



Project no: 013-2018
Main Assessment:

MALAYSIAN SUSTAINABLE PALM OIL
FINAL REPORT
MAIN ASSESSMENT

<p>Malaysia GUGUSAN BUKIT MENDI FELDA 2018</p>
--

Report prepared by:	Mohd Rizal Kassim	(Lead Assessor)
Report review by:	Syarmilah Binti Mohammed Noor Razak	Reviewer
Certification decision by:	Norsyahidah Binti Manaf	(Certifier)
Certifying Office		
Trans Certification International Sdn Bhd(TCI) B52, Tingkat 1, Jln IM3/10, Bandar Indera Mahkota, 25200, Kuantan, Pahang		



Project no: 013-2018
Main Assessment:

Contents

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT	4
1.1 Company and Contact Details	4
1.2 Certification Details	4
1.3 Assessment Details	4
1.4 Assessment Type	4
1.5 Location of the Certification Unit	4
1.6 Calculation of the Number of Production Units (N) to Sample for the Organize smallholder	5
PART 2: AUDIT PROCESS	5
2.1 About the Certification Body	5
2.2 Audit Team	5
2.2.1 Qualifications of the Lead Auditor	5
2.2.2 Qualifications of the Assessment Team	7
2.3 Audit Methodology	8
2.3.1 General Overview	8
2.3.2 Assessment agenda for this Audit	9
PART 3 ASSESSMENT FINDINGS	12
3.1 Lead Assessor's Summary and Recommendation for Certification	12
3.2 Summary of the findings by Principles and Criteria	13
Principle 1: <i>Management Commitment & Responsibility</i>	13
Principle 2: <i>Transparency</i>	15
Principle 3: <i>Compliance to legal requirements</i>	17
Principle 4: <i>Social responsibility, health, safety and employment condition</i>	19
Principle 5: <i>Environment, natural resources, biodiversity and ecosystem services</i>	26
Principle 6: <i>Best practices</i>	33
Principle 7: <i>Development of new plantings</i>	36
3.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable	40
3.3.1 Non-Conformities Identified during this Audit.....	40
3.3.2 Observations Raised During this Audit	57



Project no: 013-2018

Main Assessment:

3.4	Issues that were raised during the Stakeholder Consultation, if any	57
PART 4: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
.....		59
4.1	Date of next ASA	59
4.2	Date for Closure of Non-Conformities	59
4.3	Signing by the Client	59
4.4	Signing by the Lead Auditor	59
PART 5: CERTIFIED BODY ACKNOWLEDGEMENT OF CERTIFICATION DECISION		60
5.1	Signing by the Reviewer	60
5.2	Signing by the Certifier	60
Appendix A: List of Abbreviations		61

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

Company Name:	Federal Land Development Authority(Felda)
Business Address:	Menara Felda, Platinum Park, No 11, Persiaran KLCC, 50888, Kuala Lumpur
Contact Person:	Ahmad Sharir Ismail
Office Telephone:	03-2191 2590
E-Mail:	shahrir.i@feldaglobal.com
Web Site:	https://www.felda.net.my
Other Certifications Held:	N/A

1.2 Certification Details

Registered Client Name:	Federal Land Development Authority (Felda) Gugusan Bukit Mendi
Certificate Number:	TCI-MSPO-03-0132018
Start Date Of Certificate:	15.03.2019
End Date Of Certificate:	14.03.2024
Date Of Original Certification:	15.03.2019
Scope:	Production Sustainable Fruit Fresh Bunch (FFB)
Type Of Certification:	Part 3
Duration Of Certificate:	5 Years from date of certification

1.3 Assessment Details

Dates Of This Audit:	12 – 15 November 2018
Audit Number:	013-2018-MA

1.4 Assessment Type

This is a Malaysian Sustainable Palm Oil Compliance assessment of the Group manager and its respective members as listed in this report below.

1.5 Location of the Certification Unit

Name Certification Unit	Location	Total Area(Ha)	Total organize Smallholder
Felda Chemomoi	Scheme Group Manager Pejabat Felda Chemomoi, 28310, Triang, Pahang	2573.17	555
Felda Mengkuang	Pejabat Felda Mengkuang, 28340, Triang, Pahang	610.84	99
Felda Bukit Mendi	Pejabat Felda Bukit Mendi, 28320, Triang, Pahang	1933.26	455
Felda Bukit Puchong	Pejabat Felda Bukit Puchong, 28300, Triang, Pahang	1822.78	433
Felda Sg Kemahal	Pejabat Felda Sg Kemahal, 28320, Triang, Pahang	1758.96	422
Felda Kemasul	Pejabat Felda Kemasul, 28310, Triang Pahang	2122.41	449

1.6 Calculation of the Number of Production Units (N) to Sample for the Organize smallholder

$N = \sqrt{Y}$, where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer will multiply risk factor Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed

For the Mill, how many units make up the production base?

Owned estates (Y)	$N = \sqrt{Y}$	Risk Factor	$N = \sqrt{Y} \times 1$
6	3	1	3+1(Group Manager)

Explanation as to the selection of estates sampled

$N = \sqrt{Y}$, where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer will multiply risk factor Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed

PART 2: AUDIT PROCESS

2.1 About the Certification Body

TRANS CERTIFICATION INTERNATIONAL SDN BHD
 No. B52, TINGKAT 1,
 JLN IM3/10, BANDAR INDERA MAHKOTA,
 25200, KUANTAN, PAHANG
 TEL: 09-5751333

<https://transcert.com.my/>

Trans Certification International Sdn Bhd (TCI) is 100% Bumiputra Company is establishing on 2017 and mainly provider sustainable, quality management, product certification. Since 2015 we are actively doing auditing on behalf of few certification bodies.

Our people are specializing in various sector and have experience to provide training, consultancy specialize in Sustainable practice and Supply chain certification services, especially for Palm Oil Industries.

2.2 Audit Team

Lead auditor:	MOHD RIZAL KASSIM
Team member 1:	WAN MOHD AZLAN
Team member 2:	ERMADASILA MOHAMAD

2.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
Post-secondary education, college or university diploma/degree in one of the following i. Agriculture; ii. Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences.); iii. Engineering, Process Technology; iv. Energy Management, Quality Management; v. Social Sciences and/or Anthropology; vi. Business Management; or vii. Other relevant related fields	Graduate qualification in Forestry with 5 years working experience in manufacturing and forestry.
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	More than 5years working experience in manufacturing and forestry. Involved in RSPO auditing since July 2012. Fully trained in similar agriculture certification programmers such as RSPO SCCS, ISCC,INS
Attended the MS 2530 series of standards training or other auditor competency trainings endorsed by MPOCC or MPOB (pre 2016).	Involved in RSPO assessment since July 2012. Member of TCI MSPO audit team. Involved in audits conducted in Malaysia and Indonesia and Ghana

ii) shall have undergone 40 hours of accredited lead auditor course either in Quality Management Systems (QMS) or Environmental Management Systems (EMS) or Occupational, Health and Safety Management Systems (OSH).	Completed ISO 9001:2008 lead auditor course in January 2013
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years	Involved in audits conducted in Malaysia and Indonesia since July 2012 in more 10 different companies in Malaysia and Indonesia.
RSPO endorsed lead auditors course.	Complete and Pass in 2013
Signed code of conduct.	YES
General knowledge of:	
• MSPO standards.	YES
• TCI organizational structure.	YES
• TCI quality systems.	YES
• Lead auditor role.	YES
• Report writing.	YES
• Stakeholder consultation.	YES
• Certification decision process.	YES
• CV available.	Upon request

2.2.2 Qualifications of the Assessment Team		
MSPO Requirement	Team Member Name	Qualifications
Education		
Post-Secondary education: At least ten (10) years of work experience in the oil palm sector or related fields such as social, health, safety and environment. Tertiary education: At least three (3) years of work experience in the oil palm sector or related fields such as social, health, safety and environment.	WAN MOHD AZLAN	Post graduate qualification in Business Administration with 33 years working on palm oil industries. Experience in establish and maintained palm oil nursery, estate administrative, Occupational Safety and Health (OSH), and RSPO. Completed and certified MSPO Auditor course in 2017 held by SIRIM STS Member of TCI MSPO Audit team. Able to speak and understand Bahasa Malaysia and English
	ERMADASILA MOHAMAD	Post graduate qualification in Master in Science (MSc) by Research with 7 years working experience in Lecturer and manufacturing activities. Lecturer in Applied Science Faculty, University Teknologi Mara Cawangan Pahang since 2014, expert in Biodiversity and Environmental assessment. Completed Malaysian Sustainable Palm Oil lead Auditor course in 2017
TRAINING		
Attended the MS 2530 series of standards training or other auditor competency trainings endorsed by MPOCC or MPOB (pre 2016).	WAN MOHD AZLAN	Completed and certified MSPO Auditor course in 2017 held by SIRIM STS
	ERMADASILA MOHAMAD	Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn. Bhd
Shall have undergone 40 hours of accredited lead auditor course either in Quality Management Systems (QMS) or Environmental Management Systems (EMS) or Occupational, Health and Safety Management Systems (OSH).	WAN MOHD AZLAN	Member of the various certification body and undergone Internal training for QMS,EMS by the CB
	ERMADASILA MOHAMAD	Fully trained in similar agriculture certification programs such as RSPO SCCS, ISCC and INS. Member of TCI audit team since 2017. Involved in audits conducted in Malaysia. Completed ISO 9001:2008 Lead Auditor course in January 2018
Experience		
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience	WAN MOHD AZLAN	Join as Auditor since 2017 with more than 20 man days of audit with various certification Body

as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes	ERMADASILA MOHAMAD	Join as Auditor since 2017 with more than 20 man days of audit with various certification Body
--	--------------------	--

