. Awareness to contractor on SOCSO deduction. 2. Evidences on details payment for SOCSO deduction 3. Recalculation on contractor workers deduction and short contribution will be paid.
Root cause analysis:	No monitoring from management regarding on SOCSO deduction in contractor workers' pay slip due to change on person in charge.
Corrective Actions:	<ol style="list-style-type: none"> 1. Appoint person in charge for management to ensure all contractors will deduct the SOCSO deduction in contractor workers' pay slip and obtain the copy for record by regular monitoring every 6 months by Person in charge. 2. Data base will be developed for monitoring contractors' workers SOCSO paid accordingly.
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.
Verification statement	The same issues have been identified for this year surveillance audit (ASA 03) for FGVPM Bukit Sagu 04 Estate and FGVPM Bukit Sagu 06 Estate. The NCs has been escalated to Major NCs.

Minor Nonconformities:		
Ref: 1968714-202010-N3	Area/Process: FGVVISB Bukit Sagu POM	Clause: MSPO 2530 Part 4: 4.4.5.4
	Issue Date: 08/10/2020	Close Date: Escalated to Major
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:	The contractor's employee is not paid based on the Employment Act 1955.	
Objective Evidence:	FGVVISB Bukit Sagu POM: <ol style="list-style-type: none"> 1. Sighted in June 2020 pay slip for Muhammad Suib bin Rahim (Suria Pajar Enterprise), 1 rest day was not paid double as per Employment Act 1955. 	

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	2. The employment contract for Muhammad Suib & Mohamad Ferhad stated the hours of works is 9 hours inclusive of 1 hour of break which not accordance to the Employment Act 1955 Section 60A 1 (ii).
Corrections:	1. Instruct contractor to pay the balance of his worker's salary. 2. Instruct contractor to revise their employment contract and verify by mill manager/ FGV representative
Root cause analysis:	No supervision by management in monitoring and obtaining contractor workers' pay slip accordingly.
Corrective Actions:	Appoint person in charge for management to ensure all contractor put relevant detail on worker salary in their pay slip by regular monitoring every 6 months by Person in charge.
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.
Verification statement	The same issues have been identified for this year surveillance audit (ASA 03) for FGVPI SB Bukit Sagu POM. The NCs has been escalated to Major NCs

Minor Nonconformities:		
Ref: 1968714-202010-N4	Area/Process: FGVPM Bukit Sagu 7 & 8 Estate	Clause: MSPO 2530 Part 3: 4.3.1.3
	Issue Date: 08/10/2020	Close Date: Closed on 13/10/2021
Requirements:	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	
Statement of Nonconformity:	The legal requirements were not updated to include the new regulations that have come into force.	
Objective Evidence:	FGVPM Bukit Sagu 7 & 8 Estate did not have the Movement Control Order 2020 updated in their legal register.	
Corrections:	Include Movement Control Order 2020 updated in legal register.	
Root cause analysis:	Movement Control Order 2020 that have been updated by FGV HQ was not distributed properly to the estate.	
Corrective Actions:	1. PIC for tracking changes law at HQ level will send the new legal register at all complex after there are changes in law. 2. Estate Conduct the awareness and training on update legal register to the Person in Charge so that he/she will familiar with the mechanism to track changes on legal.	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.	
Verification statement	Sufficient evidence has been provided during the audit where corrective action has been effectively implemented.	

Minor Nonconformities:		
Ref: 1968714-202010-N5	Area/Process: FGVPM Bukit Sagu 7 & 8 Estate	Clause: MSPO 2530 Part 3: 4.5.3.1
	Issue Date: 08/10/2020	Close Date: Closed on 13/10/2021
Requirements:	All waste products and sources of pollution shall be identified and documented.	
Statement of Nonconformity:	The Waste Management Plan did not include all generated waste.	
Objective Evidence:	FGVPM Bukit Sagu 7 & 8 Estate: The Waste Management Plan for 2020 did not identify the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters, Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags.	
Corrections:	Identify and include the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters, Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags in the Waste Management Plan 2020.	
Root cause analysis:	Management did not identify the Scheduled Waste and Recyclable Waste such as Spent Batteries, Spent Filters, Used PPEs, Spent Lubricants, Contaminated Chemical Containers and Contaminated Rags in the Waste Management Plan 2020	
Corrective Actions:	<ol style="list-style-type: none"> PIC to undergo training on managing scheduled waste included identification of SW. FGV conduct internal audit yearly to make sure all operation is according to the MSPO Standard. 	
Assessment Conclusion:	The CAP is accepted. The evidence of corrective action shall be verified in the next assessment.	
Verification statement	Sufficient evidence has been provided during the audit where corrective action has been effectively implemented.	

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1714193-201809-M1	Major	30/11/2018	Closed on 16/01/2019
1838640-201906-N1	Minor	17/10/2019	Closed on 08/10/2020
1838640-201906-N2	Minor	17/10/2019	Closed on 08/10/2020
1838640-201906-N3	Minor	17/10/2019	Closed on 08/10/2020
1838640-201906-N4	Minor	17/10/2019	Closed on 08/10/2020
1968714-202010-M1	Major	08/10/2020	Closed on 12/11/2020

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1968714-202010-N1	Minor	08/10/2020	Closed on 13/10/2021
1968714-202010-N2	Minor	08/10/2020	Escalated to Major
1968714-202010-N3	Minor	08/10/2020	Escalated to Major
1968714-202010-N4	Minor	08/10/2020	Closed on 13/10/2021
1968714-202010-N5	Minor	08/10/2020	Closed on 13/10/2021
2116460-202110-M1	Major	12/10/2021	Closed on 16/11/2021
2116460-202110-M2	Major	12/10/2021	Closed on 16/11/2021
2116460-202110-M3	Major	12/10/2021	Closed on 16/11/2021
2116460-202110-M4	Major	12/10/2021	Closed on 16/11/2021
2116460-202110-M5	Major	12/10/2021	Closed on 16/11/2021
2116460-202110-M6	Major	12/10/2021	Closed on 16/11/2021
2116460-202110-N1	Minor	12/10/2021	Open
2116460-202110-N2	Minor	12/10/2021	Open
2116460-202110-N3	Minor	12/10/2021	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Feedbacks: Representative of Ketua Peneroka – He informed that no land encroachment by the company. Boundary stones were available to demarcate the boundary. He understands the procedure of complaint and so far, there is no issue with the company. He has good relationship with the management.</p>
	<p>Management Responses: The management will continue to maintain good relationship with the stakeholders.</p>
	<p>Audit Team Findings: No further issues.</p>
2	<p>Feedbacks: Contractors –They informed that they have signed an agreement prior to provide services to the company. They understood the terms and conditions stated in the agreement and there was no issue on the payment. They understood the complaint procedure and he has been briefed on MSPO requirements accordingly.</p>
	<p>Management Responses: Noted on the information.</p>

	<p>Audit Team Findings: No further issue.</p>
3	<p>Feedbacks: Gender Committee Representatives – They informed that there was no sexual harassment and violence case report. They were treated equally with any discrimination. They are aware of the complaint procedure and their rights.</p>
	<p>Management Responses: The management will continue to monitor if there is any sexual harassment case reported.</p>
	<p>Audit Team Findings: No further issue.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment FGV PISB Bukit Sagu POM and supply base complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of FGV PISB Bukit Sagu POM and supply base as Certification Unit is continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Norolsaiful Hazri bin Hamid	Name: Mohd Razaleigh bin Mohamad
Company name: FGV Holdings Berhad	Company name: BSI Services Malaysia Sdn Bhd
Title: Sustainability Manager	Title: Client Manager
Signature:  Date: 21/09/2022	 Signature: Date: 20/09/2022

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 -	FGV Holdings Berhad has established Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0) which approved by Board of Directors on 17/11/2020. The objective of the policy is to establish the objectives and guidelines for FGV Holdings Berhad and its Group of Companies (collectively referred to as the "FGV Group" or "Group") for the fulfilment of FGV's commitments with regard to sustainability matters.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	In Clause 5.0 of the policy above has emphasized the company will continuously improve the quality of their products and services by adopting the best possible approaches to enhance productivity and profitability by optimising resources and operational efficiencies, while eliminating or minimising negative impact on people and the environment.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	FGV Holdings Berhad has developed Sustainability Certification Internal Audit Procedure (SOP No.: FGV/GSD-SCCD/SOP/04, Ver. 0 dated 03/09/2020) as a guideline to carry out internal audit for the certification	Complied

Criterion / Indicator		Assessment Findings	Compliance
		standards such as RSPO, MSPO, ISCC and other sustainability certifications. The frequency of the internal audit is at least once a year. Seen the Internal Audit Schedule was issued to all the operating units. The internal audit was scheduled from 12 – 15/07/2021 for FGVPIB Bukit Sagu Complex. Checklist for Integration Internal Audit of Sustainability 2021 was sighted where the internal audit team has audited based on six main aspects such as social, environmental, economy, acts & regulations, policies and management documents.	
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 -	Major Non Conformity: 2116460-202110-M1 As verified in the Checklist for Integration Internal Audit of Sustainability 2021 found total 15 non-conformities were raised during the last internal audit in FGVPM Bukit Sagu 6 Estate. Root cause was identified with correction taken. However, the non-conformities in FGVPM Bukit Sagu 6 Estate were not closed as per the Sustainability Certification Internal Audit Procedure (SOP No.: FGV/GSD-SCCD/SOP/04, Ver. 0 dated 03/09/2020), Clause 7.7.3 where the corrective action need to be resolved within 60 days. Thus, Major Non-Conformity has been raised.	Major Non-Conformity
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The result of the internal audit was available to the management with the corrective action plan developed.	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 last management review meeting was conducted on 08/09/2021 in FGVPM Bukit Sagu 4 Estate and 11/10/2021 in FGVPM Bukit Sagu 6	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>Estate. The meeting was chaired by the Estate Manager. The input that had discussed by FGVPM Bukit Sagu 4 Estate during the meeting as below:</p> <ol style="list-style-type: none"> 1. Results of audit 2. Customer feedback 3. Results of production 4. Environmental 5. Social 6. Replanting 7. Continual improvement plan 8. Management studies 	
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>There is evidence that continuous improvement plan has been established for both estates in the document title Penambahbaikan berterusan which base on the environment, social, GHG, and to reduce the usage of chemical.</p> <p>In term of reduce the chemical, the management has plan to reduce the usage paraquat, to increase barn owl box, to reduce frequency of herbicides spraying by using Alion.</p> <p>While in term of social, the management has plan to improve the quarters and to conduct gotong royong with participation of staff and workers.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	The estates have included the introduction of new technology in the continuous improvement plans that have been planned for the year 2021. FGVPM Bukit Sagu 04 Estate has adopted the usage of Power Spray Machine as a new introduction in the estate. FGVPM Bukit Sagu 06 Estate have adapted the use of mist blower as a new introduction in the estate to increase productivity as well as lower the operation costs.	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 -	FGVPM Bukit Sagu 04 and FGVPM Bukit Sagu 06 Estates have obtained the appropriate budget to purchase and maintain the machineries that have been adapted into their operations as can be verified through the annual budget of each estates.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 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 -	FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate has issued a memo on the list of documents that are publicly available upon requested by the stakeholders on August 2021 and January 2021 respectively. The memo was displayed at the notice board in front of the office.	Complied
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 -	FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate has issued a memo on the list of documents that are publicly available upon requested by the stakeholders on August 2021 and January 2021 respectively. The memo was displayed at the notice board in front of the office.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>List of documents that made publicly available as below:</p> <ol style="list-style-type: none"> 1. Land title 2. OSH plan 3. Environmental and social management plan 4. SEIA report 5. HCV report 6. Complaint and grievance procedure 7. Land dispute procedure 8. Policies such as Human Rights and Group Sustainability Policy 9. Assessment report of audits <p>Besides, documents such as company's policies, Supplier Code of Conduct and grievance procedure is accessible by the stakeholders via company's website: Policies & Guidelines - FGV Holdings Berhad.</p>	
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 Holdings Berhad has established SOP '<i>Komunikasi, Penglibatan dan Rundingan</i>' (Doc. No.: FGV/ML-1A/L2-Pr12, Issue 1 dated 01/06/2016). The objective of the SOP is to establish an effective system for communication between company and stakeholder.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>Assistant Managers of FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate have been appointed as Communication Officer and seen the appointment letter dated 04/01/2021 and 05/02/2021 respectively.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Stakeholder list was developed in both estate with stakeholders such as local community, local authorities, contractors, suppliers and school representatives were included into the list. Stakeholder meeting was conducted on 03/03/2021 with the contractor in FGVPM Bukit Sagu 6 Estate. The agenda of the meeting mainly discuss the compliance of the contractor. There was no issue raised during the meeting.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	FGV Holdings Berhad has established SOP for traceability for all estate and documented in 'Manual Ladang Sawit Lestari – Mengangkut BTS dari pentas buah ke Kilang'. Refer doc no. MLSL (Ed.3)-Sec.4 (8.0) issued on 1/9/2017. The SOP used sets of form to be filled by the estate to trace the origin of the FFB. i. Labelled for lorry – Lorry no., Estate Name, Mill Name ii. FFB quality certificated – Field/Blok, Total FFB, Average Bunch Weight, Estimate weigh, date.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	FGV Holdings Berhad has developed Internal Audit Procedure (Doc. No.: ML-1A/L2-Pr11(0), Rev. 0 dated 1/6/2016) where the objective is to carry out internal audit to ensure implementation of RSPO, ISCC and MSP0. The frequency of the internal audit to be carried out is at least once a year. The latest internal audit was carried out on 6-9/9/2021 in FGVPIB Bukit Sagu POM by Sustainability Compliance & Certification Department. 1 non-conformity was raised for RSPO SCCS on Management Review. The management have stated the corrective action plan and implemented the corrective action to address the non-conformity. The non-conformity was	Complied

