

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

MAIN ASSESSMENT

Malaysia

KECHAU B PALM OIL MILL

Felda Global Ventures Holding Berhad

2017

| | | |
|---|---------------------------|---------------|
| Report prepared by: | Muhammad Faizul b. Yusoff | Lead Assessor |
| Certification decision by: | Muhd Jamalul Arif | Certifier |
| Certifying Office | | |
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| | |
|------------------------|---|
| RSPO Membership Number | 8-0025-06-000-00 |
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| Affiliate Membership | http://www.rspo.org/en/member/339 |

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

| | |
|----------------------------|---|
| Company Name: | Felda Global Ventures Holdings Berhad |
| Business Address: | CDD Department, Level 20, Menara Felda Platinum Park, No 11, Persiaran KLCC, 50088 Kuala Lumpur |
| Contact Person: | Norazam Abdul Hameed |
| Office Telephone: | +603-2698 7772 |
| E-Mail: | norazam.ah@feldaglobal.com |
| Web Site: | www.feldaglobal.com |
| Other Certifications Held: | ISO 9001, ISO 14001 |

1.2 RSPO Membership & Certification Details

| | |
|---------------------------------|---|
| RSPO Membership Number: | 1-0225-16-000-00 |
| Registered Client Name: | Felda Global Ventures Holdings Berhad |
| Certificate Number: | CU-RSPO-835108 |
| Start Date Of Certificate: | 16/03/2018 |
| End Date Of Certificate: | 15/03/2023 |
| Date Of Original Certification: | 16/03/2018 |
| Scope: | Certification of the Palm Oil Mill and Supply Bases |
| Type Of Certification: | Single site <input checked="" type="checkbox"/> |
| Duration Of Certificate: | 5 Years from date of certification |

1.3 Main/Annual Surveillance Assessment Details

| | |
|----------------------|---|
| Dates Of This Audit: | 27 th - 30 th November 2017 |
| Audit Number: | Main Assessment |

1.4 Assessment Type

This assessment was conducted against the National Interpretation of RSPO Principles and Criteria [MYNI 2015] - Endorsed by the RSPO Board of Governors on 06th March 2015 (RSPO P&C) - for the Sustainable Palm Oil Production and RSPO supply chain system & standard 21st November 2014

1.5 Location of the Palm Oil Mill

| Name Palm Oil Mill (POM) | Mill Capacity MT/Hour | Location Address | GPS Reference | |
|--------------------------------|-----------------------------|---|---------------|-----------|
| | | | Longitude | Latitude |
| Kechau B POM | 60 | Kechau B Palm Oil Mill, P.O. Box 57, 27207 Kuala Lipis, Pahang | 4°14'21" | 102°6'24" |

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

- If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:
 - PART 1, Section 1.7 – General Description of Supply Base,
 - PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
 - PART 5: RSPO Supply Chain Certification of this report

| Projected Production from the last 12 Months (MT) Nov'16 to Oct'17 | | | Actual Production for this Audit Year 2015/2016 (MT) Nov'16 to Oct'17 | | | Projected 12 Months (MT) Forecast Certified in this Report Nov'16 to Oct'17 | | |
|--|-----------|----------|---|--------|--------|---|--------|--------|
| FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| 159,160 | 34,337.38 | 8,237.73 | 213,486 | 43,765 | 10,309 | 257,100 | 53,570 | 12,890 |

1.7 General Description of Supply Base

Kechau B Palm Oil Mill which operates on MB Model received FFBs from its own certified estates and 40% from non-certified supply base.

1.7.1 Location of the Supply Base

| OPP | Oil Palm Plantation | Location | GPS reference | | Area Summary (Ha) | |
|-------|------------------------|--|---------------|---------------|-------------------|----------|
| | Name | Address | Longitude | Latitude | Total | Mature |
| OPP 1 | LADANG FELDA KECHAU 02 | Ladang Felde Kechau 02 27100 , Padang Tengku , Kuala Lipis , Pahang Darul Makmur | 4° 18' 48"N | 102°01' 18" E | 1,800.73 | 1,494.85 |
| OPP 2 | LADANG FELDA KECHAU 03 | Ladang Felde Kechau 03 Peti Surat 35 , 27200 , Kuala Lipis , Pahang Darul Makmur | 4° 17' 09"N | 102°02' 55" E | 2,004.62 | 1,794.93 |
| OPP 3 | LADANG FELDA KECHAU 06 | Ladang Felde Kechau 06 27100 , Padang Tengku , Kuala Lipis , Pahang Darul Makmur | 4° 15' 53"N | 102°05' 10" E | 2,381.22 | 1,939.56 |
| OPP 4 | LADANG FELDA KECHAU 07 | Ladang Felde Kechau 07 Peti surat 56 , 2700 ,Kuala Lipis , Pahang Darul Makmur | 4° 19' 54"N | 102°06' 07" E | 2,277.19 | 1,365.29 |
| OPP 5 | LADANG FELDA KECHAU 08 | Ladang Felde Kechau 08 Peti Surat 27 , 27100 , Padang Tengku , Kuala Lipis , Pahang Darul Makmur | 4° 12' 46"N | 102°04' 47" E | 2,368.94 | 1,948.80 |
| OPP 6 | LADANG FELDA KECHAU 09 | Ladang Felde Kechau 09 27100 , Padang Tengku , Kuala Lipis , Pahang Darul Makmur | 4° 12' 46"N | 102°04' 47" E | 1,787.76 | 1,123.63 |
| OPP 7 | LADANG FELDA KECHAU 10 | Ladang Felde Kechau 10, Peti surat 46 , 27200 ,Kuala Lipis , Pahang Darul Makmur | 4° 14' 59"N | 102°08' 38" E | 1,608.12 | 1,608.12 |
| OPP 8 | LADANG FELDA KECHAU 11 | Ladang Felde Kechau 11 Peti Surat 15 , 27200 , Kuala Lipis , Pahang Darul Makmur | 4° 18' 30"N | 102°07' 55" E | 2,309.71 | 2,133.51 |
| OPP 9 | LADANG FELDA TELANG 01 | Ladang Felde Telang 01, 27100 , Padang Tengku , Kuala Lipis ,Pahang darul makmur | 4° 19'31"N | 102°00'36"E | 1,675.80 | 1,083.45 |

| | | | | | | |
|--------------|------------------------------|--|-------------|---------------|------------------|------------------|
| OPP 10 | LADANG FELDA CHEGAR PERAH 02 | Ladang Felda Cegar Perah 02 27100 ,Padang Tengku , Kuala Lipis , Pahang Darul Makmur | 4° 29' 10"N | 101°57' 31" E | 2,150.87 | 1,760.13 |
| OPP 11 | FASSB TELANG | Pejabat FASSB Telang, 27100 , Padang Tengku , Kuala Lipis ,Pahang darul makmur | 4° 19' 31"N | 102°00' 36" E | 552.48 | 393.00 |
| TOTAL | | | | | 20,917.44 | 16,645.27 |

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year

| OPP | Oil Palm Plantation | Estimated FFB/Year (MT) Jan'18 to Dec'18 | Planting Years | Cycle (Years) |
|--------------|----------------------|--|--|---------------|
| OPP 1 | FGVPM Kechau 2 | 25,412 | 2004, 2006, 2011, 2012, 2014 | 25 |
| OPP 2 | FGVPM Kechau 3 | 25,057 | 1993, 1996, 2005, 2011, 2014, 2017 | 25 |
| OPP 3 | FGVPM Kechau 6 | 31,510 | 1995, 1997, 2003, 2004, 2012, 2014, 2015, 2017 | 25 |
| OPP 4 | FGVPM Kechau 7 | 20,003 | 1989, 1997, 2008, 2010, 2012 | 25 |
| OPP 5 | FGVPM Kechau 8 | 35,078 | 1998, 2011 | 25 |
| OPP 6 | FGVPM Kechau 9 | 19,102 | 1994, 2016 | 25 |
| OPP 7 | FGVPM Kechau 10 | 25,956 | 1998, 2000, 2011, 2012 | 25 |
| OPP 8 | FGVPM Kechau 11 | 38,552 | 1998, 1999, 2000, 2008 | 25 |
| OPP 9 | FGVPM Telang 1 | 18,418 | 1990, 1999, 2013 | 25 |
| OPP 10 | FGVPM Chegar Perah 2 | 25,721 | 2000, 2004, 2014, 2015, 2017 | 25 |
| OPP 11 | FASSB Telang | 2,748 | 1993, 1996, 2014, 2015 | 25 |
| TOTAL | | 267,557 | | |

1.7.2 (b) Non-Certified Tonnage (outside supplier – Excluded from Certificate)

| Supplier | Production Area (ha) | Tonnage / Year | | | | | | | | |
|---------------------------------------|----------------------|----------------|-----|----|--------------------------------|-----|----|----------|-----|----|
| | | Estimated | | | Actual (Jan. 2017 – Dec. 2017) | | | Forecast | | |
| | | FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| Bakti Mas Bina Sdn. Bhd. | - | | | | | | | | | |
| Moh Chong Realty Sdn. Bhd. | - | | | | | | | | | |
| BJ Tan Trading | - | | | | | | | | | |
| Lim Joo Soon Enterprise | - | | | | | | | | | |
| Cahaya Yakin Plantation (M) Sdn. Bhd. | - | 42,000 | - | - | 41,770.72 | - | - | 44,740 | - | - |
| Ding Bing Oon Palm And Business | - | | | | | | | | | |
| Eng Huat Latex Concentrate Sdn. Bhd. | - | | | | | | | | | |
| Tai Ichi Enterprise Sdn. Bhd. | - | | | | | | | | | |
| Pertubuhan Peladang Pahang | - | | | | | | | | | |
| Risda Plantation | - | | | | | | | | | |

| | | | | | | | | | | |
|------------------------------|---|--------|---|---|-----------|---|---|--------|---|---|
| Kim Ma Oil Palm Sdn. Bhd. | - | | | | | | | | | |
| Seng Highland Fruits Trading | - | | | | | | | | | |
| TOTAL | | 42,000 | - | - | 41,770.72 | - | - | 44,740 | - | - |

1.7.3 Conservation and HCV Area (Ha)

| OPP | Oil Palm Plantation | Conservation Area (Ha) | HCV Area (Ha) | * HCV part of Conservation |
|--------------|----------------------|------------------------|---------------|----------------------------|
| OPP 1 | FGVPM Kechau 2 | 0 | 0 | 0 |
| OPP 2 | FGVPM Kechau 3 | 0 | 0 | 0 |
| OPP 3 | FGVPM Kechau 6 | 0 | 0 | 0 |
| OPP 4 | FGVPM Kechau 7 | 0 | 0 | 0 |
| OPP 5 | FGVPM Kechau 8 | 0 | 0 | 0 |
| OPP 6 | FGVPM Kechau 9 | 0 | 0 | 0 |
| OPP 7 | FGVPM Kechau 10 | 0 | 0 | 0 |
| OPP 8 | FGVPM Kechau 11 | 0 | 0 | 0 |
| OPP 9 | FGVPM Telang 1 | 0 | 0 | 0 |
| OPP 10 | FGVPM Chegar Perah 2 | 0 | 0 | 0 |
| OPP 11 | FASSB Telang | 0 | 0 | 0 |
| TOTAL | | 0 | 0 | 0 |

* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

1.7.4 Percentage of Planted Oil Palm by different Age Ranges

| CU Code | Planting Years by 5 year Ranges (%) | | | | | Total Planted (Ha) |
|--------------|-------------------------------------|------------|-------------|-------------|-------------|--------------------|
| | 1988-1993 | 1994 -1999 | 2000 – 2005 | 2006 – 2011 | 2012 - 2017 | |
| OPP 1 | 0 | 0 | 27% | 56% | 17% | 1,800.73 |
| OPP 2 | 0 | 0 | 48% | 23% | 29% | 2,004.62 |
| OPP 3 | 17% | 19% | 10% | 21% | 33% | 2,381.22 |
| OPP 4 | 10% | 11% | 0 | 27% | 52% | 2,277.19 |
| OPP 5 | 0 | 19% | 21% | 42% | 18% | 2,368.94 |
| OPP 6 | 0 | 48% | 0 | 0 | 52% | 1,787.76 |
| OPP 7 | 0 | 51% | 8% | 16% | 25% | 1,608.12 |
| OPP 8 | 0 | 44% | 40% | 9% | 7% | 2,309.71 |
| OPP 9 | 28% | 9% | 0 | 28% | 35% | 1,675.80 |
| OPP 10 | 0 | 0 | 15% | 49% | 36% | 2,150.87 |
| OPP 11 | 1% | 20% | 0 | 0 | 79% | 552.48 |
| Total | | | | | | 20,917.44 |

1.7.4 Calculation of the Number of Production Units (N) to Sample for the Mill

$N = 0.8\sqrt{Y}$, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. 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) | $N = 0.8\sqrt{Y}$ | Smallholders (Z) | $N = 0.8\sqrt{Z}$ |
|-------------------|-------------------|------------------|-------------------|
| 11 | 3 | NA | NA |

Explanation as to the selection of estates sampled

Ladang Felda Kechau 02, Ladang Felda Chegar Perah and FASSB Telang were selected in this audit.

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment

Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 years implementation plan, if applicable to this assessment

There is no associated smallholder or out grower.

1.9 Location Map for this Certification Unit (See Appendix 1)

PART 2: PARTIAL CERTIFICATION

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure

| Section | Criteria | Yes/No | If "Yes" | If "No" |
|---------|--|--------|------------------|-------------|
| 2.1.1 | Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company? | No | Section 2 is N/A | Go to 2.1.2 |
| 2.1.2 | Is the certified operation part of a simple structure of operations owned by one company? | Yes | Go to 2.1.5 | Go to 2.1.3 |
| 2.1.3 | Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies: | Yes | Go to 2.1.4 | Go to 2.2.1 |
| | a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups? | | | |
| 2.1.4 | b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil? | Yes | Go to 2.4 | Go to 2.2.2 |
| 2.1.5 | Is there a time bound plan in place for all subsidiaries, estates and palm oil mills? | Yes | Go to 2.3 | 2.2.3 |
| 2.1.6 | Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO? | Yes | | |

2.2 Non-compliance Identified with 2.1 Above

| Section | Non-compliance findings | NC raised | Category |
|---------|---|-----------|----------|
| 2.2.1 | There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification. | - | Major |
| 2.2.2 | There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure. | - | Major |
| 2.2.3 | There is no time bound plan in place for the certification for all subsidiaries, estates and mills. | - | Major |
| 2.2.4 | No applicable membership of the RSPO. | - | Major |

2.3 Summary of the Time Bound Plan

| Section | Requirement | Findings and any action required | Compliance |
|---------|---|--|------------|
| 2.3.1 | Does the plan include all subsidiaries, estates | Yes, the plan did include all subsidiaries, estates and mills incorporated under Felda Global Ventures Holding Berhad (FGV). Felda Global Ventures Holdings Berhad have 75 | Yes |

| | | | |
|-------|--|--|-----|
| | and mills? | <p>complexes in Malaysia and Indonesia. 72 complexes are included with mills while 3 complexes are without mill.</p> <p>FGV owned the mills and estates listed in their time bound plan. Sighted evidence showing that Pontian United Plantation Bhd and Asia Plantation Limited are 100% fully owned by FGV.</p> <p>Felda Global Ventures Holdings Berhad has develop the time bound plan. Seen the evidence prepared by Certification & Due Diligence (CDD) Department, FGV. The time bound plan will be started from year 2017 until year 2021. According to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGVP complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.</p> | |
| 2.3.2 | <p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law. | <p>Based on 1st phase audit, auditors found that time bound plan prepared by Certification & Due Diligence (CDD) Department was not challenging due to some issues happen in Sabah Region which company cannot fulfil in year 2017 especially due to controlling of contractors' case.</p> <p>Thus, in 2nd phase audit, Certification & Due Diligence (CDD) Department has changed the time bound plan where Sabah Region are to be certified in 2019.</p> <p>The company presented a table showing how the certification audits are planned to fit into the period ending and it is considered to be challenging plan (see time bound plan below)</p> | Yes |
| 2.3.3 | Have there been any changes since the last audit? Are they justified? | <p>Previously, 58 Complexes (FGV with FELDA) already certified before they self-withdraw from RSPO P&C on 03rd May 2016. During that time, all the certified units were certified by different certification bodies.</p> <p>As per new time bound plan, FGV will be started the certification process from year 2017 until year 2021. According to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGV complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.</p> <p>Seen their time bound plan from year 2017 to year 2021 for certified again with RSPO P&C.</p> | Yes |
| 2.3.4 | If there have been changes, what circumstances have occurred? | No changes have been made due to FGV will do the main assessment audit again as per stated in the time bound plan. | Yes |
| 2.3.5 | Have there been any stakeholder comments? | <p>As per audit, auditors found 3 stakeholders comments as stated data below:</p> <p>Comments 1 On the 26th of July 2015, WSJ ran an article by Syed Zain Al – Mahmood alleging that Felda has breached labour conditions in</p> | Yes |