2.3 Audit Methodology
2.3.1 General Overview
<p>The Audit was carried out in conformity with the procedures as laid down in the TCI Procedure Manual and the MSPO Program Manual for the auditors and Certifier. During the Audit the qualified TCI auditors used the MSPO standard as endorsed for the country in which the audit took place and recorded their findings.</p> <p>Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:</p> <ul style="list-style-type: none"> • Chemical stores. Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security. • Field inspections. Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations. • Worker interviews. OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness. • Re-planting sites. Zero burn. • HCV's. Identification. Management plans. Environmental Impact Assessments. Implementation. • Riparian zones. Width. Current and future management. Non maintenance regimes. • Water management. Water courses. Water monitoring. • Road maintenance. Run off. • Social amenities. Social Impact Audits. • Local communities. Contributions made. Employment opportunities. Social impacts. Complaints procedures. • Workshops. Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management. • Line sites. Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal. • Documentation review. <p>Verification: Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.</p>

2.3.2 Assessment agenda for this Audit			
Date	Location	Auditor	Main activities
12 November 2018	Felda Sg Kemahal	MR/WMA	08:00 Opening meeting Chaired by the audit team leader <ul style="list-style-type: none"> • Introduction by team leader • Presentation by respective managers Presentation of Group Manager source of FFB by respective managers.
	Felda Sg Kemahal	MR/WMA	09:00 – 10:00 Document review – <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 10:00 – 13:00: Site verification Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 14:00-17:00 Continue Document review – <ul style="list-style-type: none"> • Legal Requirement Register • Land Title • Waste Management Plan • Business and Economic Document
13 November 2018	Felda Chemomoi	MR/WMA	09:00 – 10:00 Document review – <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 10:00 – 12:30: Site verification Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.
	Felda Chemomoi	MR/WMA	14:00-16:00 ➤ Centralize Stakeholder Consultation

<p>14 November 2018</p>	<p>Felda Kemasul</p>	<p>MR/WMA</p>	<p>09:00 – 10:00 Document review –</p> <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. <p>10:00 – 13:00: Site verification Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</p> <p>14:00-17:00 Continue Document review –</p> <ul style="list-style-type: none"> • Legal Requirement Register • Land Title • Waste Management Plan
<p>15 November 2018</p>	<p>Felda Bukit Puchong</p>	<p>MR/WMA</p>	<p>09:00 – 10:00 Document review –</p> <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. <p>10:00 – 13:00: Site verification Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</p> <p>14:00-16:00 Continue Document review –</p> <ul style="list-style-type: none"> • Legal Requirement Register • Land Title • Waste Management Plan
<p>15 November 2018</p>	<p>Felda Bukit Puchong</p>	<p>MR/WMA</p>	<p>16:00-16:30</p> <ul style="list-style-type: none"> ➤ Verify any outstanding issues, auditor discussion and end of audit for day 4.

<p>15 November 2018</p>	<p>Felda Bukit Puchong</p>	<p>MR/WMA</p>	<p>16:30-18:00</p> <ul style="list-style-type: none"> ➤ Centralize Closing Meeting at Felda Bukit Puchong Estate: ➤ Chaired by Lead Auditor <ul style="list-style-type: none"> • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor <ul style="list-style-type: none"> ➤ End of Assessment
--	---	----------------------	--

PART 3 ASSESSMENT FINDINGS

3.1 Lead Assessor's Summary and Recommendation for Certification

The Group manager and scheme smallholder visited and were assessed at field, office, facilities, stores and a document review was carried out in accordance to the MSPO. The subscribed MSPO management system's documentations seen with minor changes that due to internal external influenced factors that in relation to scope of certification.

During the audit process, the auditors had extensive interviews session with Scheme Managers, , members of workers' union and committee took place in both formal and informal environments and worker interviews were conducted at the Group manager and scheme manager

There were a few suggestions or feedbacks received during the audit or during the stakeholders meeting, see **Annexes II.**

There was no complaint received during the audit or during the field assessment when interviewing with the external stakeholders. The management continually monitoring the established KPI / objectives that significantly rules the achievement of company's corporate policy on MSPO.

There are non-conformity has been raised during the audit, as per annex. The Group Manager and Scheme smallholder has addressed non conformity accordingly before certificate is awarded.

Summary of Non-Conformance

During the Certification Assessment there was :

Major: 6

Minor: 9

Of Non conformities been raise.

The audit team concludes that the organization has established and implemented the requirements of the MS 2530-3:2013 General Principles for Oil Palm Plantations and Organized Smallholders, based on the results of this audit, therefore it is recommends:

Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted. The NCR(s) have been satisfactorily closed out. Thus:

- Recommended for certification

Signed:



Name: MOHD RIZAL KASSIM

Date: 21.12.2018

3.2 Summary of the findings by Principles and Criteria

- Over the 5 year period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The MSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Management Commitment & Responsibility

4.1.1 Malaysian Sustainable Palm Oil (MSPO) Policy

<p>4.1.1.1 A policy for the implementation of MSPO shall be established</p>	<p>4.1.1.1 Felda had established sustainability policy as sign General director date on 1/11/2017 There are 15 policy e.g.: Sustainable palm oil production policy in Felda group, Equality policy of opportunity. Groundwater protection and river protection policy. The SOP (Manual Ladang Lestari) has been developed as a commitment towards sustainable production of palm oil by Felda. A sighted, the MSPO Briefing towards related stakeholders was held on 10 Oct 2018. Based on the Stakeholder and interview with workers, they are understand regarding on the basic need for MSPO Certification, as per audit and interviewed with estate workers, all workers are aware and answered to auditors very well the MSPO Policy.</p> <p>Sighted Policy Children and Youth Person which stated that children is not allowed to work if they are been exposed to hazardous and non-safe working conditions.</p> <p>Also sighted the training program and records for all workers on Sustainability and MSPO requirement prepared by Supervisor and Felda has developed SOPs for management unit. Seen the Good Agricultural Practices (GAP) Policy, Standard Operation Procedure On Sustainability and Standard Operating Procedures and Safety Operation Procedure. All the SOPs are established and controlled by Head Quarters.</p>
<p>4.1.1.2 The policy shall also emphasize commitment to continual improvement.</p>	<p>4.1.1.2 Sighted SOP On Sustainability No 16.0, Appendix 1 – Continuous Improvement Plan has been developed based on the General policy. In the Continues improvement plan has been including recycling program, Good agriculture practice program, and domestic waste procedure. All estate has established plan for year 2016/2017.</p>

4.1.2 Internal Audit

<p>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.</p>	<p>4.1.2.1 The Internal Audit Programs for all estate under Gugusan Felda Bukit Mendi was established and planned by the CDD HQ Unit. As sighted in Internal Audit Program Gugusan Bukit Mendi 2018, the internal audit was planning to be conducted on October 2018 for all estate.</p>
--	--

<p>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.</p>	<p>4.1.2.2 The management has established a Standard operation procedure for Internal audit as sighted in the SOP Audit Dalam Kelestarian). In the SOP has mention on the mechanism to respond from internal audit Finding, and closed non Conformity. Mechanism to follow up and respond is sighted in the SOP for Internal audit. Based on the Internal audit Procedure company are requested to answer in 7 Days from the closing meeting from the finding on Internal audit. Internal Audit has been conducted on 17 Oct 2018 by En Ahmad Shahrir Ismail, CDD Officer from FELDA HQ for Sg Kemahal Estate. As sighted, there are 36 findings is been raised during the internal audit. The management has established an action plan to close all 36 findings; however the action plan form to closed internal audit findings was not completed by the person in charge. Thus NCR Minor 01 had been raised.</p>																	
<p>4.1.2.3 Report shall be made available to the management for their review.</p>	<p>4.1.2.3 Found in all estate under Gugusan Bukit Mendi, the internal audit report is combined with internal audit checklist was available and documented according and been verify during the audit. As example, sighted in Felda Chemomoi , the internal audit report had been prepared by CDD Unit from FELDA HQ ,En Fahmi Otham, whose has conducted the internal audit on 12 September 2018. Issues reported on the internal audit was been reviewed during the management review meetings that held the same day of the internal audit.</p>																	
<p>4.1.3 Management Review</p>																		
<p>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.</p>	<p>4.1.3.1 Sighted Minutes of Meeting Management Review Felda Gugusan Mendi. Generally, the MRM was held at the same day of the internal audit conducted, as per example, sighted in Felda Chemomoi, MRM is held on 12 September that attend by the estate manager, all staff to discuss the issues reported on internal audit and established a corrective action regarding the internal audit findings.</p>																	
<p>4.1.4 Continual improvement</p>																		
<p>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.</p>	<p>4.1.4.1. Sighted Continuous improvement plan for all activities that related to oil palm industry. The plan is included environmental and social impact which had been prepared by estate Supervisor and been reviewed by estate manager. As per example: Continuous Improvement Plan Felda Chemomoi</p> <table border="1" data-bbox="571 1532 1433 1962"> <thead> <tr> <th>Activities</th> <th>Action</th> <th>Time Frame</th> </tr> </thead> <tbody> <tr> <td rowspan="3">i) Empty pesticide container management</td> <td>Triple Rinse</td> <td>Short term</td> </tr> <tr> <td>Store accordingly in empty pesticide container storage</td> <td>Medium term</td> </tr> <tr> <td>Empty pesticide container will be collected by permitted supplier</td> <td>Long term</td> </tr> <tr> <td rowspan="3">ii) Sport day activities</td> <td>Sport recreation park</td> <td>Short term</td> </tr> <tr> <td>Organize a sport event in Gugusan Felda Chemomoi</td> <td>Medium term</td> </tr> <tr> <td>Participating in national and Felda sport event</td> <td>Long term</td> </tr> </tbody> </table> <p>As sighted plenty of social activities had been organized by the management towards surrounding communities. As follow:</p>	Activities	Action	Time Frame	i) Empty pesticide container management	Triple Rinse	Short term	Store accordingly in empty pesticide container storage	Medium term	Empty pesticide container will be collected by permitted supplier	Long term	ii) Sport day activities	Sport recreation park	Short term	Organize a sport event in Gugusan Felda Chemomoi	Medium term	Participating in national and Felda sport event	Long term
Activities	Action	Time Frame																
i) Empty pesticide container management	Triple Rinse	Short term																
	Store accordingly in empty pesticide container storage	Medium term																
	Empty pesticide container will be collected by permitted supplier	Long term																
ii) Sport day activities	Sport recreation park	Short term																
	Organize a sport event in Gugusan Felda Chemomoi	Medium term																
	Participating in national and Felda sport event	Long term																

