

## **RSPO – 1<sup>st</sup> ANNUAL SURVEILLANCE ASSESSMENT**

Kulim (Malaysia) Berhad
Head Office: K.B. 705, Ulu Tiram Estate, 80990 Ulu Tiram, Johor, Malaysia
Certification Unit: Sedenak Palm Oil Mill, KB 721, 80990 Kulai, Johor, Malaysia.

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### Section 1 Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0006-04-000-00	<b>Date</b>	Member since 8 August 2004
<b>Company Name</b>	Kulim (Malaysia) Berhad		
<b>Address</b>	Head Office: K.B. 705, Ulu Tiram Estate, 80990 Ulu Tiram, Johor Bahru, Johor, Malaysia Certification Unit: Sedenak Palm Oil Mill, KB 721, 80990 Kulai, Johor Bahru, Johor, Malaysia.		
<b>Subsidiary of (if applicable)</b>	Not Applicable		
<b>Contact Name</b>	Puan Azmariah Muhamed		
<b>Website</b>	<a href="http://www.kulim.com.my">www.kulim.com.my</a>	<b>E-mail</b>	<a href="mailto:azmariah@kulim.com.my">azmariah@kulim.com.my</a>
<b>Telephone</b>	+607-8611611/8622000	<b>Facsimile</b>	+607-8631084

2. Certification Information			
<b>Certificate Number</b>	SPO 537873	<b>Date</b>	23/01/2009
<b>Scope of Certification</b>	Sedenak Palm Oil Mill Sedenak Estate Ulu Tiram Estate Kuala Kabong Estate Basir Ismail Estate Sungai Papan Estate		
Other Certifications			
<b>Certificate Number</b>	Standard(s)	Certificate Issued by	Expiry Date
AR 1803	ISO 9001:2008	SIRIM	14 October 2017
EU-ISCC-Cert-DE119-60152022	ISCC	ASG	1 February 2016

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Sedenak Palm Oil Mill	Kulai, Johor, Malaysia.	103° 32' 17.96"	1° 43' 51.08"
Sedenak Estate	Kulai, Johor, Mlaysia.	103° 31' 36.24"	1° 42' 48.79"
Ulu Tiram Estate	Ulu Tiram, Johor, Malaysia.	103° 47' 26.40"	1° 37' 28.02"
Kuala Kabong Estate	Kulai, Johor, Malaysia	103° 26' 0.87"	1° 41' 20.10"
Basir Ismail Estate	Kota Tinggi, Johor, Malaysia.	103° 54' 52.07"	1° 37' 47.84"
Sungai Papan Estate	Kota Tinggi, Johor, Malaysia.	104° 6' 21.80"	1° 31' 1.25"

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4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & Other (ha)	Total Hectarage	% of Planted
Sedenak Estate	2,644	0	2,644	232	2,876	91.93
Ulu Tiram Estate	324	214	538	82	620	86.77
Kuala Kabong Estate	1,640	0	1,640	86	1,736	94.47
Basir Ismail Estate	1,805	842	2,647	570	3,217	82.28
Sungai Papan Estate	2,213	620	2,833	189	3,022	93.75
<b>Total</b>	<b>8,626</b>	<b>1,676</b>	<b>10,302</b>	<b>1,159</b>	<b>11,471</b>	<b>89.81</b>

5. Plantings & Cycle								
Estate	Age (Years) & % of Area					FFB Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Nov 13 – Oct 14)	Actual (Nov 13 – Oct 14)	Forecast (Nov 14 – Oct 15)
Sedenak Estate	0.00	38.12	50.48	11.40	0.00	59,060	58,466	62,220
Ulu Tiram Estate	39.80	0.00	0.00	25.20	35.00	6,603	7,370	7,933
Kuala Kabong Estate	0.00	0.00	100.00	0.00	0.00	38,540	37,789	38,965
Basir Ismail Estate	21.80	33.23	35.50	9.47	0.00	39,205	44,513	42,379
Sungai Papan Estate	10.30	60.40	17.00	0.00	12.30	50,210	51,091	52,210
<b>TOTAL</b>						<b>193,618</b>	<b>199,229</b>	<b>203,707</b>

6. Certified Tonnage									
Mill	Estimated (Nov 13 – Oct 14)			Actual (Nov 13 – Oct 14)			Forecast (Nov 14 – Oct 15)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Sedenak Palm Oil Mill	193,618	39,594	11,249	199,229	41,051	10,994	203,707	41,474	11,183

## Section 2 Assessment Process

### **Certification Body:**

PT BSI Group Indonesia,  
(ASI Accreditation RSPO-ACC-19)  
Menara Bidakara 2, 17<sup>th</sup> Floor, Unit 5,  
Jalan Jend. Gatot, Subroto Kav 71-73,  
Pancoran, 12870 Jakarta Selatan, Indonesia.  
Tel +62 8379 3174 Fax +62 8379 3287  
Aryo Gustomo: [aryo.gustomo@bsigroup.com](mailto:aryo.gustomo@bsigroup.com) [www.bsigroup.com](http://www.bsigroup.com)

### **Assessment Methodology, Programme, Site Visits**

The ASA1 was conducted from 10 - 12 November 2014. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the samples of estates. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C 2013 and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Major and Minor Nonconformities that were assigned during the recertification certification audit which was closed during the last assessment was followed up to ensure it is remaining closed. All the previous nonconformities remains closed and the corrective actions implemented effectively.

There were two major nonconformities assigned during this assessment. The assessment findings are detailed in Section 3.3 and Appendix A.

This summary report is structured to provide detail of the assessment. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was reviewed by Mr. Mohamed Hidhir, the internal certification reviewer for RSPO prior to certification decision.

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The following table would be used to identify the locations to be audited each year in the 5 year cycle

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sedenak Palm Oil Mill	√	√	√	√	√
Sedenak Estate			√		√
Ulu Tiram Estate		√			√
Kuala Kabong Estate	√		√		
Basir Ismail Estate	√			√	
Sungai Papan Estate		√		√	

**Tentative Date of Next Visit:** 9 November 2015.

**Total No. of Mandays:** 13.5

**BSI Assessment Team:**

**Senniah Appalasamy – Lead Assessor**

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, Social Auditing Training by RSPO at Yogyakarta, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member. He assessed SCCS for mill, GAP at estate and mill and legal.

**Muhammad Haris B. Abdullah – Team member**

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master’s Degree in Business Administration from the University Utara Malaysia in January 2014. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable, Carbon Certification (ISCC) Lead Auditor Training Courses and Social Auditing Training by RSPO at Bangkok. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and

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community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

#### **Kelvin Lim Kok Wei – Team member**

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He attended internal RSPO training in May 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Device auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues. During this assessment he assessed social aspects.

**Accompanying Persons:** Suniljit Singh

## Section 3 Assessment Findings

### 3.1 Details of audit results are provided in the following Appendix:

- RSPO P&C 2013 Summary of Findings – Appendix A
- Time Bound Plan – Section 3.2 below.
- RSPO Supply Chain Certification Report – Appendix F

### 3.2 Progress against Time Bound Plan

Kulim (Malaysia) Berhad has disposed interest in New Britain Palm Oil Ltd in 2014. Kulim (Malaysia) Berhad previously managed the Tunjuk Laut Palm Oil Mill and Supply Base but since October 2013 this has been leased to third party operator (Awan Timur Resources) and Kulim (Malaysia) Berhad no longer manages the operations. Siang Estate previously supplies FFB to Siang Palm Oil Mill which was previously certified under Johor Corporation and now managed by third party. It is not within Kulim (Malaysia) Berhad's management control. Pasir Panjang Palm Oil Mill was under Johor Corporation, and acquired under Kulim (Malaysia) Berhad through Mahamurni Plantations Sdn Bhd in 2012. At the same time Kulim (Malaysia) Berhad has acquired Pasir Panjang Palm Oil Mill through Mahamurni Plantation Sdn Bhd in 2012. Pasir Panjang Palm Oil Mill enter time bound plan as per "work plan Kulim / Jcorp estate" document and due for certification in 2016. All Jcorp estate which now supplied to third party managed mill (Tunjuk Laut Palm Oil Mill) will also enter RSPO Certification under Pasir Panjang Palm Oil Mill in 2016 as as per" work plan Kulim / Jcorp estate " document. However due to new restructuring starting 1st January 2015, seven (7) estate will be under Kulim (Malaysia) Berhad namely Kuala Kabong, Ulu Tiram, Basir Ismail, REM, Labis Bahru, Mutiara and Sungai Sembrong. All other operating unit will be under Mahamurni Plantation Sdn. Bhd.

Kulim (Malaysia) Berhad has 100% ownership in Mahamurni Plantations Sdn Bhd. Mahamurni Plantations Sdn Bhd have 3 palm oil mills i.e.: Sedenak Palm Oil Mill, Palong Palm Oil Mill, and Pasir Panjang Palm Oil Mill. Mahamurni Plantations Sdn Bhd also has 9 estates: Sedenak Estate, Sungai Papan which supply to certified Sedenak Palm Oil Mill; Mungka Estate, Kemedak Estate, Palong Estate, Ladang UMAC which supply to certified Palong Palm Oil Mill; Rengam Estate supply to certified Sindora Palm Oil Mill. Pasir Panjang Estate will supply to Pasir Panjang Palm Oil Mill, which due for certification by 2016.

Kulim (Malaysia) Berhad has 100% ownership in Kulim Plantations Sdn Bhd. Kulim Plantations Sdn Bhd has Tereh Palm Oil Mill and 2 estates i.e. Tereh Utara Estate and Tereh Selatan Estate which supply to certified Tereh Palm Oil Mill.

Kulim (Malaysia) Berhad has 100% ownership in Selai Sdn Bhd. Selai Sdn Bhd has Selai Estate and Enggang Estate, both supply to certified Tereh Palm Mill Oil Mill. Kulim (Malaysia) Berhad has 100% ownership in Sindora Berhad. Sindora Berhad has Sindora Estate supplying to certified Sindora Palm Oil Mill. Sungai Tawing Estate supplying to certified Tereh Palm Oil Mill. Kulim (Malaysia) Berhad has 94.49% ownership in Kumpulan Bertam Plantations Berhad. Kumpulan Bertam Plantations Berhad has Sepang Loi Estate supply to certified Palong Palm Oil Mill. Kulim (Malaysia) Berhad itself has 7 estates: Basir Ismail Estate, Ulu Tiram Estate, Kuala Kabong Estate supply to certified Sedenak Palm Oil Mill; Sungai Sembrong Estate and Mutiara Estate supply to certified Tereh Palm Oil Mill; REM Estate will supply certified Sindora Palm Oil Mill; Labis Bahru Estate supply to certified Palong Palm Oil Mill.

BSi concludes that Kulim (Malaysia) Berhad has completed all of the commitments of its Time Bound Plan that relate to company owned and managed Palm Oil Mills and Estates. The progress with the Pasir Panjang Certification planned will be followed up. During the ASA1:

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan for Pasir Panjang Palm Oil Mill is acceptable because the company just took over the management control.

Kulim (Malaysia) Berhad has recently purchased a property in Indonesia and undergone the RSPO NPP process to develop the land for oil palm. At the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings.

BSI considers that Kulim (Malaysia) Berhad complies with the RSPO requirements for Partial Certification rules.

### 3.3 Details of findings

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1123523M1	<p><b>Requirements:</b></p> <p>2.1.1 Evidence of compliance with legal requirements.</p>	Major
	<p><b>Evidence of Nonconformity:</b></p> <p>Local exhaust ventilation system at the mill was not examined and tested by registered hygiene technician as required by Regulation 17. USECHH 2000 Engineering control equipment.</p> <p>There were no chemical exposure monitoring conducted for Crystalline Silica, Quartz (TWA: 0.1 mg/m3) to ascertain the adequacy of current control measures and requirement for medical surveillance. The requirement is in accordance to Regulation 26(1) of USECHH 2000. The fertilizer used sample was Egyptian Rock</p>	



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	Phosphate.	
	<p><b>Statement of Nonconformity:</b>          No inspection and approval by hygiene technician for the local exhaust ventilation system.          Legal compliance review was not effectively implemented.</p>	
	<p><b>Corrective Action:</b>          Sedenak Palm Oil Mill to engaged registered hygiene technician to conduct the exhaust ventilation system assessment. To study to replace N-hexane (schedule 1) to alternative chemical such as ISO octane for laboratory usage.          1) Estate had done special management meeting on 13/11/2014. It is to discuss the appropriate action plan and appoint person in charge. The meeting was documented.          (2) Sedenak Palm Oil Mill and Ulu Tiram Estate liaised with KSTS conducted medical surveillance on workers who exposed to Crystalline Silica, Quartz. Report No. CEM/1114/001 dated 13/11/2014. Local exhaust ventilation system at the mill was examined and tested by registered hygiene technician on 13/11/2014.          (3) Ulu Tiram Estate conducted special training on fertilizer application that have Crystalline Silica, Quartz compound.          (4) Provide appropriate PPE (e.g. double respirator) for workers that exposed to Crystalline Silica, Quartz.</p>	
	<p><b>Status:</b>          The nonconformity was closed on 10 January 2015.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1123523M2	<p><b>Requirements:</b>            4.7.1 All operations have been risk assessed and documented</p>	Major
	<p><b>Evidence of Nonconformity:</b>            Based on the HIRARC Control Procedure Revision No 1; Dated: 20<sup>th</sup> Nov, 2009. Under 8. HIRARC Review. 4) Any accident or incident occurring within the estate or company. However for the all 7 work-related cases of accidents in 2013 and 8 work-related cases of accidents in 2014 to date. There were no evident of review made. For e.g. Baiq Rahaida; Date &amp; Time of Incident: 25<sup>th</sup> June, 2014; Fell from motorcycle and Jamilah Binti Idroo; Date &amp; Time of Incident: 27<sup>th</sup> June 2014</p>	
	<p><b>Statement of Nonconformity:</b>            The risk assessment procedure was insufficiently implemented.</p>	
	<p><b>Corrective Action:</b>            (1) Ulu Tiram Estate and KSTS to review HIRARC for all accident, incident and nearly miss cases occurred.            (2) The new improvement plan documented and implemented.</p>	
	<p><b>Status:</b>            The nonconformity was closed on 10 January 2015</p>	

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<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	4.7.1 At Sedenak Palm Oil Mill, HIRARC was updated on Aug 2014. Review of the hazard identification and risk analysis for the maintenance job to be further elaborated as 3 accidents recorded in the 2014.
2	4.6.3 At Ulu Tiram Estate, the storage area for the empty container of pesticide which deems to be used for spraying purpose to be properly secure to prevent any misuse.
3	6.2.3 At Ulu Tiram Estate, the stakeholder list has been updated on 2014 and the government agency such as DOSH, DOE and JKR to be updated in the list as they was part of the stakeholder for the Ulu Tiram estate.
4	4.7.1 At Ulu Tiram Estate, the first aid kit items usage should be monitored to track the type and number of accidents.
5	4.7.1 At Ulu Tiram Estate, the CHRA should be further reviewed on the Welding Activities conducted in the farm.

<b>Positive Findings</b>	
<b>PF #</b>	<b>Description</b>
1	The management has demonstrated positive commitment on the assessibility and availability on document requested.
2	Communication and awareness among the field employees on OSH matters positively evidence.

<b>Issues raised by Stakeholders</b>	
<p>Internal and external stakeholders were consulted to obtain their views on Kulim’s environmental and social performance and any issues of concern that they may have. Annual Assessment was conducted and External stakeholders were contacted by email and telephone to arrange meetings where practical and to seek their views on the environmental and social performance of the Mill and supply base. External stakeholders were interviewed at their premises where practical or they were invited to the Mill or the Estate. Internal stakeholders were interviewed in groups in the workplace or at their housing. Company officers were not present at any of the meetings. A list of stakeholders contacted is included at Appendix E.</p>	
<b>IS #</b>	<b>Description</b>
<b>1</b>	<p><b>Issues:</b>            Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.</p>
	<p><b>Management Responses:</b>            The management treat all employees equally and no discrimination.</p>
	<p><b>Audit Team Findings:</b>            No disputes were highlighted by foreign workers interviewed during field visit.</p>
<b>2</b>	<p><b>Issues:</b></p>

	Contractors: Contractors confirm payment is prompt as per agreed contract.
	<b>Management Responses:</b> Payment is made as per the agreed terms.
	<b>Audit Team Findings:</b> No other issues
<b>3</b>	<b>Issues</b> Workers union secretary: No pending disputes or any wage issues. Company follow the NUPW/MAPA agreement and minimum wage requirement.
	<b>Management Responses:</b> Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.
	<b>Audit Team Findings:</b> No disputes were raised by workers interview with them which indicate that the freedom to join union and procedure to voice out grievances is implanted

**3.3.1 Status of Nonconformities Previously Identified and Observation**

All the previous nonconformities followed up and remain closed. The minor nonconformity was followed up. The corrective action plans effectively implemented. The details as follows:



Non-Conformity		
NCR #	Description	Category (Major / Minor)
<b>(CR08)</b>	<b>Requirements:</b> Indicator 4.3.2 – Avoid or minimise bare or exposed soils within estates.	<b>Minor</b>
	<b>Evidence of Nonconformity:</b> Bare ground noted at Kuala Kabong Estate	
	<b>Statement of Nonconformity:</b> At Kuala Kabong Estate, because inspection of field conditions and observation of spraying operations indicated overspraying that was affecting groundcover vegetation, such as on frond stacks along the palm inter-row.	
	<b>Action:</b> The minor nonconformity was closed during the last assessment. During the ASA1 it was followed up and noted that all the sampled estates adhere to the guidelines stipulated in Kulim’s Agricultural Manual (Weed Management). Herbicide applicators understand the spraying techniques such as technique for different spraying equipment, type of chemical used and woody plants that need to be sprayed, accuracy of chemical dosage to be used.  Monitoring and inspection conducted during and after spraying by supervisor and mandor. BSi considers the company has implemented the corrective actions.	
	<b>Status:</b> The minor nonconformity remains closed since last recertification assessment 25/1/2014.	

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Observation	
OBS #	Description
1	<p>4.6.5 Nonconformity was initially assigned because Annual CHRA Medical Surveillance had not been carried out for pesticide operators at Basir Ismail Estate. However, the Estate immediately arranged for all pesticide operators to undergo medical surveillance and objective evidence was provided that the surveillance was carried out 3 December 2013 for 44 workers (list of names supplied) by Dr Muzaffar Salim, Medini Occupational Health Services, Johor Baru.</p> <p>ASA 1 Action: The operating unit has taken appropriate action and implemented.</p>
2	<p>5.1.1 The Aspects and Impacts Register for the Mill and Estates was reviewed in August 2013. The mill has processed a record tonnage of FFB in 2013 year to date and an improvement would be to review the environmental risks for the waste handling systems following completion of the peak crop period.</p> <p>ASA1 Action: The operating unit has taken appropriate action and implemented.</p>
3	<p>5.6.3 Kuala Kabong Estate has been monitoring peat subsidence at 6 locations since January 2012. Now that the Estate has two years of records, an improvement would be to periodically review the subsidence monitoring data against the corresponding water level monitoring data to assess the effectiveness of the water management program.</p> <p>ASA1 Action: The operating unit has taken appropriate action and implemented.</p>

**3.3.2 Summary of the nonconformities and status**

CAR Ref.	CLASS	ISSUED	STATUS
CR02	Minor	24/07/2008	Closed on 21/01/2010
CR03	Minor	27/07/2008	Closed on 21/01/2010
CR08	Minor	10/12/2013	Closed on 25/01/2014
CR09	Major	11/12/2013	Closed on 25/01/2014
1123523M1	Major	12/11/2014	Closed on 10/01/2015
1123523M2	Major	12/11/2014	Closed on 10/01/2015

<b>Assessment Conclusion and Recommendation:</b>	
<p>It is concluded that Sedenak Certification Unit and supply base complies with the RSPO P&amp;C 2013, Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (Nov 2011) for CPO Mill. It is recommended that the certification of Sedenak Certification Unit is approved and continued.</p>	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<p><b>Name:</b> Madam Azmariah Muhamed</p>	<p><b>Name:</b> A. Senniah</p>
<p><b>Company name:</b> Kulim (Malaysia) Berhad</p>	<p><b>Company name:</b> BSI Services Malaysia Sdn Bhd</p>
<p><b>Title:</b> Head of Sustainability Department</p>	<p><b>Title:</b> Lead Auditor</p>
<p><b>Signature:</b> </p>	<p><b>Signature:</b> </p>

**Appendix A: Summary of the Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.	Complied
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> - Major compliance –	Publicly available management documents covers Land titles, OHS plans, EIA, SIA, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator.  RSPO Public summary reports are publicly available on request at each certification unit and at the head office.	Complied
<b>Criteria 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Group Policy committing to a code of ethical conduct and integrity available. This has been documented and communicated with employees.	Complied

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<b>Principle 2: Compliance with applicable laws and regulations</b>			
<b>Criterion 2.1:</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and head office sustainability team. However, at Sedenak Palm Oil Mill Local exhaust ventilation system at the mill was not examined and tested by registered hygiene technician as required by Regulation 17. USECHH 2000 Engineering control equipment. There were no chemical exposure monitoring conducted for Crystalline Silica, Quartz (TWA: 0.1 mg/m <sup>3</sup> ) to ascertain the adequacy of current control measures and requirement for medical surveillance. The requirement is in accordance to Regulation 26(1) of USECHH 2000. The fertilizer used sample was Egyptian Rock Phosphate. Refer to nonconformity: 1123523M1	Non Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements.	Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, sustainability team, OHS Department and head office audit Department.	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.	Complied
<b>Criterion 2.2:</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land title and land lease documents is available. There is no change in the land ownership. All the land belongs to Kulim (M) Berhad.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside the Sedenak Estate and sharing the estate boundary.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied

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2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.	Complied
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied



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2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Complied
<b>Principle 3: Commitment to long-term economic and financial viability</b>		
<b>Criterion 3.1:</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Complied
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Complied
<b>Principle 4: Use of appropriate best practices by growers and millers</b>		

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.1:</b> Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	Palm Mill holds SOP: Mill Operation Manual includes mill SOP and work instruction as a guidance document to operate the mill. Estates have a separate SOP and Estate Manual) covers land preparation, planting material, upkeep, harvesting, transport etc.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Mill advisor and plantation Inspector make regular visit to evaluate the performance of the mill and estates. General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators.	Complied
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	The records of monitoring and the actions taken maintained for more than 12 months. Records were verified during the document review found compliance.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Sedenak Palm Oil Mill weighbridge clerk verify and record third party FFB purchased by the mill.	Complied
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good Agriculture Practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizer recommendation dated May 2014/2015 was checked. Application records match the recommendation. Fertilizer application records are available in the field costing book verified and found to be compliance.	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation.	Complied
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	EFB application only applied to selected fields. Average about 40mt/ha EFB applied. POME application is carried out at fields near to the mill. Zero burning is carried out during replanting through chipping and residues applied back to field.	Complied
<b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	All the estates hold copies of soil map. Soil maps and field visit confirm that there is no fragile soil on the estates.	Complied

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4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as <i>muccuna</i> and soft grasses and ferns.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates visited have implemented annual Road Maintenance Programme. Roads inspected during field audit are generally in a good condition due to the lateritic soil. Road maintenance carried out internally with grader and compactor. Road maintenance includes road grading, laterite re-surfacing wherever necessary, road side drain upkeep, culvert upkeep, road side silt pits construction etc. Monthly progress records are prepared and sent to head office. Mill has constructed concrete road leading to the mill.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no replanting on peat soil at the moment.	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
<b>Criterion 4.4:</b>			
Practices maintain the quality and availability of surface and ground water.			
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	Water quality of outgoing waters to identify any adverse effect from the mill and estate activities. The laboratory analysis results indicate (Test Report No.: W/1311) all the specifications are within the permitted limit such as BOD below 100mg/l.  There is an Integrated Water Management Plan which has been implemented. The plan takes into account the efficient use of resources, ensure amongst other that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent.	Complied
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Both estates assessed has prepared map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection confirmed that the buffer zone beside the stream has been demarcated clearly and maintained.	Complied

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4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Complied
<b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Complied
<b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment		
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Complied
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Complied

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4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Kulim's Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.	Complied
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	At the time of assessment there were no class 1a or 1b pesticides. Alternatives such as Glyphosate were used to minimise the use of Paraquat which used only for specific situation such as during replanting.	Complied
4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipments and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied
4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Agrochemical containers recycled for premix agrochemical.	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified through agronomist advisory.	Complied
4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying.	complied
4.6.9 Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders. Employees demonstrate knowledge and skills on pesticide handling. MSDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as a Work Instruction on safe handling for the easy understanding of the agrochemical handlers	Complied

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4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management dispose waste material as per regulation for schedule waste and domestic waste.	Complied
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Annual medical surveillance carried out for all operators as per CHRA. Based on the Medical Surveillance from Kulim Safety Training and Services Sdn. Bhd. Dated 25 <sup>th</sup> May, 2014 the Medical Surveillance was conducted for 19 employees from 5 work stations from Sprayer, Mandore, Field Supervisor, Fertilizer, Workshop / Foreman. The surveillance covers the blood test, urine microscopy, lung function test and biological monitoring for pesticides / organophosphates. In addition sprayers monthly medical examination report was sighted conducted on 18 <sup>th</sup> Sept, 2014 & 16 <sup>th</sup> Oct, 2014.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female pesticide operators. However, interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding.	Complied
<b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
4.7.1	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -	Approved Group Health and Safety Policy dated since 2008 is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office.	Complied
4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -	The Mill HIRAC was reviewed for each of the workstations and was last updated July 2014. CHRA dated May 2013 valid for five years conducted by DOSH approved assessor with license number JKPP HIE 127/171-2(154). However, the risk assessment was insufficiently implemented. Refer to Nonconformity reference: 1123523M2.	Non Compliance
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -	Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations. Training records were verified.	Complied

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4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -	Assistant manager at each of the operating units are appointed as OSH Coordinators. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken.	Complied
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	Accident and emergency procedures available and communicated to employees, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKPP 6 & 8 forms. There were a total of 11 reported accidents to Department of Safety and Health (DOSH) as reflected in the JKPP 8. The lost time injury detailed were ranging from 1 to 3 days. No major injury occurred.	Complied
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care is provided to all the employees. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme by Berjaya Sampo Insurance valid until 12/1/2015).	Complied
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics displayed at the operating units and reported to head office. Zero fatal accident was recorded. Common minor injury such as thorn prick records at clinic verified. The lost time injury detailed were ranging from 1 to 3 days. No major injury occurred.	Complied
<b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied.	Complied
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained. Records verified on sampling basis at the Mill and estates visited covers all aspect of training and RSPO P&C.	Complied
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>			
<b>Criterion 5.1:</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Kulim Sustainability Team worked with representatives from each Mill and Estate at the Training Centre in August 2014 to review the Environmental Aspects and Impacts Register (Form No.: EPA-SINPOM-2014). This involved conducting a re-assessment for each of the significant risks.	Complied

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5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	The continuous implementation of the improvements activities were checked during the field and document audit. Examples of the improvement include reinstatement of riparian buffer zones, construction of oil traps, management of schedule waste etc. The responsible person is the Assistant Manager.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.	Complied
<b>Criterion 5.2:</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.			
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	The initial HCV assessment was conducted in 2007 by consultant. Since then annual review of the HCV and management and monitoring plans are conducted. There was an appropriate consultation process for identification, management and monitoring of HCVs.	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	There were no RTE within the estate but endangered species such as elephant was sighted at the estate boundary adjacent to state forest. Estate has taken steps to inform the Department of Wildlife and National Park which conduct regular visit to the site. Kulim is also continue to support the Kulim Wildlife Defenders Program to detect illegal hunters and handing them to regulatory departments for further action.	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain conservation areas.	Complied



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<b>5.2.4</b> Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> - Minor compliance -	Management plans were established and monitoring outcomes were reviewed by the estate managers. Ongoing monitoring of the management plan on the status of HCV available. HCV monitoring of monthly record until November was available and animal such as wild boar, snake, monkey, and elephant was still sighted. The elephant sighting was reported to the Department of Wildlife and National Park	Complied
<b>5.2.5</b> Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There was no HCV set-aside that needs any negotiation process with the local communities.	Complied
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
<b>5.3.1</b> All waste products and sources of pollution shall be identified and documented. - Major compliance -	Documented identification of all wastes were reflected in the Waste Management Plan.	Complied
<b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose.	Complied
<b>5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector. The company has continued managing scheduled waste stores at the mill and each of the estates. Agrochemical containers are triple rinsed and punctured to avoid any misuse.	Complied
<b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.		
<b>5.4.1</b> A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	The mill production output records and the renewable energy used were monitored monthly. The Mill monitors and reports energy usage monthly to head office through monthly report. The company has optimized the use of renewable energy. The energy usage varies depending on the FFB supplied by the estates. During low crop there is a slight increase in use of diesel fuel for processing. Monitoring of fuel used is based on per Mt of CPO. Average 8% of fiber used per month combining with 6% of shell as renewable energy source.	Complied
<b>Criterion 5.5:</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		

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<b>5.5.1</b> There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per Group SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted during the field visit and facility visit.	Complied
<b>5.5.2</b> Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting.	Complied
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
<b>5.6.1</b> An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Smoke emission quality test at the mill was done every 6 month in accordance to the Environmental Quality Regulation. Kuala Kabong Estate have peat land. Water management in peat and monitoring of peat subsidence are in place. Based on the review result Management Action Plans are developed and implemented as part of continuous improvement. The review includes the gaseous emissions, particulates emission and effluent.	Complied
<b>5.6.2</b> Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented. Implementation and monitoring of GHG emissions is carried out.	Complied
<b>5.6.3</b> A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE.	Complied
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</b>		
<b>Criterion 6.1:</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
<b>6.1.1</b> A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Sedenak operating unit social impact assessment was reviewed annually by taking into consideration the feedback from stakeholders. Latest review was conducted on 19 August 2014 and social action plan is developed based on feedback received from external and internal stakeholders. Record of meeting with attendance list and minute of meeting are available as attachment. Latest meeting was conducted on 17 June2014 and 25 September 2014.	Complied

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<b>6.1.2</b>	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	As per Kulim's Group System, the assessment covered social amenities, environment, road users, employee changes, and safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers. Record of meeting with attendance list and minute of meeting are available as attachment.	Complied
<b>6.1.3</b>	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Based on the SIA findings and recommendation from the consultant, a timetable with responsibilities for mitigation and monitoring of the social impacts were developed and reviewed as necessary. The assistant manager is responsible for the social issues and communication with the stakeholders.	Complied
<b>6.1.4</b>	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Annual SIA improvement plans reviewed yearly. The assessment was through meeting with the effected parties and stakeholders.	Complied
<b>6.1.5</b>	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Sedenak Certification Unit.	Complied
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
<b>6.2.1</b>	Consultation and communication procedures shall be documented. - Major compliance -	Documented consultation and communication procedures "Grievance Procedures" SOP was established and available since 2008.	Complied
<b>6.2.2</b>	A management official responsible for these issues shall be nominated. - Minor compliance -	The responsibility to ensure effective implementation of the SOP is the respective Mill and Estate Managers assisted by assistant managers. These executives of the respective operating unit handle social issues of the mill and estates.	Complied
<b>6.2.3</b>	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	Stakeholder list has been updated in the 9/11/2014 including all the stakeholders with the contact persons and detail which include government agency NGO, supplier, and contractor. Several internal and external stakeholders have been conducted separately with different stakeholder. i.e. Latest meeting at Ulu Tiram Estate was on 6 November 2014.	Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
<b>6.3.1</b>	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate which is effective, timely, and appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.3.2</b> Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	SOP to resolve social disputes "Grievance Procedures" SOP dated since 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings. Follow-up actions had timelines, responsibilities, and details of actions and monitored by managers for satisfactory conclusion. Minutes of meetings are maintained and reviewed.	Complied
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
<b>6.4.1</b> A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
<b>6.4.2</b> A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.3.2 above.	Complied
<b>6.4.3</b> The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
<b>6.5.1</b> Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and conditions such as pay slips, shows gross pay, net pay, leave, medical leave pay etc are maintained by the company. Minimum wage is paid to workers and no complaint was received during interview with workers.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.5.2</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Employment contract are available and understood by workers. This was confirmed during the workers interview. Pay and conditions explained to workers by the operating units. Basic daily pay was verified to be in accordance with the minimum wage payment.	Complied
<b>6.5.3</b> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance -	Palm Oil Mill and estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose.	Complied
<b>6.5.4</b> Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance -	Accesses to food for the workers are considered adequate and sufficient. This was confirmed by workers during interview.	Complied
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
<b>6.6.1</b> A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated since 2008.	Complied
<b>6.6.2</b> Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Worker Union was formed by the workers. Union meeting has been conducted mostly on ad-hoc basis and informal way. Formal meeting was on 7/9/2014, 23/6/2014 and 14/3/2014. No major issue has been brought up during the union members' consultation by the audit team.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.		
<b>6.7.1</b> There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Operating units are complied with the minimum age requirement. No employees below the age of 18 noted based on the employees registration and field verification.	Complied
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
<b>6.8.1</b> A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	A policy on equal opportunity available and displayed at the offices along with the other policies.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.8.2</b> Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 3 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
<b>6.8.3</b> It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.		
<b>6.9.1</b> Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on protection against Sexual Harassment and other forms of harassment available and implemented. There is no any reported case of harassment in the operating units.	Complied
<b>6.9.2</b> A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave. Last gender committee meeting was held on 4/1/2014 with no major issues and discussion on social activities.	Complied
<b>6.9.3</b> A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Existing grievance procedure to handle grievances from internal and external stakeholders contains flow chart and available in the local language. Grievances and complaints are treated as confidential and not discussed in public.	Complied
<b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.		
<b>6.10.1</b> Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Pricing mechanism for FFB is based on Malaysian Palm Oil Board pricing published in the MPOB website and publicly available.	Complied
<b>6.10.2</b> Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	The palm oil mill management have explained FFB pricing, and pricing mechanisms for FFB and inputs/services and documented. The FFB suppliers interviewed understand the pricing calculation methods.	Complied
<b>6.10.3</b> Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Interview confirmed that contractors/suppliers and workers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>6.10.4</b>	Agreed payments shall be made in a timely manner. - Minor compliance -	Interview of contractors and workers confirmed payment is made promptly. Inspection to the "Grievance Book" indicated no complaint was raised in relation to processing of the payment. Check on 1 of the contractors' agreement that provide contract work on the estate- dated 24/2/14. The Invoice of the work dated 30/9/14 and payment was done on the 7/10/14 and this was done according to the agreement term and the amount of payment was according to the invoices. Verified on the Contract work progress payment form.	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			
<b>6.11.1</b>	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	Contributions are regularly made to school activities and community activities. This was confirmed by school teachers and local community during interview. Company also allow access to local community to access through the estate roads. Consultations with the local communities are held to encourage them to highlight and suggest any activities for local community development	Complied
<b>6.11.2</b>	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholders.	Complied
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			
<b>6.12.1</b>	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	All employees are legal with local identification card for local employees and foreign employees are with valid passports and working permits. No evident of trafficked workers were found during the audit.	Complied
<b>6.12.2</b>	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract substitution was noted.	Complied
<b>6.12.3</b>	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
<b>Criterion 6.13:</b> Growers and millers respect human rights.			
<b>6.13.1</b>	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The existing policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	Complied
<b>Principle 7: Responsible development of new plantings</b> Sedenak Certification unit and supply base did not carry out any new plantings after Nov 2005. Therefore, the requirement of Principle 7 is not applicable during this recertification assessment.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p><b>8.1.1</b> The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);               <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>Similar to last assessment use of paraquat is only for specific situations such as during replanting and in the immature area. Environmental impacts of the operations were identified and reviewed periodically. Environmental Impact Management details the impact mitigation measures and actions required to improve environmental performance for the identified significant impacts. FFB yield is optimised.</p>	<p>Complied</p>



**Appendix B: Kulim (Malaysia) Berhad Time Bound Plan**

<b>TIME BOUND PLAN – Certification Units in Malaysia</b>		
<b>No.</b>	<b>MANAGEMENT UNIT</b>	
	<b>P O M</b>	<b>Time Bound</b>
1	Sindora Palm Oil Mill	Certified 2009
2	Sedenak Palm Oil Mill	Certified 2009
3	Tereh Palm Oil Mill	Certified 2009
4	Palong Palm Oil Mill	Certified 2009
5	Pasir Panjang Palm Oil Mill	Certified 2016

**Appendix C: Kulim (Malaysia) Berhad – Sedenak Certification Unit RSP0 Certificate Details**

Kulim (Malaysia) Berhad  
 Sedenak Palm Oil Mill,  
 KB 705,  
 80990 Ulu Tiram, Johor Bahru,  
 Johor, MALAYSIA

BSI RSP0 Certificate No: SPO 537873  
 Date of Initial Certificate Issued: 23 January 2009  
 Date of Expiry: 22 January 2019  
 RSP0 membership number: 1-0006-04-000-00  
 Applicable Standards: RSP0 P&C 2013; RSP0 Certification System June 2007 (revised March 2011); Annex 4: Procedures for Annual Surveillance; RSP0 P&C MY-NIWG 2010; RSP0 Supply Chain Certification Standard November 2011 Module E - CPO Mills: Mass Balance

Sedenak Palm Oil Mill and Supply Base					
Location Address		Sedenak Palm Oil Mill, K.B 721, 80990 Johor Bahru, Johor, Malaysia.			
GPS Location		Longitude: 103° 32' 17.96" E Latitude: 1° 43' 51.08" N			
CPO Tonnage Total		41,474			
PK Tonnage Total		11,183			
CPO Claimed for Certification		41,474			
PK Claimed for Certification		11,183			
Own estates FFB Tonnage		203,707			
Scheme Smallholder FFB Tonnage		-			
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)		-			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Sedenak Estate	2,644	0	232	2,876	62,220
Ulu Tiram Estate	324	214	82	620	7,933
Kuala Kabong Estate	1,640	0	86	1,736	38,965
Basir Ismail Estate	1,805	842	570	3,217	42,379
Sungai Papan Estate	2,213	620	189	3,022	52,210
<b>TOTAL</b>	<b>8,626</b>	<b>1,676</b>	<b>1,159</b>	<b>11,471</b>	<b>203,707</b>

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**Appendix D: Assessment Plan**

Date	Time	Subjects	Senniah	Kelvin	Muhd Harris
Monday 10/11/2014	08.30 – 09.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	√	√
	09.00 – 12.00	Sedenak Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Sedenak Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30-17.00	Interim Closing briefing.	√	√	√
Tuesday 11/11/2014	08.30 – 12.00	Sungai Papan Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	09.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Sungai Papan Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Briefing	√	√	√
Wednesday 12/11/2014	8.30 – 12.00	Ulu Tiram Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.00	Ulu Tiram Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.00-17.00	Verify any outstanding issues and preparation for Closing Meeting	√	√	√
	17.00-18.00	Closing Meeting	√	√	√

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <p>Managers and Assistants  Male Mill Staff/Workers  Female Mill Staff/Workers  Foreign Worker  Field workers  Nursery workers  Male and Female Estate workers  Hospital Assistant  Union Representatives  Gender Committee Secretary  Boiler operators  Engine room operators  Store clerk  Staff and Welder at workshop  Press station worker  Weighbridge Staff</p>	<p><b>External Stakeholders</b></p> <p>Head of the Village  Neighbouring Estate  Mosque Committee  Contractors &amp; Consultants  Electrical Contractor  General Supplier</p>
<p><b>Government Departments</b></p> <p>Labour Department  Department of Safety and Health (DOSH)  Department of Wildlife and National Parks (Johor)</p>	<p><b>Non Governmental Organisation</b></p> <p>National Union of Plantation Workers  All Malaysia Estate Staff Union  Sahabat Alam  GreenPalm</p>

**Appendix F: Sedenak Palm Oil Mill Supply Chain Assessment (Module E – CPO Mills: Mass Balance)**

<b>Requirements</b>	
<b>E.1. Documented procedures</b>	
E.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Mass Balance (MB) supply chain requirements.	Sedenak Palm Oil Mill has procedures for the traceability with Mass Balance model covering certified and non-certified FFB received. The mill managers and assistant manager have the responsibility to ensure implementation.
E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Sedenak Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
<b>E.2. Purchasing and goods in</b>	
E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
E.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
<b>E.3. Record keeping</b>	
E.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit. .
E.3.2 Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years and financial documents retained longer based on the local regulation requirement.
E.3.3 (a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. No PKO and Palm kernel meal at these sites.
E.3.3 (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Computerized system in place with the delivery deducted accordingly.
E.3.3 (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	The Mill aware that only positive stock can be delivered. No short selling.
E.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	Sedenak Palm Oil Mill use Mass Balance model and will indicated on the relevant documents once certified.
E.3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing activities.
<b>E.4. Sales and goods out</b>	
E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the	System in place with the present documents as below:

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following information	
(a) The name and address of the buyer	Name and address of buyer written on the invoice.
(b) The date on which the invoice was issued	Date is written on the invoice.
(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)	Product description is written. Mass balance model is written.
(d) The quantity of the products delivered	Quantity in tonnes.
(e) Reference to related transport documentation	Weighbridge documents and delivery document includes all the transport references.
<b>E.5. Training</b>	
E.5.1 The facility shall provide the training for all staff as required implementing the requirements of the Supply Chain Certification Systems.	Executive and Staffs in the weighbridge, stock control, storage and processing, document control have attended training conducted by the sustainability department.
<b>E.6. Claims</b>	
E.6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	No claims have been made.

**Actual Certified Palm Production – Nov. 2013 – Oct. 2014 (Recertification)**

MILL	CAPACITY	CPO	PK
Sedenak Palm Oil Mill	90mt/hr	41,051	10,994

**Actual Sales of Certified Palm Products – Nov. 2013 – Oct. 2014 (Recertification)**

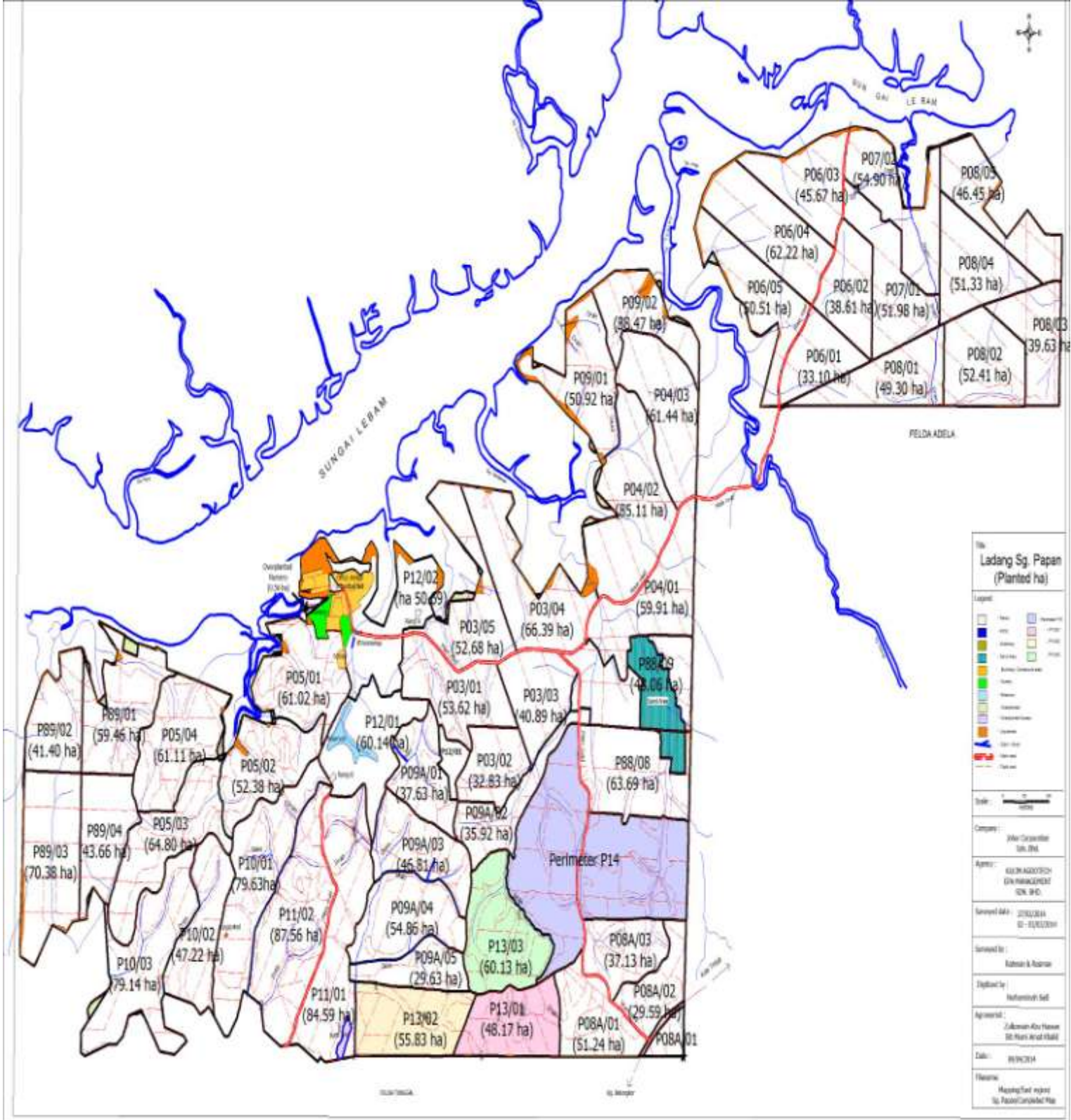
MILL	Certified CPO Sales	Certified PK Sales	Remarks
Sedenak Palm Oil Mill	201.16mt (Confirmed sales through eTrace at the time of assessment)	NIL	Sales of certified palm products in eTrace

**Actual Certified FFB Received Monthly – Nov. 2013 – Oct. 2014 (Recertification)**

Month	Sedenak	Ulu Tiram	Kuala Kabong	Basir Ismail	Sg. Papan	Total FFB/Month
Nov. 2013	5113	677	3411	4316	4876	18393
Dec. 2013	4550	678	3057	3858	4417	16560
January 2014	4155	620	2496	3314	3791	14376
February 2014	3456	460	2076	3171	3532	12695
March 2014	4262	480	2846	3546	4293	15427
April 2014	4591	610	2494	3603	4535	15833
May 2014	4460	630	2807	3116	5121	16134
June 2014	4938	601	3342	3104	4466	16451
July 2014	5338	598	3610	4191	4952	18689
August 2014	6482	637	4167	4526	5617	21429
Sept. 2014	5655	668	3926	3967	4665	18881
Oct. 2014	5466	711	3557	3801	826	14361
Total	58466	7370	37789	44513	51091	199229



**Appendix I: Sg. Papan Estate Field Map**





**Appendix J: List of Abbreviation Used**

ASA1	Annual Surveillance Assessment 1
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
PK	Palm Kernel
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure