

**MALAYSIAN SUSTAINABLE PALM OIL
MSPO OPMC Public Summary Report**

- Initial Assessment
- Annual Surveillance Assessment (3)
- Recertification Assessment (Choose an item.)
- Extension of Scope

FGV HOLDINGS BERHAD
Client Company (HQ) Address: FGV Holdings Berhad Level 20, West Wisma FGV, Jalan Raja Laut 50350 Kuala Lumpur, Malaysia
Certification Unit: Kerteh Palm Oil Mill and Supply Base FGVPM Semaring 01 Estate & FGVAS Kerteh Estate
Date of Final Report: 7/10/2022

Report prepared by:
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Report Number: 3511531

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	Certification Unit	MPOB License No.	Expiry Date
	FGVPISB Kilang Sawit Kerteh	500178404000	31/03/2022
	FGVPM Semaring 01 Estate	560381002000	30/04/2022
	FGVAS Kerteh Estate	502671002000	31/03/2022
Address	Level 20, West Wisma FGV, Jalan Raja Laut 50350 Kuala Lumpur, Malaysia		
Management Representative	Mr Ameer Izyanif Bin Hamzah		
Website	www.fgvholdings.com	E-mail	ameer.h@fgvholdings.com
Telephone	+603-2789 1338	Facsimile	+603-2789 0001

1.2 Certification Information			
Certificate Number	Mill: MSPO 693211 Estate: MSPO 693212	Certificate Start Date	29/04/2019
Date of First Certification	29/04/2019	Certificate Expiry Date	28/04/2024
Scope of Certification	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estate: Production of Sustainable Oil Palm Fruits		
Visit Objectives	<p>The objective of the assessment was to conduct an Annual Surveillance Assessment 3 and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisation's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p>		
Standard	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		
Stage 1 Date	12-14/09/2018		
Stage 2 / Initial Assessment Visit Date (IAV)	08-10/01/2019		
Continuous Assessment Visit Date (CAV) 1	14-16/01/2020		
Continuous Assessment Visit Date (CAV) 2	04-06/01/2021		
Continuous Assessment Visit Date (CAV) 3	05-07/01/2022		

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Continuous Assessment Visit Date (CAV) 4	-
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1.3 Other Certifications

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 693209	RSPO Principles & Criteria of Sustainable Palm Oil production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	10/02/2024

1.4 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
FGVPISB Kerteh Palm Oil Mill	Kilang Kelapa Sawit Kerteh, Beg Berkunci No. 3, 23309 Ketengah Jaya, Terengganu, Malaysia	4° 37' 33.00" N	103° 19' 55.00" E
FGVPM Semaring 01 Estate	Ladang Felda Semaring 01, P.O. Box No. 7, Pejabat Pos A.M.B.S, 23400 Dungun, Terengganu, Malaysia	4° 40' 20.00" N	103° 02' 25.00" E
FGVAS Kerteh Estate	Ladang FASSB Kerteh, Jalan Kelubi, Ketengah Jaya, 23300 Dungun, Terengganu, Malaysia	4° 34' 29.00" N	103° 19' 13.00" E

1.5 Certified Area

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

1.6 Plantings & Cycle

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

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1.7 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (May 2021 - Apr 2022)	Actual (Jan 2021 - Dec 2021)	Forecast (Apr 2022 - May 2023)
FGVPM Semaring 01 Estate	26,949.00	1,379.14	16,000.00
FGVAS Kerteh Estate	2,676.00	2,145.66	3,000.00
Total (mt)	29,625.00	3,524.80	19,000.00

1.8 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (May 2021 - Apr 2022)	Actual (Jan 2021 - Dec 2021)	Forecast (Apr 2022 - May 2023)
Felda & FTP	N/A	75,487.69	N/A
Smallholders	N/A	113,944.71	N/A
FFB Transferred from other FGVPM	N/A	1447.36	N/A
Total (mt)	N/A	190,879.76	N/A

1.9 Certified Tonnage			
Mill Capacity: 60 MT/hr SCC Model: MB	Estimated (May 2021 - Apr 2022)	Actual (Jan 2021 - Dec 2021)	Forecast (Apr 2022 - May 2023)
	FFB	FFB	FFB
	29,625.00	3,524.80	19,000.00
	CPO (OER: 20.49%)	CPO (OER: 20.22%)	CPO (OER: 20.70%)
	6070.00	713.02	3,933.00
	PK (KER: 5.27%)	PK (KER: 5.02%)	PK (KER: 5.20%)
	1,560.00	177.05	988.00

1.10 Actual Sold Volume (CPO)					
CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
713.02	0	0	0	713.02	713.02

1.11 Actual Sold Volume (PK)					
PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
177.05	0	0	177.05	0	177.05

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 05-07/01/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat FGV Kerteh POM and its supply bases e.g. FGVPM Semaring 01 Estate and FGVAS Kerteh Estate as an MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The Certification Unit not using MSPO certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSPO Logo and related claims.

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

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.6.

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.

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

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification and recertification decision by BSI. For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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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 Kerteh POM	✓	✓	✓	✓	✓
FGVPM Semaring 01 Estate	✓	✓	✓	✓	✓
FGVAS Kerteh Estate	✓	✓	✓	✓	✓

Tentative Date of Next Visit: January 3, 2023 - January 5, 2023

Total No. of Mandays: 6

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohd Nazib Hj. Marwan (MNZ)	Team Leader	<p>Education: Diploma in Mechanical Engineering. Graduated from Sultan Salahuddin Abdul Aziz Shah in 2007.</p> <p>Work Experience: He worked with Department of Occupational Safety and Health from 2003 - 2008. He has conducted OSH Audit and inspection to Estates/Palm Oil Mill and Palm Oil Refinery in Selangor. He also has experience in managing his family oil palm plantation in Batu Pahat, Johor. He is a qualified Lead Auditor for MS 2530:2013, ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015 since 2009 in various industries covering Malaysia and Indonesia.</p> <p>Training attended: He has completed training as follow: ISO 9001:2015 Transition Training in December 2015 ISO 14001:2015 Training in January 2016 RSPO P&C 2013 Lead Auditor Course in May 2017 ISO 45001:2018 in May 2018 Social Auditing in RSPO in January 2019 RSPO P&C 2018 in January 2019 MSPO 2530:2013 Lead Auditor Course and MSPO SCCS in March 2019 SMETA Requirement Training in May 2021</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspect of management commitment and responsibility, transparency, social responsibility and employment condition.</p>

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<p>Nor Halis Abu Zar (NHA)</p>	<p>Team Member</p>	<p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p> <p>Education: Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2012.</p> <p>Work Experience: He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation. He had accumulated more than 6 years of sustainability implementation experience. He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended: He has completed ISO IMS 9001 and 14001 Lead Auditor Course in January 2019, MSPO 2530:2013 Lead Auditor Course in February 2019, Endorsed RSPO Lead Auditor Course in October 2020, CQI and IRCA Certified ISO 45001 Lead Auditor Course in June 2021, ISO 9001:2015 Lead Auditor Course in April 2019, MSPO SCCS Auditor in February 2019 and also trained in SMETA Requirement Training on May 2021.</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of Safety, Environment and Best Practices.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
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2.2 Impartiality and conflict of interest

During this assessment there was no circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

2.3 Accompanying Persons

No.	Name	Role
	N/A	

2.4 Assessment Plan

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

Date	Time	Subjects	MNZ	NHA
<p>Wednesday 05/01/2022 (FGVPISB Kerteh POM)</p>	0830 - 0900	<p>Opening Meeting MSPO:</p> <ul style="list-style-type: none"> • Opening Presentation by Audit Team Leader. • Confirmation of assessment scope and finalize Audit plan. 	√	√
	0900 - 1230 1330 - 1630	<p>Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area</p>		√
	1230 - 1330	Lunch	√	√

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Date	Time	Subjects	MNZ	NHA
	0900 - 1230 1330 - 1630	Document Review (MS 2530 Part 4), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	
	1630 - 1700	Interim Closing briefing	√	√
Thursday 06/01/2022 (FGVPM Semaring 01 Estate)	0830 - 1230 1330 - 1630	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		√
	10.00 - 1200	Stakeholder consultation	√	
	1230 - 1330	Lunch	√	√
	0830 - 1230 1330 - 1630	Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection	√	
	1600 - 1700	Interim Closing briefing	√	√
Friday 07/01/2022 (FGVAS Kerteh Estate)	0830 - 1230 1330 - 1600	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		√
	1230 - 1330	Lunch	√	√
	0830 - 1230 1330 - 1600	Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection	√	
	1600 - 1700	Interim Closing briefing	√	√
	1600 - 1700	Finalization of audit findings & preparation of closing meeting	√	√
	1700 - 1730	Closing meeting	√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During the assessment there were no (0) major, two (2) minor nonconformities and no (0) OFI raised. The FGVPISB Kerteh Palm Oil Mill and supply base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The below is the summary of the non-conformity raised during this assessment.

Non-Conformity Report			
NCR Ref #:	2150331-202201-N1	Issue Date:	07/01/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	FGVAS Kerteh Estate	Clause & Category: (Major / Minor)	MS 2530 Part 3: 4.5.3.3 Minor
Requirements:	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		
Statement of Nonconformity:	The procedure of schedule waste management was not effectively implemented.		
Objective Evidence:	During document verification for FGVAS Kerteh Estate it was found that no inventory of schedule waste has been maintained. It was against SOP "Pengurusan Bahan Buangan Terjadual Setiap Ladang" dated 23/01/2020 Ref. FGVP/L2/PAS-04 section 6.5.1 "Kerani Bekalan mestilah mengemaskini rekod inventori bagi bahan buangan terjadual setiap Bulan".		
Corrections:	Existing staff given training or more detailed information on scheduled waste management.		
Root cause analysis:	Existing office workers lack the understanding to manage scheduled waste inventory records in detail.		
Corrective Actions:	<ol style="list-style-type: none"> 1. Training or briefing to staff on scheduled waste inventory records 2. Updating bin card 		

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Assessment Conclusion:	The correction and corrective action were accepted. The evidence of effective implementation of the corrective action shall be verified in the next assessment visit.
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Non-Conformity Report			
NCR Ref #:	2150331-202201-N2	Issue Date:	07/01/2022
Due Date:	Next Surveillance	Date of Closure:	Open
Area/Process:	FGVAS Kerteh Estate	Clause & Category: (Major / Minor)	MS 2530 Part 3: 4.4.5.4 Minor
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 has yet to comply with the legal requirements		
Objective Evidence:	There was no evidence that the contractor worker has been paid according to Minimum Wages Order 2020 including contribution to Employees Provident Fund (EPF) and SOCSO has been made for worker (I/C No.: 930725-11-XXXX)		
Corrections:	<ol style="list-style-type: none"> 1. Awareness given to the FGVAS worker 2. Appointed the contractor worker as sub-contractor 3. Payment voucher evidence established based on the sub-contractor rate 		
Root cause analysis:	Not aware that contractor worker still needs to pay minimum wages order 2020, EPF and SOCSO even though it is a family business with the father as the only registered owner of the company.		
Corrective Actions:	Future contractor appointment must be complete with the contractor worker agreement and payslip / voucher evidences.		
Assessment Conclusion:	The correction and corrective action were accepted. The evidence of effective implementation of the corrective action shall be verified in the next assessment visit.		

Opportunity For Improvement			
Ref:	N/A	Clause:	
Area/Process:			
Objective Evidence:			

Noteworthy Positive Comments	
1.	Good cooperation from the Mill and Estates management during audit.
2.	Mill continues to maximize the use of renewable energy by using fibre and shell which produced through internal process for boiler biofuel.
3.	Good relationship between the mill and estates management with local communities and stakeholders.

3.3 Status of Nonconformities Previously Identified and OFI

Non-Conformity Report			
NCR Ref #:	2006733-202101-M1	Issue Date:	06/01/2021
Due Date:	11/02/2021	Date of Closure:	11/02/2021
Area/Process:	FGVAS Kerteh Estate	Clause & Category: (Major / Minor)	MS 2530 Part 3: 4.1.2.2 Major
Requirements:	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.		
Statement of Nonconformity:	Root causes of non-conformity raised during MSPO internal audit were not identified.		
Objective Evidence:	FGVAS Kerteh Estate has submitted their corrective action plan to the internal auditor for the NCR raised from MSPO internal audit conducted on 9-10/12/2020. However, there was no evidence that the root-causes of non-conformities were identified in order to establish the corrective actions.		
Corrections:	FGVAS Kerteh Estate updated the Root Cause then to the Action Plan to complete corrective action plan format.		
Root cause analysis:	Officers lack of understanding of the Corrective Action Plan format.		
Corrective Actions:	<ol style="list-style-type: none"> 1) Provide training and exposure on procedures and corrective action plans. 2) A written procedure on internal audit and a corrective / preventive action plan is distributed for reference. 		
Assessment Conclusion:	<p>The following evidences were verified:</p> <ol style="list-style-type: none"> 1) The "corrective action plan" format where the identified root-causes have been included. The format refers to the internal audit dated 9-10/12/2020 conducted at FGVAS Kerteh Estate. 2) Training records of FGVAS Kerteh Estate persons in-charge on internal audit procedures and corrective action plan, dated 30/1/2021. The training which was conducted virtually was also evident through pictorial record. 3) Evidence that the internal audit procedure has been distributed to the relevant personnel, dated 30/1/2021. Based on the evidence of correction and corrective action, the NCR is effectively closed on 11/02/2021. Continuous implementation shall be verified in the next assessment. 		
Verification Statement:	The internal audit "root-cause" has been identified and included in the "Pelan Tindakan Untuk Ketidapatuhan Integrasi Audit Dalaman Persijilan Kelestarian 2021". Thus, the nonconformance raised on the previous assessment remain closed.		