	<p>i) Program Gotong Royong Perdana ii) Program Yassin Perdana & Tadarus every Friday</p>
<p>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.</p>	<p>4.1.4.2 As per to date, no new techniques and technology was applied on all estate.</p>
<p>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.</p>	<p>4.1.4.3 The management has developed training programs for 2018. Sighted in the programs 2018, the management has included the practices to implementation new information and new technology on the estate.</p>
<p>Principle 2: Transparency</p>	
<p>4.2.1 Transparency of information and documents relevant to MSPO requirements</p>	
<p>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</p>	<p>4.2.1.1 Generally, the Communication the information with stakeholders and public through meeting with stakeholders. The lasts stakeholders meeting was conducted on 17 April 2018. The management also has established a record of request and responds to record and document all information that request from related stakeholders. As per to date no information request from stakeholders.</p>
<p>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.</p>	<p>4.2.1.2 All the management documents for the estate are made publicly available upon request. Below are the example of documents that made publicly available:</p> <ol style="list-style-type: none"> 1. Internal memo and external memo. 2. Management minute of meeting 3. Minute of safety and health committee 4. Comment from external stakeholder 5. Complaint Investigation report. 6. Record for outgoing and incoming information. 7. Land tittle 8. Safety and health plan 9. Environmental impact assessment 10. Pollution prevention plan 11. Complaint and grievance 12. Procedure for communication 13. Continues Improvement plan. 14. List of stakeholder 15. HCV Report 16. Human right policy <p>All management documents requested by external stakeholders will be handled by Estate Manager.</p>

4.2.2 Transparent method of communication and consultation	
<p>4.2.2.1 Procedures shall be established for consultation and communication with the relevant stakeholders.</p>	<p>4.2.2.1 The management has established a Standard operation procedure for Consultation and Communication date on 1.11.2017. (SOP.JPLDG/PKI). In the procedure sighted that how communicated, Internal and External. Estate operation supervisor has been appointed as person who are responsible in communication & consultation. Operation Supervisor has been trained by the Sustainability department on the implementation and procedure of communication and consultation.</p> <p>List of stakeholder has been maintained as per document list of stakeholder date on 1/1/2018. In the list of stakeholder company has divided into a few categories as follow.</p> <p>Government / Statutory Bodies</p> <ul style="list-style-type: none"> • MPOB • DOSH • DOE • SOCSO • JTK • Department Of Immigration Malaysia <p>Local Communities</p> <ul style="list-style-type: none"> • Villages • Estates • Cattle Owners <p>Management Community</p> <ul style="list-style-type: none"> • Women's committee chairman • Surau Committee
<p>4.2.2.2 A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p>	<p>4.2.2.2 Estate supervisor has appointed as officer responsible to handle external and internal issues from stakeholders. Samples of appoint letter from Felda Sg Kemahal as below:</p> <ol style="list-style-type: none"> 1. Muhamad Saiful Adli Bin Saidin date on 27 August 2018 2. Izzat Al- Waje Bin Mudihi date on 27 August 2018 3. Mohd Khir Bin Abdul Razak date on 27 August 2018 4. Siti Norhanizan Bt Azizan date on 27 August 2018.
<p>4.2.2.3 List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p>	<p>4.2.2.3 List of stakeholder has been maintained as per document list of stakeholder date on 1/1/2018. The list of stakeholder which included stakeholder from nearby village, contractors, FFB suppliers, government bodies, internal stakeholders and NGO. Last stakeholders meeting was conducted on 17 Oct 2018. Verified minutes of meeting stakeholders, attendance and some issues discussed as per below:</p> <ol style="list-style-type: none"> 1. The management ask for the cooperation from the stakeholder to comply with the MSPO principle 2. Ask for the presentation about the MSPO Certification
4.2.3 Traceability	
<p>4.2.3.1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for</p>	<p>4.2.3.1 SOP for traceability sighted in document MSSL (Ed 2 Section 4. Sighted that procedure for collection and delivery fruits to Mill. Scheme manager will have recorded all the FFB that send to mill. Record will have divided based on the area and amount of tone. Payment will do to settler by every month end based on the how much fruit those produce.</p>

traceability of the relevant product(s).	Operation supervisor has been nominee as person in charge for the implementation traceability at the site. Record of sales FFB and production are keeping at the office and being summarized every month.
4.2.3.2 The management shall conduct regular inspections on compliance with the established traceability system.	4.2.3.2 The management has established a mechanism to monitoring and record with all tasks to the workers. Sighted "Buku Kerja Intergrasi Sawit" as a logbook to monitoring task on estate field such as fertilizer work and harvesting work. Based on interviewed with the management, they has established Rekod Kerja Sawit for Estate Individual Manage, as a part of monitoring an all activities involving on the individual manage estate, however the management has failed to shows that record during the audit. In conclude, the management has failed to developed a mechanism/regular to ensure the individual manage to compliance with the traceability system. Thus NCR Major 02 has been raised.
4.2.3.3 The management should identify and assign suitable employees to implement and maintain the traceability system.	4.2.3.3 The management has appointed a supervisor as responsibility to maintain the traceability system.
4.2.3.4 Records of sales, delivery or transportation of FFB shall be maintained.	4.2.3.4 - Record of sales is documented Laporan Bulanan Penerimaan BTS (FSA13) for every month. As per example on Sep 2018 from Felda Sg Kemahal Berat Bersih: 2,020.67 KPG: 18.21 Nilai Kasar: 855,960.68 Price/Tan: RM423.60 Total: RM855,960.68 FELDA CHEMOMOI 444.24 KPG 18.09 417.41/TAN RM310656.64 Individual Manage i) Ahmad Bin Ismail Nota Hantaran: 54291 Harga/tan: 414.95 Kpg: 19.30 Total: RM883.84
Principle 3: Compliance to legal requirements	
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.	4.3.1.1 All estate has demonstrated and maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records shows that all the estate has maintained legal compliance with statutory requirements. Verified samples of licenses and permits as below: Felda Sg Kemahal MPOB license applicable for validation date is 1.04.2018 until 31.04.2019. License number: 500784702000. Felda Chemomoi MPOB license applicable for validation date is 1.04.2018 until 31.04.2019. License number: 500789802000.
4.3.1.2 The management shall list all laws applicable to their operations in a legal	4.3.1.2 List of legal register are available a sighted, has been update date on 10 Oct 2018. List of Legal document sighted that has been covered all the related palm oil industry (ML1-A/L5-AP20 Pind 0).In the Scheme manager level sighted that