| | | | |
|-------|--|---|-----|
| | | <p>its plantations. The allegations mainly say that forced labour is being used and the workers are not paid minimum wages. Further, it is alleged that their health and working conditions are neglected and also that their employers withheld their passports.</p> <p>Remarks 29 July 2015 - 12 NGOs urged the RSPO to conduct a transparent investigation into Wall Street Journal's findings of forced labour, human trafficking, and other human and labour rights violations especially on RSPO member FELDA's plantations.</p> <p>The Complaints Panel in its meeting on August 2015, decided that the member, Felda, be investigated on the issues raised by the WSJ article. The RSPO Secretariat will conduct an independent assessment to investigate the report on labour condition on all RSPO members. Malaysia would be the first country, where the assessment would be done.</p> <p>The RSPO release the following statement on its website: http://www.rspo.org/news-and-events/news/3rd-update-rspo-response-to-the-report-titled-palmoil-migrant-workers-tell-of-abuses-on-malaysian-plantations-published-by-the-wall-street-journal-on-26th-july-2015</p> <p>Findings FGV has already taken action to resolve this raised issue. Certification & Due Diligence (CDD) Department has outlined 10 action plans to address all issues alleged by WSJ although the identified cases by WSJ is under Felda Management. The 10 action plan already being verified by CUC Auditors on site at 8 complexes which are:</p> <ul style="list-style-type: none"> • Bukit Sagu Complex • Palong Complex • Kechau B Complex • Keratong 9 Complex • Selancar 2B Complex • Besout Complex • Baiduri Ayu Complex • Hamparan Complex | |
| 2.3.6 | Have there been any newly acquired subsidiaries? | <p>No new land concession outside Malaysia after year 2016.</p> <p>Latest newly acquisition is Asian Plantation Limited where FGV signed a deal to acquired Asian Plantations Limited (APL), a company based in Singapore. APL will be included in FGV RSPO time bound plan beginning January 2016.</p> | Yes |
| 2.3.7 | Have there been any isolated lapses in the implementation of the plan? | FGV will do the main assessment audit as per their time bound plan | Yes |
| 2.3.8 | Has there been any | At this moment, no systematic failure sighted due to FGV will do | Yes |

| | | | |
|-------|--|---|-----|
| | systematic failure to proceed with the implementation of the plan? | the main assessment audit as per their time bound plan. This will be reviewed annually by certification bodies. | |
| 2.3.9 | General statement as to progress made since the last audit? | No statement has been made due to this is main assessment audit. As per interviewed with Raja Dato' Zamalia Raja Dato' Seri Mansur, FGV Sustainability and Environment Head, FGV will follow the time bound plan according to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGV complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan. | Yes |

| 2.4 Un-Certified Units or Holdings | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|--|--|--|-------|----------------------|--------------------|------------------------------------|---|-----------------------------------|--|--------------------------|--|-------------|--|-------------|------------------------|----------------------|--|--|--|-----|
| NOTE: | Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills) | | | | | | | | | | | | | | | | | | | | | | |
| Section | Requirement | Findings and any action required | Compliance | | | | | | | | | | | | | | | | | | | | |
| 2.4.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | Yes, at the current status only 16 complexes already have internal audit in year 2017. Seen the internal audit done by Certification & Due Diligence (CDD) Department. The NC during the audit still in progress to close. All certification bodies that will do the audit for FGV need to verify those NC. Others complex will do as per their time bound plan. Overall findings are positive as per before. | Yes | | | | | | | | | | | | | | | | | | | | |
| 2.4.2 | No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> Primary forest. Any area identified as containing High Conservation Values (HCVs). Any area required to maintain or enhance HCVs in accordance with RSPO | As per this year audit, there has been no replacement of primary forest area. However, there is one issue reported by Chain Research Reaction regarding HCV clearance in Kalimantan. FGV already brief this issue to RSPO secretariat. All details summary as per below: <table border="1" data-bbox="507 1303 1098 1995"> <tr> <td colspan="3">HCV clearance Kalimantan reported by Chain Research Reaction</td> </tr> <tr> <th>ISSUE</th> <th>ACTION PLAN PROGRESS</th> <th>DATE OF COMPLETION</th> </tr> <tr> <td rowspan="6">HCV clearance at PT CNP and PT TAA</td> <td>Engaged independent consultant for ground investigation</td> <td>20 April-4th May 2016</td> </tr> <tr> <td>Investigation finding presentation to FGV management</td> <td>9th May 2016</td> </tr> <tr> <td>Brief presentation to RSPO on the investigation findings</td> <td>10 May 2016</td> </tr> <tr> <td>Letter to stop all operation in HCV area</td> <td>10 May 2016</td> </tr> <tr> <td>1st Public</td> <td>22nd May</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table> | HCV clearance Kalimantan reported by Chain Research Reaction | | | ISSUE | ACTION PLAN PROGRESS | DATE OF COMPLETION | HCV clearance at PT CNP and PT TAA | Engaged independent consultant for ground investigation | 20 April-4 th May 2016 | Investigation finding presentation to FGV management | 9 th May 2016 | Brief presentation to RSPO on the investigation findings | 10 May 2016 | Letter to stop all operation in HCV area | 10 May 2016 | 1 st Public | 22 nd May | | | | Yes |
| HCV clearance Kalimantan reported by Chain Research Reaction | | | | | | | | | | | | | | | | | | | | | | | |
| ISSUE | ACTION PLAN PROGRESS | DATE OF COMPLETION | | | | | | | | | | | | | | | | | | | | | |
| HCV clearance at PT CNP and PT TAA | Engaged independent consultant for ground investigation | 20 April-4 th May 2016 | | | | | | | | | | | | | | | | | | | | | |
| | Investigation finding presentation to FGV management | 9 th May 2016 | | | | | | | | | | | | | | | | | | | | | |
| | Brief presentation to RSPO on the investigation findings | 10 May 2016 | | | | | | | | | | | | | | | | | | | | | |
| | Letter to stop all operation in HCV area | 10 May 2016 | | | | | | | | | | | | | | | | | | | | | |
| | 1 st Public | 22 nd May | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |

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|-------------------|--|---------------------------|--|--|
| criterion 7.3. | statement on HCV clearance at PT CNP and PT TAA on FGV website | 2016 | | |
| | Discussion on Conservation and remediation plan with RSPO technical Director | 23 May 2016 | | |
| | 2 nd Public statement on HCV clearance at PT CNP and PT TAA on FGV website | 25 May 2016 | | |
| | Sent a letter to RSPO on action plan for PT CNP and PT TAA | 27 th May 2016 | | |
| | 3 rd Public statement on HCV clearance at PT CNP and PT TAA on FGV website | 15 June 2016 | | |
| | Develop the Conservation and Remediation plan and relevant SOP | 1 st July 2016 | | |
| | Appointment letter to engage independent external social mediator to handle negotiation with affected communities | 1 st July 2016 | | |
| | Conducted social mediation and engagement with affected communities | 18 July to 30 July 2016 | | |
| | Consultation with FGV legal department on local national regulation. Found that the area (PT CNP and PT TAA) were outside the Indonesia Peat Moratorium no. X (10) | 30 July 2016 | | |
| | 4 th Public statement on HCV clearance at PT | 12 August 2016 | | |

| | | | | | | |
|--|--|--|--|----------------|--|--|
| | | | CNP and PT TAA on FGV website | | | |
| | | | Sent the progress of action taken to RSPO using SRT V | 19 August 2016 | | |
| | | | Sent out the Conservation and remediation plan to PT CNP and PT TAA for implementation | 7 Oct 2016 | | |
| | | | Meeting with RSPO Technical Director and RSPO Complaint Coordinator on PT CNP and PT TAA issue | 14 Oct 2016 | | |
| | | | Sent the progress of action taken to RSPO using SRT V | 17 Oct 2016 | | |
| | | | 5 th Public Statement on HCV clearance at PT CNP and PT TAA on FGV website | 5 Nov 2016 | | |
| | | | Meeting with RSPO secretariat on Compensation Panel feedback and our complaints on HCV updates in WSJ complaint update | 25 Nov 2016 | | |
| | | | | | | |
| | | | Received comment and recommendation from RSPO compensation Panel on PT CNP | 1 Dec 2016 | | |
| | | | Meeting with the FGV Kalimantan at PT CNP office for further engagement with ELC/Aid environment and Aksenta | 13 Dec 2016 | | |
| | | | Meeting on new revised Indonesia regulation PP57 and PP 71 with Badan Lingkungan | 14 Dec 2016 | | |

| | | | | | | | | | | | | | | | | | | | | | |
|---------------------|---|--|--------------|--------|--|--------------|-------|--------------------|-------|---------------------|--------|-------------------|--------|----------------|--------|----------------|--------|--------------|-----------------|--|--|
| | | <table border="1"> <tbody> <tr> <td>FGVPM Krau 2</td> <td>170.78</td> <td rowspan="7">Phase 2 NPP progress pending on local regulation EIA by recognised DOE consultant. Once completed, proceed for HCVRN review.</td> </tr> <tr> <td>FGVPM Krau 4</td> <td>80.28</td> </tr> <tr> <td>FGVPM Bukit Sagu 6</td> <td>72.87</td> </tr> <tr> <td>FGVPM Lepar Hilir 5</td> <td>253.62</td> </tr> <tr> <td>FGVPM Tembangau 6</td> <td>495.53</td> </tr> <tr> <td>FGVPM Aring 10</td> <td>518.52</td> </tr> <tr> <td>FGVPM Setiu 01</td> <td>130.72</td> </tr> <tr> <td>Total</td> <td>1,722.32</td> <td></td> </tr> </tbody> </table> | FGVPM Krau 2 | 170.78 | Phase 2 NPP progress pending on local regulation EIA by recognised DOE consultant. Once completed, proceed for HCVRN review. | FGVPM Krau 4 | 80.28 | FGVPM Bukit Sagu 6 | 72.87 | FGVPM Lepar Hilir 5 | 253.62 | FGVPM Tembangau 6 | 495.53 | FGVPM Aring 10 | 518.52 | FGVPM Setiu 01 | 130.72 | Total | 1,722.32 | | |
| FGVPM Krau 2 | 170.78 | Phase 2 NPP progress pending on local regulation EIA by recognised DOE consultant. Once completed, proceed for HCVRN review. | | | | | | | | | | | | | | | | | | | |
| FGVPM Krau 4 | 80.28 | | | | | | | | | | | | | | | | | | | | |
| FGVPM Bukit Sagu 6 | 72.87 | | | | | | | | | | | | | | | | | | | | |
| FGVPM Lepar Hilir 5 | 253.62 | | | | | | | | | | | | | | | | | | | | |
| FGVPM Tembangau 6 | 495.53 | | | | | | | | | | | | | | | | | | | | |
| FGVPM Aring 10 | 518.52 | | | | | | | | | | | | | | | | | | | | |
| FGVPM Setiu 01 | 130.72 | | | | | | | | | | | | | | | | | | | | |
| Total | 1,722.32 | | | | | | | | | | | | | | | | | | | | |
| 2.4.4 | Any land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>There is issue on land conflict although it was captured on FelDa Membership, but FGV also indirectly involved as part of the claim involve FGVPM Sahabat 55 The issue still in progress. Data as per below:</p> <p>Member: Lembaga Kemajuan Tanah Persekutuan (FELDA) /Orang Dusun Desa Begahak Date Filed: 16 February 2015 Complaint: Community of Desa Begahak Complaint: The company has breached the communities' user rights to the land in breach of Principle 2.2 Status: Box F – Action Plan</p> <p>Synopsis</p> <p>According to the Enquiry National Hak Tanah of Malaysia conducted by SUHAKAM, the state government had given 1260 acres of land to the Dusun Begahak community in 1981. At the same time, the same land was alienated to FELDA for development.</p> <p>The complainant raised the issue that FELDA has no right to develop their land and should return it to the community because the land originally belonged to the community. The complainant also stated that the cemetery area is being developed by FELDA.</p> <p>FELDA encaved 916 acres of the said land and gave it back to the community on the 25th of May 1982. The community planted fruits and other crops on the land.</p> <p>We have received some evidence from both sides. The evidence needs to be scrutinised and investigated further.</p> <p>Issue has been further referred to the RSPO Complaint panel.</p> <p>Remarks</p> <p>13 March 2015 – RSPO had a conference call meeting with the head of the Dusun Begahak community to understand the situation.</p> <p>16 March 2015 – RSPO had a conference call meeting with FELDA representatives to discuss the situation.</p> <p>17 March 2015 – The complaint was raised to the Complaint Panel for further discussion</p> | Yes | | | | | | | | | | | | | | | | | | |

| | | <p>and action.</p> <p>22 March 2016 – RSPO sent complaint notice to FELDA.</p> <p>1 April 2016 – State Land and Survey Department begin its mapping exercise.</p> <p>4 April 2016 – FELDA submits action plan to RSPO dated 27 March 2016.</p> <p>9 April 2015 – FELDA met the community (Desa Begahak) members and discussed the issues from the complaint and the land claim.</p> <p>10 April 2015 – FELDA met the complainant, Robin Balud, in Kota Kinabalu Sabah, to discuss the complaint.</p> <p>6 May 2016 – FELDA withdraws its RSPO Principle and Criteria certificates.</p> <p>4 June 2015 – FELDA met the complainant Robin Balud and discussed the main issues of the land claim and compensation and agreed to do a joint mapping of the land.</p> <p>22 June 2015 – FELDA had another meeting with Robin Balud and the representatives of the community and agreed to exchange documents on the land claim. A site visit was also undertaken with the community members.</p> <p>2 July 2015 – It was agreed that the matter would be referred to the FELDA/FGV Sustainable Steering Committee on 7th July 2015.</p> <p>26 July 2016 – Complainant send a formal letter to FELDA to settle the customary land dispute.</p> <p>19 August 2016 – Progress report submitted by Felda.</p> <p>20 September 2016 – Felda met with the community to discuss on how they will progress on the complaint, once the joint mapping report is received from the Sabah Land and Survey department.</p> | | | | | | | | | | | | | |
|-------|---|--|------------|-----------------|---------------|------|-----------------|---------------|---|--------------|--------|------------|-------------|--------------|-----|
| 2.4.5 | Any Labor disputes are being resolved through a mutually agreed process, in | <p>There is 1 issue happen in FGVP M Palong Timur 04 (Now FGVP M Palong Timur 05) and the details is elaborated below:</p> <table border="1" data-bbox="502 1861 1278 1995"> <thead> <tr> <th>NO.</th> <th>ESTATE</th> <th>LEGAL ACTION</th> <th>DATE</th> <th>VALUE OF SUMMON</th> <th>SUMMON STATUS</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>FGVPM PALONG</td> <td>Claims</td> <td>19.06.2012</td> <td>RM61,968.60</td> <td>Court Appeal</td> </tr> </tbody> </table> | NO. | ESTATE | LEGAL ACTION | DATE | VALUE OF SUMMON | SUMMON STATUS | 1 | FGVPM PALONG | Claims | 19.06.2012 | RM61,968.60 | Court Appeal | Yes |
| NO. | ESTATE | LEGAL ACTION | DATE | VALUE OF SUMMON | SUMMON STATUS | | | | | | | | | | |
| 1 | FGVPM PALONG | Claims | 19.06.2012 | RM61,968.60 | Court Appeal | | | | | | | | | | |

| | | | | | | | |
|-------|--|---|--------------------------------------|--|--|--|-----|
| | accordance with RSPO criterion 6.3. | | TIMUR 04 (NOW FGVPM PALONG TIMUR 05) | | | | |
| 2.4.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | During partial audit, 1 issue with DOE in FPISB Selancar 2A POM is sighted. Summon no: SJ 53-4/2016; Date 14.04.2016 in Mahkamah Seksyen Kuantan. Fixed for Trial on 01.03.2017 , 02.03.2017 and 03.03.2017 . | | | | | Yes |

| TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES | | | | |
|--|----------|--|----------------------------------|--|
| Palm Oil Mill | Country | Supply Bases (estates, plantations, associations) | Targeted RSPO Certification Year | Current Certification Status as per this Audit |
| Selancar 2B | Malaysia | FGVPM Selancar 6 FGVPM Selancar 8 FGVPM Selancar 9 | 2017 | To be audited by CB in year 2017 |
| Lepar Hilir | Malaysia | FGVPM Lepar Hilir 5 FGVPM Lepar Hilir 6 FGVPM Lepar Hilir 8 | 2017 | To be audited by CB in year 2017 |
| Aring A | Malaysia | FGVPM Aring 2 FGVPM Aring 3 FGVPM Aring 4 FGVPM Aring 5 FGVPM Aring 6 FGVPM Aring 8 FGVPM Aring 10 FGVPM Aring 11 | 2017 | To be audited by CB in year 2017 |
| Kechau B | Malaysia | FGVPM Kechau 6 FGVPM Kechau 8 FGVPM Kechau 9 FGVPM Kechau 10 | 2017 | To be audited by CB in year 2017 |
| Bukit Sagu | Malaysia | FGVPM Bukit Sagu 4 FGVPM Bukit Sagu 6 FGVPM Bukit Sagu 7 FGVPM Bukit Sagu 8 | 2017 | To be audited by CB in year 2017 |
| Keratong 09 | Malaysia | FGVPM Bera Selatan 5 FGVPM Bera Selatan 7 FGVPM Merchong FGVPM Keratong Timur FASSB Merchong | 2017 | To be audited by CB in year 2017 |
| Lepar Utara 6 | Malaysia | FGVPM Lepar Utara 7 FGVPM Lepar Utara 8 FGVPM Lepar Utara 9 FGVPM Lepar Utara 11 | 2017 | To be audited by CB in year 2017 |
| Besout | Malaysia | FGVPM Besout 6, FGVPM Besout 7 | 2017 | To be audited by CB in year 2017 |

