

## **RSPO – 2<sup>nd</sup> Annual Surveillance Assessment (ASA2) Public Summary Report**

<p>Company Name <b>Kulim (Malaysia) Berhad</b> K.B. 705, Ulu Tiram Estate, 80990 Ulu Tiram, Johor, Malaysia</p>
<p>Certification Unit: <b>Palong Palm Oil Mill and Supply Base</b> KB 504, 85009 Segamat, Johor, Malaysia</p>

**TABLE of CONTENTS**

**Page N°**

<b>SECTION 1: Scope of the Annual Surveillance Assessment.....</b>	<b>3</b>
1. Company Details.....	3
2. RSPO Certification Information & Other Certifications.....	3
3. Location(s) of Mill & Supply Base.....	3
4. Description of Certified Supply Base.....	4
5. Plantings & Cycle.....	4
6. Certified Tonnage FFB.....	4
7. Non-Certified Tonnage FFB.....	5
8. Certified Tonnage FFB, CPO & PK.....	5
<b>SECTION 2: Assessment Process.....</b>	<b>5</b>
Certification Body.....	5
Assessment Methodology, Programme, Site Visits.....	6
Assessment Program.....	6
Tentative Date of Next Visit.....	6
Total No. of Man-days.....	6
BSI Assessment Team.....	7
Accompanying Person.....	7
<b>SECTION 3: Summary of Assessment Findings.....</b>	<b>8</b>
3.1 Details of audit results.....	8
3.2 Progress against Time Bound Plan.....	8
3.3 Details of Findings.....	9
Non-Conformity.....	9
Observation.....	10
Positive Findings.....	11
Issues raised by Stakeholders.....	11
3.3.1 Status of Non-Conformities Previously Identified and Observations.....	13
3.3.2 Summary of the Nonconformities and Status.....	13
<b>Assessment Conclusion and Recommendation.....</b>	<b>14</b>
<b>Acknowledgement of Assessment Findings.....</b>	<b>14</b>

**List of Appendices**

A	Summary Report of the Assessment
B	Time bound Plan
C	RSPO Certificate Details
D	Assessment Plan
E	Stakeholders Contacted
F	CPO Mill Supply Chain Assessment Report (Module E – CPO Mills: Mass Balance)
G	Mungka Estate Field Map
H	UMAC Estate Field Map
I	List of Abbreviations Use

## Section 1 Scope of the Annual Surveillance 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, Malaysia Certification Unit: Palong Palm Oil Mill, KB 504, 85009 Segamat, Johor, Malaysia.		
<b>Subsidiary of (if applicable)</b>	Not Applicable		
<b>Contact Name</b>	Madam 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. RSPO Certification Information					
<b>Certificate Number</b>	SPO 613087	<b>Original Issued Date</b>	23/01/2009	<b>Expiry Date</b>	22/01/2019
<b>Scope of Certification</b>	Palong Palm Oil Mill and Supply Base (Palong Estate, Mungka Estate, Kemedak Estate, Sepang Loi Estate, UMAC Estate and Labis Bahru Estate)				
Other Certifications					
<b>Certificate Number</b>	Standard(s)	Certificate Issued by		Expiry Date	
MY- AR 1816	ISO 9001 : 2008	SIRIM QAS International Sdn Bhd		10/11/2017	
A43171	MS 1500:2009	Department of Islamic Development Malaysia		01/04/2017	

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Palong Palm Oil Mill	Segamat, Johor, Malaysia.	2° 42' 23.09"	102° 47' 6.04"
Palong Estate	Segamat, Johor, Malaysia.	2° 44' 55.89"	102° 44' 55.52"
Mungka Estate	Segamat, Johor, Malaysia.	2° 41' 15.43"	102° 47' 8.35"
Kemedak Estate	Segamat, Johor, Malaysia.	2° 42' 47.02"	102° 46' 7.28"
Sepang Loi Estate	Segamat, Johor, Malaysia.	2° 41' 32.09"	102° 49' 4.07"
UMAC Estate	Bandar Tun Razak, Johor, Malaysia.	2° 53' 3.31"	102° 48' 23.93"
Labis Bahru Estate	Segamat, Johor, Malaysia.	2° 25' 49.28"	102° 52' 27.92"

<b>4. Description of Supply Base</b>						
<b>Estate</b>	<b>Mature (ha)</b>	<b>Immature (ha)</b>	<b>Total Planted (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Hectarage</b>	<b>% of Planted</b>
Palong Estate	984.93	846.92	1831.85	89.95	1,921.80	95.32
Mungka Estate	1,413.19	315.50	1,728.69	201.76	1,930.45	90.85
Kemedak Estate	1,286.58	405.74	1,692.32	100.92	1,793.24	94.37
Sepang Loi Estate	919.89	0	919.89	83.66	1,003.55	91.66
UMAC Estate	1,549.81	0	1,549.81	62.53	1,612.34	96.12
Labis Bahru Estate	1,711.51	256.07	1,967.58	143.86	2,111.44	93.19
<b>Total</b>	<b>7,865.91</b>	<b>1824.23</b>	<b>9,690.14</b>	<b>682.68</b>	<b>10,372.82</b>	<b>93.67</b>

<b>5. Plantings &amp; Cycle</b>					
<b>Estate</b>	<b>Age (Years) &amp; Ha</b>				
	<b>0 - 3</b>	<b>4 - 10</b>	<b>11 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>
Palong Estate	415.91	1,415.94	0	0	0
Mungka Estate	0	1,501.92	226.77	0	0
Kemedak Estate	0	1,567.41	124.91	0	0
Sepang Loi Estate	0	328.03	591.86	0	0
UMAC Estate	0	751.43	798.38	0	0
Labis Bahru Estate	256.07	510.23	931.20	270.08	0
<b>Total</b>	<b>671.98</b>	<b>6,074.96</b>	<b>2,673.12</b>	<b>270.08</b>	<b>0</b>

<b>6. Certified Tonnage of FFB (Own Certificate Scope)</b>			
<b>Estate</b>	<b>FFB Tonnage / Year</b>		
	<b>Estimated (Nov' 14 – Oct' 15)</b>	<b>Actual (Nov' 14 – Oct' 15)</b>	<b>Forecast (Nov' 15 – Oct' 16)</b>
Palong Estate	16,529	16,553	24,496
Mungka Estate	15,123	25,874	31,659
Kemedak Estate	23,866	22,342	28,486
Sepang Loi Estate	20,754	21,075	22,678
UMAC Estate	33,815	34,544	38,083
Labis Bahru Estate	37,112	35,527	39,847
<b>Total</b>	<b>147,199</b>	<b>155,915</b>	<b>185,249</b>

<b>7. Non-Certified Tonnage of FFB (outside supplier – Excluded from Certificate)</b>			
<b>Independent FFB Supplier</b>	<b>Tonnage / Year</b>		
	<b>Estimated (Nov' 14 – Oct' 15)</b>	<b>Actual (Nov' 14 – Oct' 15)</b>	<b>Forecast (Nov' 15 – Oct' 16)</b>
Eng Huat	50,453	1,3268	6,874
Kim Ma		1,2403	8,257
Unilease		664	239
Hong Bee		665	712
Makin Semarak		35	300
Guan Leng		1,168	1,014
Chandra Brosis		328	0
<b>TOTAL</b>	<b>50,453</b>	<b>28,531</b>	<b>17,396</b>

<b>8. Certified Tonnage</b>									
<b>Mill</b>	<b>Estimated (Nov' 14 – Oct' 15)</b>			<b>Actual (Nov' 14 – Oct' 15)</b>			<b>Forecast (Nov' 15 – Oct' 16)</b>		
	<b>FFB</b>	<b>CPO</b>	<b>PK</b>	<b>FFB</b>	<b>CPO</b>	<b>PK</b>	<b>FFB</b>	<b>CPO</b>	<b>PK</b>
Palong Palm Oil Mill (Capacity: 40mt/hr)	147,199	30,323	8,052	155,915	31,713	7,933	185,249	38,347	10,189

## Section 2 Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
 (ASI Accreditation RSPO-ACC-19)  
 B-08-01(East), Level 8,  
 Block B, PJ8, No. 23  
 Jalan Barat, Seksyen 8,  
 46050 Petaling Jaya, Selangor, Malaysia.  
 Fax: +603-7960 5801  
 Senniah Appalamy: [Senniah.Appalamy@bsigroup.com](mailto:Senniah.Appalamy@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is RSPO Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta, Indonesia, Singapore, Bangkok and Australia which involve in RSPO Certification Program.