<p>requirements register.</p>	<p>operation supervisor are nominated as person who are responsible with the changing of the law requirement. Mechanism of Changing has been establishing in document system of changing of Law requirement. Date on 23.05.2016 amended 4. The legal register was last updated on 10/10/2018. There are laws and regulations identified in the legal register. Some of applicable laws sighted includes:</p> <ul style="list-style-type: none"> • OSHA and regulations 1994 (Act 514) • Factories and Machinery Act with regulations (Act 139) • Poison Act and Regulations 1952 (Act 366) • Kementerian Perdagangan. • MPOB • Road Transport Act 1987 (Act 333) • Employees Social Security Act and Regulations (Act 4) • Industrial Relations Act and Regulations (Act 177) • Trade Union Act and Regulations • Employees Provident Fund Act 1991 • Human Rights Commission of Malaysian Act. • Stockholm Convention On Persistent Organic Pollutants (2001) <p>Management unit legal compliance status has been stated for each of the law identified in the current status column of the legal register titled “List and Summary of Applicable Laws and Regulations”. As evidence of the compliance as per below:</p> <ul style="list-style-type: none"> • MPOB Licence • Diesel Licence • Road tax
<p>4.3.1.3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p>	<p>4.3.1.3 Complete set of legal requirements register and regulations are maintained on “List of Law and Regulations list”. Mechanism to monitor the laws is viewed with renewal date, expiry date and person in charge.</p>
<p>4.3.1.4 The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p>	<p>4.3.1.4 In the Scheme manager level sighted that operation supervisor are nominated as Person who are responsible with the changing of the law requirement. The appoint letter date 10 May 2018 from Felda Chemomoi, Felda Sg Kemahal</p>
<p>4.3.2. Land use rights</p>	
<p>4.3.2.1 The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p>	<p>4.3.2.1 Federal Land Development Authority (FELDA) was established in 1956 under Land Development Ordinance of 1956 for development of land through cultivation of oil palms. All the land title was sighted and it clearly stated for agricultural.</p>
<p>4.3.2.2 The management shall provide documents showing legal ownership or lease, history of</p>	<p>4.3.2.2 Land title is available to all smallholders. The sample of land title been verified as follows from Felda Sg Kemahal:</p> <ol style="list-style-type: none"> 1. User No.: 2718 Name: Napsiah Bt Harun

land tenure and the actual use of the land.	<p>2. User No.: 2868 Name: Suratman B Berahim</p> <p>3. User No.: 1837 Name: Mohamed Sat B Ali</p> <p>As sample of land titles been verified as follows from Felda Chemomoi:</p> <p>1. User No.: 493 Name: Montel bin MD Sab</p> <p>2. User No.: 187 Name: Siti Zabidah Bt Mohamad</p> <p>3. User No.: 217 Name: Habisah Bt Ismail</p>
4.3.2.3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable	4.3.2.3 All the perimeter boundaries were clearly marked as per SOP. However, found in Felda Sg Kemahal, there was no regular inspection been conducted by the management to ensure legal boundary stone/markers are demarcated and visibly maintained as per mention "SOP Pemantauan Batu Sempadan". Minor NCR 03 has been raise.
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).	4.3.2.4 Felda has established SOP for Dispute and Resolution. There is no land dispute in the Gugusan Bukit Mendi Certification units at the time of audit
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.	4.3.3.1 There were no customary rights issues sighted and raised by the internal and external stakeholders during the stakeholder meeting and during the visit the surrounding communities.
4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	4.3.3.2 There were no customary rights issues sighted and raised by the internal and external stakeholders during the stakeholder meeting and during the visit the surrounding communities.
4.3.3.3 Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	4.3.3.3 There were no customary rights issues sighted and raised by the internal and external stakeholders during the stakeholder meeting and during the visit the surrounding communities.
Principle 4: Social responsibility, health, safety and employment condition	
4.4.1 Social impact assessment (SIA)	
4.4.1.1 Social impact should be identified and plans are implemented to mitigate	4.4.1.1 SIA procedure SOP/JPLDG/PPIS/1 Rev 1 dated 1/11/17 sighted. SIA is conducted 2 years once for internal and yearly for external (Stakeholder Consultation), which is available at management unit office. Sample of SIA Report from Felda Chemomoi, the SIA was conducted on 6 Sept 2018. Sighted

<p>the negative impacts and promote the positive ones.</p>	<p>an action plan, timeframe (6 monthly intervals for 2 years) and person in charge is stated in report (table 1). 36 items were identified from the survey and 5 areas of focus (high & emergency). Samples of issues from SIA as below: i) Contracts with foreign workers is in mother language ii) Contractors are needed to prepare pay slip for their workers. iii) Estate management will provide PPE for contractor's workers. iv) Spraying workers will give a full medical surveillance v) Understanding on protected & endangered animals. Based on the Social impact assessment action plan has been generate that can be found in document. Management plan for the social impact has been carried accordingly.</p>
<p>4.4.2 Complaints and grievances</p>	
<p>4.4.2.1 A system for dealing with complaints and grievances shall be established and documented.</p>	<p>4.4.2.1 The estates have a complaints and grievance procedure that serves as the SOP for handling of complaints and grievance from both internal and external stakeholders.</p>
<p>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.</p>	<p>4.4.2.2 Documentation sighted for dispute and resolve state in procedure SOP/JKK&K/PAP/01 date 1 March 2017. This procedure had been displayed in the offices and also on the notice board of all estates. Verified the sample of complaints of smallholders from Felda Sg Kemahal: 1) 3/9/2018 Ramlee Bin Ahad Bayaran Pendahuluan Tunai Kelewatan Bayaran Hasil Response: Bayaran PT Sawit Bulanan akan dibayar sekali dengan bayaran paysheet bulan August 2018. However, no record of date and time and record of resolutions of the complaints been recorded to ensure the complaint received is solve in timely and appropriate manners. NCR Minor 04 has been raised.</p>
<p>4.4.2.3 A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p>	<p>4.4.2.3 All the complaint will have recorded in the book of complaint. Letter of appointment for person In charge are available. Date on 10.10.2017.</p> <ul style="list-style-type: none"> • Record of complain and action taken sample as follow: <ul style="list-style-type: none"> 1) 3/9/2018 Ramlee Bin Ahad Bayaran Pendahuluan Tunai Kelewatan Bayaran Hasil Response: Bayaran PT Sawit Bulanan akan dibayar sekali dengan bayaran paysheet bulan August 2018.
<p>4.4.2.4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p>	<p>4.4.2.4 Workers and stakeholder who were interviewed confirmed that they are aware of the complaints and grievances procedure and how to channel their grievances.</p>
<p>4.4.2.5 Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p>	<p>4.4.2.5 Complain and action taken is documented since 2014 until 2018. The records are kept accordingly in all estates.</p>

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.	4.4.3.1 Verified CSR based on interview with management: I. Dividend payment from FGV. II. Celebration Donation III. Bayaran Khairat kematian. The management has contributed a good contracts social responsibility towards relevant stakeholders, however the summary of CSR that been contributed has yet been documented and recorded to be reviewed by the management. NCR Minor 05.
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.	4.4.4.1 Felda has been established Occupational Safety and Health Policy that has been communicated to the staff and workers. Sighted the Occupational Safety & Health Policy is displayed and in OSH Manual dated 04/01/2016 sign by General Director). The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. This policy is displayed in all the offices and on notice boards. This policy being adhered to with regards to the implementation of (OSH) & requirements within the company.
4.4.4.2 The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented.	4.4.4.2 a) Sighted the Occupational Safety & Health Policy is displayed and in OSH Manual dated 04/01/2016 sign by General Director). The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. Seen the policy been communicated thru: - Displayed on the office - During roll call - During OSH Minutes Meeting that last conducted on 20 June 2018 from Felda Sg Kemahal.
b)The risks of all operations shall be assessed and documented	b) Manual OSH procedures dated 01/07/2009 contains for example : - Accident Procedure - Fire Hazard Procedure - Electrical safety - Plantation equipment safety - Evacuation procedure - Chemical Handling - Disposal of empty chemical containers - 1 st aid procedure - Emergency preparedness HIRAC been reviewed on 3/09/18 has been documented and prepared by estate supervisor for activities, hazard, risks, Normal/Abnormal, frequency, seriousness, score and risk rating.
c)An awareness and training programed which includes the following requirements for employees exposed to pesticides: i) all employees involved shall be adequately trained on safe working practices ii) all precautions attached to products shall be properly observed and applied	c. Generally, The estate operation management such as harvesting and spraying is divided into 2 categories; one is under Felda Technoplant Sdn Bhd and the one is by individual smallholders itself. The estate management partially compliance with the OSH requirement as below: There was no record of chemical handling and spraying training been provided by the management to the employee of individual manage smallholders, smallholders itself and the contractors. NCR Major 06 has been raised

<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	<p>d) Generally, The estate operation management such as harvesting and spraying is divided into 2 categories; one is under Felda Technoplant Sdn Bhd and the one is by individual smallholders itself. The estate management partially compliance with the OSH requirement as below: There was no mechanism been established by the management to ensure the employee of individual manage smallholders, and contractors were provided with appropriate PPE. NCR Major 06 has been raised.</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>	<p>e) Generally, The estate operation management such as harvesting and spraying is divided into 2 categories; one is under Felda Technoplant Sdn Bhd and the one is by individual smallholders itself. The estate management partially compliance with the OSH requirement as below: The management has developed a SOP for chemical handling, however, the management has failed to ensure the employee of individual manage smallholders and contractors has followed the chemical handling SOP while doing the spraying activities. NCR Major 06 has been raised.</p>
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements</p>	<p>f) Appointment letter for OSH Committee has been that include all relevant participant example representative from workers and management, sample appoint letter from Felda Chemomoi: Ahmad Tarmugi Bin Abas as a Chairman of OSH Committee Felda Chemomoi, Date 3 September 2018 CM.MSPO/13/2018</p>
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded</p>	<p>g) Sample from Felda Chemomoi, last OSH Meeting was conducted on 20/06/2018. Verified the attendance including estate manager, staff and workers representative. The minutes of meeting was documented and kept in OSH Meeting File. The agenda was discussed during the last meeting as below: i) tiada kemalangan dilaporkan dari Julai 2018-Sept 2018 ii) Laporan Pemeriksaan Tempat Kerja iii) Laporan Kesihatan iv) Laporan Keselamatan</p>
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<p>h) Sighted on OSH manual, the management has establish emergency response procedures to all workers, based on interview with workers, the all clearly understand the instructions on emergency response.</p>
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite</p>	<p>i) The mandore of each block of the estate was appoint as first aider, however during the site inspection at Felda Bukit Puchong the mandore from Block 1 Phase 2 that supervising pruning activities did not bring the first aid kit. In addition, there was no record of the first aider training is been provided to the mandore. NCR Major 06 has been raised</p>
<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<p>j) Sighted JKKP 8 form as record of accidents that occurs in the estate, the form are well maintained and been reviewed quarterly on OSH Meeting.</p>