| | | | | |
|-----------------|----------|---|------|----------------------------------|
| Kemasul | Malaysia | FGVPM Mengkarak 1 FGVPM Mengkarak 2 | 2017 | To be audited by CB in year 2017 |
| Triang | Malaysia | FGVPM Triang 2 FGVPM Triang Selatan 1 FGVPM Triang 4 | 2017 | To be audited by CB in year 2017 |
| Lepar Utara 4 | Malaysia | FGVPM Lepar Utara 4 FGVPM Lepar Utara 10 FGVPM Lepar Utara 14 | 2017 | To be audited by CB in year 2017 |
| Maokil | Malaysia | FGVPM Maokil 6 FGVPM Maokil 7 | 2017 | To be audited by CB in year 2017 |
| Palong Timur | Malaysia | FGVPM Palong Timur 4/5 FGVPM PALONG TIMUR 06 | 2017 | To be audited by CB in year 2017 |
| Selendang | Malaysia | FGVPM Selendang 3 FGVPM Selendang 4 FGVPM Selendang 5 FGVPM Berabong 1 | 2017 | To be audited by CB in year 2017 |
| Krau | Malaysia | FGVPM Krau 2 FGVPM Krau 4 | 2017 | To be audited by CB in year 2017 |
| Tenggaroh Timur | Malaysia | FGVPM Tenggaroh 12 FGVPM Tenggaroh Timur 2 | 2017 | To be audited by CB in year 2017 |
| Chini 3 | Malaysia | FGVPM Terapai 1 FGVPM Chini Timur 4 | 2018 | - |
| Nitar | Malaysia | FGVPM Nitar Timur | 2018 | - |
| Jerangau Baru | Malaysia | FGVPM Rantau Abang 1 FGVPM Rantau Abang 2 FGVPM Chador 1 | 2018 | - |
| Serting Hilir | Malaysia | FGVPM Tembangau 3 FGVPM Tembangau 5 FGVPM Tembangau 6 FGVPM Tembangau 7 FGVPM Tembangau 8 FGVPM Tembangau 9 FASSB Serting Hilir | 2018 | - |
| Serting | Malaysia | FGVPM Palong 17 FGVPM Palong 18 FGVPM Palong 21 | 2018 | - |
| Kota Gelanggi | Malaysia | FASSB PPTR FASSB Kota Gelanggi 5/6 | 2018 | - |
| Kerteh | Malaysia | FASSB Kerteh FASSB Semaring 01 | 2018 | - |
| Neram | Malaysia | FGVPM Cherul 03 | 2018 | - |
| Keratong 3 | Malaysia | FGVPM Keratong 11 | 2018 | - |
| Tenggaroh | Malaysia | FGVPM Tenggaroh 9 FGVPM Tenggaroh 11 FGVPM Tenggaroh 13 | 2018 | - |
| Chiku | Malaysia | FGVPM Ciku 4 FGVPM Ciku 8 | 2018 | - |
| Keratong 2 | Malaysia | FGVPM Bera Selatan 3 | 2018 | - |
| Jengka 21 | Malaysia | FASSB Jengka 24/25 | 2018 | - |
| Adela | Malaysia | FGVPM Kledang 02 | 2018 | - |
| Bukit Kepayang | Malaysia | FGVPM Terapai 3 | 2018 | - |
| Belitong | Malaysia | FASSB Ulu Belitong | 2018 | - |

| | | FGVPM Bukit Tongkat B | | |
|---------------------------|----------|--|------|---|
| Kulai | Malaysia | FASSB Bukit Besar/Taib Andak | 2018 | - |
| Penggeli | Malaysia | FGVPM Inas Selatan | 2018 | - |
| Chalok | Malaysia | FGVPM Setiu 1 | 2018 | - |
| Tementi | Malaysia | FGVPM Bera Selatan 1 FGVPM Bera Selatan 4 | 2018 | - |
| Kalabakan | Malaysia | FGVPM Kalabakan Utara 1 FGVPM Kalabakan Tengah 1 FGVPM Kalabakan Selatan | 2019 | - |
| Kembara Sakti | Malaysia | FGVPM Sahabat 30 FGVPM Sahabat 35 FGVPM Sahabat 40 FGVPM Sahabat 41 FGVPM Sahabat 42 FGVPM Sahabat 43 | 2019 | - |
| Nilam Permata | Malaysia | FGVPM Sahabat 50 FGVPM Sahabat 51 FGVPM Sahabat 52 FGVPM Sahabat 53 FGVPM Sahabat 54 | 2019 | - |
| Hampanan Badai | Malaysia | FGVPM Sahabat 23 FGVPM Sahabat 24 FGVPM Sahabat 26 FGVPM Sahabat 28 FGVPM Sahabat 31 FGVPM Sahabat 33 FGVPM Sahabat 34 FASSB Tambisan | 2019 | - |
| Mercu Puspita | Malaysia | FGVPM Sahabat 7 FGVPM Sahabat 46 FGVPM Sahabat 48 FASSB Sahabat 6 | 2019 | - |
| Lancang Kemudi | Malaysia | FGVPM Sahabat 10 FGVPM Sahabat 36 FGVPM Sahabat 38 FGVPM Sahabat 39 FGVPM Sahabat 44 FGVPM Sahabat 45 | 2019 | - |
| Pontian United Plantation | Malaysia | Pontian Fico Pontian Subok Pontian Orico Pontian Pendirosa Pontian Kuril Pontian Hilco Rawajaya Sdn Bhd Blossom Plantation Sdn Bhd | 2019 | - |
| Embara Budi | Malaysia | FGVPM Sahabat 11 FGVPM Sahabat 12 FGVPM Sahabat 17 FGVPM Sahabat 56 | 2019 | - |

| | | | | |
|--|-----------|---|------|---|
| | | FGVPM Sahabat 20 FGVPM Sahabat 21 FGVPM Sahabat 22 FGVPM Sahabat 25 | | |
| Baiduri Ayu | Malaysia | FGVPM Sahabat 9 FGVPM Sahabat 16 FGVPM Sahabat 55 | 2019 | - |
| Umas | Malaysia | FGVPM Umas 5 FGVPM Umas 6 | 2019 | - |
| Sampadi | Malaysia | FGVPM Sampadi 1 FGVPM Sampadi 3 FGVPM Sampadi 4 FGVPM Sampadi 5 FGVPM Sampadi 6 | 2019 | - |
| Bukit Mendi | Malaysia | Felda Settlers | 2019 | - |
| Jengka 8 | Malaysia | Felda Settlers | 2019 | - |
| Jengka 18 | Malaysia | Felda Settlers | 2019 | - |
| Jengka 3 | Malaysia | Felda Settlers | 2019 | - |
| Padang Piol | Malaysia | Felda Settlers | 2019 | - |
| Sg. Tenggi | Malaysia | Felda Settlers | 2019 | - |
| Mempaga | Malaysia | Felda Settlers | 2019 | - |
| Pasoh | Malaysia | Felda Settlers | 2020 | - |
| Kemahang | Malaysia | Felda Settlers | 2020 | - |
| Tersang | Malaysia | Felda Settlers | 2020 | - |
| Selancar 2A | Malaysia | Felda Settlers | 2020 | - |
| Chini 2 | Malaysia | Felda Settlers | 2020 | - |
| Trolak | Malaysia | Felda Settlers | 2020 | - |
| Semenchu | Malaysia | Felda Settlers | 2020 | - |
| Jerangau Barat | Malaysia | Felda Settlers | 2020 | - |
| Panching | Malaysia | Felda Settlers | 2020 | - |
| Bukit Besar | Malaysia | Felda Settlers | 2020 | - |
| Kahang | Malaysia | Felda Settlers | 2020 | - |
| Waha | Malaysia | Felda Settlers | 2020 | - |
| Air Tawar | Malaysia | Felda Settlers | 2020 | - |
| Lok Heng | Malaysia | Felda Settlers | 2020 | - |
| FGV Asian Plantation Milling Plantation | Malaysia | TBD | 2021 | - |
| FGV Yapid MAS (Golden Land) | Malaysia | TBD | 2021 | - |
| PT Citra Niaga Perkasa | Indonesia | TBD | 2021 | - |
| PT Temilia Agro Abadi | Indonesia | TBD | 2021 | - |
| FGV Estates without FGV Mill | Indonesia | TBD | 2021 | - |

| With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable | |
|--|---------------------------------------|
| Name of Mill or Plantation | *Area of concern (See examples below) |
| N/A | N/A |
| <p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes | |

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

The company had declared to Control Union Certifications (CUC) that all process regarding the partial certification. Felda Global Ventures Holdings Berhad are committed to join again in RSPO. Felda Global Ventures Holdings Berhad has develop the time bound plan. Seen the evidence prepared by Certification & Due Diligence (CDD) Department.

The time bound plan will be started from year 2017 until year 2021. According to announcement made by Dato' Zakaria Arshad - Group President/CEO Felda Global Ventures Holdings Berhad, 16 FGV complexes are to be targeted for RSPO certification in year 2017. The rest of the complexes is going to be certified as scheduled in the time bound plan.

2.6 Partial Certification Audit Agenda

| Date | Location | Agenda |
|---------------------------------------|---------------------------|--|
| 09 - 10/01/2017 & 31/03/2017 | Menara Felda Meeting room | Verification of time bound plan |
| 27/11/2017 | FGV Kechau B POM | Re-verification partial certification & time bound plan. |

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, MSPO, ISCC, Organic Production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

| | |
|----------------------|----------------------------------|
| Lead auditor: | Muhammad Faizul b. Yusoff |
| Team member 1: | Mohd Farul Rosli |
| Team member 2: | Mohd Ezani b. Abdul Aziz |
| Team member 3: | Nor Atiqah Saipul Bahri |

3.2.1 Qualifications of the Lead Auditor

| Requirement | Qualifications |
|---|--|
| A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences; | A Diploma of Agriculture Science and Bachelor of Applied Chemistry holders which involved in MSPO, ISCC & ISO 9001 audit since 2014/15. Has undergone the necessary RSPO Lead Auditor Course for both P&C as well as the Supply Chain Certification System (SCCS). Also as a qualified auditor for MPOB Codes of Practice (Nurseries, Estates, Palm Oil Mills, Refineries, Bulking Station and Kernel Crushers Plant). |
| At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science); | Possesses more than 7 years working experiences in palm oil plantation management and 3rd party auditing (ISO & Palm Oil Sustainability Standard). Fully trained in similar agriculture certification programs such as ISCC, MSPO, SCCS and MPOB CoP. |
| Training in the practical application of the RSPO criteria, and RSPO certification systems; | Involved in MSPO, ISCC & ISO 9001 audit since 2014/15. Member of CUC RSPO audit team since 2017 and involved in RSPO audits conducted in Malaysia, Indonesia, Singapore, PNG and Sri Lanka. |
| Successfully completion of an ISO 9000:19011 lead auditors course; | Successfully completed ISO 9001:2008, ISO 9001:2015, RSPO LA, SCCS LA, MSPO LA, ISCC LA and MPOB CoP LA Course. |
| Training in the practical application of RSPO certification systems. | Involved in RSPO assessment since 2017. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia, Indonesia, Singapore, PNG and Sri Lanka. |
| A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations. | Involved in audits conducted in for many different companies in Malaysia, Indonesia, Singapore, PNG and Sri Lanka. |
| RSPO endorsed lead auditors course. | Attended and successfully completed RSPO Lead Auditor Course. |

| | |
|---|-----|
| Signed code of conduct. | Yes |
| General knowledge of: | |
| • RSPO P&C standards. | Yes |
| • CUC organizational structure. | Yes |
| • CUC quality systems. | Yes |
| • Lead auditor role. | Yes |
| • Report writing. | Yes |
| • Stakeholder consultation. | Yes |
| • Certification decision process. | Yes |
| • RSPO SCCS program manual. | Yes |
| • CUC filing systems. | Yes |
| • Correct use of RSPO trademarks. | Yes |
| • History and objectives of RSPO. | Yes |
| • CV available. | Yes |
| • Completion of CUC RSPO lead auditor training. | Yes |

3.2.2 Qualifications of the Assessment Team

| RSPO Requirement | Team Member Name | Qualifications |
|--|--------------------------|---|
| Fluent in main local languages and English. | Mohd Farul Rosli | Fluent in both English and Bahasa Malaysia |
| | Mohd Ezani b. Abdul Aziz | Fluent in both English and Bahasa Malaysia |
| | Nor Atiqah Saipul Bahri | Fluent in both English and Bahasa Malaysia |
| Field working experience in the palm oil sector, or a demonstrable equivalent. | Mohd Farul Rosli | Diploma in Mechanical Engineering. Involved in RSPO auditing since 2012 (1 st party audit). Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISCC, ISO 9001:2015, OHSAS 18001:2007, MSPO standard. |
| | Mohd Ezani b. Abdul Aziz | Graduated from University Putra Malaysia (UPM) in 2005 and held a Bachelor Degree in Biological & Agricultural Engineering majoring in Biosystems. A member of Incorporated Society of Planters (ISP) since 2015. Trained and completed the Lead Auditor course for RSPO, MSPO, ISO 9001:2015 as well as Safety & Health Officer Course. Experiences more than 10 years in palm oil industry. |
| | Nor Atiqah Saipul Bahri | Graduated from University Technology Mara (UiTM) in Bachelor of Surveying Science and Geomatics. Experiences more than 4 years in auditing in various standards. Attended ISO 9001, ISO 17021, ISO 17065, RSPO Lead Auditor course and received in-house training in GAP, Social and Environment. |
| Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use. | Mohd Farul Rosli | Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISCC, ISO 9001:2015, OHSAS 18001:2007, MSPO standard. |
| | Mohd Ezani b. Abdul Aziz | Graduated from University Putra Malaysia (UPM) in 2005 and held a Bachelor Degree in Biological & |

| | | |
|--|--------------------------|---|
| | | Agricultural Engineering majoring in Biosystems. A member of Incorporated Society of Planters (ISP) since 2015. Trained and completed the Lead Auditor course for RSPO, MSPO, ISO 9001:2015 as well as Safety & Health Officer Course. Experiences more than 10 years in palm oil industry. |
| | Nor Atiqah Saipul Bahri | Graduated from University Technology Mara (UiTM) in Bachelor of Surveying Science and Geomatics. Experiences more than 4 years in auditing in various standards. Attended ISO 9001, ISO 17021, ISO 17065, RSPO Lead Auditor course and received in-house training in GAP, Social and Environment. |
| Health and Safety auditing on the farm and in processing facilities. (For example, OHSAS 18001 or occupational. Health and safety assurance system). | Mohd Farul Rosli | Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISCC, ISO 9001:2015, OHSAS 18001:2007, MSPO standard. |
| | Mohd Ezani b. Abdul Aziz | Graduated from University Putra Malaysia (UPM) in 2005 and held a Bachelor Degree in Biological & Agricultural Engineering majoring in Biosystems. A member of Incorporated Society of Planters (ISP) since 2015. Trained and completed the Lead Auditor course for RSPO, MSPO, ISO 9001:2015 as well as Safety & Health Officer Course. Experiences more than 10 years in palm oil industry. |
| | Nor Atiqah Saipul Bahri | Graduated from University Technology Mara (UiTM) in Bachelor of Surveying Science and Geomatics. Experiences more than 4 years in auditing in various standards. Attended ISO 9001, ISO 17021, ISO 17065, RSPO Lead Auditor course and received in-house training in GAP, Social and Environment. |
| Workers welfare issues and social auditing experience. (For example, with SA8000 or related social or ethical accountability codes). | Mohd Farul Rosli | Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISCC, ISO 9001:2015, OHSAS 18001:2007, MSPO standard. |
| | Mohd Ezani b. Abdul Aziz | Graduated from University Putra Malaysia (UPM) in 2005 and held a Bachelor Degree in Biological & Agricultural Engineering majoring in Biosystems. A member of Incorporated Society of Planters (ISP) since 2015. Trained and completed the Lead Auditor course for RSPO, MSPO, ISO 9001:2015 as well as Safety & Health Officer Course. Experiences more than 10 years in palm oil industry. |
| | Nor Atiqah Saipul Bahri | Graduated from University Technology Mara (UiTM) in Bachelor of Surveying Science and Geomatics. Experiences more than 4 years in auditing in various standards. Attended ISO 9001, ISO 17021, ISO 17065, RSPO Lead Auditor course and received in-house training in GAP, Social and Environment. |

| | | |
|---|--------------------------|---|
| | | Environment. |
| Environmental and ecological auditing. (For example, experience with organic agriculture, ISO 14001 or environmental management systems). | Mohd Farul Rosli | Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISCC, ISO 9001:2015, OHSAS 18001:2007, MSPO standard. |
| | Mohd Ezani b. Abdul Aziz | Graduated from University Putra Malaysia (UPM) in 2005 and held a Bachelor Degree in Biological & Agricultural Engineering majoring in Biosystems. A member of Incorporated Society of Planters (ISP) since 2015. Trained and completed the Lead Auditor course for RSPO, MSPO, ISO 9001:2015 as well as Safety & Health Officer Course. Experiences more than 10 years in palm oil industry. |
| | Nor Atiqah Saipul Bahri | Graduated from University Technology Mara (UiTM) in Bachelor of Surveying Science and Geomatics. Experiences more than 4 years in auditing in various standards. Attended ISO 9001, ISO 17021, ISO 17065, RSPO Lead Auditor course and received in-house training in GAP, Social and Environment. |
| Economic issues. | Mohd Farul Rosli | Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISCC, ISO 9001:2015, OHSAS 18001:2007, MSPO standard. |
| | Mohd Ezani b. Abdul Aziz | Graduated from University Putra Malaysia (UPM) in 2005 and held a Bachelor Degree in Biological & Agricultural Engineering majoring in Biosystems. A member of Incorporated Society of Planters (ISP) since 2015. Trained and completed the Lead Auditor course for RSPO, MSPO, ISO 9001:2015 as well as Safety & Health Officer Course. Experiences more than 10 years in palm oil industry. |
| | Nor Atiqah Saipul Bahri | Graduated from University Technology Mara (UiTM) in Bachelor of Surveying Science and Geomatics. Experiences more than 4 years in auditing in various standards. Attended ISO 9001, ISO 17021, ISO 17065, RSPO Lead Auditor course and received in-house training in GAP, Social and Environment. |

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit, the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.

| | | |
|---|--|---|
| | | <p>10:30 – 12:30: Site verification (Palm Oil Mill)</p> <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required <p>13:00 – 14:00: Lunch Break</p> |
| 28 th Nov. 2017 (Tuesday) | <p>LADANG FELDA KECHAU 02</p> <p>Faizul/ Farul/ Ezani/ Atiqah</p> | <p>08:30 – 17:30: Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc] • Complaint mechanism / Request & Respond • Best agricultural practices • Safety and Health, Environment, Social issues etc • Partial Certification • <p>09:30 – 11:30: Site verification (Estate)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>14:30 – 15:30: Stakeholders Consultation</p> <p>13:00 – 14:00: Lunch Break</p> |
| 29 th Nov. 2017 (Wednesday) | <p>LADANG FELDA CHEGAR PERAH</p> <p>Faizul/ Farul/ Ezani/ Atiqah</p> | <p>08:30 – 17:30: Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc] • Complaint mechanism / Request & Respond • Best agricultural practices • Safety and Health, Environment, Social issues etc • Partial Certification <p>09:30 – 11:30: Site verification (Estate)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>13:00 – 14:00: Lunch Break</p> |
| 30 th Nov. 2017 (Thursday) | <p>FASSB TELANG</p> | <p>08:30 – 17:30: Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc] • Complaint mechanism / Request & Respond • Best agricultural practices |

| | | |
|--|--|--|
| | <p>Faizul/ Farul/ Ezani/ Atiqah</p> | <ul style="list-style-type: none"> • Safety and Health, Environment, Social issues etc • Partial Certification <p>09:30 – 11:30: Site verification (Estate)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>04:00 – 04:30: Preparation for closing meeting</p> <p>Additional field visits and meetings with managers if necessary</p> <p>04:30: Closing meeting</p> <ul style="list-style-type: none"> • Presentation of findings by the audit team • NC closure dateline (if any) • Questions and answers • Final summary by team leader <p>End of assessment</p> <p>13:00 – 14:00: Lunch Break</p> |
|--|--|--|

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor’s Summary and Recommendation for Certification

The mill and supply bases visited (as per the above Tables 1.5 and 1.7.1) were assessed at field, office, facilities, stores and a document review was carried out in accordance to the RSPO principles and criteria. The subscribed RSPO 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 Estate Managers, Mill Manager, members of workers’ union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed in maintaining the RSPO system by adopting continuous improvement programs.

There were a few suggestions or feedbacks received during the audit or during the stakeholders meeting, see Part 4.4 below. Under partial certification rules, there is a time-bound plan established. For further clarification on Partial Certification, see PART 2 above.

There was no significant 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 RSPO. The mill is fully verified for RSPO SCCS system verification and it is found to be in full compliance. See PART 5 below.

Summary of Non-Conformance and Current Status

1 Major NC, 1 Minor NC and 5 Observations were raised for this audit. Major NCs were closed.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is award.



Name: Muhammad Faizul b. Yusoff
Date: 01st Feb. 2018

4.2 Summary of the findings by Principles and Criteria

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

Principle 1: Commitment to Transparency

| Criterion by Audit | Summary | |
|--------------------|---------|--|
| | | The procedure established was comprehensive enough to cover the issue related to stakeholders surrounding the Kechau B POM and its supply base. Requests made by stakeholder were responded to and all these are well documented. Adequate information available for confidential information that being listed as publicly available. 2 Observations were raised against Principle 1. |
| MA | 1.1 | <p>Procedure for Stakeholders Engagement/Negotiation established to guide the activities related to stakeholders engagement and consultation. Generally, the procedure established was comprehensive enough to cover the issue related to stakeholders surrounding the Kechau B POM and its supply bases. Stakeholders had been identified in Stakeholders List and meeting has been carried out at planned interval.</p> <p>Kechau B POM and its supply base continued to maintain a comprehensive system with respect to this criterion. Request & Responses Logbook for their stakeholders or other interested party who had viewed / obtained document related to RSPO were well maintained.</p> <p>Requests are recorded and being provided in appropriate languages and forms. Once completed, stakeholders shall then acknowledge the completed action and response.</p> <p>Refer to Part 4.3.3 for 2 Observations raised</p> |
| MA | 1.2 | <p>The FGV website (http://www.feldaglobal.com/), continued to be available to the public. Information such as company's vision and mission as well as sustainability governance which provided information related to the FGV operations were available on this website.</p> <p>There is publicly available documents listed in the pamphlet given to stakeholders during stakeholder meeting on 3/10/17. Stakeholder meeting is conducted under province level which cover Kechau B POM and related estates. List of publicly available documents were available in "Komunikasi, Penglibatan & Rundingan" procedure, document no FGV/ML-1A/L2-Pr12. This includes:</p> <ul style="list-style-type: none"> • Written comment from external stakeholder • Complaint investigation record |

| | | |
|---|---------|--|
| | | <ul style="list-style-type: none"> • EIA, SIA, HCV • Land title • OSH Plan • Stakeholder lists, etc <p>All these documents were sighted in the mill and estate offices. Requests for official documents through the estate or mill offices will have to go through the mill or estate managers/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.</p> |
| MA | 1.3 | <p>The written policy committing to a code of ethical conduct and integrity in all operations and transactions was documented and effectively communicated to all levels of the workforce and operations.</p> <p>There is “Polisi Kod Etika Kerja dan Integriti” placed in mill and estate office notice board. FGV will ensure all staff:</p> <ul style="list-style-type: none"> • Refusing corruption, bribery and fraud • Eliminate all risk of impartiality • Perform work with transparency, fair • Protect information • To improve professionalism level |
| Principle 2: Compliance with Applicable Laws and Regulations | | |
| Criterion by Audit | Summary | <p>The mill and estates have demonstrated compliance to the most of applicable local, national and international laws. Legal ownership of land and its land use is clearly demonstrated through the respective land titles. Boundaries have been clearly demarcated. There have been no land disputes or claims involving the mill and estate. However, one major NC’s were raised against this Principle.</p> |
| MA | 2.1 | <p>The mill and estates have a register of all applicable laws and regulations and 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 Act • 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 <p>The mill also conducts the periodically monitoring before the internal audit conducted. The mill will review the legal register list and the findings from the internal audit refers to legal will take into account.</p> <p>The system to track changes in law established to ensure the consistency of legal compliance. The source of changes as being identified were:</p> <ul style="list-style-type: none"> • News • Changes track the law book publisher. • Circular from union or association eg: MPOA, MPOB MAPA and etc. |
| MA | 2.2 | <p>The mill and estates have demonstrated legal ownership of their land by having legal land titles to the land. All land titles demonstrate the right to use the land. The land titles are kept in the estate office and were sighted during</p> |

| | | <p>the audit.</p> <p>Boundary marking map is available. The estate has maintained legal boundary map obtained from the state land department. During the site visit, the boundary stone was demarcated with red and white wood pole.</p> <p>1 Major NC raised. Refer to Part 4.3.1 for detail.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------|--|----|----|------|---------|------|---------|------|---------|------|---------|------|---------|----|---------|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| MA | 2.3 | There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principle 3: Commitment to Long-Term Economic and Financial Viability | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion by Audit | Summary | A documented business plan available both at mill and estate. The annual budget includes of FFB yield/ha, OER, CPO yield/ha and cost of production. Seen the top management able to demonstrate attention to economic and financial viability through long-term management planning. Replanting activity carried out as per programme for all estates involved. Basically, the company fully complied with Principal 3 for this complex. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 3.1 | <p>It was noted that Kechau B POM and its supply base continued to commit to long-term economic and financial viability. The annual budgets are prepared on an annual basis before the end of financial year.</p> <p>Projected FFB process</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>FY</th> <th>Mt</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>288,000</td> </tr> <tr> <td>2018</td> <td>295,000</td> </tr> <tr> <td>2019</td> <td>315,000</td> </tr> <tr> <td>2020</td> <td>320,000</td> </tr> <tr> <td>2021</td> <td>335,000</td> </tr> </tbody> </table> <p>Projection OER/KER</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>FY</th> <th>OER (%)</th> <th>KER (%)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>21.5</td> <td>5.50</td> </tr> <tr> <td>2018</td> <td>21.7</td> <td>5.55</td> </tr> <tr> <td>2019</td> <td>21.8</td> <td>5.60</td> </tr> <tr> <td>2020</td> <td>22.0</td> <td>5.60</td> </tr> <tr> <td>2021</td> <td>22.0</td> <td>5.65</td> </tr> </tbody> </table> <p>The yearly budget and projections where the cost of production was reviewed annually and compared against expenditure for each year was an on-going process. The parameters monitored remained essentially unchanged and included Capital (CAPEX) and Operating costs. The operating expenditure included expenditure for Replanting, Mature and Immature Oil Palm upkeep, Administration cost, Housing and Machinery upkeep, allocation for sustainability implementation (environmental, social, occupational safety and health), infra-structure development (roads, etc.), and training, etc.</p> <p>Replanting activity carried out as per established programme for all estates involved. All the progress for implementation before replanting is recorded in "Replanting Work Agreement" and the progress during replanting will be record in Replanting Progress Report.</p> | FY | Mt | 2017 | 288,000 | 2018 | 295,000 | 2019 | 315,000 | 2020 | 320,000 | 2021 | 335,000 | FY | OER (%) | KER (%) | 2017 | 21.5 | 5.50 | 2018 | 21.7 | 5.55 | 2019 | 21.8 | 5.60 | 2020 | 22.0 | 5.60 | 2021 | 22.0 | 5.65 |
| FY | Mt | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 288,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 295,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 315,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 320,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 335,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY | OER (%) | KER (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 21.5 | 5.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 21.7 | 5.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 21.8 | 5.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 22.0 | 5.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 22.0 | 5.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principle 4: Use of Appropriate Best Practices by Growers and Millers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion by Audit | Summary | The mill and estates have a complete set of GAP, POD and SOP which is being strictly adhered to and continuously monitored. Soil fertility is being | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | maintained in the fields and IPM is being implemented in all the estates. The use of chemicals are in accordance with the regulations. There is a comprehensive OSH policy and is being implemented throughout the all operating units. Improvement sighted in the identification and assessment with HIRARC. Trainings are being carried out as per the Annual Training Plan. However, 1 Minor Non-Conformity and 2 Observations were raised for this complex for this area of audit. |
| MA | 4.1 | <p>FGV had developed SOPs for mill and estates. Seen the Standard Operating Procedures (SOP) documented for mill and estate was maintained. All the SOPs are established and controlled by Head Quarters. All SOP and procedures are well kept and will be update if necessary.</p> <p>The mechanism to ensure the consistency of implementation sighted through internal audit. Sighted record of the internal audit for mill and estates during the audit. The purpose of the internal audit is to verify records and procedure against specific requirement and relevant standards requirements</p> |
| MA | 4.2 | <p>Guidance to manage soil fertility to a level that ensures optimal and sustained yield is reflected in "Manual Ladang Sawit Lestari" document dated February 2012 and SOP: <i>MLSL (Ed.2)-Sec. 2 (5.0) Merumput Hamparan, MLSL (Ed.2)-Sec. 2 (14.0) Menanam Kekacang Penutup Bumi.</i></p> <p>Annual Fertiliser program is available as per report from FASSB entitled "Oil Palm Manuring Recommendations 2016/2017" by Agronomist. Records of actual fertilizer application is available and updated as per mandore log book. Observed the actual application is tally with the recommendations from Agronomist Report.</p> <p>Evidence of periodic tissue and soil sampling are available as per Agronomist report from FGV Agronomic Advisory Department entitled "<i>Oil Palm Manuring Recommendations 2016/2017</i>" conducted annually. Fertilizers recommendations are based from the results obtained.</p> <p>The operating unit is utilizing nutrient recycling for all waste generated in the mill operation. The estates are also applying EFB as per recommendation from Agronomist. EFB application record is evident in Estate Application Record.</p> |
| MA | 4.3 | <p>Seen the soil maps for all estate. It is evident that there are no fragile soils exist in the estate. The production unit has established management strategy for plantings on slopes. A management strategy for purpose of planting on slopes above a certain limit is evident in "<i>Pengenalpastian Kawasan Cerun Dan Rizab Sungai</i>" (SOP: ML-1A/L2-Pr8, Date: 01 June 2016) and "<i>Manual Ladang Sawit Lestari</i>" SOP No. MLSL9(Ed.2). However, there is no evidence of steep slopes area (> 25°) exist in the estate.</p> <p>The management only spot spray large woodies and conserved as much ground vegetation as possible to protect the topsoil. No peat areas and problematic soil sighted from site visit and verified through estate Soil series map for every estate.</p> <p>During the field visit, it was noted road conditions were satisfactory and accessibility were made possible by regular maintenance guided by its road maintenance programmes which consist of road resurfacing, grading & compacting and culvert maintenance.</p> |
| MA | 4.4 | Water management plan for the mil and estates is evident in Water |

| | | <p>Management Plan. The mill and estate water management plan is evident in “Pelan Pengurusan Air” (SOP No.: ML-1A/L4-F2; Date: 01 June 2015). Water for domestic use is extracted from government source. There is plan to request water from PAIP during water shortage.</p> <p>Map for identifying water source and river is available during the audit. Sg. Kechau and Sungai Yong is flowing inside and near the estate. The management has taken good initiative to conserve area along the river and demarcate the area as buffer zone. Sighted from site visit clear signage of buffer zone. No chemical applications are allowed along the river buffer zone. Sighted management plan for testing water samples for river cross the estate as per SOP “Persampelan Air” Doc No. ML-1A/L3-GP1: Sample for Sg. Yong- 25/8/2017</p> <table border="1" data-bbox="790 694 1220 929"> <thead> <tr> <th>Parameters</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>6.1</td> </tr> <tr> <td>BOD</td> <td>2mg/l</td> </tr> <tr> <td>COD</td> <td>13mg/l</td> </tr> <tr> <td>T.SS</td> <td>6mg/l</td> </tr> <tr> <td>Ammonia Cal</td> <td>0.6mg/l</td> </tr> </tbody> </table> <p>Stated in water management plan for FGV, For domestic wastewater and palm oil effluent, mill need to ensure waste water/effluent drains, pipes and effluent ponds bunds are in good condition through periodic check. Mill also need to ensure palm oil mill effluent discharged is within in-house standard and relevant environmental requirements before discharge into watercourse/ land application, respectively.</p> <p>Stated in the procedure that domestic waste water sampling need to be carried out once in monthly while palm effluent analysis need to be carried out monthly. Effluent test certificate sighted from May 2017 until May 2018 evidence that estate comply with the procedure.</p> <p>Sample of the analysis taken for Nov 2017, ref. no 2944/2017 sampling date 6th 11 2017 2017</p> <table border="1" data-bbox="774 1444 1236 1713"> <thead> <tr> <th>Parameter</th> <th>Results</th> <th>DOE</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.4</td> <td>N/a</td> </tr> <tr> <td>COD</td> <td>442</td> <td>N/a</td> </tr> <tr> <td>BOD</td> <td>64</td> <td>5000</td> </tr> <tr> <td>Nitrogen</td> <td>69</td> <td>N/a</td> </tr> <tr> <td>Total solid</td> <td>3382</td> <td>N/a</td> </tr> <tr> <td>Suspend solid</td> <td>147</td> <td>N/a</td> </tr> <tr> <td>Oil and Grease</td> <td>5</td> <td>N/a</td> </tr> </tbody> </table> <p>In the test result stated the chemical; oxygen demand, BOD tested 64mg/L compare to DOE limit 5000mg/L and remarks as passed.</p> <p>Water consumption record per ton FFB ratio has been maintained for every year to measure the performance of the mill. The mill’s record shows the water consumption by monthly basis and accumulated per intended period.</p> | Parameters | Result | pH | 6.1 | BOD | 2mg/l | COD | 13mg/l | T.SS | 6mg/l | Ammonia Cal | 0.6mg/l | Parameter | Results | DOE | pH | 8.4 | N/a | COD | 442 | N/a | BOD | 64 | 5000 | Nitrogen | 69 | N/a | Total solid | 3382 | N/a | Suspend solid | 147 | N/a | Oil and Grease | 5 | N/a |
|----------------|---------|---|------------|--------|----|-----|-----|-------|-----|--------|------|-------|-------------|---------|-----------|---------|-----|----|-----|-----|-----|-----|-----|-----|----|------|----------|----|-----|-------------|------|-----|---------------|-----|-----|----------------|---|-----|
| Parameters | Result | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 6.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 2mg/l | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COD | 13mg/l | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| T.SS | 6mg/l | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ammonia Cal | 0.6mg/l | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parameter | Results | DOE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 8.4 | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COD | 442 | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 64 | 5000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nitrogen | 69 | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total solid | 3382 | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suspend solid | 147 | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil and Grease | 5 | N/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 4.5 | Implementation of IPM is based on “Pengurusan Makhluk Perosak | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <p><i>Bersepadu</i>” (SOP No.: ML-1A/L2-Pr3: Date: 01 June 2016). The procedure indicates information regarding the implementation of IPM including Spraying and Rat baiting.</p> <p>No outbreak of rat attack recorded in the estate. Latest rat damage census was done on:</p> <ul style="list-style-type: none"> • 27/09/2017 – Field PM 00GF (4% damaged) • 12/11/2016 – Field PM 01H (4% damaged) <p>Biological control of rat by Barn Owl (Tyto Alba) is used to reduce potential rat attack in the estate. Currently total of 30 barn own boxes are available in the estate area. Latest occupancy census of barn owl boxes was done on June 2017.</p> <p>The planting of beneficial plant was sighted along the main road of the estate. There are programme to expand the planting of beneficial plant. The planting of beneficial plants includes Tunera Subulata, Antigonon Leptopus and Cassia Cobanesis as a biological control for pest such as bagworms and needle caterpillar.</p> <p>All staffs and workers involved in the IPM implementation has been trained by the estate management. As evidence, seen the training for workers from spraying and manuring operation are done. Training records was available.</p> |
| MA | 4.6 | <p>The mill and estates maintain a chemical register detailing the chemicals used, its purpose and classification as per the Classification, packaging and labeling requirements as per the Register of Chemicals Hazardous to Health stipulated in the USECHH 2000 regulations (Regulation 5). All pesticides used are in accordance with the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations (2000).</p> <p>Application of any chemical products in the mill and estate is under controlled and only can be carried out by qualified workers which have attended certain training. The company has established SOP for chemical handling as evident in SOP “<i>Prosedur Pengendalian Dan Kawalan Racun</i>” Doc No. ML-1A/L2-Pr9 dated 01 June 2016.</p> <p>Trainings for chemicals handlings had been conducted by the estate management:</p> <ul style="list-style-type: none"> • 25/07/2017 – SOP Training for Spraying and Chemical Handling. • 30/10/2017 – IPM Training <p>MSDS documents are displayed at the chemical store for reference. All the workers are observed to be wearing proper PPE provided by the management during mill site visit. Record of PPE issuance is available and updated regularly.</p> <p>During site visit, storage of chemical materials are in appreciating manners, well ventilated and well lit. All chemicals are properly labelled. All powder chemicals are stored on pallets to avoid contamination with ground. Sighted spill kit availability in the chemical store to cater with chemical spillage incident.</p> <p>All sprayers are provided with proper PPE such as mask, apron, gloves and rubber boot. Mixing of the chemicals was done at mixing area under control</p> |

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| | | <p>and secure environment. During field visit, spraying gang was using the proper equipment and well maintained. All chemical activities are accordance to the company procedure and good agriculture practices.</p> <p>1 Observation were raised. Refer to Part 4.3.3 for detail.</p> |
| MA | 4.7 | <p>The mill and estate is in compliance to health and safety plan set by the company. The company has established Occupational Safety & Health Policy signed by Felda CEO, Mr. Mat Noor Shafiee circulated and maintained in place. The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>This policy is displayed in all the offices and on notice boards. It is this policy that is being adhered to with regards to the implementation of (OSH) requirements within the company. The mill and estates has also updated HIRARC for all activities in the mill and estates operations. The HIRARC has been updated in accordance to the latest accident recorded.</p> <p>Safety and Health plan is available for the mill as evident in “<i>Jadual Latihan Dan Kursus</i>” For Kechau B POM – 2017”. The plan cover all activities in the mill operation. All workers involved in the operations have been adequately trained in safe working practice. Record of the training attendees and materials have been evaluated during the audit. Examples:</p> <ul style="list-style-type: none"> • 3/12/2016 – Hearing Training • First Aider – 13/3/2017 • Fire Drill – 13/7/2017 <p>All Managers for this complex are responsible person for Health and Safety issue. The OSH meeting has been conducted every 3 months to discuss all issues regarding worker’s safety and health. All issues raised and discussed during conducted meeting has been resolve and taken action by estate management with proper action and target date cited in the minute meeting.</p> <p>The ERP has clearly justified procedures when dealing with chemical spillage, accident and others. Emergency response plan include the emergency contact number and available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted.</p> <p>Emergency procedure for POM “<i>Prosedur Menghadapi Kecemasan</i>” (FGV/ml-1a/l2-Pr15) is available during the audit and well displayed on the notice boards around the mill compound. Emergency response plan included the emergency contact number, and also have Guidelines on Accident and Emergency Procedures such as:</p> <ul style="list-style-type: none"> • Chemical/Lubricant spillage • Explosion • Fire • Accidents & Dangerous Occurrence <p>All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.</p> <p>1 Minor NC and 1 Observation were raised. Refer to Part 4.3.1 and Part 4.3.3 for detail.</p> |
| MA | 4.8 | <p>The mill & estates have developed a training programme for year 2017/18,</p> |

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| | | which includes work stations in the mill and each task in the estate. Trainings are conducted to improve or develop skills. The training records of each individual was sighted which records training information and trainer's name and followed by competency assessment of the trainee. Records of training for each employee are maintained at all operating units. |
| Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity | | |
| Criterion by Audit | Summary | Environmental Impact Assessment has been carried out by the mill and estate. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by an approved and registered collector. Monitoring and analysis of waste is carried out regularly. Basically, the company fully complied with Principal 5 for this complex. |
| MA | 5.1 | <p>The mill and estates have to conducted, reviewed and updated environmental impact assessment (EIA) according to the scope of operation described as major activity covering;</p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents • Clearing of remaining natural vegetation; • Management of pests and diseases palms by controlled burning. <p>Environmental management plan was made available for each environment impacts identified. Management control plan includes actions, responsible personnel with target dates to complete and the present status. It was observed that management actions proposed in the plan are implemented and continual monitoring done.</p> |
| MA | 5.2 | <p>The HCV assessment was conducted by the Sustainability and Environment, Felda Agricultural Services Sdn. Bhd. on 1.8.14. Based on the report, there was no HCV identified.</p> <p>Sighted the Biodiversity management. The management identified 4 hotspots to conduct the action plan.</p> <ul style="list-style-type: none"> • Sungai Tanum,Sungai Timah • Non economic land (lime stone) • Undeveloped forest.- This area is to be follow for NPP and planned to be plant with oil palm. • Boundary of Jelai Reserved forest and Aur Gading <p>The action plan was derived into 3 phases of immediate, intermediate and long term. Most of the immediate action includes the action to install signage and trainings.</p> <p>The RTE species was identified in the RTE monitoring management plan signed by En. Abdul Latif bin Abdul Rahman. There are 3 types of animals sighted in the observation form which were, squirrel, partridge and monkey. The existence was identified through the evidence on snapping frond, bite evidence from the fruitlets. The monitoring was conducted on 24.8.17 and the frequency was once in 3 months.</p> <p>The estate has established management plan for RTE species. The management plans contain on going monitoring of status of HCV and RTE</p> |

| | | species that are affected by plantation or mill operations. The status was documented and reported and all the outcomes of monitoring fed back into the management plan. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------|----------------|---|----------------|----------------|----------|----------------|-----|-------|------|------|-----|-------|-------|------|-----|-------|-------|------|-----|-------|-------|------|-----|-------|-------|------|-----|-------|-------|------|------|-------|-------|------|-----|-------|-------|------|-----|-------|-------|------|-----|-------|-------|------|
| MA | 5.3 | <p>The mill and estates have identified and documented type of waste that generated from its operation in a waste management plan titled "Identification of all waste products and operational plan to reduce pollution". The waste management plan has also identified source of pollution, mitigation measures, target, person responsible, and status.</p> <p>Scheduled wastes generated from mill and estate are send to DOE approved contractor for disposed. Scheduled waste was disposed in accordance with scheduled waste requirements and regulation. The SW materials are placed in the schedule waste store.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 5.4 | <p>Mill continuously monitor the fuel consumption of generator and vehicles in terms of litter/FFB produced.</p> <p>The mill monitors usage of diesel for genset operation and mill heavy vehicles. Following is the diesel usage record sighted for year 2017 for the mill based on litter/ Mt FFB.</p> <table border="1" data-bbox="715 882 1289 1285"> <thead> <tr> <th>Month</th> <th>Diesel (Litre)</th> <th>FFB (Mt)</th> <th>Litre / FFB Mt</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>18918</td> <td>8060</td> <td>2.35</td> </tr> <tr> <td>Feb</td> <td>26159</td> <td>12500</td> <td>2.09</td> </tr> <tr> <td>Mar</td> <td>23796</td> <td>23650</td> <td>1.01</td> </tr> <tr> <td>Apr</td> <td>37960</td> <td>23330</td> <td>1.63</td> </tr> <tr> <td>May</td> <td>41092</td> <td>29000</td> <td>1.42</td> </tr> <tr> <td>Jun</td> <td>31161</td> <td>21200</td> <td>1.47</td> </tr> <tr> <td>July</td> <td>39820</td> <td>30200</td> <td>1.32</td> </tr> <tr> <td>Aug</td> <td>28935</td> <td>26730</td> <td>1.08</td> </tr> <tr> <td>Sep</td> <td>32547</td> <td>19700</td> <td>1.65</td> </tr> <tr> <td>Okt</td> <td>38721</td> <td>28600</td> <td>1.35</td> </tr> </tbody> </table> <p>Sighted the improvement plan established by the estate. The plan stated the usage of the projection in reduction usage of diesel from 55,000 litres to 50500 litres in 2018. The todate usage in 2017 was 4176.00 and the target of the year was 52,200.00 liters.</p> <p>The estate also monitors the usage by graph monitoring diesel vs ton FFB production. As oct 17, the usage per ton sated 1.85 litres per mt. The highest rate was on 3.67 litres/mt and the lowest on 1.59litres/mt due to increase of production.</p> | Month | Diesel (Litre) | FFB (Mt) | Litre / FFB Mt | Jan | 18918 | 8060 | 2.35 | Feb | 26159 | 12500 | 2.09 | Mar | 23796 | 23650 | 1.01 | Apr | 37960 | 23330 | 1.63 | May | 41092 | 29000 | 1.42 | Jun | 31161 | 21200 | 1.47 | July | 39820 | 30200 | 1.32 | Aug | 28935 | 26730 | 1.08 | Sep | 32547 | 19700 | 1.65 | Okt | 38721 | 28600 | 1.35 |
| Month | Diesel (Litre) | FFB (Mt) | Litre / FFB Mt | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 18918 | 8060 | 2.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 26159 | 12500 | 2.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 23796 | 23650 | 1.01 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr | 37960 | 23330 | 1.63 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 41092 | 29000 | 1.42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 31161 | 21200 | 1.47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 39820 | 30200 | 1.32 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 28935 | 26730 | 1.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 32547 | 19700 | 1.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Okt | 38721 | 28600 | 1.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 5.5 | <p>Policy on prohibition on open burning signed by Mohamad Emir Mavani Abddullah the Presiden & CEO FGV. The president commitment as per stated in policy is in alignment with section 29A EQA 1974.</p> <p>The estate management also established the policy on no open burning signed by Mohd Ghani Mahmood The Felda Planttations Sdn Bhd on 12 July 2011. FGV circulated a letter to inform the estate and mill to prohibit from exercising open burning signed by En. Ab. Ghani Bin Mohd Ali, Jawatankuasa Pandu RSPO/Felda/FGV on 24.7.15 letter no: FGVPM/PSQM/SPO/HQ/01.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. |
| MA | 5.6 | <p>The assessment of polluting activities has been conducted through the EIA method by establishing Significant Environmental Aspect & Impacts Registrar form. The documented list of all identified polluting activities as per listed:</p> <ul style="list-style-type: none"> • Treated waste production at final discharge • Hexane solution in for lab usage • MRE spillage from mixing point. • .Soda ash usage • The black smoke production • Empty bunch storage at the temporary disposal area. <p>The polluting activities were identified based on department such as Effluent treatment plant, Laboratory, boiler and etc. The compliance listed mainly to comply with legal requirement.</p> <p>The estate established the plan on reduction of pollution and GHG monitoring for the year 2017. The table identify the source of GHG emission through diesel usage, chemical usage, chemical fertilizer usage, organic domestic waste and reused of source and recycling. The table states identification and annual plan monitoring and delegates the task to the assigned PIC. From the monitoring, it showed that the estate manages to reduce the usage of chemical for every month. As to date the usage is 4509 litres/ha against the plan of 5400 litres/ha.</p> |
| Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers | | |
| Criterion by Audit | Summary | The mill and estate have conducted the social impact assessment. The relevant policies are in place and are fully implemented across the board. Communication and consultation as well complaints and grievances procedure are well communicated and adhered to. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages. However, 1 Observation was raised for this complex for this area of audit. |
| MA | 6.1 | Sighted the latest SIA conducted in year 2017 for mill and estates operation. The purpose of internal SIA conducted is to measure and to understand both positive and negative social impacts of the mill and estates operations towards the local population and communities surrounding the premises. The response obtained, provided information on the negative and positive social impacts of the operations. |
| MA | 6.2 | <p>Communication procedure was established as the consultation and communication procedures to relevant stakeholders. Communication procedure divided into:</p> <ul style="list-style-type: none"> • Internal communication – from management to workers, and from workers to management • External communication <p>SOP has outlined the request & response, consultation & communication and complaint & grievance mechanism in order to handle issues highlighted by stakeholders. As per SOP, manager is the person in charge for communication.</p> <p>List of stakeholders are available as per SIA report. It includes government</p> |

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| | | agencies, NGOs, nearby villages, schools, clinic, etc. However, it was noted that list of stakeholders is not comprehensive enough which result to less participation of stakeholders in decision making and information not effectively circulated. |
| MA | 6.3 | <p>FGV has establish Procedure for complaints and grievance is available, document no FGV/ML-1A/L2-Pr13. SOP outlined the method of handling requests, complaints and grievances, identified and registered all stakeholders, record of request and response, resolving consultation, resolving communication and complaint and grievance.</p> <p>All the complaints and grievances were handled by all managers or assistant in charge. Training were provided to ensure they understand about delivering complaints and grievances.</p> |
| MA | 6.4 | <p>Procedure to identify and solve land dispute is available in “Pengenalpastian dan Penyelesaian Pertikaian Tanah”. The objectives of the procedure is:</p> <ul style="list-style-type: none"> • To identify issue of legal rights and customary right of local people. • To prepare compensation resolution plan to those applicable <p>No negotiations concerning compensation for loss of legal or customary rights.</p> |
| MA | 6.5 | <p>Sighted payment records for all workers and contractors. The contract of works is available and verified. Contract is signed by both employee and management indicating hours of work, amendments to annual leave, medical leave, pay, overtime etc. Interview with both mill & estates workers, confirmed that they understand the terms and conditions of their employment.</p> <p>The salary is according to ‘Guidelines on the Implementation on the Minimum Wages’. Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.</p> <p>All local and foreign workers are provided with proper and adequate housing facilities. Interviewed workers that the housing area is adequate. Water and electricity supplied by Pengurusan Air Pahang, and TNB. Clinic is available in estate area and school bus provided for workers children.</p> |
| MA | 6.6 | <p>Policy recognizing freedom of association is available under “Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan”.</p> <p>This policy is displayed in the mill and estates. Interviews with workers confirmed that policy has been communicated to all workers and staff and the understanding of policy is satisfactory.</p> |
| MA | 6.7 | <p>Children are not employed or exploited. Minimum age indicated at 18 years old. In the organization child policy stated in ‘Polisi Pekerjaan Kanak-Kanak’ where company outlined the commitment to comply with national law in regards to minimum age requirement.</p> <p>In mill and estates, recently appointed new worker is above 18 years old. The data of workers is available, monitor and checked by the auditor. Interviews with workers and staff confirmed that there is no child labor employed neither in mill and estates.</p> |
| MA | 6.8 | <p>Sighted ‘Polisi Kestaraan Peluang’ described company’s policy with regards to equal opportunities and no discrimination practice among employed</p> |

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| | | <p>worker. Local employees are given 1st priority for employment.</p> <p>This policy are available in English and Malay displayed at the mill and estate office wall and notice boards. Policy stated that employment of either local or foreign workers will not practice any discrimination regardless race, religion and gender. Verified through interview with workers, they are treated equally regardless their origin and gender. Opportunities are given to all level of workforce without being discriminated.</p> |
| MA | 6.9 | <p>“Polisi Gangguan Seksual, Keganasan serta Hak Kebebasan Reproduksi” is available in the office notice board. Besides, all company policies were explained to external and internal stakeholders during SIA.</p> <p>Gender committee has been established in the mill and estates as evident in the Organization Chart. Gender committee meeting is being conducted every year. Procedure to handle complaint through gender committee is available in document no FGV/ML-1A/L2-Pr1. Flow chart to handle cases were also available. Welfare of female workers were discussed. Minutes meeting available and there are evidence on matters regarding sexual harassment, violent, breastfeeding and pregnant lady being discussed during the meeting.</p> <p>Workers interviewed were aware of the policy against sexual harassment and violence. The establishment of the gender committee at every operating unit and the specific grievance mechanism. No cases of sexual harassment or violence against female workers reported.</p> |
| MA | 6.10 | At this moment, the mill received 80% FFBs from their own estates and 20% from external sources. FFB prices (according to MPOB daily price) were displayed on the notice board in weighbridge area. |
| MA | 6.11 | Company are committed and have contributed to local development. Regular consultations with the local internal and external communities had assisted the company in its efforts to contribute to local development such as providing more jobs and improved amenities such as school bus, hostel for staffs’ and workers’ children, clinic and etc. |
| MA | 6.12 | <p>The company strictly prohibit the use of any form of forced or traffic labour in employment of workers or staff.</p> <p>Foreign workers are having legal identification such as valid permit and passport and have legality to work in estate operational activity. All employees are employed legally where foreigner workers are having valid permit and passport and local having identity card as the valid residential card.</p> <p>There is no evidence of forced labour during interviewing workers at site. Workers enter into employment contracts with the company on their free will. Letter of offer for local employees and employment contract for foreign workers are available where duly signed by both parties.</p> |
| MA | 6.13 | A documented policy regards to respect of human rights available and communicated to all levels of the workforce and operations. |
| Principle 7: Responsible Development of New Plantings | | |
| Criterion by Audit | Summary | Generally, the management has fully complied with the requirement of Principle 7. |
| MA | 7.1 | There were no new plantings involving forest land. |
| MA | 7.2 | There is no new land surveyed for the growing of oil palm. However, there are sufficient SOPs available for the soil and land type that being implemented at |

| | | |
|---|---------|--|
| | | all operating units. A general soil map, slope classes map and elevation map, to provide a general recommendation for soil and water management practices to overcome soil limitations are available. |
| MA | 7.3 | No HCV area within the area. |
| MA | 7.4 | The company has prepared soil maps. SOPs are in place to protect fragile and marginal soils. Terracing implemented above 15° as per the topographic map. Field inspection confirmed on the implementations. |
| MA | 7.5 | SIAs and EIAs developed with participation from affected parties and include an analysis of both positive and negative impacts. |
| MA | 7.6 | SIAs and EIAs developed with participation from affected parties and include an analysis of both positive and negative impacts. |
| MA | 7.7 | The company has a zero burning policy for preparing land for planting and has a procedure in place to respond to land burning on neighboring properties. |
| MA | 7.8 | Not applicable |
| Principle 8: Commitment to Continuous Improvement in Key Areas of Activity | | |
| Criterion by Audit | Summary | Sighted continuous monitoring, review of activities and development are implemented along with action plans that allow demonstrable continual improvement in key operations such as in minimizing use of certain pesticides, environmental impacts, pollution prevention plans and working conditions. |
| MA | 8.1 | <p>Continual Improvement Plan established by Mill as per procedure (FPI/L2/QOSHE-3.0) and monitoring on monthly basis as per monitoring record "Laporan Pengukuran & Pemantauan Pencapaian Objektif Bahagian".</p> <p>Estate establish plan for continuous Improvement plan for 2 years.</p> <p>To reduce usage of chemical.</p> <ul style="list-style-type: none"> • Prevent using of Paraquat 100%. • Increase of BOB • Plant more beneficial plant. <p>Reduce impact to environment.</p> <ul style="list-style-type: none"> • Disposal of chemical container • Monitor landfill area • Monitor water catchment area. <p>Waste reduction</p> <ul style="list-style-type: none"> • EFB application • Use fertilizer bag for loose fruit collection <p>All monitoring records and action plan was maintained and review by mill manager monthly basis.</p> |

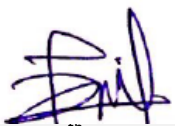
4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable


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.

