

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

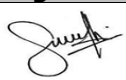


CERTIFICATION AUDIT REPORT


Part 4: General Principles for Palm Oil Mills

Felcra Jayaputra Sdn Bhd
Kilang Kelapa Sawit Jayaputra

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT 1 7th January 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	24/02/2020	Issued as Draft Report	Surenthiran Pannneerselvam	Lead Auditor	
B	19/03/2020	Issued as Final Report	Surenthiran Pannneerselvam	Lead Auditor	
B	23/03/2020	Final report approved	Terence Ang	Certifier	

Acknowledgment by Felcra Jayaputra Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	20/03/2020	Acceptance of the contents	Mr. Lui Poh Siang	Mill Manager	

Declaration

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Note: Section II of this report contain confidential information and been protected from public disclosure.

SECTION I: PUBLIC SUMMARY REPORT

1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **Felcra Jayaputra Berhad, Kilang Kelapa Sawit Jayaputra**, established in June 2013, total workforce 184. The principal activity of the company is process oil palm fruit and production of Crude Palm Oil and Palm Kernel. During this **Annual Surveillance Audit 1**, the audit team were briefed by **Mill Manager**, of the supply base disposition. The source of FFB supplies to **Kilang Kelapa Sawit Jayaputra (Palm Oil Mill)** are from external suppliers. This assessment was conducted onsite on **7th January 2020** to assess the compliance of the certification unit against the **"MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills"**. The scope of certification is **"Production of sustainable crude palm oil and palm kernel"**.

1.2 Company details and Contact information

Company Name	Felcra Jayaputra Sdn Bhd
Business Address	Lot No. 5949, Mukim Ulu Cheka, 27030 Jerantut, Pahang, Malaysia.
Contact Person	Mr. Lui Poh Siang
Office Telephone	+6019-9710143
E-Mail	ksfjayaputra@gmail.com

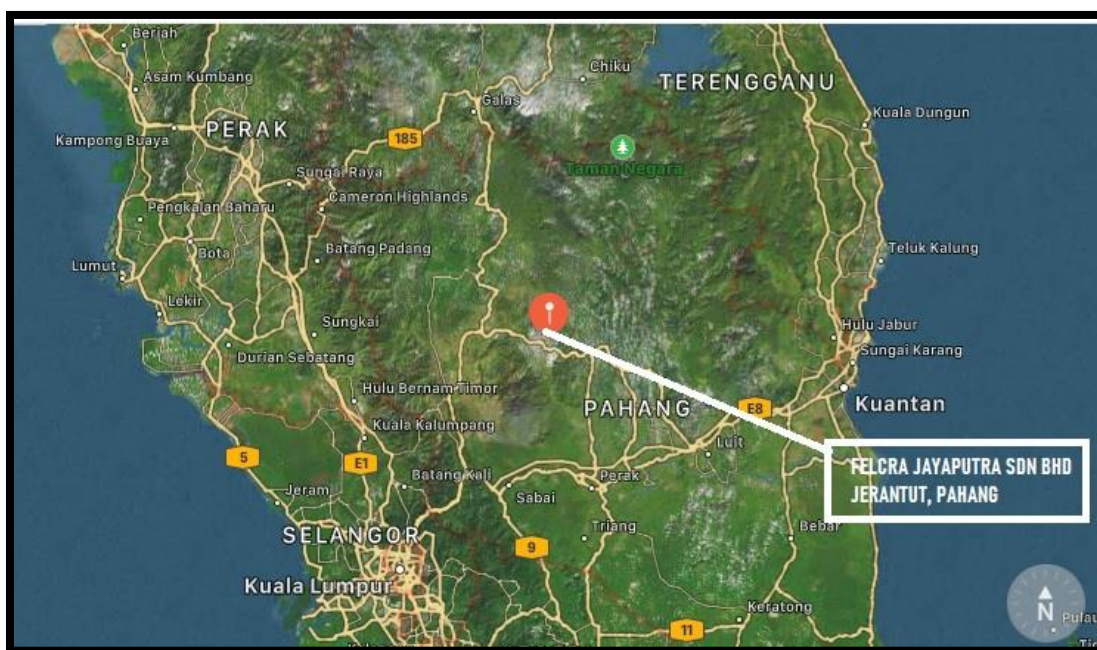
1.3 Certification Unit

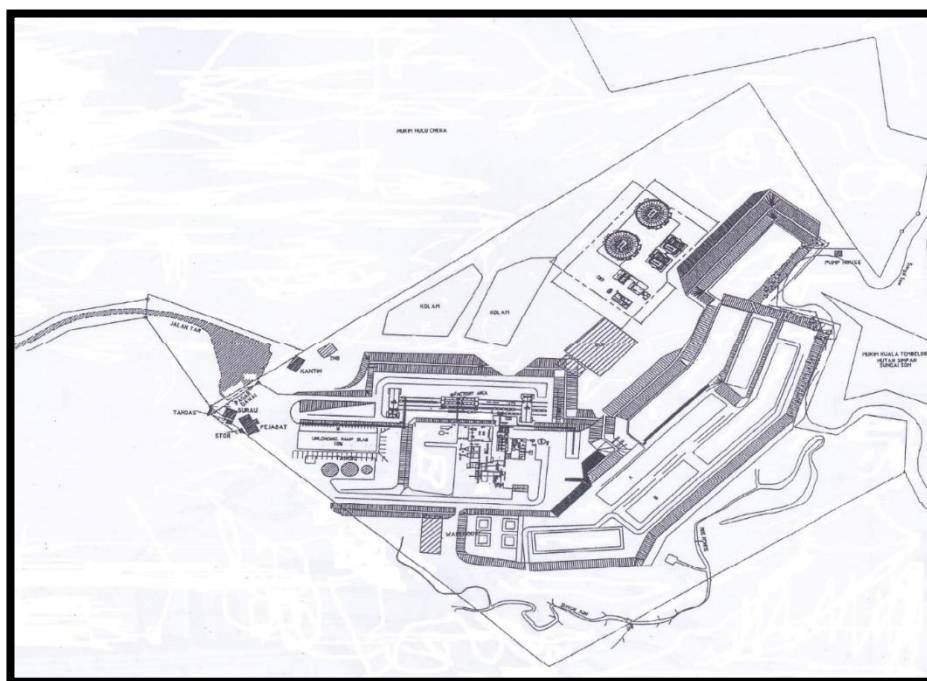
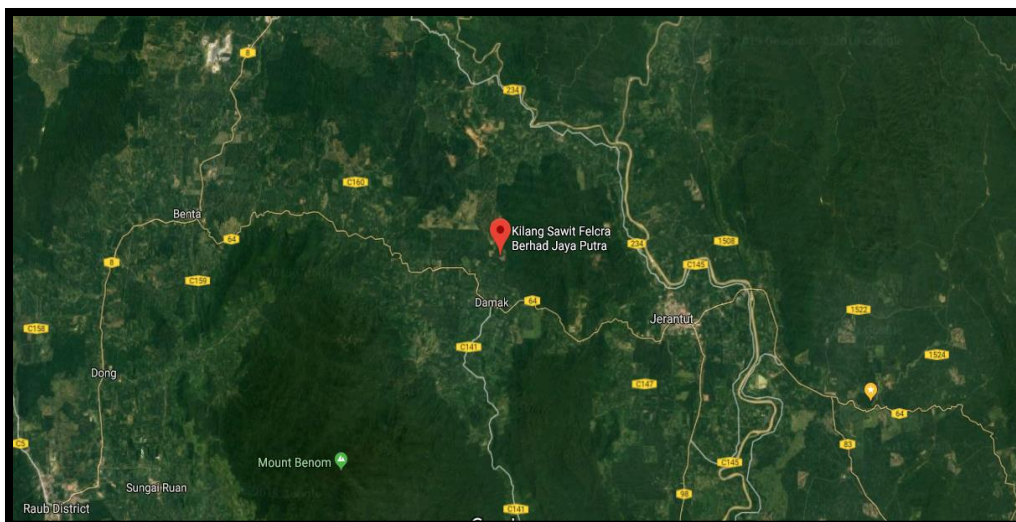
Name of the Certification Unit	Kilang Kelapa Sawit Jayaputra
Mill Capacity (MT/HR)	90
Site Address	Lot No. 5949, Mukim Ulu Cheka, 27030 Jerantut, Pahang, Malaysia.
Latitude	3.812631

GPS Reference of the site office	Longitude	103.325623
MPOB License Information	License No.	581952004000
	Scope of Activity	1.Sell and distribute PK, CPO and SPO. 2.Purchase and distribute FFB. 3.Store PK, CPO and SPO. 4.Manufacture/Process FFB.
	Expiry Date	28 th February 2021
Others Sustainability Certification	NIL	

1.4 Map Showing Geographical Location

Felcra Jayaputra Berhad
[Kilang Kelapa Sawit Jayaputra]





1.5 Production Area, Actual and Projected FFB Production (MT)

Production for Certified Unit

Kilang Kelapa Sawit Jayaputra	Projected from last audit	Actual Production for 12 Months [Jan 2019-Dec 2019]	Projected Production for next 12 Months [Jan 2020-Dec 2020]
FFB Summary (MT)	NIL	NIL	NIL
CPO Summary (MT)	NIL	NIL	NIL

PK Summary (MT)	NIL	NIL	NIL
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FFB's Own Estates

Production for Uncertified Unit

Kilang Kelapa Sawit Jayaputra	Projected from last audit (Jan 2019 – Dec 2019)	Actual Production for 12 Months [Jan 2019-Dec 2019]	Projected Production for next 12 Months [Jan 2020-Dec 2020]
FFB Summary (MT)	540,000.00	591,090.00	550,000
CPO Summary (MT)	106,176.00	114,866.98	107,258
PK Summary (MT)	28,822.00	32,562.22	30,779

1.6 Certificate Details

Certification body Global Gateway Certifications Sdn. Bhd.,
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,
68000 Ampang,
Selangor Darul Ehsan, Malaysia.
Tel.: +603 4256 2689; Fax: +603 4256 2687
Website: www.ggc.my

Assessment standard (MSPO) Part 4: General principles for palm oil mills

Certificate number GGC-FJP001-MSPO-00-2019

Initial certificate issued date 19th February 2019

Certificate expiry date 18th February 2024

Stage 1 assessment date 6th December 2018

Stage 2 / Main Assessment 22nd – 23rd January 2018

Annual Surveillance 1 [ASA 1] 7th January 2020

Annual Surveillance 2 [ASA 2] December 2021

Annual Surveillance 3 [ASA 3] December 2022

Annual Surveillance 4 [ASA 4] December 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Surenthiran Panneerselvam

Graduate in PgDip/MSc Oil and Gas Accounting from University of Abertay Dundee, Scotland, UK. Equipped with experience in sustainability audit field and with more than 6 years working experience. Involved in MSPO Assessment since 2017. Fully trained in audit certification such as MSPO, MSPO SCCS, RSPO, ISO9001:2015, ISO37001: 2016. Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013. Able to communicate in both Bahasa Malaysia and English (written and spoken). During this assessment, he assessed on the aspect of stakeholder's consultation, best practices, transparency and traceability. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Tuan Haji Ahmad bin Sukiman

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English. During this assessment, he assessed on the aspect of stakeholder's consultation, environmental aspect and legal requirements. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

He holds Master's in Business Administration. More than 20 years working experience several industries mostly on HR Management. Have experience in second- and third-party auditing system. Fully trained in ISO9001:2008 (Quality Management System) Lead Auditor Course and successfully completed Malaysian Sustainable Palm Oil (MSPO) Auditor Training course (MPOCC endorsed). Able to write and speak in Bahasa Malaysia and English. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English. During this assessment, he assessed on the aspect of stakeholder's consultation, safety and health aspect and MSPO Policies. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was not applied as there is only one palm oil mill, namely "**Kilang Kelapa Sawit Jayaputra**". The assessment activities include of

documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents and etc. Significant issues that would impact to the environmental and social were also been verified during document audit, interview staff/assistant and field visit. The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment. Appendix A (Audit Plan) details the actual assessment plan.

1.9 Audit Plan Information

Audit Date	7 th January 2020
Name of site(s) visited	Kilang Kelapa Sawit Jayaputra
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Findings category		
Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	1	Open
Area of Concern	1	No action requires
Noteworthy /Positive Comments	5	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification, the stakeholder consultation carried out during on site on Annual Surveillance 1. The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as others aspects that they considered could be improved. In surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. During physical visit, interviewed numbers of stakeholders involving internal and external stakeholders. The comments were verified with the mill management before incorporating into the assessment findings. Generally, no complaint or negative feedback received during the consultation besides many remarks of significant improvements in the aspect of environment, social and safety. There were also positive statements made by the participants on the effect of MSPO implementation to the society. Salary for all workers are in accordance to minimum wages as stipulated in the Employment Act. The details are as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholder A	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They are aware on the importance of safe work practices to be implemented at the workplace. They are also aware that PPE will be given free of charge by the Mill. They have been provided with 12-items First Aid Box at workplace. • They have attended training on "Prosedur Kerja Selamat" and on PPEs use. • They attended "hearing test" twice a year. • They have confirmed that no sexual harassment and violence case had happened in the workplace. • The mill has treated its worker's right equally with no discrimination based on gender. • They were satisfied with the condition of their living quarters. The Mill provides the basic amenities such as 	No action requires	Positive findings

		<p>free water and electricity charges.</p> <ul style="list-style-type: none"> • They have confirmed that workers' wages per month are being paid more than the Minimum Wage Order 2018 of RM1,100.00. They have received their wages around 5th to 7th of the following month. • They have confirmed that there is no employment of Children and Young persons in the workplace. • They are aware on the existence of complaints and grievances mechanism. • They have attended training provided by the Mill such as "Keselamatan, Bomba, First Aid, Social, SOPs, open burning" and scheduled waste. 		
2.	Stakeholder B	<ul style="list-style-type: none"> • They have confirmed that there is no employment of Children and Young persons in the workplace. • They are aware on the existence of complaints and grievances mechanism. • They have attended training provided by the Mill such as "Kebajikan sosial, Keselamatan grading, PPEs, Kebersihan", Open burning and scheduled waste. 	No action requires	Positive findings

1.12 Recommendation

The company has established Sustainability Manual for policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of **Kilang Kelapa Sawit Jayaputra**. Mill Manager is in charge and ensure that facility and his subordinates comply with the requirements and procedures stated in this manual. The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. There was no complaint or feedback received during this Main Assessment Audit.

This report will be internally reviewed prior to certification decision by GGC certification team. During this Annual Surveillance Audit (ASA 1) **MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mills**, 1 minor non-conformity and 1 area of concern has been raised to the facilities that being audited. Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted with no major non-conformity findings. Therefore, the Lead Auditor recommends to grant the continuity of certificate of **MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills** to **Kilang Kelapa Sawit Jayaputra**.

1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 12 months of the MSPO Certificate being issued.

1.14 Confidentiality

GGC auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication.

1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FJPSB	Felcra Jayaputra Sdn Bhd
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
KKSJ	Kilang Kelapa Sawit Jayaputra
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety

OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

SECTION II: ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1: Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

Indicator 1 Policy for the implementation of MSPO shall be established.

Summary Felcra Jayaputra Sdn Bhd (FJSB) has established the MSPO Policy named "Polisi Pelaksanaan Dan Komitmen Terhadap MSPO" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. The policy clearly states Felcra Jayaputra Sdn Bhd as a responsible palm oil producer and is commitment to sustainable development and continuous improvement on plantation and milling operations through MSPO standards implementation and principles as follows:

1. "Komitmen dan Tanggungjawab dalam Pengurusan (Management commitment and Responsibility)
2. "Ketelusan" (Transparency)
3. "Mematuhi Syarat Perundangan" (Compliance to Legal Requirements)
4. "Tanggungjawab Sosial, Kesihatan, Keselamatan dan Keadaan Perkerjaan" (Social Responsibility, Health, Safety and Employment conditions)
5. Alam Sekitar, Sumber Semulajadi, Biodiversiti, dan Penjagaan Ekosistem. (Environment, Natural Resources, Biodiversity and Ecosystem Services)
6. "Amalan Terbaik" (Best Practices)

The above policy was communicated to internal and external stakeholders via stakeholders meeting conducted on 27th July 2019 (External Stakeholder Meeting), as 22 people attended the meeting. Thus, internal stakeholder meeting and awareness training conducted on 16th August 2019, 24th August 2019 and 8th November 2019. Both meeting held at Bilik Mesyuarat, Felcra Jayaputra Palm Oil Mill.

Sighted "Jemputan Mesyuarat dan Perbincangan pihak Berkepentingan" and Internal Memo to external stakeholders and company employees respectively for the meetings. As per audit and interviewed with mill workers, all workers are aware of the MSPO policies and grievance procedures. The implementation on site where the management have displayed the policy on the notice boards in the main office, mill supervisor room, workshop and boiler house for the employees to view.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.

Summary Felcra Jayaputra Sdn Bhd (FJSB) has established the MSPO Policy named "Polisi Pelaksanaan Dan Komitmen Terhadap MSPO" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. This is clearly stated in the MSPO policy in Paragraph 1 and 8 of the policy. A written statement provided as below:

"Felcra Jayaputra Sdn Bhd adalah komited dalam mematuhi dan melaksanakan setiap keperluan kawal selia dan kehendak bago MSPO dengan berpegang teguh terhadap prinsip prinsip MSPO" and "Sasaran kami adalah untuk memastikan pengeluaran minyak sawit yang mampan berlandaskan penambahbaikan berterusan dan pendekatan yang sistematik"

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2 Internal audit

Indicator 1 Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary Internal Audit Plan dated 22nd May 2019 prepared by En Khairul Idzuan, Asst Mill Manager and approved Mr Lui Poh Siang, Mill Manager. As per interview with En Khairul Idzuan, Asst. Mill Manager the frequency of internal audit is once a year. The internal audit was carried out from 6th - 7th August 2019. During the internal audit has identified 1 Major non-conformity and 1 opportunity for improvement. Given below are some sampled non-conformity and area for improvement. All non-conformity was closed within the stipulated timeframe, checked and endorsed by the internal lead auditor.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.

Summary Felcra Jayaputra Sdn Bhd (FJSB) has established Internal Audit Procedure Ref No: MSPO-FJP-01, dated 1st January 2018 prepared by En Kharul Idzuan and approved by Mr Lui Poh Siang, Mill Manager. Sighted the action taken by the company for all the non-conformities raised by the internal audit team and subsequently all non-conformities have been closed accordingly.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 Reports shall be made available to the management for their review.

Summary Internal Audit Report dated 7th August 2019 prepared by Mr Subramaniam Allagan and approved by Lui Poh Siang, Mill Manager. Internal audit report was submitted to the top management for their review. Latest Meeting was held on 4th October 2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Management review

Indicator 1 The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

Summary Felcra Jayaputra Sdn Bhd (FJSB) has established Management Review Procedure Ref No MSPO-FJP-02 dated 1st January 2018 prepared En Khairul Idzuan, Asst Engineer and approved by Mr Lui Poh Siang, Mill Manger. The purpose of this procedure is to describe the internal audit process conducted regularly by Felcra Jayaputra Sdn Bhd internal auditors. This is to determine Felcra Jayaputra Sdn Bhd Mill's operations are effectively implemented to meet the requirements of MSPO standards.

Management Review Meeting is conducted once a year. During Sustainability Management Review Meeting a review for the effectiveness of MSPO implementation was discussed as sighted in the minutes of meeting. Management Review Meeting held on 4th October 2019 at Felcra Jayaputra Sdn Bhd Mill's Meeting Room. Ten (10) main agenda was discussed in the meeting namely:

1. Introduction and welcoming by the chairman
2. Review of minutes of the previous meeting
3. Review of the suitability and implementation of all the MSPO Principles, Criteria and Indictors.
4. Review the adequacy of MSPO Documentation System
5. Review the result of the Internal Audit
6. Review on SIA, EIA and Safety Issues
7. Continuous Improvement Plan
8. Readiness for External Audit
9. Management Team consensus on management Review meeting
10. Conclusion and closing by chairman.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Continual improvement

Indicator 1 The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.

Summary Felcra Jayaputra Sdn Bhd has established the action plan for continual improvement. Continual Improvement Plan (CIP) for the year 2019 dated 28th August 2019 prepared by En Kairul Idzuan, Asst Engineer and approved by Mr Lui Poh Siang, Mill Manager. CIP was updated/revised as at 5th January 2020. The company has 13 areas identified for CIP. As sampled taken:

IMPROVEMENT PLAN	MITIGATION PLAN	STATUS	TARGET
(Sterilizer Area) i. Steam Leakage ii. Hydraulic Oil Leakage iii. Sterilizer Oil leakage	i. To repair the leakage part ii. To repair the hydraulic system iii. To recover the condensate and oil leakage	On going	31 st December 2020
(Kernel Plant) i. Fibre & Nut ii. ii Lubricant Oil iii. iii Shall & Dust iv. iv Rotating Part	i. Clean up the spillage/regular cleaning ii. Use of PPE iii. To perform regular maintenance	On going	31 st December 2020

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.

Summary Felcra Jayaputra Sdn Bhd (FJSB) has implemented the MILCOM System to identify the MSPO certified and Non MSPO certified suppliers in December 2019. The training for the above MILCOM System was conducted by MPOM Computer Solutions Sdn Bhd. Training conducted on December 2019 at FJSB Main Office by Mr Wong Kok Chong. The mill has established a system in order to improve practices in line and disseminating the information throughout the workforce by planning and giving proper training to their employees. During the training, the supervisor will update and inform on the current information of the industry to the workforce.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.2 Principle 2: Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 1 The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.

Summary Felcra Jayaputra Sdn Bhd has established the Stakeholder Communication & Consultation Procedure. Doc No: MSPO-FJP-03; Rev 0; Date 1st January 2018, which outlines the arrangements for consultation and communication by Felcra Jayaputra Sdn Bhd mill management with its relevant stakeholders and how their concerns and views are addressed. Stakeholder meeting [Minit Mesyuarat Bersama Pihak Berkepentingan] conducted on 25th July 2019 at Bilik Mesyuarat FJPOM, attendance record sighted as 22 participants attended, photographs and meeting minutes available. Attended by as sampled taken:

- Smallholders
- Canteen manager
- Ketua Kampung Mela
- Ketua Kampung Som
- Balai Polis Batu Balai
- Penghulu Mukim Ulu Cheka
- Kim Ma Oil Palm

The purpose of this procedure is to outline the arrangements for consultation and communication by Felcra Jayaputra Sdn Bhd (mill management) with its relevant stakeholders and how their concerns and views are addressed. During the meeting, En Khairul explains about company backgrounds, company policies.

Stakeholder raised concern on housing area provided by mill management and mill management highlighted 2 blocks were built for staff/workers. Secondly, stakeholder A highlighted mill to "asap hitam" from FJPOM. Management responded: En Khairul mentioned mill are making progress on fixing "proses pemasangan perangkat habuk yang dapat mengurangkan pelepasan asap hitam. Stakeholder concerns and resolution matrix dated from 25th April 2019 – 31st December 2019, prepared by En Khairul Idzuan bin Mohamad Sahidi and approved by En Lui Poh Siang, Mill Manager. Action plan sighted in continuous improvement plan

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes

Summary Felcra Jayaputra Sdn Bhd has established List of Documents and Classification; Ref No: LOD-FJP-01; Rev 2: Issue Date: 1st January 2019. As sampled taken:

Classification	No.
Confidential	3
Non-confidential	20

Prepared by En Khairul Idzuan Bin Mohamad Sahidi, Asst Mill Manager and approved by En Lui Poh Siang, Mill Manager. As per interviewed with Mr. Khairul Idzuan Mohamad Sahidi (Assistant Mill Manager), some of the documents publicly available and some of the documents need to get permission from HQ level.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Transparent method of communication and consultation

Indicator 1 Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary Felcra Jayaputra Sdn Bhd has established the Stakeholder Communication & Consultation Procedure. Doc No: MSPO-FJP-03; Rev 0; Date 1st January 2018, which outlines the arrangements for consultation and communication by Felcra Jayaputra Sdn Bhd mill management with its relevant stakeholders and how their concerns and views are addressed. The purpose of this procedure is to outline the arrangements for consultation and communication by Felcra Jayaputra Sdn Bhd with its relevant stakeholders and how their concerns and views are addressed.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).

Summary Felcra Jayaputra Sdn Bhd has appointed personnel as person in charge to who responsible in stakeholder communication and consultation who are En Zah Hamri Bin Kedi – Social, Communication & Consultation). Letter of appointment dated on 20th November 2018, approved by En Lui Poh Siang.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.

Summary List of stakeholders prepared by Pn. Nur Ain Marsitah Binti Razlan, Office Assistant and approved by En Lui Poh Siang, Mill Manager. Requests are recorded and being provided in appropriate languages and forms. Sighted the Form for Grievance/Request for Felcra Jayaputra POM and was made available at the main office and linesite area. The requests were made and will be processed / approved by Mill Manager or Assistant Manager. Sighted updated internal and external stakeholder list as below:

- Government agencies: 24
- Non-gov (NGO): 1
- Suppliers/contractors: 44
- FFB Suppliers: 158
- Transporter: 2
- Surrounding communities: 4
- Employer representative: 3
- JKKP representative: 6
- Employee representative: 10

The requests made will be processed/ approved by Mill Manager or Assistant Manager.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Traceability

Indicator 1 The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.

Summary Felcra Jayaputra Sdn Bhd has established the Traceability Procedure; Doc No: MSPO-FJP-04; Rev 0; Date 1st January 2018, prepared by Mr Khairul Idzuan Mohamad Sahidi (Assistant Mill Manager) and approved by Mr. Lui Poh Seng (Mill Manager). To establish a suitable identification and traceability oil palm FFB traceable from the suppliers to the CPO or PK from the milling operation of Felcra Jayaputra Sdn Bhd. Covers all activities from receiving, processing and storing the sustainable raw material (FFB) to dispatching the sustainable products (CPO and PK) to the customers. The requirements for traceability are applicable to company that take legal ownership and physically handle MSPO certified products throughout the palm oil supply chain.

In Compliance ☒ Yes ☒ No ☐ Not Applicable

Indicator 2 The management shall conduct regular inspections on compliance with the established traceability system.

Summary The mill conducts the inspection on traceability system by daily. After the lorry reached the palm oil mill gate, (THP/KSBL/01/SEM.0) dated on 27th April 2018. Sighted the form with serial number 40705. All data was checked and verified by Mill Assistant Manager. The mill conducts the inspection on traceability system on daily basis. After the lorry reached the palm oil mill gate, Auxiliary Police (AP) will obtain some data from the FFB suppliers, will obtained some data from the deliverer and fill in "Penerimaan Buah Kelapa Sawit" form. During site observation, registration book at the security guard for CPO, PK was made available stating lorry driver name, pass no, lorry number, supplier name. Lorry driver shall produce the gatepass to the weighbridge person incharge. Followed with seal form sighted, as the lorry is inspected and seal number is produced. Once seal form is provided, CPO delivery order is made available stating recipient and purchaser. Seen refinery ticket – receiving note from Wilmar Edible Oils Sdn Bhd [No: 8320110338396]. Tank No. 2. Borang MPOB L3 was made available [No: D890580] – Akta Lembaga Minyak Sawit Malaysia 1998 (Butiran Berhubungan dengan Pengalihan Minyak Sawit).

In Compliance ☒ Yes ☐ No ☐ Not Applicable

Indicator 3 The management shall identify and assign suitable employees to implement and maintain the traceability system.

Summary Mill management has assigned personnel as person in charge to maintain and implement traceability system. Seen letter of appointment of Pn Norazlina Binti Ali dated on 20th November 2018 appointed by Mr Lui Poh Siang, Mill Manager. She is responsible in measuring the tanker weight, and FFB located in weighbridge station. Person incharge in weighbridge (En Azuan Riduan, Pn Noraini, Pn. Norazlina Binti Ali. As interviewed Pn Norazlina Binti Ali, as person incharge of traceability, she managed to explain her workflow as she is required to request delivery order (DO), gatepass from security, after weighing the FFB lorry driver shall provide the grading chit before way out. During site observation, seen the process of security providing the gate pass to the FFB supplier observed.

In Compliance ☒ Yes ☐ No ☐ Not Applicable

Indicator 4 Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.

Summary Record of storage, sales, delivery, transportation of CPO & PK are made available. Record "Buah Tandan Segar", recorded by the security guard, which list down the name of lorry driver, pass. No, lorry number, company name. Sampled taken as below:

Pass (BTS): [No. 338902]
Driver: Idwan
Lorry: CDF 1099
Time in: 8.00am

Delivery order: No. 770512
Date: 3rd January 2020
Vehicle: CDF 1099
Driver: Idwan

Weighbridge ticket: 239418
Dated: 3rd January 2020.
Vehicle: CDF 1099
Net weight: 32,110 kg
Driver: Idwan

All documents are recorded and maintained well by the mill management. Those document existences have been verified during the audit.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.3 Principle 3: Compliance to legal requirements

Criterion 1 Regulatory requirements

Indicator 1 All operations shall be in compliance with applicable local, national and ratified international laws and regulations.

Summary List of summaries of compliance that are applicable for the mil has been updated and was sighted during the visit. Sighted the following documents as evidence of compliance:

- i. MPOB License, No. Lesen 581952004000, for Menjual dan Mengalih FFB, PK, CPO, SPO, Membeli dan mengalih FFB, PK, CPO, Menyimpan PK, CPO, SPO and Mengilang FFB for a period of 01st March 2020 to 28th February 2021 untuk memproses 180,000 mt FFB.
- ii. Jadual Pematuhan, Jabatan Alam Sekitar – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, No. Lesen: 004385 validity 01st September 2019 to 30th June 2020 for 90mt/hr. Pelepasan effluent ke alur air (limited to 1,728m/day) at 100ppm.
- iii. Permit Barang Kawalan Berjadual), No Siri P: C000832, No Rujukan: PKPDNHEP.PHG.JRT.600-5/2/231 (PA) PD untuk menyimpan 16,000 liter diesel expiry date 28th October 2020.

- iv. Lesen Berniaga, Majlis Daerah Jerantut No Ruj: KP31/2-13 expiry 31st December 2020.
- v. Appointed licensed collector (Pentas Flora Sdn Bhd, No Lesen 003701), to collect the scheduled wastes at the Mill valid till 30th April 2020.
- vi. Lesen Bagi Pepasangan Persendirian, Akta Bekalan Elektrik 1990, Suruhanjaya Tenaga License No. Siri 35874, kapasiti pemasangan 3,130kW for a period of 17th June 2019 to 16th June 2020.
- vii. Perakuan Penentuan Timbang dan Sukat, Akta Timbang dan Sukat 1972 (by Metrology Corporation Malaysia Sdn Bhd), Nombor Siri Alat: 114707, for 80,000 kg weighbridge. Stamping Date: 17th September 2019.
- viii. Perakuan Penentuan Timbang dan Sukat, Akta Timbang dan Sukat 1972 (by Metrology Corporation Malaysia Sdn Bhd), Nombor Siri Alat: S164244-SJB, for 80,000 kg weighbridge. Stamping Date: 17th September 2019.
- ix. Lesen penggunaan sumber air, No Siri:0296, No.Lesen:SWUL/LPSA/33/2019 berkuatkuasa 01st January 2019 till 31st December 2019. Sighted letter from Pejabat Setiausaha Kerajaan Pahang on 'Penangguhan Pengeluaran Lesen dan Caj Penggunaan Sumber Air Mentah' addressed to Felcra Jayaputra Sdn Bhd dated 19th December 2019.
- x. Fire Certificate, No Siri:296758 valid from 31st July 2019 to 30th July 2020.
- xi. Perakuan Kebolehan, Peraturan 5 (2), Akta Kilang dan Jentera, 1967, Peraturan (Perakuan Kebolehan-Peperiksaan) KIlang dan Jentera, 1970, No Perakuan 138/2015 for Mr Lui Poh Siang as Jurutera (Stim) Gred Satu effective 10th August 2015.
- xii. Perakuan Kelayakan Dandang, The Factories and Machineries Act, 1967 No. Perakuan: PMD-PH/19 22739 for Dandang Stim Tiub Air, Dandang 2,413 kilo pascal expiry 10th June 2020.
- xiii. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 22740 for Air Receiver, Kelumpang 981 kilo pascal expiry 10th June 2020.
- xiv. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 22741 for Steam Dryer Capacity 15-ton steam per hour, Tube 415 kilo pascal expiry 10th June 2020.
- xv. Perakuan Kelayakan Dandang, The Factories and Machineries Act, 1967 No. Perakuan: PMD-PH/19 25240 for Water Tube Boiler, Kelumpang 2,400 kilo pascal expiry 24th September 2020.
- xvi. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 25241 for Air Receiver, Kelumpang 981 kilo pascal expiry 24th September 2020.
- xvii. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 25242 for Steam Dryer Capacity 15-ton steam per hour, Kelumpang 415 kilo pascal expiry 24th September 2020.
- xviii. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 25243 for Steam Header, Kelumpang 413 kilo pascal expiry 24th September 2020.
- xix. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 25244 for Back Pressure Steam Receiver, Kelumpang 310 kilo pascal expiry 24th September 2020.

- xx. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 25245 for Steam Header, Kelumpang 413 kilo pascal expiry 24th September 2020.
- xxi. Perakuan Kelayakan Pengandung Tekanan Tak Berapi, The Factories and Machinery Act, 1967 No. Perakuan: PMT-PH/19 25246 for Thermal Deaerator, Kelumpang 295 kilo pascal expiry 24th September 2020.
- xxii. Perakuan Kebolehan, Peraturan 5 (2), Akta Kilang dan Jentera, 1967, Peraturan (Perakuan Kebolehan-Peperiksaan) KILang dan Jentera, 1970, No Perakuan PA/43/2015 for Mr Mazlam Bin Jaafar as Drebar Enjin Gred Satu effective 18th August 2015.
- xxiii. Perakuan Kebolehan, Peraturan 5 (2), Akta Kilang dan Jentera, 1967, Peraturan (Perakuan Kebolehan-Peperiksaan) KILang dan Jentera, 1970, No Perakuan PA/38/2016 for Mr Rustamin Bin Rosman as Drebar Enjin Gred Dua effective 22nd August 2016.
- xxiv. Perakuan Kebolehan, Peraturan 5 (2), Akta Kilang dan Jentera, 1967, Peraturan (Perakuan Kebolehan-Peperiksaan) KILang dan Jentera, 1970, No Perakuan PA/20/2015 for Mr Riduan Bin Mohd Yunus as Drebar Enjin Gred Satu effective 14th May 2015.
- xxv. Perakuan Kebolehan, Peraturan 5 (2), Akta Kilang dan Jentera, 1967, Peraturan (Perakuan Kebolehan-Peperiksaan) KILang dan Jentera, 1970, No Perakuan PA/32/2015 for Mr Mohd Fauzi Bin Kamarudin as Drebar Enjin Gred Satu effective 24th June 2015.
- xxvi. Perakuan Kekompetenan Sebagai Penjaga Jentera, Akta Bekalan Elektrik, 1990, Suruhanjaya Tenaga, Kategori A4 (Sistem Voltan Rendah), No Perakuan: PJ-T-4-B-0045-2018 for Mr Mohd Izuan Bin Rahman effective 20th April 2018.
- xxvii. Permit had kerja lebih masa di bawah Seksyen 60A (4)(a) Akta Kerja 1955 (Had maksimum kerja lebih masa dibenarkan sehingga 130jam dengan syarat waktu kerja biasa pekerja-pekerja yang terlibat adalah kurang dari tujuh (7) jam effective 23rd May 2017.
- xxviii. Senarai Semak Alat Pemadam Api di kawasan Kilang Sawit, perumahan kakitangan dan pekerja indicated 72 unit of ABC and 13-unit CO² types of fire extinguisher with the variable expiry date from April 2020 to September 2020.

This included of 7 unit that expired on 2nd November 2019 (3 units) and 18th July 2019 (4 unit). Sighted delivery notes to Messrs W. Ramly Enterprise dated 8th October 2019 for the refill and certification of 7 units.

MINOR NC:

Not in compliance with Section 4 of Water Act 1920 (Revised 1989) (Act 418). In accordance to Section 4, Water Act 1920 states that any person who interferes with the banks of any river may by order of the state authority be required to restore the same to the condition in which it was immediately prior to such interference or to remake the same in such manner as may be specified in such order. However, during site verification at Sungai Som, seen the removal of vegetation along the embankment of river.

In Compliance ☐ Yes ☒ **No** ☐ Not Applicable

Indicator 2	The management shall list all relevant laws related to their operations in a legal requirements register.
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Summary

Felcra Jayaputra Sdn Bhd has established and updated list of applicable laws and regulations that are applicable for the Mill as stipulated in the Legal and Requirement Register, Revision 2, prepared by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager) on 17th October 2019. The Summary of Compliance comprised mostly for the requirements that related to MSPO compliance. This document includes information on requirement, percentage and remarks. There are laws and regulations identified in the legal register. It includes the following:

1. Occupational Safety and Health Act 1994
2. Factories and Machinery Act, 1967
3. Prevention and Control of Infectious Diseases Act 1988 (Act 342)
4. Uniform Building By-Law, 1986
5. Petroleum (Safety Measures) Act, 1984
6. Electricity Supply Act, 1990
7. Electricity Regulations 1994
8. Fire Service Act, 1988 (Act 341) Amendment 2018
9. Code of practice for Safe Working in Confined Space, 2010
10. Environmental Quality Act 1974
11. Sewerage Services Act 1993 (Act 508)
12. Water Act 1920 (Act 418)
13. Water Services Industry Act 2006 (Act 655)
14. Local Government Act, 1976
15. Workers' Minimum Standards of Housing and Amenities Act 1990
16. Labour Act, 1955
17. Industrial Relation Act 1967
18. Employee Provident Fund Act 1991
19. Employees Social Security Act 1969
20. Minimum Retirement Age Act 2012
21. Minimum Wages Order (Amendment) 2018
22. Workers Union Act 1959
23. Immigration Act 1959/1963 (Act 155)
24. Holiday Act 1951
25. Passport Act 1996
26. Employment Insurance System Act 2017
27. Children and Young Persons (Employment) Act 1966
28. Weights and Measures Regulations 1981
29. Jadual Pematuhan Departmental of Environment
30. MPOB, 1998
31. National Land Code (Amendment) Act 2016
32. Land Acquisition Act (1960)

The mill management has carried out weekly housing inspection as reported weekly through Labour Quarter Inspection Checklist. For the month of December 2019 on 6th, 13th, 18th and 30th.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

Summary The legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list, to ensure that any new/addition as well as changes or new amendment are captured and updated, through the following manner:

- Enforcement by Government Body
- Newspaper or article on the new or change of amendment
- Website

The legal register is prepared and updated internally by Pn Siti Zahirah Binti Zaidi (Chief Clerk) and approved by Mr Lui Poh Siang (Mill Manager).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

Summary The mill management has assigned a person responsible to monitor compliance and to track update the changes in regulations. The appointed person in charge to monitor compliance status and to track update the changes in regulatory requirements is Pn Siti Zahirah Binti Zaidi (Chief Clerk) and approved by Mr Lui Poh Siang (Mill Manager) effective 20th November 2017.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Land use rights

Indicator 1 The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.

Summary The Mill is situated in the Land Title of Lot 5949, No Hakmilik:15097 valid till 29th October 2075 with the approximate area of 21.09 ha under category of Perusahaan/Perindustrian. The copy of land title is kept in the mill office and was sighted during the audit. Evidence of annual payment of land tax and quit rent paid to the State Government is available in the form of receipts. The payment has been made to Pentadbir Tanah Jerantut on 18th January 2019 by the mill management.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.

Summary The mill is located at Mukim Ulu Cheka Daerah Jerantut with hectarage of 21.09 ha. The land is fully owned by Felcra Jayaputra Sdn Bhd. Evidence of annual payment of land tax and quit rent to the state government is available in the form of receipt. Land ownership of Title of Lot 5949, No Hakmilik: 15097 is Felcra Jayaputra Sdn Bhd. The land title for the mill is made available and maintained by the mill management.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.

Summary As the mill was built within the land title area, the permanent fence had been constructed to demarcate the vicinity of the mill area. Sighted also "Rekod Pemantauan Batu Sempadan" which contain 4 boundary stones and 2 boundary markers. It was last inspected on 26th June 2019 to 7th July 2019. Sighted on the ground one of the legal parameter stone stated with a number of 227.162.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).

Summary As the mill was built within the land title area, thus no disputes been recorded by the mill. There is no evidence of land conflict present in the mill. There is no violence on instigated violence in maintaining peace because company has a clear procedure on handling the land conflict.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Customary land rights

Indicator 1 Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

Summary As the mill was built within the land title area, thus no customary rights will affect the mill. There are also no land disputes or claims involving the mill. The company has proper legal land title with regards to land ownership.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 Maps of an appropriate scale showing extent of recognized customary rights shall be made available.

Summary As the mill was built within the land title area, thus no disputes been recorded by the mill. There is no evidence of land conflict present in the mill. There is no violence on instigated violence in maintaining peace because company has a clear procedure on handling the land conflict.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.

Summary There is no land conflict or disputes recorded by the mill. The mill land title and ownership are legally identified and documented.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

2.4 Principle 4 : Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

Indicator 1 Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.

Summary Felcra Jayaputra Sdn Bhd (FJSB) has established Social & Human Rights Policy named "Polisi Kemasyarakatan Dan Hak Asasi Manusia" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. As per interview with En Mohd Noruddin b Abdul Ghani, Asst Engineer the SIA was carried out by internal and external stakeholder consultation where the stakeholders are given the Social Impact Assessment Questionnaires to be completed. Before the commencing the assessment, the stakeholders were given an awareness training/briefing to facilitate the SIA process. SIA briefing for internal and external stakeholders was held on the 14th December 2019. Sampled issues raised in the Social Impact Assessment with the mitigation plan and target date to rectify the issues:

NO	SOCIAL FACTORS/ISSUES	MITIGATION PLAN/PROMOTE	DATELINE
1	Kesedaran dan pengetahuan mengenai MSPO (Positive)	Melaksanakan latihan ulangan kepada semua petugas secara berperingkat.	On going PIC: Pengurus Kilang
2	Hubungan antara syarikat dengan pihak berkepentingan adalah baik. (Positive)	Mengekalkan hubungan yang baik dengan melaksanakan aktiviti seperti hari keluarga, sukan kilang dan aktiviti kemasyarakatan.	On going PIC: Pengurus Kilang
3	28 orang menyatakan terdapat pencemaran hasil aktiviti kilang seperti pencemaran udara, (asap hitam) pencemaran air (air hitam), pencemaran tanah (debu & habuk). (Negative)	Menguruskan sisa dan aktiviti kilang dengan baik supaya tidak berlaku pencemaran udara, air dan tanah.	On going PIC: Pengurus Kilang, Jurutera Kilang, Eksekutif Makmal, Bolerman, Pemandu Showel

The person in charge, En Mohd Noruddin b Abdul Ghani, Asst Engineer briefed on the SIA assessment and sustainability matters in relations to MSPO to the stakeholders.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2	Complaints and grievances
Indicator 1	A system for dealing with complaints and grievances shall be established and documented.
Summary	<p>Felcra Jayaputra Sdn Bhd has established the Complaint & Grievances Procedure. Ref No: SOP-FJP-20; Rev 1; Date 01st January 2018 (page 113 to 205). Prepared by Mr Khairul Idzuan Mohamad Sahidi (Assistant Mill Manager) and approved by Mr Lui Poh Siang, Mill Manager. Felcra Jayaputra Sdn Bhd (FJSB) has appointed Mr Loi Tick Soon, Asst Engineer as the person responsible for Stakeholder Communication & Consultation and Social & Risk Management vide letter dated 1st September 2018.</p>
	<p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 2	The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.
Summary	<p>The complaint and grievance forms are available at security guard post at the office complex entrance. The completed complaint and grievance are to be submitted to the respective PIC (Mr Loi Tick Soon) as stated above. Upon receiving the forms, the management will discuss with the respective heads of department/section and take action to rectify the issues raised. As per interview with Mr Lui Poh Siang, Mill Manager, all disputes, complaints and grievance are able to be resolved in an effective, timely and appropriate manner that is accepted by all parties with the existing stakeholders consultation and communication procedure</p>
	<p>Samples seen as follows:</p>
	<p>Date: 10th August 2019 Complaint: Didapati beberapa motosikal diletak di tempat letak kereta, ini menyebabkan kereta tidak dapat "parking" (kenderaan warga kantin). Action Taken: Surat peringatan diberi kepada penjaga kantin. Rectified: 10th August 22019</p>
	<p>Date: 8th August 2019 Complaint: Jalan menuju ke kilang licin dan dipenuhi dengan batu batu kecil dan menyebabkan penunggang motisikal jatuh Action Taken: meratakan jalan dengan "bulldozer" Rectified: 9th August 2019</p>
	<p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.
Summary	<p>All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the drop box/ direct to office. Complaint Form No Ruj: FJP-CGF-011 for external and internal stakeholders. During field visit, the complaint and grievance forms are available at Security Guard post at the office complex entrance. The completed Complaint and Grievance are to be submitted to the respective PIC (Mr Loi Tick Soon)</p>

as stated above. Upon receiving the forms, the management will discuss with the respective heads of department/section and take action to rectify the issues raised.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.

Summary Complaints and Grievance Procedure dated: 1st Jan 2018 Ref No: SOP-FJP-20 prepared by En Khairul Idzuan, Asst Engineer and approved by Mr Lui Poh Siang, Mill Manager. The procedure was communicated to internal and external stakeholders via stakeholders meeting conducted on the following dates to inform them that complaints or suggestions may be made at any time

External Stakeholders meeting
Date: 27th July 2019
Venue: Bilik Mesyuarat, Felcra Jayaputra Palm Oil Mill
Time: 3.00pm

Internal Stakeholders meeting/Awareness Training
Date: 24th August 2019, 16th August 2019 and 8th November 2019
Venue: Bilik Mesyuarat, Felcra Jayaputra Palm Oil Mill
Time: 4.00pm, 5.00pm and 4.00pm respectively.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 5 Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.

Summary Complaints and solutions within the past 24 months which are documented made available during the audit. During internal and external stakeholder meeting, the complaints and grievances procedure being commenced and implemented. Record is fully filled up and filed. As sampled:

Date: 13th November 2019
Complaint: Insufficient Water
Action Taken: Pihak kilang akan melantik kontraktor untuk memasang grill tingkap yang berkunci untuk mengelakkan pekerja selain daripada wanita masuk ke surau.
Rectified: 7th August 2019

No evidence of external complaints from stakeholders using Complaint/ Grievance forms provided by Felcra Jayaputra Sdn Bhd.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Commitment to contribute to local sustainable development

Indicator 1 Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.

Summary

The mill is committed and have contributed to local development. The contribution made to the internal and external stakeholders. Felcra Jayaputra Sdn Bhd (FJSB) has made contributions to the surrounding communities. Given below are some sampled contributions:

"Sumbangan duit sempena sambutan Hari Raya Haji 2019 kepada 5 kampung", as per below. Sighted payment voucher dated 25th July 2019 approved by Mr Toh Tau Book, Director

- Kampung Batu Balai
- Kampung Damak
- Kampung Som
- Kampung Mela
- Kampung Semak Jani

"Sumbangan kepada Persatuan Ibu Bapa dan Guru (PIBG) SJK (Cina) Damak untuk mengadakan Hari Sukan", dated 11th October 2019. Sighted official receipt No 8/2019 from SJK (Cina) Damak dated 6th September 2019.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 4 Employees safety and health

Indicator 1 An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated and implemented.

Summary

Felcra Jayaputra Sdn Bhd has established safety and health policy named "Polisi Keselamatan Dan Kesihatan Pekerjaan" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. The purpose of this policy is to ensure a safe and Healthy working environment for all employees in their daily operations. The above policy was communicated to internal and external stakeholders via stakeholders meeting which was conducted on 27th June 2019 for external stakeholder meeting and 24th August 2019, 16th August 2019 and 8th November 2019 for internal stakeholder meeting. The policy is written in Bahasa and English language. The mill has a comprehensive annual training plan for the staffs and workers, and this was sighted in the training records for staffs and workers individually.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The occupational safety and health plan shall cover the following:

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:
 - i) all employees involved are adequately trained on safe working practices; and
 - ii) all precautions attached to products should be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Summary

- a. Safety and health policy named "Polisi Keselamatan Dan Kesehatan Pekerjaan" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. This policy is displayed in the main office, workshop, boiler house and biogas plant for the employees to review. This policy is being adhered to with regards to the implementation of (OSH) requirements within the company. The policy is written in Bahasa and English language.
- b. Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard, effect, Existing control, likelihood, severity & risk & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). Risk assessment was conducted on 13th August 2019, and approved by Mr Lui Poh Siang, Mill Manager. HIRARC sighted for the followings work operations:
 - a. Weighbridge
 - b. Office
 - c. Grading Yard and Loading Ramp
 - d. Continuous Sterilizer
 - e. Thresher

- f. Press Station
- g. Depericarper and Kernel Plant
- h. Oil Clarification Room
- i. Water Treatment Plant
- j. Bunch Press Station
- k. Maintenance
- l. Store
- m. Transportation
- n. Ullage Reading
- o. Despatch Area
- p. Tanker Checking
- q. Mill Laboratory
- r. Security Guard
- s. Working at Heights
- t. Canteen
- u. Polishing Plant

- c. The mill has a comprehensive annual training plan for the staffs and workers, and this was sighted in the training records file for each staffs and workers. training programme for employees exposed to chemicals, safe working practices at the palm oil mill. Below are some sampled training programmes:

NO	TOPIC	MONTH	STATUS
1	First Aid Training	13 th October 2019	Done
2	Safety Awareness Training	24 th & 27 th July 2019 8 th November 2019	Done
3	Schedule Waste Handling Training	15 th February 2019	Done
4	Chemical Handling	4 th November 2019	Done
5	Safe Operating Procedure	22 nd April 2019 20 th June 2019	Done

Training calendar for the year 2020 was last reviewed on 4th January 2020.

- d. Personal Protective Equipment (PPE) issuance and replacement record was made available. The issuance is tracked according to the employees. Given below are some sampled PPEs issued to the employees.
- 1. Dust Mask
 - 2. Safety Shoes
 - 3. Leather Gloves
 - 4. Safety Helmet
 - White (Executive)
 - Blue (Maintenance)
 - Orange (Mandore/Supervisor)
 - Yellow (Gen Workers/Operators)
 - 5. Ear Plug

- e. Felcra Jayaputra Sdn Bhd has established the Chemical Handling Procedure. Ref No: SaOP-FJP-15; Rev 0; Date 01st January 2018. The procedure was revised on 11th December 2018, as prepared by Mr Khairul Idzuan Mohamad Sahidi (Assistant Mill Manager) and approved by Mr Lui Poh Siang, Mill Manager to ensure proper and safe handling and storage. CHRA report conducted by En Daud bin Adam, JKPP Reg No: JKPP HIE 127/171-2(353) dated 18th July 2016. The last CHRA was conducted on 18th July 2016 and expires on 19th May 2021. Next CHRA will be carried out in 2021. Detail of chemicals used in mill operations are listed in Register of Chemicals Hazardous to Health to TPOM [Appendix 5]. No. of hazardous chemical recorded are as follows:

- 14 (Laboratory)
- 2 (Water Treatment Plant)
- 4 (Boiler)
- 7 (Workshop - Store)
- 1 (Tertiary Treatment Plant TTP)

Prepared by En Mohd Noruddin bin Abdul Ghani dated 2nd January 2020 and reviewed by Mr Lui Poh Siang, Mill Manager. CHRA has recommended employees from three (3) work units ie. laboratory, boiler house and workshop for medical surveillance. They were tested on physical examination, blood, urine, cholinesterase and chest x-ray. given below are the details of the employees.

Annual and baseline audiometric testing report dated 26th March 2019 carried out by Specialist Mobile Safety Supplies Sdn Bhd (291588-K). Last date of testing dated 21st and 23rd March 2019 and next date of testing will be on 22nd March 2020. Sighted Calibration Certificate Serial No: U0070152 issued to Specialist Mobile Safety Supplies Sdn Bhd by National Metrology Institute of Malaysia (NMIM).

- f. The management has appointed Mr Lui Poh Siang as the person in-charge of employee safety vide letter dated 20th January 2019 approved by Mr Cham Tian Hoong, General Manager.
- g. Felcra Jayaputra Sdn Bhd has establish the OSH Committee for regular two-way communication with their employees to discuss issues that are related to employees' safety, health and welfare. Sighted OSH committee Organization Chart dated 2019/2020 and OSH Minutes of Meeting dated 24th September 2019. The Meeting discussed all issues regarding worker's safety and health. The OSH Meeting being conducted within 3 months as per Occupational Safety and Health (Safety and Health Committee) Regulations 1996 Part IV Meeting of Safety and Health Committee – No 21. Frequency of meetings of committee; (1) A safety and health committee shall meet as often as may be necessary commensurate with the risk attendant on the nature of work at the place of work but shall not meet less than once in three months.
- h. Felcra Jayaputra Sdn Bhd has established the Accident & Emergency Procedure. Ref No: SOP-FJP-21; Rev 0; Date 01st January 2018 prepared by Mr Khairul Idzuan Mohamad Sahidi (Assistant Mill Manager) and approved by Mill Manager. Emergency response plan available in local language (Malay and English). The ERP

has been explained to all workers and staffs during training which has been conducted. Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board and main office.

- i. Felcra Jayaputra Sdn Bhd has trained its employees in First Aid from various departments in the company. The company has conducted Basic First Aid, CPR & AED in workplace and Community. The details of the training are as follows:

Course Title: Basic First Aid, CPR & AED in workplace and community

Course Date: 13th October 2019

Course Venue: Bilik Seminar Kuantan, Bandar Indera Mahkota, Kuantan. Pahang.

During field visit, First Aid Kit are available at the following areas:

- Workshop
- Laboratory
- Main Office
- Mill operations office
- Mill operations area

- j. Records of all accidents are available and discussed quarterly during OSH Meeting. Accident is handled according to the national OSH department (JKKP) includes reporting any accident case, investigation and calculation of LTA. Mill has sent JKPP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. JKPP 8 submitted to DOSH on annual basis. Latest submission of JKPP 8 was on 18th January 2019 [No rujukkan: JKPP 8/28774/2018 Klasifikasi Industri: 15142]. JKPP 6 submitted and two (2) accidents were recorded in the mill.

Date/time of accident: 30th September 2018, 5.15pm

Position: Operator (Kernel Plant)

No of sick leave: 38 days

Date/time of accident: 20th October 2018, 4.30pm

Position: Assistant Mill Engineer

No of sick leave: 19 days

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5 Employment conditions	
Indicator 1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.
Summary	Felcra Jayaputra Sdn Bhd has established Social & Human Rights Policy namely "Polisi Kemasyarakatan dan Hak Asasi Manusia" dated 22 nd June 2019 approved by Mr Liew Teen Chai, Managing Director. The above policy was communicated to internal and external stakeholders via stakeholders meeting which was conducted on 27 th June 2019

for external stakeholder meeting and 24th August 2019, 16th August 2019 and 8th November 2019 for internal stakeholder meeting. The policy is written in Bahasa and English language. The mill has a comprehensive annual training plan for the staffs and workers, and this was sighted in the training records for staffs and workers individually.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

Summary Felcra Jayaputra Sdn Bhd has established Social & Human Rights Policy namely "Polisi Kemasyarakatan dan Hak Asasi Manusia" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. As per interview with Pn Siti Zahirah bt Zaidi and En Mohd Noruddin bin Ab Ghani there is no evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate. This was confirmed though interview with workers/staff from the mill. This is clearly stated in Paragraph 4 of the policy. Interview with the mill workers shows that the management did not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, color, sex, religion, political opinion, nationality or social origin.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

Summary The employees' salary is in accordance to Minimum Wage Order (Amended) 2018, National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines. The mill management comply with the minimum wages' standard. Sighted the increment was made to adjust the basic salary to be inline as per guided National Wages Consultative Council Act 2011.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

Summary Employment Contract of Power Trader Enterprise (contractor) employees and their salaries are paid in accordance to Minimum Wage Order (Amended) 2018, National Wages Consultative Council Act 2011 (Act 732). Malaysian minimum salary is RM1,100.00 as stated in the guidelines. Interview with the workers confirmed that they received salary as per guided by the law and the workers are aware about the minimum wages, they should get paid.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 5 The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises).

The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

Summary Felcra Jayaputra Sdn Bhd has establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.

Summary All workers enjoy the same scale of pay and provided with equal housing and work facilities. Employment contract has stated the commencement date, offered position, probation period, wages, working hours, OT, allowances, rest day, working on holiday, termination, probation period, place of work, etc. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of Malaysian and Indonesian.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 7 The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.

Summary Working hours is 8 hours, from Monday to Saturday. Attendance of all employees are recorded via punch card system. Sighted the working hours being displayed at the notice boards at the Main Office and Supervisors rooms at the mill operations area. Attendance of all employees are recorded via punch card.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 8 The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.

Summary The working hour and break time had been clearly stated in the Employment Contract. The attendance record was available. Sighted gazette public holidays 2019/2020 displayed on notice board. Sighted in the Contract Agreement the rate of overtime which agreed by both parties. There is no complaint received regarding payment or are forced to work overtime during site interview. The working hour and break time have been clearly stated in the Employment Contract and notice boards at the main office and supervisor's rooms at the mill operations area. Overtime is performed on mutual agreement between the employees and the management and the Overtime rates meets the legal requirements.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

Summary 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. Documented pay slip was distributed to individual workers on the day of payment.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 10 Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings

Summary All workers have been provided with medical and accident insurance.. All workers are provided with housing facilities at workers line site. Other benefits provided as such:

- Medical Insurance (Executive Only)
- Petrol Allowance (Staff only – monthly rated employees)
- Housing Allowance – Staff not provided with company quarters
- Target achievement incentive
- Annual bonus based on company's performance
- Annual Increment

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.

Summary Employees are provided with living quarters and the quarters are in habitable condition and provided with basic. Employees are given free electricity and water supply. Further, the employees are also given LPG Gas Cylinders (1st time), Stove and cooking utensils. The housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interviewed with the workers confirmed that no any complain or grievance related to housing to be reported.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 12 The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.

Summary Felcra Jayaputra Sdn Bhd has established Sexual Harassment Policy named "Polisi Gangguan Sexual" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. Further, Felcra Jayaputra Sdn Bhd has established a Gender Committee to prevent all forms of sexual harassment and violence at the workplace. The policy is written in Bahasa and English language. The policy to prevent all forms of sexual harassment and violence at the workplace. Gender Committee Meeting Minutes dated 15th October 2019 prepared by Pn Siti Zahirah (Secretary) and approved by Mr Lui Poh Siang (Chairman).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 13 The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

Summary Felcra Jayaputra Sdn Bhd has established Social & Human Rights Policy named "Pilisi Kemasyarakatan dan Hak Asasi Manusia" dated 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. As per interview with Mr Lui Poh Siang, Mill manager, he said that management respects the right of all employees to form and to join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Further, the workers exercising these rights are not discriminated against or suffer any repercussions.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.

Summary Child and young person policy are incorporated in the Social & Human Rights Policy. The above policy was established on 22nd June 2019 approved by Mr Liew Teen Chai, Managing Director. The policy is written in Bahasa and English language. The policy emphasized in the clause no. 5, "Tidak mengambil pekerja di bawah umur 18 tahun (Berdasarkan Akta Kanak Kanak dan Orang Muda (Pekerjaan) 1966 – seksyen 2 Akta 350). As per interview with Mr Lui Poh Siang, Mill Manager, there are no children/young persons below ages of 18 working in the Mill. This was further proven through the checking of employee register. The workers were clear that no one below 18 years old should be employed. They also highlighted during hiring process; they will ensure all requirements are well met before hired.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 6 Training and competency

Indicator 1 All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.

Summary The mill has a comprehensive annual training plan. The training plan for 2019 was sighted. Records of the training conducted are maintained in training records folder. The audit team observed that the above records consist of all necessary information (attendance, photos, and training contents). Sighted the training calendar year for 2019 where 12 kind of training were planned for all workers. Among the training attend by the workers are:

NO	TOPIC	PLANNED DATE	STATUS
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1.	Environmental Awareness	18 th February 2019 23 rd February 2019 20 th June 2019 29 th July 2019 8 th November 2019	Completed
2.	Chemical Handling	4 th November 2019	Completed
3.	Standard Operating Procedure	13 th December 2019 23 rd March 2019 20 th June 2019	Completed
4.	Maintenance of Wheel Leader	10 th June 2019	Completed
5.	MSPO Awareness Briefing	3 rd August 2019 27 th July 2019 3 rd August 2019	Completed
6.	Schedule waste handling	15 th February 2019	Completed
7.	Chemical handling	4 th November 2019	Completed
8.	Confine Space	30 th April 2019 25 th July 2019 29 th July 2019	Completed
9.	Safe Operating Procedure	13 th February 2019 23 rd March 2019 20 th June 2019	Completed
10.	Safety Awareness	10 th May 2019 24 th July 2019 8 th November 2019	Completed
11.	Traceability	23 rd March 2019	Completed

Annual Training Plan for the year 2020 prepared by En Khairul Iduan bin Muhammad Sahadi, approved by Mr Lui Poh Siang, Managing Director. Given below are some sampled areas of training.

1. Safety Awareness
2. PPE usage
3. Chemical Handling
4. MSPO Awareness
5. Schedule waste handling

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

Summary Training needs analysis records for Felcra Jayaputra Sdn Bhd was made available. Sighted during audit, various training programmes was conducted to the employees. Yearly training needs developed based on training needs analysis for workers involved in all operations. Training needs analysis being identified and established for each of individual employees based on their competency. The management has planned and

implement training needs for specific group of workers based on their daily operation and required skills.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.

Summary Felcra Jayaputra Sdn bhd has established a comprehensive annual training plan based on the workers job function. All workers involved in the operations have been adequately trained in safe working practice. The mill has a comprehensive Training Needs Analysis for staffs and workers, and this was sighted in the training records. All trainings conducted were recorded in the training record file with attendance records, training materials and photographs of the training.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.5 Principle 5: Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

Indicator 1 An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

Summary Felcra Jayaputra Sdn Bhd has established the Environmental Management Plan (EMP) Procedure. Ref No: MSPO-FJP-05; Rev 0; Date 01st January 2018. Felcra Jayaputra Sdn Bhd has established Environmental Policy written in Bahasa signed by Mr Liew Teen Chai, Pengarah Urusan dated 22nd June 2019. Based on the "Polisi Alam Sekitar", the company is committed towards implementing the following practices:

1. Sentiasa mematuhi legislasi, peraturan dan undang-undang bagi memenuhi segala perkara mengenai amalan alam sekitar yang baik secara berterusan.
2. Sentiasa membuat penambahbaikan berterusan bagi mewujudkan persekitaran alam sekitar yang bersih.
3. Menghindarkan pencemaran alam sekitar serta meningkatkan mutu penhurusan alam sekitar secara berterusan.
4. Merancang, menilai dan melaksanakan tindakan yang bersesuaian bagi mengurangkan kesan kepada pencemaran alam sekitar dari segala aktiviti Syarikat.
5. Menggalakkan kesedaran alam sekitar kepada semua pekerja dan pihak ketiga untuk amalan kerja yang baik.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The environmental management plan shall cover the following:
a) An environmental policy and objectives;
b) The aspects and impacts analysis of all operations.

Summary

Felcra Jayaputra Sdn Bhd has established the Management Procedures Title: Environmental Management Plan (EMP) Procedure Rev 01 dated 03rd May 2019, prepared by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager) with the objective to ensure all activities and facilities related to palm oil mill operation of Felcra Jayaputra Sdn Bhd are in accordance to the legal and legislation requirements of Malaysia covering state and national level. The policy is written in Bahasa and English language. The Mill has conducted environmental aspect impact assessment for all its' activities in year 2019. The environmental assessment findings are recorded in document titled Environmental Aspect Impact Assessment, prepared by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager) on 04th April 2019.

The assessed environmental aspect includes;

1. Use of petrochemical (petrol, diesel etc.) for transportation activities.
2. Human sewage waste generated from workers line site and office site.
3. Domestic waste from workers line site and office site.
4. Scheduled waste generation & spillage
5. Transportation of FFB to Mill
6. Discharge of condensate during sterilization process
7. Conditioning of FFB
8. Effluent discharge from waste water treatment operation
9. Spillage of solid waste from decanter and sterilizer transport to field
10. EFB/shredded fibre foul smell emission
11. Separation of nuts and polishing of nuts from fibre
12. Noise generated by nuts cracking process, drying of kernel and separation of shell from kernel

As sample evidences of Environmental Management Plan established by the Mill includes;

Mill Activities	Impact	Mitigation Measures
The empty bunches burn suddenly at the empty bunch disposal area	Air Pollution	Regular inspect to ensure no fire or smoke come out from the bunches
Scheduled waste generation & spillage	Land & water pollution	Designate collection place prior disposal
Discharge of condensate during sterilization process	Air and noise pollution	Recover oil at oil room prior to discharge to cooling pond
Leachate from empty bunches disposal	Water pollution	Ensure leachate discharge is pumped back to effluent pond

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

Summary The mill has established Environmental Improvement Plan 2019 incorporated in Environmental Management & Improvement Plan 2019 prepared by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager) on 28th November 2019 and 05th December 2019.

Environmental Aspect	Mitigation Plan	Period
Emission of smoke openly into the air/environment	Impose of penalty to those violates the directives	01 st January 2018 to 31 st December 2022
Monthly inventory for all scheduled waste listed	Establishment of file for keeping records of waste generated by mill	01 st January 2018 to 31 st December 2022
Proper domestic waste in residential areas	Liaise with Mill management in allocation of rubbish pit and landfill; provision of rubbish bin in mill ground & housing quarters	01 st January 2018 to 31 st December 2022

A documented Environmental Management Plan is available and found to be outlining the identified impacts; both negative and positive to mitigate and promotes both impacts.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 A programme to promote the positive impacts should be included in the continual improvement plan.

Summary Felcra Jayaputra Sdn Bhd has established program to identify all activities /aspects of the palm oil mill that have impact to the environment. The Continuous Improvement Plan 2020 on environmental aspects includes;

1. Mill to install Electrostatic Precipitator to reduce stack emission for the existing Boiler. This is to reduce stack emission to 15% g/Nm³ in the air. This plan is on-going process under the responsibility of Manager/Mill Manager.
2. To recover oil leaked at Press Station. This plan is on-going process under the responsibility of Head Department.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 5 An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.

Summary Mill has a comprehensive annual training plan for its staffs and workers, and this was sighted in the training records file for each staffs and workers. The mill has established annual training programme on the aspect of environment and the plan of implementation date for 2020 as follow;

Topic of Training	Target Audience	Target Date
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Environmental awareness	Executive, staff and workers	May, June, July,
Scheduled waste handling	Executive, store keeper/attendant	Feb
MSPO awareness	Executive, staff and workers	Jan - April

The training on environmental issue has been conducted in 2019 includes;

Topic of Training	Completed Date	Total Audience
MSPO awareness	15 th August 2019	6
MSPO awareness	10 th August 2019	5
MSPO awareness	29 th July 2019	15
MSPO awareness	03 rd August 2019	7
MSPO awareness	27 th July 2019	16
MSPO awareness	23 rd July 2019	7
MSPO awareness	20 th March 2019	12
Environmental awareness	8 th November 2019	35
Environmental awareness	24 th August 2019	18
Environmental awareness	29 th July 2019	16
Environmental awareness	20 th June 2019	5
Environmental awareness	04 th April 2019	6
Environmental awareness	23 rd February 2019	4
Environmental awareness	18 th February 2019	9
Scheduled waste handling	15 th February 2019	4

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 6 Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

Summary The POM has conducted regular meeting with their staffs and workers to discuss issues related to the environment. The Mill has conducted "Mesyuarat Alam Sekitar" held on 11th January 2019 attended by 17 personnel discussed the following agenda;

1. Environmental audit
2. Environmental record and report.
3. Schedule waste store
4. Effluent pond treatment
5. Housekeeping
6. Smoke density meter boiler

The Mill has also conducted Management System Review held on 04th October 2019 discussed the following topic related to environment includes;

1. Review of the suitability and implementation of the MSPO principles, criteria and indicators regarded to environment, natural resources, biodiversity & ecosystem services.
2. Review on SIA, Environmental Aspect and Impact Analysis and Safety issues.



3. Continuous Improvement Plan on waste management and environmental management.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2 Efficiency of energy use and use of renewable energy

Indicator 1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.

Summary The monitoring usage of diesel and electricity consumption for the operation of the mill. The audit team observed that the consumptions are monitored on a monthly basis. The Mill has established the Fossil Fuel Usage for Power Generation for the mill in term of litre/mt FFB processed.

Month	Diesel used (Litre)	FFB Processed	Litre/Mt	Baseline Value (Litre/Mt FFB)
Jan to Dec 2019	275,867	591,090.00	0.47	0.59

Note: Baseline value (2015, 2016, 2017 & 2018) for diesel usage (990,876 liters vs 1,668,259.57mt).

The Energy Usage for the Genset is;

Month	kWh Generated	Diesel used (Liter)	kWh/Litre Generated
Jan to Dec 2019	92,570	51,808	1.79

The Electricity Generation from the Turbine is;

Month	kWh Generated	FFB Processed	kWh/Mt
Jan to Dec 2019	9,703,300	591,090.00	16.42

Total Electricity Generation from the Genset and Turbine is;

Month	kWh Generated	FFB Processed	kWh/Mt	Baseline Value (kWh/Mt FFB)
Jan to Dec 2019	9,795,870	591,090.00	16.57	14.77

Note: Baseline value (2015, 2016, 2017 & 2018) for generated electricity (24,642,300 kWh vs 1,668,259.57mt). The Energy Optimization Plan year 2020 includes;

1. Reduce energy consumption
2. Increase use of renewable energy
3. Reduce energy wastage
4. Minimize energy costs
5. Innovation in energy use

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.

Summary The projection consumption of diesel and electricity for mill has been documented on annual basis based on the financial year with the latest available is for FY2019/FY2020. The estimate of direct usage of non-renewable energy for their operations;

Item	2019	2020
FFB, mt	534,000	550,000
Diesel, litre	265,000	271,100
Average, Litre/mt FFB	0.49	0.49

The estimate of electricity generation for their operations;

Item	2019	2020
FFB, mt	534,000	550,000
Electricity, kWh	9,000,000	9,200,000
Average, kWh/mt FFB	16.85	16.73

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 The use of renewable energy should be applied where possible.

Summary The electricity consumed for the financial year 2019 is 92,570kWh (Genset) and 9,703,300kWh (Turbine) for processing of 591,090.00mt FFB or equivalent to 16.57kWh/ton FFB. Sighted record of Fiber, Shredded Fiber & Shell Usage Year 2019 as Renewable Energy prepared for a period of January 2019 to December 2019 stated below;

FFB Processed	Amount of Shell (mt)	Amount of Fibre (mt)	Amount of Shredded Fibre (mt)	Turbine (kWh Generated)	kWh /mt
591,090	35,465.40	76,841.70	23,643.60	9,703,300	16.42

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 3 Waste management and disposal**Indicator 1** All waste products and sources of pollution shall be identified and documented.**Summary**

Felcra Jayaputra Sdn Bhd has established the Management Procedures Title: Waste Management Procedure Rev 01 dated 03rd May 2019, prepared by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager) with the objective to provide guidance of safe and environmentally protective management of wastes generated, including identification of waste, storage of wastes, treatment of waste, waste disposal methods, waste mitigation and monitoring methods to minimize the environmental impact. The procedure explains the following;

6. Waste management flow
7. Scheduled waste disposal flow
8. Domestic waste disposal flow

The mill has identified and documented 7 types of scheduled wastes generated from its operation;

1. SW305 - Spent lubricant oil
2. SW306 - Spent hydraulic oil
3. SW410 - Contaminated Cotton Rags
4. SW410 - Contaminated Glove
5. SW410 - Spent filter
6. SW409 – Empty chemical container
7. SW409 – Empty chemical bottle

Sighted Scheduled Wastes Storage Inspection Checklist, last inspected on 06th January 2020. Waste Management Inventory was made available as at 7th January 2020 as follow;

SW Code	Item Name	Quantity (kg)	Date of first generation after disposal
305	Spent Lubricant Oil	2,180	4 th September 2019
409	Empty chemical container	5.20	3 rd January 2019
410	Contaminated Gloves	20	4 th March 2019

Mill's chemical wastes and other scheduled wastes are disposed through a DOE registered scheduled waste disposal contractor as per DOE requirements. Sighted the disposal of scheduled waste through Pentas Flora Sdn Bhd (licence validity until 30th April 2020) as follow;

SW Code	Item Name	Quantity (mt)	Date of Disposal
305	Minyak pelincir terpakai	1.1500	24 th August 2019

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:
a) Identifying and monitoring sources of waste and pollution.
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary The Waste Management Plan reviewed by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager) on 03rd January 2020 describes the measurement to control the domestic waste – organic waste generated from labour quarter/Mill canteen are as follow;

1. Category: Domestic waste – organic waste
2. Source of Pollution: Labour quarter/Mill canteen
3. Control measures: Disposal by quarters should only be into the dustbin provided by the Mill management, rubbish collection to be done two times a week, and those collected rubbish should be disposed in a rubbish landfill area, ensure that no scheduled wastes were discarded together with domestic waste – segregation.
4. Action: Assign workers (tractor drivers) to collect rubbish from quarters to be disposed into rubbish pit, provided appropriate mapping for every landfill, to record the opening date & closing date of every pit dug for domestic waste disposal, landfill should be at least 500 meters away from water source (rivers, lakes, ponds) & residential areas.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.

Summary Felcra Jayaputra Sdn Bhd has established SOP on Safe Operating Procedure (Handling of Chemicals), Ref No. SaOP-FJP-15, Rev 00, dated 01st January 2018 to provide guidelines in ensuring a safe and healthy receiving, handling, storage and disposal of chemicals. The Register of Chemicals Hazardous to Health has been prepared by Mr Mohd Noruddin Bin Ab Ghani (Mill Engineer), approved by approved by Mr Lui Poh Siang (Mill Manager) on 02nd January 2020. The register listed the following;

1. At Laboratory for Sample Analysis - 14 hazardous chemicals
2. At Lubricant Store for maintenance – 7 hazardous chemicals
3. At Mill Store for Boiler – 4 hazardous chemicals
4. At Mill Store for water treatment – 2 hazardous chemicals

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.

Summary Domestic waste from the housing and Mill's complex area are managed and organized by POM and disposed to the designated landfill. The Company has established Rekod Aktiviti/ Gotong Royong Perumahan which shown that the domestic wastes disposal was carried out two times a week. Sighted a letter addressed to Majlis Daerah Jerantut for "Permohonan Perkhidmatan Pengutipan Sampah di Kwarters Kilang Kelapa Sawit Jayapura" dated 17th December 2019.

AOC:

Water Management Plan dated 3rd January 2020 was made available. However, during site verification at mill landfill, sighted that the location of rubbish pit too close to monsoon drain discharging the blowdown from boiler.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 4 Reduction of pollution and emission including greenhouse gas

Indicator 1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

Summary All by-products produced from mill operation are disposed to the following estate:

- EFB sent to Ladang Felcra Jayapura for oil palm mulching. Total EFB transported to estate is 7,000mt from January to December 2019.

Report to DOE for scheduled waste is submitted monthly by online @ eSwis. Latest submission was done on 06th January 2020. The POM has implemented its GHG calculator to calculate the following emissions source includes;

1. Electricity Grid
2. Solid Fuel Burning
3. POME
4. Diesel emission

As to-date CO₂ emissions for a period of January to December 2019 for processing of 591,090.00mt FFB is 172,992.34tCO₂ or equivalent to 0.2927tCO₂/ton FFB.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.

Summary The action plan to reduce identified significant pollutants and emissions as stated in the Environmental Aspect Impact Assessment with the objective to maximize recycling and minimize pollution includes the following examples;

Identified Pollutant	Action Plan
Leachate from empty bunches disposal area	Ensure leachate discharge is pumped back to effluent pond.

Scheduled waste generation and spillage	Designate collection place prior disposal
Discharge of condensate during sterilization process	Recover oil at oil room prior to discharge to cooling pond. Ensure noise according the limit level and appropriate PPE use.
Effluent discharge from waste water treatment operation	Ensure waste discharge according to EQA requirements
Spillage of solid waste from decanter and steriliser transport to field	Ensure recovery of spillage done immediately. Maintain good condition of lorry bin or tractor trailer.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations

Summary POME is treated by conventional method and discharged to nearby Sungai Som. DOE limits of BOD for final discharge/water discharge is 100ppm. The POME analyzed by Felda Agricultural Services Sdn Bhd, Pusat Penyelidikan Pertanian Tun Razak, Pahang analyzed result dated 05th December 2019.

Parameter	Results	DOE Limits
pH	8.1	5.0 – 9.0
COD	355ppm	N/A
BOD	45ppm	< 100 ppm
Sus. Solid	119ppm	< 400ppm
Amm-N	90.4ppm	< 150ppm
Total N	101.6ppm	< 200ppm
Oil & Grease	3ppm	< 50ppm
Tot Solid	3,444ppm	N/A

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5 Natural water resources

Indicator 1 The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water).
The water management plan may include:
a) Assessment of water usage and sources.
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.
c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc).

Summary

Felcra Jayaputra Sdn Bhd has established the Management Procedures Title: Water Management Plan Procedure Rev 01 dated 03rd May 2019, prepared by Mr Khairul Idzuan Bin Mohamad Sahidi (Asst Engineer), approved by Mr Lui Poh Siang (Mill Manager). The procedures explain the following;

- Determine source of water
- Use of water
- Generating water quality action plan

The mill has developed identification of water source includes;

1. River water (Sungai Som) – Mill operation including process and boiler operation.
2. Local authority (Jabatan Bekalan Air) – Domestic usage for office, canteen and labour house
3. Rain water (rain harvesting) – Cleaning and watering plant

The mill Water Management Plan is outlined as follow;

Management Action	Period
Record water usage	Daily/Monthly
Analyze water quality and ensure compliance with the legal requirements for in-house treated water and used for drinking, either from river or bore well.	Yearly
Analyze POME water quality to ensure compliance with legal requirements when discharge to natural water course.	Weekly/Monthly
Plan to gradually phase out where open discharge of POME	At appropriate time interval
Apply way to optimize water and nutrient usage to reduce wastage	At appropriate time interval

Source of water for mill processes is extracted direct from Sungai Som and pumped to retention concrete pond and subsequently to clarifier/water treatment plan, treat and pumped to overhead storage tank. For FFB processing, the mill is using treated water without chlorine while for workers and staffs is from Jabatan Bekalan Air. Sighted water quality analysis report for treated drinking water supplied by Jabatan Bekalan Air, analyzed by Drew Ameroid (M) Sdn Bhd, Petaling Jaya, Selangor reported on 07th August 2019.

Parameter	Drinking Water	Maximum Permitted Proportion (Schedule 25A)
pH	6.8 @ 25°C	6.5 – 8.5
Turbidity (NTU)	1.1	2
Chloride as Cl (mg/L)	68.5	250
Aluminium as Al (mg/L)	0.055	0.20

Iron as Fe (mg/L)	0.064	0.3
Ammoniacal N as N	0.18	0.5
Cyanide as CN	ND (<0.01)	0.07
Arsenic as As	0.00132	0.01
Sulphate as SO ₄	34.40	250
Total Coliform (MPN/100ml)	3.6	< 10
E-Coli (MPN/100ml)	2.2	Absent

Note:

- ND – Not Detected
- MPN – Most Probable Number.

25th A Schedule, Subregulations 394(1), Standard for Water (Ins.PU(A)313/12, Food Regulations 1985.

The water usage for a period of January to December 2019 is recorded in the Water Usage per mt FFB for Year 2019 and monitored by the mill as tabulated below;

Water Usage (m ³)	FFB Processed (MT)	m ³ /MT	MSPO Recommended Ratio (m ³ /MT)
404,830	585,690	0.69	1.35

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.

Summary The POME is discharged to "Alur Air" with the BOD below approved limit of 100ppm by DOE. Sighted report to DOE on quarterly returns using OER (online environmental report) – fourth quarter 2019.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.6 Principle 6: Best practices

Criterion 1 Mill management

Indicator 1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

Summary The mill capacity is 90 Mt per hour – Continuous Sterilization. It described all stages of operation that includes as sampled below:

Procedure	Doc No.
Internal Audit procedure	MSPO-FJP-01
Management review procedure	MSPO-FJP-02
Stakeholder consultation & communication	MSPO-FJP-03
Traceability	MSPO-FJP-04
Environmental management plan	MSPO-FJP-05
Waste management plan	MSPO-FJP-06
Training and competency	MSPO-FJP-07
Management legal compliance	MSPO-FJP-08
Social Impact Assessment (SIA)	MSPO-FJP-09
Supply chain	MSPO-FJP-10

SOP for Mill operations was established on 1st January.2018. The procedures were prepared by En Khairul Idzuan and En Lui Poh Siang, Mill Manager

SOP	Doc No.	Date
Reception station	SOP-FJP-01	1 st January 2018
FFB Grading	SOP-FJP-02	1 st January 2018
Steriliser	SOP-FJP-03	1 st January 2018
Thresher	SOP-FJP-04	1 st January 2018
Pressing	SOP-FJP-05	1 st January 2018
Depericarper	SOP-FJP-06	1 st January 2018
Kernel plant	SOP-FJP-07	1 st January 2018
Clarification	SOP-FJP-08	1 st January 2018
Boiler	SOP-FJP-09	1 st January 2018
Powerplant	SOP-FJP-10	1 st January 2018
Water treatment plant	SOP-FJP-11	1 st January 2018
Effluent treatment plant	SOP-FJP-12	1 st January 2018
COP Storage & dispatch	SOP-FJP-13	1 st January 2018
Kernel storage & Dispatch	SOP-FJP-14	1 st January 2018
Workshop	SOP-FJP-15	1 st January 2018
Work at height	SOP-FJP-16	1 st January 2018
Logout tagout system	SOP-FJP-17	1 st January 2018
Confined space	SOP-FJP-18	1 st January 2018
Schedule waste management	SOP-FJP-19	1 st January 2018
Complaint and grievances	SOP-FJP-20	1 st January 2018
Accident and emergency	SOP-FJP-21	1 st January 2018
Stock check CPO & PK	SOP-FJP-22	1 st January 2018
Laboratory	SOP-FJP-23	1 st January 2018
Laboratory process control (Manual)	SOP-FJP-24	1 st January 2018
Managing Legal Compliance	SOP-FJP-25	1 st January 2018

Safe Operating Procedure prepared by En Khairul Idzuan dated on 1st Jan 2018, listed as below:

- Office (SaOP-FJP-01)
- Reception (SaOP-FJP-02)
- Sterilizer (SaOP-FJP-03)
- Thresher (SaOP-FJP-04)
- Press (SaOP-FJP-05)
- Depericarper (SaOP-FJP-06)
- Kernel plant (SaOP-FJP-07)
- Clarification (SaOP-FJP-08)
- Boiler (SaOP-FJP-09)
- Powerplant (SaOP-FJP-10)
- Water treatment plant (SaOP-FJP-11)
- Effluent treatment plant (SaOP-FJP-12)
- Crude palm oil dispatch (SaOP-FJP-13)
- Palm Kernel dispatch (SaOP-FJP-14)
- Handling of chemical (SaOP-FJP-15)
- Shovel operation (SaOP-FJP-16)
- Maintenance (SaOP-FJP-17)
- Handling and storage of poison (SaOP-FJP-18)

During the site visit in the mill, in total 5 storage tanks was available and the process of CPO is mass balance. Number of Effluent POME – 7 effluent pond, 2 cooling pond, 2 biogas, in total 11. The mill processed outside crops consists of (KMT Oil Pam Trading and etc), inside crops from (FELCRA Estates). The mill has 2 units of 80 MT (80,000 kg) weighbridges Bhd last calibration was on 17th September 2019 [B 1402732] – No siri alat: 114707 and [B 1402733] – No siri alat: S164244-SJB.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 All palm oil mills shall implement best practices.

Summary Mill has established SOP for Mill operations dated on 1st January 2018. The procedures were prepared by En Khairul Idzuan and En Lui Poh Siang, Mill Manager. All listed SOP in Indicator 4.6.1.1, mill management will in charge in all SOP are in compliance accordingly, by monthly inspection. Below are the sampled taken:

1. FFB Dispatch Chit
2. Daily FFB Assessment Sheet
3. Daily Quality & Production Report
4. FFB Grading Record Book
5. FFB Receipt Record Book
6. Daily Summary of FFB Received
7. Monthly Reconciliation

The Mill has established and implemented SOPs for its mill operations, safe operating procedure, MSPO procedures and workers were interviewed, and they could

demonstrate the operation they are assigned. Example: Sterilization and Boiler operation. The mill is not certified by MPOB Codes of Milling Practice (CoP).

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2 Economic and financial viability plan

Indicator 1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

Summary Mill had an annual budget for the financial year 2019/2020. The palm oil mill budget includes the projected FFB processed, CPO and PK production for 2019 until 2021.

Actual OER: 19.43% (2019)

Actual PK: 5.51%

Production	18/19	19/20	20/21
FFB process (mt)	463,940	591,090	-
FFB process (mt - estimate)	-	-	550,000
CPO summary (actual)	-	114,866.98	-
PK summary (actual)	-	32,562.22	-
Budget:			
OER:	-	19.29%	19.50%
KER:	-	5.28%	5.60%

- MPOB CESS @ RM11/mt CPO – payable on the 1st month of the following quarter.
- MPOB CESS @ RM2/mt CPO – payable by the following month end.

As interview with mill manager, budgeting of crop and OER & KER achieved as the mill management able to monitor quality of FFB. Seen payment form of SES MPOB dated on 31st December 2019. Sighted budget for the year 2020 (capital expenditure), as sampled taken (Plant and machinery in total of RM9.8 mil).

Crop projection for the year 2019:

FFB Supplier	Total (mt)	%
Felcra Suppliers	160,000	29.96
Outsider supplier	374,000	70.04
	534,000	

Crop projection for the year 2020:

FFB Supplier	Total (mt)	%
Felcra Suppliers	192,500	35.00
Outsider supplier	357,500	65.00
	550,000	

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Transparent and fair price dealing,

Indicator 1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.

Summary The mill exercises transparent and fair price dealing. Forecast price for budgeting sighted for the year 2019 & 2020.

Product	RM/mt
CPO	2,200.00
PK	1,100.00

Seen contract agreement between PGEO Edible Oils Sdn Bhd and Felcra Jayaputra Sdn Bhd dated on 18th September 2019 for delivery to Pasir Gudang, Johor. Payment terms stated as immediate payment after delivery. [Contract no.: FJP/164/19/CPO]. The pricing decision is made by HQ department, follow based on average price from MPOB.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.

Summary All contract is fair, legal and transparent. Timely payment is being practiced.

- Sighted the document relating to sales contract confirmation dated on 18th September 2019 between Felcra Jayaputra Sdn Bhd – Delivering CPO [Contract no: FJP/165/19/CPO].
- Sighted the document relating to sales contract confirmation dated on 23rd October 2019 between Felcra Jayaputra Sdn Bhd – Delivering PK [Contract no: FJP/048/19/PK].

All the contract agreements are kept in contractors file. Sighted the contract that sign by contractors with the company and payment record shown that the company pay fee to the contractors according the agreement. All the payments were made as per agreement. Terms and condition of safety, health and labor are included in the contract.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 4 Contractor

Indicator 1 In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.

Summary Contract agreement between Felcra Jayaputra Sdn Bhd and Zhe Ming Engineering Works, signed on 24th September 2019. Provide civil work for FJP and mill management has conducted training with external contractor dated on 10th August 2019 referring to MSPO Awareness. photographs, attendance and meeting minutes records were made available. Seen "Surat Akuan" from contractor stating complying with all rules and regulations set by Felcra Jayaputra Sdn Bhd on company policies and MSPO Policies.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2 The management shall provide evidence of agreed contracts with the contractor.

Summary Mill management kept evidence of contract agreement between contractors/ suppliers. As sampled taken:

- Sighted the document relating to sales contract confirmation dated on 18th September 2019 between Felcra Jayaputra Sdn Bhd – Delivering CPO [Contract no: FJP/165/19/CPO].
- Sighted the document relating to sales contract confirmation dated on 23rd October 2019 between Felcra Jayaputra Sdn Bhd – Delivering PK [Contract no: FJP/048/19/PK].
- Sighted the contract agreement between Felcra Jayaputra Sdn Bhd and, signed on 24th September 2019.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 3 The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.

Summary The mill was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 7th January 2020. All the auditors are qualified MSPO auditor. As per agreed, the Felcra Jayaputra Sdn Bhd accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed. Seen memorandum sent by mill management to contractors dated on 20th September 2018 to [Power Trader Enterprise] stating in Clause 3: The contractor must accept MSPO approved auditors to verify through physical inspection on any job contracted to ensure whether it is done as per the agreed contract/ purchase order”.

In Compliance ☒ **Yes** ☐ **N** ☐ **Not Applicable**

2.7 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.

- 2) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 3) The mill management has demonstrated fully commitment during the entire audit process.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 5) Housing area was kept clean and maintained. Housing inspection is thoroughly done by the assistant mill manager.

Appendix A: Audit Plan


AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
6 th Jan 2020	TBC	➤ Travelling to Jerantut, Pahang	SP	MAS/AS
7 th Jan 2020	08:30 – 09:30	➤ Opening Meeting at Kilang Kelapa Sawit Jayaputra: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan.	SP	MAS/AS
	09:30 – 13:00	➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	SP	MAS/AS
	13:00 – 14:00	➤ Lunch		
	14:00 – 16:00	➤ Continue document audit: <ul style="list-style-type: none"> • Fertilizer application record, field spraying record, harvesting record, buffer zone, conservation area documents, agriculture best practices records etc. ➤ Field Visit / Interview: <ul style="list-style-type: none"> • Fertilizer application, field spraying, harvesting, buffer zone, conservation area, and agriculture best practices etc and interview stakeholders. 	SP	MAS/AS
	16:00 – 16:30	Verify any outstanding issues and auditor discussion.	SP	MAS/AS
	16:30 – 17:30	➤ Centralize Closing Meeting at Kilang Kelapa Sawit Jayaputra: <ul style="list-style-type: none"> • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor End of assessment		

Appendix B: Non-Conformity details



Non-Conformities Identified During This Audit			
Company Name	Felcra Jayaputra Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance 1	<input checked="" type="checkbox"/>	Recertification
Audited Standard	Part 4: General Principles for Palm Oil Mills		
Client Number	GGC-E2-MSPO-2019		
NC No. / Ref.	E2/MSPO/MINOR/01	Date Detected	07 th January 2020
Site(s) concern	Felcra Jayaputra POM	Target Completion	Next Surveillance audit
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Not in compliance with Section 4 of Water Act 1920 (Revised 1989) (Act 418).		
NC Objective Evidence: In accordance to Section 4, Water Act 1920 states that any person who interferes with the banks of any river may by order of the state authority be required to restore the same to the condition in which it was immediately prior to such interference or to remake the same in such manner as may be specified in such order. However, during site verification at Sungai Som, seen the removal of vegetation along the embankment of river.			
Lead Auditor Signature:		Client Signature:	
			
Root cause Analysis (to be filled by client):			
Mill are trying to repair collapsed slope where is buffer zone of river due to heavy rainfall during December 2019.			
Corrective action planned (to be filled by client):			
1. To plant cover crops/grass to replace removal of vegetation along the embankment of river. 2. To put boundary mark and signage for the riparian zone/ buffer zone.			
Preventive Action (to be filled by client):			
1. Mill to perform regular monitoring along the embankment of river to ensure all riparian zone are in place. 2. Mill to conduct an awareness training on riparian zone conservation to respective personnel.			
Review of corrective/preventive action (to be filled by Lead Auditor)			



Action plan was made available dated 7th February 2020, prepared by Mr Khairul Idzuan Bin Mohamad Sahidi and approved by Mr Lui Poh Siang. Evidence of photographs and action plans illustrated. NC will be verified during next surveillance audit.

NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified: 17 th February 2020	Lead Auditor Signature: 

Area of Concern Identified During This Audit

Company Name	Felcra Jayaputra Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 1	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 4: General Principles for Palm Oil Mills			
Client Number	GGC-E2-MSPO-2019			
NC No. / Ref.	E2/MSPO/AOC/01	Date Detected	07 th January 2020	
Site(s) concern	Felcra Jayaputra POM	Target Completion	-	
Normative Reference and Requirement	4.5.3.4 Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Not in compliance with the Waste Management Plan			
NC Objective Evidence: Water Management Plan dated 3 rd January 2020 was made available. However, during site verification at mill landfill, sighted that the location of rubbish pit too close to monsoon drain discharging the blowdown from boiler.				
Lead Auditor Signature: 		Client Signature: 		

Appendix C: List of Stakeholders Contacted

List of Stakeholders

Internal Stakeholders

- Kilang Kelapa Sawit Jayaputra staffs.
- Local workers representatives
- Foreign workers representatives.

External Stakeholders

- Smallholders
- Felcra Jayaputra Estate
- Canteen manager
- Ketua Kampung Mela
- Ketua Kampung Som
- Balai Polis Batu Balai
- Penghulu Mukim Ulu Cheka
- Kim Ma Oil Palm
- Department of OSH Kuantan
- Batu Balai Police Station
- Department of Fire & Rescue
- Avecpalm Marketing Resources Sdn Bhd
- Contractors