Criterion / Indicator		Assessment Findings	Compliance
		closed as stated in the management review for SCCS dated 28/9/2021. The internal audit report and management review meeting minutes records were available for verification.	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	For FGVPB Bukit Sagu 04 Estate, appointment of person in charge for traceability has been verified base on the appointment letter to Mr Nik Razubi bin Nik Mustapha dated on 20/01/2021	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	For FGVPB Bukit Sagu 04 Estate, sample of the weighbridge tickets and delivery note has been taken and verified during the audit. Details of the document as per below: 1. Date 12/10/2021 DN number 376565 Pass number 01581994 Tonnage 5.84mt 2. Date 12/09/2021 DN Number 376569 Pass number A00033568 Tonnage 6.46mt 3. Date 12/09/2021 DN Number 376572 Pass number A00033607 Tonnage 7.34mt	Complied

Criterion / Indicator		Assessment Findings	Compliance
		FGVPM Bukit Sagu 06 Estate: 1. Date 08/10/2021 DN Number 160812 Pass number A00032909 Tonnage 5.74mt 2. Date 09/10/2021 DN Number 160820 Pass number A00032089 Tonnage 5.19mt 3. Date 07/10/2021 DN Number 160806 Pass number A00032828 Tonnage 6.12mt	
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 management continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>monitored by the operating units and sustainability team. Among the evidence of compliance verified are as follows:</p> <p><u>FGVPM Bukit Sagu 04 Estate</u></p> <ul style="list-style-type: none"> - MPOB License #558968002000, valid until 28/02/2022 - Permit to store diesel, #C002547, valid until 04/09/2024 - Competent Person for Scheduled Wastes Management, #CePSWaM/04758, dated 29/06/2021 <p><u>FGVPM Bukit Sagu 06 Estate</u></p> <ul style="list-style-type: none"> - MPOB License #559597002000, valid until 31/03/2022 - Permit to store diesel, #PHG/PD/K/9/87, valid until 06/08/2024 <p>FGV Holdings Berhad has obtained approval from <i>Jabatan Tenaga Kerja Semenanjung Malaysia</i> to make deduction of wages for electricity bill (RM 6 subsidized by company), water bill (RM 4 subsidized by company) and medical cost exceeded limit (RM 200 per worker). Seen the permit (Ref. No.: (22) dlm BHG. PU/9/129 Jld 23 dated 26/04/2016).</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 mechanism is guided by Manual Procedure, Perundangan Dan Lain-Lain Keperluan Kawalan (Legal and Other Requirements) [FPI/L2/QOSHE-2.0].</p> <p>The Assistant Mill and/or Estate Managers are the persons responsible to conduct the evaluation of compliance. In the legal register there is a column to record the status of compliance and it was done by the</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		assistant managers. The report of status of compliance helps the management to get the information about non-compliance with legal requirement (if any) and subsequently take the necessary action.	
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 -	Legal register has been updated latest on September 2021 where there were new legal requirement has been added.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	<p><u>FGVPM Bukit Sagu 04 Estate</u> FGVPM Bukit Sagu 04 Estate has appointed Mr Nik Razubi bin Nik Mustapha as the PIC responsible for Legal and Other Requirements. Sighted the appointment letter undersigned by the manager dated on 20/01/2021.</p> <p><u>FGVPM Bukit Sagu 06 Estate</u> Minor NC's: 2116460-202110-N3 FGVPM Bukit Sagu 06 Estate There is no evidence that the management of FGVPM Bukit Sagu 06 Estate has assigned a person responsible to monitor compliance and to track and update the changes in regulatory requirements. Thus, Minor non conformity has been raised.</p>	Minor Non-Conformity
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	There was a land lease agreement between FELDA and state of Pahang on the Bukit Sagu Scheme dated 29/04/1975 for the development of land	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	in Bukit Sagu. The lands are belonging to FELDA as verified in the land titles.	
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 -	FGVPM Bukit Sagu 4 Estate has the legal land use rights and the land is belong to FELDA. This has verified through the land title #11536, Lot No.: 1385, Total area: 127.8 ha (FGVPM Bukit Sagu 4 Estate) and land title #17991, Lot No.: PT 1125, Total area: 328.43 ha (FGVPM Bukit Sagu 6 Estate).	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The estates have maintained boundary demarcation using the pole and boundary stone. Verified one of the boundary stone in FGVPM Bukit Sagu 4 Estate at Field PR14R (GPS: 4.041968, 103.151352) and in FGVPM Bukit Sagu 6 Estate at Field PM13E (GPS: 4.046027, 103.110547).	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute reported during the time of audit by verified through interview with the local community.	Not applicable
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 -	There was no land dispute reported during the time of audit by verified through interview with the local community.	Not applicable

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 -	There was no land dispute reported during the time of audit by verified through interview with the local community. There was no customary land sighted in this complex.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There was no land dispute reported during the time of audit by verified through interview with the local community.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was conducted on 17/09/2019 for FGVPM Bukit Sagu 4 Estate by the Sustainability Compliance and Certification Department. The methodology of the assessment was through sampling of stakeholders to be interviewed. Stakeholders were consulted during the stakeholder meeting as well. Positive and negative impacts were identified and incorporated into the management plan. Social Management Plan 2019/2020 was developed in FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate to promote the positive impacts and mitigate the negative impacts. The impact/ issue raised during stakeholder consultation were recorded in the management plan. For e.g.: 1. Negative Impact: Dust emission and concussion caused by the quarry's activity by neighbouring quarry. This has caused health and well-being issue to the workers. Status: Manager of FGVPM Bukit Sagu 4 Estate has issued a memo to the quarry's management related on this issue on 16/01/2021 and	Minor Non-Conformity

Criterion / Indicator		Assessment Findings	Compliance
		<p>conducted a private meeting with the quarry's management to discuss on the issue. The quarry's management has filed the issue into their system and take action accordingly.</p> <p>2. Positive Impact: Management of FGVPB Bukit Sagu 6 Estate has provided school bus to send children to school. Status: Seen the photo evident of the school bus provided to send the children to school and interviewed the parents confirmed that the school bus was provided without any charges.</p> <p>Minor Non conformity: 2116460-202110-N2 There was no social management plan developed/ reviewed for Year 2021 in both Bukit Sagu 4 Estate and Bukit Sagu 6 Estate as per the procedure Kajian Penilaian Impak Sosial (SIA) (SOP No.: FGV/GSD-SCCS/GL/02, Rev. 0 dated 08/03/2021). Thus, Minor Non Conformity has been raised.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has established SOP for "<i>Menangani Aduan dan Rugutan</i>" with Doc. No.: FGV/ML-1A/L2-Pr13 dated 01/04/2019. The procedure is to provide a system for the internal and external stakeholders to lodge complaint and grievances to the management.</p> <p>The complaints will be solved in 14 days (first stage), 14 days (second stage). The complaint has to be resolved within 2 months from the date of discussion in third stage.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Besides, whistleblowing e-form was available in company's website, <u>Grievance - FGV Holdings Berhad</u> for the stakeholders to report a grievance.	
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 -	FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate has implemented Complaint Book to record any complaints including housing defect. Sampled the complaint as below: Issue: Many houses have reported broken water pipe on January 2021 and February 2021 in Bukit Sagu 4 Estate. Action Taken: The management has arranged the worker to repair and replace the broken pipe accordingly and the complainants have acknowledged after the action taken in the complaint book. The estate management has purchased poly pipe and accessories to keep stock for future. Seen the good receive notes.	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 -	There was a Complaint Box in front of the office with Complaint Form available. The stakeholders and workers have access to the form to lodge complaint if any.	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 -	The procedures were briefed to the contractors and internal workers on 07/04/2021 in FGVPM Bukit Sagu 4 Estate and 05/08/2021 in FGVPM Bukit Sagu 6 Estate. Seen the training records. Interviewed with the stakeholders confirmed that they are understand on the process of complaint and grievances.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon	Records of complaint were available for the past 24 months.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	request. - Major compliance -		
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 -	FGV Plantations (M) Sdn Bhd has made contribution by supplying foods for workers during MCO from 15 – 28/06/2021. Seen the circular with Ref.# (52) Korporat/Surat Am/COVID-19/2021 dated 15/06/2021. Besides, the company also contributed foods basket to al the workers for RM 50/ person. Seen the circular issued by the HQ and recipient record of the food baskets by the workers.	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 -	FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the GCO on 08/05/2019. The policy has been recently communicated to all estate staffs and workers during the morning briefing	Complied
4.4.4.2	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. 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: i. all employees involved shall be adequately trained on safe working practices	a. FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the GCO on 08/05/2019. The policy has been recently communicated to all estate staffs and workers during the morning briefing b. The certification unit has assessed and identified significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and determining control (HIRADC) records, as well as CHRA reports were verified during the	Complied

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 	<p>assessment. For example, CHRA for FGVPIB Bukit Sagu POM was last conducted on 27/07/2019 by registered assessor [#JKKP HIE 127/171/2/(8)]. Noise Risk Assessment Baseline) was last conducted on 25/07/2020 by a registered assessor [#HQ/18/PEB/00/00021].</p> <p>The sampled estates had assessed and identified significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and determining control (HIRADC) records, as well as CHRA reports were verified during the assessment. CHRA for the sampled estates were last conducted as follows:</p> <ul style="list-style-type: none"> - FGVPM Bukit Sagu 04 Estate – last conducted on 19/06/2019, ref.: HQ/08/ASS/00/85-20190007 - FGVPM Bukit Sagu 06 Estate – last conducted on 12/11/2018, ref.: JKKP HIE 127/171/2(8)2017/081 <p>c. The mill and estates have established an annual training programme for the year 2021 that covers various aspects such as policies, best practices, OSH, environment other trainings related to third party. For safety, the management from both estates has plan to conduct fire drill, workplace inspection, PPE training and first aid training.</p> <p>d. Employees of the estates have been provided with proper Personal Protective Equipment. Observed during site visit, the PPE provided to the operators such as safety boots, safety helmets, gloves, aprons, respiratory masks, etc. The operators have also been trained on the PPE usage, safety and health issues by the management. Sanitation facilities were also available on-site for</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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>operators handling chemicals in terms of shower room and PPE store.</p> <p>e. The estate had established SOP for chemical handling and documented is available in the following document.</p> <ul style="list-style-type: none"> i. Manual Ladang Sawit Lestari <ul style="list-style-type: none"> - Prosedur Kerja Selamat ii. Manual Sustainability <ul style="list-style-type: none"> - Prosedur Kerja Selamat - Prosedur Membancuh Racun di PREMIX - Pengendalian Bahan Kimia <p>f. The Estate Manager is appointed as the Chairman of the ESH committee via letter signed by the Regional Controller dated 02/1/2021. The Manager subsequently assigned duties of ESH coordinator to the Assistant/Staff for the down line implementation of ESH practices in the estate. All identified personnel were officially given a letter for such an appointment.</p> <p>g. The mill and estates have their own safety committee. Meetings were held on quarterly basis as per regulation. Nonetheless, since the MCO was in place, occasionally some of the meetings were delayed. Among the agenda discussed were:</p> <ol style="list-style-type: none"> 1. Perkara berbangkit dari mesyuarat lepas (Outstanding issues from previous meeting) 	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> 2. Laporan prestasi keselamatan dan kesihatan pekerjaan (Occupational safety & Health performance report) 3. Laporan audit QOSHE (QOSHE audit report) iv) Laporan pemantauan alam sekitar (Environmental monitoring report) 4. Laporan program keselamatan dan kesihatan pekerjaan (Occupational safety & health programme report) 5. Laporan keselamatan/kejadian merbahaya (Dangerous incident report) h. The Emergency Response Plan for Minor Accidents, Fire, Spillage and Poisoning was established in the FGV Emergency Response Procedure (Menghadapi Kecemasan) – FGV/ML-1A/L2-Pr15. The estates also have a list of personals to contact in case of any emergency. i. Training for 1st aid has been done on 23/09/2021 for FGVPM Bukit Sagu 04 estate and on 14/08/2021 for FGVPM Bukit Sagu 06 Estate. j. Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard. The display has the information about number of days without incident, incident category, number of incidents, and date of updating. 	
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The	FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company respect human rights by upholding international human rights principles	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>and standards as encapsulated in the Universal Declaration of Human Rights (UDHR), and other applicable international human rights treaties, subject to the laws and regulations of the countries and territories in which FGV Group operates. In fulfilling its responsibility to respect human rights, FGV Group is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs).</p> <p>Briefing to the workers was conducted on 20/04/2021 in FGVPM Bukit Sagu 4 Estate and 29/07/2021 in FGVPM Bukit Sagu 6 Estate.</p>	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company where no person shall be subjected to any discrimination in employment, including hiring, compensation, advancement, training, disciplinary action, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, gender identity, nationality, political opinion, social group, ethnic origin, reproductive rights or other forms of discrimination.</p> <p>Briefing to the workers was conducted on 20/04/2021 in FGVPM Bukit Sagu 4 Estate and 29/07/2021 in FGVPM Bukit Sagu 6 Estate.</p> <p>Interviewed with the workers confirmed that the management treated all the workers equally.</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>Total 27 workers' payslips and employment contracts were sampled and found that the workers were paid according to the company's policy, Collective Agreement which valid from 01/01/2019 to 31/12/2021 and legal requirements.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major 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 workers have signed on the employment contract prior to work. Terms and conditions were clearly stated in the employment contract.</p> <p>Major Non Conformity: 2116460-202110-M3</p> <p><u>FGVPM Bukit Sagu 4 Estate:</u></p> <p>Sampled payslips for January 2021, May 2021 and August 2021 for 2 workers from 2 different contractors in FGVPM Bukit Sagu 4 Estate found that the SOCSO contribution was not made according to the Employees' Social Security Act 1969 (Act 4) and Employment Insurance System (EIS) contribution was not made as per Employment Insurance System (Act 800). The contribution made was not following the rate of contribution based on the actual monthly wages of the month. Sampled of workers as below:</p> <ol style="list-style-type: none"> 1. I/C No.: 880119-06-57XX (Arah Bermaju) 2. I/C No.: 930707-06-61XX (Sri Chakra Enterprise) <p><u>FGVPM Bukit Sagu 6 Estate:</u></p> <p>Sampled the payslips and Borang 8A SOCSO contribution record of contractor's worker (Passport No.: AT 768921) in FGVPM Bukit Sagu 6 Estate found that the SOCSO contribution made was not in accordance to Employees' Social Security Act 1969 (Act 4) effective on 01/01/2019. The employer shall make contribution at the rate of 1.25% of insured monthly wages. However, the contribution made was incorrect as per the actual monthly wages of the month.</p>	Major Nonconformity

Criterion / Indicator		Assessment Findings	Compliance
		This is recurrence of minor non-conformity from previous assessment. Thus, the minor non-conformity escalated to major non-conformity during ASA 3.	
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	eRML-estate system was implemented where the full name, gender, date of birth, date of entry, years of service, position and wages were recorded in the system.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	All the workers employed in the estate have signed on the employment contract in the local languages. They have briefed on the terms and conditions during their pre-employment process and when arrival in One-Stop Centre. For local workers, all the terms and conditions are referring to the Collective Agreement signed between FGV Plantations (Malaysia) Sdn Bhd and <i>Kesatuan Pekerja-pekerja FGV Plantations (Malaysia) Sdn Bhd Semenanjung</i> which valid from 01/01/2019 to 31/12/2021.	Complied
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 -	FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate has implemented " <i>Kad Kerja</i> " system to record the working hours and overtime for all the workers. Verified the <i>Kad Kerja</i> and found the workers were paid accordingly.	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.	FGVPM Bukit Sagu 4 Estate and FGVPM Bukit Sagu 6 Estate has implemented " <i>Kad Kerja</i> " system to record the working hours and overtime for all the workers. Verified the <i>Kad Kerja</i> and found the workers were paid accordingly. Interviewed with the workers confirmed that they were given time to break. Overtime was in voluntarily basis.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	Wages and overtime payment were clearly indicated in the payslip and all the payment was according to the legal requirements and Collective Agreement.	Complied
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 -	The management has subsidized the cost of medical care of total RM 200 per year, RM 4 for water bill and RM 6 for electricity bill. Food baskets were provided to all workers and those who under quarantine. Free school bus was provided to the children of workers.	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 -	All workers are provided with housing facilities that furnish with sanitation facilities, water and electricity supplies. Water and electricity usage are subsidized by the company and these conditions are stated in the collective agreement. Interview with workers confirms that there is no issue related to the payment of water and electricity. Linesite inspection was carried out on weekly basis in FGVPM Bukit Sagu 4 Estate and on daily basis in FGVPM Bukit Sagu 6 Estate by HEP. Seen the checklist of Housing Inspection record.	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 -	FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company shall not tolerate any form of harassment and abuse including physical, sexual, psychological or verbal. Everyone shall be treated with respect and dignity.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Briefing to the workers was conducted on 20/04/2021 in FGVPM Bukit Sagu 4 Estate and 29/07/2021 in FGVPM Bukit Sagu 6 Estate.</p> <p>Gender Committee meeting was conducted on 13/12/2020 in FGVPM Bukit Sagu 4 Estate and 19/07/2021 in FGVPM Bukit Sagu 6 Estate. No issue was reported during the meeting. Interviewed with the gender representative confirmed that no sexual harassment issue reported.</p> <p>Complaint process for sexual harassment was established and briefed to the committee during the meeting.</p>	
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>FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where FGV recognises and respects employees' right to freedom of association and to collective bargaining.</p> <p>Briefing to the workers was conducted on 20/04/2021 in FGVPM Bukit Sagu 4 Estate and 29/07/2021 in FGVPM Bukit Sagu 6 Estate.</p> <p>FGV Plantations (Malaysia) Sdn Bhd has made a collective agreement with the <i>Kesatuan Pekerja-pekerja</i> FGV Plantations (Malaysia) Sdn Bhd <i>Semenanjung</i> which valid from 01/01/2019 to 31/12/2021. The last meeting was conducted on Year 2020 and there is no meeting carry out due to outbreak of pandemic COVID-19.</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>FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company is committed to employing only persons of the age of 18 and above, FGV recognises that Malaysian laws allow for young persons to be engaged in certain forms of employment. Therefore, no person shall be employed under the age of 15, and any employment of young persons shall not be in a manner that is likely to be hazardous, or to interfere with such</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>person's education, or to be harmful to the person's health or physical, mental, spiritual, moral, or social development at any stage of the employment.</p> <p>The company also established the procedure for Avoid the Employment of Child Labor (Doc. No.:ML-1A/L2-Pr18(0), Rev. 0 dated 01/06/2016) to have a standard guideline on compliance on child labour and young person employment and protect the rights of children from exploitation.</p> <p>Besides, the contractors/ third party service provider have signed on the Supplier Code of Conduct FGV Holdings Berhad where prohibition of child labour who underage of 18 to work in the premises.</p> <p>Document reviewed on the master list of employees and the contractor's workers found that no child labour sighted.</p>	
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>The estates have established an annual training programme for the year 2021 that covers various aspects such as policies, best practices, OSH, environment other trainings related to third party.</p> <p>Training records for employees available and maintained at the office. Records were verified on a sampling basis that covers all aspect of training and RSPO P&C requirement. Records of training were well maintained and made available for verification.</p>	Complied
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>The estates visited had conducted the training need analysis for all employees, management and contractors available in the Analysis Keperluan Latihan 2020. The training need analysis were conducted based on the job designation and training required by the job type.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Sighted the Training Need Analysis for the year 2021 for both estates.	
4.4.6.3	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. - Minor compliance -	A training programme has been developed and available in the Pelan Latihan 2021. The trainings were sighted to have also included Environment, GAP, Aspect & Impact, OSH, Work Activity, Policies and involves staffs, workers and contractors.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	FGV Holdings Berhad have implemented an Environmental Policy Statement undersigned by the Group CEO on 18/03/2020. (Doc Number: FGV/HSE/POL/002). The policy has been communicated to all workers, staffs and stakeholders during morning muster and regular meetings conducted.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	As per Borang Program Pengurusan Kualiti, Alam Sekitar, Sosial, Keselamatan & Kesihatan Pekerjaan; Form # FGV/FGVPM/F(IMS)/3.2 Pind 1; Date: 30/9/2019, the environmental plan covered the following objectives: <ul style="list-style-type: none"> • Reduction of diesel GHG emission by 1% from 2018 • Zero domestic waste contamination in workers housing and hostel area by 2019 • Reduction of non-renewable resources consumption • 100% handling of used PPE as Scheduled Waste SW409 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Sighted, Environmental Risk Assessment for the year 2021 in all Estates has been developed and the mitigation on the negative impacts and to promote the positive one being recorded under Waste & Pollution Management Plan.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Both estates have established the environmental management plan based on the Environmental Aspect Impact Identification. The estates continued to promote activities that gives positive impact to the environment by continuously provided awareness to the employee. The promotion was communicated through training briefing and signage.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	Awareness and training programs were regularly conducted by estates management to all employees from time to time during routine workers assembly and relevant trainings conducted as per the training program.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	<u>FGVPM Bukit Sagu 04 Estate</u> Environmental Issues were discussed simultaneously during the OSH Meeting dated 08.09.2021. <u>FGVPM Bukit Sagu 06 Estate</u> Environmental Issues were discussed simultaneously during the OSH Meeting dated 15.09.2021.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

Criterion / Indicator		Assessment Findings	Compliance												
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p><u>FGVPM Bukit Sagu 04 Estate</u></p> <p>Diesel usage has been monitored and documented in the document title monitoring diesel use per tonne of FFB in 2021. Details of the usage from May until September 2021 as per below</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Litre/FFB Produce</th> </tr> </thead> <tbody> <tr> <td>May</td> <td>2.04</td> </tr> <tr> <td>June</td> <td>2.37</td> </tr> <tr> <td>July</td> <td>1.93</td> </tr> <tr> <td>August</td> <td>1.42</td> </tr> <tr> <td>September</td> <td>1.30</td> </tr> </tbody> </table> <p>Major Non Conformity: 2116460-202110-M5</p> <p>FGVPM Bukit Sagu 06 Estate 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. Thus, Major non conformity has been raised.</p>	Month	Litre/FFB Produce	May	2.04	June	2.37	July	1.93	August	1.42	September	1.30	Major Non-Conformity
Month	Litre/FFB Produce														
May	2.04														
June	2.37														
July	1.93														
August	1.42														
September	1.30														
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The estate has estimated the direct usage of non-renewable energy in their operations on a yearly basis. This can be reflected in the annual budget in terms of amount spent for the usage of these energies.</p> <p>Major Non Conformity: 2116460-202110-M5</p> <p>FGVPM Bukit Sagu 04 Estate/ FGVPM Bukit Sagu 06 Estate There is no evidence that the estate has estimated the usage of diesel for year 2021. Thus, Major non conformity has been raised.</p>	Major Non-Conformity												