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Non-Conformity Report			
NCR Ref #:	2006733-202101-M2	Issue Date:	06/01/2021
Due Date:	06/04/2021	Date of Closure:	11/02/2021
Area/Process:	FGVPM Semaring 01 Estate	Clause & Category: (Major / Minor)	MS 2530 Part 3: 4.4.4.2 Major
Requirements:	<p>The occupational safety and health plan shall cover the following:</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>		
Statement of Nonconformity:	CHRA action plan was not effectively implemented.		
Objective Evidence:	<p>At FGVPM Semaring 01 Estate, a sprayer, Hobib (Worker ID: FW 04880482) who joined on 7/12/2017 was scheduled to undergo Medical Surveillance on 14/11/2019. However, no evidence the worker being sent to the Occupational & Health Doctor Panel in 2019.</p> <p>The worker has attended the Medical Surveillance on 3/12/2020, whereby the period is more than 12 months from previous medical surveillance assessment.</p> <p>Thus, non-compliance to CHRA Report (HQ/08/ASS/00/85-2019-0049); Clause 8 Recommendations on Action to Be Taken, Page 24 states Chemical Sprayer; 6: To continue to conduct the medical surveillance for those affected employees by Occupational & Health Doctor at interval of no longer than twelve months duration.</p>		
Corrections:	Has sent the employee involved to undergo medical surveillance testing and received confirmation from clinic tested.		
Root cause analysis:	There is no confirmation conducted whether all employees who have been send for medical surveillance had undergone at the clinic for testing.		
Corrective Actions:	<ol style="list-style-type: none"> 1) Always obtain confirmation of attendance and tested for medical surveillance testing from the clinic every time the testing process is carried out 2) Discuss in Occupational Safety & Health meetings if there is an increase or change in employees must undergo medical surveillance tests 		
Assessment Conclusion:	<p>The following evidences were verified:</p> <ol style="list-style-type: none"> 1) The said worker, Mr. Hobib was in the list for medical surveillance dated 7/12/2020 and confirm by appointed the clinic via letter dated 25/1/2021. 2) Evidence, the worker had undergone the medical surveillance base on the Certificate of Fitness furnish by the clinic. 3) Evidence, the issue being discussed in the OSH Meeting as per minutes meeting dated 12/1/2021. <p>Based on the evidence of correction and corrective action, the NCR is effectively closed on 11/02/2021. Continuous implementation shall be verified in the next assessment.</p>		
Verification Statement:	Medical surveillance has been conducted. Verification of the document found a total 23 workers were identified to be exposed to hazardous chemicals in the estate and		

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	<p>sent for medical surveillance on 08/11/2021 – 13/12/2021 at Klinik Syed Badaruddin.</p> <p>The results have not been produced by the clinic yet as of to date. Earlier Medical Surveillance conducted in December 2020 for 23 workers indicated that all workers were fit to work. Thus, there is no repetitive issue and Major NC remained closed.</p>
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Non-Conformity Report			
NCR Ref #:	2006733-202101-N1	Issue Date:	06/01/2021
Due Date:	07/01/2022	Date of Closure:	07/01/2022
Area/Process:	FGVAS Kerteh Estate	Clause & Category: (Major / Minor)	MS 2530 Part 3: 4.5.1.2 Minor
Requirements:	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives b) The aspects and impacts analysis of all operations</p>		
Statement of Nonconformity:	No identification on Domestic Waste Disposal in The Aspects and Impacts Analysis.		
Objective Evidence:	<p>FGVAS Kerteh Estate is surrounded by fencing along the boundary. During site verification, the domestic waste from the stakeholder was disposed along the main road at Peringkat 1, D2. However, this aspect has not been identified and evaluated in the Environmental Aspects and Impacts Analysis for the necessary action and mitigation plan.</p>		
Corrections:	Update the impact aspect form by including the issue of domestic waste disposal.		
Root cause analysis:	Garbage disposal done by outsiders and outside the boundary area of FGVAS Kerteh Estate which not taken into account by the FGVAS Kerteh Estate.		
Corrective Actions:	This Impact Aspect will be discussed during the meeting and follow up on the necessary action and mitigation plan and any other environmental issues.		
Assessment Conclusion:	The correction and corrective action were accepted. The evidence of effective implementation of the corrective action shall be verified in the next assessment visit.		
Verification Statement:	<p>Site verification at FGVAS Kerteh Estate at Peringkat 1, D2, management has installed signage "Dilarang Membuang Sampah Di Kawasan Ini".</p> <p>Environmental Impacts Aspects has been prepared dated 01/01/2021 and stated on the issue of illegal dumping of domestic waste. Refer EAIA FGVAS Kerteh Estate dated 15/02/2021 section "Pembuangan Sampah Di Kawasan Sempadan Ladang". Reference Number: FGV/FGVPM/IV/IMS/15/1,6 Rev 01.</p> <p>Meeting with stakeholders (Felda Kerteh 5) related Impact Aspects of illegal dumping of domestic waste has been conducted as per evidence Minutes of meeting dated 21/12/2021 and 06/01/2022. Reference number (01)3261/7-4 and (38)(39)3261/3/20. Evidence found satisfactory and Minor NC was effectively closed on 07/01/2022.</p>		

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Opportunity For Improvement			
Ref:	2006733-202101-I1	Clause:	MS 2530:2013 Part 3 Clause 4.1.3.1
Area/Process:	FGVAS Kerteh Estate		
Objective Evidence:	The agenda of management review meeting at FGVAS Kerteh Estate can be further improved. So far, only the results of internal audit and outcome of site inspection were recorded in the minutes of meeting.		
Verification Statement:	Management review has discussed issues such as Internal Audit result, Social Issue, Environment Issue, Economy Issue, Legal compliance, Policies, Management Document, External Audit findings, Agronomist visit report, Changes that could affect the management system and opportunity for improvement. Thus, OFI raised on the previous assessment has been effectively implemented.		

Opportunity For Improvement			
Ref:	2006733-202101-I2	Clause:	MS 2530:2013 Part 3 Clause 4.4.5.7
Area/Process:	FGVAS Kerteh Estate		
Objective Evidence:	The recording of workday attendance at FGVAS Kerteh Estate can be further improved so that it can clearly portray the attendance record in the corresponding pay slips.		
Verification Statement:	FGVAS Kerteh Estate currently only have one (1) worker and the rest of the field works was done by the contractors appointed. Current working attendance recorded in daily muster chit still remain effective and with no issues raised so far by the worker. Thus, action taken on previous OFI raised was remain effective.		

3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
1727954-201901-M1	Major	10/01/2019	Closed on 26/02/2019
1871619-210908-M1	Major	16/01/2020	Closed on 02/03/2010
1871619-210908-N1	Minor	16/01/2020	Closed on 06/01/2021
1871619-210908-N2	Minor	16/01/2020	Closed on 06/01/2021
1871619-210908-N3	Minor	16/01/2020	Closed on 06/01/2021
1871619-210908-N4	Minor	16/01/2020	Closed on 06/01/2021
1871619-210908-N5	Minor	16/01/2020	Closed on 06/01/2021
2006733-202101-M1	Major	06/01/2021	Closed on 11/02/2021
2006733-202101-M2	Major	06/01/2021	Closed on 11/02/2021
2006733-202101-N1	Minor	06/01/2021	Closed on 07/01/2022
2150331-202201-N1	Minor	07/01/2022	Open
2150331-202201-N2	Minor	07/01/2022	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: MQI No issues raised by contractor in term of payment, working contract and etc.
	Management Responses: Mill and Estates were monitor closely the contractor works and will continue good relationship with them.
	Audit Team Findings: No further action needed.
2	Issues: FELDA Settlers FFB supplier (FELDA settlers) given good response and without any other issues raised.
	Management Responses: Mill management will continue good relationship with the FFB suppliers.
	Audit Team Findings: No further action needed.
3	Issues: No issue raised by workers. Estates management provided good housing facilities and any complaint in term of housing defects were rectified immediately.
	Management Responses: Estates management is continuously monitored the house conditions with weekly inspection and daily briefing/muster call to capture any issue from workers.
	Audit Team Findings: No further action needed.

3.6 List of Stakeholders Contacted

Government Officer: Nil	Community/neighbouring village: FELDA Settlers
Suppliers/Contractors/Vendors: MQI	Worker’s Representative/Gender Committee: Local Workers Foreign Workers

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment FGVPISB Kerteh Palm Oil Mill and its Supply Base Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of FGVPISB Kerteh Palm Oil Mill and its Supply Bases Certification Unit is continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: NOROLSAIFUL HAZRI BIN HAMID	Name: MOHD NAZIB BIN HJ. MARWAN
Company name: FGV HOLDINGS BERHAD	Company name: BSI SERVICES MALAYSIA SDN. BHD.
Title: Sustainability Manager	Title: Client Manager
Signature: 	Signature: 
Date: 22/03/2022	Date: 10/03/2022

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 regards to sustainability matters.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Commitment to continually improve the quality of their products and services was addressed in Clause 5.0 of the policy above 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 -	The internal audit for MSPO was planned to be conducted at least once a year. MSPO Internal audit for FGVPM Semaring 01 Estate was conducted on 27-30/9/2021 with 11 non-conformances raised and internal audit for FGVAS Kerteh Estate was conducted on 15-18/11/2021 with 6 non-conformities raised. Internal audit was conducted by SSCD Department personnel from HQ.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	<p>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</p> <p>Total of 11 nonconformances recorded in "Pelan Tindakan Untuk Ketidakpatuhan Integrasi Audit Dalaman Persijilan Kelestarian 2021" has been evaluated with the root causes of the nonconformities was identified. Correction and corrective action have been implemented with all nonconformances raised was effectively closed. Thus, previous major nonconformances raised was remain closed.</p>	Complied
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. The results of internal audit were reviewed and discussed during the management review meeting conducted on 12/10/2021 for FGVP Semaring 01 Estate and 03/12/2021 for FGVAS Kerteh Estate.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	<p>The Management Review meeting for FGVP Semaring 01 Estate was conducted on 12/10/2021, chaired by the Estate Manager (Muhamad Hanis Bin Abd Razak) and attended by 12 personnel. Review input discussed such as Internal Audit result, Social Issue, Environment Issue, Economy Issue, Legal compliance, Policies, Management Document, External Audit findings, Agronomist visit report, Changes that could affect the management system and opportunity for improvement.</p> <p>Management review for FGVAS Kerteh Estate was conducted on 03/12/2021 and chaired by management representative (Mr. Khairol</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Amir Idris) and attended by 4 personnel. Management review was discussed on internal audit result.	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Action plan for the continual improvement was identified. For FGVP Semaring 01 Estate, improvements identified such as:- a) Two (2) units of new tractor for field operation b) Increase of yield/ha (0.10 mt/ha) compared to Y2020 c) Reduced electricity usage from 32,045.94kW (2020) to 28,767.69kW (2021) d) Reduced water usage from 359,938.10m ³ (2020) to 106,701.50 m ³ (2021)	Complied
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	There was no new application of new technology implemented during the certification period. The current practices continued and guide by Regional Controller.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Any new information on the implementation the new techniques or new industry standard or technology were updated to employees through morning briefings, memo, meetings and training. Thus far, no new technology being introduce or implemented at FGVP Semaring 1 Estate and FGVS Kerteh Estate.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Procedure Communication, Involvement and Consultation FGV/ML1A/L2-Pr12 issue 1 version 0 dated 1/6/2016 and has been communicated in Malay language (national language) through letters to external stakeholders External stakeholders' consultation was held with slides presentation to explain the MSPO requirements on 11/11/2020. Stakeholder meeting was conducted in every 5 years as per SIA SOP FGV/ML-1A/I2-Pr21 issue 1 re 2 dated Mach 2019. Policies are also displayed in POM and office mainly for internal stakeholders.	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 -	Estates holds copies of each of the management documents that are required to be publicly available. Apart from that, all the information such as annual report, sustainability news and policies were found available in the company's website: https://www.fgvholdings.com/sustainability/ . Records of inspections and visits by the authorities were maintained such as DOSH visits.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	FGV Holdings Berhad has developed "Komunikasi, Penglibatan dan Rundingan" procedure (Doc. No. FGV/ML-1A/L2-Pr12 issue 1, rev. 0 dated 1/6/2016) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Management official on communications has been nominated as follows:	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>For FGVPM Semaring 01 Estate, Assistant Manager (Edy Ezuan Bin Abu Bakar) was verified as per appointment letter Ref No: (02) RSPO/P1, P6 dated 10/02/2021.</p> <p>For FGVAS Kerteh Estate, Mohd Zulhilmi Abd Manaf has been appointed as communication personnel as per appointment letter Ref No: (02) RSPO/E6.2.1 dated 03/04/2021.</p>	
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>The stakeholder list was last updated in December 2021 where internal and external stakeholders have been included in the list such as government agencies/authorities, clinics, school, contractor/supplier, FFB supplier, customer and etc.</p> <p>Stakeholder consultation and MSPO briefing for FGVPM Semaring 01 Estate was conducted on 22/06/2021 involved contractor, clinic and etc. FGVPM Semaring 01 Estate and FGVAS Kerteh Estate also involved in JPPK meeting (Jawatankuasa Permuafakatan, Produktiviti dan Kualiti) attended by other estates (e.g. dated 09/03/2021, 11/08/2021, 28/09/2021 & 18/11/2021)</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>Manual Ladang Sawit Lestari, 8.0 Mengangkut BTS ke Kilang [MLSL (Ed.2) – Sec.4 (8.0), 1/6/2012] has been established to provide guideline on delivery of FFB to the mill. Among the documents & records found to be maintained were:</p> <ul style="list-style-type: none"> • Nota Penghantaran BTS • Slip Akuan Penerimaan (weighbridge ticket) • Slip Grading • Sijil Mutu BTS 	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Various means were available on how to monitor the traceability where among others the updating of FFB delivery records, through month end account closing and internal audit. Based on the records of FFB delivery, it was found that the procedure of traceability was well implemented.	Complied												
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The office clerks are assigned to implement and maintain the traceability system as verified through an appointment letter. FGVPM Semaring 01 Estate: Mr Mohamad Afrizal Abdullah dated 10/02/2021 and for FGVAS Kerteh Estate: Mr Mohd Zulhilmi Abd Manaf dated 03/04/2021	Complied												
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Verification of the records and documents mentioned in 4.2.3.1 showed that the deliveries of FFB were well maintained. Crosschecking between the daily FFB delivery records and the transportation documents showed that the records were accurate and well maintained. Sample of weighbridge ticket were: - <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Weight, MT</th> </tr> </thead> <tbody> <tr> <td>30/10/2021</td> <td>00244171</td> <td>CCM689</td> <td>8.74</td> </tr> <tr> <td>20/12/2021</td> <td>00330210</td> <td>CCF1064</td> <td>7.57</td> </tr> </tbody> </table>	Date	Ticket No.	Lorry No.	Weight, MT	30/10/2021	00244171	CCM689	8.74	20/12/2021	00330210	CCF1064	7.57	Complied
Date	Ticket No.	Lorry No.	Weight, MT												
30/10/2021	00244171	CCM689	8.74												
20/12/2021	00330210	CCF1064	7.57												
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 -	<u>FGVPM Semaring 01 Estate</u> 1. MPOB License; License Number: 560381002000; License Validity Period: 01/05/2021 – 30/04/2022. 2. Permit Barang Kawalan Berjadual; Serial Number: P(T 000105); Reference Number: TR/DGN/92/07 SKD; Description: Diesel (8,	Complied												