4.4.5 Employment conditions	
4.4.5.1 The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	4.4.5.1 Sustainability, Human Right Policy, Sexual Harassment, Domestic Violence and Reproductive Rights dated 01/11/17 signed by Director General Dato Ab Ghani sighted. The policy communicated by training and also communicated during muster. The “Felda Policy” is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: http://www.felda.net .
4.4.5.2 The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	4.4.5.2 Felda has an Equal Opportunity All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed though interview with workers at management and also personal interview with some of foreign workers and also through verification of contracts of service and pay slips of workers. No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate. During interviews, it is clearly stated no forced labour at estate and each employee has an employment contract either local or foreigner.
4.4.5.3 Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	4.4.5.3 Pay and conditions are documented in the appointment letter of the staff and workers. Interview with management staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Verified samples of pay slips as below: Felda Chemomoi i) Mohd Farizal Bin Mustapa for September 2018 Total Income: RM1624.50 RM38.46/Day, Housing Allowance RM100 and Transport Allowance RM100 II) Husnan A8368055 Total Income: RM1197.83 RM24.75/hectar for spraying, RM3.08/day daily bonus RM100 productivity and attendance allowance RM100 Felda Bukit Puchong i) Muhammad Pahrudin F106417047 Total Income: RM 1741.08 RM40/Tan, ii) Irsan Ahmad F106417040 Total Income: RM 1220.76
4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	4.4.5. 4 There is no evidence been provided by the management to ensure employees of contractors is paid with legal industry minimum standards wages. NCR Minor 07 has been raised.
4.4.5.5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should	4.4.5.5 The record of workers of Felda Technoplant was maintained and documented accordingly. However, since the individual manage smallholders engage a workers to do the estate operation activities such as harvesting and spraying, the estate management has failed to ensure the individual manage smallholders has kept and maintained their workers information such as name, gender, wage and etc. NCR Major 08 has been raised.

<p>contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>	
<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>4.4.5.6 The FTP management has provided the contracts with their workers as sighted in Kontrak Pekerja FTP Sdn Bhd. However, found in the clause 11.2 Kadar Gaji Pekerja, that the contracts was still use the old Minimum Standard Wages 2013 which is not appropriate to the workers. NCR Minor 09.</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>4.4.5.7 Working hours of employee is recorded in Workers Monthly Card (Kad kerja). Working hours per day is specified in Workers Contract. Display working hours available at office and hostel seen during site visit.</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>4.4.5.8 Working hours of employee is recorded in Workers Monthly Card (Kad kerja). Working hours per day is specified in Workers Contract. Display working hours available at office and hostel seen during site visit,</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>4.4.5.9 Salary slip has overtime column and workers are clear with maximum overtime hours in a month (more than 104) For spraying and manuring, they do not have overtime often as stated during interview of some workers and also verification of the pay slip. Salary slip and worker daily clock in card shows that they work 6 days and one day off; if they work on off day, the salary slip shows the additional payment on it.</p>
<p>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.</p>	<p>4.4.5.10 All workers have been provided with medical and accident insurance. AXA Affin General Insurance Bhd. is appointed as insurance provider to foreign workers</p> <p>With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. Seen the evidence that the company paid to the insurance by monthly basis. Also, some CSR activity on festive season celebration, temple donation and death donation seen recorded as CSR 2017.</p>
<p>4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and</p>	<p>4.4.5.11 All workers are provided with housing facilities at workers line site. Water is provided free and electricity is free and balance paid by employee. Sanitary and waste disposal is prepared by management unit.</p> <p>However, during the site inspection at Felda Chemomoi, about 4 to 6 Workers</p>

<p>have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation</p>	<p>are occupying a small temporary building categorised as hut sighted at Workers' Hostel. Also sighted empty chemical containers kept adjacent to the hut and the condition of the surrounding area is filthy. NCR Major 10 has been raised.</p>
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p>	<p>4.4.5.12 Policy Sexual Harassment, Domestic Violence and Reproductive Rights dated 01/11/17 signed by Dato Ab' Ghani Mohd Ali (Pengarah Besar Felde) and has been displayed at all estates notice board. This policy also has been also communicated to all staff and workers through general meetings. Gender committees have been established in the estates. A specific grievance mechanism for workers to voice their grievances with regards harassment of a sexual or violent nature has been established.</p>
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p>	<p>4.4.5.13 Policy Freedom to Voice and Joining Trade Union dated 01/11/17 allows workers to join trade unions. But for those who do not join, Felde has provided a Workers Welfare Committee to voice their concerns/issues. Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in estate. Thus, their freedom is not restricted by management unit.</p>
<p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p>	<p>4.4.5.14 Procedure 'Avoid Employment Child Labor' SOP/JPLDG/PMPBK/1 Revision 01 dated 01/11/17. Company policy on minimum age follows Akta Buruh Kanak Kanak and Orang Muda Pekerjaan (Pindaan) 2010 dated 01/03/2011. Company policy dated 01/11/17 states not less than 18 years old but the young ones can help their settler parents without jeopardizing their studies. Verified the Employee List and sighted no employee age below 18 working at all estates.</p>
<p>4.4.6 Training and competency</p>	
<p>4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the</p>	<p>4.4.6.1 The training provide is only for FTP Staff which is not include the individual manage and contractors workers. NCR Minor 11 The programs is promoted to all FTP workers as follow: i) Harvesting and PPE Training on November 2018 ii) Spraying and PPE Training on November 2018 iii) Fertilizers application and PPE Training on November 2018</p>

<p>scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p>	
<p>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.</p>	<p>4.4.6.2 Training need analysis has been identified and prepared by estates supervisor in order to provide specific skill and competency required to all employees based on their job descriptions. All the executives, staff, workers, and contractors were including in the training needs.</p>
<p>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.</p>	<p>4.4.6.3 Training programs planned for year 2018 was consistently implemented. The programs includes training for all categories of workers as follow: i) Harvesting and PPE Training on November 2018 ii) Spraying and PPE Training on November 2018 iii) Fertilizers application and PPE Training on November 2018.</p>
<p>Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>	
<p>4.5.1 Environmental management plan</p>	
<p>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.</p>	<p>4.5.1.1 Sighted Polisi Perlindungan Dan Penjagaan Alam Sekitar dated on 1.11.2017 signed by General Director Felda, Dato, AB Ghani Mohd Ali. Environmental Management Plan has been developed on 2nd January 2018 and covering the following assessment:-</p> <ul style="list-style-type: none"> • Identified disposal, storage empty container and triple rinse • Spraying activity • Pre- mix of Chemical at Chemical Store • Storage of fertilisers • Manuring Activity • Issuance and transporting of Premix Chemical • Transporting Sprayers to Field. • Transporting FFB • Harvesting • Grading of FFB at Field. • Drainage construction with machinery • Boundary stone • Rat Baiting • Selective weeding with chemicals • Pruning • Thinning • FFB Platform • Road maintenance

<p>4.5.1.2 The environmental management plan shall cover the following: a) An environmental policy and objectives; The aspects and impacts analysis of all operations.</p>	<p>4.5.1.2 Environmental Management Plan has been developed on 2nd January 2018 and covering the following assessment:-</p> <ul style="list-style-type: none"> • Identified disposal, storage empty container and triple rinse • Spraying activity • Pre- mix of Chemical at Chemical Store • Storage of fertilisers • Manuring Activity • Issuance and transporting of Premix Chemical • Transporting Sprayers to Field. • Transporting FFB • Harvesting • Grading of FFB at Field. • Drainage construction with machinery • Boundary stone • Rat Baiting • Selective weeding with chemicals • Pruning • Thinning • FFB Platform • Road maintenance
<p>4.5.1.3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p>	<p>4.5.1.3 The management has establish the improvement impact plan has been sighted on all estates, that been prepared by Assistant Manager) and vetted by (Project Manager). One area of concern covered in the action plan is to conduct continuous training on spraying protocol and such as planting of beneficial plant comprises of cassia “Cabonensis”, “Antigonen” and “Tenerra”</p>
<p>4.5.1.4 A programmed to promote the positive impacts should be included in the continual improvement plan.</p>	<p>4.5.1.4 Few environmental plans were established including waste management action plan, continuous improvement environmental plan and etc. The following was sighted: -Reference: Pelan Pengurusan Impak Alam Sekitar Penambahanbaikan Berterusan Hasil dari Penilaian Aspek Impak Alam Sekitar.</p> <p>Sighted the management plan to reduce impact on environment included the issues of pesticide containers, leaking of premix container, used of chemical pesticide.</p> <p>Sighted the action Plan to reduce impact on environment and control environment by recycle the pesticides containers, change premix container into new one.</p>
<p>4.5.1.5 An awareness and training programmed shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p>	<p>4.5.1.5 Training programmed to the employees for awareness and better understanding of the policy and objective of environment management was prepared. Sample from Felde Chemomoi: Awareness Training to the employees for the better understanding of the policy inclusive of MSPO and objective of environment management was conducted on 03.08. 2018 by Manager En.Ahmad Tarmogi b. Abbas .which was attended by 111 employees.. Training Attendance Record was sighted during the visit</p>

<p>4.5.1.6 Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p>	<p>4.5.1.6 The management has conducted regular meeting discussing social, safety and also environmental issues. As sighted in Minutes of Meeting JKRR in all estates.</p>
<p>4.5.2 Efficiency of energy use and use of renewable energy</p>	
<p>4.5.2.1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p>	<p>4.5.2.1 Data is being compiled for comparison and control for future improvement. No budget on non-renewable energy on FFB transport at FELDA as all the work being outsource to third party, the usage being monitored from time to time after completion of month's account.</p>
<p>4.5.2.2 The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p>	<p>4.5.2.2 Data of usage of non-renewable energy such as diesel and electricity as well documented by the management. Monitoring record of Diesel utilization for 3 years period inclusive contractor was able to be established:</p> <p>Sample from Felda Chemomoi Year 2018 (Jan-Sept) Diesel Usage:2962.33Lt FFB: 4426.60Mt Diesel/FFB: 0.669t/Mt</p> <p>Year 2017 (Jan-Dis.) Diesel Usage 3034.0 Lt FFB: 5609.23 Mt Diesel/FFB: 0.540 Lt/Mt</p> <p>Year 2016 (Jan-Dis) Diesel Usage: 2926.26 Lt FFB: 3309.16 Mt Diesel/FFB: 0.884Lt/Mt</p> <p>Estate had made annual estimation for the diesel usage of estate vehicle.</p> <p>Sample from Felda Sg Kemahal: Year 2018: Diesel 7500 Lt FFB 30354 Mt Diesel/FFB : 0.247 Lt/Mt</p>
<p>4.5.2.3 The use of renewable energy should be applied where possible.</p>	<p>4.5.2.3 No evidence of renewable energy was applied on the site.</p>

4.5.3 Waste management and disposal																			
<p>4.5.3.1 All waste products and sources of pollution shall be identified and documented.</p>	<p>4.5.3.1 Felda has established Prosedur Pengurusan Sisa Pepejal under SOP/JPLDG/PPSP/1 dated 01/11/2017. The estate has identified 14 waste products produce from the estate activities such as used PPE, empty chemical containers, empty paint can, spent lubricant oil, spent oil filter, spent batteries, Empty fertilizer bags, Scrap iron, Used Tires, Papers, Glass, Plastic, Spraying pump and Rags dated 3 September 2018. The documents being updated annually. Person In charge letter are available.</p>																		
<p>4.5.3.2</p> <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p>	<p>4.5.3.2 Details of action plan on waste generated from the estates are shown below:-</p> <table border="1" data-bbox="571 734 1145 1787"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Linesites, office, workshop, store,</td> <td>Collection/disposal once a week at designated landfill</td> </tr> <tr> <td>Industrial waste-fertiliser bags</td> <td>Empty bags store</td> <td>Inventory of bags, reuse for LF collection, sell to appointed contractor</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> <td>Inventory maintained, tender at zone level for sale to licensed contractor.</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>workshop</td> <td>Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.</td> </tr> <tr> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> <td>Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.</td> </tr> </tbody> </table> <p>The plan describes the measurement to control and reduce pollution impacts. However, there is no action plan been address to ensure dedicated schedule waste store is built. The schedule wastes such as empty chemical containers were kept in chemical store. NC 13 Major</p>	Type of waste	Location	Action to be taken	Domestic waste rubbish	Linesites, office, workshop, store,	Collection/disposal once a week at designated landfill	Industrial waste-fertiliser bags	Empty bags store	Inventory of bags, reuse for LF collection, sell to appointed contractor	Scrap metal	workshop	Inventory maintained, tender at zone level for sale to licensed contractor.	SW rags, plastics, filters	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.	Spent lubricant & hydraulic oil	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.
Type of waste	Location	Action to be taken																	
Domestic waste rubbish	Linesites, office, workshop, store,	Collection/disposal once a week at designated landfill																	
Industrial waste-fertiliser bags	Empty bags store	Inventory of bags, reuse for LF collection, sell to appointed contractor																	
Scrap metal	workshop	Inventory maintained, tender at zone level for sale to licensed contractor.																	
SW rags, plastics, filters	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.																	
Spent lubricant & hydraulic oil	workshop	Inventory maintained. Storage in scheduled waste store. Disposal through licensed contractor.																	

<p>4.5.3.3</p> <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p>	<p>4.5.3.3 Felda has establish SOP for handling schedule waste on Seksyen 19- Peraturan Keselamatan Pengurusan Dan Pengendalian Bahan Kimia Berbahaya dated 1st July 2009 and remain effective for practice in all estates.</p>
<p>4.5.3.4</p> <p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p>	<p>4.5.3.4 Felda has establish SOP for handling schedule waste on Seksyen 19- Peraturan Keselamatan Pengurusan Dan Pengendalian Bahan Kimia Berbahaya dated 1st July 2009 and remain effective for practice in all estates. However, the management was partially comply with the SOP of chemical handling as verified during the audit as example below:</p> <p>i) No mechanism been developed to ensure the contractors of spraying and individual manage is followed the SOP of Chemical Handling and ensure the empty pesticide is been disposed properly.</p> <p>ii) Sighted in Felda Chemomoi, the empty pesticide has been deposit underground, which is not followed the Clause 2.10.6 from Manual Sawit Lestari, the empty containers shall be punctured and been 3 rinsed and store at schedule waste storage.</p> <p>iii) No mechanism and inspection had been conducted to ensure the empty pesticide containers from contractors been disposed accordingly. NCR Major has been raised. NC No 12</p>
<p>4.5.3.5</p> <p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p>	<p>4.5.3.5 Poor management of landfills. Domestic waste was dumped haphazardly at the landfills site located in Peringkat 2 Block E . (Sg Kemahal)</p> <p>- Zero burning signage was not available at the land fill. - As sighted in FELDA Sg Kemahal & Felda Chemomoi.</p> <p>NCR Minor has been raised. NC No 13</p>
<p>4.5.4 Reduction of pollution and emission</p>	
<p>4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p>	<p>4.5.4.1 The polluting activities have been assessed during environmental aspect and impact assessment. Mitigation measures are identified for in the aspect-impact register to prevent or minimize pollution. Practice of open fires not evident. Monitoring is done weekly in both domestic waste collection areas and in landfill sites.</p>
<p>4.5.4.2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p>	<p>4.5.4.2 Records on monitoring and implemented on Pollution Prevention Plan been updated and reviewed by estates manager.</p>

4.5.5 Natural water resources	
<p>4.5.5.1 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources of supply.</p>	<p>4.5.5.1 The Water Management Plan for the estates has been established. The plan was last reviewed on 02/01/2018 for year 2018 The plan implemented as per following:</p> <ul style="list-style-type: none"> - Identification of water sources - Efficient use of water - Renewability of water sources - Riparian buffer zone - Soil and water conservation measures - No construction of bunds/weirs/dam across main rivers. <p>It is been confirmed that domestic waste source is provided by state subsidiary company Pengurusan Air Pahang (PAIP)</p>
<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p>	<p>b) Water analysis has yet been conducted for all estate. There is sighted prohibited activities occurs alongside buffer zone area. (Sg Kemahal) .NCR Major 14 has been raised.</p>
<p>c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p>	<p>c) Domestic water sources are supplied by state government subsidiary company "Pengurusan Air Pahang" (PAIP).</p>
<p>d) Protection of water courses and wetlands,</p>	<p>d) Domestic water sources are supplied by state government subsidiary company "Pengurusan Air Pahang" (PAIP).</p>
<p>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented</p>	<p>e) No evidence the natural vegetation in riparian areas are remove since the domestic water sources are supplied by state government subsidiary company "Pengurusan Air Pahang" (PAIP).</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>f) No evidence that bore well is used as water supply since domestic water sources are supplied by state government subsidiary company "Pengurusan Air Pahang" (PAIP).</p>
<p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	<p>4.5.5.2 Visit to estate field confirmed no construction of bunds, weirs and dams across main rivers or waterways passing through an estate</p>
<p>4.5.5.3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p>	<p>4.5.5.3 Domestic water sources are supplied by state government subsidiary company "Pengurusan Air Pahang" (PAIP).</p>

4.5.6 Status of rare, threatened, or endangered species and high biodiversity value area.	
<p>4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities</p>	<p>4.5.5.1 The HCV assessment at Felda Sg Kemahal was carried out by CDD Unit on 22 October 2018 under “Laporan Pengenalpastian HCV (Nilai Pemuliharaan Tinggi), Biodiversiti & Ekosistem”.</p> <p>The outlet of Sg Patah Lembing was identified as a HCV area.</p>
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p>	<p>4.5.6.2. The rare, threatened, or endangered species and high biodiversity value area in the estate has been identified and recorded. Mitigation plan has been established for immediate, short term and long term. However, lack of appropriate signage regarding prohibiting illegal activities is sighted during the site inspection in all estates. NCR Minor 15</p>
<p>4.5.6.3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>	<p>4.5.6.3 The management plan has been established and recorded. The plan is associated with the mile stone chart on activities how the estate can preserve the species.</p>