Criterion / Indicator		Assessment Findings	Compliance
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There were no opportunities to use renewable energy in both estates.	Not applicable
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste products and source of pollution has been identified and has been documented on the document title "Pelan Pengurusan sisa domestic dan bahan buangan". In the document has identified 2 source of pollution which are from the estate operation and office/quarters. For estate operation, empty fertilizers bags, tyres, scrap iron while for facilitates the management identified used lubricant and filter, domestic waste, plastic and glass.	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	Wastes management plan is developed based on the environmental aspects and impacts assessment. The mitigation measures were then derived from this exercise. The Waste Management Plans 2021 were established to mitigate and control the identified wastes and source of pollution. Generally, the scheduled wastes were disposed through licensed vendors, organic wastes were disposed through landfill and recyclable wastes were sent to recycle centres. Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated as per sample sighted for SW disposal as following: All scheduled waste is sent to FGVPM Bukit Sagu 4 Estate's Scheduled Waste Store which serves as the Centralized Collection Centre for all Scheduled Waste in the Certification Unit. Nevertheless, each operating	Complied

Criterion / Indicator		Assessment Findings	Compliance
		unit maintains its own internal inventory of scheduled waste generated and stored in their schedule waste store.	
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. - Major compliance -	Internal procedure for handling schedule waste has been established and documented in the document title Prosedur Operasi Standard (SOP) Pengurusan Pepejal document number FGVPM/L2/PAS-04 dated 23/01/2020 There is evidence that schedule waste has been disposed accordingly and compliance with legal regulations and procedure. Sighted consignment notes number 68935 for SW 409 and SW 410 that has been disposed through Greenverse Sdn Bhd on 20/08/2021.	Complied
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	There is evidence that empty chemical container that need to be disposed has been triple rinsed and punctured by the management base on the triple rinsed records. The empty chemical container has been disposed through licensed contractor, Greenverse Sdn Bhd as schedule waste latest on 20/8/2021 consignment note number 70028 Major Non Conformity: 2116460-202110-M6 FGVPM Bukit Sagu 06 Estate There is no evidence has been provided to the auditor that empty pesticides container has been punctured and disposed responsibly. Thus, Major Non Conformity has been raised.	Major Non-Conformity
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Waste Management Procedure; SOP No: FGVPM/I2/PAS-02; Revision 1.0; Date 23.01.2020 was used to guide the management of domestic waste in the estates.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>FGVPM Bukit Sagu 04 Estate had constructed the landfill at Block 15. The landfill was well constructed, far from water courses or housing areas. There was no evidence of Scheduled Waste disposed in the landfill. No open burning was done at the landfill.</p> <p>FGVPM Bukit Sagu 06 Estate had constructed the landfill at field P02. The landfill was well constructed, far from water courses or housing areas. There was no evidence of Scheduled Waste disposed in the landfill. No open burning was done at the landfill.</p>	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Assessment of all polluting activities has been conducted and documented in the document title Pelan Pengurangan pencemaran dan pemantau kesan perlepasan gas rumah hijau (GHG) tahun 2021.</p> <p>Assessment has been done for all activities that significant for emission such as diesel usage, chemical usage, inorganic fertilizers, domestic waste and recycling activities.</p>	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Action plan to reduce the identified significant pollutants and emission has been documented in the same document of assessment in the document title Pelan Pengurangan pencemaran dan pemantau kesan perlepasan gas rumah hijau (GHG) tahun 2021.</p> <p>Several management plans has been established by the management such as to monitor the usage of diesel and to socialize the workers on diesel usage, to apply inorganic fertilizers as per recommendation by the expert and to reduce the usage of paper.</p>	Complied
Criterion 4.5.5: Natural water resources			

Criterion / Indicator	Assessment Findings	Compliance
<p>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:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>Water management plan has been established by the management of both estates and has been documented in the document title Pelan Pengurusan Air that has been prepared by Mr Mohd Raziman Affandi bin Mohd Jaafar.</p> <p>The water management plan has been divided into 2 category which are in the estate operation area and office/quarters.</p> <p>For estate operation area, the management has plan to apply EFB and to construct silt pit for water catchment area.</p> <p>As per estate map that has been provided to the auditor, there is no river that flowing through the estate.</p>	<p>Complied</p>
<p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Not applicable since there no bunds, weirs and dams has been constructed.</p>	<p>Not applicable</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.5.3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>Rainwater harvesting implemented through construction of side pit along strategic area of field road</p>	<p>Complied</p>
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>		
<p>4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>Based on the biodiversity report, there was no RTE species found in all the estates. Nonetheless, the monitoring plan of wildlife was established and implemented. Education about the status of RTE has been given to workforce through a muster briefing from time to time. Signage to restrict hunting and intrusion have been put up at many places at the estates especially at the points of entry to create awareness among the workers and surrounding communities.</p>	<p>Complied</p>
<p>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:</p> <ul style="list-style-type: none"> 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 	<p>Educational activities on RTE species were done through a few means such as briefings/training and no hunting signage. Interview with workers showed that they have a good understanding in the restriction of hunting or endangering the RTE species.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>		
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The Biodiversity Improvement Plan 2021 being established at all Estates and subsequently implement it effectively. The Plan were divided into two stages, Immediate and Long Term.</p> <p>a. Immediate</p> <ol style="list-style-type: none"> 1. Total Protection of substantial Mangrove (HCV) 2. On-site identification of all habitat areas.to mark the area in HCV map. 3. To brief workers on the RTE species sighted inside or nearby estate. 4. To immediate report any sight of RTE species to SQD / Jab. Perhilitan. <p>b. Long Term</p> <ol style="list-style-type: none"> 1. Protection of substation mangrove 2. To map area that falls into buffer zone base on Agriculture manual 3. To put buffer zone peg on the ground 4. To have erosion and road maintenance program 5. To map the bare area, Guatemala planting, vertivar planting, road maintenance, culvert and roadside drain maintenance program 	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	The operating units adhered to the policy of "Zero open burning" for any replanting. From interviews with the workers there is no open burning being practiced in the estates. For replanting land preparation, palms are felled, chipped and windrowed as required in the company's procedure.	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 -	Not applicable since there is no significant risk of disease has been identified for all estates.	Not Applicable
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 controlled burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Not applicable
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at sampled estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			

Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has documented document title SOP Operasi- Sawit lestari 2018 which has been divided into 5 section that are nursery, replanting, immature, mature and fertilizer application.</p> <p>There is evidence that the implementation of the SOPs has been done base on the agronomist visit that has been verified base on the report title "Performance yield analysis Q 2021 FGVPM Kuantan Region that has been prepared by Mr Mohd Khairil Mohammad.</p> <p>Sample has been taken by the auditor for implementation of SOPs for barn owl box where total 35 BOB has been set by FGVPM Bukit Sagu 04 Estate and has been monitored on monthly basis in document maklumat kotak sarang burung hantu. Base on the monitoring that has been done, 62% has been identified occupied and additional BOB will be constructed in year 2022.</p>	Complied
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>In addressing the difference of the estate terrain FGVP had a management strategy in place for planting on slopes and to minimize and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was stated in Polisi Perlindungan Tanah Curam Dan Rezab Sungai formalized on 01/6/2014. In addition there are also guidelines and procedures as stated in Manual Lestari. Both estates had complied with this strategy.</p> <p>It was observed that practices to minimize and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. It was observed in both mature and immature areas that slopes were terraced. .</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Field marking were available and sighted at both estates visited through video call.	Complied						
Criterion 4.6.2: Economic and financial viability plan									
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The sampled estates have documented an annual business plan in the form of an annual budget and the projection for 3 years prepared as a guidance for future planning. The business plan contains Projected Crop, Maintenance & Supervision, General Charges and Financial Cost.	Complied						
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 -	An annual replanting programme is available projecting the proposed replanting programme from 2024 to 2026. The programme is as follows: <table border="1" data-bbox="1070 912 1435 1018"> <tr> <td>2024</td> <td>0</td> </tr> <tr> <td>2025</td> <td>392.59</td> </tr> <tr> <td>2026</td> <td>358.04</td> </tr> </table>	2024	0	2025	392.59	2026	358.04	Complied
2024	0								
2025	392.59								
2026	358.04								
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 -	The sampled estates have documented an annual business plan in the form of an annual budget and the projection for 3 years prepared as a guidance for future planning. The business plan contains Projected Crop, Maintenance & Supervision, General Charges and Financial Cost.	Complied						

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Major compliance -</p>	<p>The estates performances were recorded in the monthly progress report.</p> <p>a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.</p> <p>b) The management also provides variance report on the performance and reviewed on a monthly basis.</p> <p>c) The supervisory personnel maintained a daily cost for the field operations.</p>	<p>Complied</p>
<p>Criterion 4.6.3: Transparent and fair price dealing</p>		
<p>4.6.3.1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Payment term was explained in the procedure of <i>Mengangkut Buah Tandan Segar Sawit dari Pusat Pengumpulan (RAMP) ke Kilang Memproses</i> with Doc. No.: FGVPM(P)0110 dated June 2017. The payment will be made once a month based on the approved FFB tonnage.</p>	<p>Complied</p>
<p>4.6.3.2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>The contractors have signed an agreement/ <i>Surat Perintah Kerja</i> prior to work. Sampled the agreement for the contractors Sri Chakra Enterprise (SPK# 53000072852) for transporting FFB from platform to bin and Arah Bermaju Enterprise (SPK# 5300004726) for transporting FFB from platform to mill.</p> <p>Seen the payment records as below:</p> <ol style="list-style-type: none"> 1. INV# AB0059 dated 03/09/2021; Payment was made on 10/09/2021 with Payment Voucher# 350290613. 2. INV# 0059 dated 06/09/2021; Payment was made on 10/09/2021 with Payment Voucher# 350290615. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		3. INV# AB0060 dated 03/09/2021; Payment was made on 10/09/2021 with Payment Voucher# 350290632.	
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information. - Major compliance -	The contractors engaged by the estates has been signed on the addendum for MSP0 requirements and they have been briefed on the MSP0 requirements. Interviewed with the contractor also found that he understood the requirements of MSP0. Besides, the contractors have signed on Supplier Code of Conduct FGV Holdings Berhad where stated all the requirements to be complied by the contractors.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors have signed an agreement/ <i>Surat Perintah Kerja</i> prior to work. Sampled the agreement for the contractors Sri Chakra Enterprise (SPK# 53000072852) for transporting FFB from platform to bin and Arah Bermaju Enterprise (SPK# 5300004726) for transporting FFB from platform to mill.	Complied
4.6.4.3	The management shall accept MSP0 approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	As per the addendum signed in indicator 4.6.4.1, the contractors agreed to accept auditors to verify the assessment 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 -	On FFB transporters a reconciliation databank monthly from mill is reconciled through monthly report by estate and agreed by contractor.	Complied
4.7 Principle 7: Development of new planting			

Criterion / Indicator	Assessment Findings	Compliance
FGVPM Bukit Sagu 04 and FGVPM Bukit Sagu 06 estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this assessment. The immature areas are replanted area.		
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 as no development of new planting.
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	NA as no development of new planting.
Criterion 4.7.2: Peat Land		
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	NA as no development of new planting.
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)		
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	NA as no development of new planting.

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	NA as no development of new planting.	Not applicable
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 as no development of new planting.	Not applicable
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 as no development of new planting.	Not applicable
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 as no development of new planting.	Not applicable
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 as no development of new planting.	Not applicable

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils		
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	NA as no development of new planting.
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 as no development of new planting.
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	NA as no development of new planting.
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 as no development of new planting.
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	NA as no development of new planting.

Criterion / Indicator		Assessment Findings	Compliance
	- Minor 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 as no development of new planting.	Not applicable
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 as no development of new planting.	Not applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	NA as no development of new planting.	Not applicable
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 as no development of new planting.	Not applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	NA as no development of new planting.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	NA as no development of new planting.	Not applicable

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 -	FGV Holdings Berhad has established Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0) which approved by Board of Directors on 17/11/2020. The objective of the policy is to establish the objectives and guidelines for FGV Holdings Berhad and its Group of Companies (collectively referred to as the “FGV Group” or “Group”) for the fulfilment of FGV’s commitments with regard to sustainability matters.	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 -	In Clause 5.0 of the policy above has emphasized the company will continuously improve the quality of their products and services by adopting the best possible approaches to enhance productivity and profitability by optimising resources and operational efficiencies, while eliminating or minimising negative impact on people and the environment.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	FGV Holdings Berhad has developed Sustainability Certification Internal Audit Procedure (SOP No.: FGV/GSD-SCCD/SOP/04, Ver. 0 dated 03/09/2020) as a guideline to carry out internal audit for the certification standards such as RSPO, MSPO, ISCC and other sustainability certifications. The frequency of the internal audit is at least once a year. Seen the Internal Audit Schedule was issued to all the operating units. The internal audit was scheduled from 12 – 15/07/2021 for FGV PISB Bukit Sagu	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Complex. Checklist for Integration Internal Audit of Sustainability 2021 was sighted where the internal audit team has audited based on six main aspects such as social, environmental, economy, acts & regulations, policies and management documents.	
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 -	As verified in the Checklist for Integration Internal Audit of Sustainability 2021 found total 6 non-conformities were raised during the last internal audit. Root cause was identified with correction taken. All the non-conformities were closed accordingly.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The result of the internal audit was available to the management with the corrective action plan developed. The results of internal audit were reviewed and discussed during the management review meeting conducted on 06/09/2021.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The last management review meeting was conducted on 06/09/2021 with total 13 participants. The meeting was chaired by the Mill Manager. The input that had discussed during the meeting as below: <ol style="list-style-type: none"> 1. Results of audit 2. Customer feedback 3. Environmental (Aspect & Impact) 4. Continual improvement plan 5. Management studies 6. Social 	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	The management for FGV PISB Bukit Sagu POM has established continual improvement plan and has been documented in the document number FPI/L4/QOHSE-3.1 Pind 0 for year 2021. The management has developed several plan such as to achieve BOD limit for effluent pond below than 100ppm by 31/12/2021, to achieve kernel extraction rate (KER) at 5.15%, to resolve any complaint within the timeframe and to established online monitoring system to reduce the usage of paper.	Complied
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 -	FGV PISB Bukit Sagu POM has install CCTV systems at the chimney to monitor the smoke online. Other than that, the management has upgrade internet connection in the mill compound by using TELCO which previously using satellite in order to have internet stability for online monitoring.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	FGV PISB Bukit Sagu POM has issued a memo on the list of documents that are publicly available upon requested by the stakeholders on 02/04/2021. A booklet related on sustainability of FGV Group was given to stakeholders where the information of publicly available documents was stated in the booklet.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative	FGV PISB Bukit Sagu POM has issued a memo on the list of documents that are publicly available upon requested by the stakeholders on 02/04/2021. The memo was publicly displayed at the notice board outside the office.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	environmental or social outcomes. - Major compliance -	<p>List of documents that made publicly available as below:</p> <ol style="list-style-type: none"> 1. Land title 2. OSH plan 3. Environmental and social management plan 4. SEIA report 5. HCV report 6. Complaint and grievance procedure 7. Land dispute procedure 8. Policies such as Human Rights and Group Sustainability Policy 9. Assessment report of audits <p>Besides, documents such as company's policies, Supplier Code of Conduct and grievance procedure is accessible by the stakeholders via company's website: Policies & Guidelines - FGV Holdings Berhad.</p>	
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 Holdings Berhad has established SOP ' <i>Komunikasi, Penglibatan dan Rundingan</i> ' (Doc. No.: FGV/ML-1A/L2-Pr12, Issue 1 dated 01/06/2016). The objective of the SOP is to establish an effective system for communication between company and stakeholder. The stakeholders were briefed on the procedure during meeting on 10/10/2020.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> .	Area Quality Supervisor has been appointed as Communication Officer for mill and seen the appointment letter dated 28/08/2020.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
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 -	Stakeholder list was established that include the local communities, local authorities, contractors and suppliers. Stakeholder meeting was conducted on 01/10/2020 in FGVPISB Bukit Sagu POM which involved contractors, suppliers, schools' representative and neighbouring plantations. There was no issue reported by the stakeholders as verified in the stakeholder meeting minutes.	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 -	Internal procedure for traceability has been documented in the document title MSPO supply chain certification (Kilang Sawit) document number FGV/GSD-SCC/SOP/006 dated 07/01/2021. Mentioned in the procedure the responsibilities for implementation of the procedure, types of records that need to be maintained, and procedure flow chart.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Inspection in the traceability system has been done on annual basis during the internal audit and report on the inspection has been documented in the checklist integrase audit dalaman pensijilan kelestarian 2021 that has been done on 12-16/07/2021.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	Traceability in the mill to be responsible for the implementations of the SCCS requirements and compliance with all applicable requirements as sighted in the appointment letter dated 04/01/2021 undersigned by the Mill Manager. Interview with the sampled personals (Weighbridge Clerk & Auxiliary Police) indicated that they understood the SCCS procedures.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.	The accompanying documents of incoming FFB from own estate are estate's weighing bridge tickets which has the info about name of estate, RSPO	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	certificate number, weighbridge ticket number, seal number, date of delivery, field number, number of bunches. Upon arrival at the mill, the mill issues its weighbridge ticket as confirmation of receipt. The estate's ticket number is recorded in the mill's ticket number. FGVPISB Bukit Sagu Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports.	
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 -	The FGVPISB Bukit Sagu POM continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. Among the evidence of compliance verified are as follows: a) MPOB License #500202104000, valid until 31/03/2022 b) CF for UPV, #PMT-PH/21 39071, valid until 17/04/2022 c) Permit to store diesel, #C001796, valid until 08/04/2024 d) Permit to extract water source, #0067, valid until 31/12/2021 e) FGVPISB Bukit Sagu POM: JTK Salary deduction permit; Serial no. PP 3/34/1385; Date: 28/1/2009	Complied
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	The mechanism is guided by Manual Procedure, Perundangan Dan Lain-Lain Keperluan Kawalan (Legal and Other Requirements) [FPI/L2/QOSHE-2.0]. The Assistant Mill and/or Estate Managers are the persons responsible to conduct the evaluation of compliance. In the legal register there is a column to record the status of compliance and it was done by the assistant	Complied

Criterion / Indicator		Assessment Findings	Compliance
		managers. The report of status of compliance helps the management to get the information about non-compliance with legal requirement (if any) and subsequently take the necessary action.	
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 -	Legal register has been updated latest on September 2021 where there is new legal requirement has been added.	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 -	FGVPISB Bukit Sagu POM has appointed Ramdan Bin Hashim as the PIC responsible for Legal and Other Requirements. Sighted the appointment letter undersigned by the Mill Manager dated 02/08/2021.	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 -	FGVPISB Bukit Sagu POM has the legal land use rights and the land is belong to FGV Palm Industries Sdn Bhd. This has verified through the land title # 17995, Lot No.: PT 1129 for the usage of palm oil factory. This has confirmed with the village representative that no land dispute was reported. Boundary stone was available to demarcate the boundary.	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 -	FGVPISB Bukit Sagu POM has the legal land use rights and the land is belong to FGV Palm Industries Sdn Bhd. This has verified through the land title # 17995, Lot No.: PT 1129 for the usage of palm oil factory.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The mill has demarcated the boundaries using the pole and seen the boundary map. Verified the Boundary Pole# 14 (GPS: 3.962583°, 103.157605°) and Boundary Pole# 18 (GPS: 3.960251°, 103.158431°).	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute reported during the time of audit by verified through interview with the village representative.	Not applicable
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 -	There was no land dispute reported during the time of audit by verified through interview with the village representative.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There was no land dispute reported during the time of audit by verified through interview with the village representative. There was no customary land sighted in this complex.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There was no land dispute reported during the time of audit by verified through interview with the village representative.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SIA was conducted on 19/09/2019 for FGVPISB Bukit Sagu POM by the Sustainability Compliance and Certification Department. The methodology of the assessment was through sampling of stakeholders to be interviewed. Stakeholders were consulted during the stakeholder meeting as well. Positive and negative impacts were identified and incorporated into the Management Plan dated 19/09/2019. Sampled one of the negative impacts as below:</p> <p>1. Issue: Screen of monitor of CCTV was broken which caused the monitoring process cannot be done.</p> <p>Action to be taken: The management will improve by replace the monitor screen.</p> <p>Status: The management engaged contractor to upgrade the CCTV system and replace the screen. Seen the SPK# 3301493623 dated 20/05/2021.</p> <p>Minor NC's : 2116460-202110-N2</p> <p>However, there was no social management plan developed/ reviewed for Year 2021 in FGVPISB Bukit Sagu POM as per the procedure Kajian Penilaian Impak Sosial (SIA) (SOP No.: FGV/GSD-SCCS/GL/02, Rev. 0 dated 08/03/2021). Thus, Minor Non Conformity has been raised</p>	Minor Non-Conformity
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	FGV has established SOP for " <i>Menangani Aduan dan Rugutan</i> " with Doc. No.: FGV/ML-1A/L2-Pr13 dated 01/04/2019. The procedure is to provide a system	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	for the internal and external stakeholders to lodge complaint and grievances to the management. The complaints will be solved in 14 days (first stage), 14 days (second stage). The complaint has to be resolved within 2 months from the date of discussion in third stage. Besides, whistleblowing e-form was available in company's website, <u>Grievance - FGV Holdings Berhad</u> for the stakeholders to report a grievance.	
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 -	FGVPISB Bukit Sagu POM has implemented Complaint Book to record any complaints and Housing Defect Form to allow the workers to lodge complaint on the housing defect. Sampled the complaint as below: 1. House No.: F 13 dated 01/03/2021 Issue: Broken roofing, door and drainage. Action Taken: The management has instructed the contractor to repair and seen the <i>Surat Perintah Kerja</i> # 3301497809/ 20938885 dated 14/06/2021. The complainant has acknowledged on 04/05/2021 after action taken.	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 -	There was a Complaint Box in front of the office with Complaint Form available. The stakeholders and workers have access to the form to lodge complaint if any. A memo dated April 2021 was issued to explain the method on reporting complaint and grievances.	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 -	The procedures were briefed to the external stakeholders on 01/10/2020. Interviewed with the stakeholders confirmed that they are understand on the process of complaint and grievances.	Complied

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 -	Records of complaint were available for the past 24 months.	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 -	FGVPISB Bukit Sagu POM has made contribution by supplying foods for workers who were underwent quarantine due to Covid-19 and during MCO. Seen the photo evident of the contribution made. Besides, the mill has provided job opportunity to the local communities where the workforce in the mill is 100% from local communities.	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 -	FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the Group CEO on 08/05/2019. The policy has been recently communicated to all mill staffs and workers on 14/09/2021 and to the stakeholders on 15/06/2021.	Complied
4.4.4.2	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented.	a) FGV Holdings Berhad has established Safety and Health Policy and documented in Quality, Occupational Safety and Health and Environmental Policy signed by the Group CEO on 08/05/2019. The policy has been recently communicated to all mill staffs and workers on 14/09/2021 and to the stakeholders on 15/06/2021.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <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>b) The certification unit has assessed and identified significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and determining control (HIRADC) records, as well as CHRA reports were verified during the assessment. For example, CHRA for FGVPIB Bukit Sagu POM was last conducted on 27/07/2019 by registered assessor [#JKKP HIE 127/171/2/(8)]. Noise Risk Assessment (Baseline) was last conducted on 25/07/2020 by a registered assessor [#HQ/18/PEB/00/00021].</p> <p>c) The mill has established a training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager and Asst. Manager to the supervisors and operators. Sighted the training records as follows:</p> <ul style="list-style-type: none"> • SOP Training – Chemical Handling: 19/03/2021 • PPE Training: 15/07/2021 <p>d) The mil has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and CHRA Recommendations. Sighted during site visit at the boiler station, workshop and engine room station, the workers were provided with leather gloves, mask, earplug, safety helmet and safety shoes. The workers acknowledged that the are entitled to appropriate PPE free of charge by the management.</p> <p>e) FGVPIB Bukit Sagu POM comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining chemicals were kept in the store and securely locked and comply with regulation. Chemical</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Register was available with all used chemicals listed in the register dated 22/07/2021.</p> <p>f) Mill Manager, En. Muhammad Syafiq bin Sarani was appointed to be the Chairman of OSH Committee at the mill as per letter signed by the Regional Controller 1, dated 01.02.2021. Mill management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager</p> <p>g) The effectiveness of OHS plan is monitored through various platforms such internal audit, workplace inspection by safety officer and safety committee meeting. All the reports for internal audit, workplace inspection and meeting minutes were well maintained and made available for verification. The last two workplace inspections were conducted on 12/04/2021 and 05/10/2021. Based on the records, the mill has taken or in progress of taking action for the lapses identified by the safety officer.</p> <p>h) Accident & Emergency Response Plans are available for Emergency Contact Number, Emergency Evacuation, First Aid Locations, Fire Extinguisher Locations, Emergency Response Plans (Fire, Chemical Spillage, Chemical Contamination, Flood and Accident) and displayed at strategic locations around the mill, estate office and stores. The competent persons are appointed and trained to be part of the Emergency Response Team. Appointment letters were sighted in the POM.</p> <p>i) The assigned first aiders were present at the site visited. They showed understanding on the contents and usage of the items in the First Aid Kits. First aid kits were available at the sampled locations mentioned in</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>the First Aid Kit Location Map. Sampled First aid Kit boxes showed regular maintenance and records of the usage.</p> <p>j) Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard. The display has the information about number of days without incident, incident category, number of incidents, and date of updating.</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>FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company respect human rights by upholding international human rights principles and standards as encapsulated in the Universal Declaration of Human Rights (UDHR), and other applicable international human rights treaties, subject to the laws and regulations of the countries and territories in which FGV Group operates. In fulfilling its responsibility to respect human rights, FGV Group is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs).</p> <p>Briefing to the workers was conducted on 01/03/2021 in Bukti Sagu POM.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company where no person shall be subjected to any discrimination in employment, including hiring, compensation, advancement, training, disciplinary action, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, gender identity, nationality, political opinion, social group, ethnic origin, reproductive rights or other forms of discrimination.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Briefing to the workers was conducted on 01/03/2021 in Bukti Sagu POM.	
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Total 11 workers' payslips and employment contracts were sampled and found that the workers were paid according to the company's policy, Collective Agreement which valid from 01/01/2019 to 31/12/2021 and legal requirements.	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	The workers have signed on the employment contract prior to work. Terms and conditions were clearly stated in the employment contract. Major NCs: 2116460-202110-M2 However, reviewed total 4 payslips for January 2021, May 2021 and August 2021 found that the SOCSO contribution and Employment Insurance System (EIS) contribution was not made according to the Employees' Social Security Act 1969 (Act 4) and Employment Insurance System (Act 800). The contribution made was not following the rate of contribution based on the actual monthly wages of the month. Sampled of workers as below: 1. I/C No.: 010710-06-05XX 2. I/C No.: 970414-06-57XX 3. I/C No.: 900314-06-51XX Besides, reviewed the FFB Sorters Calculation form and payslips for May 2021 and August 2021 found that the following workers were not paid accordingly:	Major Non-Conformity

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings				Compliance
		I/C No.	Month	Days/ Hours in FFB Sorters Calculation form	Days/ Hours in payslips	
		970414-06-57XX	August 2021	24 days normal working day; 28.0 hours normal OT; 1 day work on PH; 1 hour OT on PH	21 days normal working day; 26.5 hours normal OT; 1 day work on PH; 1 hour OT on PH	
		010710-06-05XX	May 2021	21 days normal working day; 20.5 hours normal OT; 1 day work on PH	18 days normal working day; 17.5 hours normal OT	
			August 2021	23 days normal working day; 33.5 hours normal OT; 1 day WDR; 2.5 hours OT on WDR; 1 day work on PH; 1 hour OT on PH	22 days normal working day; 40.0 hours normal OT; 1 day work on PH; 1 hour OT on PH	
		This is recurrence of minor non-conformity from previous assessment. Thus, the minor non-conformity escalated to major non-conformity during ASA 3.				
4.4.5.5	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	FlexHRESS (HRMS) was implemented where the full name, gender, date of birth, date of entry, years of service, position and wages were recorded in the system.				Complied

Criterion / Indicator		Assessment Findings	Compliance
	of entry, a job description, wage and the period of employment. - Major compliance -		
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	All the workers employed in the mill are local and they have been signed on the offer letter. All the terms and conditions are referring to the Collective Agreement signed between FGV Palm Industries Sdn Bhd and <i>Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung</i> which valid from 01/01/2019 to 31/12/2021.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	FGVPISB Bukit Sagu POM has implemented "Punch Card" system to record the working hours and overtime for all the workers included the contractor's workers (sorters). The data was manually transferred from punch card into <i>Borang Permohonan Kerja Lebih Masa</i> .	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	FGVPISB Bukit Sagu POM has implemented "Punch Card" system to record the working hours and overtime for all the workers included the contractor's workers (sorters). The overtime was paid accordingly as verified through the payslips. No overtime has exceeded the allowable limit of 104 hours.	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 -	Wages and overtime payment were clearly indicated in the payslip and all the payment was according to the legal requirements and Collective Agreement.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as	The management has provided bonus and yearly increment based on performance of the workers. Seen the letter of bonus payment and increment	Complied

Criterion / Indicator		Assessment Findings	Compliance
	incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	of salary as seen in the pay slips. Medical support for RM 5000/ year for outpatient to the workers.	
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	All workers are provided with housing facilities that furnish with sanitation facilities, water supplies and electricity. Water and electricity are connected to the national supply and grid. Water usage is subsidized by the company. Linesite inspection was carried out twice a month. Seen the <i>Rekod Pemantauan Perumahan Petugas/ Pekerja</i> where the last inspection was conducted on 26/09/2021 and checked on 30/09/2021 by Admin.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company shall not tolerate any form of harassment and abuse including physical, sexual, psychological or verbal. Everyone shall be treated with respect and dignity. Briefing to the workers was conducted on 01/03/2021 in Bukti Sagu POM. Gender Committee meeting was conducted on 20/02/2021. Seen the meeting minutes and found no issue reported.	Complied
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be	FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where FGV recognises and respects employees' right to freedom of association and to collective bargaining. Briefing to the workers was conducted on 01/03/2021 in Bukti Sagu POM. FGV Palm Industries Sdn Bhd has made a collective agreement with the <i>Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung</i> which valid from 01/01/2019 to 31/12/2021. Therefore, Workers' Association was	Complied

Criterion / Indicator		Assessment Findings	Compliance
	discriminated against or suffer repercussions. - Major compliance -	established to act as a channel for the workers to express their issues related to work. The last meeting was conducted on 25/06/2021 through online and meeting minutes was sighted. There was no issue reported.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	<p>FGV Holdings Berhad has developed Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the company is committed to employing only persons of the age of 18 and above, FGV recognises that Malaysian laws allow for young persons to be engaged in certain forms of employment. Therefore,</p> <p>no person shall be employed under the age of 15, and any employment of young persons shall not be in a manner that is likely to be hazardous, or to interfere with such person’s education, or to</p> <p>be harmful to the person’s health or physical, mental, spiritual, moral, or social development at any stage of the employment.</p> <p>Besides, the contractors/ third party service provider have signed on the Supplier Code of Conduct FGV Holdings Berhad where prohibition of child labour who underage of 18 to work in the premises.</p> <p>Document reviewed on the master list of employees and the contractor’s workers found that no child labour sighted.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.	The mill and estates have established an annual training programme for the year 2021 that covers various aspects such as policies, best practices, OSH, environment other trainings related to third party.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Training records for employees available and maintained at the office. Records were verified on a sampling basis that covers all aspect of training and RSPO P&C requirement. Records of training were well maintained and made available for verification.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The mill has a training program which is updated annually. Sighted the Training plan for FY 2021.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad have implemented an Environmental Policy Statement undersigned by the Group CEO on 18 March 2020. (Doc Number: FGV/HSE/POL/002). The policy has been recently communicated to all mill staffs and workers on 14/09/2021 and to the stakeholders on 15/06/2021.</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 Holdings Berhad have implemented an Environmental Policy Statement undersigned by the Group CEO on 18 March 2020. (Doc Number: FGV/HSE/POL/002). The policy has been communicated to all the workers and staff and has been verified base on the training records that has been done on 5/1/2021 to all the staff and workers.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	Environmental policy that has been established by FGV Holdings Berhad has clearly define the management commitment on environment issues. Mentioned in the policy that the management is committed to comply with any local regulation related to environment, commitment to protect environment with several steps and effort. Aspect and impact analysis has been done and has been documented in the document title Identification of environmental aspect and evaluation of significance form document number FPI/L4/QOHSE 1.7 pindaan 2. Sample has been taken for digester and press station and EFB disposal area.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Positive impacts on the use of renewable energy source i.e. mesocarp fiber for boiler fuel were included in the continual improvement plan by optimizing the mill efficiency.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	Awareness and training programs were regularly conducted by the mill management to all employees from time to time during routine workers assembly. Among the trainings conducted were; 1. HCV Management Policy Training – 07/08/2021 2. Recycling Policy Training – 05/06/2021 3. No Open Burning Training – 14/06/2021	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Regular meeting for environmental has been conducted and latest meeting has been done on 18/03/2021 with attendance of employer and employee representative. Issues that has been discussed is related to disposal of schedule waste, instalment for CEMS by Prodata and application for licence renewal.	Complied

Criterion / Indicator		Assessment Findings	Compliance												
Criterion 4.5.2: Efficiency of energy use and use of renewable energy															
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	<p>Diesel usage has been monitored on monthly basis and has been documented in the document title Lapuran penggunaan disel 2021 (litre/mt). Details of usage as per below</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Litre/Mt</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>3.65</td> </tr> <tr> <td>February</td> <td>1.79</td> </tr> <tr> <td>March</td> <td>1.61</td> </tr> <tr> <td>April</td> <td>1.50</td> </tr> <tr> <td>May</td> <td>0.91</td> </tr> </tbody> </table>	Month	Litre/Mt	January	3.65	February	1.79	March	1.61	April	1.50	May	0.91	Complied
Month	Litre/Mt														
January	3.65														
February	1.79														
March	1.61														
April	1.50														
May	0.91														
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 mill's yearly budgets. The management has estimated total 174,000 litre of diesel will be used for year 2021 and as at September 2021, total 181, 000 litre has been used.	Complied												
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. The mill has plan to implement the methane capture program. For the time being implementation still pending due to budgeting	Complied												
Criterion 4.5.3: Waste management and disposal															

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Identification of waste product and source of pollution has been documented in the document title pengenalpastian sumber & jenis bahan buangan. The list of waste has been categorized into 3 category which schedule waste, non schedule waste and other waste.	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: 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. - Major compliance -	Waste management plan has been documented in the same document for identification of waste where the management plan has been established for each waste thar has been identified. For schedule waste, the management has plan to disposed through licensed contractor, mesocarp and fibre to be recycle to generate energy.	Complied
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -	Standard operating procedure for handling schedule waste has been documented in the document title Pengurusan Bahan Buangan document number FPI/L2/QOHSE-9.0. In the procedure has outline the process out schedule waste disposal. Sample of disposal has been taken for SW 305 that has been disposed on 23/06/2020 and SW309 on 01/04/2021 through Pentas Flora (Kuantan) Sdn Bhd. There is evidence that schedule waste has been properly managed by the management and compliance with legal regulations.	Complied
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste was disposed in designated landfill located in Felda Bukit Sagu 02, which is far from any housing area and natural water sources. Sighted the records of domestic waste collected 2 times a week for the month of July, August and September 2021.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Environmental impact assessment was guided by the Environmental Aspect and Impact Evaluation procedure [FPI/L2/QOSHE-1.0C]. The identification of Environmental Aspects and Evaluation of Significance Form [FPI/L4/QOSHE-1.7 Pind 0] was used to identify and evaluate the environmental aspect and impact.</p> <p>The evaluation was divided by workstations such as loading ramp, sterilizer, trashing & press, incinerator, oil room, bulk storage tank, raw water treatment plant, boiler, ETP, laboratory, diesel tank, workshop, SW store, EFB stock pile to name a few.</p> <p>Significant Environmental Aspect and Impacts Register Form [FPI/L4/QOSHE-1.8 Pind 0] was used to register the mitigation method which basically link to the Manual Operation procedures.</p> <p>The evaluation of EAI was last updated on 24/02/2020 with the Evaluation Report available for verification.</p>	<p>Complied</p>
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Mitigation measure is established based on identified significant aspect from the environmental aspect and impact evaluation. In general, among the examples of mitigation measures are:</p> <ul style="list-style-type: none"> a) Implementation of standard and/or safe operating procedures e.g. construction of terrace and establishment of cover crop at replanting area operations at hilly terrain b) Implementation of emergency response plan c) Provision of premix area d) Construction of oil trap 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>e) Recycling wastes</p> <p>Stack Emission Monitoring was done twice yearly in accordance with the Jadual Pematuhan by DOE. Sighted the reports for year 2021.</p>	
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The mill applies the biological system with an anaerobic lagoon and tertiary plant (membrane plant) in series for its treatment of effluent. The quality of discharged effluent was analysed every week and the parameters are pH, BOD, COD, TS, SS, OG, AN and TN. Based on the quarterly report to the Department of Environment, generally, the Palm Oil Mill has complied with the regulated limit.</p>	Complied
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> <p>a) Assessment of water usage and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>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>	<p>Water Management Plan have been established and documented in "Pelan Pengurusan Air". Among the management plans established were:</p> <ul style="list-style-type: none"> - Evaluation of water consumption and water sources - Monitoring of negative impact to the environment - Steps to optimise water consumption through water saving method - Control of fertility and soil moisture - Monitoring of water management <p>Based on site visit at the workers quarters, clean water was adequately provided.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major 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 -	The mill applies the biological system with an anaerobic lagoon and tertiary plant (membrane plant) in series for its treatment of effluent. The quality of discharged effluent was analysed every week and the parameters are pH, BOD, COD, TS, SS, OG, AN and TN. Based on the quarterly report to the Department of Environment, generally, the Palm Oil Mill has complied with the regulated limit.	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 -	As for the mill, 3-tier Documentation System was in place: 1. Tier 1: QOHSEMS Management Manual; Doc. no.: FPI/L1/QOHSE-1.0; Rev. 1.0; Date: 18/11/2016 2. Tier 2: QOHSEMS Procedure; Doc. no.: FPI/L2/QOHSE- 1.0 – FPI/L2/QOHSE-25.0; Rev. 14; Date: 31/05/2017 3. Tier 3: QOHSEMS Specific Work Instruction; FPI/L3/1-01 - FPI/L3/16-01; Rev. 24; Date: 31/05/2017; i.e. Palm Oil Mill Operation Manual and amendments covering every station from the security gate for reception of FFB until the delivery of processed oil and POME management.	Complied

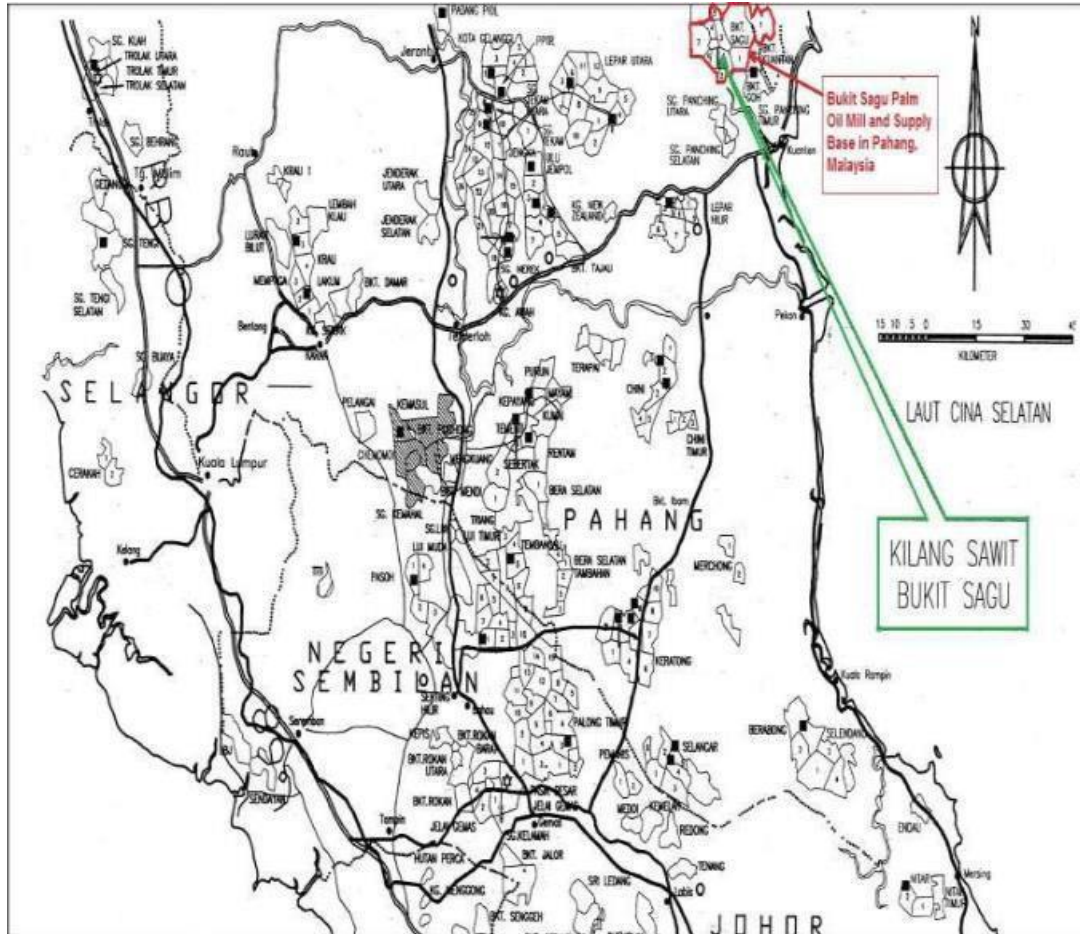
Criterion / Indicator		Assessment Findings	Compliance
		Sighted the latest SOP for Movement Control Order (Document Number: FPI-PK-115. Date: 08/05/2020	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Among the mechanism to check consistent implementation of procedures at the estates were daily field supervision, taskforce visits, daily grading by Estate Quality Inspector (EQI), agronomist visit and regional office audit (CDD unit) to name a few. Records of monitoring were well maintained by the estates and mill. Among the records verified were daily grading report, CDD unit audit report and agronomist report.	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 -	FGVPISB Bukit Sagu POM has documented an annual business plan in the form of annual budget and the projection for 5 years (until 2026) prepared as guidance for future planning. The business plan contains the information about FFB processed, Estimated CPO Price, Estimated PK Price, Estimated Shell Price, Estimated Sludge Oil Price.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The payment term is 60 days from the date of invoice submitted as per the Terms and Conditions of Purchase (Pesanan Belian – PB) or <i>Surat Perintah Kerja (SPK)</i> .	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled of the payment records of contractor as below: 1. INV# INV5601 dated 22/06/2021; Payment made on 22/07/2021 Interviewed with the contractor confirmed that payment was made promptly as per the agreed term.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors engaged by the mill has been signed on the addendum for MSPO requirements and they have been briefed on the MSPO requirements. Interviewed with the contractor also found that he understood the requirements of MSPO. Besides, the contractors have signed on Supplier Code of Conduct FGV Holdings Berhad where stated all the requirements to be complied by the contractors.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors have signed an agreement/ <i>Surat Perintah Kerja</i> prior to work. Sampled the agreement for the contractors, Sebertak Auto Trading and Suria Pajar Enterprise.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	As per the addendum signed in indicator 4.6.4.1, the contractors agreed to accept auditors to verify the assessment if necessary.	Complied

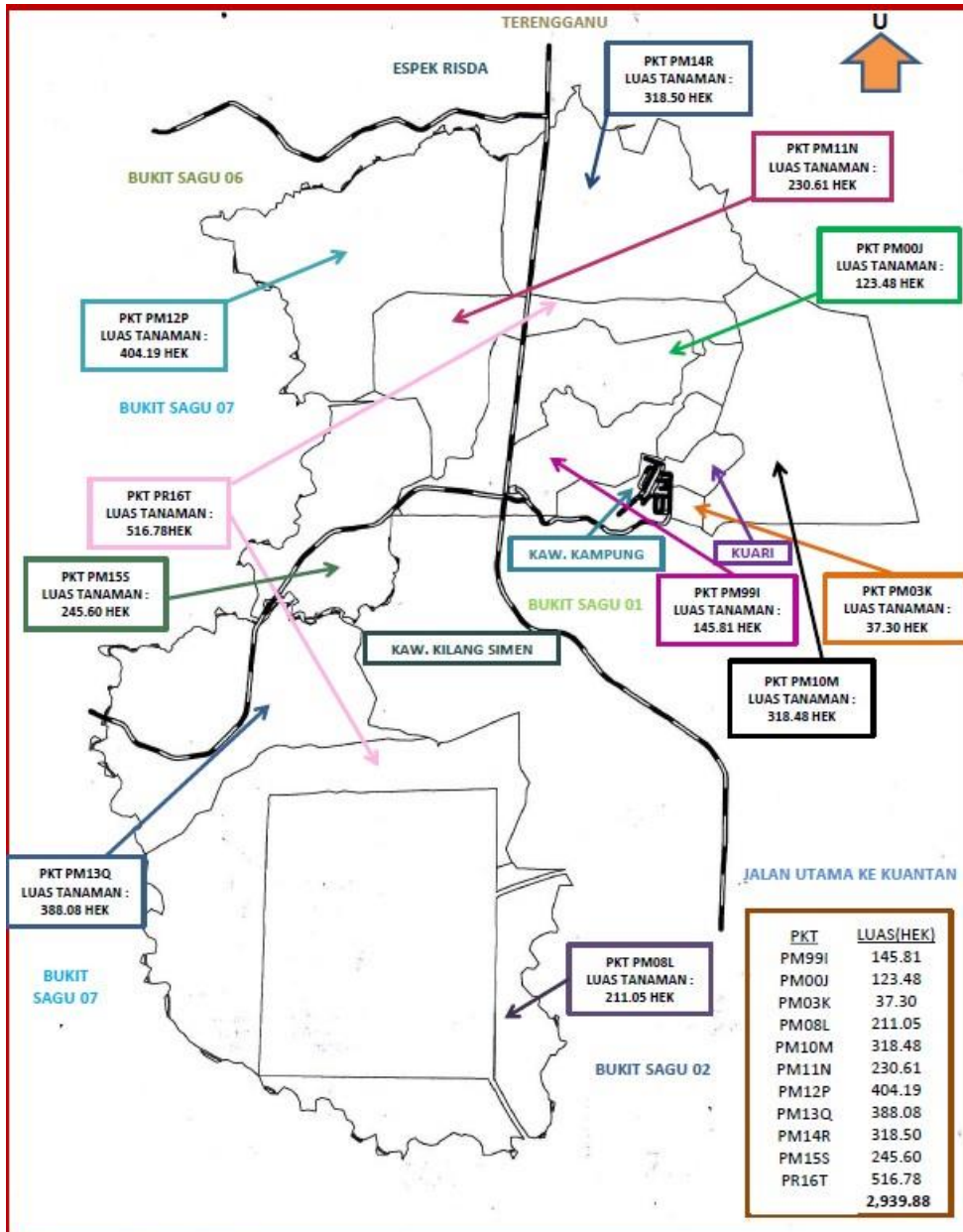
Appendix B: List of Stakeholders Contacted

<p>Government Officer: Klinik Desa Bukut Sagu 06</p>	<p>Community/neighbouring village: Bukit Sagu 07 HEP Clerk</p>
<p>Suppliers/Contractors/Vendors: Sri Cakra Enterprise Azru Enterprise</p>	<p>Worker's Representative/Gender Committee: Gender committee Local workers/Union representative Estates' foreign workers' representative</p>

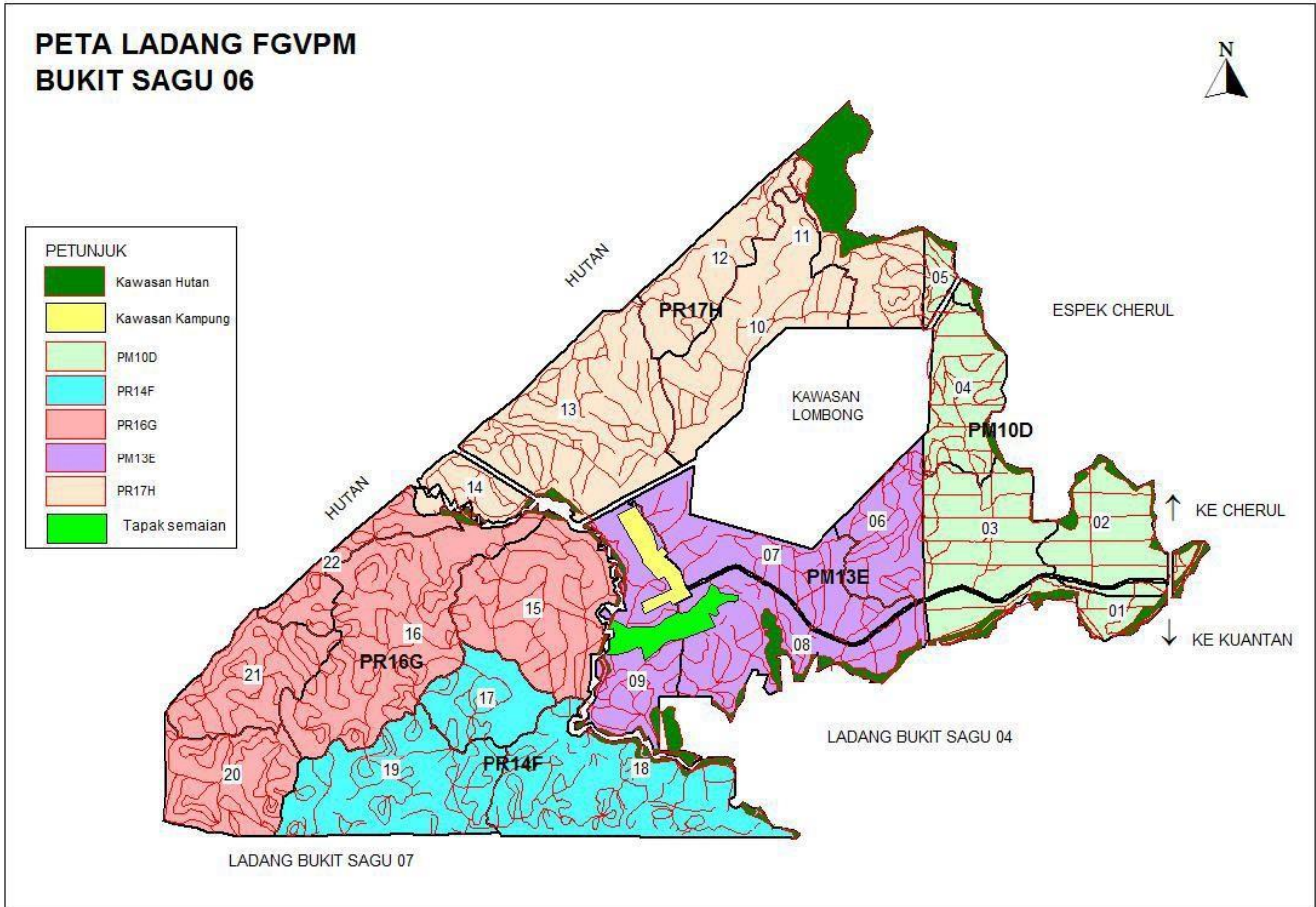
Appendix D: Location and Field Map



Bukit Sagu 4 Estate

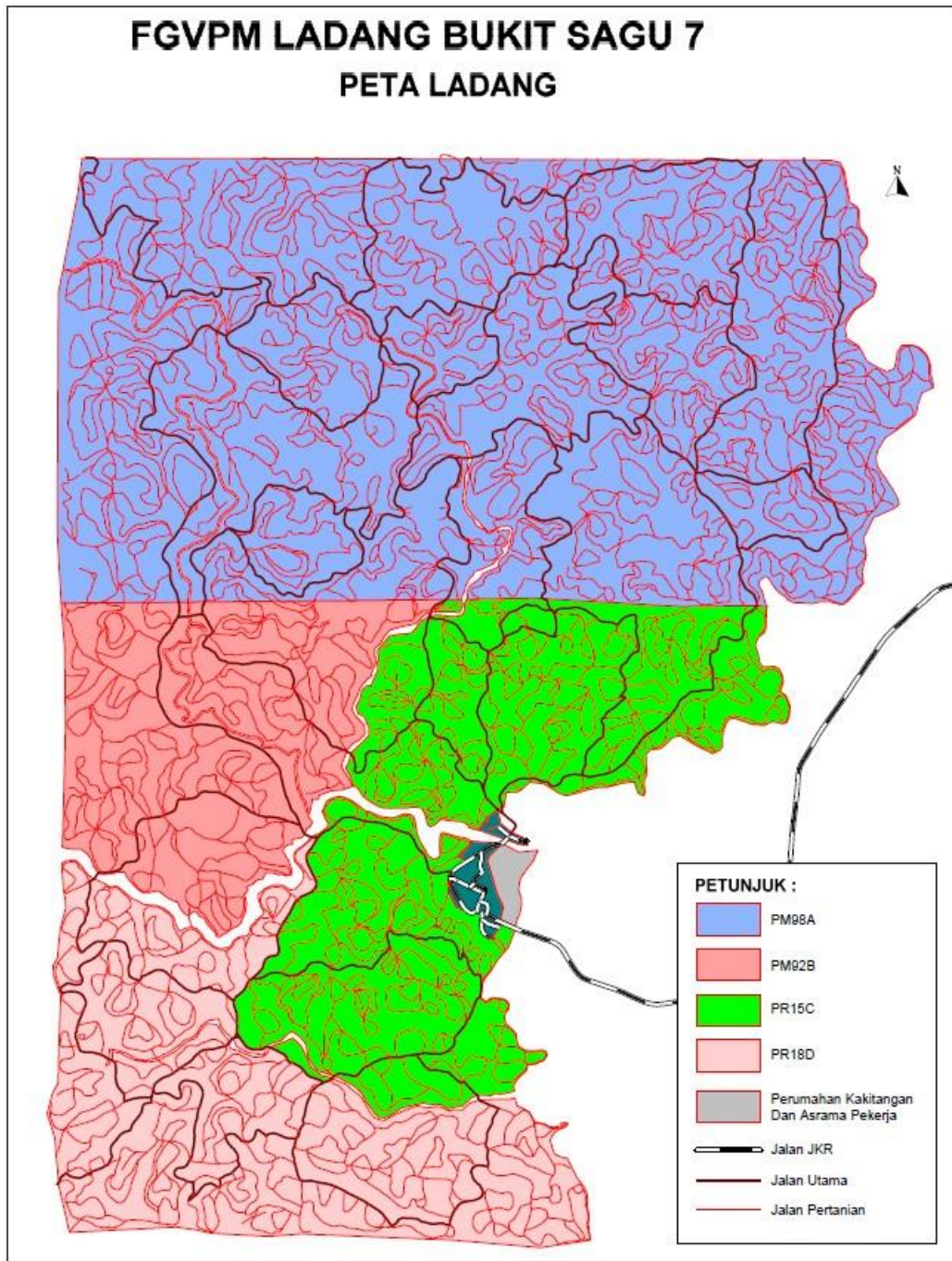


Bukit Sagu 6 Estate

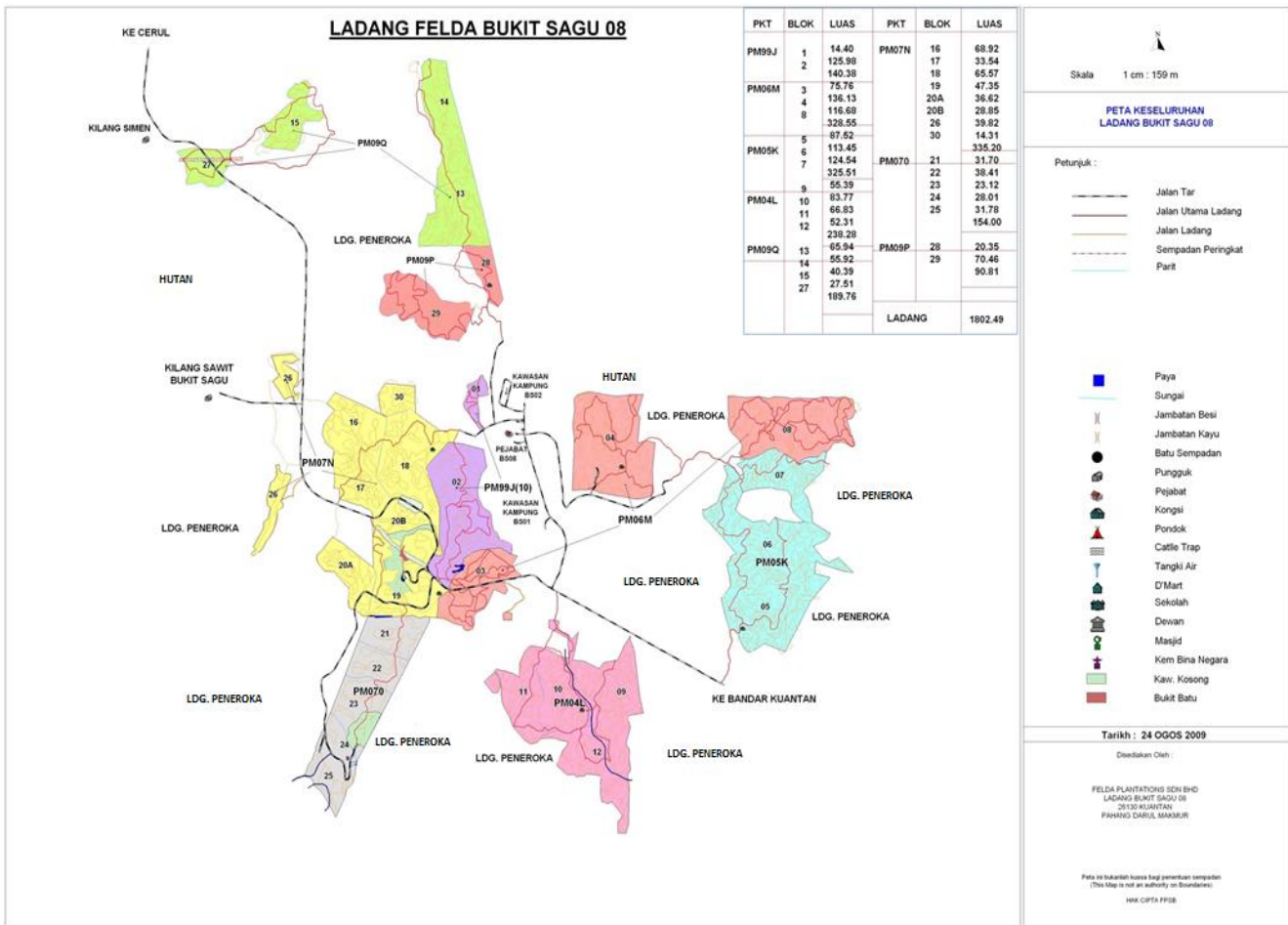


Bukit Sagu 7 Estate

**FGVPM LADANG BUKIT SAGU 7
PETA LADANG**



Bukit Sagu 8 Estate



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