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Criterion / Indicator		Assessment Findings	Compliance
		<p>500 Litres) & Petrol (300 Litres); License Validity Period: 19/05/2021 – 18/05/2024.</p> <p><u>FGVAS Kerteh Estate</u></p> <p>1. MPOB License; License Number: 502671002000; License Validity Period: 01/04/2021 – 31/03/2022; Estate Area: 111.95 Ha.</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>Identification and documentation of applicable legal requirements is guided by Manual Procedure, Legal and Other Requirements (FPI/L2/QOSHE 2.0, 29/11/2016).</p> <p>The applicable legal requirements for the mill and estate were registered in “Daftar Perundangan dan Lain-lain Keperluan” (Register of Legal and Other Requirements) (FPI/L4/QOSHE-2.1 Pind 0) which was last updated on:</p> <ol style="list-style-type: none"> 1. FGVPM Semaring 01 Estate: 26/12/2021 2. FGVAS Kerteh Estate: 30/11/2021 <p>The register has info about Legal and Other Requirements, Enforcement Body, Main requirement, Enforcement standard, Penalty (RM), Responsible Departments and Compliance status.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Tracking system to identify changes in the relevant regulations were available through the head office, website information and is communicated from the Group Head Office. Sighted the latest review to include new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020, Auxiliary Police Regulations 1970 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988 (Movement Control Order 2020).</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.	
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 -	FGV Holdings Berhad have centralised system for tracking any changes in the law as per "Panduan: Sistem Pengesanan Perubahan Undang-undang" dated 23/6/2017, Version:04. Any changes in the relevant regulations is through Plantation and Sustainability Department and the Manager, who are sole responsible.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	There was no evidence that the oil palm cultivation activities are diminishing the land use rights of other users.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	The estates were able to demonstrate its right to use the land through the following documents: For FGVPM Semaring 01 Estate, Agreement to Lease, dated 1/11/2011, between Felda Global Ventures Holdings Sdn Bhd (leasee) and FELDA (lessor), lease period: 99 years Tenancy Agreement 1 dated 6/1/2012 between Felda Global Ventures (Malaysia) Sdn Bhd and FELDA, where area allocated for Semaring 01 Estate is 1,246.47 Ha. 2). For FGVAS Kerteh Estate, the estate (which is under FGV Holdings Berhad) is able to demonstrate its right to use the land (110.56 Ha) through an agreement entitled "Second Supplement Agreement", dated 2/9/2020 between FELDA and FGV Agri Services Sdn Bhd (FASSB). The agreement is to supplement the Tenancy Agreement (Principal Agreement) dated 7/2/2018.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal boundary for both estates were clearly demarcated and visibly maintained. For FGVPM Semaring 01 Estate, legal boundary was demarcated with red and white colour concrete pole and for FGVAS Kerteh Estate, the legal boundary was demarcated with fences at 'Peringkat 1' adjacent with FELDA settlers' farm and also concrete pole.	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 -	FGV Holdings Berhad has developed procedure on "Pengenalpastian dan penyelesaian pertikaian tanah" with Doc. No. ML-1A/L1-Pr10(0) dated 1/6/2016. The procedure established has identified the method of handling and monitoring of any issue raised from local communities on customary or user rights. Procedure on the compensation to the people entitled and monitoring of boundary stone was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market land price. There is no land dispute at the sampled estates at the point of audit. The surrounding land is owned by FELDA, settlers, forest reserve, etc. Interviewed with the stakeholders confirmed that no encroachment of land by the company.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The land is legally owned by FELDA and leased to Felda Global Ventures Holdings Sdn Bhd and FGV Agriculture Services Sdn Bhd. The existing land is not encumbered by any customary land rights.	Not Applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The land is legally owned by FELDA and leased to Felda Global Ventures Holdings Sdn Bhd and FGV Agriculture Services Sdn Bhd. The existing land is not encumbered by any customary land rights.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The land is legally owned by FELDA and leased to Felda Global Ventures Holdings Sdn Bhd and FGV Agriculture Services Sdn Bhd. The existing land is not encumbered by any customary land rights.	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 -	Social Impact Assessment was conducted by FGV’s Certification & Due Diligence (CDD) unit on 23/5/2018 (FGVPM Semaring 01 Estate) and 21/5/2018 (FGVAS Kerteh Estate). The assessment has involved the participation of relevant stakeholders such as local authorities, employees, contractors, settlers and local communities. Action Plan for Social Impact Assessment was developed and monitored by the management which extracted from the SIA. The latest management plan was updated in 2021. The positive impacts such as job opportunities for surrounding communities were also identified and documented.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	FGV Holdings Berhad has developed procedure of “Menangani Aduan dan Rungutan” (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be resolved within 14 working days.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	The estates were maintained a logbook to record complaints or requests from the stakeholders. Complaints from the stakeholder for Y2021 mostly on housing defects, roads conditions at FGVP M Semaring 01 Estate adjacent village (Kg Jongok Batu) and uncontrolled livestock on roads. Based on the records of complaints lodged, the actions taken by the management were appropriate and resolved in timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint record books are available in the office and accessible to the stakeholders to lodge their complaint. The feedbacks from the complainant were also recorded in the book.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Based on the stakeholder interview conducted, the internal and external stakeholders are aware on the complaint procedure. This has been communicated during stakeholder meeting and briefing conducted by the estate management.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The records of complaint for FGVP M Semaring 01 Estate was retained in the complaint & grievance logbook for the past 24 months (since January 2018). However, for FGVA S Kerteh Estate, there was no complaint recorded.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Contribution to local communities including workers was verified as follows: 1. Food and groceries contribution to Chador Estate due to COVID-19 total lockdown on 26/09/2021 2. Meal contribution to PPV on 28/08/2021 at Felda Kerteh 4	Complied

Criterion / Indicator		Assessment Findings	Compliance
		3. Fund contribution RM500 to each worker affected by flood in January 2021 at Semaring 01 Estate 4. Contribution for primary school children RM100 per person and secondary school children RM150 per person	
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 OSH Policy signed by Mohd Nazrul Izam Mansor, Group Chief Executive Officer dated 05/11/2021. Refer doc no FGV/GHR/HSEQ/POL/003 Rev. 05. FGV Holdings Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.2.4: Health and Safety. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI). In the policy stated the commitment: <ul style="list-style-type: none"> to provide a healthy and safe working environment its operations for all its workers and employees and Shall allocate appropriate resource to minimize and eliminate Health and Safety risks. 	Complied
4.4.4.2	The occupational safety and health plan shall cover the following: <ol style="list-style-type: none"> A safety and health policy, which is communicated and implemented. The risks of all operations shall be assessed and documented. An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ol style="list-style-type: none"> all employees involved shall be adequately trained on safe working practices 	<ol style="list-style-type: none"> FGV Holdings Berhad has established OSH Policy signed by Mohd Nazrul Izam Mansor, Group Chief Executive Officer dated 05/11/2021. Refer doc no FGV/GHR/HSEQ/POL/003 Rev. 05. HIRARC was available in the mill to identify assess and provide controls for all the risks associated to the operations in the mill. Sighted the HIRARC for Trunk Injection, Harvesting, Internal Transport and FFB Loader. <u>FGVPM Semaring 01 Estate</u> 	Complied

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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. 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>CHRA Chemical Health Risk Assessment was conducted in the estate by Ihsan Sharif Resources on 20/10/2021 – 05/11/2021. The CHRA Report (JKKP HQ/08/ASS/00/85-2021-0006) was available for verification.</p> <p>Baseline Noise Risk Assessment has been conducted at FGVP Semaring 01 Estate on 09/03/2021 by Noise Risk Assessor, Mohd Syukri bin Jamaluddin (JKKP Registration No.: HQ/14/PEB/00/136). The NRA Report (N0136/2103-021) was available for verification.</p> <p>A total 23 workers were identified to be exposed to hazardous chemicals in the estate and sent for medical surveillance on 08/11/2021 – 13/12/2021 at Klinik Syed Badaruddin. The results have not been produced by the clinic yet as of to date. Earlier Medical Surveillance conducted in December 2020 for 23 workers indicated that all workers were fit to work.</p> <p><u>FGVAS Kerteh Estate</u></p> <p>Noise Risk Identification Checklist have been conducted on 25/02/2021 in the estate. The checklist has indicated that there are no operations that are exposed excessive noise.</p> <p>The Chemical Health Risk Assessment was conducted to assess all risks associated to hazardous chemicals that are used in the estate operations. The assessments were conducted by Unit HSE, Kluster R&D dan Khidmat Agri, Pusat Penyelidikan Pertanian Tun Razak (HIE 127/171-2 (303)) on 11/09/2017. The CHRA Report (Report Number: HIE 127/171-2 (303) – 2017/001) was available for verification in the estate. The management have implemented all the recommendations provided by the assessor in the report.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Medical Surveillance 2020 was conducted for workers exposed to hazardous chemicals in the estate. The medical surveillance was conducted on 17/11/2020 for 4 workers at Klinik Sulaiman. The results indicated that all workers were fit to work. Medical Surveillance for 2021 was conducted for 2 workers at Klinik Syed Badaruddin on 30/12/2021. The results have not been provided yet.</p> <p>c) A training programme has been developed and available in the Training Requirement for Operating Units. The trainings were sighted to have included Gender Specific Training and involves staffs and workers. COVID-19 training and briefings were sighted at the estates. Interview with the workers and staff indicated that they were aware on the SOP during the ongoing pandemic such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>d) PPE Record was available for verification. Issuance of PPE to employees is recorded in a standard form which has the information about name of employee, type of PPE, workstation, date of issuance and acknowledgment of receipt.</p> <p>e) SOP for handling chemical management was addressed in a few procedures. The procedures outline the handling of chemicals in accordance to the regulation.</p> <p>f) FGVPM Semaring 01 Estate The Estate Manager, Mr. Muhammad Hanis Bin Abd Razak was appointed as the Chairman for Safety and Health Committee at the estate as stated in the appointment letter dated 19/02/2021 undersigned by the Regional Controller. FGVAS Kerteh Estate</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The Estate Manager, Mr. Asmadi Mohd Ali has been appointed as the OSH chairman for the estate as stated in the appointment letter dated 02/05/2021 undersigned by the R&D Division head</p> <p>g) FGVP M Semaring 01 Estate</p> <p>Safety & Health meetings were conducted at an interval of 3 months at the mill to address all the OSH related issues. Sighted the meeting minutes dated 08/12/2021 (04/2021), 08/07/2021 (03/2021), 06/04/2021 (02/2021) and 12/01/2021 (01/2021).</p> <p>FGVAS Kerteh Estate</p> <p>Safety & Health meetings were conducted at an interval of 3 months at the mill to address all the OSH related issues. Sighted the meeting minutes dated 19/12/2021 (04/2021), 26/09/2021 (03/2021), 04/07/2021 (02/2021) and 23/03/2021 (01/2021).</p> <p>h) Emergency Procedures and Safe Working Procedures were available at the office, workshops and chemical stores. Emergency Plans were available for identified incidences such as Fire, Accident, Chemical Spillage and Evacuation. Emergency Response Team was formed in the estate to counter any unwanted emergencies. ERP and Fire Extinguisher Training was conducted on 10/03/2021 at FGVP M Semaring 01 Estate.</p> <p>i) First Aid Kits were available at all sampled work units Spraying Gang, Harvesting Gang, Workshop, Boiler Station and Chemical Store. The first aid kits were well equipped with first aid items as stated in the list. All items were seen to be replenished at monitored regularly as per the monitoring checklist. The First Aid Kit holders were aware on how to use the items in case of an emergency.</p>	

Criterion / Indicator		Assessment Findings	Compliance																			
		<p>Basic Occupational First Aid, CPR & AED Training was attended by the staff from FGVAS Kerteh estate on 10 – 11/11/2021 while at FGVPM Semaring 01 Estate on 04/01/2022.</p> <p>j) Accident records were maintained and updated on a monthly basis at the estates.</p> <p>FGVPM Semaring 01 Estate</p> <p>There was 1 accident reported for the year 2020 in the estate involving 5 days LTA. The JKKP 6 form and accident investigations were available for verification. The JKKP 8 form for the year 2020 have been submitted to DOSH on 12/01/2021 and available for verification. There were no accidents reported in the estate for the year 2021.</p> <p>FGVAS Kerteh Estate</p> <p>There were no accidents reported for the year 2020 in the estate. The JKKP 8 form have been submitted to DOSH on 08/01/2021 and available for verification. As for 2021 there was 1 accident case involving 2 LTA days in the estate. Records of accident investigation were maintained and available for verification.</p> <p>Occupational Injuries were recorded using the Lost Time Accident metrics as below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th colspan="2">2020</th> <th colspan="2">2021</th> </tr> <tr> <th>Cases</th> <th>Days</th> <th>Cases</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>FGVPM Semaring 01 Estate</td> <td>1</td> <td>5</td> <td>nil</td> <td>nil</td> </tr> <tr> <td>FGVAS Kerteh Estate</td> <td>nil</td> <td>nil</td> <td>1</td> <td>2</td> </tr> </tbody> </table>	Operating Unit	2020		2021		Cases	Days	Cases	Days	FGVPM Semaring 01 Estate	1	5	nil	nil	FGVAS Kerteh Estate	nil	nil	1	2	
Operating Unit	2020			2021																		
	Cases	Days	Cases	Days																		
FGVPM Semaring 01 Estate	1	5	nil	nil																		
FGVAS Kerteh Estate	nil	nil	1	2																		