4.3.1 Non-Conformities Identified during this Audit

The following NC's was raised for this audit.

| NC number: | NC- 01 | | | | | | | | | | | | | | |
|---|---|-------------------------|---------------------------------|--------|-----------------|-------------------------|-----------|--------------|------------|----------|-------|------------------|-----------|----------|-------|
| Client name: | Felda Global Ventures Holding Berhad (Kechau B POM) | | | | | | | | | | | | | | |
| Date raised: | 30 th Nov. 2017 | | | | | | | | | | | | | | |
| Major or Minor: | Major | Site : | Ldg Kechau 2 & Ldg Chegar Perah | | | | | | | | | | | | |
| Raised by: | Mohd Ezani b. Abdul Aziz | Deadline : | - | | | | | | | | | | | | |
| Aspect of standard: | | | | | | | | | | | | | | | |
| 2.2.1: Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. | | | | | | | | | | | | | | | |
| Evidence of non-conformity: | | | | | | | | | | | | | | | |
| During the documentation review, the total hectarage for both Ladang Kechau 2 and Ladang Chegar Perah differs from the hectarage stated in the land title. | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Estate</th> <th>Land Title (Ha)</th> <th>Area Statement LMU (Ha)</th> <th>Diff (Ha)</th> </tr> </thead> <tbody> <tr> <td>Ldg Kechau 2</td> <td>2,150.4289</td> <td>2,076.09</td> <td>74.34</td> </tr> <tr> <td>Ldg Chegar Perah</td> <td>2,678.659</td> <td>2,627.81</td> <td>50.85</td> </tr> </tbody> </table> | | | | Estate | Land Title (Ha) | Area Statement LMU (Ha) | Diff (Ha) | Ldg Kechau 2 | 2,150.4289 | 2,076.09 | 74.34 | Ldg Chegar Perah | 2,678.659 | 2,627.81 | 50.85 |
| Estate | Land Title (Ha) | Area Statement LMU (Ha) | Diff (Ha) | | | | | | | | | | | | |
| Ldg Kechau 2 | 2,150.4289 | 2,076.09 | 74.34 | | | | | | | | | | | | |
| Ldg Chegar Perah | 2,678.659 | 2,627.81 | 50.85 | | | | | | | | | | | | |
| Both estate could not make proper justification on the difference of the hectarage | | | | | | | | | | | | | | | |
| Lead Assessor signature: | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | |
| Date: 30 th Nov. 2017 | | | | | | | | | | | | | | | |
| Root Cause Analysis and extent: (To be filled by Auditee) | | | | | | | | | | | | | | | |
| Estate management dosnt have the latest complete area statement and justification to be shown as evidence especially with newly transfered estate Manager to address this issues. | | | | | | | | | | | | | | | |
| Corrective/Preventive Actions: (To be filled by Auditee) | | | | | | | | | | | | | | | |
| <ol style="list-style-type: none"> 1. Estate management should provide the latest and complete documentation of files and complete copies of grants, the latest area statement, justification of the Estate basic information. 2. Newly shifted estate managers must get a letter of resignation with complete plant extension information. 3. Instructions for revision of Regional Governance through the Head Office Operations Department to conduct a review of the entire FGVM field with the LMU unit (Land Management Unit). | | | | | | | | | | | | | | | |
| Evidence of Conformity: | | | | | | | | | | | | | | | |
| Evidences and action plan presented satisfied | | | | | | | | | | | | | | | |
| Review of evidences submitted to CUC: | | | | | | | | | | | | | | | |
| NC Closed | | | | | | | | | | | | | | | |

| | |
|---|---|
| Conclusion by CUC: NC Closed | |
| NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Lead Assessor signature:  | Date: 01 st Feb. 2018 |

| | | | |
|--|---|------------|---------------------------------|
| NC number: | NC - 02 | | |
| Client name: | Felda Global Ventures Holding Berhad (Kechau B POM) | | |
| Date raised: | 30 th Nov 2017 | | |
| Major or Minor: | Minor | Site : | Ldg Kechau 2 & Ldg Chegar Perah |
| Raised by: | Mohd Farul Rosli | Deadline : | |
| Aspect of standard: 4.7.2: All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. | | | |
| Evidence of non-conformity: OSH (USECHH) Reg. 2000 stated: <ul style="list-style-type: none"> Reg. 9. Assessment of risk to health - An employer shall not carry out any work which may expose or is likely to expose any employee to any chemical hazardous to health unless he has made a written assessment of the risks created by the chemical to the health of the employee. Reg. 10. Review assessment - The assessment carried out under regulation 9 shall be reviewed if - <ul style="list-style-type: none"> (a) there has been a significant change in the work to which the assessment relates; (b) more than five years have elapsed since the last assessment; or (c) directed by the Director General, Deputy Director General or the Director of Occupational Safety and Health. During the audit, it was observed: <ul style="list-style-type: none"> Kechau 2 Estate - CHRA was conducted on 15/5/2017 by Occumed Consultancy & Series as per requirement by USECHH Reg. 2000. However, there are changes in the type of chemical (Alion, Monex) used by the estate management and CHRA still not reviewed. Chegar Perah Estate – Estate used new chemical but not risk assess and reviewed current CHRA. | | | |
| Lead Assessor signature:  | | | |
| Date: 30 th Nov. 2017 | | | |
| Root Cause Analysis and extent: (To be filled by Auditee) Changes in use of new agricultural chemicals have been determined by the head of the headquarters without referring to the review of the CHRA to the regional SHO and lack of knowledge of the legal requirements related to the matter by estate management. | | | |
| Corrective/Preventive Actions: (To be filled by Auditee) | | | |


| | |
|---|--------------|
| 1. Information on changes in the use of agricultural chemicals made by the headquarters should inform the Safety and Health Officer (SHO) for the CHRA's revised action. 2. Training related legislation of Occupational Safety and Health Act and Poison Act to all managers to better understand legal requirements. 3. Communication from the HSE Department to the Department is involved to inform any change in the use of chemicals in the plantation area should be reviewed by CHRA. | |
| Evidence of Conformity: | |
| Review of evidences submitted to CUC: | |
| Conclusion by CUC: | |
| NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Lead Assessor signature: | Date: |
| | |


4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA


Not applicable as this is Main Assessment


4.3.3 Observations Raised During this Audit


5 Observations were raised during this audit.

| | | | |
|--|--|------|----------------------------|
| Client name: | Kechau B POM – All sites | | |
| Date raised: | 30 th Nov. 2017 | | |
| Raised by: | Nor Atiqah | | |
| Aspect of standard | 1.1.1: There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. | | |
| List of stakeholders is not comprehensive enough which result to less participation of stakeholders in decision making and information not effectively circulated. | | | |
| Assessors Signature |  | Date | 30 th Nov. 2017 |

| | | | |
|--|---|------|----------------------------|
| Client name: | Kechau B POM – POM & Chegar Perah Estate | | |
| Date raised: | 30 th Nov. 2017 | | |
| Raised by: | Nor Atiqah | | |
| Aspect of standard | 1.1.2: Records of requests for information and responses shall be maintained. | | |
| SOP to communicate with stakeholders were available in "Komunikasi, Penglibatan & Rundingan" procedure (Doc. No. FGV/ML-1A/L2-Pr12). According to internal procedure, timeline for responses is 14 days. However, it was noted that date of responded (timeline) and by whom were not clearly stated in the logbook. | | | |
| Assessors Signature |  | Date | 30 th Nov. 2017 |

| | | | |
|---|--|------|----------------------------|
| Client name: | Kechau B POM – Chegar Perah Estate | | |
| Date raised: | 30 th Nov. 2017 | | |
| Raised by: | Mohd Farul Rosli | | |
| Aspect of standard | 4.6.12: No work with pesticides shall be undertaken by pregnant or breast-feeding women. | | |
| There is plan for Urine Pregnancy Test (UPT). It's good for the estate to monitor and conduct the test on planned interval consistently to reduce the risk for the workers (women) who dealing with chemical. | | | |
| Assessors Signature |  | Date | 30 th Nov. 2017 |

| | | | |
|--|--|------|----------------------------|
| Client name: | Kechau B POM – Kechau B POM | | |
| Date raised: | 30 th Nov. 2017 | | |
| Raised by: | Mohd Farul Rosli | | |
| Aspect of standard | 4.7.2: All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. | | |
| To ensure all workers involved with confined space activity provided with the appropriate training and competency. | | | |
| Assessors Signature |  | Date | 30 th Nov. 2017 |

| | | | |
|--|---|------|----------------------------|
| Client name: | Kechau B POM – All estate | | |
| Date raised: | 30 th Nov. 2017 | | |
| Raised by: | Nor Atiqah | | |
| Aspect of standard | 6.9.2: A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. | | |
| Gender committee was established. However this committee were not effectively functioning. | | | |
| Assessors Signature |  | Date | 30 th Nov. 2017 |

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

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

- For Main and Re-Assessments, a 30 days Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO 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 RSPO 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 RSPO 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?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?

| RSPO Principle | Stakeholder comment | CUC response [In case this has resulted in an NC, make reference to the NC number] |
|---|---|---|
| 1 – Commitment To Transparency | <p>This stakeholder comments are including all 8 main principles complied with RSPO Principles & Criteria assessed during consultation. Below are the cited responses gained during consultation:</p> <ul style="list-style-type: none"> • Company give good commitment in maintaining relationship with stakeholder. Stakeholder are being invited to the annual consultation with company's management • Understand most of the RSPO elements. Thanks to the management • Thankful to the management on how they control foreign workers. No issue with foreign workers. | <p>Positive feedbacks from the management</p> |
| 2 - Compliance With Applicable Laws And Regulations | | |
| 3 - Commitment To Long-Term Economic And Financial Viability | | |
| 4 - Use Of Appropriate Best Practices By Growers And Millers | | |
| 5 - Environmental Responsibility And Conservation Of Natural Resources And Biodiversity | | |
| 6 – Responsible | | |

| | | |
|--|--|--|
| Consideration Of Employees, And Of Individuals And Communitis Affected By Growers And Mills | <ul style="list-style-type: none"> Workers and villagers have no major concern and are happy with FGV management Road conditions once entered Kechau post guard | |
| 7 - Responsible Development Of New Plantings | <ul style="list-style-type: none"> Villagers not fully understand the complaint & grievances procedure | |
| 8 - Commitment To Continuous Improvement In Key Areas Of Activities | <ul style="list-style-type: none"> Villagers ask for better medical services Complaint on intrusion of monkey and wild boar, which bring danger and disturbance to the villagers | |

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following: RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

| Name of Palm Oil Mill | Mill Capacity | Location | Supply Chain Model |
|-----------------------|---------------|--|--------------------|
| (POM) | MT/Hour | Address | (IP or MB) |
| Kechau B POM | 60 | Kechau B Palm Oil Mill, P.O. Box 57, 27207 Kuala Lipis, Pahang | MB |

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

| Product CU Code | CPO (MT) | PK (MT) | Specified 12 month period |
|--------------------|----------|---------|--|
| POM 1 | 43,765 | 10,309 | Volumes between 01/11/2016 to 31/10/2017 |

5.3 Summary Report Including A Brief Description Of The Scope Of Certification

Kechau B POM is running under approved capacity of 60 MT/Hour to process FFB received from own estates and external suppliers. RSPO certified FFB received are converted into RSPO certified CPO and PK under CPO-Mills: Mass Balance (MB) model.

Actual quantities of certified FFB delivered to the mill are entered into a central computer system and the actual quantities of CPO and PK produced are also entered and the OER is known. The quantities of certified CPO and PK are shown in real time and summarized each day on a spreadsheet.

Sales of CPO and PK are made in real time and the quantity of sales never exceeds that shown in the spreadsheet. A full RSPO SCCS certification audit was used during this annual assessment and the findings support the certification based on supply chain model listed above.

5.4 Monthly Records of Certified and Uncertified FFB Received since the Last Audit In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual FFB production on monthly basis

| No | MONTH-YEAR | Certified Supply Bases (MT) | Uncertified Supply Bases (MT), if any | Total (MT) |
|----|------------|-----------------------------|---------------------------------------|------------|
| 1 | Nov. 16 | 7,310.98 | 4,843.19 | 12,154.17 |
| 2 | Dec. 16 | 6,510.16 | 4,125.33 | 10,635.49 |
| 3 | Jan. 17 | 6,070.97 | 2,249.13 | 8,320.10 |
| 4 | Feb. 17 | 11,733.51 | 2,846.87 | 14,508.38 |

| | | | | |
|----|--------------|-------------------|------------------|-------------------|
| 5 | March 17 | 18,639.18 | 4,591.95 | 23,231.13 |
| 6 | Apr. 17 | 22,472.12 | 4,108.74 | 26,580.86 |
| 7 | May. 17 | 22,630.98 | 4,347.47 | 26,978.45 |
| 8 | June 17 | 21,048.21 | 2,788.77 | 23,836.98 |
| 9 | July 17 | 26,122.25 | 4,220.96 | 30,343.21 |
| 10 | Aug. 17 | 23,129.89 | 3,777.35 | 26,907.24 |
| 11 | Sept. 17 | 23,249 | 3,368.42 | 26,617.42 |
| 12 | Oct. 17 | 24,568.99 | 4,000.70 | 28,569.69 |
| | TOTAL | 213,486.24 | 45,268.88 | 258,755.12 |

*Note : Certified Supply Bases (Supply Bases which is include in this MA audit).

5.5 Monthly Records of Certified CPO and PK Since the Last Audit

In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual CPO and PK production on monthly basis

| No | MONTH-YEAR | Certified CPO (MT) | Certified PK (MT) |
|----|--------------|--------------------|-------------------|
| 1 | Nov. 16 | 1,551.39 | 343.62 |
| 2 | Dec. 16 | 1,341.09 | 332.02 |
| 3 | Jan. 17 | 1,250.62 | 303.55 |
| 4 | Feb. 17 | 2,415.93 | 621.88 |
| 5 | March 17 | 3,858.31 | 864.86 |
| 6 | Apr. 17 | 4,577.57 | 1,173.04 |
| 7 | May. 17 | 4,738.93 | 1,131.55 |
| 8 | June 17 | 4,287.52 | 985.06 |
| 9 | July 17 | 5,351.53 | 1,161.13 |
| 10 | Aug. 17 | 4,811.11 | 1,142.81 |
| 11 | Sept. 17 | 4,624.87 | 1,142.00 |
| 12 | Oct. 17 | 4,955.81 | 1,107.17 |
| | TOTAL | 43,764.68 | 10,308.68 |

*Note : Certified CPO and PK which is include in this MA audit

5.6 Records of Certified CPO & PK Sold under GreenPlam to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 months figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

| No | Buyers Name | GreenPalm Trading No | Certified CPO (MT) Sold | Certified PK (MT) Sold |
|----|----------------|----------------------|-------------------------|------------------------|
| - | Not Applicable | - | - | - |

5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 months figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.

The transactions were sighted form the clients registered UTZ eTrace Account.

| No | Buyers Name | UTZ eTrace Trading No | Certified CPO (MT) Sold | Certified PK (MT) Sold |
|----|----------------|-----------------------|-------------------------|------------------------|
| - | Not Applicable | - | - | - |

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

1. All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
2. For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three

| |
|---|
| <p>(3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.</p> <p>3. For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.</p> <p>4. If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.</p> |
| Non-were raised during this audit. |

| | |
|-----------------------------|----------------|
| NC Number: | Not Applicable |
| Date: | - |
| Reference to standard: | - |
| Standard requirement: | - |
| Evidence of non-compliance: | - |

5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

This palm oil mill and its supply bases were audited against RSPO SCCS. The mill processing capacity is 60 tonne FFB per hour. The mill is capable of handling MB supply chain model.

5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

| | |
|--|--|
| Recommendations made: | Yes |
| Summary of non-compliances: | No NC was raised during the audit. |
| Certification status of client: | <p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPO P&C certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p> |

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

| | |
|---|-----------|
| The provisional date for the next ASA is: | Nov. 2018 |
|---|-----------|

6.2 Date for Closure of Non-Conformities

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


| | |
|----------------------------------|--------------------------------|
| • All major NCs to be closed by: | 60 days from the issuance date |
| • All minor NCs to be closed by: | Before next surveillance audit |

6.3 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 Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

| | | |
|-------------------------|---|--|
| Acknowledged by: | |  Signature |
| Name: | NORADAIN ABDUL HAMEED. | |
| Position: | HEAD OF PLANTATIONS SUSTAINABILITY DEPARTMENT | |
| Date: | 7 MARCH 2018 | |


6.3 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: | |  Signature |
| Name: | Muhammad Faizul b. Yusoff | |
| Position: | Lead Auditor | |
| Date: | 01.02.2018 | |

6.4 Signing by the Certifier

I the undersigned, being the Certifier, 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.

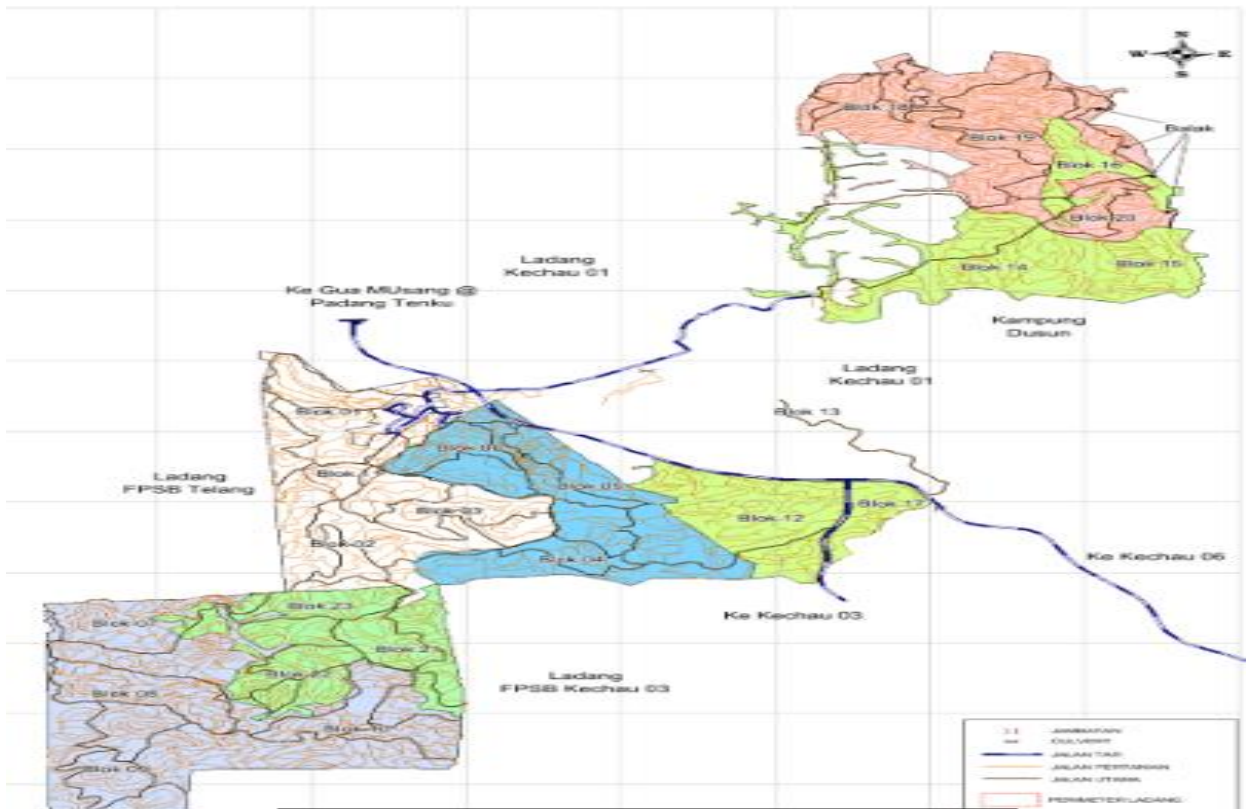
| | | |
|-------------------------|-------------------|--|
| Acknowledged by: | |  Signature |
| Name: | Muhd Jamalul Arif | |
| Position: | Certifier | |
| Date: | 14/03/2018 | |

PART 7: APPENDICIES

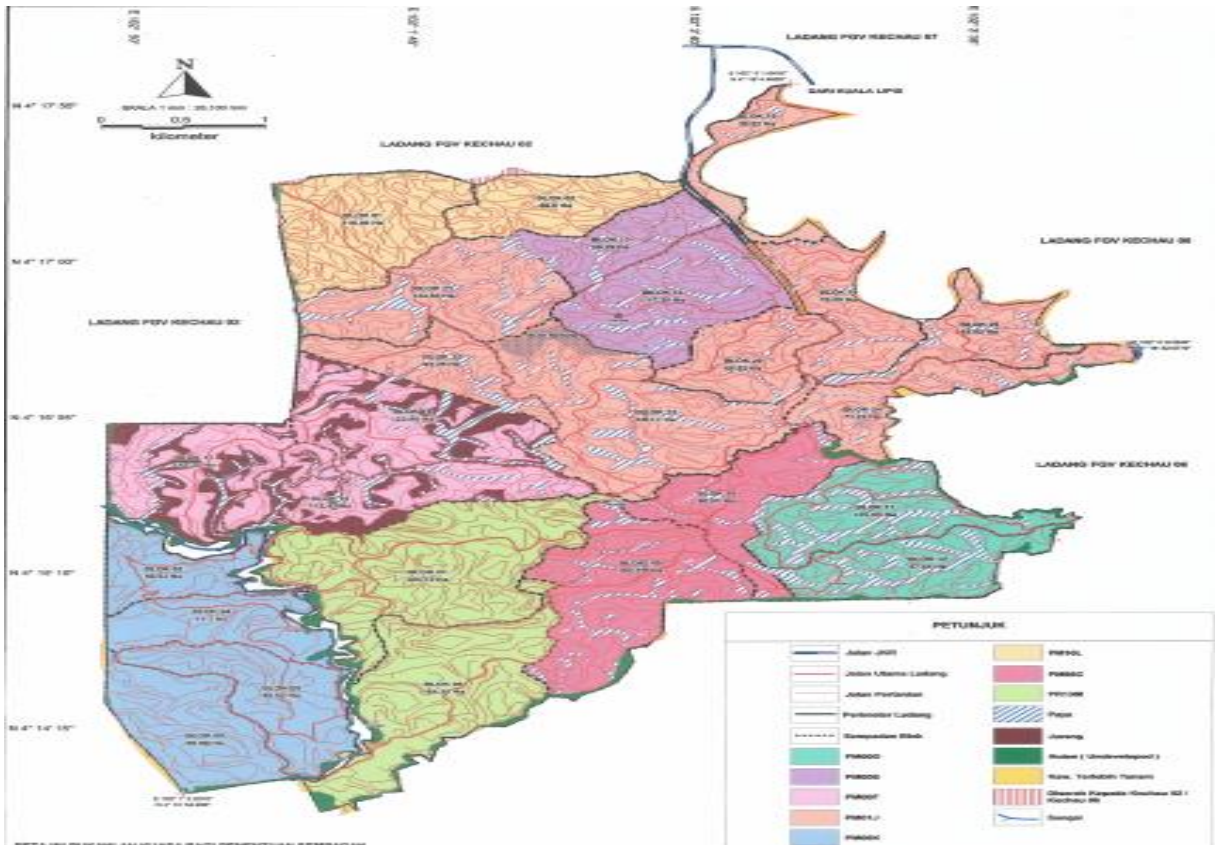
Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)

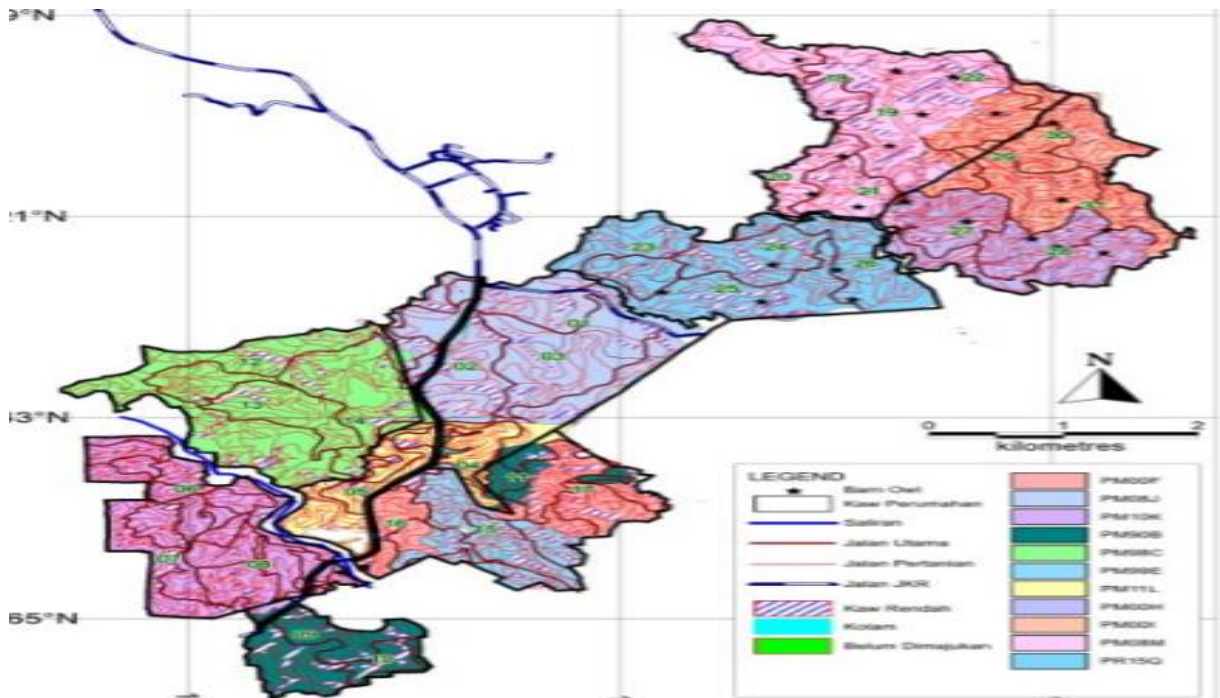
Ladang Felda Kechau 02



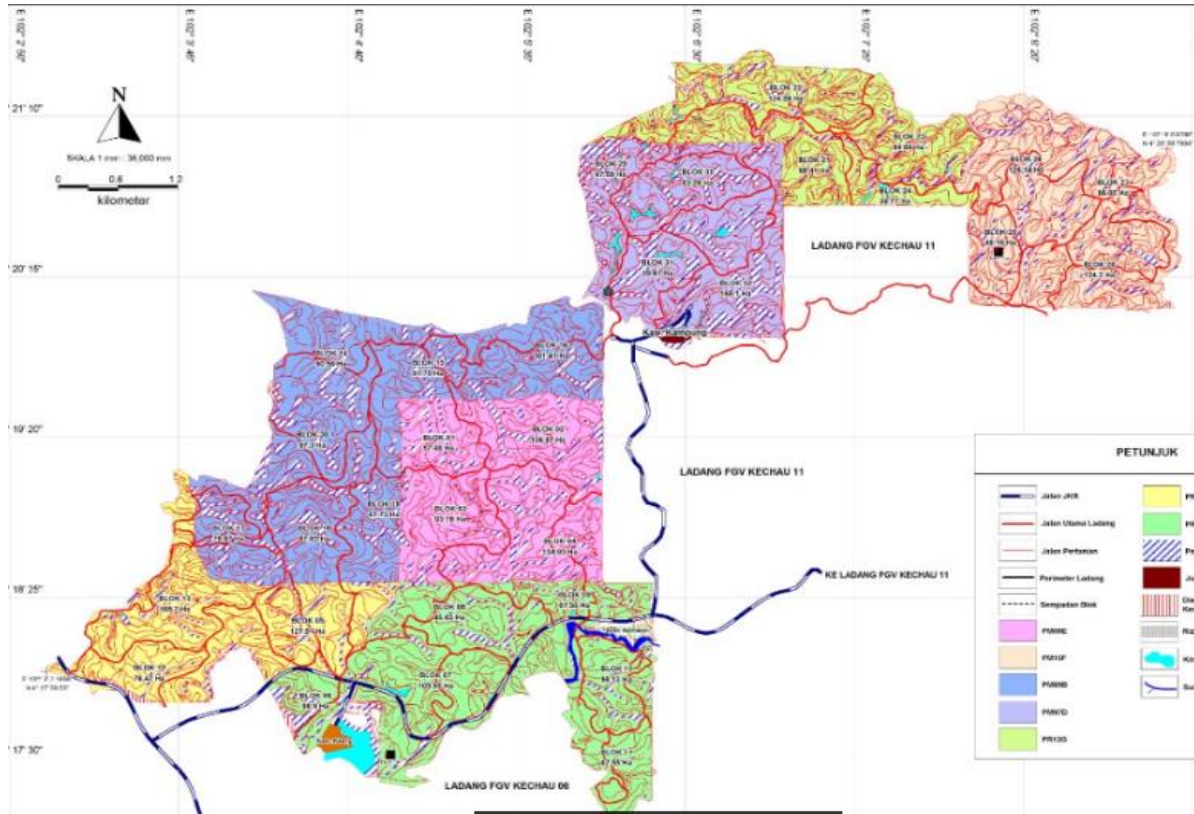
Ladang Felda Kechau 03



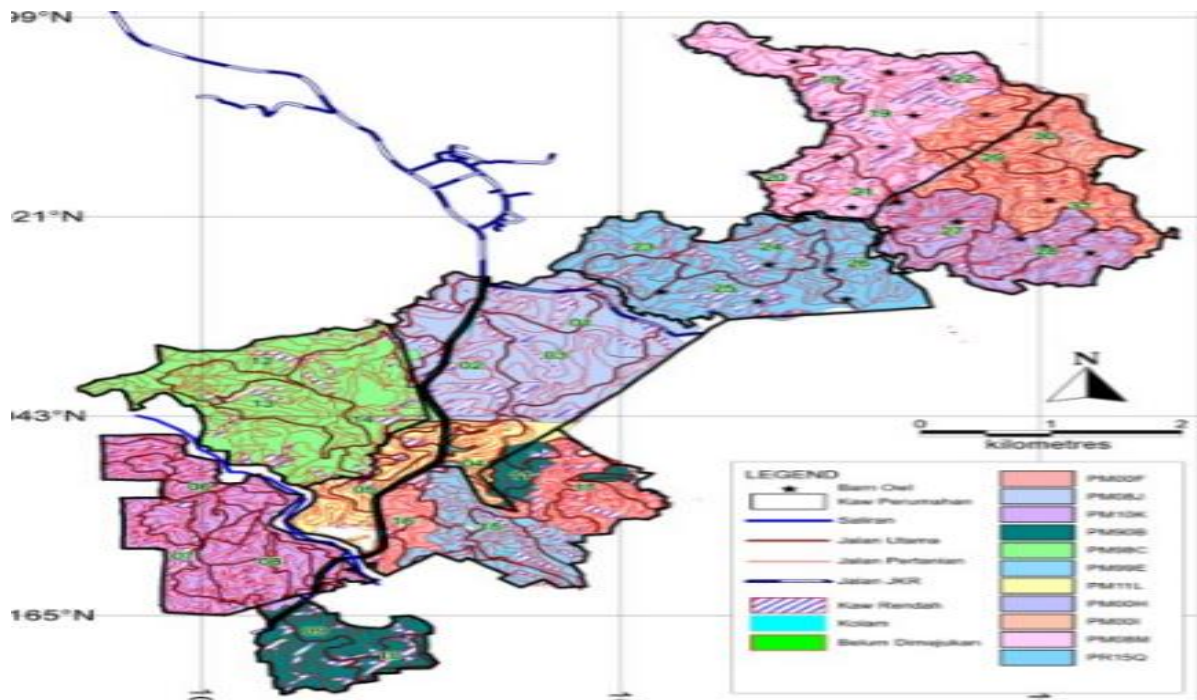
Ladang Felda Kechau 06



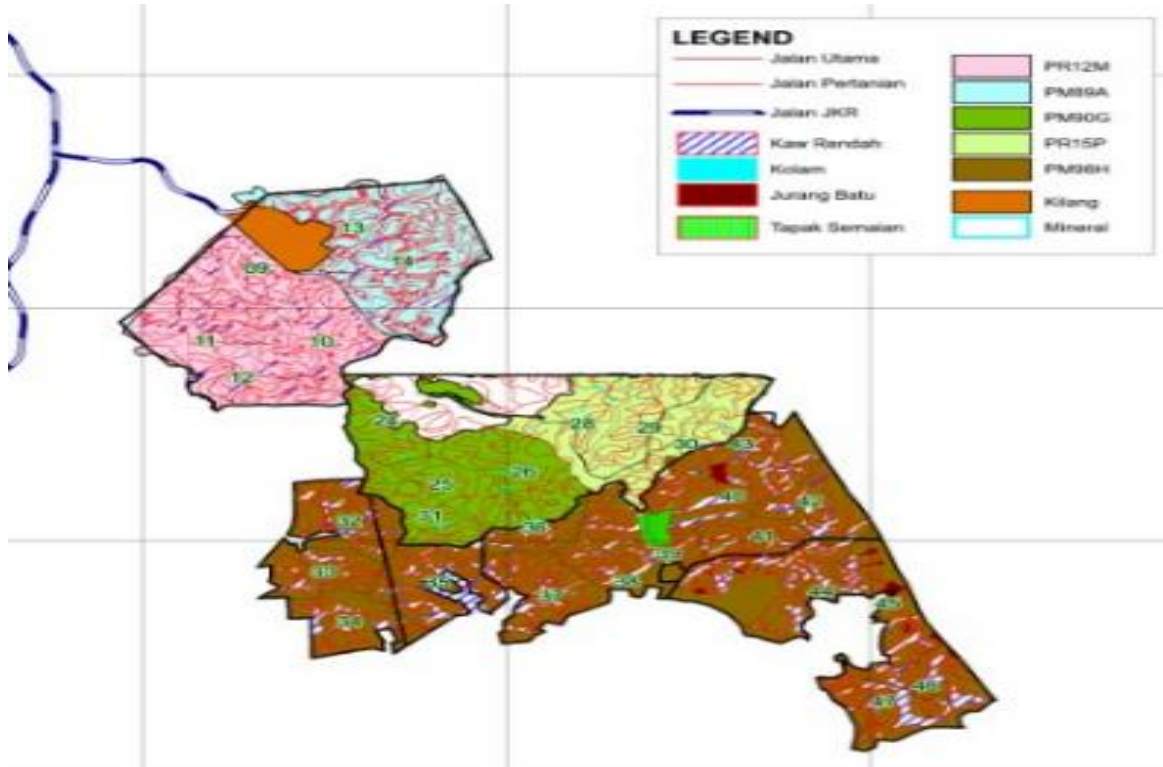
Ladang Felda Kechau 07



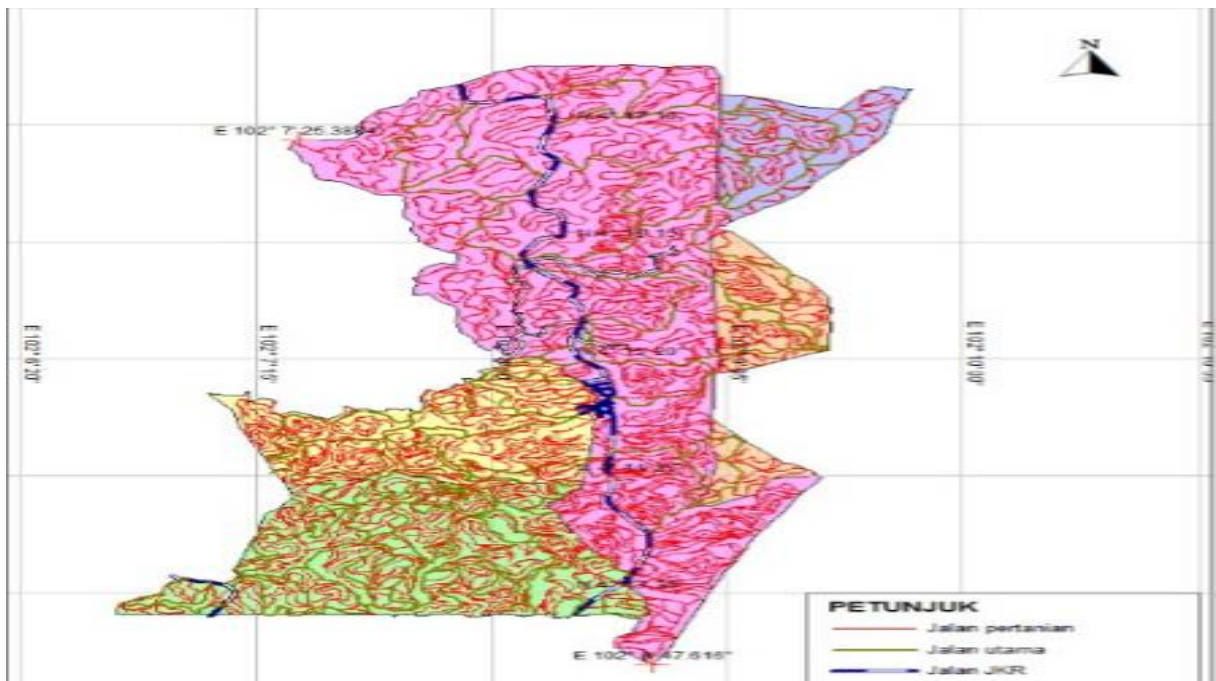
Ladang Felda Kechau 08



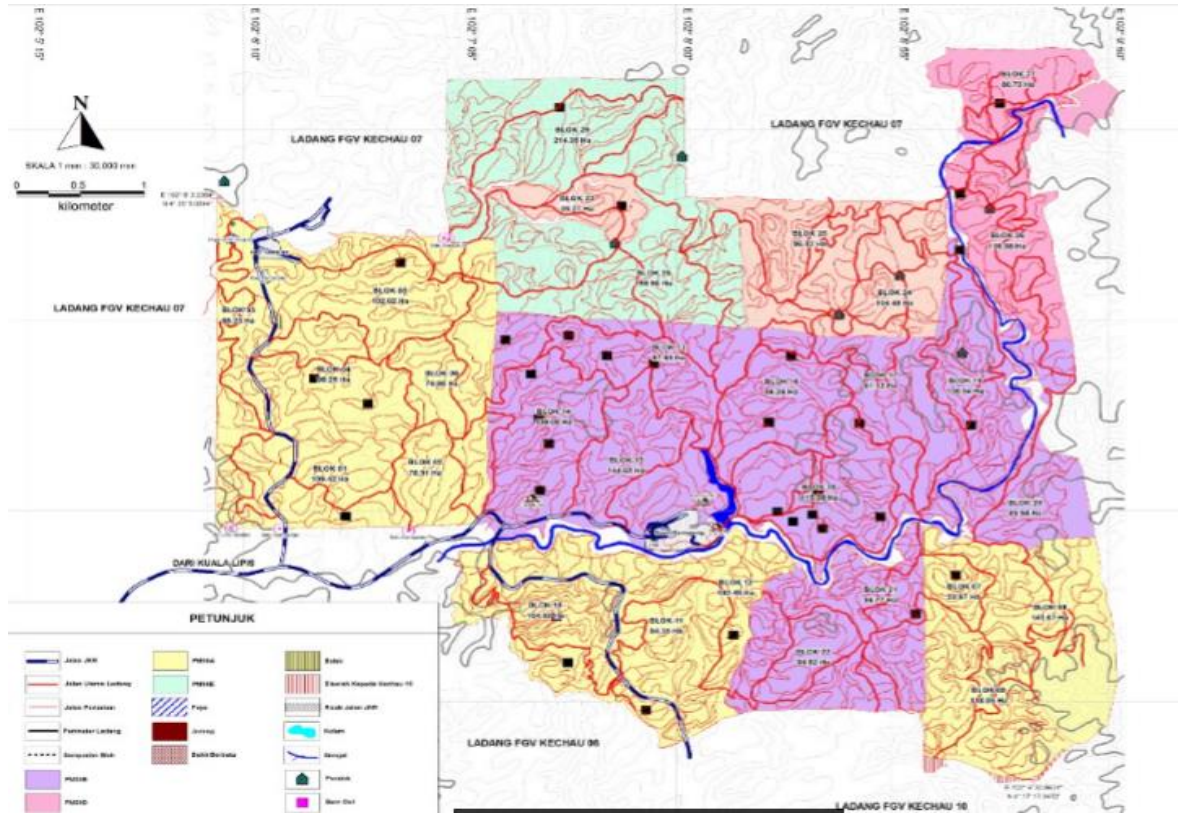
Ladang Felda Kechau 09



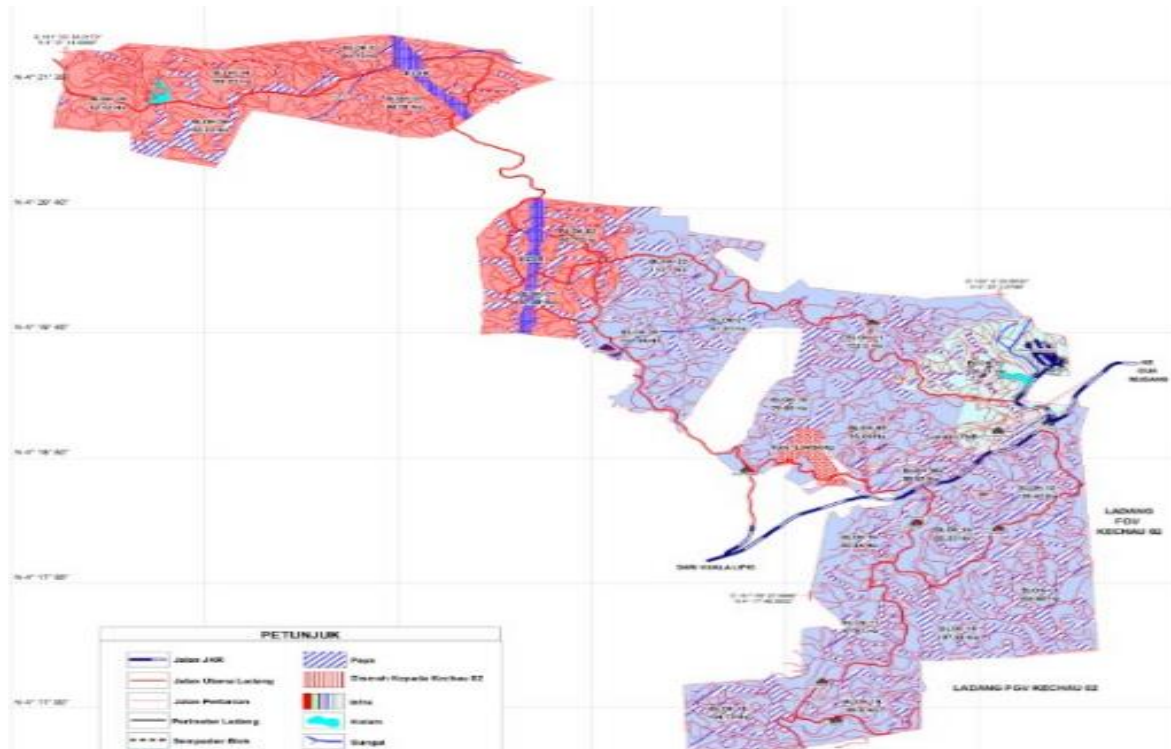
Ladang Felda Kechau 10



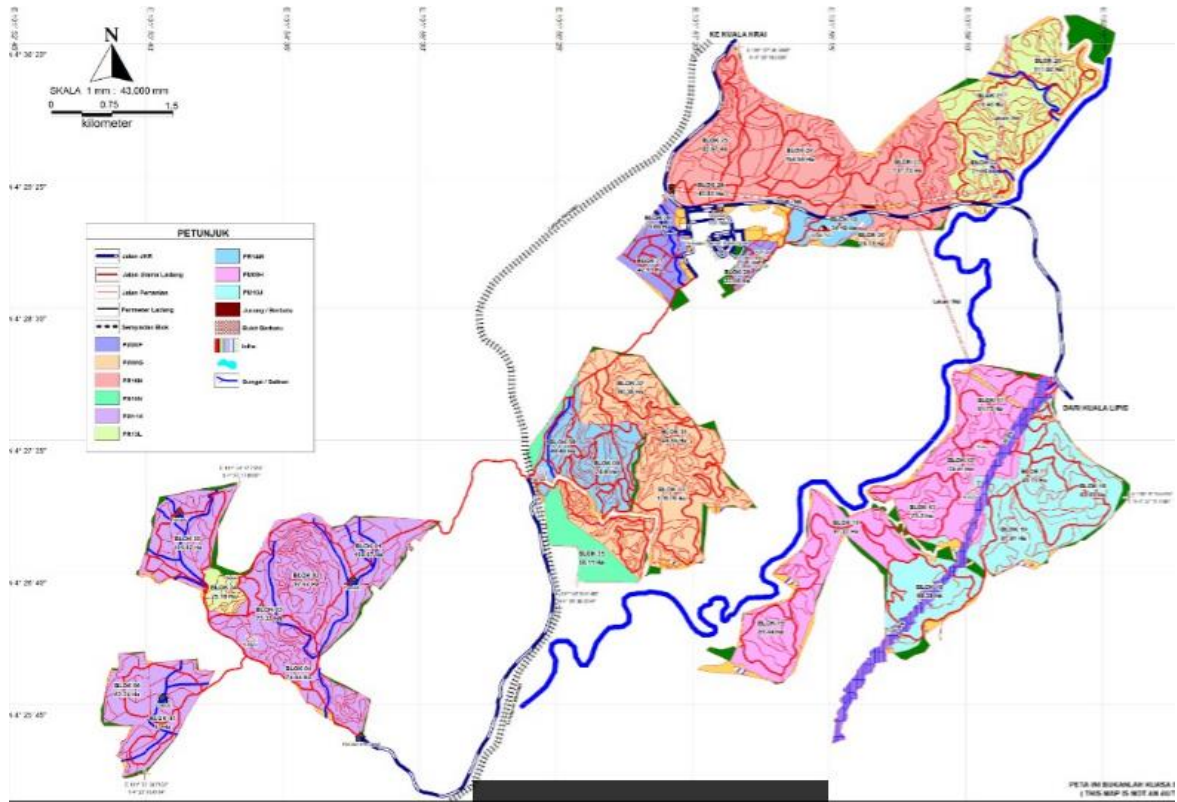
Ladang Felda Kechau 11



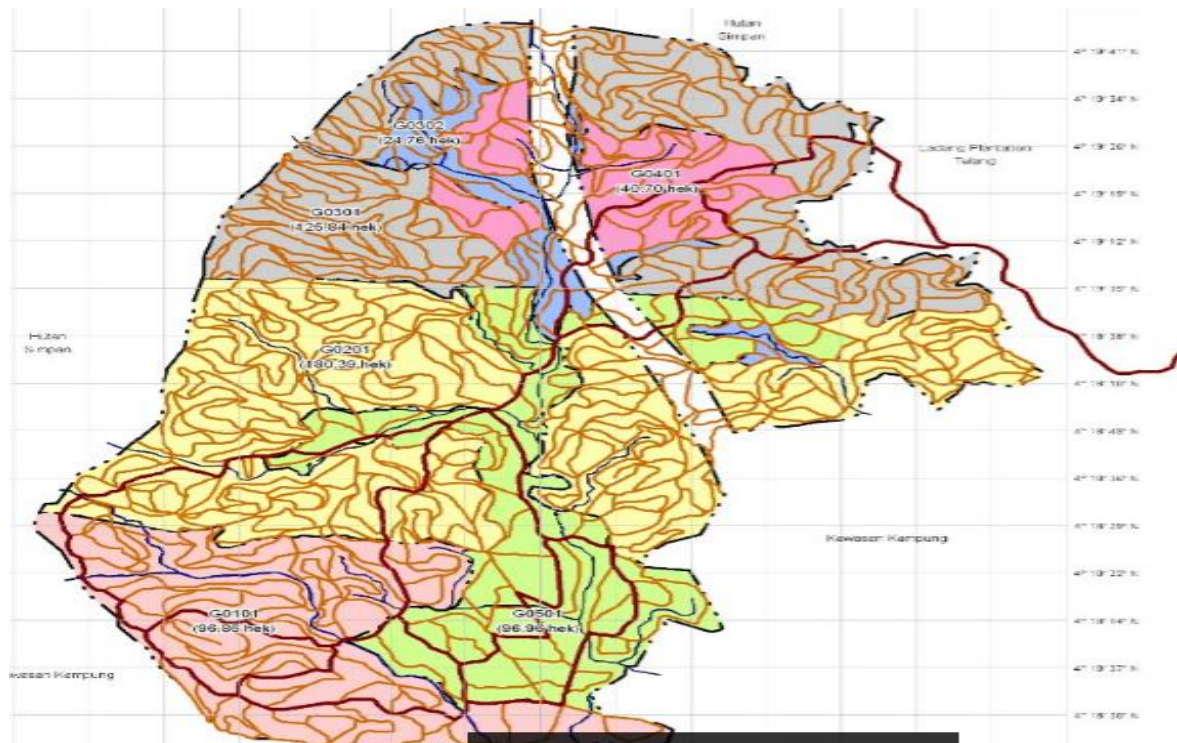
Ladang Felda Telang 01



Ladang Felda Chegar Perah 02



FASSB Telang



Appendix 2: Summary of GHG Emissions

Summary of Net GHG Emissions

| Emissions per Product | tCO ₂ e/tProduct |
|-----------------------|-----------------------------|
| CPO | 0.9 |
| PK | 0.9 |

| Extraction | % |
|------------|-------|
| OER | 20.59 |
| KER | 4.86 |

| Production | t/yr |
|---------------|---------|
| FFB processed | 213,486 |
| CPO Produced | 43,765 |

| Land use | ha |
|-----------------------------|------------------|
| OP planted area | 20,917.44 |
| OP planted on peat | 0 |
| Conservation (forested) | 0 |
| Conservation (non forested) | 0 |
| Total | 20,917.44 |

Summary of Field Emissions and Sinks

| | Own Crop | | Group | | 3rd Party | | Total | |
|--|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|
| | tCO ₂ e | tCO ₂ e /tFFB | tCO ₂ e | tCO ₂ e /tFFB | tCO ₂ e | tCO ₂ e /tFFB | tCO ₂ e | tCO ₂ e /tFFB |
| Emissions | - | - | - | - | - | - | - | - |
| Land Conversion | - | - | - | - | - | - | - | - |
| *CO ₂ Emissions from Fertiliser | 5440.06 | 1.14 | 0.07 | - | - | - | 3074.13 | 1.26 |
| **N ₂ O Emissions | 3830.77 | 0.8 | 0.05 | - | - | - | 1686.40 | 0.73 |
| Fuel Consumption | 487.64 | 0.1 | 0.01 | - | - | - | 232.15 | 0.09 |
| Peat Oxidation | - | - | - | - | - | - | - | - |
| Sinks | - | - | - | - | - | - | - | - |
| Crop Sequestration | -43024.32 | -9.05 | -0.53 | - | - | - | -20302.3 | -9.26 |
| Conservation Sequestration | 0 | 0 | 0 | - | - | - | 0 | 0 |
| Total | 10887.24 | 2.28 | 0.14 | - | - | - | 6242.7 | 3.16 |

Summary of Mill Emissions and Credits

| tCO ₂ e | tCo ₂ e/tFFB |
|------------------------------|-------------------------|
| Emissions | - |
| POME | 0.16 |
| Fuel Consumption | 0 |
| Grid Electricity Utilisation | 0.01 |
| Credits | - |
| Export of Grid Electricity | 0 |
| Sales of PKS | 0 |
| Sales of EFB | 0 |
| Total | 0.2 |

Palm Oil Mill Effluent (POME) Treatment

| | |
|-------------------------------|------|
| Divert to compost | 0% |
| Divert to anaerobic digestion | 100% |

POME Diverted to Anaerobic Digestion:

| | |
|--|------|
| Divert to anaerobic pond | 100% |
| Divert to methane capture (flaring) | 0% |
| Divert to methane capture (electricity generation) | 0% |

Appendix 3: GHG assessment for new plantings

Not applicable

Appendix 4: List of Abbreviations

| | |
|---------|---|
| BRC | British Retail Consortium |
| CHRA | Chemical Health Risk Assessment |
| CoC | Chain of Custody |
| CPO | Crude Palm Oil |
| CSR | Corporate Social Responsibility |
| CU | Control Union |
| CUC | Control Union Certifications |
| 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 |
| SOCISO | Social Security Organisation |
| SOP | Standard Operating Procedure |
| USDA/NOP | United States Department of Agriculture – National Organic Program |
| MT | Metric Tonnes |
| WHO | World Health Organization |