**Assessment Methodology, Programme, Site Visits**

The ASA2 was conducted from 11 - 13 November 2015. 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 sample 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 MYNI 2014 and RSPO SCCS November 2014 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 Nonconformities that were assigned during the ASA1 which was closed during the last assessment was followed up to ensure it is remaining closed. All the previous nonconformities remains closed. The assessment findings for ASA2 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. Senniah Appalasamy, the BSI Report Reviewer prior to certification decision.

**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>
Palong Palm Oil Mill	√	√	√	√	√
Palong Estate			√		
Mungka Estate		√			√
Kemedak Estate	√			√	
Sepang Loi Estate	√			√	
UMAC Estate		√			√
Labis Bahru			√		

**Tentative Date of Next Visit:** November 2016

**Total No. of Man-days:** 9 Man-days

**BSI Assessment Team:****Hafriazhar Mohd Mokhtar – Lead Assessor**

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea and Solomon Islands. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

**Mohamed Hidhir – Team member**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices and supply chain elements, safety and health, environmental and workers and stakeholders consultation.

**Muhammad Haris Abdullah – Team member**

He holds Master in Business Administration from the University Utara Malaysia and Bachelor of Business Administration (Hons) Majored in Human Resource Development from the Open University Malaysia. 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 also passed the ISO 14001, ISO 9001, and OHSAS 18001 Lead Auditor Training Courses and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. 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 community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

**Accompanying Persons:** - Nil -

## Section 3 Assessment Findings

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

- ☒ RSPO P&C MYNI 2014 Summary of Findings – Appendix A
- ☒ Kulim Malaysia Berhad - 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) 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'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. Since March 2015 all Jcorp Estate is now supplied to Pasir Panjang Mill which will enter RSPO Certification 2016. 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 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 (Malaysia) Sdn Bhd. Kulim Plantations (Malaysia) 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 Oil Mill. Kulim (Malaysia) Berhad has 100% ownership in Sindora Berhad. Sindora Berhad has Sindora Estate supplying to the certified Sindora Palm Oil Mill and Sungai Tawing Estate, supply to the certified Tereh Palm Oil Mill. Kulim (Malaysia) Berhad has 94.49% ownership in Kumpulan Bertam Plantation Berhad. Kumpulan Bertam Plantation 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 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 Plan since first certified.
3. The changes in the Time bound Plan for Pasir Panjang Palm Oil Mill is justified due to the company acquired and took over the management control..



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Kulim 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**

Two major nonconformities were raised during this 2nd annual assessment as followings:

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1264787M1	<p><b>Requirements:</b>  Indicator 2.1.1 : Evidence of compliance with relevant legal requirements shall be available 1) Highly Toxic Pesticides Regulations 1996 – Regulation 4 : Maintenance of records 2) Badan Kawalselia Air Johor (BAKAJ) river water abstract or divert license no.: 08/A/Sgt/011 (Palong Cocoa POM) &amp; 07/A/Sgt/001 (Mungka Estate)</p> <p><b>Evidence of Nonconformity:</b>  1) UMAC Estate: Class IA, Methamidophos (ENFORCE) was used for bagworm treatment. It was found that form I, II &amp; III was not available for the application date (15/9/15, 27/9/15 &amp; 27/9/15)  2) Records in both Palong Cocoa Mill and Mungka Estate shown that the consumption of water has exceeded the daily limit of river water abstract or divert license by BAKAJ</p> <p><b>Statement of Nonconformity:</b>  Evidence of compliance was not effectively implemented.</p> <p><b>Action:</b>  1) Immediate correction:  UMAC Estate has practiced to fill up form I, II &amp; III as per legal requirement for trunk injection operation dated 26/11/2015 signed by Deputy Manager.</p> <p>Corrective action:  Kulim Safety Training &amp; Services / Sustainability Department will review back the established Standard Operating Procedure which includes:  a. UMAC estate will ensure that Form I, II &amp; III required for Highly Toxic Pesticide Regulation are filled up before any trunk injection or highly chemical is used. The form shall be kept safe by operating unit.  b. Safety briefing on safe chemical handling to all trunk injector operator before start to work will recorded dated 24/11/2015.  c. Annual medical surveillance for highly hazardous chemical operator conducted dated 25/11/2015. Periodically medical screening by VMO / EHA for monitoring of health condition of the operator and closely monitored.</p>	Major

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

	<p>2) Immediate correction:  Property Department measured and analysis the actual consumption of water extraction based on the flowmeter installed and reported to BAKAJ on 9/12/2015.  Corrective action:  Property Department submitted the renewal license application for 2016 which based on the accurate consumption for both estates dated 9/12/2015.</p>	
	<p><b>Status:</b>  Closed on 5/1/2016 with implementation evidence submitted and verified.</p>	

<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
1264787M2	<p><b>Requirements:</b>  Indicator 6.5.2: 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.</p> <p><b>Evidence of Nonconformity:</b>  Extended employment contract for the following employees were not available: i.) Passport Number AR 950673 (Employment contract expired on 31/3/2014) ii.) Passport Number AP 746187 (Employment contract expired on 31/7/2014) iii.) Passport Number AR 471885 (Employment contract expired on 16/9/2015)</p> <p><b>Statement of Nonconformity:</b>  Extended employment contract for foreign workers were not available for those extended their employment with the operating units.</p> <p><b>Action:</b>  Immediate correction:  Palong Palm Oil Mill obtained the acceptance letter of extended employment contract from the respective workers dated 29/11/2015.  Corrective action:  Palong Palm Oil Mill ensured that workers agreed with terms in the extended employment contract before renewing their work permit.  Records of briefing on the extended agreement recorded dated 29/11/2015.</p> <p>The copy of the extended agreement kept safe in their respective workers personal file at the mill office and also with a copy to the workers itself.</p> <p><b>Status:</b>  Closed on 5/1/2016 with implementation evidence submitted and verified.</p>	Major

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
-Nil-	-Nil-

Positive Findings	
PF #	Description
1	The management is planning to initiate the biogas project which will significantly reduce the greenhouse gas emission upon completion.
2	Good facilities upkeep & housekeeping – 5S (Mungka Estate)
3	Positive feedbacks from stakeholders interviewed
4	Good establishment & implementation of IPM within visited estates field

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Palong Cocoa Certification Unit’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	<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>
2	<p><b>Issues</b>            Contractors: Contractors confirm payment is prompt as per agreed contract.</p> <p><b>Management Responses</b>            Payment is made as per the agreed terms.</p> <p><b>Audit Team Findings</b>            No other issues.</p>
3	<p><b>Issues</b>            Workers union secretary: No pending disputes or any wage issues. Company follow the NUPW/MAPA agreement and minimum wage requirement.</p>

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

	<p><b>Management Responses</b>  Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.</p> <p><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.</p>
4	<p><b>Issues</b>  NUPW State Secretary: Re-confirm that company follow the NUPW/MAPA agreement and minimum wage requirement. No pending disputes or any wage issues.</p> <p><b>Management Responses</b>  Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.</p> <p><b>Audit Team Findings</b>  No other issues.</p>
5	<p><b>Issues</b>  School Headmaster : It was re-confirmed that the management always support school activities. The relationship is good. No other issues.</p> <p><b>Management Responses</b>  Management assist wherever possible.</p> <p><b>Audit Team Findings</b>  No other issues.</p>
6	<p><b>Issues</b>  Mungka Village Representative: Confirmed that company maintain good relationship with the villagers and lot of job opportunities were given to the village youngsters.</p> <p><b>Management Responses</b>  Management assist wherever possible.</p> <p><b>Audit Team Findings</b>  No other issues.</p>
7	<p><b>Issues</b>  FFB Supplier - Unilease Plantation – 120ha – 5-6mt/day</p> <ul style="list-style-type: none"> <li>- Very good payment term</li> <li>- Good OER rate for FFB supplied</li> <li>- Invited to attend meetings at least once a year during renewal of contract</li> </ul> <p><b>Management Responses</b>  Info noted</p> <p><b>Audit Team Findings</b>  No further issue</p>
8	<p><b>Issues</b>  Mechanical Work Contractor – Le Engineering  Issue on payment late due to change of group company since 2012.</p> <p><b>Management Responses</b>  Payment being processed by HQ due to change of company structure since early 2013.</p> <p><b>Audit Team Findings</b>  No further issue</p>


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

Non-Conformity		
NCR No.	Description	Category (Major / Minor)
1135927M1	<p><b>Requirements</b>  Evidence of compliance with relevant legal requirements shall be available.  a) Water Service Industry Act 2006</p> <p><b>Evidence of Nonconformity</b>  During the audit, there was no evidence to show that the drinking water analysis report was submitted to the SPAN as per requirement under SPAN license No. SPAN/EKS/ (PT)/ 800-4(1)/2/14 (Attachment 2) valid till 31/1/16.</p> <p><b>Statement of Nonconformity</b>  The drinking water analysis report was not submitted Quarterly to SPAN as required under the license issued by SPAN.</p> <p><b>Close out Evidence</b>  Kulim Property Department had liaised with WACCO Sdn. Bhd. for quarterly water sampling. The latest analysis lab report by Decagon Lab &amp; Analytical Testing Sdn. Bhd (Report No.: LW/1088(1)/14) dated 2/12/2014 was send and received by SPAN on 29/12/14 (Ref. No.: PROP/SPAN (WS)/SL (206)/12-2014(002). The site visit during ASA2 confirms that minor nonconformity remains closed since last recertification assessment on 15/01/2015.</p>	Major

Observation	
OBS #	Description
1	<p>Palong Cocoa Palm Oil Mill has conducted the boundary noise monitoring (mill fencing boundary area) which was required under license No. 001584 issued by Department of Environment valid until 30 June 2015. The result of the assessment has found boundary near the vertical sterilizer area has exceeded the limit of 65dB in the morning and 55dB at night. Mill is following up on the recommendation given by the external consultant from PAC Testing &amp; Consulting Sdn Bhd to reduce noise level at the boundary of the mill. This will be followed up on the next visit.</p> <p>Action: Improvement was noted where a new silencer has been installed for the sterilizer exhaust.</p>
2	<p>During the document audit it was found that there was a Permit to Work (PTW) for confine space entry has been issued to YEM Engineering contractor for Boiler No.3 maintenance work on 25/5/14 as per DOSH code of practice for confine space entry and company procedure. Qualified AESP personnel present at the mill during the work but the PTW was wrongly signed. The mill has rectified the signing.</p> <p>Action: Improvement was noted on the confined space entry programme. Issuance of PTW, gas testing result, and cancellation of PTW was signed by competence person.</p>

**3.3.2 Summary of the nonconformities and status**

CAR Ref.	CLASS	ISSUED	STATUS
CR15	Major	12/12/2013	Closed on 06/02/2014
1135927M1	Major	12/12/2014	Closed on 15/01/2015
1264787M1	Major	13/11/2015	Closed on 05/01/2016
1264787M2	Major	13/11/2015	Closed on 05/01/2016

<b>Assessment Conclusion and Recommendation:</b>	
<p>It is concluded that Palong Certification Unit and supply base complies with the RSPO P&amp;C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014). It is recommended that the certification of Palong 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> Hafriazhar Mohd. Mokhtar</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>  <b>Date:</b> 15 January 2016</p>	<p><b>Signature:</b>  <b>Date:</b> 15 January 2016</p>

**Appendix A: Summary Report of the Assessment**

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, and 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. For UMAC estate, request and response recorded in an Enquiry Register Record.	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.			

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
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	Policy committing to a code of ethical conduct and integrity available. This has been documented and communicated with employees.  Complied
<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 -	<p><u>Palong Cocoa POM:</u></p> <ul style="list-style-type: none"> <li>• MPOB license: 578392004000 (validity period 1/12/2015 - 30/11/2016) for 192,000MT.</li> <li>• DOE Licence: JPKKS 001584 (validity period 1/7/2015 - 30/6/2016) for 40mt/hr and method of POME discharge is land application with BOD final discharge limit &lt;500mg/l. Quarterly report was submitted to DOE as per legal requirement and the last submitted was 3rd quarter on 2015 that submitted on 8/10/15 found to be meet the requirement in the compliance schedule in the permit.</li> <li>• Energy commission license no.: 1551; serial no.: 00137572 (validity period 4/10/2015 – 3/10/2016) for installation capacity limit &lt;2170kW</li> <li>• Schedule controlled item permit (Diesel) ref. no.: (9)JH(SGT)0143/08PSK; serial no.: J017344 (validity period 16/5/2015 – 15/5/2016) for storage capacity of &lt;14,000liters</li> <li>• Fire Certificate Form II Sub-regulation 3(1) certificate no.: JBPM:JH/7/072/2015; serial no.: 290898 validity period: 22/4/2015 to 21/4/2016</li> <li>• DOE Written Approval on Composting Plant Certificate no.: K05/09/05; ref. AS(B)J31/152/000/057 with capacity limit of compost production is 35,208mt/year</li> <li>• DOE Written Approval on Construction of Flare Stack for Biogas Plant Certificate no.: CDM/02/2014; ref. no. AS:C31/152/000/032 SK.1 JLD 1 (33)</li> <li>• 1<sup>st</sup> inspection &amp; 2<sup>nd</sup> : Mill SB &amp; UPV inspection (4/3/15 &amp; 18/8/15); General installation : JK4852; PMD 185 – SB; PMD 1273 – SB; PMT 60888 (BPR); JH PMT 26585 (STR); JH PMT 2535 (STR); JH PMT 3506</li> <li>• VE: JP-T-1-B-0036-1995, competent electrical service engineer. Latest visit was on 28/10/15.</li> <li>• Competent person: NW-HQ-AE-2431-M valid until 28/5/16 (AESP); NW-NJHR-AGT-0151-N valid until 15/4/17 (AGT); NW-NJHR-AGT-R-0066-N valid until 26/2/17 (AGT &amp; AESP)</li> <li>• Boiler no. 3 Boilermach PMD reg. no.: JH PMD 1273 (validity 4/3/2015 – 3/6/2016) with safety relief valve pressure setting at 2500kPa</li> </ul> <p>Major Nonconformity</p>



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Boiler no. 4 Vickers Hoskin PMD reg. no.: JH PMD 185 (validity 8/6/2015 – 7/9/2016) with safety relief valve pressure setting at 2500kPa</li> <li>• Vertical Sterilizer reg. no.: JH PMT 20585 (validity 8/6/2015 – 7/9/2016)</li> <li>• Badan Kawalselia Air Johor (BAKAJ) river water abstract or divert license no.: 08/A/Sgt/011; Valid until 31/12/2015; Max abstract capacity: 1013m<sup>3</sup>/day. However record shown daily usage was up to 2000m<sup>3</sup>. This was an NC to the license requirements.</li> </ul> <p><u>Mungka Estate:</u></p> <ul style="list-style-type: none"> <li>• MPOB license: 570584002000 (validity period 1/4/2015 - 31/3/2016)</li> <li>• Schedule controlled item permit, ref. no.: (12)JH(SGT) 0099/88PSK; serial no.: J022786 for purchase quantity of 7000 litres diesel and 3000 litres petrol; valid from 3/11/15 to 2/11/16</li> <li>• Schedule controlled item permit, ref. no.: (11)JH(SGT) 0006/82GSK; serial no.: J022785 for purchase quantity of 135kg LPG; valid from 3/11/15 to 2/11/16</li> <li>• Schedule controlled item permit, ref. no.: (12)JH(SGT) 0032/88ASK; serial no.: J022784 for purchase quantity of 350mt fertilizer; valid from 3/11/15 to 2/11/16</li> <li>• Firearm license: Kelulusan KP Johor (PR)61/6/2/3/1 dated 23/9/2015</li> <li>• Badan Kawalselia Air Johor (BAKAJ) river water abstract or divert license no.: 07/A/Sgt/001; Valid until 31/12/2015; Max abstract capacity: 163m<sup>3</sup>/day. However record shown daily usage was up to 800m<sup>3</sup>. This was an NC to the license requirements.</li> </ul> <p><u>UMAC Estate:</u></p> <ul style="list-style-type: none"> <li>• MPOB license: 501362602000 (validity period 1/4/2015 - 31/3/2016)</li> <li>• Schedule controlled item permit, ref. no.: PHG/RPN/046/83 SK (D); serial no.: C003334 for purchase quantity of 15000 litres diesel; valid from 18/6/15 to 17/6/16</li> <li>• Schedule controlled item permit, ref. no.: (11)JH(SGT) 0006/82GSK; serial no.: J022785 for purchase quantity of 600 litres Petrol; valid from 18/6/15 to 17/6/16</li> <li>• Schedule controlled item permit, ref. no.: (12)JH(SGT) 0032/88ASK; serial no.: J022784 for purchase quantity of 350mt fertilizer; valid from 3/11/15 to 2/11/16</li> <li>• Firearm license: Kelulusan KP Daerah Rompin RPN 415 dated 9/11/2015</li> <li>• Class IA, Methamidophos (ENFORCE) was used for bagworm treatment. It was found that form I, II &amp; III was not available on the application date (15/9/15, 27/9/15 &amp; 27/9/15). Thus, Major NC was issued for non-compliance against Highly Toxic Pesticides Regulations 1996.</li> </ul>	

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	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. <u>Mungka estate:</u> Holds 2 titles i.e., Grant No. HSD 52398 for PTD 15678, and HSD 52399 for PTD 15679.  <u>UMAC estate:</u> Holds 7 titles i.e., Grant No. HSD QT(R) 34 for PTD LO200, HSD 80 for PTD PT290, HSD 81 for PTD PT291 and etc. 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. 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
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

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
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	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 -	Complied
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

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
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	The estate lands are legally owned by the company and no other users were identified within the land area.  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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc.  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 -	Kulim (Malaysia) Berhad has prepared a long range replanting plan until 2021 and reviewed on yearly basis. Latest review was done on 9 April 2015. At Mungka and UMAC estates, there will be no replanting in next 5 years as the oldest palms are 11 years.  Complied
<b>Principle 4: Use of appropriate best practices by growers and millers</b>		
<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 Inspectorate 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. Latest Plantation Inspectorate visit to UMAC estate was on 17-18 August 2015 (Report No.: SS/UMAC/2/2015). For Mungka estate, agronomist visit: 2 - 3 June 2015, Plantation Inspector visit: 2 August 2015 and DOSH visit: 4/3/2015.  As for the mill, latest visit by Mill Advisor was on 25 August 2015 (Ref. No.: MJAB/PCPOM/4/2015). 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.  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 -	The Palm Oil Mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc. of the FFB received.  Complied

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator		Assessment Findings	Compliance
<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. The implementation of SOPs is checked during daily inspection by staff as well as by internal audits.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.	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. Soil sampling was done on 23/2/15 by Kulim Research and development department (UTCL Laboratory) (Report No.: SI/1503/0063-0066). Leaf sampling was done on 22/2/15 (Report No.: LI/1503/MKG/0115-0124).	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 40 - 45mt/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
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 -	Estate has implemented annual road maintenance programme. Example of programme checked at Mungka and UMAC estates shows the map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface.	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 peat soil.	Complied

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance	
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 -	<p>Palong Operating units monitored water quality of outgoing waters to identify any adverse effect from the mill and estate activities. 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.</p> <p>The mill has maintained monitoring records of water usage which recorded every day and summarised on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season. Rainfall for period from Jan to Oct 2015 recorded at 751.00mm.</p> <p>For Mungka Estate, the sampling analysis has been conducted for both outgoing water and drinking water. Drinking water sampling was done for raw &amp; treated water quality. Sampled records of drinking water analysis taken by Decagon Lab &amp; Analytical Testing Sdn. Bhd. on 27/7/15; report # LW/728(1-2)/15; dated 13/8/15. The results shown the water quality parameters including pH, Turbidity, Al, Cl<sub>2</sub>, total Coliform and E. Coli contents are within regulation limit for drinking water. Sampled records of outgoing water analysis taken by UTCL Laboratory on 7/10/2015; report # WI/1510/0658-0661; dated 23/10/2015. The results shown no significant changes on the BOD, COD, total solid, total dissolved solid, hardness and chloride on the downstream as compared to the upstream result. Rainfall for period from Jan to 11 Nov 2015 recorded at 987mm with 65 no. of rainy days.</p> <p>For UMAC Estate, the sampling of outgoing water has been done for 5 streams flowing across its estate. Sampled analysis report checked, report # WI/1408/0007-0008; dated 13/8/2014 analysed by UTCL Lab for sample taken on 4/8/2014. Latest sampling was only done on 7/4/2015 since all 5 streams was on draught without any water flow for 8 months. Results (report # WI/1505/0246-0249 dated 5/5/2015) shown parameter in compliance with standard requirements limit.</p>	Complied

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.2</p> <p>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 -</p>	<p>Based on the company's Agricultural Manual (Section A: Replanting, A17-Protection of Natural Water Courses, Updated on 1/7/2013), established river buffer zones as per MPOB's guideline:</p> <ul style="list-style-type: none"> <li>i) River width &gt; 40m; river buffer = 50m</li> <li>ii) River width 20 - 40m; river buffer = 40m</li> <li>iii) River width 10 -20m; river buffer = 20m</li> <li>iv) River width 5 - 10m; river buffer = 10m</li> <li>v) River width &lt; 5m; river buffer = 5m</li> </ul> <p>Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones.</p> <p>There was also no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.</p> <p>All the 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. Upstream and downstream river water analysis has been conducted on quarterly basis to confirm there was no contamination to the river activity by the POM and estate operation.</p>	<p>Complied</p>
<p>4.4.3</p> <p>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 -</p>	<p>Treatment of mill effluent carried out as per SOP and DOE license requirements with regular monitoring of discharge quality; especially Biochemical Oxygen Demand (BOD) is monitored. The mill effluent has been analysed for BOD on monthly basis in a ISO 17025 accredited laboratory and the result found was found complied to the DOE permit of &lt;500mg/L. Sampled report checked for July- Sept 2015 were 133mg/L (report # EI/1509/0817-0820; dated 20/9/2015), 134mg/L (report # EI/1508/0652-0655; dated 14/8/2015) and 108mg/l (report # EI/1507/0588; dated 15/7/2015) respectively analyse by UTCL Laboratory of Mahamurni Plantations Bhd.</p>	<p>Complied</p>
<p>4.4.4</p> <p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.                      - Minor compliance -</p>	<p>Average annual water consumption varies from 1.52m<sup>3</sup> – 1.79m<sup>3</sup> per tonne FFB processed with the average water usage of 1.63m<sup>3</sup> per tonne FFB processed for the period from Jan to Oct 2015. This was higher than the previous year consumption at 1.59m<sup>3</sup>.</p>	<p>Complied</p>
<p><b>Criterion 4.5:</b>                      Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>4.5.1</p> <p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.                      - Major compliance -</p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as <i>Turnera subulata</i> are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps are available. Records of rat baiting and barn owl census are available. No reported infestation by other pests (bagworms and rhinoceros beetle).</p>	<p>Complied</p>



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator		Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the staff confirm their understanding of the Kulim's IPM practices.	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 -	Written justification is in the Standard Operating Procedures of all agrochemicals used. Selected products are specific to the target pest, weed and disease. The selection is also evaluated by the agronomist during his visit to the estate.	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 -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.	Complied
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 -	Kulim has stopped paraquat usage since February 2015. Alternatives such as Glyphosate were used.  <u>UMAC Estate</u>  Class IA was used for bagworm treatment. Refer to chemical register and permit obtained by DOA dated 26/8/15.	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 equipment's 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



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance	
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 was sighted during visit.	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
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 -	<p><u>Mungka estate:</u>  The annual Medical surveillance has been conducted for the chemical handlers in workshop, chemical store, laboratory, water treatment on 24/10/15 and the report show two workers were required to refer to General Hospital for further check-up. Record verification found both workers have went to General hospital on 11/11/2015 and found to be fit. It was conducted by OHS doctor #OHD: HQ/14/DOC/00/372.</p> <p><u>UMAC estate:</u>  Medical surveillance was conducted on 10/10/15 for total of 38 workers.</p> <p>OHD, HQ/14/DOC/00/372. 1 of the workers was found unfit due to low cholinesterase level and medical removal protection was initiated on 18/10/15. The worker was reassigned to other work area (general upkeep).</p>	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

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
<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	<p>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.</p> <p>- Major compliance -</p>	<p>OSH plan sighted for 2015:</p> <p><b>Medical Surveillance</b></p> <p>Last medical surveillance was conducted on 30/10/15 by registered OHD, HQ/14/DOC/00/372. 24 workers from lab, workshop, WTP &amp; store. All workers found to be fit to work.</p> <p><b>Confined Space Entry Programme</b></p> <p>Appointed 3<sup>rd</sup> party competent person for AGT, under KSTS NW-NJHR-AGT-R-0066-N (AGT &amp; AESP)</p> <p>Sample of confined space PTW: Boiler no.3 (maintenance and inspection) dated 8/6/15.</p> <p><b>Audiometric Testing</b></p> <p>Last audiometric testing was conducted on 25/9/14 by MHA Safety and Health Sdn Bhd. Report was checked and verified by OHD, HQ/12/DOC/00/291. 14 hearing impairment and 4 STS cases recorded. Retest was conducted on 6/8/15 and reported with under hearing impairment case. 2015 programme was planned on November 2015. Report will be verified in the next audit.</p>
4.7.2	<p>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.</p> <p>- Major compliance -</p>	<p><u>Palong Cocoa Mill:</u></p> <p>CHRA dated May 2013 – JKPP HIE 127/171-2(154)</p> <p>Recommendation:</p> <p>-Chemical exposure monitoring for n-Hexane (TWA:50 ppm, 176 mg/m3)</p> <p>-Medical surveillance : Lab (n-hexane &amp; potassium chromate) Action plan (from form F) dated 30/10/15</p> <p>HIRARC – last updated 27/5/15.</p> <p><u>Mungka estate:</u></p> <p>The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Refer to revisited CHRA report for Mungka Estate, (JKPP HIE 127/171-2(154) dated 5/3/2015.</p> <p>HIRARC has been reviewed on 1/2/2015 after a minor accident dated 1/2/2015 related to tractor driver.</p>

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
4.7.3	<p>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.</p> <p>- Minor compliance -</p>	<p>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.</p> <p>Sample of PPE per each work unit and found to be adequate as per SDS and CHRA assessor recommendation.</p> <p>Complied</p>
4.7.4	<p>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.</p> <p>- Major compliance -</p>	<p><u>Palong Cocoa Mill:</u></p> <p><u>OSH meeting :</u></p> <p>#3: 17/9/15, #2 :22/6/15, #1: 27/3/15</p> <p>Safety audit conducted prior to SHC meeting. Latest inspection 15/9/15.</p> <p><u>Mungka estate:</u></p> <p>OSH Meeting: 20/8/2015</p> <p>Complied</p>
4.7.5	<p>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.</p> <p>- Minor compliance -</p>	<p>Emergency response plan was developed based on identified emergency situation. Verified ERT chart for Palong Cocoa POM, dated August 2015. ERP for CPO spillage, ERP for ETP bund breaks, ERP for fire emergency were documented with process flow and work instruction.</p> <p>Sample of work instruction verified were:</p> <p>i) SDM/WI/14, rev:0, dated 1/7/07 (Control of CPO Spillage/POME/Diesel/Chemical Rupture/ETP Bund Rupture)</p> <p>ii) SDM/WI/15, rev:1, dated 10/8/08 (Fire and Boiler Emergency)</p> <p>Emergency drill was periodically tested. Latest drill for control of spillage (CPO &amp; chemical), 21/10/15 and fire drill on 3/5/15. In overall, drill objective was achieved.</p> <p>Emergency evacuation route and emergency contact number were prominently displayed at strategic area. First aid equipment were located at both production and non-production area. Trained first aider was available at all visited work unit.</p> <p>Incident investigation done by OSH committee and reported to Safety Department. Secretary of safety committee, mill assistant.</p> <p>Complied</p>
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>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 SOMPO Insurance policy No.: 15DJBWWCZ00972 valid till 11/11/16.</p> <p>Complied</p>
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics</p> <p>- Minor compliance -</p>	<p>JKKP 8 – 2014 (incident 1, LTA: 2)</p> <p>2015 – Zero incident</p> <p>Complied</p>

**Criterion 4.8:**

All staff, workers, smallholders and contract workers are appropriately trained.

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
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 -	Complied
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	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 -	Complied
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 -	Complied

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.3</p> <p>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.</p> <p>- Minor compliance -</p>	<p>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.</p> <p>Mill: Monitoring plan was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling</p> <p>Among the mill environmental monitoring records available are sighted as following:</p> <ul style="list-style-type: none"> <li>• Treatment of mill effluent carried out as per SOP and DOE license requirements with regular monitoring of discharge quality; especially Biochemical Oxygen Demand (BOD) is monitored. The mill effluent has been analysed for BOD on monthly basis in a ISO 17025 accredited laboratory and the result found was found complied to the DOE permit of &lt;500mg/L. Sampled report checked for July- Sept 2015 were 133mg/L (report # EI/1509/0817-0820; dated 20/9/2015), 134mg/L (report # EI/1508/0652-0655; dated 14/8/2015) and 108mg/l (report # EI/1507/0588; dated 15/7/2015) respectively analyse by UTCL Laboratory of Mahamurni Plantations Bhd.</li> <li>• At Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out on 16/9/15 and 7/6/15 respectively by PAC Testing &amp; Consulting Sdn. Bhd (Report Ref. No.: PAC-AA-150916 &amp; PAC-AA-150607). Air emission monitoring also conducted on 6/6/15 for boiler stack no. 4. The result (report ref. no.: PAC-AE-150606) showed that the parameters checked were complied with the limit of the Malaysian Recommended Air Quality Guidelines and Environmental Quality (Clean Air) Regulation, 1978.</li> <li>• Online scheduled waste inventory &amp; consignment – updated as of 31/10/2015. Latest review on type of waste generated and its handling management plan was done on 2/8/2015.</li> <li>• Schedule waste at the mill have been disposed through Kualiti Alam on 8/10/15 (E-Consignment Note No.: 2015100809BO2YEL) for SW 305, SW 409, SW 410, SW 430 and SW 306.</li> </ul>	<p>Complied</p>
<p><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 and operations managed to best ensure that they are maintained and/or enhanced.</p>		

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance	
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. Re-assessment of HCV was done by Kulim Sustainability executives from 6 August to 11 September 2015 and pending for report. 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. Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Kulim is also continued 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. Signages as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - 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 no elephant sighted in Palong Complex area. Further monitoring also being carried out together with wildlife department under Johor Wildlife Conservation project.	Complied
5.2.5	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.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	PCPOM has established Waste Management Action Plan FY 2015/2016. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, line site, office, mill effluent pond.	Complied

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
5.3.2 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. As example, Mungka Estate practice triple rinsing and punctured of used chemical and disposed it through G-Planter Sdn. Bhd.	Complied
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>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. Latest review on type of waste generated and its handling management plan was done on 2/8/2015.</p> <p>Schedule waste at the mill have been disposed through Kualiti Alam on 8/10/15 (E-Consignment Note No.: 2015100809BO2YEL) for SW 305, SW 409, SW 410, SW 430 and SW 306.</p> <p>Schedule waste at Mungka Estate disposed on 19/6/15 (consignment note # 0064566). Inventory record was being maintained adequately.</p> <p>UMAC Estate last disposed its scheduled waste on 1/11/2015 for all types of scheduled waste by Kualiti Alam Sdn. Bhd. (consignment note # 0076990 – SW409; # 0076991 – SW410; # 0004002- SW305 &amp; # 0004001).</p>	Complied
<b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	<p>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. Similar to other palm oil mills under Kulim (Malaysia) Berhad, average 12% of fiber used per month combining with 6% of shell as renewable energy source.</p> <p>Average monthly fossil fuel (diesel): 0.58liter/Mt FFB processed for vehicles and standby/start-up genset consumptions for mill.</p> <p>Average monthly fossil fuel (diesel): 1.39liter/Mt FFB produced for vehicles consumptions for UMAC Estate.</p>	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.		



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
5.5.1	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 SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974 and in-line with ASEAN guidelines for zero burning. No open burning noted during the field visit and facility visit.
5.5.2	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.
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	At Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out on 16/9/15 and 7/6/15 respectively by PAC Testing & Consulting Sdn. Bhd (Report Ref. No.: PAC-AA-150916 & PAC-AA-150607). Air emission monitoring also conducted on 6/6/15 for boiler stack no. 4. The result (report ref. no.: PAC-AE-150606) showed that the parameters checked were complied with the limit of the Malaysian Recommended Air Quality Guidelines and Environmental Quality (Clean Air) Regulation, 1978. No peat land within the supply base. 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.
5.6.2	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.
5.6.3	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 -	Kulim has published Carbon footprint report. Calculation was based on PalmGHG tools. 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 wastewater samples were taken as per DOE requirement and quarterly reports sent to DOE.
<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.		



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Palong Cocoa operating unit social impact assessment was reviewed annually by taking into consideration the feedback from stakeholders 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. Sustainability Department executives conduct annual survey to get feedback from stakeholders. Latest survey was conducted on 3/7/15. SIA action plan has been updated on 1/8/15.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Assessment also covered Social Amenities, Environment, Road Users, Employee Changes, Safety and Health Issues, Surrounding Communities, Government Official, Police, Labour Department, Health Department, Contractors and Suppliers.	Complied
6.1.3 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 sustainability executives, 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
6.1.4 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 conducted by the Kulim Sustainability executives.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Palong Certification Unit.	Not applicable
<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.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	Documented consultation and communication procedures "Grievance Procedure" SOP was established and available since 2008.	Complied
6.2.2 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

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that effort 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 1/9/2015 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.  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.		
6.3.1	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
6.3.2	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.		
6.4.1	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
6.4.2	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 trans migrants 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

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
6.4.3	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.		
6.5.1	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
6.5.2	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 -	Extended employment contract for foreign workers were not available for those extended their employment with the operating units. Extended employment contract for the following employees were not available: i.) Passport Number AR 950673 (Employment contract expired on 31/3/2014) ii.) Passport Number AP 746187 (Employment contract expired on 31/7/2014) iii.) Passport Number AR 471885 (Employment contract expired on 16/9/2015) Major nonconformity was raised.  Major Nonconformity
6.5.3	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). The Mill has completed the new housing project for workers. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose.  Complied
6.5.4	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 adequately and sufficiently.  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.		
6.6.1	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

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance	
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Worker Union (NUPW) was formed by the workers. Union meeting has been conducted on the 27/10/2015 and no major issue has been highlighted. Interview with NUPW representatives confirmed that there were no pending issues. As for Mungka estate, there was a Consultative committee namely "Badan Muhibbah" has been formed and meet every three months. Latest meeting was done on 23/10/2015. At UMAC estate, last meeting was done on 12/2/2015 attended by 8 workers.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.			
6.7.1	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.	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.			
6.8.1	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
6.8.2	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 2 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
6.8.3	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.			
6.9.1	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. Gender committee namely "WOW" (Women Onwards) has been established in all operating units and guided by quality department from HQ. Latest meeting was conducted on 3/11/2015.	Complied

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave.  Complied
6.9.3	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.		
6.10.1	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
6.10.2	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
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Contractors/suppliers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement which is explained prior to signing.  Complied
6.10.4	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.  Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.		
6.11.1	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
6.11.2	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.		

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

Criterion / Indicator	Assessment Findings	Compliance	
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour in the operating units. All employees have employment contract and paid the agreed national minimum wages.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract substitution was noted.	Complied
6.12.3	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.			
6.13.1	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
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Indicator relevant to Sabah and Sarawak. Not applicable for Peninsular Malaysia.	Complied
<b>Principle 7: Responsible development of new plantings</b> Palong Cocoa Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. The immature areas are replanted area.			
<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.			
8.1.1	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.  As a minimum, these shall include, but are not necessarily be limited to: <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> - Major compliance -	Kulim has stopped the Paraquat usage since early 2015. On-going upgrading of workers housing is being implemented.  Ongoing monitoring of wildlife by Kulim joint venture with wildlife conservation society as addition to the operating units monitoring.	Complied

**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>Time Bound for certification</b>	<b>Status</b>
	<b>Malaysia</b>		
1	Sedenak Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
2	Sindora Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
3	Tereh Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
4	Palong Palm Oil Mill	2009	Certified 2009. Recertification completed in 2014
5	Pasir Panjang Palm Oil Mill (Previously certified through JCorp. But terminated due to the mill was leased to third party and Kulim (Malaysia) Berhad did not have the management control. Now the management control is under Kulim (Malaysia) Berhad after fully acquiring and took over management control of the Palm Oil Mill in 2015)	2016	Planning in 2016
	<b>Indonesia</b>	<b>Time Bound for certification</b>	<b>Status</b>
6	PT Harapan Barito Sejahtera	NPP completed	Planting in progress
7	PT Sawit Sumber Rejo	NPP completed	Planting in progress
8	PT Wahana Semesta Karisma	NPP Completed	Planting in progress



**Appendix C: Kulim (Malaysia) Berhad**
**Palong Certification Unit RSPO Certificate Details**

Kulim (Malaysia) Berhad  
 Palong Palm Oil Mill,  
 KB 504,  
 85009 Segamat, Johor,  
 MALAYSIA

BSI RSPO Certificate No: SPO 613087

Date of Initial Certificate Issued: 23 January 2009

Date of Expiry: 22 January 2019

RSPO membership number: 1-0006-04-000-00

Applicable Standards: RSPO P&C MYNI 2014; RSPO Certification System June 2007 (revised March 2011); Annex 4: Procedures for Annual Surveillance; RSPO Supply Chain Certification Standard November 2014 Module E - CPO Mills: Mass Balance

<b>Palong Palm Oil Mill and Supply Base</b>					
Location Address	Palong Palm Oil Mill, KB 504, 85009 Segamat, Johor, Malaysia.				
GPS Location	Longitude: 102° 47' 6.04" E Latitude: 2° 42' 23.09" N				
CPO Tonnage Total	38,347mt				
PK Tonnage Total	10,189mt				
CPO Claimed for Certification	38,347mt				
PK Claimed for Certification	10,189mt				
Own estates FFB Tonnage	185,249mt				
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)			
Palong Estate	984.93	846.92	89.95	1,921.80	24,496
Mungka Estate	1,413.19	315.50	201.76	1,930.45	31,659
Kemendak Estate	1,286.58	405.74	100.92	1,793.24	28,486
Sepang Loi Estate	919.89	0	83.66	1,003.55	22,678
UMAC Estate	1,549.81	0	62.53	1,612.34	38,083
Labis Bahru Estate	1,711.51	256.07	143.86	2,111.44	39,847
<b>TOTAL</b>	<b>7,865.91</b>	<b>1824.23</b>	<b>682.68</b>	<b>10,372.82</b>	<b>185,249</b>



**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

**Appendix D: Assessment Plan**

Date	Time	Subjects	Hafriazhar	Mohamed Hidhir	Muhd Haris
Wednesday 11/11/2015  <b>Palong Palm Oil Mill</b>	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).</li> </ul>	√	√	√
	09.00 – 12.00	<b>Palong Palm Oil Mill</b> 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	<b>Palong Palm Oil Mill:</b> 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.	√	√	√
Thursday 12/11/2015	08.30 – 12.00	<b>Mungka Estate</b> 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	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	<b>Mungka Estate</b> 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	√	√	√
Friday 13/11/2015	8.30 – 12.00	<b>UMAC Estate</b> 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	<b>UMAC Estate</b> 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**

**INTERNAL STAKEHOLDERS**

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
---	---	---

**EXTERNAL STAKEHOLDERS**

<b>Government Departments</b>	<b>NGOs and others</b>	<b>Local Communities</b>
Labour Department	National Union of Plantation Workers All Malaysia Estate Staff Union Malayan Agricultural Producers Association Contractors & Consultants Mechanical Contractor Electrical Contractor Mechanical Parts Supplier General Supplier	Head of the Village Neighboring Estate Mosque Committee

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

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

Requirements	Compliance
<b>E.1 Definition</b>	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>The Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.</p>
<b>E.2 Explanation</b>	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>E.3 Documented procedures</b>	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>The Palm Oil Mill has procedures for the incoming FFB, processing and outgoing Crude Palm Oil and Palm Kernel for the traceability with Mass Balance model covering certified and non-certified FFB received.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The 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.</p>
<b>E.4 Purchasing and goods in</b>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>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.</p>

**RSPO Public Summary Report**  
**Revision 1 (Sept/2014)**

E.4.2 The site shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
<b>E.5 Record keeping</b>	
E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.  (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.  c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)	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. Computerized system in place. Records verified by internal and external audit.  Computerized system in place with the delivery deducted accordingly.  The Mill aware that only positive stock can be delivered. No short selling.
E.5.2 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.

***Actual Certified Palm Production - November 2014 - October 2015 (ASA1)***

MILL	CAPACITY	CPO	PK
Palong Palm Oil Mill	40 Mt/hr	31,713	7,933

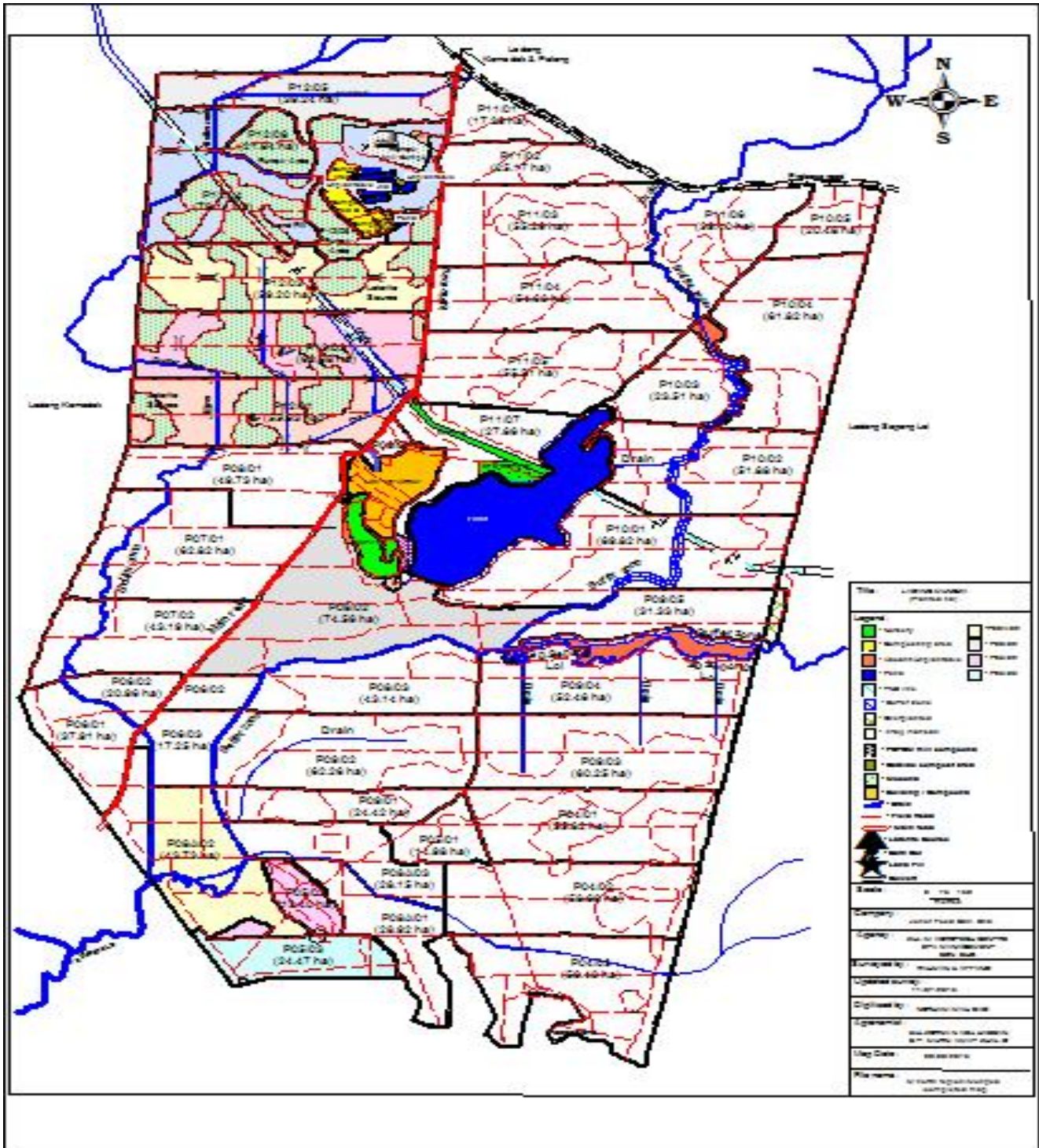
***Actual Sales of Certified Palm Products - November 2014 - October 2015 (ASA1)***

	CPO (Certified)	PK (Certified)	Remarks
TOTAL	900.90* 27,898**	2,042.64***	*CPO: Physical sales through eTrace at the time of audit. **CPO: Green Palm Certificate allocated ***PK: Physical sales through eTrace at the time of audit.

***Actual Certified FFB Received Monthly - November 2014 - October 2015 (ASA1)***

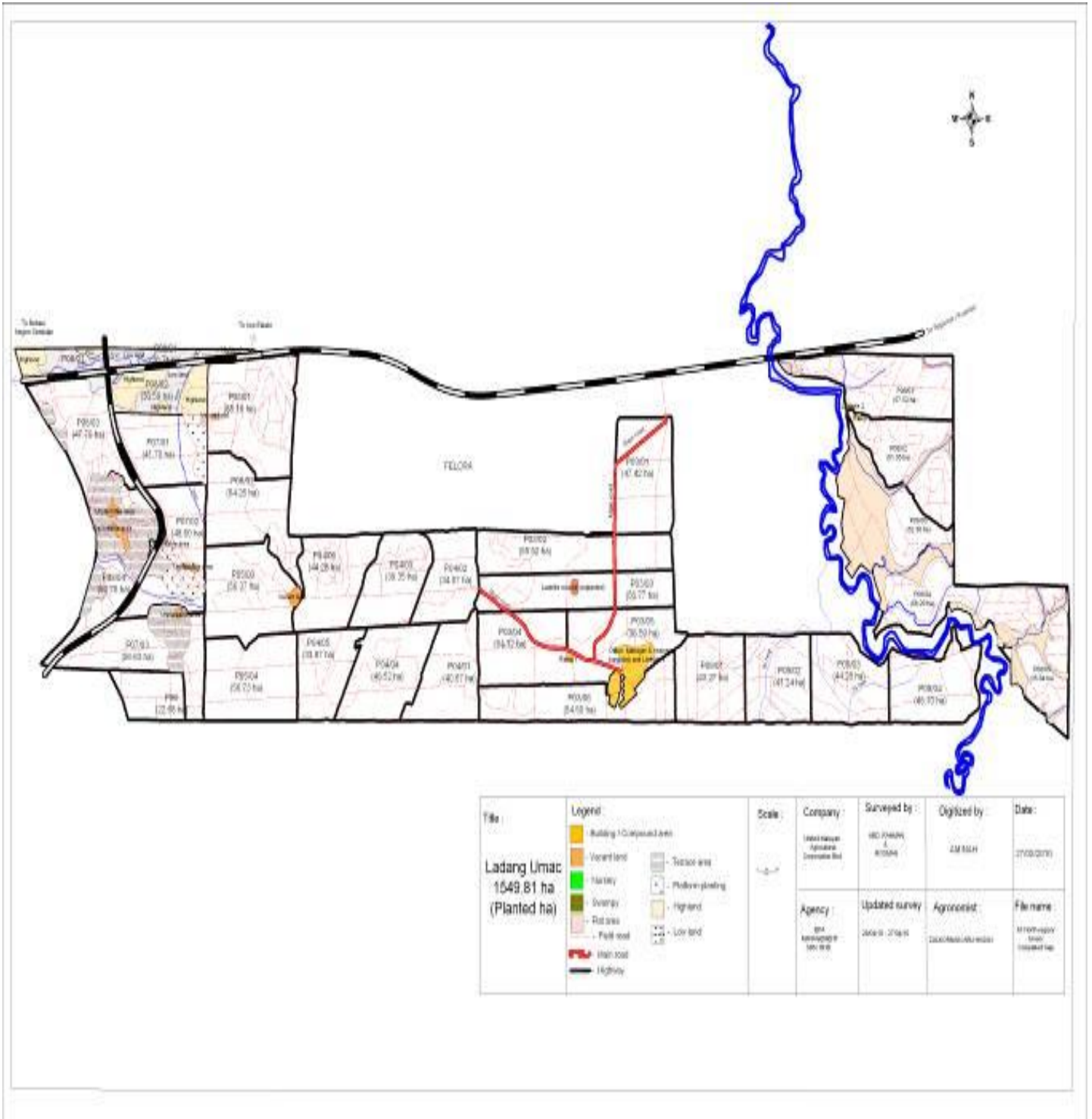
Month	Palong	Mungka	Kemedak	Sepang Loi	UMAC	Labis Bahru	Total FFB/Month
Nov. 2014	921.53	1,636.63	1,593.42	1,605.00	2,386.44	2,587.58	10,730.60
Dec. 2014	793.91	1,074.54	1,405.90	1,328.22	2,131.87	2,173.40	8,907.84
January 2015	1,122.66	1,323.59	1,539.18	1,097.61	1,980.20	2,194.85	9,258.09
February 2015	1,294.27	1,857.45	1,983.56	969.67	2,045.50	2,792.75	10,943.2
March 2015	1,425.51	2,475.35	2,050.21	1,324.59	2,479.92	2,858.81	12,614.39
April 2015	1,449.71	2,699.21	2,014.47	1,774.99	3,018.46	3,185.51	14,142.35
May 2015	1,619.07	2,646.34	2,058.11	1,952.78	2,952.74	3,009.02	14,238.06
June 2015	1,415.96	2,273.88	1,795.05	2,076.44	3,367.81	3,298.54	14,227.68
July 2015	1,133.53	1,932.99	1,618.31	1,436.08	3,066.68	2,894.07	12,081.66
August 2015	1,652.42	2,846.53	1,737.21	2,421.31	4,632.03	3,791.08	17,080.58
Sept. 2015	1,973.62	2,920.41	2,441.00	2,523.74	3,405.52	3,211.52	16,475.81
Oct. 2015	1,750.58	2,187.01	2,105.79	2,565.02	3,077.17	3,529.58	15,215.15
Total	16,552.77	25,873.93	22,342.21	21,075.45	34,544.34	35,526.71	155,915.41

Appendix G: Mungka Estate Field Map





**Appendix H: UMAC Estate Field Map**



**Appendix I: List of Abbreviations Used**

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
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
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
PPE	Personal Protective Equipment
RC	Re-Certification
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