Criterion 4.4.5: Employment conditions

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3 Respect for human rights) dated 29/5/2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training. Interview with workers showed that they have a good understanding on human rights</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Human Rights Policy was established and describe in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.2 Responsible Employment) dated 29 May 2019 (FGV/SED/POL/001 Rev 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad. The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. Interview with the workers showed that no discrimination is being practiced.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract were issued, and acceptance of offer were acknowledged, and copies were kept by the workers. This has been verified through interview with workers. The terms and conditions such as salary, termination of employment and annual leave entitlement were clearly stated in the contract and found to be in-line with industry minimum standards.</p> <p>Buku Panduan Kadar Upah Kerja Pekerja Pentadbiran dan Operasi Ladang Bagi Pekerja FGVPMSB (KUK Bil 07 issued by Jabatan Sumber Manusia FGVPMSB approved by CEO (Rahimi Hissan Wahid effective on 01/03/2020 was also verified.</p> <p>The sampled of offer letters and employment contract agreement for Semaring 01 Estate were Emp. No.: FW04880517, FW04880614,</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		FW04880468, LW04880027, LW04880057, LW04880087 and for Kerteh Estate Emp No – PI001219003	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The management is ensuring the employees of contractors are paid based on legal or industry minimum standards by verifying the payslips of the workers. Crosschecking of sampled of the payslips showed that the pay was delivered accordingly including the employer’s contribution of EPF, SOCSO and EIS.</p> <p>FGVPM Semaring 01 Estate Contractor: Muhammad Zuraidi Bin Sulaiman No of employee: 2 Salary Slip verified: June – November 2021 Contribution to EPF & Socso verified Basic Salary per day: 46.16 FGVAS Kerteh Estate Contractor: Raja Ismail Bin Raja Daud</p> <p>There was no evidence that the contractor worker has been paid according to Minimum Wages Order 2020 including contribution to Employees Provident Fund (EPF) and SOCSO has been made for worker (I/C No.: 930725-11-XXXX). Thus, Minor non-conformity been raised.</p>	Minor Non-compliance
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers will be registered in the Human Resource Management System (OPMS) or SAP system where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Collective Agreement between FELDA Palm Industries Sdn Bhd and Kesatuan Pekerja-Pekerja FELDA Palm Industries Sdn Bhd, validity 01/01/2019 to 31/12/2021, is referred to. Employment contract is provided for every worker which is signed by the employer and employees. Based on verification of the contract contents, the stipulated terms & conditions found to be fair. The sampled of offer letters and employment contract agreement were Emp. No.: Pavan Kumar (available in Hindi, Benggali and Bahasa Malaysia (Perjanjian Kontrak Pekerjaan diantara FGV Plantation (Malaysia Sdn. Bhd. dan Tenaga Kerja Asing – FGV/FGVPM-JTK/Contract/BM-1, Ref: 1.0 dated 01/11/2019).</p>	<p>Complied</p>
<p>4.4.5.7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>The working hours are manually recorded during muster call and thereafter transferred to computerised wage payment system.</p>	<p>Complied</p>
<p>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.</p> <p>- Major compliance -</p>	<p>Interview with workers and document reviewed on the attendance record (check-roll) as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes.</p>	<p>Complied</p>
<p>4.4.5.9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the attendance record which includes the total hours of overtime and daily attendance. The following payslips were sampled for May, July and October 2021 as below:</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		Semaring 01: FW04880517, FW04880614, FW04880468, LW04880027, LW04880057, LW04880087	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	All the workers are provided with medical facilities and SOCSO. The company is also providing free transportation to send the workers to town for daily goods purchased once a month. Workers was provided with subsidy for electricity – RM6.00 and subsidy for water usage – RM4.00 for each worker.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers’ Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	Hostels were provided to workers with basic amenities. Water and electricity are supplied from public domain which is subsidised by the employer. Inspections of quarters in accordance to Workers’ Minimum Standards of Housing and Amenities Act 1990 were done on weekly basis. Records of inspection were well maintained in Pemeriksaan Mingguan Rumah Tempatan.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sexual Harassment Policy was established and describe in the “Polisi Kelestarian Kumpulan/ Group Sustainability Policy” (Clause 5.1.6 Gender Equality and Preventing Sexual Harassment & Violence) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad. Besides, procedure “Menangani Aduan Melalui Jawatankuasa Wanita” (Doc. No.: FGV/ML-1A/L2-Pr14, rev. 0, dated 1/6/2016) was developed to provide a system to channel the complaint regarding sexual harassment and violence. There was no issue regarding sexual harassment and violence reported. Briefing was conducted on 04/01/2022.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in	Freedom of Expression Policy was established and describe in the “Polisi Kelestarian Kumpulan/ Group Sustainability Policy” (Clause 5.1.3.4 of policy document) dated 29 May 2019 (FGV/SED/POL/001	Complied

Criterion / Indicator		Assessment Findings	Compliance												
	<p>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>Revision 3. Policy is approved by Board of Directors led by Chairman of FGV Holdings Berhad. The company allows the employees to join any legal association and get approval from the management.</p>													
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has established a Child Labour Policy dated 1/6/2014 where the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old or not younger than 18 years old at the point of recruitment.</p>	Complied												
Criterion 4.4.6: Training and competency															
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Verified annual training program for the year of 2021. All training has been conducted as per plan. Among sample of training record were verified: -</p> <p>FGVPM Semaring 01 Estate</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Environmental Aspect Impact Training</td> <td>10.03.2021</td> </tr> <tr> <td>Chemical Spraying Training</td> <td>21/09/2021</td> </tr> <tr> <td>Harvesting Training</td> <td>21/09/2021</td> </tr> <tr> <td>Manuring Training</td> <td>21/09/2021</td> </tr> <tr> <td>COVID-19 Training</td> <td>23/09/2021</td> </tr> </tbody> </table> <p>FGVAS Kerteh Estate</p>	Training	Date	Environmental Aspect Impact Training	10.03.2021	Chemical Spraying Training	21/09/2021	Harvesting Training	21/09/2021	Manuring Training	21/09/2021	COVID-19 Training	23/09/2021	Complied
Training	Date														
Environmental Aspect Impact Training	10.03.2021														
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Criterion / Indicator		Assessment Findings		Compliance
		Training	Date	
		Schedule Waste Training	23/09/2021	
		PPE Training	03/04/2021	
		FFB Harvesting and Loading Training	14/07/2021	
		Chemical Handling Training	26/03/2021	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description.		Complied
4.4.6.3	A continuous training programme 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 -	All workers involved in the operations have been adequately trained in safe working practice. The estates have a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
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 -	<p>FGV Holdings Berhad has established Environmental Policy signed by Mohd Nazrul Izam Mansor, Group Chief Executive Officer dated 05/11/2021. Refer doc no FGV/GHR/HSEQ/POL/004.</p> <p>FGV Holdings Berhad has documented Environmental policy in the Group Sustainability Policy under section 5.3: Protecting the Environment. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI). The policy</p>		Complied

Criterion / Indicator		Assessment Findings	Compliance
		was communicated through training, briefing, and displayed on notice board at several placed in the estate.	
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>Both estates have conducted Aspects and Impacts Analysis and being documented under FGV/FGVPM/IV/IMS/16/1.6 Pind 1. The analysis was reviewed on annually basis and latest review was conducted for the year of 2021. Sample of EAIA at FGVAS Kerteh Estate dated 15/02/2021 was verified. The EAIA covering all the plantation activities namely: -</p> <ul style="list-style-type: none"> • Harvesting • Spraying • Rat Baiting • Manuring • FFB Transport • Domestic waste Management. <p>The environmental impact assessment (EIA) register has identified columns for Major activity, aspect, impact, issue, Compliance to Law, risk assessment, mitigation and risk score.</p> <p>Environmental Impact / Risk Matrix and Risk / Impact Value Table have been established in the Aspect – Impact Register. Risk Assessment are classified into 4 categories: frequency, likelihood, no of case and Total. Finally, the environmental ratings are classified as level, significance or not significance, action by and assessment.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The Management Plan has been documented in “Pelan Tindakan Bagi Mengurangkan Impak alam Sekitar dan mengawal Pencemaran (Impak Ketara)”. Sample taken on EAIA for the Circle Spraying activity at both Estates.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The program to promote activities with positive impacts was included in Continual Improvement Plan. The Plan for are as follows: <ul style="list-style-type: none"> • Zero open burning • Reduce usage of chemicals • Expand beneficial plant areas • Disposal of Empty chemical containers. • Re-use of chemical containers 	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 -	Evidence, all the Estates have conducted Environmental Training as listed below: - FGVPM Semaring 01 Estate <ul style="list-style-type: none"> • Environmental policy training dated 17/03/2021 • Environmental Aspects Impact training dated 10/03/2021 	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Sighted meeting on environmental has been conducted. The meeting chaired by the Manager. The meeting discussing on estate environmental issues, mature area and Management review mainly on documentation. Refer minutes of meeting as follows: FGVPM Semaring 01 Estate; 12/10/2021 FGVAS Kerteh Estate: 19/12/2021	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over	A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2021. The document was reviewed/updated on Jan	Complied

Criterion / Indicator		Assessment Findings	Compliance																																																																																										
	the base period. - Major compliance -	<p>2021. The Environment Management Plan for efficiency of fossil fuel usage dated 03/01/2021 are detailed below:</p> <ul style="list-style-type: none"> • Monitor, reduce and record the usage of diesel monthly. • Switch off the engine when there is no operation • Reduce the usage of genset and fully utilize the turbine • Awareness training on management of diesel • Monitoring the cleanliness of skid tank area. 																																																																																											
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 diesel utilisation for the estates is provided in the below table.</p> <table border="1"> <thead> <tr> <th colspan="5">FGVPM Semaring 01 Estate</th> </tr> <tr> <th>No</th> <th>Month</th> <th>Diesel</th> <th>FFB</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>1</td><td>Jan 2021</td><td>1298.54</td><td>550.49</td><td>2.36</td></tr> <tr><td>2</td><td>Feb 2021</td><td>1604.32</td><td>548.09</td><td>2.93</td></tr> <tr><td>3</td><td>Mar 2021</td><td>1804.88</td><td>565.77</td><td>3.19</td></tr> <tr><td>4</td><td>Apr 2021</td><td>1500.52</td><td>715.85</td><td>2.10</td></tr> <tr><td>5</td><td>May 2021</td><td>1779.95</td><td>769.20</td><td>2.31</td></tr> <tr><td>6</td><td>Jun 2021</td><td>1842.22</td><td>721.63</td><td>2.55</td></tr> <tr><td>7</td><td>Jul 2021</td><td>2027.61</td><td>1068.60</td><td>1.90</td></tr> <tr><td>8</td><td>Aug 2021</td><td>2260.89</td><td>1701.75</td><td>1.33</td></tr> <tr><td>9</td><td>Sept 2021</td><td>2327.02</td><td>1701.55</td><td>1.37</td></tr> <tr><td>10</td><td>Oct 2021</td><td>2224.84</td><td>1766.94</td><td>1.26</td></tr> <tr><td>11</td><td>Nov 2021</td><td>1276.95</td><td>872.15</td><td>1.46</td></tr> <tr><td>12</td><td>Dec 2021</td><td>2239.76</td><td>1091.41</td><td>2.05</td></tr> <tr><td colspan="2">Total</td><td>22187.50</td><td>12073.43</td><td>1.84</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5">FGVAS Kerteh Estate</th> </tr> <tr> <th>No</th> <th>Month</th> <th>Diesel</th> <th>FFB</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Jan 2021</td> <td>541.61</td> <td>130.35</td> <td>4.16</td> </tr> </tbody> </table>	FGVPM Semaring 01 Estate					No	Month	Diesel	FFB	Diesel/FFB	1	Jan 2021	1298.54	550.49	2.36	2	Feb 2021	1604.32	548.09	2.93	3	Mar 2021	1804.88	565.77	3.19	4	Apr 2021	1500.52	715.85	2.10	5	May 2021	1779.95	769.20	2.31	6	Jun 2021	1842.22	721.63	2.55	7	Jul 2021	2027.61	1068.60	1.90	8	Aug 2021	2260.89	1701.75	1.33	9	Sept 2021	2327.02	1701.55	1.37	10	Oct 2021	2224.84	1766.94	1.26	11	Nov 2021	1276.95	872.15	1.46	12	Dec 2021	2239.76	1091.41	2.05	Total		22187.50	12073.43	1.84	FGVAS Kerteh Estate					No	Month	Diesel	FFB	Diesel/FFB	1	Jan 2021	541.61	130.35	4.16	Complied
FGVPM Semaring 01 Estate																																																																																													
No	Month	Diesel	FFB	Diesel/FFB																																																																																									
1	Jan 2021	1298.54	550.49	2.36																																																																																									
2	Feb 2021	1604.32	548.09	2.93																																																																																									
3	Mar 2021	1804.88	565.77	3.19																																																																																									
4	Apr 2021	1500.52	715.85	2.10																																																																																									
5	May 2021	1779.95	769.20	2.31																																																																																									
6	Jun 2021	1842.22	721.63	2.55																																																																																									
7	Jul 2021	2027.61	1068.60	1.90																																																																																									
8	Aug 2021	2260.89	1701.75	1.33																																																																																									
9	Sept 2021	2327.02	1701.55	1.37																																																																																									
10	Oct 2021	2224.84	1766.94	1.26																																																																																									
11	Nov 2021	1276.95	872.15	1.46																																																																																									
12	Dec 2021	2239.76	1091.41	2.05																																																																																									
Total		22187.50	12073.43	1.84																																																																																									
FGVAS Kerteh Estate																																																																																													
No	Month	Diesel	FFB	Diesel/FFB																																																																																									
1	Jan 2021	541.61	130.35	4.16																																																																																									

Criterion / Indicator		Assessment Findings				Compliance	
		2	Feb 2021	822.78	179.83	4.58	
		3	Mar 2021	739.08	162.83	4.54	
		4	Apr 2021	366.43	150.50	2.43	
		5	May 2021	316.22	156.31	2.02	
		6	Jun 2021	380.37	137.73	2.76	
		7	Jul 2021	341.09	141.38	2.41	
		8	Aug 2021	208.37	82.81	2.52	
		9	Sept 2021	558.03	281.10	1.99	
		10	Oct 2021	499.46	225.95	2.21	
		11	Nov 2021	669.62	319.99	2.09	
		12	Dec 2021	390.61	187.37	2.08	
		Total		5833.66	2156.15	2.71	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Estates has constructed silt pit to stored water in the field.				Complied	
Criterion 4.5.3: Waste management and disposal							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Sighted Procedure on managing schedule waste has been established. Refer "Pengurusan Bahan Buangan Terjadual Setiap Ladang" Reference number: FGVP/L2/PAS-04dated 23/01/2020. All waste and pollution are identified and documented in the Waste Management Plan and Pollution Prevention Plan Financial Year 2021 renewed in Jan 2021.				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	All waste and pollution are identified and documented in the Waste Management Plan and Pollution Prevention Plan Financial Year 2021 renewed in Jan 2021.				Complied	

Criterion / Indicator		Assessment Findings	Compliance
	of potential wastes as nutrients or converting them into value-added by-products - Major compliance -		
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 -	<p>FGVPM Semaring 01 Estate – Send to collection centre <u>Inventory</u></p> <ul style="list-style-type: none"> File reference Number: FGVPM/L2/PAS-04 Date Reporting: 02/03/2021 Waste Generated: SW1102=0.0190MT, SW305=0.056MT, SW409=0.009MT, SW410=0.0330MT. <p><u>Disposal sample 1</u></p> <ul style="list-style-type: none"> Disposal consignment note: 2021090618B13LOK Date Disposal: 06/09/2021 SW305=0.2580MT (Spent Lubricating Oil) by Pentas Flora (Kelantan) Sdn Bhd <p>The procedure of schedule waste management was not effectively implemented. During document verification for FGVAS Kerteh it was found that no inventory of schedule waste has been maintained. It was against SOP "Pengurusan Bahan Buangan Terjadual Setiap Ladang" dated 23/01/2020 Ref. FGVPM/L2/PAS-04 section 6.5.1 "Kerani Bekalan mestilah mengemaskini rekod inventori bagi bahan buangan terjadual setiap Bulan". Thus, Minor non-conformity been raised.</p>	Minor Non-compliance
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	<p>Excess chemical containers that were not used for premixing have been triple rinsed and punctured was categorized under scheduled waste and disposed through waste contractors.</p> <p><u>FGVPM Semaring 01 Estate</u></p>	Complied

Criterion / Indicator		Assessment Findings	Compliance									
	national programme on recycling of used HDPE pesticide containers. - Major compliance -	The estate has disposed 60kg of chemical containers to Awie Metal Sdn Bhd on 06/12/2020 (Invoice Number: SLV048820120011).										
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Domestic waste at Linesite of FGVPI Kerteh POM was handle by contractors Koperasi Pekerja-Pekerja Felda Palm and send to the <i>Majlis Perbandaran Dungun</i> Centre Bin. <table border="1" data-bbox="1086 657 1872 759"> <thead> <tr> <th>Estate</th> <th>Block No</th> <th>Date Open/Closed</th> </tr> </thead> <tbody> <tr> <td>FGVPM Semaring 01</td> <td>PM11C</td> <td>28/12/2021</td> </tr> <tr> <td>FGVAS Kerteh</td> <td>Peringkat 1 D5</td> <td>09/12/2021</td> </tr> </tbody> </table>	Estate	Block No	Date Open/Closed	FGVPM Semaring 01	PM11C	28/12/2021	FGVAS Kerteh	Peringkat 1 D5	09/12/2021	Complied
Estate	Block No	Date Open/Closed										
FGVPM Semaring 01	PM11C	28/12/2021										
FGVAS Kerteh	Peringkat 1 D5	09/12/2021										
Criterion 4.5.4: Reduction of pollution and emission												
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Environmental Risk Assessment for identifying activities that contributes significant impact to environment including gaseous emission. An assessment of all polluting activities has been conducted and monitored. This included the estate and mill activities. Refer "Pengenalpastian Aspek Dan Impak" Document number: FGV/FGVPM/IV/IMS/15/1.6 Rev 1 dated 22/03/2021. Among sample of activities discussed were: - FGVPI Kerteh POM <ul style="list-style-type: none"> • Boiler • Ramp • Steriliser • Laboratory • Weighbridge FGVPM Semaring 01 Estate & FGVAS Kerteh Estate <ul style="list-style-type: none"> • Harvesting 	Complied									

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Spraying • Manuring • Tractor Driving • Rat Baiting 	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The estates have implemented a Continuous Improvement Plan where they have stated the intention to reduce the usage of chemical through implementation of Integrated Pest Management Plan.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. 	<ul style="list-style-type: none"> a. Water source for daily usage was from SATU. Sighted monthly record has been maintained. b. Water Sampling has been conducted for Inlet and outlet monitoring. Refer Report water sampling for FGVP Semaring 01 Estate dated 13/10/2021 by FGV Agri Service Laboratory. Reference report 362/2021 W. c. Water management plan has been established dated 31/12/2021. Among topics discussed were: <ul style="list-style-type: none"> • Record water consumption and source of water • Monitoring of negative impacts to the environment • Optimization of water usage and avoid wastage • Keep the soil moisture d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at the estate catchment. Riparian buffer zones have been identified and demarcated. No chemicals and fertilizer application observed been used in their maintenance. In certain areas Guatemala grass/ 	Complied

Criterion / Indicator		Assessment Findings	Compliance																				
	<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>Vertivar sp were planted along the river banks. Guidelines of the width of the rivers and natural courses to be protected have been illustrated in the FGV Sustainability Manual.</p> <table border="1"> <thead> <tr> <th>River width (meter)</th> <th>Minimum width for river reserve (m) for peninsular Malaysia and Sarawak</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>>40</td> <td>50</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Buffer zones were protected. Areas visited for the estates as tabled below: - • FGVPM Semaring 01 Estate <table border="1"> <thead> <tr> <th>Details</th> <th>Field</th> </tr> </thead> <tbody> <tr> <td>Hutan Simpan Chemerong</td> <td>PM13</td> </tr> <tr> <td>Sungai Balau</td> <td>PM13</td> </tr> <tr> <td>Sungai Semaring</td> <td>PM11</td> </tr> </tbody> </table> <p>e. There is no removal of natural vegetation in riparian areas.</p> <p>f. There is no abstraction water for water supply using bore well.</p>	River width (meter)	Minimum width for river reserve (m) for peninsular Malaysia and Sarawak	1-5	5	5-10	10	10-20	20	20-40	40	>40	50	Details	Field	Hutan Simpan Chemerong	PM13	Sungai Balau	PM13	Sungai Semaring	PM11	
River width (meter)	Minimum width for river reserve (m) for peninsular Malaysia and Sarawak																						
1-5	5																						
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Details	Field																						
Hutan Simpan Chemerong	PM13																						
Sungai Balau	PM13																						
Sungai Semaring	PM11																						
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Sighted during site visit, there was no construction of bunds, weirs and dams across Sg. Balau and Sg, Semaring. No river trespassing at FGVAS Kerteh Estate.</p>	Complied																				
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>Estate visited has implemented water harvesting in the estate. Such as directing water from roadside drain into the field. For planting at hilly area, the estate has constructed conservation terrace and plant cover crop to conserve water and prevent land erosion.</p>	Complied																				

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
<p>4.5.6.1</p>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <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 (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>The HCV assessment was conducted with details as follows; “Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti; Ladang FGVPM Semaring 01 dated 24/05/2018 and FGVAS Kerteh dated 03/08/2018”. This report was updated and reviewed by En Amir Hamzah Dollah@Abdullah from the Due Diligence Unit, Plantations Sustainability Department.</p> <p>In summary there was no HCV present in the FGVAS Kerteh Estate and FGVPM Semaring 01 Estate except for buffer zone for Sungai FGVPM Semaring 01 and Sg Balau and Boundary of Hutan Simpan Chemeron internal drainage flowing at FGVPM Semaring 01 Estate.</p> <p>The reports detailed the findings of a rapid appraisal of the biodiversity in the estates and addresses the RSPO P&C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following: -</p> <ul style="list-style-type: none"> a) General biodiversity issues b) Watercourses and drainage c) Habitats natural and man-made d) Wildlife e) Ponds and reservoirs f) Wetlands /watercourses g) Legal aspects h) Immediate and long-term effect 	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Sighted Management Plan and Monitoring Plan of HCV Area has been established for the year (2018-2023). Among topic in the management plan were: -</p> <ul style="list-style-type: none"> • Install signage at forest boundary • Monitoring of endangered species from animal sighting record • Awareness training and campaign related HCV and RTE • To cooperate with Jabatan Perhilitan <p>Sighted quarterly monitoring of wildlife and sensitive area for the year of 2021 at FGVP M Semaring 01 Estate and FGVA S Kerteh Estate. Only species like wild boar and monkey were stated in the animal sighting record.</p> <p>IPM Plan has been established in the certification unit estates which includes the planting of beneficial plants and control of damage by rodents and leaf eating pest</p> <p>Beneficial plants such as <i>Turnera subulata</i> and <i>Cassia cobanensis</i> are grown in the estates and their records of planting in new areas and maintenance of existing areas of beneficial plants and location maps are available. Rat damage and leaf-eating pest census was regularly carried out to obtain information about threshold level and action to be taken thereafter. The records of census and rat baiting (averaging fruitlet damage <2%) were available for verification.</p> <p>Barn owl census conducted showed that it is inhabited. Additional owl boxes had been added, ratio ranging from 1:21 ha to 1:37 ha from one estate to another. Occupancy rate ranges from 59% - 70% among the estates visited. Inspection at one random barn owl box showed that it is inhabited with bones and bird droppings sighted on the ground at the foot of the barn owl box pole.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>There is no RTE found the entire FGVAS Kerteh Estate and FGVPM Semaring 01 Estate as recorded, with latest the following observation/report "Laporan Penilaian Konservasi Tinggi (HCV) & Biodiversiti; Ladang FGVPM Semaring 01 01 and Ladang Kerteh".</p> <p>The audit findings have confirmed that there is no new HCVs, HCS forests peatland and other conservation areas been identified after 15/11/2018 in both FGVAS Kerteh Estate and FGVPM Semaring 01 Estate (refer 7.3.1 to 7.4.2).</p> <p>The recent HCV assessment methodology is through site observation, interviews, stakeholder's consultation and desktop review on available secondary data. The assessment among others covers the following areas: -</p> <ul style="list-style-type: none"> • Overview of HCV assessment • Description of assessment areas • Finding and discussion • landscape context • HCV criteria and application to agriculture 	<p>Complied</p>
<p>4.5.6.3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>HCV monitoring and management Monitoring of these areas are made through the daily field supervision by the field staff and executives. There were also visits by the PA/RC and personnel from the SCCD unit. Sighting of RTE are made and recorded during the AP rounds in the estates if any. Highlights if any are discussed during the management review or management meetings subject to the urgency of the situation.</p>	<p>Complied</p>
<p>Criterion 4.5.7: Zero burning practices</p>		

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	The Group "Zero open burning" is enforced as described in the Group Sustainability Policy May 2019. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estate. The estate has no replanting program for the incoming 5 years. There is a fire ERP team established by the estates and mill.	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 -	There is no areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. Thus, this indicator was not applicable.	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. Thus, this indicator was not applicable.	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			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	The SOP for the estates is available in a Group basis. Manual Ladang Sawit LESTARI 111 (No Doc: MLSL (ED 3) – Sec 2 (14.0) Tarikh	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Pindaan 1st September 2017 served as reference for the Estates. The Manual divided into 5 sections: -</p> <ul style="list-style-type: none"> a. Seksyen 1 – Pengurusan Tapak Semain Sawit b. Seksyen 2 – Pembangunan Tanam Semula c. Seksyen 3 – Sawit Pra Matang d. Seksyen 4 – Sawit Matang e. Seksyen 5 – Pembajaan Sawit <p>Apart from Manual Lestari, Estate do adhere to Sustainable Palm Oil Manual Procedure and Occupational Safety, Health and Environmental Manual.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has established “Prosedur Pengenalpastian Kawasan Cerun dan Rizab Sungai, No Dokumen: ML-1A/L2-Pr8(0) No Pindaan : 0 Tarikh Efektif : 1.6.2016. Stated under 3.1.2 memastikan Kawasan Rezab Sungai / Zon Penimbal dan Kawasan curam (melebihi 25°) tidak diganggu semasa program pembangunan dan penanaman baru”. During site visit observed there is no terracing above 25 Degrees.</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>Field references were identified by year of planting. Signboard were erected and palms at the entrance of each field were painted with the field identification. Sighted the implementation at FGVP Semaring 01 Estate and FGVA Kerteh Estate as follows: -</p> <ul style="list-style-type: none"> a. Block name b. Title Hectare c. Planted Hectare d. Year of Planting 	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Verified business management plan in the plan of a Budget for 2022 till 2026. (Detailed Summary of Organisation Revenue and Expenditure – FGVASSB Stesen Kerteh. The budget details the Operational expenses, Labour Expenses, Management Expenses and depreciation 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 -	There was no replanting at FGVPM Semaring 01 Estate and FGVAS Kerteh Estate for the next 5 years (2022-2026).	Complied
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	Verified business management plan in the plan of a Budget for 2022 till 2026. (Detailed Summary of Organisation Revenue and Expenditure – FGVASSB Stesen Kerteh. The budget details the Operational expenses, Labour Expenses, Management Expenses and depreciation cost. Details of crop material, crop projection, yield, production cost is available. The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is verified.	Complied
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	The estates performance is recorded in the monthly progress report. a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	b) The management also provides variance report on the performance and reviewed on a monthly basis. c) The supervisory personnel maintained a daily cost for the field operations. The meeting involving the Managers sits monthly with the Regional Controller and Head for the performance review.	
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 pricing mechanism guided by "Polisi Perolehan Kumpulan (PPK)" of Felda Global Ventures Holdings Berhad which covers various subjects such as selection method of vendors, procurement methods, tender policy, contract award policy, quotation policy, etc	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors. Based on contract agreement, the payment will be made once a month by the finance department at HQ level. There was no grievance about timing of payment.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors have acknowledged on a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements. (e.g. at FGVP M Semaring 01 Estate, Briefing was conducted on 22/06/2021)	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.4.2 The management shall provide evidence of agreed contracts with the contractor. - Major compliance -</p>	<p>Signed agreed contracts were available through Surat Perintah Kerja as follows: <u>FGVPM Semaring 01 Estate</u> Contractor: Muhammad Zuraidi Bin Sulaiman, Contract No: 530007721, dated 14/06/2021, Ref No: CLC 1 Bil 07/2021, Work Scope: Mengangkut BTS <u>FGVAS Kerteh Estate</u> Contractor: Raja Ismail B Raja Daud, Contract No: 820105001-2021/820213501-12-185 dated 31/12/2021, Work Scope: Memuat dan mengangkut BTS serta biji lerai, Qty: 2,604.25MT, Price: RM27/MT, Contract period: until 31/12/2022</p>	<p>Complied</p>
<p>4.6.4.3 The management shall accept MSP0 approved auditors to verify assessments through a physical inspection if required. - Minor compliance -</p>	<p>This requirement has been specified during a briefing by the management to the contractors/suppliers during stakeholder’s consultation on 10/7/2018. Apart from that, there was also a memo distributed to all the contractors on informing them to expect verification assessments from any third-party auditors if necessary.</p>	<p>Complied</p>
<p>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 -</p>	<p>Prior to releasing payments to the contractor, the estates’ management have done the performance evaluation which is reported through “Laporan Jualan BTS ke Kilang Sawit Kerteh” Sijil Pengakuan Melawat Kawasan Kerja Yang Telah Siap – Borang Kontrak (30 Per.1) Laporan untuk Melawat Kawasan Kerja Yang Telah Siap (e.g. dated 01/09/2021, Contractor: Muhammad Zuraidi Bin Sulaiman, payment made on 09/09/2021, prepared by Mohamad Afrizal Bin Abdullah & acknowledged by by Asst Manager (Edy Ezuan Bin Abu Bakar) and approved by Estate Manager</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		Sijil Bayaran Kontrak for SPK No: 820105001-2021/820213501-9-93, Cert No: 02/11/2021, Block No: Pkt 1 & Pkt 2, Period: 01/10/2021 – 31/12/2021, Contractor: Raja Ismail Bin Raja Daud	
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no development of new planting at visited estate.	Not Applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	There is no development of new planting at visited estate.	Not Applicable
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There is no development of new planting at visited estate.	Not Applicable
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			

Criterion / Indicator		Assessment Findings	Compliance
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There is no development of new planting at visited estate.	Not Applicable
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	There is no development of new planting at visited estate.	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 -	There is no development of new planting at visited estate.	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 -	There is no development of new planting at visited estate.	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 -	There is no development of new planting at visited estate.	Not Applicable
4.7.4.2	Topographic information shall be adequate to guide the	There is no development of new planting at visited estate.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
	planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major 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 -	There is no development of new planting at visited estate.	Not Applicable
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no development of new planting at visited estate.	Not Applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no development of new planting at visited estate.	Not Applicable
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 -	There is no development of new planting at visited estate.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at visited estate.	Not Applicable
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There is no development of new planting at visited estate.	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 -	There is no development of new planting at visited estate.	Not Applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no development of new planting at visited estate.	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 -	There is no development of new planting at visited estate.	Not Applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no development of new planting at visited estate.	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 -	There is no development of new planting at visited estate.	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 -	<p>FGV Holdings Berhad has established and maintained its Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 4.0) 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.</p> <p>The implementation of MSPO was also documented in MSPO Supply Chain Certification (Kilang Sawit) (FGV/GSD-SCCD/SOP/006, Version: 1.0, dated 07/01/2021.</p>	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 -	Commitment to continually improve the quality of their products and services was addressed in Clause 5.0 of the policy above 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.	The internal audit for MSPO was planned to be conducted at least once a year. MSPO Internal audit for FGVPI Kerteh POM was conducted on 02/12/2021 with no nonconformances raised.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Internal audit was conducted by SSCD Department personnel from HQ.	
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 -	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. There was no nonconformity raised for FGVPI Kerteh POM.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The results of internal audit were reviewed and discussed during the management review meeting conducted on 03/12/2021	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 Management Review was conducted twice on 03/12/2021 and 14/10/2021, chaired by the Mill Manager (En. Hj. Hishim Bin Saudi) and attended by 13 personnel. Review input discussed such as 1. Review of Internal Audit Results 2. Customer satisfaction, 3. Production performance, 4. Environment issues, 5. Social Issues 6. Improvement 7. Legal compliance 8. Policies 9. System documentation 10. Review on outstanding issues raised from previous MRM	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 mill has emphasized on Continual Improvement Plan such as continuous trainings, line-site repair, bonus price and etc.	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 -	Any new technology and/or innovation equipment is subject to approval by the headquarters. So far, no new technology adopted by the Mill for milling operations.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Communication, Involvement and Consultation Procedure (FGV/ML1A/L2-Pr12 issue 1 version 0 dated 1/6/2016) has been communicated to external stakeholders through briefing and displayed at notice board. Policies are also displayed in FGVPI Kerteh POM and office mainly for internal stakeholders.	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 -	FGVPI Kerteh POM holds copies of each of the management documents that are required to be publicly available. Apart from that, all the information such as annual report, sustainability news and policies were found available in the company's website: https://www.fgvholdings.com/sustainability/	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Memorandum for the information to all stakeholders on documents that publicly available at the POM was displayed at the notice boards such as land title, OSH Plan, Environment Management Plan, Social Impact Assessment Plan, Reduction and Prevention Plan for Pollution, Complaint & Grievance Procedure, Stakeholder Complaint Record Book, Policies and etc.</p> <p>Records of inspections and visits by the authorities were maintained such as inspection of electricity by competent engineer, DOE visits and DOSH inspections.</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 developed “Komunikasi, Penglibatan dan Rundingan” procedure (Doc. No. FGV/ML-1A/L2-Pr12 issue 1, rev. 0 dated 1/6/2016) where the procedure has stated the information that provided to the stakeholders such as policies, social impact assessment and environment aspects.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>FGVPI Kerteh POM has nominated the Administration Executive (En Mohd Farkhan Bin Ibrahim) to be the responsible person for communication and handling all social issues in the facility. Appointment letter Ref No: 4017/KT/840A/16.8.1(6) dated 01/04/2021 as RSPO/MSPO SCCS Committee member was available for verification.</p>	Complied
4.2.2.3	<p>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.</p> <p>- Major compliance -</p>	<p>The stakeholder list was last updated in December 2021 where internal and external stakeholders have been included in the list such as government agencies/authorities, clinics, school, contractor/supplier, FFB supplier, customer and etc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
		Stakeholder consultation was conducted in November 2021 through email with no issues raised or received from the stakeholders so far.							
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 -	Documented procedure has been established for traceability (supply chain) and has been documented in the document number FGV/GSD-SCCD/SOP/007 title "Prosedur RSPO Supply Chain Certification (Kilang Sawit)".	Complied						
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Various means were available on how to monitor the traceability where among others the updating of productivity report, dispatch of CPO and PK, through month end account closing and internal audit. Based on verification of records, it was found that the procedure of traceability was well implemented.	Complied						
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Addressed under management functions and job description of the traceability procedure. It is stated that the overall responsibility is assigned to the Mill Manager. The responsible is to implement and monitor the FGVPI Kerteh POM Supply Chain programme. Based on interview with the person in-charged, he was able to demonstrate awareness of the organization's procedures for the implementation of this standard.	Complied						
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Sample of storage, sales, delivery or transportation of crude palm oil and palm kernel as below: CPO <table border="1" data-bbox="1120 1300 1904 1372"> <tr> <td>Date</td> <td>01/10/2021</td> <td>31/12/2021</td> </tr> <tr> <td>Transaction No.</td> <td>03013044</td> <td>03013412</td> </tr> </table>	Date	01/10/2021	31/12/2021	Transaction No.	03013044	03013412	Complied
Date	01/10/2021	31/12/2021							
Transaction No.	03013044	03013412							

Criterion / Indicator		Assessment Findings			Compliance
		Lorry No.	WRG2124	WWP6795	
		Weight	37.83 MT	40.47 MT	
		PK			
		Date	01/10/2021	30/12/2021	
		Transaction No.	04003201	04003291	
		Lorry No.	WUG1938	VGN6916	
		Weight	41.97 MT	42.86 MT	
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 -	FGVPI Kerteh POM continued to comply with all applicable legal requirements. Compliance to each applicable law and regulation are monitored by the operating units. The certification units obtained and renewed licenses and permits as required by the law. Among others, the licenses/permit verified were: <ol style="list-style-type: none"> MPOB License; License Number: 500178404000; License Validity Period: 01/04/2021 – 31/03/2022; Approved Yearly Processing Capacity: 259,200 Mt. Energy Commission – Private Installation License; License Number: 2021/01421; Serial Number: 50334; License Validity Period: 14/06/2021 – 13/06/2022. DOE License (Compliance Schedule); License Number: 004053; License Validity Period: 01/07/2021 – 30/06/2022. Permit Barang Kawalan Berjadual; Serial Number: P(T 000205); Reference Number: TR/DGN/12/08 SKD; Description: 			Complied

Criterion / Indicator		Assessment Findings	Compliance
		Diesel; Storage Quantity: 20,000 Litres; License Validity Period; 13/01/2021 – 12/01/2022.	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Identification and documentation of applicable legal requirements is guided by Manual Procedure, Legal and Other Requirements (FPI/L2/QOSHE 2.0, 29/11/2016).</p> <p>The applicable legal requirements for the mill and estate were registered in "Daftar Perundangan dan Lain-lain Keperluan" (Register of Legal and Other Requirements) (FPI/L4/QOSHE-2.1 Pind 0) which was last updated on:</p> <p>1. FGVPI Kerteh POM: 06/10/2021</p> <p>The register has info about Legal and Other Requirements, Enforcement Body, Main requirement, Enforcement standard, Penalty (RM), Responsible Departments and Compliance status.</p> <p>Tracking system to identify changes in the relevant regulations were available through the head office, website information and is communicated from the Group Head Office. Sighted the latest review to include new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020, Auxiliary Police Regulations 1970 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988 (Movement Control Order 2020).</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The mechanism of tracking changes and update are guided by Manual Procedure, Evaluation of Compliance to Legal and Other Requirements [FPI/L2/QOSHE-17.0].</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	FGV Holdings Berhad have centralised system for tracking any changes in the law as per "Panduan: Sistem Pengesanan Perubahan Undang-undang" dated 23/6.2017, Version:04. Any changes in the relevant regulations is through Plantation and Sustainability Department and the Manager, who are sole responsible.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	There was no evidence that the oil palm milling activities is diminishing the land use rights of other users.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	The mill is able to demonstrate its right to use the land (19.78 Ha) through an agreement entitled "Surat Perjanjian Antara Lembaga Kemajuan Tanah Persekutuan (FELDA) dan Felda Palm Industries Sdn Bhd Rancangan: Felda Kerteh 2", dated 25/11/1996. The license granted to the Corporation is for a period of 30 years commencing on the 1/1/1994 and will be expire on 31/12/2023.	N/A
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	There were no issues of land disputes recorded. All land title was kept in the office and available for review. Legal boundary along the mill were clearly demarcated with fences.	N/A
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	FGV Holdings Berhad has maintained a procedure on "Pengenalpastian dan penyelesaian pertikaian tanah" with Doc. No. ML-1A/L1-Pr10(0) dated 1/6/2016. The objective of the procedure is to handle and monitor any issue raised from local communities on customary or user rights.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Procedure on the compensation to the people entitled and monitoring of boundary stone was detailing in the procedure. Compensation will be paid according to basic cost/ acre and market land price.</p> <p>There was no land dispute in FGVPI Kerteh POM at the time of audit. The surrounding land is owned by FELDA and the settlers. Interviewed with the stakeholders confirmed that no encroachment of land by the company.</p>	
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Not Applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	Not Applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	The land is legally owned by FELDA and leased to FGVPI Sdn Bhd. The existing land is not encumbered by any customary land rights.	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 impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	Social Impact Assessment was carried out by Plantations Sustainability Department (PSD), Sustainability & Environment	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>Department for FGVPI Kerteh POM on 22/5/2018. The assessment has involved the participation of relevant stakeholders such as local authorities, workers' representatives, contractors, settlers and local communities. Action Plan for Social Impact Assessment was developed and monitored by the mill management which abstracted from SIA assessment.</p> <p>The social impact assessment and management plan was reviewed on 10/11/2021 with no outstanding issues identified. Among the positive impact identified was surrounding residents were taking fertile soil from effluent treatment area.</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 maintained a procedure of "Menangani Aduan dan Rungutan" (Doc. No.: ML-1A/L2-Pr13(0), Version 0 dated 1/6/2016). The objectives of the procedure are to provide a channel for the internal stakeholders and external stakeholders to lodge any complains to the management. Mechanism to handle complaints was clearly described in the procedure. There are 5 stages of process for internal complaint. The time frame for investigation of the issue should be done within 14 working days.</p> <p>Grievance reporting channels was also published in the company's website, https://www.fgvholdings.com/whistleblowing/. The channels of reporting such as through letter, email, in person or Hotline Toll Free call. The whistleblowing e-form was available in https://www.fgvholdings.com/sustainability/grievance/# for the stakeholders to report a grievance.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p>	<p>FGVPI Kerteh POM has maintained a log book and a file of forms to record complaints or requests from the stakeholders. Most of the</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	complaints were about defects on housing facilities. Based on the records of complaints lodged, the actions taken by the management were appropriate and timely manner.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Complaint Box with complaint form is available in front of the security post. The stakeholders and workers have access to the form to lodge complaint if any. There was no complaint lodged from any external stakeholders since the last assessment. A memorandum was displayed at the notice board from the Mill Manager on the complaint or grievance channel through "Peti Aduan", complaint logbook and contact person responsible.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The records of complaint for the past 24 months are available in the complaint records book.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	FGVPI Kerteh POM has contributed to local development/ contribution to local community such as: 1. Contributed 440mt of EFB to FAS (Kerteh Research Station) 2. Free meal (lunch and dinner) during Total Lockdown 3.0 COVID-19 from 29/06/2021 – 12/07/2021	Complied

Criterion / Indicator		Assessment Findings	Compliance
		3. Free meal for Iftar during Ramadhan month provided to 2 nd shift POM workers	
SBCriterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	<p>FGV Holdings Berhad has established OSH Policy signed by Group Chief Executive Officer dated 05/11/2021. Refer doc no FGV/GHR/HSEQ/POL/003 Rev. 05.</p> <p>FGV Holdings Berhad has documented safety and health policy in the Group Sustainability Policy under section 5.2.4: Health and Safety. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI).</p> <p>In the policy stated the commitment:</p> <ul style="list-style-type: none"> To provide a healthy and safe working environment its operations for all its workers and employees and Shall allocate appropriate resource to minimize and eliminate Health and Safety risks. 	Complied
4.4.4.2	The occupational safety and health plan should cover the following: <ol style="list-style-type: none"> A safety and health policy, which is communicated and implemented. The risk of all operations shall be assessed and documented. An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ol style="list-style-type: none"> All employees involved are adequately trained on safe working practices; 	<ol style="list-style-type: none"> FGV Holdings Berhad has established OSH Policy signed by Mohd Nazrul Izam Mansor, Group Chief Executive Officer dated 05/11/2021. Refer doc no FGV/GHR/HSEQ/POL/003 Rev. 05. The mill risk of all operations be assessed and documented in hazard identification, risk assessment and risk control, HIRARC. The assessment includes all 23 processing activities and support activities base on workstation. The activities covered was available in the mill to identify assess and provide controls for all the risks associated to the operations in the mill. Sighted the HIRARC for Felsco Station, Oil Room, Crane & Threshing and Boiler. 	Complied

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. 	<p>Chemical Health Risk Assessment was conducted in the mill by IFZ Medical Supplies (CHRA REG NO: JKPP HQ/16/ASS/00/18) on 02/08/2018 – 01/09/2018. The CHRA Report (JKPP HQ/16/ASS/00/18-2018(007)) was available for verification covering Boiler, Driver (Shovel & Bobcat), Electrical Technician, Laboratory, Mechanical Technician and Storekeeper.</p> <p>Medical Surveillance was conducted for the year 2020 on 05/12/2020 by IFZ Medical Supplies. A total of 32 workers were examined and results indicated that all workers were fit to work with no occupational related diseases.</p> <p>Noise Risk Assessment Report (NRA) was conducted in accordance with the requirements under OSHA (Noise Exposure) Regulation 2019 for Kerteh Palm Oil Mill by Allion HSE Sdn Bhd (Assessor No: HQ/08/PEB/00/84) on 28/04/2020. The NRA Report (Report No: AH/20/08/17) was available for verification.</p> <p>Annual Audiometry Examination was conducted for workers exposed to excessive noise in the mill. The examination was conducted on 05/12/2020 – 16/12/2020 for a total 60 workers. The results indicated that 10 workers had normal audiograms, 14 with hearing impairment, 19 with standard threshold shift and 17 with hearing loss. Retest Audiometry for STS cases and Physical examination for hearing impairment cases were done on 05/07/2021 – 30/08/2021. The results indicated 14 workers were still diagnosed with STS. The management have reported the cases to DOSH and the JKPP 7 forms were available for verification. Audiometry for the year 2021 was conducted on 27/11/2021, awaiting the results.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>c) A training programme has been developed and available in the Training Requirement for Operating Units. The trainings were sighted to have included Gender Specific Training and involves staffs and workers. COVID-19 training and briefings were sighted at the mill and estates. Interview with the workers and staff indicated that they were aware on the SOP during the ongoing pandemic such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>d) PPE Record was available for verification. Issuance of PPE to employees is recorded in a standard form which has the information about name of employee, type of PPE, workstation, date of issuance and acknowledgment of receipt.</p> <p>e) SOP for handling chemical management was addressed in a few procedures. The procedures outline the handling of chemicals in accordance to the regulation.</p> <p>f) The Mill Manager, Hashim bin Saudi was appointed as the Chairman for Safety and Health Committee at the mill as stated in the appointment letter dated 01/01/2021 undersigned by the Regional Controller – Region 1.</p> <p>g) Safety & Health meetings were conducted at an interval of 3 months at the mill to address all the OSH related issues. Sighted the meeting minutes dated 23/12/2021 (04/2021), 25/09/2021 (03/2021), 30/06/2021 (02/2021) and 20/03/2021 (01/2021).</p> <p>h) Emergency Procedures and Safe Working Procedures were available at the office, workshops and chemical stores. Emergency Plans were available for identified incidences such as Fire, Accident, Chemical Spillage and Evacuation. Emergency Response Team was formed in the estate to counter any</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>unwanted emergencies. ERP and Fire Extinguisher Training was conducted on 04/05/2021 at FGVPI Kerteh POM</p> <p>i) First Aid Kits were available at all sampled work units Spraying Gang, Harvesting Gang, Workshop, Boiler Station and Chemical Store. The first aid kits were well equipped with first aid items as stated in the list. All items were seen to be replenished at monitored regularly as per the monitoring checklist. The First Aid Kit holders were aware on how to use the items in case of an emergency.</p> <p>j) First Aider Refresher held at Alaf – Akademi Latihan FGV, Kuantan on 21/12/2021 attended by personals from FGVPI Kerteh POM. Basic Occupational First Aid, CPR & AED Training was attended by the staff from FGVAS Kerteh estate on 10 – 11/11/2021.</p> <p>k) Accident records were maintained and updated on a monthly basis at the mill FGVPI Kerteh POM.</p> <p>There was 1 accident reported for the year 2020 in the mill involving 95 days LTA. The JKPP 6 form and accident investigations were available for verification. The JKPP 8 form for the year 2020 have been submitted to DOSH on 29/01/2021 and available for verification. There were no accidents reported in the mill for the year 2021.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	FGV Holdings Berhad has maintained its Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the organization respect human rights by upholding international human rights principles and standards as encapsulated in the	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>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>Human Rights Policy was established and addressed in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.3 Respect for human rights) dated 29 May 2019 (FGV/SED/POL/001 Rev 3).</p> <p>The policy was approved by Board of Directors led by Chairman of FGV Holdings Berhad (Datuk Wira Azhar bin Abdul Hamid). Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training. Interview with workers showed that they have a good understanding on human rights.</p>	
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 has maintained its Group Sustainability Policy (Policy No.: FGV/SED/POL/001, Rev. 3.0 dated 17/11/2020) where the organization has addressed there will be 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. From the interview session with the workers, there was no discrimination being practiced by FGV.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements.</p>	<p>The latest collective agreement (CA) [COG. NO: 031/2020] entitled "Perjanjian Bersama Antara FGV Palm Industries Sdn Bhd dengan</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung”, dated 31/1/2020. The agreement is effective from 1/1/2019 to 31/12/2021. Basic wage was spelt out under Article 18.1 of the agreement which is in compliance with the current Minimum Wage Order, 2020. Sampled pay slips for the months of July, Sept and Nov 2021 confirmed that the workers were paid in accordance to the Minimum Wage Order 2020. The sampled employees were Emp. No.: 1201710, 1206844,1203202, 1209956, 1203173, 1212080, 1210278</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Management ensured the employees of contractors are paid based on legal or industry minimum standards according to the employment contract by obtaining and reviewing pay slips from the contractors.</p> <p>Verification of the payslips confirmed that the employees of contractors were paid in accordance to minimum standard including contribution of EPF and SOCSO.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Workers details were registered in the Human Resource Management System (HRMS) where personal details such as name, nationality, date of employed, job description, wage rate, date of birth, gender and entitlement of public holiday was stated in the biodata form</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contracts are available in several languages (e.g. Bahasa Indonesia, Nepalese and etc). The contracts were acknowledged by workers and copies of the contract were kept by the workers. This has been verified during interview with workers.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		The terms and conditions such as salary, termination of employment, annual leave entitlement and probation period were clearly stated in the Contract Agreement between FGV Palm Industries Sdn Bhd and Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung. The agreement validity period is from 1/1/2019 to 31/12/2021. Sampled of offer letters were Emp. No.: 1209510, 1212017 & 1212082.	
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 -	The working hours recorded using punch card system where the attendance can be verified through the punch card of individual workers. The time enter, break time and exit of work were also clearly stated in the punch card.	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 -	As per punch card reviewed of the sampled workers, it was found that the entry time and exit time were clearly stated in the punch card. The terms and conditions stipulated in the collective agreement [ref.: Perjanjian Bersama antara FGV Palm Industries Sdn Bhd dengan Kesatuan Pekerja-pekerja FGV Palm Industries Sdn Bhd Semenanjung, validity 1/1/2019 to 31/12/2021]. Working hours for POM stated in the memorandum is at 8.00 am – 4.00 pm including 1-hour breaks. Sample punch card reviewed: 1201710, 1206844, 1203202, 1209956, 1203173, 1212080, 1210278, 1209509	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 -	Payslip was issued to each worker after the pay day. Wages and overtime were paid according to the records on "Punch Card". Total hours of overtime and daily attendance were recorded in the timecard. The following payslip were sampled for Jul, Sept and Nov 2021 as below: Emp. No.: 1201710, 1206844, 1203202, 1209956, 1203173, 1212080, 1210278, 1209509	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Overtime payment verified according to "Borang Permohonan Kerja Lebih Masa" and "Borang Tuntutan Bayaran Kerja dan Kerja Lebih Masa, Bekerja Pada Hari Biasa, Cuti Rehat dan Hari Cuti Kelepasan Am (e.g. Employee No: 1203185 for month of October 2021).	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Among other benefits offered to the employees are living allowance, shift allowance, head of department allowance and competency allowance.	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. - Major compliance -	Free housing with basic amenities was provided to workers. Treated water supplied by Syarikat Air Terengganu (SATU) and electricity supplied by TNB. Water bill is subsidized up to maximum RM15/month whereas electricity bill is fully borne by the employees (occupants) according to Article 41.2 and 41.3 of the collective agreement. Inspections of quarters in accordance to Workers' Minimum Standards of Housing and Amenities Act 1990 were done on weekly basis. Records of inspection were well maintained. Recorded in "Rekod Pemantauan Perumahan Petugas/Pekerja is evidence for month of October, November and December 2021.	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 -	Sexual Harassment Policy was established and documented in the "Polisi Kelestarian Kumpulan/ Group Sustainability Policy" (Clause 5.1.6 Gender Equality and Preventing Sexual Harassment & Violence) dated 29 May 2019 (FGV/SED/POL/001 Revision 3). The policy approved by Board of Directors led by Chairman of FGV Holdings Berhad. Procedure "Menangani Aduan Melalui Jawatankuasa Wanita" (Doc. No.: FGV/ML-1A/L2-Pr14, rev. 0,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		dated 1/6/2016) was maintained to provide a system to channel the complaint regarding sexual harassment and violence. There was no report or complaint on sexual harassment since the last assessment was verifies as per latest Gender Committee meeting was conducted on 10/12/2021. Gender committee appointment letter (e.g. Ref No: (125)4027/KT/840/11 Pt10 dated 02/01/2021 remain valid) (e.g. Pn Rosmawati Bt Ismail)	
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Freedom of Expression Policy was established and documented in “Polisi Kelestarian Kumpulan/ Group Sustainability Policy” (Clause 5.1.3.4 of policy document) dated 29 May 2019 (FGV/SED/POL/001 Revision 3.</p> <p>The policy approved by Board of Directors led by Chairman of FGV Holdings Berhad. The company allows the employees to join any legal association and get approval from the management. Workers’ Committee was established to discuss issues among the workers.</p> <p>Meeting minutes for Kesatuan Pekerja-Pekerja Felda Palm Industries Sdn. Bhd. – Cawangan Kerteh (Minit Mesyuarat AJK Cawangan Kerteh Kali Ke-2 (2019-2022) dated 14/09/2020 was verified.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has maintained Child Labour Policy that indicates the company will not recruit any individual who less than 18 years old to work in plantations. Document reviewed on the list of workers confirmed that all the employees were above 18 years old.</p>	Complied
Criterion 4.4.6: Training and competency			

Criterion / Indicator		Assessment Findings	Compliance														
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The Mill has a comprehensive annual training plan for its staff and workers, and this was sighted in the training records file for each staffs and workers. The training plan for 2021 was sighted as follow: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Whistleblowing Policy Training</td> <td>25/11/2021</td> </tr> <tr> <td>Zero Open Burning Training</td> <td>22/11/2021</td> </tr> <tr> <td>PPE Training</td> <td>11/11/2021</td> </tr> <tr> <td>Environmental Policy Training</td> <td>04/11/2021</td> </tr> <tr> <td>Sexual Harassment Training</td> <td>28/10/2021</td> </tr> <tr> <td>Scheduled Waste Management Training</td> <td>11/01/2021</td> </tr> </tbody> </table>	Training	Date	Whistleblowing Policy Training	25/11/2021	Zero Open Burning Training	22/11/2021	PPE Training	11/11/2021	Environmental Policy Training	04/11/2021	Sexual Harassment Training	28/10/2021	Scheduled Waste Management Training	11/01/2021	Complied
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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>Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description.</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>All workers involved in the operations have been adequately trained in safe working practice. The mill has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.</p>	Complied														
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services																	
Criterion 4.5.1: Environmental Management Plan																	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.1.1 An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>FGV Holdings Berhad has established Environmental Policy signed by Mohd Nazrul Izam Mansor, Group Chief Executive Officer dated 05/11/2021. Refer doc no FGV/GHR/HSEQ/POL/004.</p> <p>FGV Holdings Berhad has documented Environmental policy in the Group Sustainability Policy under section 5.3: Protecting the Environment. The Group Sustainability Policy was signed by the CEO on 17/11/2020. Refer doc. no FGV/SED/POL/001 rev. 4(BI). The policy was communicated through training, briefing, and displayed on notice board at several placed in the estate.</p>	<p>Complied</p>
<p>4.5.1.2 The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The Mill has conducted Environmental Aspect and Impact Assessment for all its' activities in year 2021. The environmental Assessment findings are recorded in document titled Identification of Environmental Aspect and Evaluation of Significance Form. Refer to FPI/L4/OHSE 1.7 Pindaan 1 dated 15/10/2021.</p> <p>The Environmental Risk Assessment has covered 16 keys activities of the mill such as: -</p> <ul style="list-style-type: none"> i. Main Entrance ii. Weighbridge iii. Grading iv. Loading ramp v. Sterilizer vi. Crane, Threshing, Press vii. EFB conveyor viii. Oil room ix. Oil tank - CPO x. Etc 	<p>Complied</p>

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		<p>Verified continuous improvement plan related environmental matters dated 03/01/2021. Among topics discussed were:</p> <ul style="list-style-type: none"> Control final discharge BOD under <100ppm Reducing diesel utilisation <0.40 Litter/FFB for the year of 2021 Monitoring on Fuel Save Plan for the year of 2021. 	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The Management Plan has been documented in Identification of Environmental Aspect and Evaluation of Significance Form. Refer 4.5.1.2.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote activities with positive impacts was included in Continual Improvement Plan. The Plan are as follows:</p> <ul style="list-style-type: none"> Control final discharge BOD under <100ppm Reducing diesel utilisation <0.40 Litter/FFB for the year of 2021 Monitoring on Fuel Save Plan for the year of 2021. 	Complied
4.5.1.5	<p>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.</p> <p>- Major compliance -</p>	<p>Verified record of awareness training related on environmental: -</p> <ul style="list-style-type: none"> Noise Risk Training dated 01/04/2021 Environmental Aspect Impact Training dated 06/01/2021 Schedule waste training dated 01/11/2021 No open burning training dated 22/11/2021 Environmental Policy Training dated 11/11/2021 	Complied
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The mill has established Environmental Performance Monitoring Committee which consist representative from the management and employee to discuss concern about the environmental quality. The</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																																																							
		committee conduct the meeting every quarter. Latest meeting was conducted on 23/12/2021.																																																								
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 -	Verified in the continuous improvement plan the related-on optimization and monitoring of non-renewable energy used in the mill: - <ul style="list-style-type: none"> Control final discharge BOD under <100ppm Reducing diesel utilisation <0.40 Litter/FFB for the year of 2021 Monitoring on Fuel Save Plan for the year of 2021. 	Complied																																																							
4.5.2.2	Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. - Major compliance -	The 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. Report as below: - Diesel/FFB Record <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="5">FGVPI Kerteh POM</th> </tr> <tr> <th>No</th> <th>Month</th> <th>FFB processed</th> <th>Diesel/L</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>1</td><td>Jan 2021</td><td>12200</td><td>5278</td><td>0.43</td></tr> <tr><td>2</td><td>Feb 2021</td><td>9900</td><td>5080</td><td>0.51</td></tr> <tr><td>3</td><td>Mar 2021</td><td>11460</td><td>2824</td><td>0.25</td></tr> <tr><td>4</td><td>Apr 2021</td><td>12300</td><td>5928</td><td>0.48</td></tr> <tr><td>5</td><td>May 2021</td><td>15180</td><td>3833</td><td>0.25</td></tr> <tr><td>6</td><td>Jun 2021</td><td>13200</td><td>3395</td><td>0.26</td></tr> <tr><td>7</td><td>Jul 2021</td><td>15330</td><td>5259</td><td>0.34</td></tr> <tr><td>8</td><td>Aug 2021</td><td>14610</td><td>4667</td><td>0.32</td></tr> <tr><td>9</td><td>Sept 2021</td><td>19740</td><td>8529</td><td>0.43</td></tr> </tbody> </table>	FGVPI Kerteh POM					No	Month	FFB processed	Diesel/L	Diesel/FFB	1	Jan 2021	12200	5278	0.43	2	Feb 2021	9900	5080	0.51	3	Mar 2021	11460	2824	0.25	4	Apr 2021	12300	5928	0.48	5	May 2021	15180	3833	0.25	6	Jun 2021	13200	3395	0.26	7	Jul 2021	15330	5259	0.34	8	Aug 2021	14610	4667	0.32	9	Sept 2021	19740	8529	0.43	Complied
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Criterion / Indicator		Assessment Findings					Compliance		
		10	Oct 2021	24510	8049	0.33			
		11	Nov 2021	25360	7187	0.28			
		12	Dec 2021	21080	5230	0.25			
		Total		194870	65259	0.33			
		Electricity, Turbine & Genset Record							
		FGVPI Kerteh POM							
		No	Month	FFB processed	TNB, kWh	Turbine, kWh		Genset, kWh	
		1	Jan 2021	12200	57559	152706		42840	
		2	Feb 2021	9900	44304	181320		-	
		3	Mar 2021	11460	43985	171539		10440	
		4	Apr 2021	12300	55005	115647		54360	
		5	May 2021	15180	52327	196551		10680	
		6	Jun 2021	13200	42413	177386		18810	
		7	Jul 2021	15330	52102	204071		-	
		8	Aug 2021	14610	46264	189668		-	
9	Sept 2021	19740	84679	192334	-				
10	Oct 2021	24510	71569	366447	-				
11	Nov 2021	25360	81877	353124	-				
12	Dec 2021	21080	69877	283484	-				
Total		194870	701961	2584277	137130				
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The mill used shell and fibre as fuel for boiler to reduce the usage of diesel. Sighted the usage of fibre and shell usage per FFB processed as follows:					Complied		
FGVPI Kerteh POM									
No	Month	FFB processed	Shell, MT	Fibre, MT					

Criterion / Indicator		Assessment Findings				Compliance	
		1	Jan 2021	12200	370.09	2703.92	
		2	Feb 2021	9900	400.66	2334.89	
		3	Mar 2021	11460	446.09	1973.62	
		4	Apr 2021	12300	484.08	2103.86	
		5	May 2021	15180	526.15	1617.68	
		6	Jun 2021	13200	216.64	1743.24	
		7	Jul 2021	15330	489.48	2150.52	
		8	Aug 2021	14610	587.82	2676.78	
		9	Sept 2021	19740	800.04	3277.31	
		10	Oct 2021	24510	786.15	3653.47	
		11	Nov 2021	25360	724.08	3058.18	
		12	Dec 2021	21080	587.94	3205.94	
		Total		194870	6419.22	30499.41	
Criterion 4.5.3: Waste management and disposal							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The mill has identified all waste products and source of pollutions and documented in Identification of Source and Type of Waste. The waste identified as follows: <ul style="list-style-type: none"> Scheduled Waste - Mill Operation – Used PPE, Used lubricant and hydraulic oil - Office and housing – Lamp, Electronic device Non-schedule waste - mill operation – used tyre, scrap iron - office and housing – Paper, Plastic, domestic waste Mill by-product - EFB, POME, Shell, Mesocarp fibre 				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.	The mill has established waste management plan base on the identification and source of pollutions and documented in Identification of Source and Type of Waste. Waste identified as per 4.5.3.1 The schedule waste being maintained in the Inventory Book				Complied	

Criterion / Indicator	Assessment Findings	Compliance
<p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>and Electronic Schedule Waste Information System (E-Swiss). The disposal is complying to the Regulations.</p> <p>The Waste Management Plan 2021 has been established prepared by SCCD and verified by the Assistant Engineer/ Assistants/ Manager. Interview with staffs and workers i.e. storekeepers and chemical mixer were trained, and they had understood the hazards involved and how the chemicals should be used and disposed in a safe manner.</p> <p>Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal.</p>	
<p>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</p> <p>- Major compliance -</p>	<p>SOP for handling scheduled wastes has been established entitled Waste Management. Ref doc no. FPI/L2/QOSHE-9.0 rev. 2 dated 3/11/2017 to comply with the Environmental Quality Regulations (Scheduled Waste) 2005. The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. The mill monitored the generation of scheduled waste on monthly basis. The generation of scheduled waste recorded and submitted to DOE through E-SWISS. Sighted and verified the monitoring records for year 2021. The disposal records as follows: -</p> <p>Sighted Record of Inventory of Schedule Waste and Disposal Record:</p> <p><u>Inventory</u></p> <ul style="list-style-type: none"> • File reference Number: (B)T:31/152/000/005 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Date Reporting: 01/01/2022 Waste Generated: SW1102=0.0190MT, SW305=0.056MT, SW409=0.009MT, SW410=0.0330MT. <p><u>Disposal sample 1</u></p> <ul style="list-style-type: none"> Disposal consignment note: 2021090618B13LOK Date Disposal: 06/09/2021 SW305=0.2580MT (Spent Lubricating Oil) by Pentas Flora (Kelantan) Sdn Bhd <p><u>Disposal sample 2</u></p> <ul style="list-style-type: none"> Disposal consignment note: 202109061849INRK Date Disposal: 06/09/2021 SW322=0.0360MT Waste on non-halogenated organic solvents) by Pentas Flora (Kelantan) Sdn Bhd 	
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 at Linesite of FGVPI Kerteh POM was handle by contractors Koperasi Pekerja-Pekerja Felda Palm and send to the <i>Majlis Perbandaran Dungun</i> Centre Bin.	Complied
Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The assessment of all polluting activities was conducted through environmental aspect and impact assessment which includes the greenhouse gas emissions, stack emission, scheduled wastes, solid wastes and effluent. Monitoring plan was established based on Environment Aspect and Impact assessment DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>The consumption of fertilisers and diesel were verified through Estates:</p> <ul style="list-style-type: none"> • FFB record book • Stock book • Monthly stock issue • Stock requisition note • Mill Month End Production Report • Monthly production report • Flowmeter & running hours record book • Bio-gas generation daily monitoring log sheet <p>Effluent analysis report Based on the verification of records; all the sampled issuance was traceable. Refer "Laporan Analisa Effluent Terawat" for the year of 2021.</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>Management Action Plan 2021 is used to identify the waste products and sources of pollution – is in place and is being reviewed and implemented accordingly.</p> <p>As prescribed under DOE's Compliance Schedule, the mill is obliged to conduct stack sampling minimum once a year. Below are the verified reports:</p> <p><u>1st Quater 2021</u></p> <ul style="list-style-type: none"> • Report no.: STK/KERTEH/21/001 • Report date: 22/04/2021 • Result: Dust: Boiler 1: 101.72 mg/m3 vs limit 150, Boiler 3: 132.42 mg/m3 vs limit 150 <p><u>2nd Quater 2021</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Report no.: STK/KERTEH/21/002 Report date: 28/08/2021 Result: Dust: Boiler 1: 161.95 mg/m3 vs limit 150, Boiler 3: 188.30 mg/m3 vs limit 150 <p><u>3rd Quater 2021</u></p> <ul style="list-style-type: none"> Report no.: STK/KERTEH/21/003 Report date: 23/11/2021 Result: Dust: Boiler 1: 187.21 mg/m3 vs limit 150, Boiler 3: 125.89 mg/m3 vs limit 150 <p>Sighted Lesen Pelanggaran Licence Number 004075 with validity from 05/06/2021 to 31/12/2021. The limit was 400mg/m3 for both boilers.</p> <p>Continuous Emissions Monitoring System (CEMS) which link to the DOE on real time base were established for Dark smoke emissions monitored.</p> <p>Sighted Online Environmental Reporting (OER) has been submitted to DOE on quarterly basis. The result within parameter as per Jadual Pematuhan AS(B)T:31/152/000/005 with Licence Number 004053.</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>Mill effluent is treated through biological anaerobic treatment. Regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Quarterly Return Form to DOE as follows:</p> <p>Monthly analysis was done for final discharge point. Total of 8 parameters (pH, BOD3, COD, TS, SS, TN, AN and O&G) were</p>	Complied

Criterion / Indicator		Assessment Findings			Compliance																																				
		tested. Latest analysis report for September, August, July 2021 were verified. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Report Date</th> <th>Report No.</th> <th>BOD (Limit=100mg/L)</th> </tr> </thead> <tbody> <tr> <td>08/09/2021</td> <td>3347/2021</td> <td>67.00</td> </tr> <tr> <td>03/08/2021</td> <td>2868/2021</td> <td>100.00</td> </tr> <tr> <td>14/07/2021</td> <td>2600/2021</td> <td>59.00</td> </tr> </tbody> </table>			Report Date	Report No.	BOD (Limit=100mg/L)	08/09/2021	3347/2021	67.00	03/08/2021	2868/2021	100.00	14/07/2021	2600/2021	59.00																									
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Criterion 4.5.5: Natural water resources																																									
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance -	The mill has established the water management plan FY 2021. The management focusing on monitoring usage of water and optimize usage of water. Water source from Mill water treatment/ Record of water usage has been maintained on monthly basis. Mill has maintained monitoring of water usage for processing FFB which are recorded monthly. Water for processing is abstracted from water catchment by using pump. The trend of water usage is tandem with volume of FFB process. Refer Water Usage Record FGVPI Kerteh POM. Average data as below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Month/Year</th> <th>FFB Processed, MT</th> <th>Water, L</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr> <td>Jan 2021</td> <td>12200</td> <td>16430</td> <td>1.35</td> </tr> <tr> <td>Feb 2021</td> <td>9900</td> <td>15260</td> <td>1.54</td> </tr> <tr> <td>Mar 2021</td> <td>11460</td> <td>14850</td> <td>1.30</td> </tr> <tr> <td>Apr 2021</td> <td>12300</td> <td>14700</td> <td>1.20</td> </tr> <tr> <td>May 2021</td> <td>15180</td> <td>17000</td> <td>1.12</td> </tr> <tr> <td>Jun 2021</td> <td>13200</td> <td>9700</td> <td>0.73</td> </tr> <tr> <td>Jul 2021</td> <td>15330</td> <td>12200</td> <td>0.80</td> </tr> <tr> <td>Aug 2021</td> <td>14610</td> <td>7700</td> <td>0.53</td> </tr> </tbody> </table>			Month/Year	FFB Processed, MT	Water, L	Water/FFB	Jan 2021	12200	16430	1.35	Feb 2021	9900	15260	1.54	Mar 2021	11460	14850	1.30	Apr 2021	12300	14700	1.20	May 2021	15180	17000	1.12	Jun 2021	13200	9700	0.73	Jul 2021	15330	12200	0.80	Aug 2021	14610	7700	0.53	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		Sept 2021	19740	25320	1.28	
		Oct 2021	24510	35000	1.43	
		Nov 2021	25360	35150	1.39	
		Dec 2021	21080	28802	1.37	
		Total	194870	232112	1.19	
		<p>The mill did monitor of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. The sample result as follows; -</p> <p>Report No.: 4907/2021 Date of report: 23/12/2021 Reference No.: (59)4027/KT/810/3-8 Effluent Place of sample: Air Sungai Rasau Hulu & Hilir</p> <p>Report No.: 4303/2021 Date of report: 18/11/2021 Reference No.: (56)4027/KT/810/3-8 Effluent Place of sample: Air Sungai Rasau Hulu & Hilir</p> <p>Mill has monitored the treated water by internal lab. Refer "Kertas Semak Kualiti Air Dandang & Air Mentah". Latest report was sighted on 03/01/2022. The result as shown Hardness and pH tested were between accepted range reading.</p>				
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed under "Jadual Pematuhan". Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Report No.: 4907/2021</p>				Complied

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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 -	Among verification of SOP in the Mill was listed below: - 1. Sustainable Palm Oil Manual Procedure dated 20/01/2001 2. Safety working procedure dated 26/10/2018				Complied																																													

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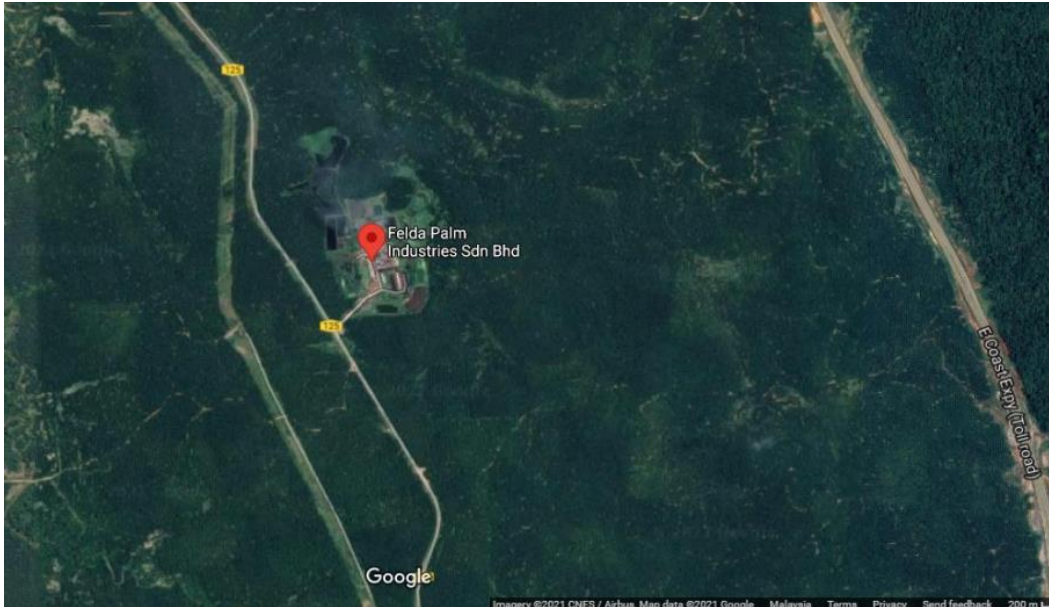
Criterion / Indicator		Assessment Findings	Compliance
		3. Quality, Occupational Health, Safety and Environmental Procedure dated 08/06/2018 4. Laboratory Manual Operation Procedure dated 15/07/2020 FGVPM has established mechanism to monitor the implementation of their procedure by Mill/Plantation Advisor Visit, Agronomist Visit, Mill Quality Control Unit and Internal Audit on compliance to RSPO, MSPO and SOP. The visit conducted on annually basis. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	FGV Holdings Berhad has established mechanism to monitor the implementation of their procedure by Mill/Plantation Advisor/RC Visit, Internal Audit, Mill Quality Control Unit and Audit on compliance to RSPO, MSPO and SOP. The visit conducted on annually basis. Among report sighted on: - RC Visit: 01/08/2021 Internal Audit: 02/12/2021	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The mill has available a business management plan in the form of an Annual Budget 2022 to guide the management and expenditure for the year. A 5 years business management plan (2022 – 2026) is available to include Operational Parameters (FFB), FFB Processed, OER, CPO, KER, and PK among others.	Complied
Criterion 4.6.3: Transparent and fair price dealing			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The pricing mechanism for the products and other services were guided by "Polisi Perolehan Kumpulan (PPK)" of Felda Global Ventures Holdings Berhad which covers various subjects such as selection method of vendors, procurement methods, tender policy, contract award policy, quotation policy, etc.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contracts agreements have the details about the pricing and terms & conditions. Payment was made promptly by verified the payment vouchers and interviewed with the contractors. Based on contract agreement, the payment will be made within 30 days	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors acknowledged a letter regarding the compliance of MSPO requirements and allowed the auditors to inspect relevant documents, operations and interview the workers whenever necessary. They were also briefed by the management regarding the MSPO requirements.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Signed agreed contracts were available through Surat Perintah Kerja, e.g.: #3301435374/1301090818, dated 18/7/2020, contractor: Koperasi Pekerja-pekerja Felda Palm Industries Berhad FGV Palm Industries Sdn. Bhd and FGV Transport Services Sdn. Bhd and FGV Trading Sdn. Bhd. Service Agreement dated 01/01/2021.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	This requirement has been specified in previous stakeholders meeting on 11/11/2020. In addition, there was a letter from FGV dated 24/11/2021 to Koperasi Pekerja Felda and dated 27/10/2021 to MM Agro Enterprise and the contractors were acknowledged the acceptance on the MSPO guidelines and requirements.	Complied

Appendix C: Location and Field Map

FGVPISB Kerteh POM



Appendix D: 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