4.5.7 Zero burning practices	
4.5.7.1 Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	4.5.7.1 Zero burning policy was established dated on 1.11.2017 signed by General Director Felda, Dato, AB Ghani Mohd Ali.
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.	4.5.7.2 As per interview with Estate Manager, there is no out-breaking for any diseases in estate area. Thus, no special approval needed to do the open burning. Estate still can manage by using the chemical.
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.	4.5.7.3 As per interview with Estate Manager, there is no out-breaking for any diseases in estate area. Thus, no special approval needed to do the open burning. Estate still can manage by using the chemical.
4.5.7.4 Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	4.5.7.4 Zero burning policy was established dated on 1.11.2017 signed by General Director Felda, Dato, AB Ghani Mohd Ali. Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder.
Principle 6: Best practices	
4.6.1 Site Management	
4.6.1.1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	4.6.1.1 Standard operation procedure is available in document, Manual Ladang Lestari Edisi 2 dated 1 st June 2012 replacing the 1 st Edition of 2007. The manual has been divided into 5 Unit which is as follow 1) Management of Nursery. 2) Replanting program 3) Immature area. 4) Mature area. 5) Fertilizer procedure. All the SOPs are established and controlled by Head Quarters. All SOP and procedures are kept and will be updated periodically. Sighted Polisi Perlindungan Tanah Curam dan Rezab Sungai dated on 1.11.2017 signed by General Director Felda, Dato, AB Ghani Mohd Ali.
4.6.1.2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as	4.6.1.2 Planting of cover crop is made to retain the soil structure and conservation. Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. Terraces are constructed inclined towards the terrace wall.

<p>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>4.6.1.3 A visual identification or reference system shall be established for each field.</p>	<p>4.6.1.3 All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stenciled at the palm trees and also displayed in signage at the boundary/corners of every field. This is observed during the field visit. There are no action plan has been develop to ensure Clear boundary within land owners (settlers) are demarcated(All estate)</p>
<p>4.6.2 Economic and financial viability plan</p>	
<p>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.</p>	<p>4.6.2.1 Estate had an annual budget for the financial year 2018. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas. Sighted the 5 years business plan for the Estate. The annual budget of operation to all estates are been reviewed on the meetings of staff and management monthly.</p>
<p>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.</p>	<p>4.6.2.2 Sighted the 5 years replanting programs being established and reviewed annually.</p>
<p>4.6.2.3 The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast <p>Financial indicators : cost benefit, discounted cash flow, return on investment</p>	<p>4.6.2.3. Estate had an annual budget for the financial year 2018. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas. The estates performance is recorded in the Estate Mature Production Cost Report by Cost Elements. Details on the actual vs. budget i.e. crop production, fixed and direct cost are shown therein</p>
<p>4.6.2.4 The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p>	<p>4.6.2.4 The management also provides variance report on the performance and reviewed on a monthly basis.</p>

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.	4.6.3.1 Pricing mechanism for FFB (BTS) is based on month end declared by the oil palm mill. The details describe such as block number, ripeness standard and tonnage on determining the purchase rate per ton.
4.6.3.2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	<p>4.6.3.2 All contracts have state for pricing, starting date, end of date and payment time frame.</p> <p>Verified sample of payment from Felda Chemomoi:</p> <p>Payment for Transporting and Harvesting FFB September 2018 to Contractor Ammar Haniza Enterprise was made on 08 Oct 2018. The amount RM 27001.62 (Harvesting 290.34 Mt @ RM61 and transporting FFB 290.34 Mt @ RM 32/Mt) is tally as per the Surat Perintah Kerja Agreement 2000156752 No. dated 02.11.2017</p>
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.	4.6.4.1 Special clause on MSPO indication was included in the Contract Agreement as sighted from Felda Chemomoi under the contractor Ammar Haniza Enterprise SPK contract no.2000156752 dated 02 Nov 2017.
4.6.4.2 The management shall provide evidence of agreed contracts with the contractor.	<p>4.6.4.2 Management has provided contracts to all contractors.</p> <p>The contract has state for date start, end date, and price for the contract. As per example from Felda Chemomoi:</p> <p>I. Agreement for Harvesting and transporting FFB or Contractor Ammar Haniza Enterprise was made via Surat Perintah Kerja Agreement No.2000156752 dated 02.11.2017 .at the rate of RM 61/Mt Harvesting and RM 32/Mt for transporting FFB.</p> <p>Sample of contract from Felda Sg Kemahal:</p> <p>I. Agreement for Harvesting and transporting FFB of contractor Al Maju Niaga was made via Surat Perintah Kerja Agreement No. 3062/17/0718 dated 23.07.2018 .at the rate of RM 40/Mt Harvesting and RM 30/Mt for transporting FFB. This Agreement has been stamped.</p>
4.6.4.3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	4.6.4.3 Sighted a letter from The Management to the new Contractors that the Contractors shall comply with MSPO and accept MSPO approved auditors to verify assessments through a physical inspection if required.
4.6.4.4 The management shall be responsible for the observance of the control points applicable	4.6.4.4 The estate was able to establish control points to the task that performed by the contractor as sighted in the document "Sijil Bayaran Kontraktor Kerja Pertanian" to Contractor Al Maju Niaga for harvesting and transporting FFB 5.70 Mt FFB in the month of July 2018. Refer to Pengesahan

to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	Pengurus Kilang for July 2018.
Principle 7: Development of new plantings	
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.	No new planting sighted in Estate
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.	No new planting sighted in Estate
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.	No new planting sighted in Estate
4.7.3 Social and Environmental Impact Assessment (SEIA)	
4.7.3.1 A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	No new planting sighted in Estate
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	No new planting sighted in Estate

stakeholders	
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	No new planting sighted in Estate
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.	No new planting sighted in Estate
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.	No new planting sighted in Estate
4.7.4.2 Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.	No new planting sighted in Estate
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.	No new planting sighted in Estate
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.	No new planting sighted in Estate
4.7.5.3 Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	No new planting sighted in Estate

4.7.6 Customary Land	
4.7.6.1 No new plantings are established on recognized 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.	No new planting sighted in Estate
4.7.6.2 Where new plantings on recognized customary lands are acceptable, management plans and operations should maintain sacred sites.	No new planting sighted in Estate
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.	No new planting sighted in Estate
4.7.6.4 The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	No new planting sighted in Estate
4.7.6.5 Identification and assessment of legal and recognized customary rights shall be documented.	No new planting sighted in Estate
4.7.6.6 A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	No new planting sighted in Estate
4.7.6.7 The process and outcome of any compensation claims shall be documented and made publicly available	No new planting sighted in Estate
4.7.6.8 Communities that have lost access and rights to land for	No new planting sighted in Estate



Project no: 013-2018
Main Assessment:

plantation expansion should be given opportunities to benefit from the plantation development.	
--	--

3.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.




3.3.1 Non-Conformities Identified during this Audit




Summary of Non-Conformities




Major:6




Minor:9




OFI: 0



NC No. / Ref.	001	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 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		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	The action plan regarding to NCR been raised during the internal audit is not completed.		
Objective Evidence: Internal Audit Note Internal Audit Findings			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Verified corrective action provide, will verify on next annual surveillance		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

NC No. / Ref.	002	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before 15.2.2019
Normative Reference and Requirement 4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Based on interviewed with the management, they has established Rekod Kerja Sawit for Estate Individual Manage, as a part of monitoring a all activities involving on the individual manage estate, however the management has failed to shows that record during the audit. In conclude, the management has failed to developed a mechanism/regular to ensure the individual manage to compliance with the traceability system.		
Objective Evidence: FSA 13			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client): As per corrective action plan			
Corrective action planned (to be filled by client): As per corrective action plan			
Preventive Action (to be filled by client): As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
NCR have been satisfactorily closed out.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

NC No. / Ref.	003	Date Detected	15.11.2018
Site(s) concern	Sg Kemahal	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	There was no regular inspection been conducted by the management to ensure legal boundary stone/markers are demarcated and visibly maintained.		
Objective Evidence:			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out on next audit.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		


NC No. / Ref.	004	Date Detected	15.11.2018
Site(s) concern	Sg Kemahal	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 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		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	The management has establish Buku Rekod Aduan Peneroka & Stakeholders to record all the complaints that received from the smallholders and relevant stakeholders, however, no record of date and time and record of resolutions of the complaints been recorded to ensure the complaint received is solve in timely and appropriate manners.		
Objective Evidence:			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out on next audit.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	




NC No. / Ref.	005	Date Detected	15.11.2018
Site(s) concern	Sg Kemahal & Chemomoi	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 4.4.3.1	Growers should contribute to local development in consultation with the local communities		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	The management has contributed a good contracts social responsibility towards relevant stakeholders, however the summary of CSR that been contributed has yet been documented and recorded to be reviewed by the management.		
Objective Evidence:			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification will be carried out on next audit.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	




NC No. / Ref.	006	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before 15.02.2018
Normative Reference and Requirement 4.4.4.2	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>c) An awareness and training programmes which includes the following requirements for employees exposed to pesticides:</p> <p>i) all employees involved shall be adequately trained on safe working practices</p> <p>ii) all precautions attached to products shall be properly observed and applied</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>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> <p>i) Employees trained in First Aid should be present at all field operations .A First- Aid Kit equipped with approved contents should be available at each worksite.</p>		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	<p>Generally, The estate operation management such as harvesting and spraying is divided into 2 categories; one is under Felda Technoplant Sdn Bhd and the one is by individual smallholders itself. The estate management partially compliance with the OSH requirement as below:</p> <p>c) There was no record of chemical handling and spraying training been provided by the management to the employee of individual manage smallholders, smallholders itself and the contractors.</p> <p>d) There was no mechanism been established by the management to ensure the employee of individual manage smallholders, and contractors were provided with appropriate PPE.</p> <p>e) the management has developed a SOP for chemical handling, however, the management has failed to ensure the employee of individual manage smallholders and contractors has followed the chemical handling SOP while doing the spraying activities.</p> <p>i) The mandore of each block of the estate was appoint as first aider, however during the site inspection, the mandore from Block 1 Phase 2 that supervising pruning activities did not bring the first aid kit. In addition, there was no record of the first aider training is been provided to the mandore.</p>		
Objective Evidence:			
Lead Auditor Signature:	Client Signature:		
 Date:15-11-2018	 Date: 15.11.2018		









Project no: 013-2018
Main Assessment:




Root cause Analysis (to be filled by client):		
As per corrective action plan		
Corrective action planned (to be filled by client):		
As per corrective action plan		
Preventive Action (to be filled by client):		
As per corrective action plan		
Review of corrective/preventive action (to be filled by Lead Auditor)		
NCR have been satisfactorily closed out.		Lead Auditor Signature:
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	 Date: 14.12.2018




NC No. / Ref.	007	Date Detected	15.11.2018
Site(s) concern	Sg Kemahal & Bukit Puchong	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	There is no evidence been provided by the management to ensure employees of contractors is paid with legal industry minimum standards wages.		
Objective Evidence: Contracts of Workers			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As Per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out on next audit.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	




NC No. / Ref.	008	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before 15.02.2019
Normative Reference and Requirement 4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Generally, The estate operation management such as harvesting and spraying is divided into 2 categories; one is under Felda Technoplant Sdn Bhd and the one is by individual smallholders itself. The record of workers of Felda Technoplant was maintained and documented accordingly. However, since the individual manage smallholders engage a workers to do the estate operation activities such as harvesting and spraying, the estate management has failed to ensure the individual manage smallholders has kept and maintained their workers information such as name, gender, wage and etc.		
Objective Evidence:			
Lead Auditor Signature:  Date: 15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
NCR have been satisfactorily closed out.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	




NC No. / Ref.	009	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 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		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	The FTP management has provided the contracts with their workers as sighted in Kontrak Pekerja FTP Sdn Bhd. However, found in the clause 11.2 Kadar Gaji Pekerja, that the contracts was still use the old Minimum Standard Wages 2013 which is not appropriate to the workers.		
Objective Evidence:			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out on next audit.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	




NC No. / Ref.	010	Date Detected	15.11.2018
Site(s) concern	Chemomoi & Bukit Puchong	Target Completion	Before 15.02.2019
Normative Reference and Requirement 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		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Chemomoi: About 4 to 6 Workers are occupying a small temporary building categorised as hut sighted during Auditors' inspection at Workers' Hostel . Also sighted empty chemical containers kept adjacent to the hut and the condition of the surrounding area is filthy.		
Objective Evidence:			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
NCR have been satisfactorily closed out.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

NC No. / Ref.	011	Date Detected	15.11.2018
Site(s) concern	Sg Kemahal & Bukit Puchong	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	The training provide is only for FTP Staff which is not include the individual manage and contractors workers		
Objective Evidence:			
Lead Auditor Signature:  Date:15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out next audit.		Lead Auditor Signature: 	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Date: 14.12.2018

NC No. / Ref.	012	Date Detected	15.11.2018
Site(s) concern	All	Target Completion	Before 15.02.2018
Normative Reference and Requirement 4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	<p>i) No mechanism been developed to ensure the contractors of spraying and individual manage is followed the SOP of Chemical Handling and ensure the empty pesticide is been disposed properly.</p> <p>ii) Sighted in Felda Chemomoi, the empty pesticide has been deposit underground, which is not followed the Clause 2.10.6 from Manual Sawit Lestari, the empty containers shall be punctured and been 3 rinsed and store at schedule waste storage.</p> <p>iii) No mechanism and inspection had been conducted to ensure the empty pesticide containers from contractors been disposed accordingly.</p>		
Objective Evidence:			
Lead Auditor Signature:  Date: 15-11-2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
NCR have been satisfactorily closed out.			Lead Auditor Signature:  Date: 14.12.2018
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

NC No. / Ref.	013	Date Detected	15.11.2018
Site(s) concern	Sg Kemahal, Chemomoi	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Land fill is not in properly manage. (Sg Kemahal) No signage of zero burning is sighted at land fill (Chemomoi & Sg Kemahal)		
Objective Evidence:			
Lead Auditor Signature:  Date: 15.11.2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out on next audit.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

NC No. / Ref.	014	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before 15.02.2018
Normative Reference and Requirement 4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	b) Water analysis has yet been conducted There is sighted prohibited activities occurs alongside buffer zone area. (Sg Kemahal)		
Objective Evidence:			
Lead Auditor Signature:  Date:15.11.2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
NCR have been satisfactorily closed out.		Lead Auditor Signature:  Date: 14.12.2018	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

NC No. / Ref.	015	Date Detected	15.11.2018
Site(s) concern	All Sites	Target Completion	Before Annual Surveillance
Normative Reference and Requirement 4.5.6.2	Status of rare, threatened, or endangered species and high biodiversity value area		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Lack of appropriate signage regarding prohibiting illegal activities. Lack of zero burning signage in the estate area.		
Objective Evidence:			
Lead Auditor Signature:  Date: 15.11.2018		Client Signature:  Date: 15.11.2018	
Root cause Analysis (to be filled by client):			
As per corrective action plan			
Corrective action planned (to be filled by client):			
As per corrective action plan			
Preventive Action (to be filled by client):			
As per corrective action plan			
Review of corrective/preventive action (to be filled by Lead Auditor)			
Corrective action plan accepted, verification of NCR will be carried out on next audit.		Lead Auditor Signature:	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		 Date: 14.12.2018	
		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

3.3.2 Observations Raised During this Audit

No Observations been raised during the audit

3.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders those are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30-day Stakeholder consultation announcement is published on the TCI website prior to the audit. The same announcement is circulated by the client and independently by the TCI prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the TCI website, the client's procedures in receiving on-going feedback or if feedback was sent directly to TCI prior to an audit or thorough TCI complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment the audit team will review the company's implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the MSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the MSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
10. Do you have any comments about the assessment team and would you like to meet with them?
11. Do you have any comments for the client's management of any other plantations?

Annexes II

Stakeholder contacted during the audit

No.	Stakeholders name	Address	Area of Interest/Related Issue	Stakeholder comment
1.	Stakeholder 1	Felda Sg Kemahal	School Representative	-CSR from the management is good. -Always help the school in term of donation and field activities
2	Stakeholder 2	Felda Chemomoi	Smallholders Representative	- The management allowed the cattle feed inside the estate field but only tall palm tree.
3	Stakeholder 3	Felda Bukit Puchong	Youth Representative	- Good supportive from the management regarding youth activities.

PART 4: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of next ASA

The provisional date for the next ASA is:	12.11.2019
---	------------

4.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- | | |
|----------------------------------|--------------------------------|
| • All major NCs to be closed by: | Before award certification |
| • All minor NCs to be closed by: | Before next surveillance audit |

4.3 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document .

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Trans Certification International.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name:	AHMAD SHARIR BIN ISMAIL
-------	-------------------------

Position:	SUSTAINABILITY MANAGER
-----------	------------------------

Date:	10.12.2018
-------	------------

Signature

4.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name:	MOHD RIZAL KASSIM
-------	-------------------

Position:	Lead Auditor
-----------	--------------

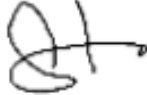
Date:	21.12.2018
-------	------------

Signature

PART 5: CERTIFIED BODY ACKNOWLEDGEMENT OF CERTIFICATION DECISION

5.1 Signing by the Reviewer

I the undersigned, being the Reviewer, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:		 Signature
Name:	SYARMILAH BINTI MOHAMMED NOOR RAZAK	
Position:	Reviewer	
Date:	04.03.2019	

5.2 Signing by the Certifier

Based on the findings during the assessment Felda Gugusan Bukit Mendi Certification Unit:

Complies

Not Complies

With the MS 2530-3:2013. I the undersigned, being the Certifier, recommend that:


Granting Certificate

Suspend Certificate

Withdraw Certificate

Re-certificate

For FELDA GUGUSAN BUKIT MENDI CERTIFICATION UNIT

Acknowledged by:		 Signature
Name:	NORSYAHIDAH BINTI MANAF	
Position:	Certifier	
Date:	15.03.2019	

Appendix A: List of Abbreviations	
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MDC	MDC Publishers Sdn Bhd (Company Name)
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
SA8000	Social Accountability 8000
Sdn Bhd	Sendirian Berhad
SIA	Social Impact Assessment
SOCSO	Social Security Organisation
SOP	Standard Operating Procedure
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization